

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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
NOG091217636. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other COAL BED METHANE8. Well Name and No.
LENNON COM 2

2. Name of Operator

DUGAN PRODUCTION CORPORATION
Contact: JOHN C ALEXANDER
Email: johncalexander@duganproduction.com

9. API Well No.

30-045-35148-00-X1

3a. Address

FARMINGTON, NM 874990420

3b. Phone No. (include area code)

Ph: 505-325-1821

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

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

Sec 19 T22N R8W NESE 1765FSL 1020FEL
36.122830 N Lat, 107.717400 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 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"/> 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 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 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.)

Spud 12-1/4" hole @ 0830 hrs on 12/2/11. Drilled to 133'. Run 8-5/8" 24# J-55 csg. Land @ 126' float collar @ 84'. Cement w/120 sx Type III cement w/1/4# celloflake/sx + 2% CaCl₂ & 53.6% fresh water. Displaced 5.3 bbls water. Circulated 6 bbls cement to surface. NU BOP. Pressure test blind rams & csg to 800 psi for 30 mins, held ok. Pressure test pipe rams to 2000 psi for 10 mins, held ok; 250 psi for 5 ins, held ok. Pressure test choke manifold, kill lines, Kelly valve to 2000 psi for 10 mins, held ok; 250 psi for 5 mins, held ok.

RCVD DEC 14'11

OIL CONS. DIV.

DIST. 3

14. Thereby certify that the foregoing is true and correct.

Electronic Submission #124965 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by SHEA VALDEZ on 12/12/2011 (12SCV0015SE)

Name (Printed/Typed) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 12/06/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**SHEA VALDEZ
Title ENGINEER

Date 12/12/2011

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 **

NMOCD_W