

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.
SF-078091

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
PATRIOT 1

9. API Well No.
30-045-28579

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

11. County or Parish, and State
SAN JUAN COUNTY, NM

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 CORP.

Contact: KURT FAGRELIUS
E-Mail: kfagrelus@duganproduction.com

3a. Address
709 EAST MURRAY DRIVE
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 505.325.1821
Fx: 505.327.4613

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

Sec 29 T26N R13W SWSW 330FSL 330FWL
36.45279 N Lat, 108.24956 W Lon

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Right of Way
	<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.)

Amend APD that was approved 4/7/1991 to include pipeline rights-of-way. The rights-of-way will be 4,590.6 feet in length, and 30 feet in width during construction (20 feet in width after construction). Both a gas and water transportation line will be installed. Each line will be constructed using 2" polypipe that is rated to 160 psi and tested to 150 psi. The maximum operating pressure of the polypipe is 100 psi and the typical operating pressure will be 20 - 40 psi. These lines will be buried in the same trench (6 feet below surface) and will be used to transport produced gas and water to a centralized gas compression and water injection facility. A survey of the proposed pipeline rights-of way is attached.

RECEIVED
2004 MAR 11 PM 3:55
070 Farmington, NM

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

**Electronic Submission #28798 verified by the BLM Well Information System
For DUGAN PRODUCTION CORP., will be sent to the Farmington**

Name (Printed/Typed) KURT FAGRELIUS

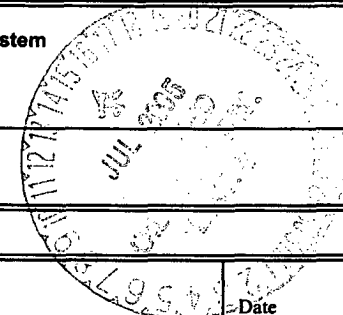
Title GEOLOGIST

Signature

Kurt Fagrelus

Date 03/11/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE



Approved By

Title

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.

NMOC

DUGAN PRODUCTION CORPORATION PATRIOT #1 PROPOSED PIPELINE SURVEY LOCATED IN THE S/2 S/2 OF SECTION 29, T26N, R13W, NMPM SAN JUAN COUNTY, NEW MEXICO

GRAPHIC SCALE 1"=1000'

0 1000 2000



I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

JASON C. EDWARDS

Jason C. Edwards, P.L.S.
New Mexico L.S. #15269

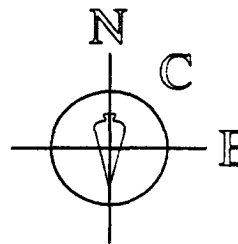
~ SURFACE OWNERSHIP ~
Navajo Tribal Trust Land

0+00 TO 45+90.6
4590.6 FT / 278.2 RODS

Date: February 20, 2004

Prepared for:

DUGAN PRODUCTION CORPORATION
P.O. BOX #420
FARMINGTON, NM 87499



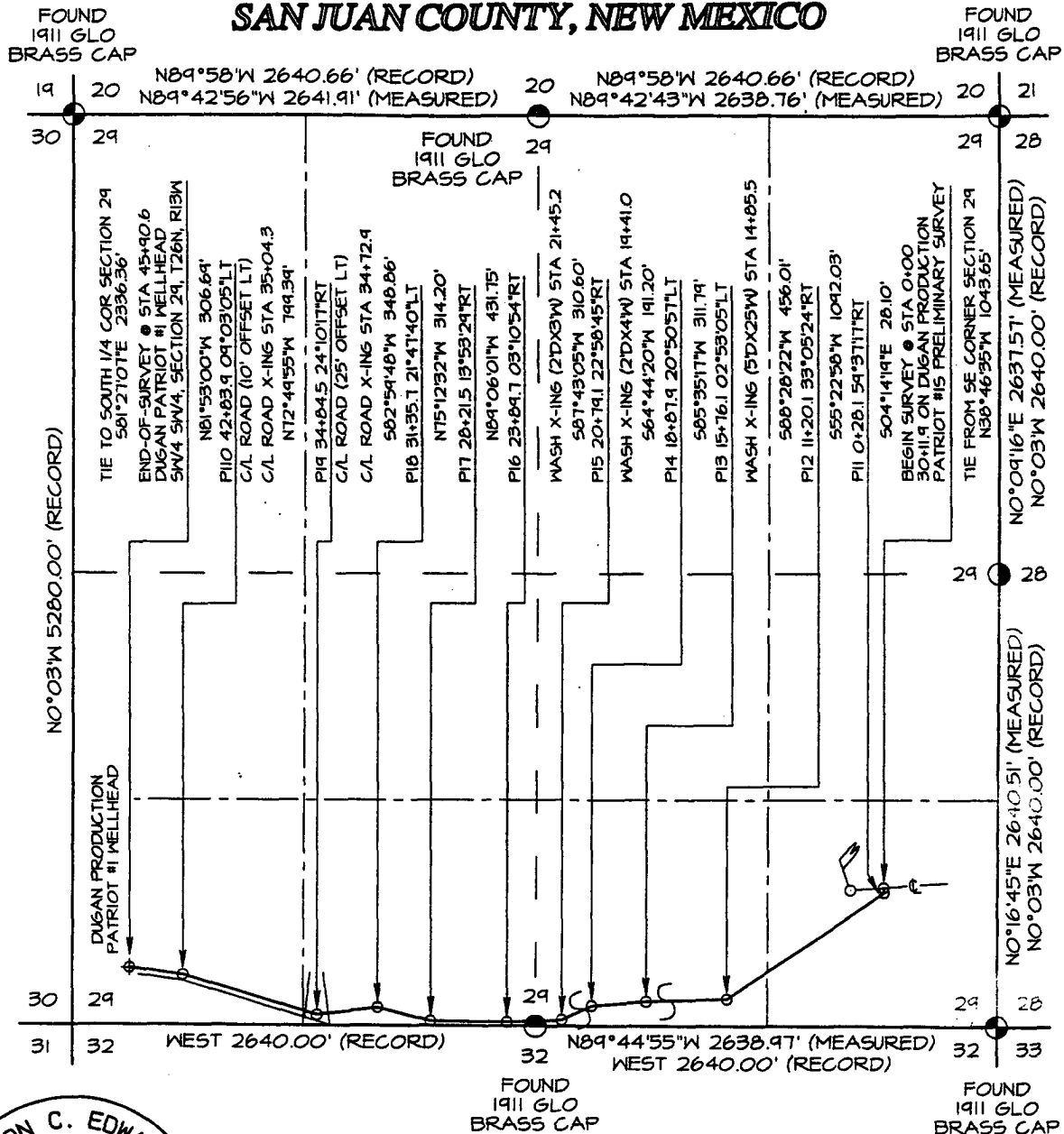
SURVEYS, INC.

Land Surveyor:
Jason C. Edwards

Mailing Address:
Post Office Box 6612
Farmington, NM 87499

Business Address:
111 East Pinon Street
Farmington, NM 87402
(505) 325-2654 (Office)
(505) 326-5650 (Fax)

CHECKED BY: JCE
DRAWN BY: JCE
SHEET 1 OF 1
FILE NAME: 261524PG



PLAT NOTE:
BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT

BASIS OF BEARING:
REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON DECEMBER 18, 2003 FROM A REFERENCE STATION POSITIONED IN NE/4 NE/4 OF SECTION 21, T26N, R13W