

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on

Expires February 28, 1995

RECEIVED
(reverse side)5 LEASE DESIGNATION AND SERIAL NO
NM-33025

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

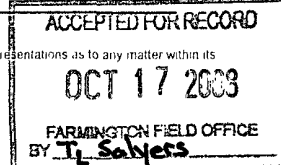
OCT 15 2008

| | | | | | | | | | |
|--|--|---|--|----------------------------------|------------------------------------|---------------------------------------|--------------------------------|--|-----------------------|
| 1 a TYPE OF WELL | | OIL WELL <input type="checkbox"/> | GAS WELL <input checked="" type="checkbox"/> | DRY <input type="checkbox"/> | OTHER <input type="checkbox"/> | 6 IF INDIAN, ALLOTTEE OR TRIBE NAME | | | |
| b TYPE OF COMPLETION | | NEW <input type="checkbox"/> | WORK <input type="checkbox"/> | DEEP-EN <input type="checkbox"/> | PLUG BACK <input type="checkbox"/> | DIFF <input type="checkbox"/> | CENTR <input type="checkbox"/> | OTHER <input type="checkbox"/> | 7 UNIT AGREEMENT NAME |
| 2 Name of Operator | | Dugan Production Corp. | | | | | | 8 FARM, OR LEASE NAME, WELL NO | |
| 3 Address and Telephone No | | P.O. Box 420, Farmington, NM 87499 (505) 325-1821 | | | | | | 9 API Well No. | |
| 4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* | | At surface 2300' FSL & 1720' FEL (NW/4 SE/4) | | | | | | 10 FIELD AND POOL, OR WILDCAT | |
| At top prod interval reported below | | same | | | | | | 11 SEC., T., R., M., OR BLOCK AND SURVEY OR AREA | |
| At total depth | | same | | | | | | 12 COUNTY OR PARISH | |
| 14 PERMIT NO | | DATE ISSUED | | 12 COUNTY OR PARISH | | 13 STATE | | | |
| 15 DATE SPUNDED | | 16 DATE T.D. REACHED | | 17 DATE COMPL (Ready to prod) | | 18 ELEVATIONS (DF, RKB, RT, GR, ETC)* | | 19 ELEV CASINGHEAD | |
| 3/19/2008 | | 3/27/2008 | | 9/26/2008 | | 5964' 5974' GL | | | |
| 20 TOTAL DEPTH, MD & TVD | | 21 PLUG BACK T.D., MD & TVD | | 22 IF MULTIPLE COMPL, HOW MANY* | | 23 INTERVALS DRILLED BY | | 24 ROTARY TOOLS | |
| 1490' | | 1430' | | | | TD | | CABLE TOOLS | |
| 24 PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* | | 1046'-1293' (Fruitland Coal) | | | | | | 25 WAS DIRECTIONAL SURVEY MADE | |
| 26 TYPE ELECTRIC AND OTHER LOGS RUN | | GR-CNL-CCL | | | | | | 27 WAS WELL CORED | |
| 28 CASING RECORD (Report all strings set in well) | | 29 LINER RECORD | | | | | | 30 TUBING RECORD | |
| Casing Size/Grade | | Weight, LB/FT | | Depth Set (MD) | | Hole Size | | Top of Cement, Cementing Record | |
| 8-5/8" J-55 | | 24# | | 127' | | 12-1/4" | | 95 sx Type 5 cement w/2% CaCl2 & 1/4# celloflake/sx | |
| 5-1/2" J-55 | | 15.5# | | 1479' | | 7" | | 85 sx Type 5 cement w/2% Lodense, 2# PhenoSeal & 1/4# celloflake/sx | |
| | | | | | | | | Tail w/50 sx Type 5 cement w/2# PhenoSeal & 1/4# celloflake/sx | |
| 31 PERFORATION RECORD (Interval, size and number) | | 32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | | | | | |
| 1046'-49'; 1105'-08'; 1113'-16'; 1134'-37'; 1201'-04' & 1279'-93' w/4 spf (total 29', 116 holes) | | DEPTH INTERVAL (MD) | | | | | | AMOUNT AND KIND OF MATERIAL USED | |
| | | 1046'-1293' | | | | | | 94,500# 20/40 sand; 49,500 gals gel | |
| 33 * PRODUCTION | | DATE FIRST PRODUCTION | | | | | | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) | |
| N/A | | Flowing | | | | | | WELL STATUS (Producing or shut in) | |
| DATE OF TEST | | HOURS TESTED | | CHOKE SIZE | | PROD'N FOR TEST PERIOD | | OIL - BBL | |
| 9/26/2008 | | 24 | | 2" | | | | 0 | |
| FLOW TUBING PRESS | | CASING PRESSURE | | CALCULATED 24 - HOUR RATE | | OIL - BBL | | GAS - MCF | |
| 0 | | 0 | | | | 0 | | 0 | |
| 34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc) | | 35 LIST OF ATTACHMENTS | | | | | | TEST WITNESSED BY | |
| Vented - to be sold | | | | | | | | OCT 22 '08 | |
| | | | | | | | | OIL CONS. DIV. | |
| | | | | | | | | DIST. 3 | |
| 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 10/13/2008 | |

*(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

NMOCD



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 |
| | | | | Ojo Alamo | 53' | |
| | | | | Kirtland | 144' | |
| | | | | Fruitland | 922' | |
| | | | | Pictured Cliffs | 1299' | |
| | | | | TOTAL DEPTH | 1490' | |