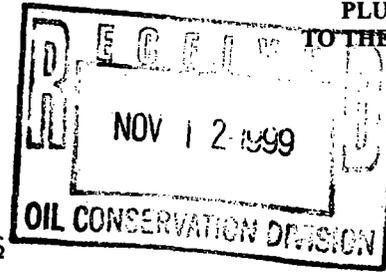


District I - (505) 393-6161  
 1625 N. French Dr  
 Hobbs, NM 88241-1980  
 District II - (505) 748-1283  
 811 S. First  
 Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Road  
 Aztec, NM 87410  
 District IV - (505) 827-7131

New Mexico  
 Energy Minerals and Natural Resources Department  
 Oil Conservation Division  
 2040 South Pacheco Street  
 Santa Fe, New Mexico 87505  
 (505) 827-7131

1391 Form C-142  
 Date 06/99

SUBMIT ORIGINAL  
 PLUS 2 COPIES  
 TO THE SANTA FE  
 OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Dugan Production Corp. P. O. Box 420, Farmington, NM 87499-0420						OGRID Number 006515		
Contact Party John Alexander						Phone (505) 325-1821		
Property Name Huerfanito				Well Number 5R		API Number 30 045 29701		
UL N	Section 10	Township 26N	Range 9W	Feet From The 840'	North/South Line South	Feet From The 2490'	East/West Line East	County San Juan

II. Date/Time Information

Spud Date 8/11/99	Spud Time 0100 hrs	Date Completed 11/4/99	Pool Basin Dakota
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- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.  
 IV. Attach a list of all working interest owners with their percentage interests.  
 V. AFFIDAVIT:

State of New Mexico )  
 County of San Juan ) ss.  
 John Alexander, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature John Alexander Title Vice-president Date November 11, 1999  
 SUBSCRIBED AND SWORN TO before me this 11th day of November, 1999.  
Sharon E. Hetch  
 Notary Public  
 My Commission expires: 9/8/01

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark P. Speer</u>	Title <u>P.E. Speer</u>	Date <u>JAN 03 2000</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 1/4/00

NOTICE: The operator must notify all working interest owners of this New Well certification.

PVZV2007231842

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
BLM

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

070 FARMINGTON, NM

5. Lease Designation and Serial No.

SF 078388A

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.

Huerfanito #5R

3. Address and Telephone No.

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

9. API Well No.

30 045 29701

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

840' FSL & 2490' FEL (SE/4 SW/4)  
Unit N, Sec. 10, T26N, R9W

10. Field and Pool, or Exploratory Area

Basin Dakota

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 Spud

- 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.)\*

Spud @ 0100 hours on 8/11/99. Drill to 328'. Run 8-5/8" 24# J-55 casing. Land @ 326'. Cement with 271 cu. ft. class "B" containing 1/4# celloflake and 3% CaCl2. Circulate 10 bbis cement to surface. Pressure test casing and BOP to 600 psi, held ok.

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

Signed

*John Alexander*  
John Alexander

Title

Vice-president

Date

8/12/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ACCEPTED FOR RECORD

AUG 17 1999

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.

FARMINGTON FIELD OFFICE  
BY *[Signature]*

\*See Instruction on Reverse Side

OPERATOR

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\*

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. <b>SF 078388A</b>
b. TYPE OF COMPLETION:		NEW Well <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. Name of Operator		<b>Dugan Production Corp.</b>				7. UNIT AGREEMENT NAME
3. Address and Telephone No.		<b>P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821</b>				8. FARM OR LEASE NAME, WELL NO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*		<b>At surface 840' FSL &amp; 2490' FEL (SE/4 SW/4)</b>				<b>Huerfanito #5R</b>
At top prod. interval reported below		<b>same</b>				9. API Well No. <b>30 045 29701</b>
At total depth		<b>same</b>				10. FIELD AND POOL, OR WILDCAT <b>Basin Dakota</b>
14. PERMIT NO.		DATE ISSUED		12. COUNTY OR PARISH		13. STATE
				<b>San Juan</b>		<b>NM</b>

