FORM APPROVED UNITED STATES Budget Bureau No. 1004-0135 Form 3160-5 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 (June 1990) BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM 25454 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Oil Well Gas Well Piney 2 2. Name of Operator 9. API Well No. Dugan Production Corp. 30-045-24482 3. Address and Telephone No. 10. Field and Pool, or Exploratory Area (505) 325-1821 P.O. Box 420, Farmington, NM 87499 WAW Fruitland Sand PC 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 810' FSL - 810' FEL San Juan, NM Sec. 9, T27N, R13W, NMPM 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 Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Final Abandonment Notice 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.)* Plan to plug well by filling 2-7/8" casing with Class B cement: OIL CON. DIV.

14. I hereby certify that the foregoing is true June 12, 1998 Vice-President or Federal or State office use) JUN 1 5 1998 Approved by 18/ Durane W. Spencer Conditions of approval, if any:

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.