

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.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

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| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 8. Well Name and No. BOLT 1 |
| 2. Name of Operator DUGAN PRODUCTION CORPORATION Contact: ALIPH REENA Email: aliph.reena@duganproduction.com | 9. API Well No. 30-045-35790-00-X1 |
| 3a. Address 709 E MURRAY DRIVE FARMINGTON, NM 87499 | 10. Field and Pool or Exploratory Area BASIN FRUITLAND COAL |
| 3b. Phone No. (include area code) Ph: 505.325.1821 | 11. County or Parish, State SAN JUAN COUNTY, NM |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T23N R10W SENW 1772FNL 1669FWL 36.243660 N Lat, 107.887085 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Hydraulic Fracturing |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other Drilling Operations |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Convert to Injection |

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 must 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 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.

MI&RU D&D Rig #1 on 7/3/18. Spud well and drill to 145' RKB on 7/5/18. Ran 3 jts 8-5/8" 24# J-55 csg to 126, float collar @ 84'. Cement w/100 sx, 117 cu ft - 21 bbls, 1.17 cu ft/sk, 15.8#, 5.24 gal/sk, 13.1 bbl mix water - Halliburton Halcem cement system - Class G cement - w/2% CaCl₂ @ 3.0 bbl/min. Dropped plug. Displaced w/5.5 bbls water. Circulated 7 bbls cement to surface. Plug on bottom at 2:50 p.m. 7/5/18. Shut down well with pressure for the day.

NU BOP on 7/6/18. Pressure test blind rams & casing to 800 psi. Pressure leaked off @ 40 psi/min. No flow to surface. Couldn't get to hold pressure. Notified OCD & BLM. Ok to drill out shoe. Pressure test pipe rams to 800 psi for 30 mins, held ok; low test to 250 psi for 10 mins, held. Pressure test choke manifold, kill line, TIW valve to 800 psi for 30 mins, held; low test to 250 psi, held. All tests witnessed by Mark Decker of BLM Farmington Field Office. Note: tagged

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DISTRICT III

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| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #427449 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by JACK SAVAGE on 07/18/2018 (18JWS0158SE) | |
| Name (Printed/Typed) ALIPH REENA | Title AGENT, ENGINEERING SUPERVISOR |
| Signature (Electronic Submission) | Date 07/16/2018 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------------------|-------------------|
| Approved By ACCEPTED | JACK SAVAGE PETROLEUM ENGINEER | Date 07/18/2018 |
| 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 ****

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Additional data for EC transaction #427449 that would not fit on the form

32. Additional remarks, continued

cement @ 75' w/7-7/8" bit. Drilled shoe out. Shut in for day. ✓