

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

5. Lease Serial No.
NMNM33025

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

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

8. Well Name and No.
HUGH LAKE 90

2. Name of Operator Contact: ALIPH REENA
DUGAN PRODUCTION CORPORATION Email: aliph.reena@duganproduction.com

9. API Well No.
30-045-29829-00-S1

3a. Address
709 E MURRAY DRIVE
FARMINGTON, NM 87499

3b. Phone No. (include area code)
Ph: 505.325.1821

10. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL

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

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 recomplate 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 recomplate 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% CaCl2 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% CaCl2 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.

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)

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 **

NMOCD

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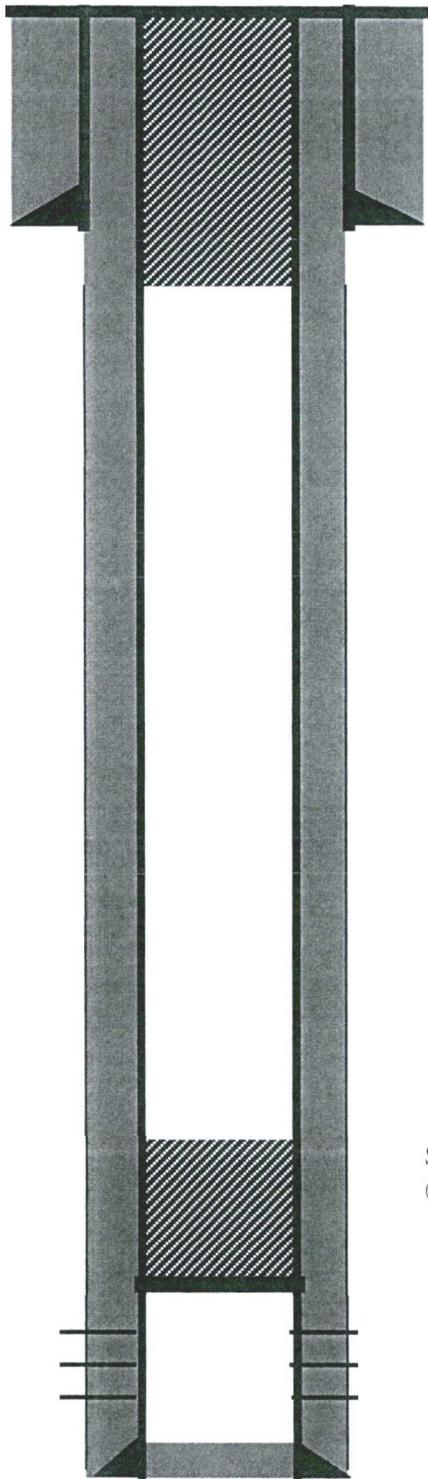
Planned P & A Schematic

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.

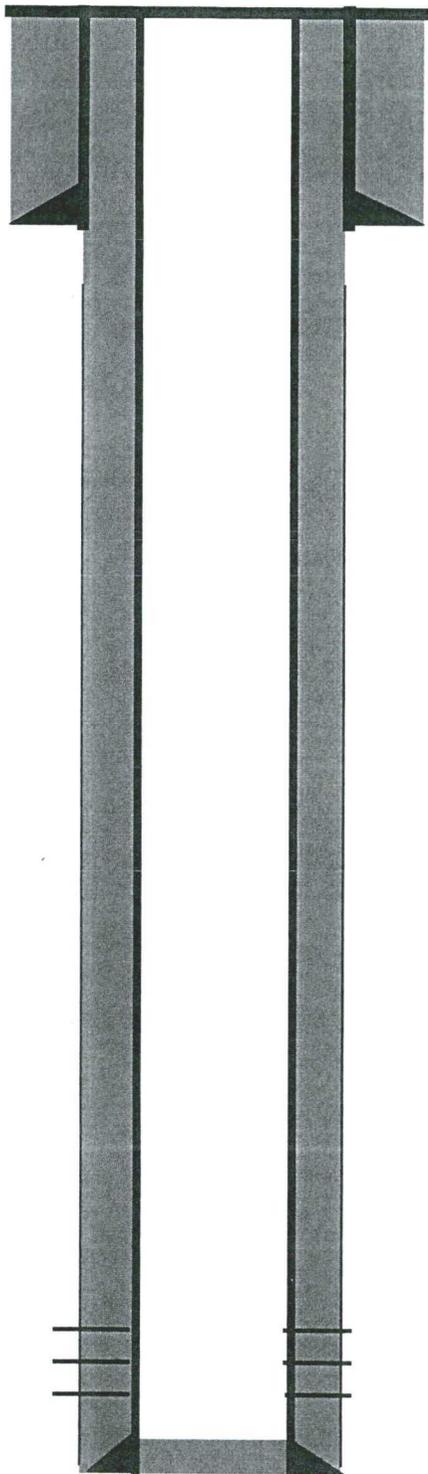
Set CIBP @ 1184'. Set Inside Plug I with 28 sks (33 cu.ft)
@ 870'-1184' w/ Class B cement.(870'-1184') (Plug I, Fruitland)

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.