

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

☐ Oil
Well

☒ Gas
Well

☐ Other

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821

Location of Well (Footage, Sec., T., R., M., or Survey Description)

1140' FSL & 1980' FWL (SE/4 SW/4)
Unit N, Sec. 24, T30N, R14W

5. Lease Designation and Serial No.

SF-081231-B

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Pan American #3

9. API Well No.

30 045 33697

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

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

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other

Spud, surface casing

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ 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.)

Spud 12 1/4" hole on 6/29/06. Run 8-5/8" 24# J-55 csg. Land @ 121'. Cement w/95 sx Type 5 cement w/2% CaCl2 w/1/4# celloflake/sx. Displace w/5 bbls water. Circulate 6 bbls cement. NU BOP. Pressure test csg to 650 psig, held ok for 30 mins.

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

Signed

John Alexander
John Alexander

Vice-President

Date

7/6/2006

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ACCEPTED FOR RECORD

JUL 18 2006

FARMINGTON OFFICE

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

NMOCDB