

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2016
RECEIVED

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. NM-056023
6. If Indian, Allottee or Tribe Name **APR 15 2016**

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit of CA/Agreement, Name and/or No. **Farmington Field Office
Bureau of Land Management**

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. Frew Federal #3 |
| 2. Name of Operator Running Horse Production Company, LLC | | 9. API Well No. 30-045-22478 |
| 3a. Address PO Box 369 Ignacio, CO 81137 | 3b. Phone No. (include area code) (970) 563-5100 | 10. Field and Pool or Exploratory Area Basin Fruitland Coal |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1095 FNL, 1525 FEL, Section 29, T26N, R12W | | 11. Country or Parish, State San Juan County, New Mexico |

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"/> Hydraulic Fracturing | <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 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 detennined that the site is ready for final inspection.)

A change of operator effective April 1, 2016, from Running Horse Production Company, LLC to Dugan Production Corporation.
Dugan Production Corporation bond number is NMB000789.

OIL CONS. DIV DIST. 3
APR 20 2016

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| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) John Larkin | Title Vice President of Operations |
| Signature <i>John Larkin</i> | Date 04/14/2016 |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------|--|
| Approved by <i>Cynthia Marquez</i> | Title LLE | Date APR 15 2016 4-15-16 |
| 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 FFO | FARMINGTON FIELD OFFICE BY: <i>CM</i> |

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.