

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | |
|--|---------------------------------------|--|
| 1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 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. Other _____ | | 7. Unit or CA Agreement Name and No. |
| 2. Name of Operator DUGAN PRODUCTION CORP | | 8. Lease Name and Well No. HOSS COM 90S |
| Contact: JOHN C ALEXANDER E-Mail: johncalexander@duganproduction.com | | |
| 3. Address P O BOX 420 FARMINGTON, NM 87499-0420 | | 9. API Well No. 30-045-34521 |
| 3a. Phone No. (include area code) Ph: 505-325-1821 | | |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SESE 1285FSL 1285FEL At top prod interval reported below SESE 1285FSL 1285FEL At total depth SESE 1285FSL 1285FEL | | 10. Field and Pool, or Exploratory BASIN FRUITLAND COAL |
| | | 11. Sec., T., R., M., or Block and Survey or Arca Sec 11 T23N R11W Mer NMP |
| | | 12. County or Parish SAN JUAN |
| | | 13. State NM |
| 14. Date Spudded 09/09/2008 | 15. Date T.D. Reached 09/12/2008 | 16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 07/27/2009 |
| 17. Elevations (DF, KB, RT, GL)* 6375 GL | | |
| 18. Total Depth: MD 870 TVD 870 | 19. Plug Back T.D.: MD 795 TVD 795 | 20. Depth Bridge Plug Set: MD TVD |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR-CCL-CNL | | 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 Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 12.250 | 8.625 J-55 | 24.0 | 137 | | | 100 | | | |
| 7.000 | 5.500 J-55 | 15.5 | 857 | | | 90 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

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 | 751 | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|----------------------|-----|--------|---------------------|------|-----------|--------------|
| BASIN FRUITLAND COAL | 616 | 672 | 616 TO 672 | | 168 | |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 616 TO 672 | 250 GALS 15% HCL; 132,000# 20/40 SAND; 90,500 GALS GEL |
| | |
| | |
| | |

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 |
|---------------------|---------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |
| | | | → | | | | | | |

ACCEPTED FOR RECORD

JUL 29 2009

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 |
|---------------------|---------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |
| | | | → | | | | | | |

FARMINGTON FIELD OFFICE

ENTERED
AUG 3

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

ELECTRONIC SUBMISSION #72565 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED

JUL 29 2009

NMOC

BY y-

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.)
UNKNOWN

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 |
| | | | | KIRTLAND FRUITLAND PICTURED CLIFFS TOTAL DEPTH | 288 674 870 |

32. Additional remarks (include plugging procedure):

A sundry notice of well test will be submitted in the future.

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 #72565 Verified by the BLM Well Information System.
For DUGAN PRODUCTION CORP, sent to the Farmington

Name (please print) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 07/28/2009

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****