

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

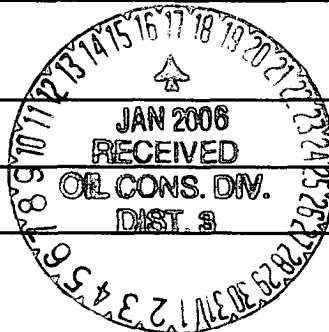
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NO-G-0103-1462
2. Name of Operator Dugan Production Corp.	6. If Indian, Allotted or Tribe Name Navajo Allotted
3. Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325-1821	7. If Unit or CA, Agreement Designation
Location of Well (Footage, Sec., T., R., M., or Survey Description) 1470' FNL & 1780' FEL (SW/4 NE/4) Unit G, Sec. 19, T24N, R9W	8. Well Name and No. Bitsili #1
	9. API Well No. 30 045 33186
	10. Field and Pool, or Exploratory Area Basin Dakota/Bisti Lower Gallup
	11. County or Parish, State San Juan, NM



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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The APD dated 6/18/05 and amended on 11/14/05 and 12/6/05 is now being amended to include a proposed completion in the Bisti Lower Gallup oil pool. The Basin Dakota gas pool will also be completed as initially proposed and an application to downhole commingle both pools will be submitted. The Gallup will be completed within the interval 4820' to 5450'. An evaluation of the open hole logs over the Dakota and Gallup intervals indicates that both intervals will likely be marginally productive. NMOCD Form C-102 reflecting an 80 acre spacing unit comprising the S/2 of the NE/4 is attached for the proposed Bisti Lower Gallup completion. An application for a non-standard location is also being prepared for the proposed Bisti Lower Gallup completion.

14. I hereby certify that the foregoing is true and correct

Signed John D. Roe Title Engineering Manager Date 1/13/2006
John D. Roe

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33186		*Pool Code 5890	*Pool Name BISTI LOWER GALLUP
*Property Code	*Property Name BITSILI		*Well Number 1
*OGRID No. 006515	*Operator Name DUGAN PRODUCTION CORP.		*Elevation 6882'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	19	24N	9W		1470	NORTH	1780	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 80 (S/2 NE/4)					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. Application for NSL submitted

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 1310.10'	1316.70'	2633.40'	<div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><u>John D. Roe</u></p><p>Signature</p><p>John D. Roe</p><p>Printed Name</p><p>Engineering Manager</p><p>Title</p><p>01/13/06</p><p>Date</p><p>¹⁸ SURVEYOR CERTIFICATION</p><p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p><p>Date of Survey: MAY 9, 2005</p><p>Signature and Seal of Professional Surveyor</p><div><p>JASON C. EDWARDS</p><p>NEW MEXICO</p><p>15269</p><p>REGISTERED PROFESSIONAL SURVEYOR</p></div><p><u>JASON C. EDWARDS</u></p><p>Certificate Number 15269</p></div>
LOT 1		1470'	
LOT 2		1780'	
LOT 3		5297.16'	
5284.62'	19		
LOT 4		2630.10'	
1321.98'	1314.72'		