

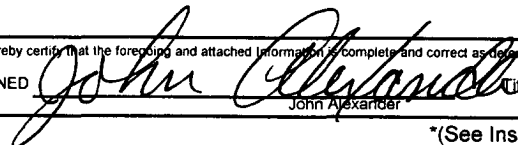
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. SF-081231-B	
b. TYPE OF COMPLETION: NEW <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. CENTR. <input type="checkbox"/> OTHER <input type="checkbox"/>				8. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. Name of Operator Dugan Production Corp.				7. UNIT AGREEMENT NAME	
3. Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325-1821				8. FARM OR LEASE NAME, WELL NO. Pan American #3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1250' FNL & 990' FWL (NW/4 NW/4) At top prod. interval reported below same At total depth same				9. API Well No. 30-045-33697	
14. PERMIT NO.				12. COUNTY OR PARISH San Juan	
15. DATE SPUDDED 6/29/2006				13. STATE NM	
16. DATE T.D. REACHED 7/6/2006		17. DATE COMPL. (Ready to prod.) 8/4/2006		18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 5649' GL	
20. TOTAL DEPTH, MD & TVD 1560'		21. PLUG BACK T.D., MD & TVD 1503'		19. ELEV. CASINGHEAD	
22. IF MULTIPLE COMPL., HOW MANY* 2 - DHC-2341AZ		23. INTERVALS DRILLED BY TD		24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 1327'-1384' (Harper Hill FR Sand PC) - to be downhole commingled with Basin FR Coal 1266-1370'	
26. TYPE ELECTRIC AND OTHER LOGS RUN GR-CCL-CNL				25. WAS DIRECTIONAL SURVEY MADE no	
27. WAS WELL CORED no					
28. CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
7" J-55	23#	130'	8-3/4"	95 sx Type 5 cement w/2% CaCl2 w/1/4# celloflake/sx	
5 1/2" J-55	15.5#	1544'	7"	100 sx 2% Lodense w/3# Gilsonite/sx & 1/4# celloflake/sx. Tail w/50 sx	
				Type 5 cement w/3# Gilsonite/sx & 1/4# celloflake/sx (318 cu ft total slurry)	
29. LINER RECORD					
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	PACKER SBT (MD)
30. TUBING RECORD					
SIZE	DEPTH SET (MD)	PACKER SBT (MD)			
2-3/8"	1426'	N/A			
31. PERFORATION RECORD (Interval, size and number) 1327'-1333'; 1374'-84' w/4 spf					
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.					
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED			
1266'-1384'		700 gals 15% HCL; 99,493 gals AquaSafe gel;			
		185,000# 20/40 Brady Sand			
33. PRODUCTION					
DATE FIRST PRODUCTION N/A		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) flowing			WELL STATUS (Producing or shut in) shut-in
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL.	GAS - MCF.
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24 - HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) vented - to be sold - sundry notice of test will be filed					TEST WITNESSED BY
35. LIST OF ATTACHMENTS					

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED



Title Vice-President

Date

8/29/2006

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof: cored intervals; and all drill-stem, tests, including depth interval tested on used, time tool open, flowing and shut-in pressures, and recoveries):				38. GEOLOGIC MARKERS			
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP	TRUE VERT. DEPTH
				Kirtland Fruitland Pictured Cliffs TOTAL DEPTH	surface 1072' 1364' 1560'		