

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

5. Lease Serial No.
NMNM13956

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.
NMNM134523

1. Type of Well
 Oil Well Gas Well Other: COAL BED METHANE

8. Well Name and No.
KINBETO COM 91

2. Name of Operator: DUGAN PRODUCTION CORPORATION
Contact: ALIPH REENA
Email: aliph.reena@duganproduction.com

9. API Well No.
30-045-35696-00-X1

3a. Address
709 E MURRAY DRIVE
FARMINGTON, NM 87499

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

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30 T23N R10W NENW 1245FNL 1501FWL

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 Drilling Operations
	<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 recomplete 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 recompletion 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.)

Drill 7-7/8" hole to TD @ 795' on 5/14/2016. Ran 19 jts 5-1/2" 15.5# J-55 ST&C csg to 779'. Float collar @ 737'. Cemented w/175 sks, 240 cu ft, Halliburton HalCem cement blend w/1% bwoc bentonite, 5 lb/sk Kol-seal, 0.125 lb/sk Pol-E-Flake, 0.1% bwoc CFR3 & 2% CaCl2 913.5#/gal, 1.37 cu ft/sk). Total slurry for the job 240 cu ft. Displaced w/18 bbls fresh water. Circulated 10 bbls cement to surface. Bump plug w/200 psi. Pressured up to 760 psi. Float held ok. Job completed on 5/14/2016. Rig released from location 5/16/2016. Pressure test will be reported on completion sundry. ✓

OIL CONS. DIV DIST. 3

MAY 31 2016

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

**Electronic Submission #339980 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by ABDELGADIR ELMADANI on 05/25/2016 (16AE0357SE)**

Name (Printed/Typed) ALIPH REENA	Title PRODUCTION ENGINEER
Signature (Electronic Submission)	Date 05/23/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	ABDELGADIR ELMANDANI Title PETROLEUM ENGINEER	Date 05/25/2016
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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

BLM / STATE

HALLIBURTON

iCem® Service

DUGAN PRODUCTION CORP EBUS

For: MARTY FOUTZ

Date: Saturday, May 14, 2016

KINBETO COM #91

KINBETO COM #91

DUGAN

Job Date: Saturday, May 14, 2016

Sincerely,

LEMONT JOJOLA

The Road to Excellence Starts with Safety

Sold To #: 301906	Ship To #: 3709270	Quote #: 0022172530	Sales Order #: 0903304851
Customer: DUGAN PRODUCTION CORP EBUS -		Customer Rep: MARTY FOUTZ	
Well Name: KINBETO COM	Well #: 91	API/UWI #: 30-045-35696-00	
Field: BASIN FRUITLAND	City (SAP): FARMINGTON	County/Parish: SAN JUAN	State: NEW MEXICO
COAL			
Legal Description: 30-23N-10W-1245FNL-1501FWL			
Contractor:		Rig/Platform Name/Num: D & D 1	
Job BOM: 7523			
Well Type: COAL DE-GAS			
Sales Person: HALAMERICA/HX33057		Srcv Supervisor: Lemont Jojola	

Job

Formation Name			
Formation Depth (MD)	Top		Bottom
Form Type			BHST
Job depth MD	795ft		Job Depth TVD
Water Depth			Wk Ht Above Floor
Perforation Depth (MD)	From		To

Well Data

Description	New / Used	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
Casing		8.625	8.097	24	STC	J-55	0	134		
Casing		5.5	4.95	15.5	LTC	J-55	0	795		
Open Hole Section			7.875				134	795		

Tools and Accessories

Type	Size in	Qty	Make	Depth ft	Type	Size in	Qty	Make
Guide Shoe	5.5			795	Top Plug	5.5	1	HES
Float Shoe	5.5				Bottom Plug	5.5		HES
Float Collar	5.5				SSR plug set	5.5		HES
Insert Float	5.5				Plug Container	5.5		HES
Stage Tool	5.5				Centralizers	5.5		HES

Fluid Data

Stage/Plug #: 1									
Fluid #	Stage Type	Fluid Name	Qty	Qty UoM	Mixing Density lbm/gal	Yield ft ³ /sack	Mix Fluid Gal	Rate bbl/min	Total Mix Fluid Gal
1	Fresh Water Spacer	Fresh Water Spacer	10	bbl	8.33				

Fluid #	Stage Type	Fluid Name	Qty	Qty UoM	Mixing Density lbm/gal	Yield ft ³ /sack	Mix Fluid Gal	Rate bbl/min	Total Mix Fluid Gal
2	Tail Cement	HALCEM (TM) SYSTEM	175	sack	13.5	1.37		5	5.79

5.79 Gal		FRESH WATER							
47 lbm		CEMENT STANDARD TYPE V, BULK (101394863)							
Fluid #	Stage Type	Fluid Name	Qty	Qty UoM	Mixing Density lbm/gal	Yield ft ³ /sack	Mix Fluid Gal	Rate bbl/min	Total Mix Fluid Gal
3	Displacement	Displacement	18	bbl	8.33				
Cement Left In Pipe		Amount	ft	Reason				Shoe Joint	
Mix Water:		pH 7	Mix Water Chloride: 0 ppm		Mix Water Temperature: 62 °F				
		Plug Displaced by: 8.33 lb/gal							
Plug Bumped?		Yes	Bump Pressure: 202 psi		Floats Held? Yes				
Cement Returns:		16 bbl							
Comment									

2.0 Real-Time Job Summary

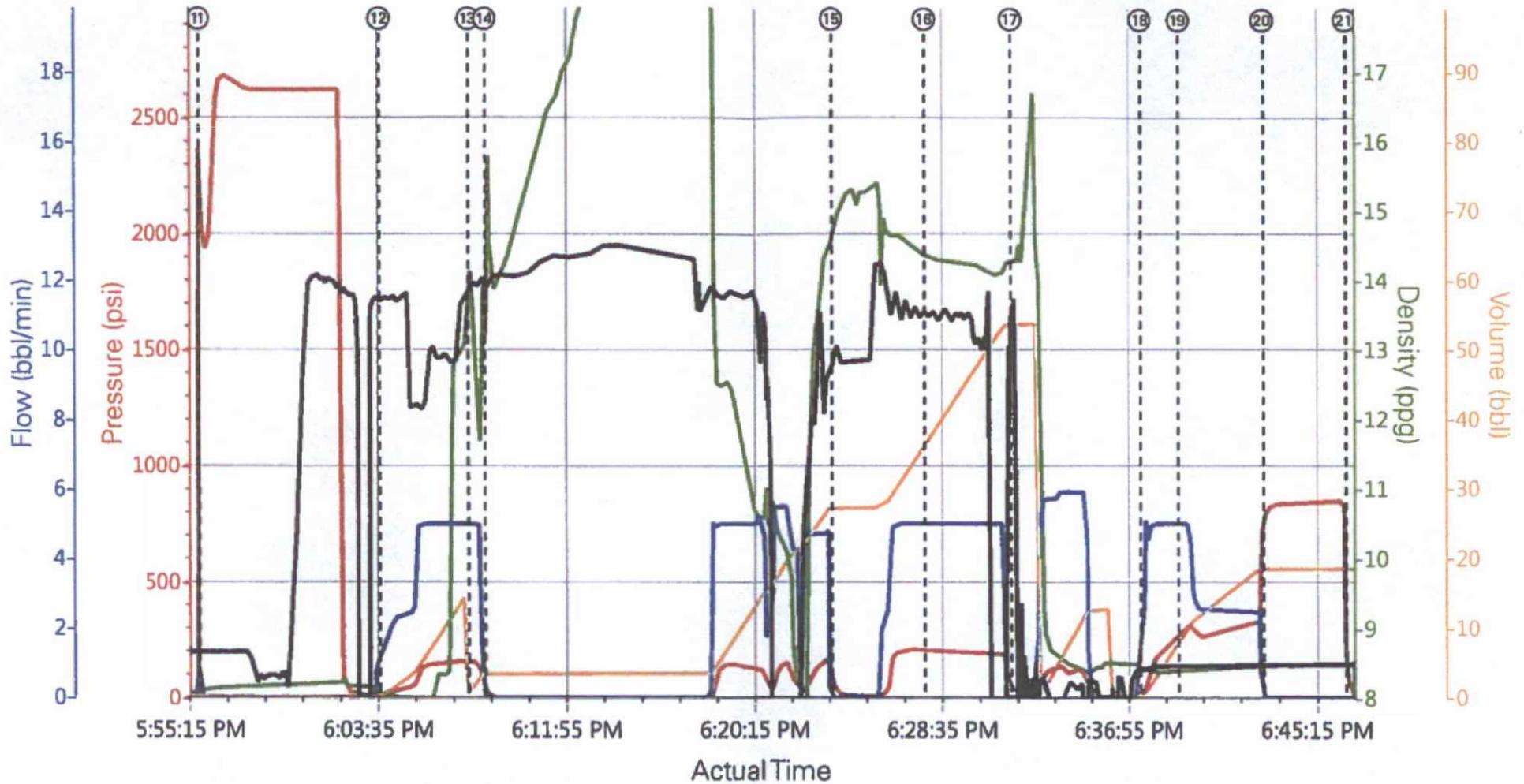
2.1 Job Event Log

Type	Seq. No.	Activity	Graph Label	Date	Time	Source	Pass-Side Pump Pressure (psf)	Downhole Density (ppg)	Pass-Side Pump Rate (bbf/min)	PS Pmp Stg Tot (bbf)	Recirc Density (ppg)	Comments
Event	1	Call Out	Call Out	5/14/2016	08:00:00	USER						CEMENT CREW CALLED OUT
Event	2	Depart Yard Safety Meeting	Depart Yard Safety Meeting	5/14/2016	10:00:00	USER						SAFETY MEETING HELD WITH CEMENT CREW
Event	3	Depart Home for Location	Depart Home for Location	5/14/2016	10:15:00	USER						1-PICKUP 11583927, 1- RED TIGER 12660112, 1- BULK TRUCKS 12613578 - 12631617
Event	4	Arrive At Loc	Arrive At Loc	5/14/2016	11:30:00	USER						CEMENT CREW ARRIVES ON LOCATION
Event	5	Other	Other	5/14/2016	11:45:00	USER						TD = 796 FT, TP = 5 1/2" 15.5# SET @ 795 FT, SI = 42.2 FT, OH = 7 7/8", SURFACE = 8 5/8" 24# SET @ 134 FT
Event	6	Other	Other	5/14/2016	12:00:00	USER						TEMPERATURE = 62 DEGREES, CHLORIDES = 0, PH = 7
Event	7	Pre-Rig Up Safety Meeting	Pre-Rig Up Safety Meeting	5/14/2016	16:49:54	USER						SAFETY MEETING HELD WITH CEMENT CREW
Event	8	Rig-Up Equipment	Rig-Up Equipment	5/14/2016	16:58:09	USER						CEMENT CREW RIGS UP EQUIPMENT
Event	9	Pre-Job Safety Meeting	Pre-Job Safety Meeting	5/14/2016	17:35:18	USER	-60.00	8.64	0.00	1.7	0.01	SAFETY MEETING HELD WITH EVERYONE ON LOCATION
Event	10	Start Job	Start Job	5/14/2016	17:43:35	COM5						
Event	11	Pressure Test	Pressure Test	5/14/2016	17:55:50	USER	1972.00	8.11	0.00	0.0	8.66	PRESSURE TEST GOOD TO 2600 PSI

Event	12	Pump Spacer	Pump Spacer	5/14/2016	18:03:49	USER	17.00	8.07	1.40	0.4	13.79	PUMPED 10 BBLS H2O
Event	13	Pump Cement	Pump Cement	5/14/2016	18:07:45	USER	157.00	13.97	5.00	1.5	13.91	175 SKS 1.37 CUFT/SK 5.79 GAL/SK = 42.7 BBLS @ 13.5# 24.1 BBLS H2O REQ
Event	14	Shutdown	Shutdown	5/14/2016	18:08:29	USER	12.00	15.45	0.00	3.4	13.95	SHUTDOWN DUE TO DELIVERY ISSUES
Event	15	Shutdown	Shutdown	5/14/2016	18:23:52	USER	34.00	14.83	0.00	27.3	12.87	SHUTDOWN TO WEIGH CEMENT
Event	16	Clean Lines	Clean Lines	5/14/2016	18:27:59	USER	204.00	14.34	5.00	36.9	13.50	WASH PUMPS AND LINES
Event	17	Shutdown	Shutdown	5/14/2016	18:31:47	USER	30.00	14.28	0.00	53.6	13.74	SHUTDOWN DROP PLUG
Event	18	Pump Displacement	Pump Displacement	5/14/2016	18:37:36	USER	27.00	8.41	2.60	0.6	8.41	CALCULATED 17.9 BBLS TO DISPLACE PLUG, ACTUALLY PUMPED 18 BBLS TANK TO TANK MARK TO MARK
Event	19	Cement Returns to Surface	Cement Returns to Surface	5/14/2016	18:39:19	USER	293.00	8.38	5.00	8.8	8.46	CALCULATED 16 BBLS OF CEMENT BACK TO SURFACE, ACTUALLY CIRCULATED 10 BBLS OF CEMENT BACK TO SURFACE
Event	20	Bump Plug	Bump Plug	5/14/2016	18:43:03	USER	806.00	8.46	0.00	18.5	8.46	CALCULATED 202 PSI TO LAND PLUG, PLUG BUMPED @ 280 PSI PRESSURED UP TO 760 PSI
Event	21	Check Floats	Check Floats	5/14/2016	18:46:39	USER	47.00	8.46	0.00	18.5	8.46	CHECK FLOATS, FLOATS HELD .25 BBLS BACK
Event	22	Shutdown	Shutdown	5/14/2016	18:47:35	USER	36.00	8.64	5.20	19.5	8.45	SHUTDOWN END JOB, THANK YOU FOR CHOOSING HALLIBURTON LEMONT JOJOLA AND CREW
Event	23	Pre-Rig Down Safety Meeting	Pre-Rig Down Safety Meeting	5/14/2016	18:55:10	USER	1.00	0.34	0.00	58.6	0.16	SAFETY MEETING HELD WITH CEMENT CREW
Event	24	Rig-Down Equipment	Rig-Down Equipment	5/14/2016	19:00:06	USER						CEMENT CREW RIGS DOWN EQUIPMENT

Event	25	Depart Location Safety Meeting	Depart Location Safety Meeting	5/14/2016	19:45:00	USER	SAFETY MEETING HELD WITH CEMENT CREW
Event	26	Depart Location	Depart Location	5/14/2016	20:00:00	USER	CENEMT CREW DEPARTS LOCATION

DUGAN KINBETO COM #91, PRODUCTION



PS Pump Press (psi) DH Density (ppg) PS Pump Rate (bbl/min) PS Pmp Stg Tot (bbl) Recirc Density (ppg)

- | | | | | | |
|------------------------------|-----------------------------|-----------------|-----------------------------|-----------------------------------|--------------------|
| ① Call Out | ⑥ Other | ⑩ Pressure Test | ⑭ Clean Lines | 21 Check Floats | 26 Depart Location |
| ② Depart Yard Safety Meeting | ⑦ Pre-Rig Up Safety Meeting | ⑪ Pump Spacer | ⑮ Shutdown | 22 Shutdown | |
| ③ Depart Home for Location | ⑧ Rig-Up Equipment | ⑫ Pump Cement | ⑯ Pump Displacement | 23 Pre-Rig Down Safety Meeting | |
| ④ Arrive At Loc | ⑨ Pre-Job Safety Meeting | ⑬ Shutdown | ⑰ Cement Returns to Surface | 24 Rig-Down Equipment | |
| ⑤ Other | ⑵ Start Job | ⑱ Shutdown | 20 Bump Plug | 25 Depart Location Safety Meeting | |

HALLIBURTON | iCem® Service

Created: 2016-05-13 09:54:15, Version: 4.2.393

Edit

Customer: DUGAN PRODUCTION CORP EBUS
 Representative: LEMONT JOJOLA / EW 112

Job Date: 5/14/2016 3:09:38 PM
 Sales Order #: 903304851

Well: KINBETO COM #91
 COMPANY MAN: MARTY FOUTZ