

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved
Budget Bureau No. 1004-0135
Expires August 31, 1985

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—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.	8. FARM OR LEASE NAME Pet Inc.
3. ADDRESS OF OPERATOR P.O. Box 420, Farmington, NM 87499	9. WELL NO. 1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 660' FNL & 660' FWL	10. FIELD AND POOL, OR WILDCAT Ojo Gallup
14. PERMIT NO.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 26, T28N, R15W, NMPM
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5563' KB	12. COUNTY OR PARISH San Juan
	13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	PULL OR ALTER CASING
FRACTURE TREAT	MULTIPLE COMPLETE
SHOOT OR ACIDIZE	ABANDON*
REPAIR WELL	CHANGE PLANE
(Other)	

WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREATMENT	ALTERING CASING
SHOOTING OR ACIDIZING	ABANDONMENT*
(Other)	

RECEIVED

MAY 29 1990

OIL CON. DIV. 1
DIST. 3

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent data 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.)*

We intend to plug well as follows:

- 1.) Spot 100' plug across Gallup top 4298-4198' with 10 cu.ft. cement.
- 2.) Perforate 100' below Mesa Verde top at 2142'. Spot 200' plug 2142' - 1942' with 74 cu.ft.
- 3.) Perforate 100' below Chacra top at 1458'. Spot 200' plug 1458-1258' with 74 cu.ft.
- 4.) Perforate 100' below Pictured Cliffs top at 598'. Spot 200' plug 598-398' with 74 cu.ft.
- 5.) Perforate 100' below 9-5/8" surface casing shoe at 317'. Establish circulation to surface. Fill 4-1/2" and 4-1/2" - 9-5/8" annulus with cement (approximately 120 cu.ft.). If circulation can not be established, spot 200' plug 317'- 117' with 68 cu.ft.
- 6.) If cement does not circulate to surface, perforate at 50'. Spot plug to surface with 15 cu.ft.
- 7.) Set dry hole marker.

Note: All cement will be class "B". All plugs will be spotted with 9 lb/gal mud.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

SIGNED John Alexander

TITLE Operations Manager

DATE 5-21-90

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Kon Townsend

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IN REPLY REFER TO
(019)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: 1 Navajo (Per Inc)

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):
 - a) move Chacra plug up 1010'-810' (#3)
 - b) Bring P.C. plug up to 117' (Fruitland Top @ 336')

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

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.

2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.

3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.

4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6^{lb}/gal slurry weight is to be used when using class B neat cement or when CaCl₂ is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).

5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perms-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.

5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.

6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.

7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.