

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 13 2009

FORM APPROVED
OMB No. 1004-0137
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.
NO-G-0902-1754

6. Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Martinez Begay Com #2

2. Name of Operator
Dugan Production Corp.

9. API Well No.
30-045-34923

3a. Address
P O Box 420, Farmington, NM 87499-0420

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)
895' FSL & 1330' FWL (SE/4 SW/4)
Unit N, Section 34, T24N, R10W, NMPM

11. Country or Parish, State
San Juan, NM

12. CHECK THE 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 checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Drilling Operations</u>
	<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.)

Spud 12-1/4" hole on 7/8/09. Drilled to 140'. Run 8-5/8" 24# J-55 csg. Land @ 136', float collar @ 91'. Cement w/90_sx Type 3 cement w/2% CaCl2 & 1/4# celloflake/sx (125 cu ft total slurry). Displace w/6 bbls water. NU BOP. Pressure test blind rams to 800# for 30 mins; 200# for 5 mins - held ok. Pressure test pipe rams to 800# for 30 mins; 200# for 5 mins - held ok.

RCVD JUL 14 '09
OIL CONS. DIV.

DIST. 3

DID CEMENT CIRCULATE TO SURFACE?
REPORT TOC FOR 8 5/8" SURFACE CASING NEXT REPORT.

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)
John C. Alexander Title Vice-President

Signature *John C. Alexander* Date 07/10/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE ACCEPTED FOR RECORD

Approved by Title Date JUL 13 2009

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 FIELD OFFICE BY *[Signature]*

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 7/22