

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM010063
2. Name of Operator DUGAN PRODUCTION CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address P. O. BOX 420 FARMINGTON, NM 874990420		7. If Unit or CA/Agreement, Name and/or No. NMNM73425
3b. Phone No. (include area code) Ph: 505.325.1821 Fx: 505.327.4613		8. Well Name and No. GENTLE 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T28N R11W SWSE 1100FSL 1520FEL 36.67236 N Lat, 108.00488 W Lon		9. API Well No. 30-045-07576-00-S1
		10. Field and Pool, or Exploratory FULCHER KUTZ PICTURED CLIFFS
		11. County or Parish, and State SAN JUAN COUNTY, NM

12. CHECK 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 checked="" 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 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Work done in May, 1998 and not previously reported.

Isolate hole in casing between 443' and 412'. Pumped 200 sx Class B cement through hole with returns to surface. Closed bradenhead valve and displaced 4 bbls water at 1 bpm and 400 psi. Drill cement to 439' and fell free. Pressure test casing at 500 psi. Held okay. Swabbed casing down with small fluid entry. Re-test casing with "small" leak-off. Re-squeeze with 25 sx Class B containing 0.3% fluid loss. Drilled out cement to 445 and fell free. Re-test casing with "small leak". Recovered RBP. Ran 2-3/8" EUE tubing. Swabbed with small amount water recovered. Ran pump and rods. Pumped at approximately 1 bwpd for several months. Casing pressure increased to 54 psi but would not constantly vent. Compressor would pull casing down quickly.



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #32868 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by STEVE MASON on 07/09/2004 (04SXM1735SE)	
Name (Printed/Typed) JOHN ALEXANDER	Title VICE PRESIDENT
Signature (Electronic Submission)	Date 07/09/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	STEPHEN MASON Title PETROLEUM ENGINEER	Date 07/09/2004
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.		Office Farmington

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******NMOCD**