

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: May 5th, 2014

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other:

Well information:

API/WELL#	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-24229-00-00	LA LEE ANN	001	DUGAN PRODUCTION CORP	G	A	San Juan	F	B	28	27	N	13	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations
Provide CBL to agencies prior to cementing

NMOCD Approved by Signature

May 15, 2014
Date

**Deputy Oil & Gas Inspector,
District #3**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM37913

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
LA LEE ANN 1

2. Name of Operator Contact: ALIPH REENA
DUGAN PRODUCTION CORPORATION Email: aliph.reena@duganproduction.com

9. API Well No.
30-045-24229-00-S1

3a. Address
FARMINGTON, NM 87499

3b. Phone No. (include area code)
Ph: 505-325-1821

10. Field and Pool, or Exploratory
WAW

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 28 T27N R13W NWNE 0990FNL 1650FEL
36.550720 N Lat, 108.220444 W Lon

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Dugan Production plans to plug & abandon the well as per the following procedure:

1. Pressure test 2-7/8" 6.5# casing to 600 psi.
2. Top of the cement calculated at surface.
3. Pump 15 bbls water down casing to establish rate.
4. Mix and pump about 60 sks (70.8 cu ft) Class B neat cement from surface down the casing.
5. Tag top of cement at surface.
6. Fill 7" annulus with cement if necessary.
7. Cut wellhead and install dry hole marker.

OIL CONS. DIV DIST. 3

MAY 08 2014

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

**Electronic Submission #244425 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 05/06/2014 (14SXM0675SE)**

Name (Printed/Typed) ALIPH REENA

Title PRODUCTION ENGINEER

Signature (Electronic Submission)

Date 05/05/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON

Title PETROLEUM ENGINEER

Date 05/06/2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

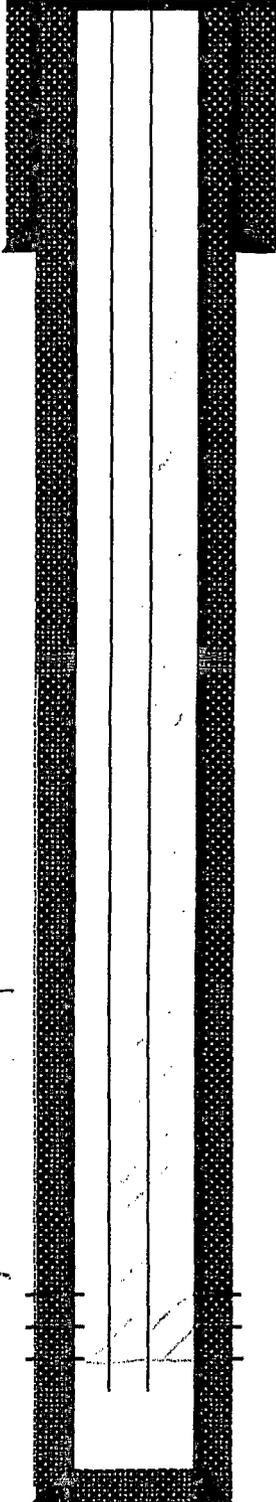
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOC D PV

Current Wellbore Schematic

La Lee Ann # 001
300-45-24229
S28 T27N R13W
990 FNL & 1650 FEL



83'
7" 26# J-55 casing @ 26'

$$1332 / 30.771 (1.18) = 37 \text{ sv}$$

1 1/4" tubing set @ 1323'

2-7/8" 6.5 # casing @ 1413'. PBTB @ 1374'

Pictured Cliffs Perfs @ 1322'-1332'

OA 45'

kt 171

Pr 1006'

PC 1321'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON FIELD OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of

Re: Permanent Abandonment

Intention to Abandon:

Well: 1 La Lee Ann

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) After plug has set, tag top of cement and refill casing with cement if necessary.
 - b) Since the top of cement behind the 2 7/8" casing is unknown, a cement plug between the 7" and the 2 7/8" casings may be necessary.

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