

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|---|
| ¹ Operator name and Address Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420 | | ² OGRID Number 006515 |
| | | ³ Reason for Filing Code/ Effective Date NW |
| ⁴ API Number 30 - 045 - 33697 | ⁵ Pool Name Harper Hill Fruitland Sand Pictured Cliffs | ⁶ Pool Code 78160 |
| ⁷ Property Code 3801 | ⁸ Property Name Pan American Federal | ⁹ Well Number 3 |

II. ¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot.Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| N | 24 | 30N | 14W | | 1140 | South | 1980 | West | San Juan |

¹¹ Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| N | 24 | 30N | 14W | | 1140 | South | 1980 | West | San Juan |

| | | | | | |
|-----------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| ¹² Lse Code F | ¹³ Producing Method Code F | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date |
|-----------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
|---------------------------------|---|-------------------|-------------------|--|
| 151618 | Enterprise Field Services 614 Reilly Ave, Farmington, NM | 2832338 | G | Pinon Mesa Gas Gathering System CDP Located: A-24-T30N-R14W |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
|-------------------|--|

V. Well Completion Data

| | | | | | |
|------------------------------------|------------------------------------|---------------------------|-----------------------------|---|-------------------------------------|
| ²⁵ Spud Date 6/29/06 | ²⁶ Ready Date 8/4/06 | ²⁷ TD 1560' | ²⁸ PBSD 1503' | ²⁹ Perforations 1327'-1384' | ³⁰ DHC, MC DHC-2341AZ |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | ³⁴ Sacks Cement | | |
| 12-1/4" | 8-5/8" 24# J-55 | 121' | 95 sx | | |
| 7" | 5-1/2" 15.5# J-55 | 1544' | 150 sx | | |
| | 2-3/8" | 1426' | | | |

VI. Well Test Data

| | | | | | |
|----------------------------------|---------------------------------------|--|------------------------------------|-----------------------------------|------------------------------------|
| ³⁵ Date New Oil NA | ³⁶ Gas Delivery Date NA | ³⁷ Test Date 7/21/06 06 | ³⁸ Test Length 8 hrs | ³⁹ Tbg. Pressure 10 | ⁴⁰ Csg. Pressure 160 |
| ⁴¹ Choke Size N/A | ⁴² Oil 0 | ⁴³ Water 50 | ⁴⁴ Gas 8 | ⁴⁵ AOF | ⁴⁶ Test Method |

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *John Alexander*
Printed name: John Alexander
Title: Vice-President
E-mail Address: johnalexander@duganproduction.com
Date: August 29, 2006
Phone: (505)325-1821

9-5-06 OIL CONSERVATION DIVISION
Approved by: *Charles Herri* 9-7-06
Title: SUPERVISOR DISTRICT # 3
Approval Date: SEP 05 2006