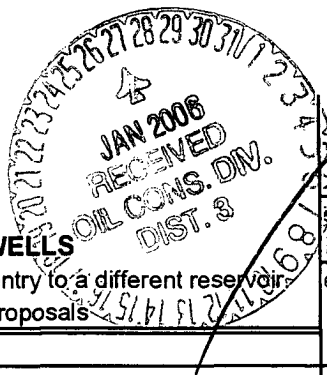


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



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

**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 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 checked="" type="checkbox"/> Other <b>Abandon Dakota &amp; withdraw application to downhole commingle</b>	<input type="checkbox"/> Dispose Water

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 Dakota formation was perforated 6270'-74', 6282'-87' & 6350'-54' and broken down with 750 gallons 15% HCL acid. Subsequent swab testing recovered only gas cut water and no oil. We plan to set a CIBP at 6190' and proceed with completion efforts in the Gallup. The downhole commingling of the Gallup and Dakota as proposed in our application dated 1-23-06 is no longer needed and our application is now withdrawn.

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

Signed John D. Roe Title Engineering Manager Date 1/26/2006  
John D. Roe

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any: