

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. NMNM109403
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. CLAY COM 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T23N R10W NWNW 1102FNL 661FWL 36.202164 N Lat, 107.890419 W Lon		9. API Well No. 30-045-35799-00-X1
		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 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"/> Change Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Plug Back
	<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 recompletable 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 12/4/17. Spud 12-1/4" hole on 12/4/17 @ 8:00 a.m. Drill 12-1/4" hole to 145' RKB. Ran 3 jts 8-5/8" 24# J-55 csg to 126.40', float collar @ 84.50'. Cemented w/110 sacks, 130 cu ft (23 bbls, 1.18 cu ft/sk, 15.8#, 5.24 gal/sk) Halliburton Halcem cement system - Class G cement - w/2% CaCl2 at 3.0 bbl/min. Drop plug @ 6:00 p.m. on 12/5/17. Displaced w/6.3 bbls water. Circulated 8 bbls cement to surface. NU BOP. Pressure test blind rams and casing to 800 psi for 30 mins, held ok. Pressure test pipe rams to 800 psi for 30 mins, held; low test 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.

OIL CONS. DIV DIST. 3

JAN 08 2018

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #397999 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by JACK SAVAGE on 01/05/2018 (18JWS0039SE)	
Name (Printed/Typed) ALIPH REENA	Title AGENT, ENGINEERING SUPERVISOR
Signature (Electronic Submission)	Date 12/13/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JACK SAVAGE Title PETROLEUM ENGINEER	Date 01/05/2018
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)

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