

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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 reverse side.**

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. NM-10758
2. Name of Operator DUGAN PRODUCTION CORP.		6. If Indian, Allottee or Tribe Name
3a. Address 709 EAST MURRAY DRIVE FARMINGTON, NM 87401		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 505.325.1821 Fx: 505.327.4613		8. Well Name and No. Multiple-- See Below
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple-- See Below		9. API Well No. Multiple-- See Below
		10. Field and Pool, or Exploratory
		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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Production Facility Changes
	<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 shall 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 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.)

A Waukesha 145 compressor will be installed at the pipeline connect to the main line (Exhibit 1). This compressor will assist production from both the Pittam Pond #5 and Pittam Pond #90 to overcome existing pipeline pressure on the main Turk's Toast gas line.

WELLS/FACILITIES

Lease	Well/Fac Name, Number	API Number	Location
NM-10758	PITTAM POND 90 PITTAM POND 5	30-045-29995 30-045-29599	Sec 35 T30N R15W NENE 803FNL 890FEL Sec 35 T30N R15W SWNE 1990FNL 1860FEL

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

Electronic Submission #24121 verified by the BLM Well Information System
For DUGAN PRODUCTION CORP., will be sent to the Farmington

Name (Printed/Typed) KURT FAGRELIUS	Title GEOLOGIST
Signature <i>Kurt Fagrelus</i>	Date 10/09/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Ray Sanchez</i>	Title <i>EP/ROW Team</i>	Date <i>10/22/03</i>
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 <i>FFO</i>

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.

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