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Form 3160-5  
(June 2015)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DEC 13 2017

FORM 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.*

5. Lease Serial No. NM State VA-2966

6. Indian, Allottee or Tribe Name

*SUBMIT IN TRIPLICATE - Other instructions on page 2*

7. If Unit of CA/Agreement, Name and/or No.  
PGA Unit NM128992X

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No. PGA Unit 16 #1

2. Name of Operator Dugan Production Corp.

9. API Well No. ~~30-045-35852~~ 30-045-35861

3a. Address 709 East Murray Drive  
Farmington, New Mexico 87401

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

10. Field and Pool or Exploratory Area  
Basin Fruitland Coal

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
709' FNL & 1790' FEL, Section 16, T23N, R11W

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 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 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 must 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 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.)

The well pad and part of access road and pipeline is located on NM State surface and mineral lease. Also, part of access road and pipeline is located on BLM surface. The APD was delivered to the NMOCD (12/11/2017), it is pending approval, a copy of which is included as Attachment 1.

OIL CONS. DIV DIST. 3  
FEB 15 2018

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

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Samantha* Title *Sup NRS* Date *2/14/18*  
Office *FTO*

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.

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)

NMOCD Accepted For Record

**District I**  
 4534 N French Dr., Hobbs, NM 88240  
 Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
 814 S. First St., Artesia, NM 88210  
 Phone: (575) 748-1253 Fax: (575) 748-9720

**District III**  
 1000 Rio Brabco Road, Arto, NM 87410  
 Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3469 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-101  
 Revised July 18, 2013

AMENDED REPORT

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

<b>Operator Name and Address</b> Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401		<b>* GRID Number</b> 006515
		<b>* API Number</b> 30-045-
<b>** Property Code</b>	<b>* Property Name</b> PGA Unit 16	<b>** Well No</b> #1

**\* Surface Location**

UL - Lot	Section	Township	Range	Ect Eln	Feet from	N/S Line	Feet from	EW Line	County
B	16	23N	11W		708	N	1790	E	San Juan

**\* Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Ect Eln	Feet from	N/S Line	Feet from	EW Line	County
B	16	23N	11W		708	N	1790	E	San Juan

**\* Pool Information**

<b>Pool Name</b> Basin Fruitland Coal	<b>Pool Code</b>
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**Additional Well Information**

<b>** Well Type</b> N	<b>** Well Type</b> G	<b>** Cable/Rotary</b> R	<b>** Lease Type</b> S	<b>** Ground Level Elevation</b> 6226-GL
<b>** Multiple</b> N	<b>** Proposed Depth</b>	<b>** Formation</b> Pictured Cliffs/BFC	<b>** Contractor</b> TBD	<b>** Spud Date</b> ASAP
<b>Depth to Ground water</b>		<b>Distance from nearest fresh water well</b>		<b>Distance to nearest surface water</b>

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/lb	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	650-ft	120-cf	Surface

**Casing/Cement Program: Additional Comments**

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**\*\* Proposed Blow-out 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

<p><b>**</b> I hereby certify that the information given above is true and complete to the best of my knowledge and belief                  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.</p> <p>Signature: <i>Kurt Fagrelus</i></p> <p>Printed name: Kurt Fagrelus</p> <p>Title: Vice President Land and Exploration</p> <p>E-mail Address: kfagrelus@duganproduction.com</p> <p>Date: 12/11/2017</p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved By: _____</p> <p>Title: _____</p> <p>Approved Date: _____ Expiration Date: _____</p> <p>Conditions of Approval Attached</p>
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District I  
1625 N. French Drive Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

District II  
811 S. First Street Artesia, NM 88210  
Phone: (575) 743-1283 Fax: (575) 743-9720

District III  
1309 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) 476-3452

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	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name PGA UNIT 16	*Well Number 1
*OSRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION	*Elevation 6226'

<sup>10</sup> Surface Location

U. or Lot No.	Section	Township	Range	Lot. E/W	Feet from the	North/South line	Feet from the	East/West line	County
B	16	23N	11W		708	NORTH	1790	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

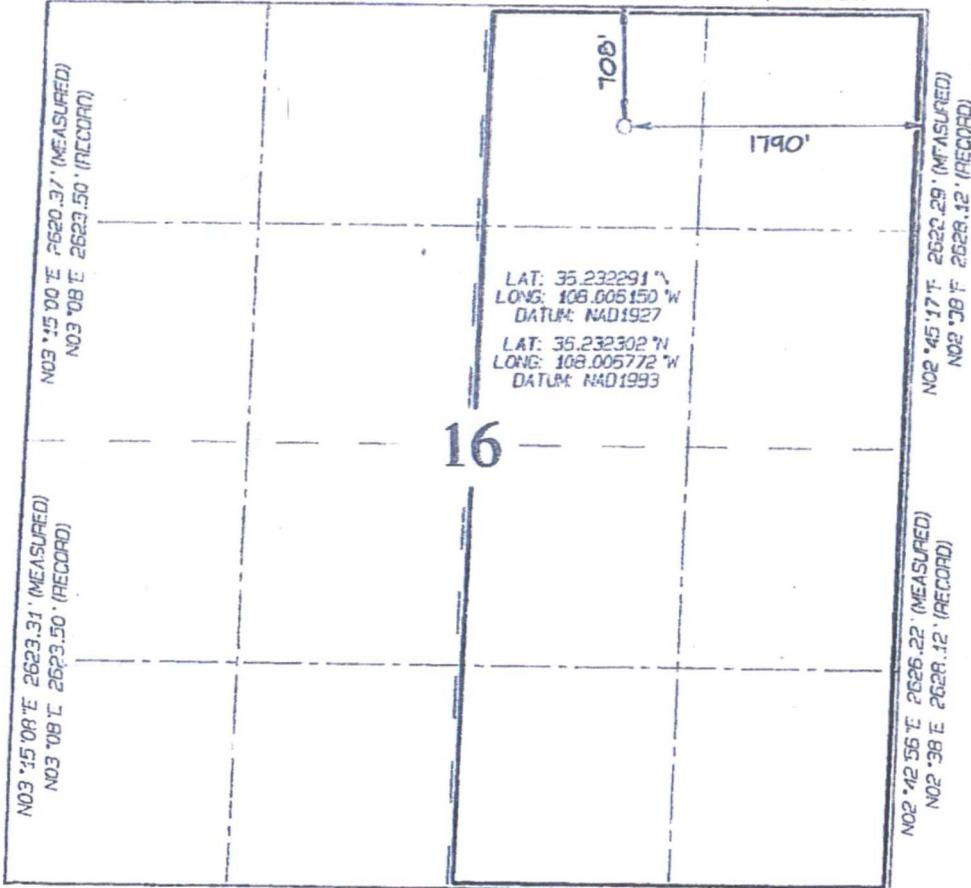
U. or Lot No.	Section	Township	Range	Lot. E/W	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320.0 Acres - E/2	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N89°25'W 2645.28 (RECORD)  
N99°19'12"W 2643.65 (MEASURED)

N89°25'W 2645.28 (RECORD)  
N89°18'25"W 2641.20 (MEASURED)



<sup>17</sup> 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 unleased 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.

*Kurt Fagrelus* 12/11/2017  
Signature Date

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

<sup>18</sup> 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: OCTOBER 25, 2017  
Date of Survey: OCTOBER 11, 2017

Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269