

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1 a TYPE OF WELL:

OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

b. TYPE OF COMPLETION

NEW ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. CENTR. ☐ 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 (Report location clearly and in accordance with any State requirements)*

At surface 1250' FNL & 1150' FEL (NE/4 NE/4)

At top prod. interval reported below

same

At total depth

same

14 PERMIT NO.

DATE ISSUED

12 COUNTY OR PARISH

13 STATE

15 DATE SPUNDED

8/27/2007

16 DATE T.D. REACHED

8/30/2007

17. DATE COMPL (Ready to prod.)

3/11/2008

18 ELEVATIONS (DF, RKB, RT, GR, ETC)*

6551' GL

19 ELEV. CASINGHEAD

20 TOTAL DEPTH, MD & TVD

1170'

21. PLUG BACK T.D., MD & TVD

1114'

22 IF MULTIPLE COMPL.
HOW MANY*23 INTERVALS
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

TD

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*

918'-944' (Fruitland Coal)

25. WAS DIRECTIONAL SURVEY MADE

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)

| CASING SIZE/GRADE | WEIGHT, LB/FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
|-------------------|----------------|----------------|-----------|---|---------------|
| 8-5/8" J-55 | 24# | 130' | 12-1/4" | 20 5 bbls Type 5 cement w/2% CaCl ₂ & 1/4# celloflake/sx | |
| 5-1/2" J-55 | 15.5# | 1160' | 7" | 60 sx Type 5 cement w/2% Sodium Metasilicate w/2# PhenoSeal/sx & 1/4# celloflake/sx. Tail w/50 sx type 5 cement w/2# PhenoSeal & 1/4# celloflake/sx | |
| | | | | 189 cu ft total slurry | |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SBT (MD) |
|------|----------|-------------|---------------|-------------|--------|----------------|-----------------|
| | | | | | 2-3/8" | 1007' | N/A |

31 PERFORATION RECORD (Interval, size and number)

918'-944' w/4 spf (total 26', 104 holes)

32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD) 918'-944' AMOUNT AND KIND OF MATERIAL USED 49,457 gals crosslinked gel w/91,586# 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 | WATER - BBL | GAS - OIL RATIO |
|-------------------|-----------------|---------------------------|------------------------|-----------|-------------|--------------------------|-----------------|
| 3/11/2008 | 24 | 2" | → | 0 | 20 | 61 | |
| FLOW TUBING PRESS | CASING PRESSURE | CALCULATED 24 - HOUR RATE | OIL - BBL | GAS - MCF | WATER - BBL | OIL GRAVITY - API (CORR) | |
| 1 | 50 | → | 0 | 20 | 61 | | |

34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented - to be sold - a sundry notice of well test will be submitted in future

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

3/12/2008

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

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 or to any matter within its jurisdiction

NMOCD

ACCEPTED FOR RECORD

MAR 17 2008

FARMINGTON FIELD OFFICE

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 | TOP | |
|-----------|-----|--------|----------------------------|-----------------|------------|--------------------|
| | | | | | MEAS DEPTH | TRUE VERT DEPTH |
| | | | | Ojo Alamo | surface | |
| | | | | Kirtland | 76' | |
| | | | | Fruitland | 618' | |
| | | | | Pictured Cliffs | 948' | |
| | | | | Total Depth | 1170' | |