

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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AUG 10 2012

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
SF078091
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Dugan Production Corp.

3a. Address
P. O. Box 420, Farmington, NM 87499-0420

3b. Phone No. (include area code)
505-325-1821

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
970' FNL & 660' FEL (NE/4 NE/4)
Unit A, Sec 28, T26N, R13W

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

8. Well Name and No.
Patriot #94

9. API Well No.
30-045-32989

10. Field and Pool or Exploratory Area
Basin Fruitland Coal

11. Country or Parish, State
San Juan, 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"/> 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 <u>Add to Topaz Gas Gathering System</u>
	<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 must 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 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.)

As directed by BLM's INC dated 5/24/2012, Dugan Production requests the Patriot No. 94 be approved for operation on Dugan's Topaz Gas Gathering System which will require surface commingling and off-lease measurement of gas, plus off lease disposal of water. This well was completed 6/23/06 in 38' of coal from 3 separate intervals within the Basin Fruitland Coal pool and was connected to Dugan's Topaz Gas Gathering system on 10/23/06. As of 6/1/12, a total of 98,553 mcf plus 49,551 bbl water have been produced with production averaging 7.7 mcf/d + 31.9 BWPD during the 1st 5 months of 2012. This well has been a low volume producer since completion with peak production of 95.1 mcf/d + 52.1 BWPD occurring during September, 2007. All gas production has been measured using a conventional 2" meter run and a Barton Dry Flow Meter installed and maintained by Dugan Production. The gas charts are integrated monthly by a commercial integration service. The CDP gas sales meter is located in the NWSE of Section 25, T26N, R13W and delivers gas to Enterprise Field Services at their Meter No. 97690. All CDP gas volumes, BTU's and revenues are allocated to the individual wells using allocation procedures approved for the gathering system by the BLM on 3/27/03. Water production is delivered for disposal at Dugan Production's West Bisti No. 1 SWD well located in the SWNE of Section 35, T26N, R13W by a water gathering system installed and maintained by Dugan Production.

Adhere to the terms and conditions of the original approved application dated 3/27/03

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

John D. Roe

Title Engineering Manager

Signature

John D. Roe

Date 08/10/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title *Petr. Eng.*

Date *8/30/12*

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

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)

A **NMOCD**

ACCEPTED FOR RECORD