

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 2. Name of Operator Dugan Production Corp. | 3. Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821 | 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1800' FSL & 1000' FWL (NW/4 SW/4) Unit L, Sec. 26, T22N, R8W, NMPM | 5. Lease Designation and Serial No. NM-94067 11:29 | 6. If Indian, Allotted or Tribe Name | 7. If Unit or CA, Agreement Designation | 8. Well Name and No. Dorsey Com #90S | 9. API Well No. 30 045 33862 | 10. Field and Pool, or Exploratory Area Basin Fruitland Coal | 11. County or Parish, State San Juan, NM |
|--|---|---|---|---|--------------------------------------|---|---|---------------------------------|---|---|

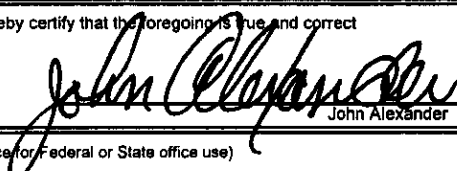
| 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
|--|--|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input checked="" type="checkbox"/> 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 Completion | <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.)*

Pressure test casing to 3500 psig for 30 mins, held. Run GR-CCL-CNL logs. Perforate Fruitland Coal (4-25-07) from 787'-805' w/4 spf (total 72 holes). Frac w/66,600# 20/40 Brady sand; 38,644 gals AquaSafe gel (5-8-07).

RCVD MAY18'07

OIL CONS. DIV.
DIST. 3

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|---|--|-------|----------------|
| 14. I hereby certify that the foregoing is true and correct | | | |
| Signed |  | Title | Vice-President |
| | | Date | 5/15/2007 |
| This space for Federal or State office use) | | | |
| Approved by | | Title | |
| Conditions of approval, if any: | | | |

ACCEPTED FOR RECORD

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

NMOCD 8

FARMINGTON FIELD OFFICE
5/17/2007