

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.
NOG090517596. If Indian, Allottee or Tribe Name
EASTERN NAVAJO7. If Unit or CA/Agreement, Name and/or No.
NMNM1126248. Well Name and No.
MARTINEZ BEGAY COM 19. API Well No.
30-045-34983-00-X110. Field and Pool, or Exploratory
BASIN FRUITLAND COAL11. County or Parish, and State
SAN JUAN COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE

2. Name of Operator

DUGAN PRODUCTION CORPORATION

Contact: JOHN C ALEXANDER

Email: johncalexander@duganproduction.com

3a. Address

FARMINGTON, NM 874990420

3b. Phone No. (include area code)

Ph: 505-325-1821

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

Sec 34 T24N R10W SESE 1200FSL 1000FEL
36.26631 N Lat, 107.88716 W Lon

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 shall 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 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

07/26/2010 Pressure test 8-5/8" casing 600# for 30 minutes, held.

Drill to TD @ 1335' on 07/29/2010.

Pressure test 5-1/2" casing 3000# psi for 30 minutes, held. Ran GR-CCL-CNL logs from PBTD 1280' to surface. Perforate Fruitland Coal from 1138'-1158' w/4 spf (total 80 holes). Pumped 500 gallons 15% HCL. Frac w/79,000# 20/40 sand; 59,000 gallons gelled water. Ran 2-3/8" 4.7# J-55 tubing on 01/28/2011. Land @ 1206', SN @ 1170'.

RCVD FEB 2 '11

OIL CONS. DIV.

DIST. 3

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

Electronic Submission #101818 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 02/01/2011 (11SXM0915SE)

Name (Printed/Typed) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 01/31/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

STEPHEN MASON
Title PETROLEUM ENGINEER

Date 02/01/2011

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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