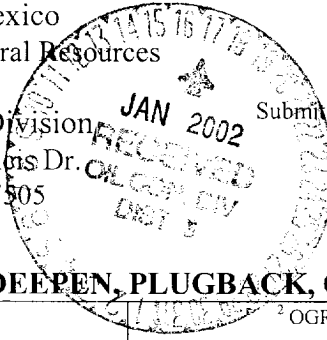


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-101
Revised March 17, 1999



Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address DUGAN PRODUCTION CORP. P.O. Box 420 Farmington, NM 87499		² OGRID Number 006515
³ Property Code 3850	³ Property Name State Com	³ API Number 30 - 045-29739
		⁶ Well No. 90R

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	32N	12W		790	North	2,415	East	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

⁹ Proposed Pool 1 Basin Fruitland Coal	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6,054' -
¹⁶ Multiple No	¹⁷ Proposed Depth 2,000' -	¹⁸ Formation Basin Fruitland Coal	¹⁹ Contractor Wayne Smith Drilling	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
9-7/8"	7"	20#	120'	71 cu. ft.	surface
6-1/4"	4-1/2"	10.5#	2,000'	400 cu. ft.	surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

A water-based gel mud will be used to drill surface and production casing holes. A standard 2,000psi blow out preventer will be used while drilling production casing hole. The Fruitland Coal interval will be completed from approximately 1,675' to 1,875'. The interval will be fracture stimulated. The State Com #90 will be temporarily abandoned after production is established from the State Com #90R.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Kurt Fagrelus</i>		Approved by: <i>[Signature]</i>	
Printed name: Kurt Fagrelus		Title: <i>[Signature]</i>	
Title: Geologist	Date: 01/17/02	Approval Date: JAN 17 2002	Expiration Date: JAN 17 2003
Phone: (505) 325-1821		Conditions of Approval:	
		Attached <input type="checkbox"/>	

HOLD C104 FOR change in Status - State com #90

X

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code	⁵ Property Name STATE COM		⁶ Well Number 90R
⁷ OGRID No. 006515	⁸ Operator Name DUGAN PRODUCTION CORPORATION		⁹ Elevation 6054'

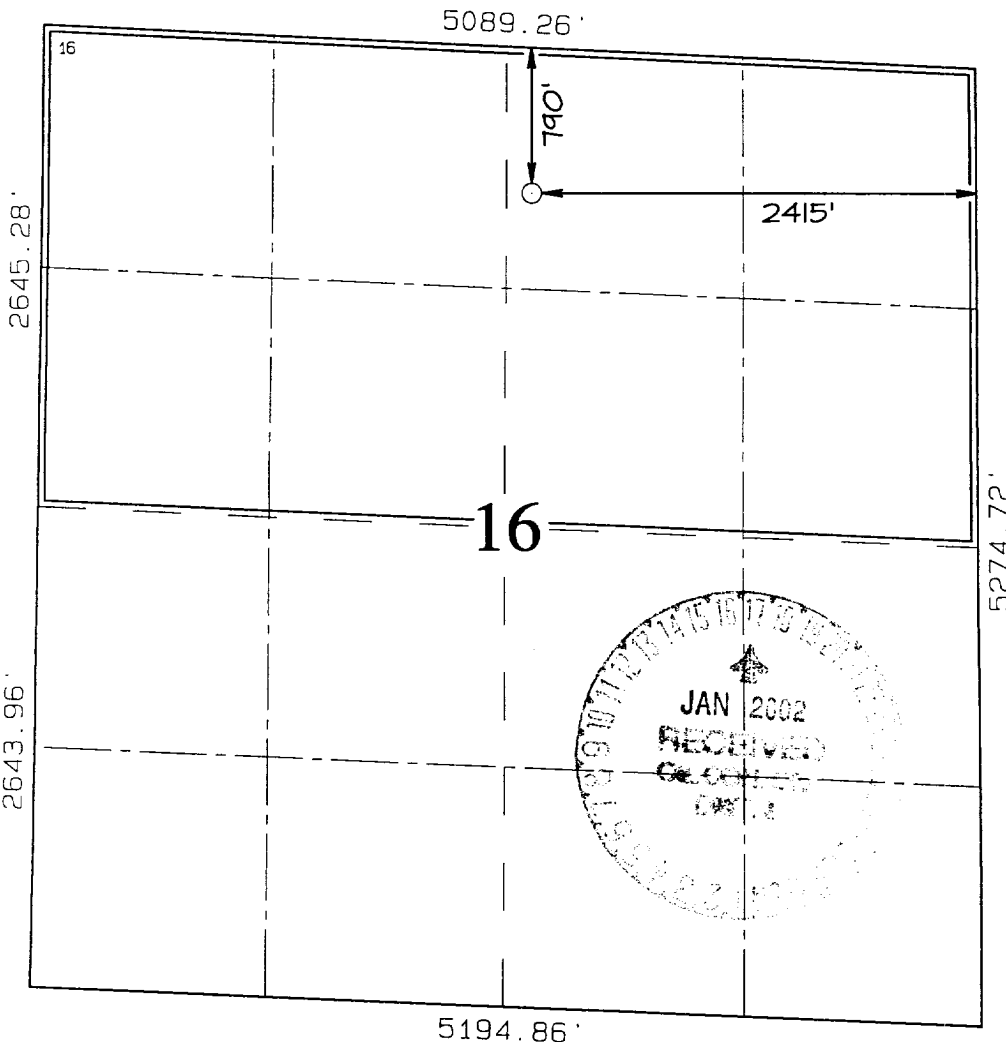
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	32N	12W		790	NORTH	2415	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.0 Acres (N/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Kurt Fagrelius
Signature

