

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**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		5. Lease Serial No. NMNM33025
2. Name of Operator DUGAN PRODUCTION CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 709 E MURRAY DRIVE FARMINGTON, NM 87499		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 505.325.1821		8. Well Name and No. HUGH LAKE 90
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T27N R12W SWSW 890FSL 905FWL 36.526897 N Lat, 108.122866 W Lon		9. API Well No. 30-045-29829-00-S1
		10. Field and Pool or Exploratory Area BASIN FRUITLAND COAL
		11. County or Parish, State SAN JUAN COUNTY, NM

**12. CHECK THE 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"/> 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 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 recompleate 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 recompleation 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.

Dugan Production Corp. plans to plug and abandon the well as per the following procedure:

- 1) Set CIBP @ 1184'. Load hole. Pressure test casing to 600 psi. Circulate 6 bbls cement to surface during primary cement job.
- 2) Spot inside Plug I above BP @ 1184' w/28 sx (33 cu ft) Class B w/2% CaCl<sub>2</sub> cement to 870' (15.6#/gal, 1.18 cu ft/sk) - Fruitland, Plug I: 870'-1184'.
- 3) Spot Plug II below surface casing shoe @ 233' w/22 sx (26 cu ft) Class B cement w/2% CaCl<sub>2</sub> to surface (15.6#/gal, 1.18 cu ft/sk) - Surface, Plug II: 0-233'.
- 4) Fill casing w/cement in case needed. Cut wellhead.
- 5) Install dry hole marker. Clean location.

Notify NMOCD 24 hrs  
prior to beginning  
operations

NMOCD

AUG 22 2018

DISTRICT III

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #424351 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by JACK SAVAGE on 08/09/2018 (18JWS0172SE)</b>	
Name (Printed/Typed) ALIPH REENA	Title AGENT, ENGINEERING SUPERVISOR
Signature (Electronic Submission)	Date 06/15/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By JACK SAVAGE	Title PETROLEUM ENGINEER	Date 08/09/2018
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 \*\***

NMOCD

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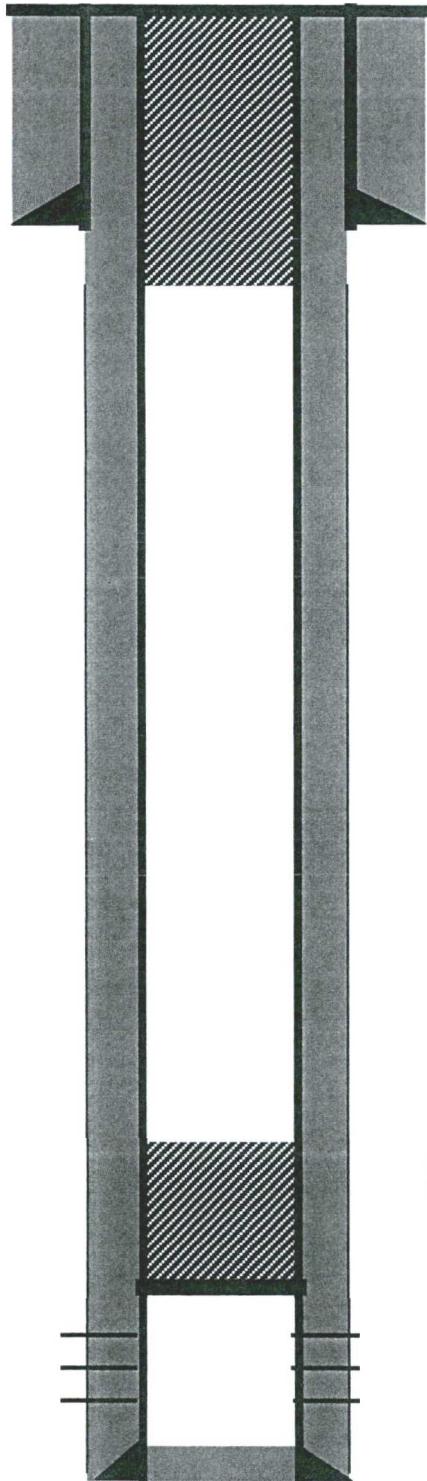
### Planned P & A Schematic

Hugh Lake # 90

30-045-29829, Basin Fruitland Coal

890 FSL & 905 FWL, NM-33025

S33 T27N R12W, San Juan County



7" 23# casing @ 127'. Cemented with 60 sks Class B.  
Hole size 8-3/4". 2 bbl Cement circulated to surface.

