5 BLM 1 File FORM APPROVE **UNITED STATES** Form 3160-5 DEPARTMENT OF THE INTERIOR Budget Bureau No. (June 1990) Expires: Margh 31,1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM 93253 SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Allotted or Tribe Name Use "APPLICATION FOR PERMIT -" for such proposals SUBMIT IN TRIPLICATE 7. If Unit or CA, Agreement Designation 1. Type of Well Gas Wel Other 8. Well Name and No. 2. Name of Operator James #1 Dugan Production Corp. 9. API Well No 3. Address and Telephone No. 30 045 29910 P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Rusty Chacra Ext. 1475' FSL & 878 FEL (NE/4 SE/4) 11. County or Parish, State Unit I, Sec. 24, T22N, R8W San Juan, NM 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment Notice of Intent **New Construction** Recompletion Plugging Back Non-Routine Fracturing X Subsequent Report Water Shut-Off Casing Repair Altering Casing Conversion to Injection Final Abandonment Notice Dispose Water X Other Production casing (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.)* Drill to 1525'. Run 4-1/2" 10.5 lb. casing at 1524'. Cement with 123 cu. ft. 2% Lodense containing 1/4#/sk celloflake. Follow with 118 cu. ft. class "B" cement containing 1/4#/sk celloflake. Circulate 4 bbls cement to surface. Total 241 cu. ft. slurry. Job complete 6/30/99. 14. I hereby certify that the foregoing is true and correct

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 presentations as to any matter within its jurisdiction.