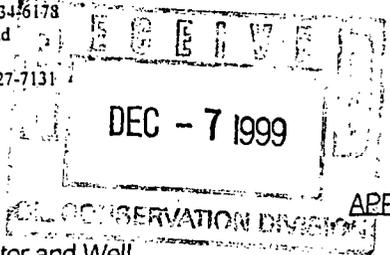


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

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

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 James					Well Number 1	API Number 30 045 29910		
UL I	Section 24	Township 22N	Range 8W	Feet From The 1475	North/South Line South	Feet From The 878	East/West Line East	County San Juan

II. Date/Time Information

Spud Date 6/25/99	Spud Time 1300	Date Completed 12/3/99	Pool Rusty Chacra Ext.
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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 Roe, 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 D. Roe Title Engineering Manager Date December 6, 1999

SUBSCRIBED AND SWORN TO before me this 6th day of December, 1999.

Cynthia L. Sweetland
Notary Public

My Commission expires: 8-11-2000

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 Kelly</u>	Title <u>P.E. Kelly</u>	Date <u>2-2-00</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 2/8/00

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

PV2V2007336004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.
NM 93253

6. If Indian, Allotted or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

7. If Unit or CA, Agreement Designation

2. Name of Operator

Dugan Production Corp.

8. Well Name and No.

James #1

3. Address and Telephone No.

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

9. API Well No.

30 045 29910

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

**1475' FSL & 878 FEL (NE/4 SE/4)
Unit I, Sec. 24, T22N, R8W**

10. Field and Pool, or Exploratory Area

Rusty Chacra Ext.

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
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Surface casing</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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 @ 1300 hrs 6/25/99. Set 7" 20# casing @ 120'. Cement with 59 cu. ft. class "B" cement with 1/4#/sx celloflake. Circulate 2 bbls cement to surface. Pressure test casing to 600 psi, with no leaks.

070 FARMINGTON, NM
99 JUN 30 PM 12:48
RECEIVED
BLM

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

Signed John Alexander Title Vice-president
John Alexander

Date 6/28/99

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

ACCEPTED FOR RECORD

JUL 14 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.

*See Instruction on Reverse Side

OPERATOR

FARMINGTON FIELD OFFICE
BY [Signature]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1.a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER
 b. TYPE OF COMPLETION: NEW Well WORK OVER DEEP-EN PLUG BACK DIFF. CENTR. OTHER

2. Name of Operator
Dugan Production Corp.

3. Address and Telephone No.
P.O. Box 420, Farmington, NM 87499 (505) 325-1821

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface **1475' FSL & 878' FEL (NE/4 SE/4)**

At top prod. interval reported below **same**
At total depth **same**

14. PERMIT NO. _____ DATE ISSUED _____
12. COUNTY OR PARISH **San Juan** 13. STATE **NM**

15. DATE SPUNDED **6/25/99** 18. DATE T.D. REACHED **6/29/99** 17. DATE COMPL. (Ready to prod.) **12/3/99** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **6705'** 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD **1525'** 21. PLUG BACK T.D., MD & TVD **1492'** 22. IF MULTIPLE COMPL. HOW MANY* _____ 23. INTERVALS DRILLED BY **TD** ROTARY TOOLS _____ CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
1284' - 1400' (Chacra) 25. WAS DIRECTIONAL SURVEY MADE **no**

26. TYPE ELECTRIC AND OTHER LOGS RUN **GR-CCL-CNL** 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
7"	20#	120'	9-1/8"	59 cuft class "B" w/1/4# celloflake/sx	
4-1/2"	10.01#	1165'	6-1/4"	123 cu ft 2% Lodense containing 1/4# celloflake/sx.	
				Follow w/118 cu ft class "B" containing 1/4# celloflake/sx.	
				Total 241 cu ft.	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SBT (MD)
					2-3/8"	1324'	NA

31. PERFORATION RECORD (Interval, size and number)
1284',90',98',1304',14',24',34',44',58',63',75',1382',84',90',94',1400 w/1 spf (16 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1284' - 1400'	750 gals 15% HCL

33.* PRODUCTION

DATE FIRST PRODUCTION **12/3/99** PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) **capable of production** WELL STATUS (Producing or shut in) **shut-in**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PRODN FOR TEST PERIOD	OIL - MCF.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
12/3/99	24 hours						

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24 - HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)
340 psi - SI	340 psi - SI					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **vented - to be sold** TEST WITNESSED BY **Charles Hall**

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 D. Roe Title Engineering Manager Date 12/6/99
 John D. Roe

*(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.

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	300'	
				Kirtland	348'	
				Fruitland	715'	
				Pictured Cliffs	902'	
				Lewis	1094'	
				Chacra	1274'	

WORKING INTEREST OWNERS

JAMES #1
API #30 045 29910
Unit i, Section 24, T22N, R8W
San Juan County, New Mexico

Dugan Production Corp. -- 100.0%