

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT(Other instructions on
reverse side)

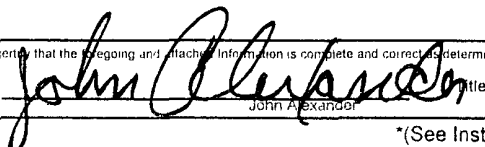
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG* DEC 08 2008

| | | | | | | | |
|--|-----------------------|---|--|---|------------------------------------|--|--------------------------------|
| 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-33021 | |
| b TYPE OF COMPLETION | | NEW <input checked="" type="checkbox"/> | WORK OVER <input type="checkbox"/> | DEEP-EN <input type="checkbox"/> | PLUG BACK <input type="checkbox"/> | DIFF CENTR <input type="checkbox"/> | OTHER <input type="checkbox"/> |
| 2 Name of Operator Dugan Production Corp. | | | | | | 7 UNIT AGREEMENT NAME Report to lease | |
| 3 Address and Telephone No P.O. Box 420, Farmington, NM 87499 (505) 325-1821 | | | | | | 8 FARM OR LEASE NAME, WELL NO Coaly #90 | |
| 4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 660' FSL & 1000' FEL (SE/4 SE/4) At top prod interval reported below same At total depth same | | | | | | 9 API Well No 30-045-33905-0051 | |
| 14 PERMIT NO | | | | | | DATE ISSUED | |
| 15 DATE SPUDDED 5/19/2008 | | | | | | 16 DATE T D REACHED 5/23/2008 | |
| 17 DATE COMPL. (Ready to prod) 12/3/2008 | | | | | | 18 ELEVATIONS (DF, RKB, RT, GR, ETC) * GL | |
| 19 ELEV CASINGHEAD 12'08 | | | | | | 20 TOTAL DEPTH, MD & TVD 1360' | |
| 21 PLUG BACK T D, MD & TVD 1310' | | | | | | 22 IF MULTIPLE COMPL. HOW MANY* | |
| 23 INTERVALS DRILLED BY TD | | | | | | ROTARY TOOLS OIL CONS. DIV. | |
| 24 PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 967'-1166' (Fruitland Coal) | | | | | | 25. WAS DIRECTIONAL SURVEY MADE DIST. 3 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 | TOP OF CEMENT, CEMENTING RECORD | | AMOUNT PULLED | |
| 8-5/8" J-55 | 24# | 127' | 12-1/4" | 95 sx Type 5 cement w/2% CaCl2 w/1/4# celloflake/sx | | | |
| 5-1/2" J-55 | 15.5# | 1355' | 7" | 80 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 (231 cu ft) | | | |
| 29 LINER RECORD | | | | | | | |
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | 30 TUBING RECORD | | |
| | | | | | SIZE | DEPTH SET (MD) | PACKER SBT (MD) |
| | | | | | 2-3/8" | 1221' | N/A |
| 31 PERFORATION RECORD (Interval, size and number) 967'-71'; 980'-84'; 991'-96' & 1152'-66' w/4 spf (total 27', 108 holes) | | | | 32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC | | | |
| | | | | DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | |
| | | | | 967'-1166' | | 49,400 gals gel, 94,500# 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 12/3/2008 | HOURS TESTED 24 | CHOKE SIZE 2" | PROD'N FOR TEST PERIOD → | OIL - BBL 0 | GAS - MCF 10 | WATER - BBL 80 | GAS - OIL RATIO |
| FLOW TUBING PRESS 2 | CASING PRESSURE 10 | CALCULATED 24 - HOUR RATE → | OIL - BBL 0 | GAS - MCF 10 | WATER - BBL 80 | OIL GRAVITY - API (CORR) | |
| 34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc) Vented - to be sold | | | | | | TEST WITNESSED BY | |
| 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

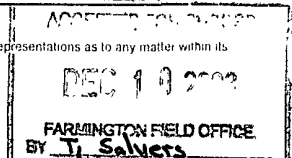
12/5/2008

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

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

10/12



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 | 20' | |
| | | | | Fruitland | 772' | |
| | | | | Pictured Cliffs | 1168' | |
| | | | | TOTAL DEPTH | 1360' | |