

RCVD MAY 16 '07
OIL CONS. DIV.

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOR DISTRICT
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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

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

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

1130' FNL and 1130' FEL, Sec.10, T22N, R8W NMPM

5. Lease Designation and Serial No.

207 MAY 10 11 3 54 NM 048989

6. If Indian, Allotted or Tribe Name

RECEIVED BLM

210 FARMINGTON NM

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Warner Federal #1

9. API Well No.

30-045-05065

10. Field and Pool, or Exploratory Area

East Bisti Chacra

11. County or Parish, State

San Juan County, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Abandonment

☐ Change of Plans

☐ Subsequent Report

☐ Recompletion

☐ New Construction

☐ Final Abandonment Notice

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Altering Casing

☐ Conversion to Injection

☒ Other Request long term SI

☐ 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.)

Dugan Production Corp. requests an extension of the long term shut in status for the Werner Federal #1. Dugan assumed operations of the subject well and associated lease (NM-048989) from McElvain Oil and Gas effective April 1, 2007. Extension of shut in status will enable Dugan the time necessary to stake, drill and complete a Fruitland Coal well (NW/4, Sec.15, T22N, R8W) on the subject lease and tie it into Dugan's existing "Big Band Gathering System". Also, the extension will provide Dugan the time necessary to evaluate the Chacra and Fruitland Coal intervals in the Werner Federal #1. If paying quantities of gas are established from the Werner Federal #1, a pipeline connecting it to the Big Band system will be constructed and the well will be placed on production.

THIS APPROVAL EXPIRES 12/31/07

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

Signed

Kurt Fegredo

Title

Geologist

Date

May 10, 2007

(This space for Federal or State office use)

Approved by

Title

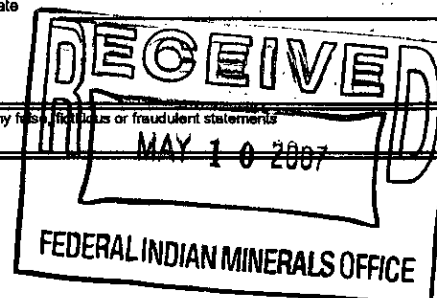
Date

Conditions of approval, if any:

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

NMOCD



District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-145
Permit 53080

Change of Operator

Warner Federal #1

Previous Operator Information


OGRID: 22044
Name: MCELVAIN OIL AND GAS
PROPERTIES INC
Address: 1050 17TH STREET
Address: SUITE 1800
City, State, Zip: DENVER , CO 80265

New Operator Information


Effective Date: 4/1/2007
OGRID: 6515
Name: DUGAN PRODUCTION CORP
Address: PO BOX 420
Address: _____
City, State, Zip: FARMINGTON , NM 87499

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: 
Printed Name: John D. Steuble
Title: Vice President Engineering
Date: 5/9/2007 Phone: 303-893-0933

New Operator

Signature: 
Printed Name: Kurt Fegrelius
Title: V.P. Exploration
Date: 5-10-07 Phone: 505-325-1821

Lease - NMNM048989

Township 22 North, Range 8 West, NMPM
Section 10: E/2, SW/4
Section 14: NW/4, SE/4
Section 15: All
Containing 1,440.00 acres, more or less
San Juan County, New Mexico