

Expires: February 28, 1995

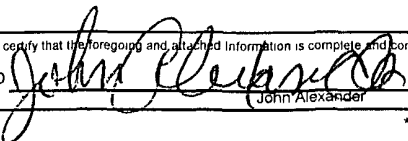
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSEP 09 2008  
(reverse side)

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1 a TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO NM-42059	
b TYPE OF COMPLETION NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF CENTR <input type="checkbox"/> OTHER <input type="checkbox"/>		6 IF INDIAN, ALLOTTEE OR TRIBE NAME RCVD SEP 5 '08	
2 Name of Operator Dugan Production Corp.		7 UNIT AGREEMENT NAME OIL CONS. DIV.	
3 Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821		8 FARM OR LEASE NAME, WELL NO. DIST. 3	
4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 965' FSL. & 1945' FWL (SE/4 SW/4)		9 API Well No. 30-045-34220	
At top prod. interval reported below same		10 FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
At total depth same		11 SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Unit N Sec. 5, T23N, R10W	
14 PERMIT NO		12 COUNTY OR PARISH San Juan	
DATE ISSUED		13 STATE NM	
15 DATE SPUDDED 12/18/2007	16 DATE T.D. REACHED 12/20/2007	17 DATE COMPL. (Ready to prod.) 8/26/2008	18 ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6527' GL
20 TOTAL DEPTH, MD & TVD 1160'	21 PLUG BACK T.D., MD & TVD 1113'	22 IF MULTIPLE COMPL. HOW MANY*	19 ELEV. CASINGHEAD
24 PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 860'-892' (Fruitland Coal)			25 WAS DIRECTIONAL SURVEY MADE no
26 TYPE ELECTRIC AND OTHER LOGS RUN GR-CNL-CCL			27 WAS WELL CORED no
28 CASING RECORD (Report all strings set in well)			
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
8-5/8" J-55	24#	127'	12-1/4"
5-1/2" J-55	15.5#	1154'	7"
TOP OF CEMENT, CEMENTING RECORD			
100 sx Type 5 cement w/2% CaCl <sub>2</sub> & 1/4# celloflake/sx			
60 sx Type 5 cement w/2% Lodense, 2# PhenoSeal & 1/4# celloflake/sx			
Tail w/50 sx Type 5 cement w/2# PhenoSeal & 1/4# celloflake/sx			
190 cu ft total slurry			
29 LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
30 TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SBT (MD)	
2-3/8"	959'	N/A	
31 PERFORATION RECORD (Interval, size and number)			
860'-892' w/4 spf (total 32', 127 holes)			
32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
898'-924'		55,000 Gals DynaFrac gel, 112,000# 20/40 sand	
33 * PRODUCTION			
DATE FIRST PRODUCTION N/A		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing	
WELL STATUS (Producing or shut in) Shut in			
DATE OF TEST 8/26/2008	HOURS TESTED 24	CHOKE SIZE 2"	PROD'N FOR TEST PERIOD →
FLOW TUBING PRESS 2	CASING PRESSURE 20	CALCULATED 24 - HOUR RATE →	OIL - BBL 0
GAS - MCF 10		WATER - BBL 20	
OIL GRAVITY - API (CORR)			
OIL - BBL 0		GAS - MCF 10	
WATER - BBL 20			
34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc) Vented - to be sold			
35 LIST OF ATTACHMENTS			

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED



Title

Vice-President

Date

8/29/2008

\*(See Instructions and Spaces for Additional Data on Reverse Side)

SEP 04 2008

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

NMOCD

FARMINGTON FIELD OFFICE  
8/29/2008

37 SUMMARY OF POROUS ZONES (Show all important zones of porosity and contents thereof cored intervals, and all drill-stem, tests, including depth interval tested on used, time tool open, flowing and shut-in pressures, and recoveries)

38 GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC	NAME	TOP	
					MEAS DEPTH	TRUE VERT DEPTH
				Ojo Alamo	surface	
				Kirtland	79'	
				Fruitland	556'	
				Pictured Cliffs	895'	
				Total Depth	1160'	