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SUBMIT IN DUPLICATE:

(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0137

Expires: February 28, 1995

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"/>
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 1260' FNL & 990' FWL (NW1/4-NW1/4) 1140 FSL 1980 FWL (SE 5W) At top prod. interval reported below same						9. API Well No. 30-045-33697	
10. FIELD AND POOL, OR WILDCAT Harper Hill FR Sand PC						11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Unit B N 24 30N 14W Sec. 28, T26N, R13W	
14. PERMIT NO.						12. COUNTY OR PARISH San Juan	13. STATE NM
15. DATE SPUDDED 6/29/2006		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'		22. IF MULTIPLE COMPL., HOW MANY? 2 - DHC-2341AZ		23. INTERVALS DRILLED BY ROTARY TOOLS TD CABLE TOOLS	
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'						25. WAS DIRECTIONAL SURVEY MADE no	
26. TYPE ELECTRIC AND OTHER LOGS RUN GR-CCL-CNL						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)	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)			
				1266'-1384'			
				700 gals 15% HCL; 99,493 gals AquaSafe gel;			
				185,000# 20/40 Brady Sand			
				RCVD JAN 4 '11			
				OIL CONS. DIV.			
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	WATER - BBL	GAS - OIL RATIO
							N/A
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24 - HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)	
						N/A	
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 <i>John Alexander</i> John Alexander				Title Vice-President		Date 8/29/2006	

*(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 as to any matter within its jurisdiction.