

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals

**SUBMIT IN TRIPLICATE**

5. Lease Designation and Serial No.  
NM-33021

6. If Indian, Allotted or Tribe Name  
RCVD AUG 23 '07  
OIL CONS. DIV.

7. If Unit or CA, Agreement Designation  
DIST. 3

8. Well Name and No.  
Coaly #90

9. API Well No.  
30-045-33905

10. Field and Pool, or Exploratory Area  
Basin Fruitland Coal

11. County or Parish, State  
San Juan Co., New Mexico

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Dugan Production Corp.

3. Address and Telephone No.  
709 East Murray Drive, Farmington, New Mexico 87401

Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Section 28, T27N, R12W 660' FSL & 1000' FEL NMPM

**12. CHECK APPROPRIATE BOX(S) 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"/> Abandonment	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Change pipeline</u>	<input type="checkbox"/> Dispose Water

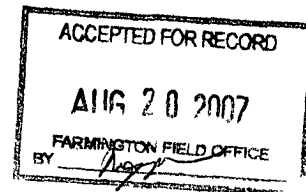
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Change pipeline route originally proposed in APD submitted July 3, 2006. New route is necessary to avoid crossing NAPI water canal and multiple pipelines in the area of original proposed pipeline route.

A new Developmental Plan (Exhibit A.), Pipeline Survey (Plat 2a. & 2b.) and Topographic Map (Exhibit E.) are attached and replace respective exhibits submitted with original APD.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS



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

Signed Kurt Fegrelin Title Geologist Date August 29, 2006

This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

**EXHIBIT A**  
**DEVELOPMENTAL PLAN**

Coaly #90

Lease NM-33021

Township 27 North, Range 12 West, NMPM

Section 28, 660' FSL - 1000' FEL

San Juan County, New Mexico

1. Existing roads are shown on Exhibit E.  
Plan to improve and maintain existing roads as required.
2. Planned access road(s) are shown on Exhibit E.
  - A. New or reconstructed road(s), if any, were centerline flagged at the time of location staking.  
750 feet of new road construction is needed.
3. Location of existing wells is shown on Exhibit F.
4. Location of Existing and/or Proposed Facilities:
  - A. Existing facilities owned or controlled by Lessee/Operator are shown on Exhibit F.
  - B. New facilities, in the event of production, are shown on Exhibit F. Construction materials and methods: Materials obtained on site; anticipated new production facilities are shown on Plat #1. Protective measures and devices to protect livestock and wildlife: As required.
  - C. Plan for rehabilitation of disturbed areas no longer needed for operations after construction completed: As required.
  - D. Pipeline will be 6140.9 feet in length (Plat 2A and 2B). 4845.8 feet will be "on-lease" NM-33021 and 1265.1 Feet will be "off-lease" on NM-33022. Separate application for "off-lease" right-of-way will be submitted. Right-of-way will be 30 feet wide. A 4" polypipe for gas will be constructed.
5. Location and Type of Water Supply:
  - A. Location and type of water supply: Produced water.
  - B. Method of transporting water: Water truck.
  - C. Water well is not to be drilled on lease.
6. Source of Construction Materials:
  - A. Materials are to be obtained on site.
  - B. These materials are to be used as follows: Level location, build pits (Plat 3).

7. Methods for Handling Waste Disposal:  
A. Waste materials will be contained/disposed of as follows:  
1) Cuttings: Reserve pit.  
2) Drilling fluids: Reserve pit.  
3) Produced fluids (oil, water): Test tank and/or reserve pit.  
4) Sewage: Drilling Contractor will provide facilities.  
5) Trash: Facilities will be provided as required.  
6) Operator will be responsible for proper cleanup when the rig is moved.  
7) Reserve pits will be fenced on three sides during the drilling operations and on four sides when the rig is moved from location.
8. Ancillary Facilities: No permanent camp is planned; temporary trailer house may be utilized while drilling. No airstrip is planned.
9. Well Site Layout is shown on Exhibit C. Pits are to be lined.
10. Plans for restoration of surface upon completion of operations:  
A. Location will be leveled, re-contoured, and restored as needed.  
B. Re-vegetation and rehabilitation, including abandoned access roads, will be completed per instructions from the surface management agency.  
C. Pits will be fenced as required and so maintained until cleanup.  
D. Rehabilitation operations will be commenced as soon as practically possible and completed soon thereafter.
11. Other Information:  
A. Other surface use activities and surface ownership of all involved lands: Navajo Tribal Trust, agriculture and grazing.
12. Lessee's or Operator's Representative:

Kurt Fagrelus  
Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499

13. Certification: The following statement must be signed by the Lessee's or Operator's Field Representative who is identified in Item #12 of this Developmental Plan.

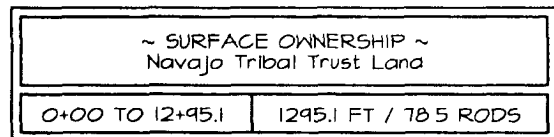
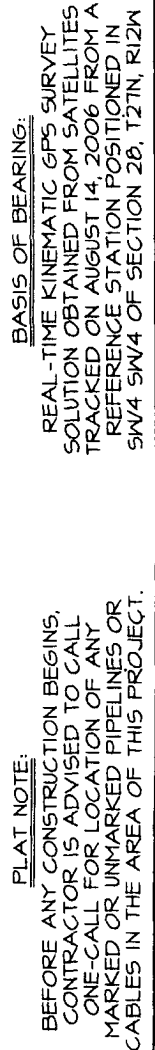
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this Plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Operator and its Contractors and Subcontractors in conformity with the Plan and the terms and conditions under which it is approved.

By: Kurt Fagrelius

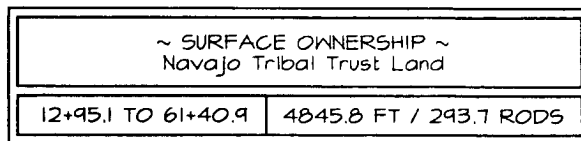
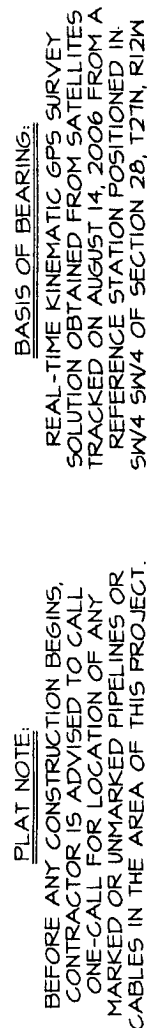
Date: August 29, 2006


Kurt Fagrelius

**PLAT 2a.**



SHEET 3 OF 5	CHECKED BY: JCE
FILENAME: 27122863	DRAWN BY: SLE



Prepared for: DUGAN PRODUCTION P O BOX #420 FARMINGTON, NM 87499		<b>Land Surveyor:</b> Jason C. Edwards	CHECKED BY: JCE FILE NAME: 21222641
		<b>Mailing Address:</b> Post Office Box 6612 Farmington, NM 87499	SHEET 4 OF 5 DRAWN BY: SLE
		<b>Business Address:</b> 111 East Pinon Street Farmington, NM 87402 (505) 325-2654 (Office) (505) 326-5650 (Fax)	
<h1>SURVEYS, INC.</h1>			

DUGAN PRODUCTION CORPORATION COALY #90  
660' FSL & 1000' FEL, SECTION 28, T27N, R12W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

EXHIBIT E.

