

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT(Other instructions on
reverse side)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1.a. TYPE OF WELL.

OIL ☐ WELL ☐ GAS ☒ WELL ☐ DRY ☐ OTHER ☐

b. TYPE OF COMPLETION:

NEW ☒ WORK ☐ DEEP- ☐ PLUG ☐ DIFF. ☐
Well ☐ OVER ☐ EN ☐ BACK ☐ 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 1205' FNL & 1265' FEL (NE/4 NE/4)

At top prod interval reported below

same

At total depth

same

15 DATE SPUDDED

6/8/2011

16 DATE T.D. REACHED

6/15/2011

17 DATE COMPL

(Ready to prod)

10/20/2011

20 TOTAL DEPTH, MD & TVD

1210'

21 PLUG BACK T.D., MD & TVD

1160'

22 IF MULTIPLE COMPL.

HOW MANY*

23 INTERVALS

DRILLED BY

18 ELEVATIONS (DF, RKB, RT, GR, ETC) *

6634' GL

19 ELEV CASINGHEAD

TD

24 PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*

1001'-1022' (Fruitland Coal)

26 TYPE ELECTRIC AND OTHER LOGS RUN

GR-CNL-CCL

25 WAS DIRECTIONAL SURVEY MADE

no

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
8-5/8" J-55	24#	128'	12-1/4"	120 sx Type III cement w/2% CaCl ₂ & 1/4# celloflake/sx	
5-1/2" J-55	15.5#	1210'	7-7/8"	110 sx Premium Lite FM w/3% CaCl ₂ , 1/4# celloflake, 5#/sx LCM, 0.4% FL-52, 8% Bentonite & 0.4% Sodium Metasilicate. Tail w/70 sx Type III cement w/1# per sx CaCl ₂ , 1/4# celloflake/sx, 0.2% FL-52 (331 cu ft total slurry)	

29

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SBT (MD)
					2-3/8"	1092'	N/A

31. PERFORATION RECORD (Interval, size and number)

1001'-1022' w/4 spf (total 21', 84 holes)

32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1001'-1022'	500 gals 15% HCL; 53,790 gals gelled fluid;
	85,000# 20/40 sand

33

PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)					WELL STATUS (Producing or shut in)	
N/A		Flowing					Shut in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS - OIL RATIO	
10/20/2011	24	n/a	→	0	25	45		
FLOW TUBING PRESS	CASING PRESSURE	CALCULATED 24 - HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR)		
0	20	→	0	25	45	DIST. 3		

34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented - to be sold

TEST WITNESSED BY

RCVD NOV 14 '11

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

Title

Vice-President

Date

11/9/2011

*(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

jurisdiction

NMOCD A

ACCEPTED FOR RECORD

NOV 10 2011

FARMING FIELD OFFICE
BY

37 SUMMARY OF POROUS ZONES (Show all important zones of porosity and contents thereof: cored intervals; and all dnll-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
				Niacimiento	surface	
				Ojo Alamo	152'	
				Kirtland	230'	
				Fruitland	544'	
				Pictured Cliffs	1024'	
				Total Depth	1210'	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

OCT 31 2011

1a Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input checked="" type="checkbox"/> Other CBM		6 If Indian, Allottee or Tribe Name EASTERN NAVAJO	
b Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff Resvr		7 Unit or CA Agreement Name and No NMNM124303	
2 Name of Operator DUGAN PRODUCTION CORPORATION		8 Lease Name and Well No. MARATHON COM 90	
3a Address FARMINGTON, NM 874990420		9 API Well No 30-045-34570-00-S1	
3b Phone No (include area code) Ph. 505-325-1821		10 Field and Pool, or Exploratory BASIN FRUITLAND COAL	
4 Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SESE 1150FSL 660FEL 36.251620 N Lat, 107.894900 W Lon At top prod interval reported below SESE 1150FSL 660FEL 36 251620 N Lat, 107.894900 W Lon At total depth SESE 1150FSL 660FEL 36 251620 N Lat, 107.894900 W Lon		11 Sec, T, R., M, or Block and Survey or Area Sec 4 T24N R10W Mer NMP	
12 County or Parish SAN JUAN		13 State NM	
14 Date Spudded 06/17/2011		15 Date T D Reached 06/23/2011	
16 Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod 10/20/2011		17 Elevations (DF, KB, RT, GL)* 6636 GL	
18 Total Depth MD 1220 TVD 1220		19 Plug Back T D MD 1168 TVD 1168	
20 Depth Bridge Plug Set MD TVD		21 Type Electric & Other Mechanical Logs Run (Submit copy of each) GR-CNL-CCL GR-CNL-CCL	
22 Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)			

23 Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No of Sks & Type of Cement	Slurry Vol (BBL)	Cement Top*	Amount Pulled
12 250	8.625 J-55	24.0	128			120			
12 250	8.625 J-55	24.0	128			120			
7.875	5 500 J-55	15.5	1210			180			
7.875	5 500 J-55	15.5	1214			165			

24 Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	1062		2.375	1092				

25 Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No Holes	Perf Status
A) FRUITLAND COAL	994	1018	994 TO 1018		96	
B)	1001	1022	1001 TO 1022		84	
C)						
D)						

27 Acid, Fracture, Treatment, Cement Squeeze, Etc

Depth Interval	Amount and Type of Material
994 TO 1018	500 GALS 15% HCL, 58,200 GALS GELLED FLUID, 124,200# 20/40 SAND
1001 TO 1022	500 GALS 15% HCL, 53,790 GALS GELLED FLUID, 85,000# 20/40 SAND

28 Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
A	10/20/2011	24	→	0.0	25.0	45.0			FLOWS FROM WELL
Choke Size	Tbg Press Flwg	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
2	SI 0	20.0	→	0	25	45		GSI	

28a Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
B	10/20/2011	24	→	0.0	10.0	35.0			FLOWS FROM WELL
Choke Size	Tbg Press Flwg	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
2	SI 0	10.0	→	0	10	35		GSI	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #121534 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED

ACCEPTED FOR RECORD

OCT 31 2011

FARMINGTON FIELD OFFICE
BY J. Salyers

NMOCD A

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

28c Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

29 Disposition of Gas(Sold, used for fuel, vented, etc)
VENTED

30. Summary of Porous Zones (Include Aquifers)

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31 Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc	Name	Top
					Meas. Depth
				NACIMIENTO OJO ALAMO KIRTLAND FRUITLAND PICTURED CLIFFS	0 152 230 544 1024

32 Additional remarks (include plugging procedure)

33 Circle enclosed attachments.

- | | | | |
|---|-------------------|--------------|----------------------|
| 1 Electrical/Mechanical Logs (1 full set req'd.) | 2 Geologic Report | 3 DST Report | 4 Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7 Other | |

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)

Electronic Submission #121534 Verified by the BLM Well Information System.
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by TROY SALYERS on 10/31/2011 (12TS0063SE)

Name (please print) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 10/27/2011

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****