

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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

SEP 08 2009

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other COAL BED METHANE		Bureau of Land Management Farmington Field Office		5. Lease Serial No NOG09031758
2. Name of Operator DUGAN PRODUCTION CORPORATION		Contact JOHN C ALEXANDER Email: johncalexander@duganproduction.com		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO
3a. Address P. O. BOX 420 FARMINGTON, NM 874990420		3b. Phone No. (include area code) Ph: 505-325-1821		7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T22N R8W NENW 1000FNL 1500FWL 36.15863 N Lat, 107.70864 W Lon				8. Well Name and No TOM WOOD DENN 2
				9. API Well No. 30-045-34933-00-X1
				10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
				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 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 shall 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 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.)

Spud 12-1/4" hole on 8/31/09. Drilled to 135'. Run 8-5/8" 24# J-55 csg. Land @ 128', float collar @ 85'. Cement w/110 sx Type III cement w/2% CaCl₂ & 1/4# celloflake/sx. Displace w/5.5 bbls water. Circulate 4 bbls cement. NU BOP. Pressure test surface casing and blind rams to 800#, lost 500# in 10 mins. Pressure test 200#, lost 50# in 10 mins.

RCVD SEP 10 '09
OIL CONS. DIV.
DIST. 3

SUBMIT REPORT FOR SURFACE CASING PRESSURE TEST
AS DISCUSSED W / JOHN ALEXANDER 10-1-2009 @ 11:30 AM KR

14. I hereby certify that the foregoing is true and correct. Electronic Submission #73911 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by TROY SALYERS on 09/08/2009 (09TS0009SE)	
Name (Printed/Typed) JOHN C ALEXANDER	Title VICE-PRESIDENT
Signature (Electronic Submission)	Date 09/02/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	TROY SALYERS Title PETROLEUM ENGINEER	Date 09/08/2009
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

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 ****

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