Kurt Fagrelius
Printed Name

Geologist
Title

1-17-02
Date

¹⁸ SURVEYOR CERTIFICATION

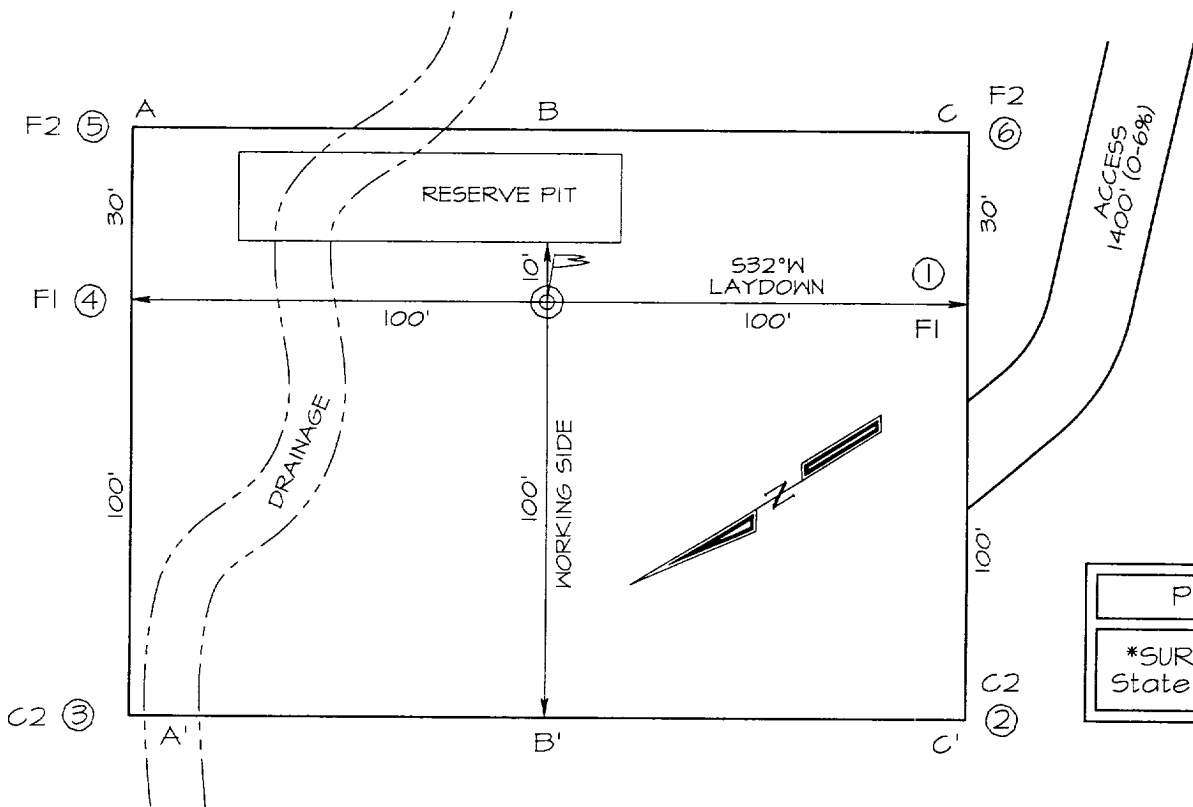
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Survey Date: JANUARY 15, 2002

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

**DUGAN PRODUCTION CORPORATION STATE COM #90R
 790' FNL, 2415' FEL, SECTION 16, T32N, R12W, NMPM
 SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6054'**



LATITUDE: 36°59'28"
LONGITUDE: 108°05'59"
 DATUM: NAD1927

PLAT NOTE:
 SURFACE OWNER
 State of New Mexico

A-A'						
6064'						
6054'	[Profile Line]					
6044'						

B-B'						
6064'						
6054'	[Profile Line]					
6044'						

C-C'						
6064'						
6054'	[Profile Line]					
6044'						

DUGAN PRODUCTION CORPORATION STATE COM #90R

790' FNL & 2415' FEL, SECTION 16, T32N, R12W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

