

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
070 FARMINGTON NM  
FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821

Location of Well (Footage, Sec., T., R., M., or Survey Description)

790' FNL & 790' FWL  
Sec. 6, T24N, R7W, NMPM

5. Lease Designation and Serial No.

2005 NM 25425 PM 1 54

6. If Indian, Allotted or Tribe Name

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070 FARMINGTON NM

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Grand Gulch #2

9. API Well No.

30 039 22947

10. Field and Pool, or Exploratory Area

Dufers Point GA/DK

11. County or Parish, State

Rio Arriba, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Recomplete  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

- Set a CIBP @  $\pm 6,900'$  and cap with 5 sx neat cement.
- Pressure test the casing to check for possible leaks.
- Perforate, stimulate and test the Mesaverde.
- If this zone is deemed to be productive, then the well will be returned to production.
- If this zone is deemed not to be productive, then spot a 5 sx cement cap on top of the CIBP @  $\pm 6,900'$ .
- Spot a cement plug inside the 4-1/2" casing from 6,000' to 5,900' to isolate the top of the Gallup.
- Set a cement retainer 50' above the top Mesaverde perf and squeeze perfs leaving a 25' cement cap on top of the cement retainer.
- Spot a cement plug inside the 4-1/2" casing from 3,450' to 3,350' to isolate the top of the Cliffhouse.
- Perforate, stimulate and evaluate the Pictured Cliffs.
- If this zone is deemed to be productive, then the well will be returned to production.
- If this zone is deemed not to be productive, then set a cement retainer 50' above the top Pictured Cliffs perf and squeeze perfs leaving a 25' cement cap on top of the cement retainer. to 2252' (Fractured)
- Spot a cement plug inside the 4-1/2" casing from 2,080' to 1,840' to isolate the Kirtland and Ojo.
- Spot a cement plug inside the 4-1/2" casing from 250' to surface. Install a dry hole marker. (Nacimiento)  
311'

14. I hereby certify that the foregoing is true and correct

Signed Darin Steed Title Petroleum Engineer Date 8/26/2005

Darin Steed

(This space for Federal or State office use)

Approved by Original Signed: Stephen Mason Title \_\_\_\_\_

Date

SEP 08 2005

Conditions of approval, if any:

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, Artesia, NM 88210  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-22947	<sup>2</sup> Pool Code 97473	<sup>3</sup> Pool Name WC 24N7W6;MV
<sup>4</sup> Property Code	<sup>5</sup> Property Name Grand Gulch	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 006515	<sup>8</sup> Operator Name Dugan Production Corp	<sup>9</sup> Elevation 7,165' GR

<sup>10</sup> Surface Location

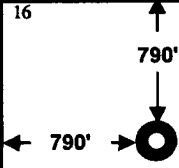
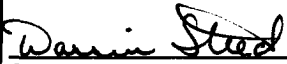
UL or lot no. D	Section 6	Township 24N	Range 7W	Lot Idn	Feet from the 790'	North/South line North	Feet from the 790'	East/West line West	County Rio Arriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature <b>Darrin Steed</b> Printed Name <b>Petroleum Engineer</b> <b>Darrinsteed@duganproduction.com</b> Title and E-mail Address <b>August 24, 2005</b> Date
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
				Date of Survey Signature and Seal of Professional Surveyor: <b>Original signed by Edgar L Risenhoover, L.S.</b> <b>5979</b> Certificate Number

**District I**  
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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-22947	<sup>2</sup> Pool Code 71439	<sup>3</sup> Pool Name Ballard Pictured Cliffs
<sup>4</sup> Property Code	<sup>5</sup> Property Name Grand Gulch	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 006515	<sup>8</sup> Operator Name Dugan Production Corp	<sup>9</sup> Elevation 7,165' GR

<sup>10</sup> Surface Location

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<sup>12</sup> Dedicated Acres 170.56	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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