

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.
NMSF078431

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
NICKSON 1

2. Name of Operator

DUGAN PRODUCTION CORPORATION

Contact: JOHN ALEXANDER

E-Mail: johncalexander@ duganproduction.com

9. API Well No.

30-045-05602-00-S2

3a. Address

P. O. BOX 420
FARMINGTON, NM 874990420

3b. Phone No. (include area code)

Ph: 505.325.1821
Fx: 505.327.4613

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 35 T26N R8W NWSE 790FSL 1966FWL
36.43813 N Lat, 107.65173 W Lon

11. County or Parish, and State

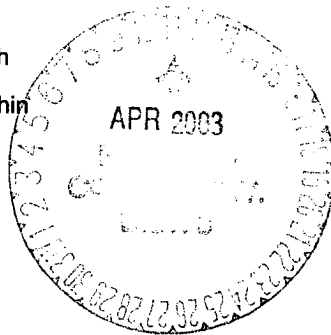
SAN JUAN COUNTY, NM

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 type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 recompleat 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 recompleat 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.)

The cast iron bridge plug above the Pictured Cliffs was drilled out on 2/28/2002. Three separate trips were made to swab the well. After the last swabbing operation, the well was producing enough gas to connect to a sales line. An application to commingle the coal and Pictured Cliffs has been approved by the BLM. The NMOCD has not approved the application, but approval is expected within 30 days. After the commingle application is approved, a C-104 (Authorization to Transport) will be filed. All of this will be ready in the next 45 days. As soon as all approvals are received, the well will be placed on production.



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

Electronic Submission #20386 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by Steve Mason on 04/10/2003 (03SXM0645SE)

Name (Printed/Typed) JOHN ALEXANDER

Title VICE PRESIDENT

Signature (Electronic Submission)

Date 04/08/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

STEPHEN MASON
Title PETROLEUM ENGINEER

Date 04/10/2003

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

NMOCD