

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires, July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | | |
|--|--|--|--|
| 1a. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input checked="" type="checkbox"/> Other: CBM | | 5. Lease Serial No NOG09121764 | |
| b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff Resvr Other _____ | | 6. If Indian, Allottee or Tribe Name EASTERN NAVAJO | |
| 2. Name of Operator DUGAN PRODUCTION CORPORATION | | 7. Unit or CA Agreement Name and No NMNM112661 | |
| 3. Address FARMINGTON, NM 874990420 | | 8. Lease Name and Well No LENNON COM 1 | |
| 3a. Phone No (include area code) Ph: 505-325-1821 | | 9. API Well No 30-045-35149-00-51 | |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NENE 1300FNL 1300FEL 36.128870 N Lat, 107.718340 W Lon At top prod interval reported below NENE 1300FNL 1300FEL At total depth NENE 1300FNL 1300FEL | | 10. Field and Pool, or Exploratory BASIN FRUITLAND COAL | |
| 14. Date Spudded 11/22/2011 | | 11. Sec, T, R, M., or Block and Survey or Area Sec 19 T22N R8W Mer NMP | |
| 15. Date T.D. Reached 11/30/2011 | | 12. County or Parish SAN JUAN | |
| 16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod 10/02/2012 | | 13. State NM | |
| 17. Elevations (DF, KB, RT, GL)* 6687 GL | | | |
| 18. Total Depth. MD 895 TVD 895 | | 19. Plug Back T.D. MD 839 TVD 839 | |
| 20. Depth Bridge Plug Set: MD TVD | | | |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR-CNL-CCL | | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) | |

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt (#/ft) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-----------|----------|-------------|----------------------|-----------------------------|------------------|-------------|---------------|
| 12.250 | 8.625 J-55 | 24.0 | | 126 | | 120 | | Surface | |
| 7 875 | 5.500 J-55 | 15.5 | | 886 | | 143 | | Surface | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

RCVD OCT 19 '12
OIL CONS. DIV.
DIST. 3

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|-------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2.375 | 756 | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No Holes | Perf Status |
|-------------------|-----|--------|---------------------|------|----------|-------------|
| A) FRUITLAND COAL | 680 | 700 | 680 TO 700 | | 80 | |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 680 TO 700 | 11 9 BBLS 15% HCL ACID, 70,000# 20/40 SAND; 427 BBLS FLUID, 192 MSCF N2 |
| | |
| | |
| | |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|----------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| A | 10/02/2012 | 24 | → | 0 0 | 120 0 | 90 0 | | | FLOWS FROM WELL |
| Choke Size | Tbg Press Flwg | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |
| 2" | SI 150 | 220 0 | → | 0 | 120 | 90 | | GIWSI | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|----------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg Press Flwg | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |
| SI | | | → | | | | | | |

FARMINGTON FIELD OFFICE

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #154426 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

NMOCDV

28b. Production - Interval C

| | | | | | | | | | |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|-------------------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate → | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |

28c Production - Interval D

| | | | | | | | | | |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|-------------------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate → | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |

29. Disposition of Gas(Sold, used for fuel, vented, etc)

VENTED

30. Summary of Porous Zones (Include Aquifers).

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31 Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|-----------|-----|--------|------------------------------|--|------------------|
| | | | | | Meas Depth |
| | | | | KIRTLAND FRUITLAND PICTURED CLIFFS | 36 352 706 |

32 Additional remarks (include plugging procedure)

33. Circle enclosed attachments

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other. | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #154426 Verified by the BLM Well Information System.
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by PAUL BROWN on 10/16/2012 (13PLB0004SE)

Name (please print) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 10/11/2012

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

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****