

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 6/17/14

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E	Feet	NS	Ft	EW
30-045-35232-00-00	FEDERAL B COM	091	DUGAN PRODUCTION CORP	G	N	San Juan	F	K	31	30	N	11	W	1355	S	2040	W

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: Drilling operations

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Amend sundry: Surface casing landed @ 126' surface hole TD @ 105'

NMOCD Approved by Signature

7/25/14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.
NMNM019411

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
NMNM110404

8. Well Name and No.
FEDERAL B COM 91

9. API Well No.
30-045-35232-00-X1

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

11. County or Parish, and State
SAN JUAN COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other: COAL BED METHANE

2. Name of Operator Contact: JOHN C ALEXANDER
DUGAN PRODUCTION CORPORATION Email: johncalexander@duganproduction.com

3a. Address 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 31 T30N R11W NESW 1355FSL 2040FWL
36.765300 N Lat, 108.033830 W Lon

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 Drilling Operations
	<input type="checkbox"/> Change Plans	<input 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 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 shall 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 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" @ 3:30 p.m. on 6/4/14. Drilled to 105'. Run 8-5/8" 24# J-55 csg on 6/5/14. Land @ 126', float collar @ 84'. Cement w/93 sx Type III cement w/1/4# celloflake/sx + 2% CaCl2 + 53.6% fresh water @ 1.5 bpm. Displace w/6 bbls water. Circulate 7 bbls cement to surface. NU BOP. Pressure test csg & blind rams to 800 psi for 30 mins, held ok. Pressure test pipe rams to 2000 psi for 10 mins, held ok; low test 250 psi for 5 mins, held ok. Pressure test choke manifold, kill line, Kelly valve to 2000 psi for 10 mins, held ok; low test to 250 psi for 5 mins, held ok.

OIL CONS. DIV DIST. 3

JUN 19 2014

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

**Electronic Submission #249765 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFSS for processing by WILLIAM TAMBEKOU on 06/17/2014 (14WMT0088SE)**

Name (Printed/Typed) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 06/16/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**

WILLIAM TAMBEKOU
Title PETROLEUM ENGINEER

Date 06/17/2014

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