

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. SF-078155 | |
| b. TYPE OF COMPLETION: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEP- <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> Well <input checked="" type="checkbox"/> OVER <input type="checkbox"/> EN <input type="checkbox"/> BACK <input type="checkbox"/> CENTR. <input type="checkbox"/> OTHER <input type="checkbox"/> | | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | |
| 2. Name of Operator Dugan Production Corp. | | | | 7. UNIT AGREEMENT NAME | |
| 3. Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821 | | | | 8. FARM OR LEASE NAME, WELL NO. Jeter #1S | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1300' FSL & 1300' FEL (SE/4 SE/4) | | | | 9. API Well No. 30 045 32990 | |
| At top prod. interval reported below same | | | | 10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal | |
| At total depth same | | | | 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Unit P Sec. 1, T25N, R13W | |
| 15. DATE SPUNDED 5/8/2006 | | 16. DATE T.D. REACHED 5/11/2006 | | 12. COUNTY OR PARISH San Juan | |
| 17. DATE COMPL. (Ready to prod.) 6/17/2006 | | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 6229' GL | | 13. STATE NM | |
| 20. TOTAL DEPTH, MD & TVD 1370' | | 21. PLUG BACK T.D., MD & TVD 1317' | | 19. ELEV. CASINGHEAD | |
| 22. IF MULTIPLE COMPL., HOW MANY* | | 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS | | 24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 1138'-1180' (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" J-55 | 23# | 129' | 8-3/4" | 60 sx Type 5 cement w/2% CaCl2 w/1/4# celloflake/sx | |
| 4-1/2" J-55 | 10.5# | 1357' | 6-1/4" | 80 sx 2% Lodense w/3# Gilsonite/sx w/1/4# celloflake/sx. Tail w/50 sx Type 5 cement w/1/4# celloflake/sx (232 cu ft total) | |
| 29. LINER RECORD | | | | | |
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | |
| | | | | | |
| 30. TUBING RECORD | | | | | |
| SIZE | DEPTH SET (MD) | PACKER SBT (MD) | | | |
| 2-3/8" | 1218' | NA | | | |
| 31. PERFORATION RECORD (Interval, size and number) | | | | | |
| 1138'-60' & 1172'-80' w/4 spf (total 120 holes) | | | | | |
| 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | | | |
| DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | | | |
| 1138'-1180' | | 400 gals 7 1/2% HCL; 62,700 gals AquaSafe gel; 119,000# 20/40 Brady sand | | | |
| 33. PRODUCTION | | | | | |
| DATE FIRST PRODUCTION N/A | | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) | | | WELL STATUS (Producing or shut in) shut-in |
| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N FOR TEST PERIOD | OIL - BBL | GAS - MCF |
| | | | | 0 | |
| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24 - HOUR RATE | OIL - BBL | GAS - MCF | WATER - BBL |
| | | | 0 | | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) vented - to be sold - Sundry notice of test will be filed | | | | | TEST WITNESSED BY |
| 35. LIST OF ATTACHMENTS PT prod log to 3000# - OK per J.A. to 4/17/06 | | | | | |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records | | | | | |
| SIGNED John Alexander | | Vice-President | | Date 6/29/2006 | |

*(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): | | | | 38. GEOLOGIC MARKERS | | | |
|---|-----|--------|-----------------------------|--|---------------------------------------|-----|------------------|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | MEAS. DEPTH | TOP | TRUE VERT. DEPTH |
| | | | | Ojo Alamo Kirtland Fruitland Pictured Cliffs Total Depth | 24' 126' 846' 1181' 1370' | | |