

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.

NM 90469

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

1. Type of Well

Oil Well

Gas Well

Other

2. Name of Operator

Dugan Production Corp.

8. Well Name and No.

Presley #1

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821

9. API Well No.

30 045 29061

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

790' FSL & 790' FEL (SE/4 SE/4)
Unit P, Sec. 7, T22N, R8W, NMPM

10. Field and Pool, or Exploratory Area

Bisti Chacra

11. County or Parish, State

San Juan, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other

Place on production

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Pipeline construction is nearly complete and production facilities are being installed. This well will be ready for gas sales within 6 months.



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

Signed Kurt Fagrelus Title Vice-President, Exploration Date 6/29/2006

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

ACCEPTED FOR RECORD

JUL 07 2006

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

NMOSD

FARMINGTON OFFICE
S.M.