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5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
LG-3924	

## SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		7. Unit Agreement Name	
2. Name of Operator DUGAN PRODUCTION CORP.		8. Farm or Lease Name Kenny	
3. Address of Operator P O Box 208, Farmington, NM 87499		9. Well No. 1	
4. Location of Well UNIT LETTER <u>B</u> <u>330</u> FEET FROM THE <u>North</u> LINE AND <u>1650</u> FEET FROM <u>East</u> <u>36</u> TOWNSHIP <u>23N</u> RANGE <u>7W</u> NMPM. THE LINE, SECTION		10. Field and Pool, or Wildcat Lybrook Gallup Ext.	
15. Elevation (Show whether DF, RT, GR, etc.) 7284' GL; 7296' RKB		12. County Sandoval	

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <u>4 1/2" Casing &amp; Cement</u> <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Finished laying down drill pipe and collars. Rigged up and ran 145 jts. 4 1/2" O.D., 10.5#, 8 Rd, ST&C casing (T.E. 5809.51') set at 5798' RKB. Rigged up Dowell and cemented first stage with 10 bbls mud followed by 200 sx 50-50 pos plus 2% gel & 1/4# celloflake per sack (total cement slurry first stage = 254 cf). Reciprocated casing OK while cementing. Had full returns while cementing. Job complete at 3:30 P.M. 9-24-86. Dropped opening bomb and opened stage tool at 4636'. Circulated with rig pump 4 1/2 hours. Rigged up Dowell and cemented 2nd stage with 10 bbls mud flush followed by 600 sacks 65-35 plus 12% gel & 1/4# celloflake per sack, followed by 50 sx 50-50 pos plus 2% gel & 1/4# celloflake per sack (total cement slurry 2nd stage = 1390 cf). Total cement slurry both stages = 1644 cf. Full returns while cementing 2nd stage. Circulated 2 bbls mud flush to surface. Closed stage tool with 2500 psi. Job complete 9:00 PM 9-24-86.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>Jim I. Jacobs</u>	TITLE <u>Geologist</u>	DATE <u>9-25-86</u>
Original Signed by FRANK T. CHAVEZ		SUPERVISOR DISTRICT <u>9</u>
APPROVED BY	TITLE	DATE

CONDITIONS OF APPROVAL, IF ANY: