

BLM
SurfaceForm 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNOS: N/A
APDP: _____
MP: _____
SMA: BLM
BOND: _____
CA/PA: NM 128992XFORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018**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 page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM State VA-2965
2. Name of Operator Dugan Production Corp.		6. If Indian, Allottee or Tribe Name
3a. Address 709 East Murray Drive Farmington, New Mexico 87401	3b. Phone No. (include area code) (505) 325-1821	7. If Unit of CA/Agreement, Name and/or No. PGA Unit NM128992X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1903' FSL & 664' FEL, Section 2, T23N, R11W		8. Well Name and No. PGA Unit 2 #4R
		9. API Well No. 30-045-35852
		10. Field and Pool or Exploratory Area Basin Fruitland Coal
		11. Country or Parish, State San Juan County

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 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 determined that the site is ready for final inspection.)

This well is located on BLM surface land with a NM State mineral lease. The approved APD from the NMOCD is included as Attachment 1.

OIL CONS. DIV DIST. 3
FEB-15 2018

RECEIVED

DEC 12 2017

Farmington Field Office
Bureau of Land Management

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Kurt Fagrelus	Title Vice President, Land and Exploration
Signature <i>Kurt Fagrelus</i>	Date 12/06/2017

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>DM on 12/14/18</i>	Title AFM	Date 2/14/18
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	

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)

Accepted For Record

BLM
NMOCD

District I
1625 N French Dr. Hobbs, NM 88240
Phone (575) 393-6101 Fax (575) 393-0720

District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1281 Fax (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6179 Fax (505) 334-6170

District IV
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-E-01
Revised July 18, 2013

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Dugan Production Corp 709 East Murray Drive Farmington, New Mexico 87401		Operator Name and Address	UGRID Number 006515
Property Code 317955		Property Name PGA 2 Unit 2	API Number 30-045-35852
			Well No 4R

Surface Location

11 - Lot 1	Section 2	Township 23N	Range 11W	Lot Id#	Feet from 1903	N/S Line South	Feet From 664	E/W Line East	County San Juan
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Proposed Bottom Hole Location

11 - Lot	Section	Township	Range	Lot Id#	Feet from	N/S Line	Feet From	E/W Line	County
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Pool Information

Pool Name Basin Fruitland Coal	Pool Code 71629
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Additional Well Information

11 Work Type N	12 Well Type G	13 Cable Rotary R	14 Lease Type S	15 Ground Level Elevation 6,609'
16 Multiple N	17 Proposed Depth 1,150-ft.	18 Formation Pictured Cliffs	19 Contractor TBD	20 Spud Date ASAP
Depth to Ground water >100'	Distance from nearest fresh water well >500'			Distance to nearest surface water >1-mile

☒ We will be using a closed-loop system in lieu of lined pits

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface Csg	12-1/4"	8-5/8"	24# J-55 STC	120-ft	99-cf	Surface
Production Csg	7-7/8"	5-1/2"	14# J-55 STC	1,150-ft	360-cf	Surface

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2,000 psi	Low Press 250 psig High Press 2,000 psig	Schafer 9" 2000 Series

21 I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> if applicable.		Approved By	
Signature <i>Kurt Fagrelus</i>		<i>Chris Smith</i>	
Printed name Kurt Fagrelus		Title	
Title Vice President Land & Exploration		Approved Date 9-28-17	Expiration Date 9-28-19
E-mail Address kfagrelus@duganproduction.com			
Date September 18, 2017	Phone 505-325-1821	Conditions of Approval Attached	

AV

**SEE ATTACHED NMOOD
CONDITIONS OF APPROVAL**

District I
1525 N. French Drive, Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720

District II
611 S. First Street, Artesia, NM 88210
Phone (575) 748-1263 Fax (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-35852	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 317435	*Property Name PGA UNIT 2	*Well Number 4R
*GRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION	*Elevation 6609'

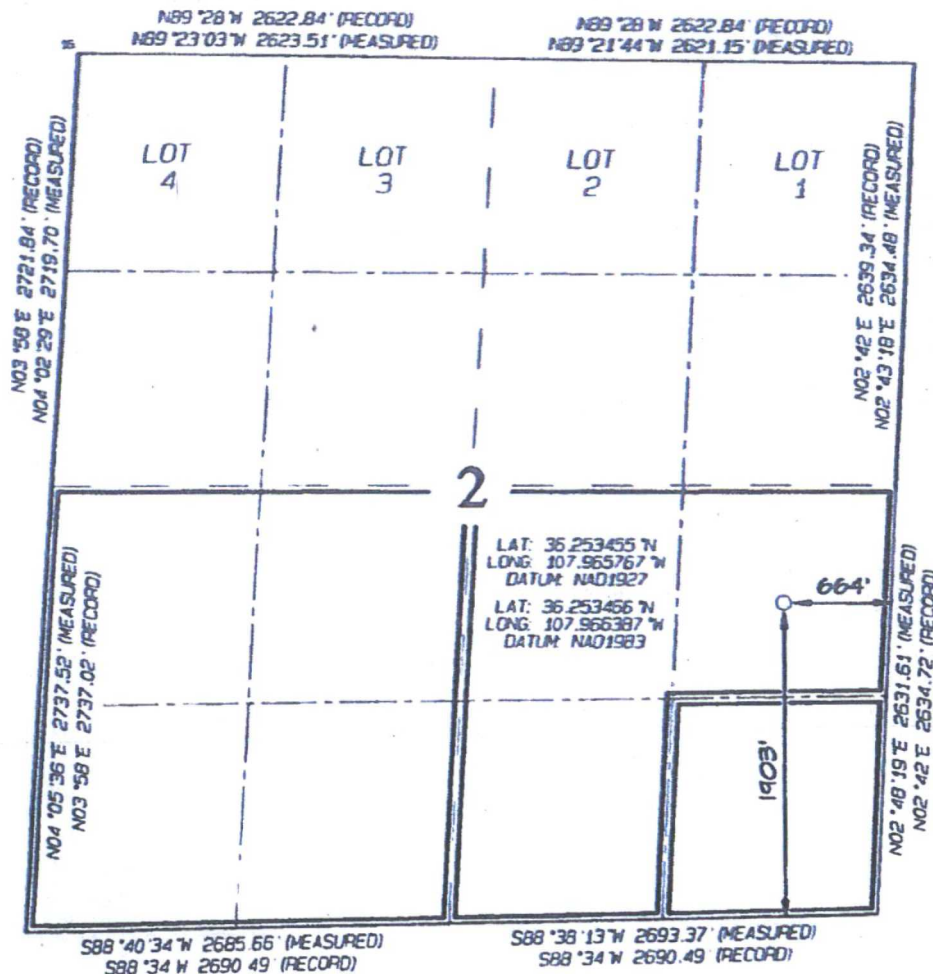
10 Surface Location

TL or lot no.	Section	Township	Range	Lot Esh	Feet from line	North/South Line	East/West Line	County
I	2	23N	11W		1903	SOUTH	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

TL or lot no.	Section	Township	Range	Lot Esh	Feet from line	North/South Line	East/West Line	County
*Dedicated Acres 320.0 Acres - S/2					*Jacket or Drift	*Consolidation Code	*Order No.	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Kurt Fagrelus* Date: 9/18/2017

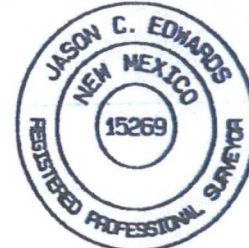
Printed Name: Kurt Fagrelus
E-mail Address: kfagrelus@duganproduction.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date Revised: SEPTEMBER 12, 2017
Survey Date: SEPTEMBER 2, 2017

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

Federal Suspaal