

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other COAL BED METHANE		5. Lease Serial No NMSF078860
2. Name of Operator DUGAN PRODUCTION CORP		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 420 FARMINGTON, NM 87499-0420		7. If Unit or CA/Agreement, Name and/or No
3b. Phone No (include area code) Ph: 505-325-1821		8. Well Name and No. LARGO FEDERAL B 91
4. Location of Well (Footage, Sec, T, R, M, or Survey Description) Sec 24 T24N R9W Mer NMP NESE 1850FSL 790FEL 36.175100 N Lat, 107.440200 W Lon		9. API Well No. 30-045-31407
		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
		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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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.)

Plan to plug and abandon the well by the following procedure.

- 1) Tag CR @ 1714'.
- 2) Set inside plug above retainer @ 1714' w/26 sks (31 cu ft) Class B neat (1372'-1714').
- 3) Set inside plug @ ~~1000'~~ w/12 sks Class B neat (~~900'-1000'~~) (1214'-1714').
- 4) Perforate @ 175'. Set plug from 175' to surface. Circulate cement. Tag top of cement @ surface.

RCVD SEP 20 '12

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #150130 verified by the BLM Well Information System For DUGAN PRODUCTION CORP, sent to the Farmington	
Name (Printed/Typed) ALIPH REENA	Title PRODUCTION ENGINEER
Signature (Electronic Submission)	Date 09/13/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Original Signed: Stephen Mason	Title	SEP 18 2012 Date
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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

NMOCDA

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 91 Largo Federal B

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Place the Kirtland/Ojo Alamo plug from 1228' – 965'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.