

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 & 1850' FEL (NW/4 NE/4)
Unit B, Sec. 6, T27N, R13W, NMPM

5. Lease Designation and Serial No.

NM-89131

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

No Doubt #90

9. API Well No.

30 045 30781

10. Field and Pool, or Exploratory Area

WAW Fruitland Sand 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

☐

Abandonment

☐

Change of Plans

☒

Subsequent Report

☐

Recompletion

☐

New Construction

☐

Final Abandonment Notice

☐

Plugging Back

☐

Non-Routine Fracturing

☐

Casing Repair

☐

Water Shut-Off

☐

Altering Casing

☐

Conversion to Injection

☒

Other

Surface Casing

☐

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.)

Spud on 03/07/02.

Set 7" 20 lb./ft. casing. Landed @ 132'. Cemented with 59 cu. ft. Class "B" with 1/4 lb./sx. celloflake.

Circulated 2 bbl. cement to surface. Pressure tested casing and blow out preventer to 600 psi; held ok.

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

Signed

Terry Kochis

Title

Engineer

Date

3/19/2002

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ACCEPTED FOR RECORD

MAR 21 2002

FARMINGTON FIELD OFFICE

BY

Title 18 U.S.C. Section 1001, makes 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 statement or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

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Drill to TD 1,395' on 03/12/02.

Ran 4-1/2" 10.5 lb./ft. casing. Landed @ 1,388'. Cemented with 164.8 cu. ft. Class "B" containing 2% Lodense and 1/4 lb./sx. celloflake.

Tailed with 83.5 cu. ft. containing 1/4 lb./sx. celloflake.

Circulated 9 bbls. cement.

Job completed on 03/13/02.

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

Signed

Terry Kochis

Title

Engineer

Date

3/19/2002

(This space for Federal or State office use)

Approved by

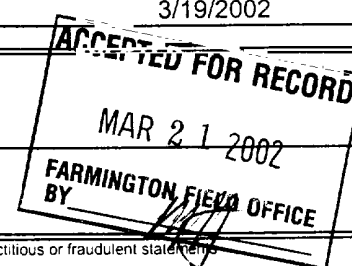
Title

Date

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No Doubt #909. API Well No.
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Pressure test csg to 3,000 psi

Run GR-CCL-CNL

Perforate Fruitland Coal 1,191' - 1,200' & 1,242' - 1,250' w/4 shots/ft (68 shots for 17 ft).

Breakdown w/ 200 gal 15% HCL followed by Frac 40,000# 20/40 sand in
26,600 gal 70 quality foam containing 20# X - Link gel.

Job was completed on 04/11/02.

RECEIVED
2002 APR 17 AM 11:47
070 FARMINGTON, NM

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

Signed

T. Kochis

Title

Engineer

Date

4/16/2002

Terry Kochis

(This space for Federal or State office use)

Approved by

Title

Date

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ACCEPTED FOR

APR 17 2002

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11000



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

NM - 89131
3162.3-1
3162.3-2 (07100)

April 24, 2002

Kurt Fagrelus
Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499

Dear Mr. Fagrelus:

Reference is made to the following well on Federal oil and gas lease NM-89131:

B -
**No Doubt No. 90, located 790' FNL and 1850' FEL, Sec 6, T.27N., R.13W.,
San Juan County, New Mexico.**

On February 5, 2002, this office approved an Application for Permit to Drill to complete in the WAW Fruitland Sand Pictured Cliffs interval of the referenced well. Your Subsequent Report was received on April 17, 2002, outlining your change of plans to perforate and complete this well in the Basin Fruitland Coal formation. Pursuant to the General Requirements attached to the APD, prior approval by the BLM Authorized Officer is required for a variance from the approved drilling program. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent (on a Sundry Notice Form 3160-5) within three business days. This office has no record of prior approval, written or verbal, being authorized to change the completion interval. As such, you are in violation of 43 CFR 3162.3-1, for failure to comply with the written requirements of the Application for Permit to Drill.

In addition to the foregoing, you are also in violation of 43 CFR 3162.3-2, Subsequent Well Operations, which requires prior approval before commencing completion in a different interval than what was approved on your Application for Permit to Drill. These are considered minor violations and this will serve as notice that if violations of this sort occur in the future, you will be subject to a monetary assessment. Enclosed you will find your processed Sundry Notice and Well Completion Report.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request will not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3154.4, and 43 CFR 4.400, et seq.

If you have any questions regarding the above contact Matt Halbert at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Senior Technical Advisor,
Petroleum Management Team

Enclosures: (2)

cc:

NMOCD, Aztec, NM

NMOCD, Santa Fe, NM