

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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)

1850' FSL & 1850' FWL
Sec. 28, T27N, R12W, NMPM

5. Lease Designation and Serial No.

NM 33021

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Coaly #1

9. API Well No.

30 045 25729

10. Field and Pool, or Exploratory Area

South Gallegos FR PC

11. County or Parish, State

San Juan, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

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

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Continue long term shut-in

- ☐ 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.)

Request continuation of long term shut-in.

We are testing the Hugh Lake 2 well in the same area. Water production from this test is limiting gas production. A sales line is installed at the Hugh Lake 2, and we are pumping the well to remove water. We are investigating other methods to lift the water from the Hugh Lake 2. Our success will determine if we can get these wells to produce or need to re-drill to run larger casing.

THIS APPROVAL EXPIRES OCT 01 2003

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

Signed

John Alexander
John Alexander

Vice-President

Date

10/1/2002

(This space for Federal or State office use)

Approved **Original Signed: Stephen Mason**

Title

Date

10/4/02

Conditions of approval, if any: