

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

DEC 11 2014

5. Lease Serial No.  
NMNM2555  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.** Farmington Field Office Permit or CA/Agreement, Name and/or No. SRM 1154  
Bureau of Land Management

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. MUCHO DEAL 1E
2. Name of Operator DUGAN PRODUCTION CORPORATION Contact: ALIPH REENA Email: aliph.reena@duganproduction.com		9. API Well No. 30-045-22571-00-S1
3a. Address P.O. 420 FARMINGTON, NM 87499	3b. Phone No. (include area code) Ph: 505-325-1821	10. Field and Pool, or Exploratory UNNAMED
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T30N R14W NESW 1850FSL 1800FWL 36.811813 N Lat, 108.280624 W Lon		11. County or Parish, and State SAN JUAN COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Dugan Production plans to plug and abandon the well as per the following procedure:

- 1) Set CR @ 6278'. Pressure test casing. Spot plug above retainer @ 6278' w/12 sks (14.2 cu ft) Class B neat cement (Plug I: 6178'-6278').
- 2) Run CBL. All plugs are designed by calculating the cement top behind casing from the cement volumes. Necessary changes will be made based on the cement tops from the CBL.
- 3) Spot plug inside 4-1/2" casing at 5412' w/12 sks (14.2 cu ft) Class B neat cement (Gallup, Plug II: 5312'-5412').
- 4) Spot plug inside 4-1/2" casing at 4548' w/12 sks (14.2 cu ft) Class B neat cement (Mancos, Plug III: 4448'-4548').
- 5) Spot plug inside 4-1/2" casing at 3300' w/12 sks (14.2 cu ft) Class B neat cement (Mesaverde, Plug IV: 3200'-3300').

**RECEIVED**  
JAN 30 2015  
NMOCD  
DISTRICT III  
 **H<sub>2</sub>S POTENTIAL EXIST**

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

**Electronic Submission #284933 verified by the BLM Well Information System  
For DUGAN PRODUCTION CORPORATION, sent to the Farmington  
Committed to AFMSS for processing by TROY SALYERS on 01/28/2015 (15TLS0126SE)**

Name (Printed/Typed) ALIPH REENA	Title PRODUCTION ENGINEER
Signature (Electronic Submission)	Date 12/11/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>TROY SALYERS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/28/2015</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Farmington</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS**

NMOCD<sup>ke</sup>

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

## Revisions to Operator-Submitted EC Data for Sundry Notice #284933

	<b>Operator Submitted</b>	<b>BLM Revised (AFMSS)</b>
Sundry Type:	ABD NOI	ABD NOI
Lease:	NMNM2555	NMNM2555
Agreement:		SRM1154 (NMNM75940)
Operator:	DUGAN PRODUCTION CORP P O BOX 420 FARMINGTON, NM 87499-0420 Ph: 505-325-1821	DUGAN PRODUCTION CORPORATION P.O. 420 FARMINGTON, NM 87499 Ph: 505-325-1821
Admin Contact:	ALIPH REENA PRODUCTION ENGINEER E-Mail: aliph.reena@duganproduction.com  Ph: 505-325-1821	ALIPH REENA PRODUCTION ENGINEER E-Mail: aliph.reena@duganproduction.com  Ph: 505-325-1821
Tech Contact:	ALIPH REENA PRODUCTION ENGINEER E-Mail: aliph.reena@duganproduction.com  Ph: 505-325-1821	ALIPH REENA PRODUCTION ENGINEER E-Mail: aliph.reena@duganproduction.com  Ph: 505-325-1821
Location:		
State:	NM	NM
County:	SAN JUAN	SAN JUAN
Field/Pool:	BASIN DAKOTA	UNNAMED
Well/Facility:	MUCHO DEAL 1E Sec 14 T30N R14W Mer NMP NESW 1850FSL 1800FWL	MUCHO DEAL 1E Sec 14 T30N R14W NESW 1850FSL 1800FWL 36.811813 N Lat, 108.280624 W Lon

