

Expires: February 28, 1995

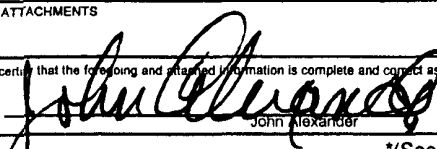
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 NM-9520 | |
| 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 RCVD MAY 8 '09 | |
| 2 Name of Operator Dugan Production Corp. | | 7 UNIT AGREEMENT NAME OIL CONS. DIV. | |
| 3 Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325-1821 | | 8 FARM OR LEASE NAME, WELL NO DIST. 3 | |
| 4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 965' FSL & 1685' FWL (SE/4 SW/4) | | 9 API Well No. 30 045 29634 | |
| 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 N Sec. 12, T24N, R9W | |
| 14. PERMIT NO | | DATE ISSUED | |
| 15. DATE SPUDDED 1/22/2001 | | 16 DATE T.D. REACHED 1/24/2001 | |
| 17 DATE COMPL. (Ready to prod.) 5/4/2009 | | 18 ELEVATIONS (DF, RKB, RT, GR, ETC.) 6641' GL | |
| 20 TOTAL DEPTH, MD & TVD 1825' | | 21. PLUG BACK T.D., MD & TVD 1794' | |
| 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)* 1688'-1698' (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 |
| 7" J-55 | 23 20# | 120 134' | 9 7/8" 8-3/4" 59 65 |
| 4-1/2" J-55 | 10.5# | 1822' | 6-1/4" |
| 120 sx 2% Lodense w/1/4# celloflake/sx. Tail w/70 sx Class "B" neat w/1/4# celloflake/sx (Total 330 cu ft) | | | |
| 29 LINER RECORD | | | |
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* |
| | | | |
| 30 TUBING RECORD | | | |
| SIZE | DEPTH SET (MD) | PACKER SBT (MD) | |
| 2-3/8" | 1748' | NA | |
| 31 PERFORATION RECORD (Interval, size and number) | | | |
| 1688'-1698' w/4 spf (total 10', 40 holes) | | | |
| 32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC | | | |
| DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | |
| 1688'-1698' | | 250 gals 15% HCL; 42,000# 20/40 sand; | |
| | | 25,000 gals gel | |
| 33 * PRODUCTION | | | |
| DATE FIRST PRODUCTION N/A | | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing | |
| WELL STATUS (Producing or shut in) shut-in | | | |
| DATE OF TEST 5/4/2009 | HOURS TESTED 24 | CHOKE SIZE 2" | PROD'N FOR TEST PERIOD 0 |
| FLOW TUBING PRESS 2 | CASING PRESSURE 10 | CALCULATED 24-HOUR RATE 0 | GAS - MCF 10 |
| WATER - BBL 56 | | GAS - OIL RATIO | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) vented - to be sold | | | |
| 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



JOHN ALEXANDER

Title Vice-President

Date

ACCEPTED FOR RECORD
5/5/2009

*(See Instructions and Spaces for Additional Data on Reverse Side)

MAY 08 2009

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

NMOC

FARMINGTON FIELD OFFICE

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 | 1066' | |
| | | | | Kirtland | 1136' | |
| | | | | Fruitland | 1354' | |
| | | | | Pictured Cliffs | 1700' | |
| | | | | Total Depth | 1825' | |