15. DATE SPUDDED <b>8/11/99</b>	16. DATE T.D. REACHED <b>8/24/99</b>	17. DATE COMPL. (Ready to prod.) <b>11/4/99</b>	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* <b>6275'</b>	19. ELEV. CASINGHEAD
20. TOTAL DEPTH, MD & TVD <b>6772'</b>		21. PLUG BACK T.D., MD & TVD <b>6707'</b>	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY <b>TD</b>
24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* <b>6379' - 6663' (Dakota)</b>				25. WAS DIRECTIONAL SURVEY MADE <b>no</b>
26. TYPE ELECTRIC AND OTHER LOGS RUN <b>IES/CDL, GR/CCL</b>				27. WAS WELL CORED <b>no</b>

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
<b>8-5/8"</b>	<b>24#</b>	<b>326'</b>	<b>12-1/4"</b>	<b>271 cu. ft. class "B" containing 1/4# celloflake &amp; 3% CaCl2</b>	
<b>4-1/2"</b>	<b>10.5 &amp; 11.6#</b>	<b>6772'</b>	<b>7-7/8"</b>	<b>SEE BACK</b>	

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)
					<b>2-3/8"</b>	<b>6490'</b>
						<b>NA</b>

31. PERFORATION RECORD (interval, size and number)	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
	DEPTH INTERVAL (MD)
<b>6379', 80', 82', 84', 87', 89', 6474', 79', 83', 85', 89', 96', 6501', 67', 90', 97', 6601', 03', 05', 6660' - 6663'</b>	<b>6379'-6605'</b>
<b>total 33 holes</b>	<b>1550 gals 15% HCL, 70,500# 20/40 sand; 80,783 gals slickwater</b>
	<b>6660'-6663'</b>
	<b>500 gals 15% HCL</b>

33.* PRODUCTION	
DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) <b>capable of production</b>
	WELL STATUS (Producing or shut in) <b>shut-in</b>

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - MCF.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
<b>1350</b>	<b>1500</b>						
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24 - HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
<b>1350</b>	<b>1500</b>						

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) <b>to be sold</b>	TEST WITNESSED BY
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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 John Alexander Title Vice-president Date 11/10/99

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

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):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
			<p>Cement 1st stage 262 cu. ft. 65/35/8 containing 8# Gilsomite/sx &amp; 1/4# celloflake/sx. Tail 218 cu.ft. class "H" containing .4% CD-32, .3% FL-52 &amp; 1/4# celloflake. Cement 2nd stage 690 cu. ft. 65/35/8 containing 8# Gilsomite &amp; 1/4# celloflake/sx. Tail 70 cu. ft. class "C" containing 6-1/4# Gilsomite/sx &amp; 1/4# celloflake/sx. Cement 3rd stage 752 cu. ft. 65/35/8 containing 8# Gilsomite &amp; 1/4# celloflake/sx. Tail 70 cu. ft. class "C" containing 6-1/4# Gilsomite/sx &amp; 1/4# celloflake/sx. Circulate 2 bbls cement to surface on 3rd stage. Total cement volumes: 1st stage 480 cu. ft.; 2nd stage 760 cu. ft; 3rd stage 822 cu. ft.</p>

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	934'	
Kirtland	1266'	
Fruitland	1674'	
Pictured Cliffs	1978'	
Lewis	2061'	
Chacra	2449'	
Cliff House	2546'	
Menefee	3640'	
Point Lookout	4392'	
Mancos	4637'	
Gallup	5446'	
Sanostee	5968'	
Greenhorn	6296'	
Graneros	6347'	
Dakota	6374'	

**WORKING INTEREST OWNERS**

**HUERFANITO #5R  
API #30 045 29701  
Unit N, Section 10, T26N, R9W  
San Juan County, New Mexico**

**Dugan Production Corp. -- 74.803405%**

**Burlington Resources -- 25.196595%**