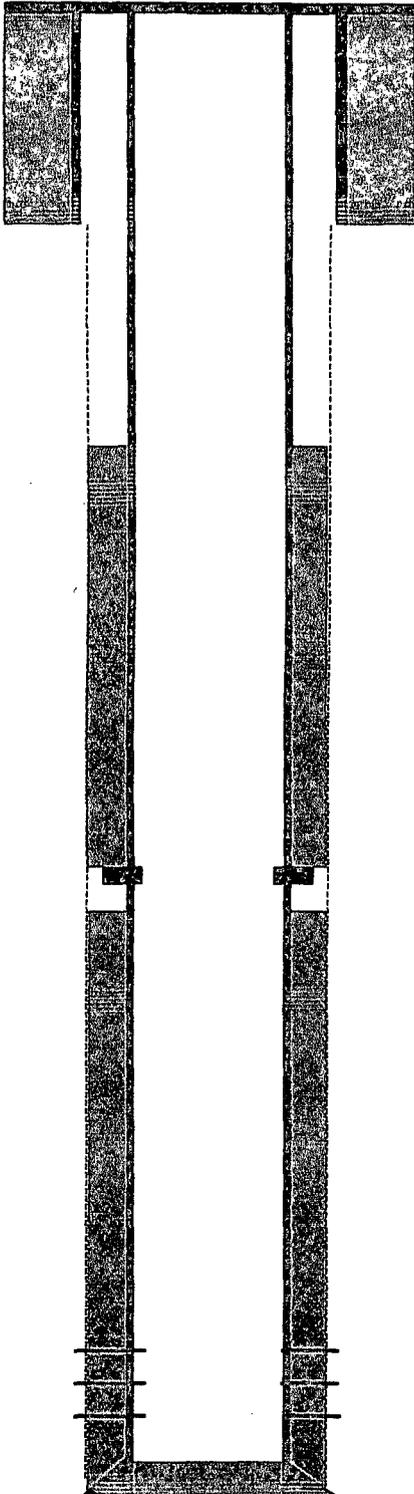
**Current Wellbore Schematic**

Mucho Deal #1E , Dakota

300-45-22571

1850' FSL & 1800' FWL

S14 T30N R14W



8 5/8" J-55 24# casing @ 245'. Cemented with 125 sks Class B w/ 2% gel. Cement tagged 20' from surface.

Cement Stage II w/ 400 sks 65:35 w/ 12% gel. (669 cu.ft). TOC calculated @ 2350'. DV tool @ 4554'.

DV tool @ 4554'

Stage I: Cemented with 200 sks Class B w/ 8% gel + 125 sks Class B neat. (531 cu.ft) Calculated TOC @ 4820'.

Dakota Perforated @ 6328' - 6429'

4 1/2" 10.5 # casing @ 6570'



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FARMINGTON DISTRICT OFFICE  
6251 COLLEGE BLVD.  
FARMINGTON, NEW MEXICO 87402

Attachment to notice of  
Intention to Abandon:

Re: Permanent Abandonment  
Well: Mucho Deal #1E

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

3. The following modifications to your plugging program are to be made:

- a) Set plug #2 (5511-5411) ft. to cover the Gallup top.
- b) Set an inside/outside plug (2840-2740) ft. to cover the Chacra top.
- c) Set plug #6 inside/outside (1772-1672) ft. to cover the Pictured Cliffs top.
- d) Set plug #7 inside/outside (1372-1272) ft. to cover the Fruitland Coal top.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: [tsalyers@blm.gov](mailto:tsalyers@blm.gov) [Brandon.Powell@state.nm.us](mailto:Brandon.Powell@state.nm.us)

Note: H<sub>2</sub>S has not been reported in this section; however, low concentrations of H<sub>2</sub>S (10 ppm - 120ppm GSV) have been reported in wells within a 1 mile radius of this location.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.