

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

RECEIVED
 2002 JUL 24 AM 10:58
 070 FARMINGTON, NM

5. Lease Designation and Serial No. **SF 078110**

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No. **Federal I #4**

9. API Well No. **30 045 20397**

10. Field and Pool, or Exploratory Area **Harper Hill FR Sand PC**

11. County or Parish, State **San Juan, NM**

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 (Footing, Sec., T., R., M., or Survey Description)
**1100' FNL & 1600' FWL
 Sec. 1, T29N. R14W, NMPM**

12. CHECK APPROPRIATE BOX(S) 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"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Continuation of Long Term Shut In</u>	<input type="checkbox"/> 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.

The Federal I No. 4 was producing ± 45 mcf/d; however was shut in upon completing the Federal I No. 4R, since both wells share a common spacing unit comprising the NW/4 and statewide rules will not allow multiple wells to be produced. We have discussed options to allow both wells to produce, and the NMOCD has advised that pool rules will need to be established. This will require proper notification, a formal hearing before the NMOCD, and a subsequent order allowing multiple wells to be produced from a common spacing unit in the Harper Hill Fruitland Sand-Pictured Cliffs Gas Pool. We are also considering similar pool rule modifications in other Fruitland Sand-Pictured Cliffs gas pools in which we have similar situations of multiple wells within a common spacing unit. We request that the BLM approve an extension to the long-term shut in which will allow us additional time to secure regulatory approval to produce multiple wells within a common Harper Hill Fruitland Sand-Pictured Cliffs spacing unit.

THIS APPROVAL EXPIRES AUG 01 2003

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

Signed John D. Roe Title Engineering Manager Date 7/23/2002
John D. Roe

(This space for Federal or State office use)

Approved by **Original Signed: Stephen Mason** Title _____ Date 7/26/02

Conditions of approval, if any:

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 statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

NMOCD