Spot plug to surface w/ 22 sks Class B Cement (26 cu.ft)  
(Plug II, Kirtland-Ojo Alamo-Surface, 0-233')

4 1/2" 10.5 # casing @ 1412'. Hole size: 6-1/4"

Cement production casing w/ 75 sks 2% Lodense followed by 70 sks  
Class B. Total Cement volume, 236 cu.ft. Cement circulated to  
surface.

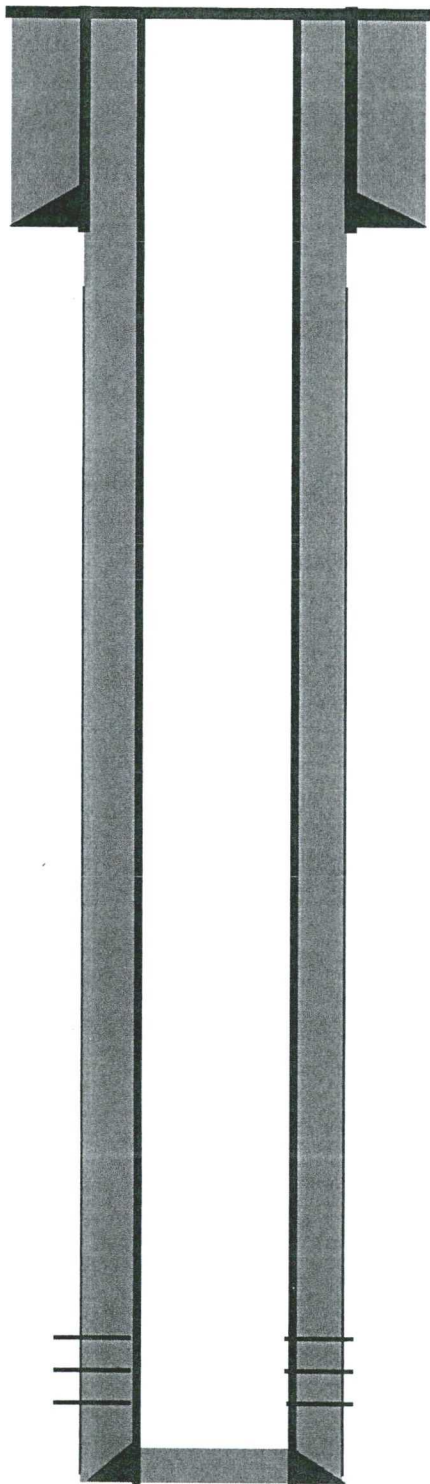
Set CIBP @ 1184'. Set Inside Plug I with 28 sks (33 cu.ft)  
@ 870'-1184' w/ Class B cement.(870'-1184') (Plug I, Fruitland )

Fruitland Coal Perforated @ 1234' – 1250'

PBTD @ 1340', TD 1420'

Current Wellbore Schematic

Hugh Lake # 90  
30-045-29829, Basin Fruitland Coal  
890 FSL & 905 FWL,  
NM-33025  
S33 T27N R12W, San Juan County



7" 23# casing @ 127'. Cemented with 60 sks Class B.  
Hole size 8-3/4". 2 bbl Cement circulated to surface.

4 1/2" 10.5 # casing @ 1412'. Hole size: 6-1/4"

Cement production casing w/ 75 sks 2% Lodense followed by 70 sks  
Class B. Total Cement volume, 236 cu.ft. **Cement circulated to  
surface.**

Fruitland Coal Perforated @ 1234' – 1250'

PBTD @ 1340', TD 1420'



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

Attachment to notice of  
Intention to Abandon:

Re: Permanent Abandonment  
Well: Hugh Lake 90

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) Set Plug 2 (336 – 0) ft. to cover the Kirtland and Ojo Alamo tops. BLM picks top of Kirtland at 286 ft. BLM picks top of Ojo Alamo at 190 ft.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

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