

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 type="checkbox"/>   |  | DRY <input type="checkbox"/>   |  | OTHER <input type="checkbox"/>                      |  |
| b. TYPE OF COMPLETION:  |  |  |  | NEW Well <input checked="" type="checkbox"/>                         |  | WORK OVER <input type="checkbox"/>  |  | DEEP-EN <input type="checkbox"/>                                     |  | PLUG BACK <input type="checkbox"/>                  |  |
| 2. Name of Operator   |  |  |  | Dugan Production Corp.   |  | 070 FARMINGTON NM   |  | RECEIVED   |  | SEP 08 2006   |  |
| 3. Address and Telephone No.  |  |  |  | P.O. Box 420, Farmington, NM 87499                                   |  | (505) 325-1821  |  |  |  |   |  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*                                     |  |  |  | At surface 1850' FNL & 1850' FWL (SE/4 NW/4)                         |  | At top prod. interval reported below same                                       |  | At total depth same  |  |   |  |
| 5. LEASE DESIGNATION AND SERIAL NO.   |  |  |  | NM-1336  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  |  |  |  |   |  |
| 7. UNIT AGREEMENT NAME  |  |  |  | King Fish Com #90S   |  | 8. FARM OR LEASE NAME, WELL NO.   |  |  |  |   |  |
| 9. API Well No.   |  |  |  | 30-045-32987   |  | 10. FIELD AND POOL, OR WILDCAT  |  | Basin Fruitland Coal   |  |   |  |
| 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA   |  |  |  | Unit F   |  | 12. COUNTY OR PARISH  |  | San Juan   |  | 13. STATE<br>NM                                     |  |
| 14. PERMIT NO.  |  |  |  |  |  | 15. DATE SPUNDED  |  | 6/20/2006  |  | 16. DATE T.D. REACHED<br>6/23/2006                  |  |
| 17. DATE COMPL. (Ready to prod.)  |  |  |  | 7/21/2006  |  | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*   |  | 6180' GL   |  | 19. ELEV. CASINGHEAD                                |  |
| 20. TOTAL DEPTH, MD & TVD   |  |  |  | 1540'  |  | 21. PLUG BACK T.D., MD & TVD  |  | 1481'  |  | 22. IF MULTIPLE COMPL., HOW MANY*                   |  |
| 23. INTERVALS DRILLED BY  |  |  |  | TD   |  | 24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* |  | 1264'-1363' (Fruitland Coal)   |  | 25. WAS DIRECTIONAL SURVEY MADE<br>no               |  |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN  |  |  |  | GR-CNL-CCL   |  | 27. WAS WELL CORED  |  | no   |  |   |  |
| 28. CASING RECORD (Report all strings set in well)  |  |  |  |  |  | 29. LINER RECORD  |  | 30. TUBING RECORD  |  |   |  |
| 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"  |  | 55 sx Type 5 cement w/2% CaCl2 w/1/4# celloflake/sx                  |  |   |  |
| 4-1/2" J-55   |  | 10.5#  |  | 1520'  |  | 7"  |  | 95 sx Type 5 cement w/2% Lodense, 3# Gilsonite & 1/4# celloflake/sx. |  |   |  |
|   |  |  |  |  |  |   |  | Tail w/50 sx Type 5 cement w/3# Gilsonite/sx (262 cu ft total)       |  |   |  |
| 31. PERFORATION RECORD (Interval, size and number)  |  |  |  | 1264'-69'; 1309'-15'; 1330'-37' & 1358'-63 w/4 spf (total 80 holes)  |  | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.                                  |  |  |  |   |  |
|   |  |  |  |  |  | DEPTH INTERVAL (MD)   |  |  |  | AMOUNT AND KIND OF MATERIAL USED                    |  |
|   |  |  |  |  |  | 1264'-1363'   |  |  |  | 800 gals 15% HCL; 52,832 gals AquaSafe gel; 88,000# |  |
|   |  |  |  |  |  |   |  |  |  | 20/40 Brady sand                                    |  |
|   |  |  |  |  |  |   |  |  |  |   |  |
|   |  |  |  |  |  |   |  |  |  |   |  |
| 33. PRODUCTION  |  |  |  |  |  |   |  |  |  |   |  |
| DATE FIRST PRODUCTION   |  | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) |  | WELL STATUS (Producing or shut in)                                   |  |   |  |  |  |   |  |
| N/A   |  | Flowing  |  | 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 - A sundry notice of well test will be submitted |  | TEST WITNESSED BY   |  | SEP 08 2006  |  | FARMINGTON FIELD OFFICE                             |  |
| 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  |  | John Alexander   |  | 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 |
|   |     |        |                             |     | Ojo Alamo        | 14'         |     |                  |
|   |     |        |                             |     | Kirtland         | 92'         |     |                  |
|   |     |        |                             |     | Fruitland        | 1050'       |     |                  |
|   |     |        |                             |     | Pictured Cliffs  | 1364'       |     |                  |
|   |     |        |                             |     | TOTAL DEPTH      | 1540'       |     |                  |