

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMNM33021

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
COALY 3

2. Name of Operator

DUGAN PRODUCTION CORPORATION
Contact: JOHN C ALEXANDER
Email: johncalexander@duganproduction.com

9. API Well No.

30-045-35012-00-X1

3a. Address

FARMINGTON, NM 87499

3b. Phone No. (include area code)

Ph: 505-325-1821

10. Field and Pool, or Exploratory

GALLEGOS GALLUP

Fruitland Coal

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 28 T27N R12W SESE 660FSL 1050FEL
36.54076 N Lat, 108.11156 W Lon

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

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other

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.)

COMPLETION SUNDRY

Pressure test casing 3000 psi for 30 mins, held ok. Run GR-CBL-CLL-CNL logs from 1300' PBTD to surface. Perforate Fruitland Coal from 964-68', 992-96' and 1147-62' w/4 spf (total 92 holes). Break down and acidize perforations 1147-1162' w/400 gallons 15% HCL, 3 bpm and 500 psi ISIP 400 psi. Break down and acidize perforations 964-996' w/200 gallons 15% HCL, 2 bpm and 900 psi ISIP 700 psi. Frac 964-1162' with 104,000# 20/40 sand and 74,500 gallons gelled water @ 22 to 25 bpm and 950 to 850 psi ISIP 625 psi. Ran 2 3/8" 4.7# J-55 tubing. Land @ 1300' SN @ 1202'. Well completed on 12-20-2010.

RCVD JAN 4 '11

OIL CONS. DIV.

DIST. 3

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

Electronic Submission #99543 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by TROY SALYERS on 12/29/2010 (11TLS0121SE)

Name (Printed/Typed) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 12/23/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

TROY SALYERS

Title PETROLEUM ENGINEER

Date 12/29/2010

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 **

NMOC