

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill on to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

FEB 22 2010

SUBMIT IN TRIPLICATE - Other instructions on page 2.

|                                                                                                                                             |                                                              |                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <i>SWD</i> |                                                              | 5. Lease Serial No.<br>SF- 078155                 |
| 2. Name of Operator<br>Dugan Production Corp.                                                                                               |                                                              | 6. If Indian, Allottee or Tribe Name              |
| 3a. Address<br>P. O. Box 420, Farmington, NM 87499-0420                                                                                     | 3b. Phone No. (include area code)<br>505-325-1821 <i>SWD</i> | 7. If Unit of CA/Agreement, Name and/or No.       |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>G-sec 35-26N-13W<br><i>2500' FNL, 1855' FEL</i>                   |                                                              | 8. Well Name and No.<br>West Bisti SWD #1         |
|                                                                                                                                             |                                                              | 9. API Well No.<br><i>30-045-33828</i>            |
|                                                                                                                                             |                                                              | 10. Field and Pool or Exploratory Area<br>Entrada |
|                                                                                                                                             |                                                              | 11. Country or Parish, State<br>San Juan          |

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

| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                |                                           |                                                         |                                         |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------|---------------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Notice of Intent             | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume)      | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation                    | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice     | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                     | <input type="checkbox"/> Other _____    |
|                                                       | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input checked="" type="checkbox"/> Temporarily Abandon |                                         |
|                                                       | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal                 |                                         |

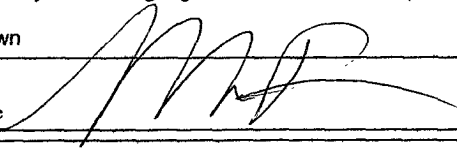
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Conducted MIT to temporarily abandon. Pressure tested 5-1/2" casing to 500# 30 min held ok. Witnessed by Monica Chulung w/ OCD.

KUENLING

RCVD MAR 2 '10  
OIL CONS. DIV.  
DIST. 3

NMOC D T/A EXPIRES 2-17-2015

|                                                                                                   |  |                               |
|---------------------------------------------------------------------------------------------------|--|-------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)<br>Mark S Brown |  | Title Drilling Superintendent |
| Signature      |  | Date 02/18/1010               |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|                                                                                                                                                                                                                                                           |       |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------|
| Approved by                                                                                                                                                                                                                                               | Title | Office |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. |       |        |

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.

(Instructions on page 2)

NMOC D