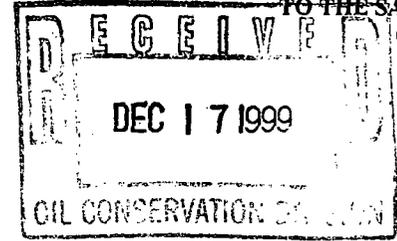


District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
 District II - (505) 748-1283
 811 S. First
 Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Road
 Aztec, NM 87410
 District IV - (505) 827-7131

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

1491 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 Federal I					Well Number 99	API Number 30 045 29989		
UL H	Section 3	Township 29N	Range 14W	Feet From The 1488	North/South Line North	Feet From The 1106	East/West Line East	County San Juan

II. Date/Time Information

Spud Date 11/8/99	Spud Time 1130	Date Completed 12/9/99	Pool Basin Fruitland Coal
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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:

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

Signature John Alexander Title Vice-president Date 12/15/99

SUBSCRIBED AND SWORN TO before me this 15th day of December, 1999.

Traci R. Helt
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. Sp...</u>	Title <u>P.E. Spec.</u>	Date <u>FEB 07 2000</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.

PV2V2007636295

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

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. If Unit or CA, Agreement Designation
2. Name of Operator Dugan Production Corp.	8. Well Name and No. Federal I #99
3. Address and Telephone No. P.O. Box 420 , Farmington, NM 87499 (505) 325 - 1821	9. API Well No. 30 045 29989
Location of Well (Footage, Sec., T., R., M., or Survey Description) 1488' FNL & 1106' FEL (SE/4 NE/4) Unit H, Sec. 3, T29N, R14W, NMPM	10. Field and Pool, or Exploratory Area Basin Fruitland Coal 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>Spud</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 @ 1130 hrs (11/8/99). Run 7" 20# J-55 casing. Land @ 127'. Cement w/59 cu. ft. class "B" containing 1/4# celloflake/sx. Circulate 2 bbls cement to surface. Pressure test to 600 psi, held ok.

RECEIVED
 BLM
 99 NOV 12 PM 12:51
 OTO FARMINGTON, NM

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

Signed John Alexander Title Vice-president Date 11/10/99

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

ACCEPTED FOR RECORD

NOV 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.

*See Instruction on Reverse Side

FARMINGTON FIELD OFFICE
BY [Signature]

OPERATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE:
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

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 **1488' FNL & 1106' FEL (SE/4 NE/4)**
At top prod. interval reported below **same**
At total depth **same**

5. LEASE DESIGNATION AND SERIAL NO.
SF 078110

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Federal I#99

9. API Well No.
30 045 29989

10. FIELD AND POOL, OR WILDCAT
Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
**Unit H
Section 3, T29N, R14W**

14. PERMIT NO. _____ DATE ISSUED _____

12. COUNTY OR PARISH **San Juan** 13. STATE **NM**

15. DATE SPUNDED **11/8/99** 16. DATE T.D. REACHED **11/10/99** 17. DATE COMPL. (Ready to prod.) **12/9/99** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **5468'** 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD **1170'** 21. PLUG BACK T.D., MD & TVD **1125'** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS **TD** CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
882' - 1024' (Fruitland Coal)

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#	127'	9-1/8"	59 cuft class "B" containing 1/4# celloflake/sx	
4-1/2"	10.01#	1165'	6-1/4"	60 sx 2% Lodense w/1/4# celloflake. Tail w/70 sx class "B" neat w/1/4# celloflake.	
				Total 204 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"	1020'	NA

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	882'-1024'	40,400 gals 70Q foam; 61,100# 20/40 sand; 230,000 SCF N2; 675 gals 15% HCL.

882'-88', 944'-46', 950'-55' w/1 spf (total 16 holes);
1003'-10', 1016'-24' w/4 spf (total 60 holes)

33.* PRODUCTION

DATE FIRST PRODUCTION **12/9/99** 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 **12/9/99** HOURS TESTED _____ CHOKE SIZE _____ PROD'N FOR TEST PERIOD _____ OIL - MCF. _____ GAS - MCF. _____ WATER - BBL _____ GAS - OIL RATIO _____

FLOW. TUBING PRESS. **260** CASING PRESSURE **260** CALCULATED 24 - HOUR RATE _____ OIL - BBL _____ GAS - MCF. _____ WATER - BBL _____ 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 John Alexander Title **Vice-president** Date **12/14/99**
John Alexander

*(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
				Kirtland	surface	
				Fruitland	711'	
				Pictured Cliffs	1026'	

WORKING INTEREST OWNERS

**FEDERAL I #99
API #30 045 29989
Unit H, Section 3, T29N, R14W
San Juan County, New Mexico**

Dugan Production Corp. - 100.0%