

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.

RECEIVED
DEC 15 2009

5. Lease Serial No
NMNM36952

6. If Indian, Allottee or Tribe Name

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 METHANE

2. Name of Operator
DUGAN PRODUCTION CORPORATION

Contact: JOHN C ALEXANDER
Email: johncalexander@duganproduction.com

8. Well Name and No
FLO JO 92

9. API Well No
30-045-34516-00-X1

3a. Address
FARMINGTON, NM 87499

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 1 T23N R11W NWNE 1200FNL 1850FEL

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 checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Reclamation <input type="checkbox"/> Recomplete <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Well Integrity <input checked="" type="checkbox"/> Other Drilling Operations |

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 recomple 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 recomple 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.)

Pressure test casing to 3000 psi for 30 mins, held. Run GR-CNL-CCL logs. Perforate (10/13/09) Fruitland Coal from 902'-928' w/4 spf (total 26', 104 holes). Frac w/99,000# 20/40 sand; 70,800 gals fluid (12/3/09). Ran 2-3/8" 4.7# J-55 tbg on 12/10/09. Land @ 1002', SN @ 965'.

RCVD DEC 22 '09
OIL CONS. DIV.
DIST. 3

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

**Electronic Submission #78841 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by TROY SALYERS on 12/15/2009 (10TLS0028SE)**

Name (Printed/Typed) JOHN C ALEXANDER Title VICE-PRESIDENT

Signature (Electronic Submission) Date 12/15/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED** TROY SALYERS
Title PETROLEUM ENGINEER Date 12/15/2009

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 ****

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