Form 3160-5 (August 2007)

Signature

Approved By

(Electronic Submission)

## **UNITED STATES** DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Expires. 341y 51, 2010	
5. Lease Serial No.	
NMNM10561	
141111111111111111111111111111111111111	
	_
6. If Indian, Allottee or Tribe Name	

Date 11/08/2010

2. Name of Operator DUGAN PRODUCTION CORPORATIGEMail: johnroe@duganproduction.com 30-045-32483-00-\$1  3a. Address FARMINGTON, NM 87499  4. Location of Well (*Pootage, Sec. 7, R, M, or Survey Description)  Sec 10 T30N R14W SWNW 2025FNL 830FWL  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION  Notice of Intent Acidize Casing Repair Casing Repair Construction Plug Back Place and Abandon Plug Back 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 Koon office with Buffells of the proposal store of performed or provide the Bond Koon of the Wills M548. Required absequent reversual as the file divided determined that the site is ready for final inspection. Been given by the filed 91s Was completed and proposed work and approximate duration thereof. Big Field 91s Was completed 12/09/04 and first delivered gas into Dugan Production's Turks Toast Gas Gathering System on 04/21/05. As of 07/01/10, a total of 65,166 mcf plus 114,433 bbl water has been producted and production certify approved for the Turks Toast Gas Gathering System on 04/21/05. As of 07/01/10, a total of 65,166 mcf plus 114,433 bbl water has been production has been accounted for using allocation procedures approved for the Turks Toast Gas Gathering System.  Water production enters the Turks Toast Water Gathering System with disposal being by subsurface injection into Dugan Production's Turks Toast VA WDW. The Big Field No. 91S is not currently approved for the Turks Toast Gas Gathering, however an application for inclusion is currently approved for the Turks Toast Gas Gathering, however an application for inclus	Do not use the abandoned we	NOTICES AND REPO is form for proposals to II. Use form 3160-3 (AP PLICATE - Other instruc- ner: COAL BED METHAN	odrill or to re-enter an PD) for such proposals.		/Agreement, Name and/or No.	
FARMINGTON, NM 87499  4. Location of Well (Pootage, Sec., T., R., M., or Survey Description)  5. Sec 10 T30N R14W SWNW 2025FNL 830FWL  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION    Notice of Intent						
Sec 10 T30N R14W SWNW 2025FNL 830FWL   SAN JUAN COUNTY, NM					10. Field and Pool, or Exploratory BASIN FRUITLAND COAL	
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION    Notice of Intent	4. Location of Well (Footage, Sec., 7	., R., M., or Survey Descriptio	n)	II. County or P.	arish, and State	
TYPE OF SUBMISSION  TYPE OF ACTION    Notice of Intent	Sec 10 T30N R14W SWNW 2	2025FNL 830FWL		SAN JUAN	COUNTY, NM	
Notice of Intent   Acidize	12. CHECK APPI	ROPRIATE BOX(ES) To	O INDICATE NATURE OF I	NOTICE, REPORT, OR O	THER DATA	
Subsequent Report    Alter Casing   Fracture Treat   Recalamation   Well Integrity	TYPE OF SUBMISSION	6.2.00	TYPE O	FACTION		
Subsequent Report    Casing Repair   New Construction   Recomplete   Other	- Nation of Intent	☐ Acidize	Deepen	Production (Start/Resum	ne) Water Shut-Off	
Final Abandonment Notice Change Plans Plug and Abandon Temporarily Abandon Convert to Injection Plug Back Water Disposal    Change Plans Plug Back Water Disposal   Water Disposal Water Disposal Water Disposal Water Disposal Store of the 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.)  Big Field 91S was completed 12/09/04 and first delivered gas into Dugan Production's Turks Toast Gas Gathering System on 04/21/05. As of 07/01/10, a total of 65,166 mcf plus 114,433 bbl water has been produced and production currently averages 11 mcfd plus 63 BWPD.  The Big Field No. 91S is equipped with a conventional orifice dry flow meter with a 31 day chart recorder.  All gas production has been accounted for using allocation procedures approved for the Turks Toast Gas Gathering System.  Water production enters the Turks Toast Water Gathering System with disposal being by subsurface injection into Dugan Production's Turks Toast No. 4 WDW.  The Big Field No. 91S is not currently approved for the Turks Toast Gas Gathering, however an		Alter Casing	Fracture Treat	Reclamation	☐ Well Integrity	
Convert to Injection   Plug Back   Water Disposal	Subsequent Report     Subsequent Re	☐ Casing Repair	☐ New Construction .	Recomplete	Other	
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.)  Big Field 91S was completed 12/09/04 and first delivered gas into Dugan Production's Turks Toast Gas Gathering System on 04/21/05. As of 07/01/10, a total of 65,166 mcf plus 114,433 bbl water has been produced and production currently averages 11 mcfd plus 63 BWPD.  The Big Field No. 91S is equipped with a conventional orifice dry flow meter with a 31 day chart recorder.  All gas production has been accounted for using allocation procedures approved for the Turks Toast Gas Gathering System.  Water production enters the Turks Toast Water Gathering System with disposal being by subsurface injection into Dugan Production's Turks Toast No. 4 WDW.  The Big Field No. 91S is not currently approved for the Turks Toast Gas Gathering, however an	Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	Temporarily Abandon	_	
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	If the proposal is to deepen direction. Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for following that the site is ready for following the Big Field 91S was completed Gas Gathering System on 04/been produced and production The Big Field No. 91S is equil recorder.  All gas production has been a Gas Gathering System.  Water production enters the Tinjection into Dugan Production The Big Field No. 91S is not contact the Big Field	ally or recomplete horizontally, rk will be performed or provide a operations. If the operation repandonment Notices shall be final inspection.)  12/09/04 and first deliver 21/05. As of 07/01/10, an currently averages 11 opped with a conventional accounted for using allocatures. To ast Water Gathern's Turks Toast No. 4 Weurrently approved for the	give subsurface locations and measure the Bond No. on file with BLM/BIzesults in a multiple completion or receled only after all requirements, including the substitution of the substitution of the substitution of the substitution of 65,166 mcf plus 114, mcfd plus 63 BWPD. orifice dry flow meter with a 3 ation procedures approved for ring System with disposal beind DW.	ared and true vertical depths of all A. Required subsequent reports slompletion in a new interval, a For ding reclamation, have been composed by Sturks Toast 433 bbl water has 1 day chart the Turks Toast the Turks Toast 1 day subsurface Sturks Toast 1 day chart Turks Toast 1 day chart Sturks Toast 1 day subsurface Sturks Toast 1 day chart 1 day c	pertinent markers and zones, all be filed within 30 days m 3160-4 shall be filed once eleted, and the operator has	
		Electronic Submission : For DUGAN PRODU	ICTION CORPORATION. sent to	the Farmington		
14. Thereby certify that the foregoing is true and correct.  Electronic Submission #96260 verified by the BLM Well Information System  For DUGAN PRODUCTION CORPORATION, sent to the Farmington  Committed to AFMSS for processing by JM LOVATO on 11/08/2010 (11JXL0102SE)	Name (Printed/Typed) JOHN D F	ROE	Title ENGIN	EERING MANAGER		
Electronic Submission #96260 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by JM LOVATO on 11/08/2010 (11JXL0102SE)	Signature (Electronic S	Submission)	Date 10/29/2	010		

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.



JIM LOVATO  $_{\mathrm{Title}}$ PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE