

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		5. Lease Serial No. NMNM23048
2. Name of Operator TEXAKOMA OIL & GAS CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 5400 LBJ FRWY, SUITE 500 DALLAS, TX 75240		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 972.701.9106 Fx: 972.701.9056		8. Well Name and No. DUGAN FEDERAL 4
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T29N R5W SWSE 970FSL 2435FEL		9. API Well No. 30-039-27766-00-X1
		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
		11. County or Parish, and State RIO ARRIBA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Well Spud
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SPUD NOTIFICATION TO BLM ON 11-12-2004. WELL SPUDDED AT 2220 HOURS ON 11-13-04. A 12 1/4" SURFACE HOLE WAS DRILLED TO 377' AND 8 JTS OF NEW 8 5/8" 24 PPF J-55 CASING WAS RUN TO 373' AND CEMENTED TO SURFACE WITH 20 BFW PREFLUSH FOLLOWED BY 275 SKS CLASS B CEMENT WITH 2% CACL2 AND 1/4#/SK CELLOFLAKE, DISPLACE WITH 21.2 BFW AND CIRCULATED 11 BARRELS OF GOOD CEMENT TO PIT, PLUG DID NOT BUMP, LEFT 400 PSIG ON CASING ENDING AT 2045 HOURS ON 11-14-04. TESTED CASING AND BOP TO 1000 PSIG, OK. DRILLED 7 7/8" HOLE TO DTD 3372' AT 1730 HOURS ON 11-23-04. HALLIBURTON RAN INDUCTION, MICROLOG AND NEUTRON-DENSITY LOGS TO 3372'. RAN 75 JTS OF NEW 5 1/2" 15.5 PPF J-55 CASING TO 3363' WITH 10 CENTRALIZERS AND FLOAT COLLAR AT 3318'. CEMENTED CASING WITH 30 BFW PREFLUSH FOLLOWED BY 450 SKS CLASS B CEMENT WITH 2% SODIUM METASILICATE WITH 1/4#/SK CELLOFLAKE AND 5#/SK GILSONITE MIXED AT 12.5 PPG AND YIELD 2.07 CF/SK AND TAILED IN WITH 140 SKS CLASS B WITH 1% CACL2, 1/4#/SK CELLOFLAKE AND 5#/SK GILSONITE MIXED AT 15.6 PPG WITH YIELD OF 1.18 CF/SK, CIRCULATED 18 BARRELS OF GOOD CEMENT TO PIT, BUMPED PLUG WITH 1400 PSIG AT 2131 HOURS ON 11-24-04, FLOAT HELD OK. WASHED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #51402 verified by the BLM Well Information System For TEXAKOMA OIL & GAS CORPORATION, sent to the Farmington Committed to AFMSS for processing by ADRIENNE BRUMLEY on 12/07/2004 (05AXB0458SE)	
Name (Printed/Typed) TOM SPRINKLE	Title DRILLING/COMPLETION MANAGER
Signature (Electronic Submission)	Date 12/01/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	ADRIENNE BRUMLEY Title PETROLEUM ENGINEER	Date 12/07/2004
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******NMOCD**

Additional data for EC transaction #51402 that would not fit on the form

32. Additional remarks, continued

OUT BOP AND SET SLIPS WITH CASING IN FULL TENSION, CUT OFF AND WELD ON 5 1/2" BELL NIPPLE AND
INSTALL TUBINGHEAD, RIG RELEASED AT 0200 HOURS ON 11-25-04. COMPLETION WILL START IN NEXT 30 DAYS
DEPENDING ON WEATHER AND EQUIPMENT AVAILABILITY.