

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.
NMNM117578

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
COFFEE 19. API Well No.
30-045-35798-00-X110. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL11. County or Parish, State
SAN JUAN COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE

2. Name of Operator

DUGAN PRODUCTION CORPORATION

Contact: KEVIN SMAKA

Email: kevin.sma@duganproduction.com

3a. Address

709 E MURRAY DRIVE
FARMINGTON, NM 87499

3b. Phone No. (include area code)

Ph: 505.325.1821

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 21 T23N R11W NESE 1963FSL 660FEL
36.210793 N Lat, 108.004105 W Lon

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

On 6/22/17, Pressure test 5-1/2" csg to 3000 psig for 30 mins, held. On 7/7/17 ran CBL & GR-CCL-CNL logs. On 7/11/17 perforate Fruitland Coal from 334'-371'; 382'-386'; 386'-410' w/4 spf (total 55', 220 holes).

Dugan Production Corp. has drilled, cased cement and perforated the Coffee #1 but due to crew shortages has been unable to stimulate the well. Dugan intends to begin producing the well by flowing gas and swabbing the well as needed.

Once a frac crew is available, the well will be hydraulically fractured, a pumping unit will be set on location, and the well will be produced in a more conventional manner.

Gas that is produced will be sold to Enterprise via Dugan Production's Sesamee Street Gathering

OIL CONS. DIV DIST. 3

AUG 23 2017

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

Electronic Submission #384452 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by JACK SAVAGE on 08/22/2017 (17JWS0203SE)

Name (Printed/Typed) KEVIN SMAKA

Title ENGINEER

Signature (Electronic Submission)

Date 08/11/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

JACK SAVAGE
Title PETROLEUM ENGINEER

Date 08/22/2017

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.

(Instructions on page 2)

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

NMOCD

Additional data for EC transaction #384452 that would not fit on the form

32. Additional remarks, continued

System.