Form 3160-5

UNITED STATES

PORM APPROVED		
Budget Bureau No.		
Fraire: March		

June 1990)	DEPARTMENT	OF THE INTERIOR	Expires: March 31, 1993 5. Lease Designation and Serial No.
	BUREAU OF LAND MANAGEMENT		MM 030555A
Do not i	use this form for proposals to drill	ND REPORTS ON WELLS or to deepen or reentry to a different reservoir. PERMIT—" for such proposals	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE			7. If Unit or CA, Agreement Designation
1. Type of Well Oil X Gas Well Well Other 2. Name of Operator			8. Well Name and No. Five of Diamonds 1
Dugan Production Corp.			9. API Well No. 30-045-22769
3. Address a	nd Telephone No. O. Box 420, Farmington, NM of Well (Footage, Sec., T., R., M., or Survey Descr	(87499 (505) 325-1821	10. Field and Pool, or Exploratory Area Wildcat Pictured Cliffs
81	0' FNL - 1450' FWL c. 10, T30N, R13W, NMPM		San Juan, NM
12.	CHECK APPROPRIATE BOX(s)	TO INDICATE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
	TYPE OF SUBMISSION	TYPE OF ACTION	
	X Notice of Intent	Abandonment Recompletion	Change of Plans New Construction Non-Routine Fracturing
	Subsequent Report	Plugging Back Casing Repair Altering Casing	Water Shut-Off Conversion to Injection
	Final Abandonment Notice	Other	Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
13. Describe give	subsurface locations and measured and the vertical	ertinent details, and give pertinent dates, including estimated date of starting depths for all markers and zones pertinent to this work.)*	any proposed work. If well is directionally drilled,
	Plug by pumping 58 of firl completely.	cu. ft. Class B + 6% gel down	2-7/8" casing to $$

CONDITIONS OF AFPROVAL 6/30/92 Tide Operations Manager APPROVED

NMOCD

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, fictition representations as to any matter within its jurisdiction.

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 Five of Diamonds

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) 599-8907

- 3. Blowout prevention equipment is required.
- 4. The following modifications to your plugging program are to be made (when applicable):

After the cement has set, tag top of cement and refill casing, it Necessary.

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#/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 perfs-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 withdrawl 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.