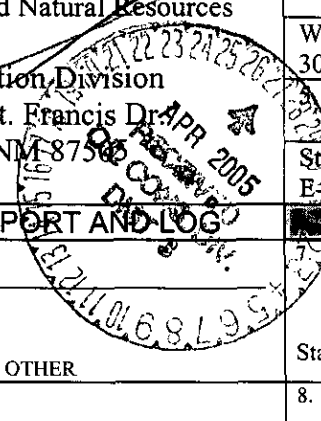


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505		Form C-105 Revised June 10, 2003	
				WELL API NO. 30-045-32458 32631	
				Indicate Type of Lease STATE ☒ FEE ☐	
				State Oil & Gas Lease No. E-4426	
WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐				7. Lease Name or Unit Agreement Name	
b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. WELL ☐ OVER ☐ BACK ☐ RESVR. ☐ OTHER ☐				State Com	
2. Name of Operator Dugan Production Corp.				8. Well No. 2B	
3. Address of Operator P. O. Box 420, Farmington, NM 87499-0420 (505)325-1821				9. Pool name or Wildcat Blanco Mesaverde (72319)	
4. Well Location Unit Letter <u>D</u> : <u>1120</u> Feet from the <u>North</u> Line and <u>905</u> Feet from the <u>West</u> Line Section <u>16</u> Township <u>32N</u> Range <u>12W</u> NMPM San Juan County					
10. Date Spudded 2/24/05	11. Date T.D. Reached 3/9/05	12. Date Compl. (Ready to Prod.) 4/25/05	13. Elevations (DF& RKB, RT, GR, etc.) 6082' GL	14. Elev. Casinghead	
15. Total Depth 4210'	16. Plug Back T.D. 4167'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools NA
19. Producing Interval(s), of this completion - Top, Bottom, Name 3939'-4127'				20. Was Directional Survey Made YES	
21. Type Electric and Other Logs Run GR-CCL				22. Was Well Cored NO	
23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24# J-55	219'	12 1/4"	170 sx Class "B" neat w/	2% CaCl2 w/1/4# celloflake/sx
4 1/2"	10.5# J-55	4210'	7-7/8"	Total slurry 1337 cu ft	
24. LINER RECORD			25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE
					2-3/8"
					4031' KB
26. Perforation record (interval, size, and number) 3939', 41', 47', 49', 51', 53', 63', 71', 77', 84', 86', 88', 98', 4002', 10', 17', 19', 21', 25', 27', 29', 33', 35', 40', 42', 48', 50', 52', 65', 69', 74', 79', 88', 99', 4101', 08', 19', 27', total 38 holes (ppg 312-221T, 0.34" diameter, 22" depth)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	
			3939'-4127'	1750 gals 15% HCL; 150,120# 20/40 Brady	
				Sand; 142,632 gals slickwater	
28. PRODUCTION					
Date First Production N/A		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Shut-in	
Date of Test 4/26/2005	Hours Tested 2	Choke Size 3/4"	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 304
Flow Tubing Press. 250	Casing Pressure 860	Calculated 24-Hour Rate	Oil - Bbl 0	Gas - MCF 3600	Water - Bbl. 50
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented - to be sold					Test Witnessed By
30. List Attachments					
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief					
Signature <i>John Alexander</i>		Printed Name John Alexander		Title Vice-President	Date April 27, 2005
E-mail Address jolncalexander@duganproduction.com					

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo 601'	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland- 672'	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs 1440'	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House 3366'	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee 3440'	T. Madison
T. Queen	T. Silurian	T. Point Lookout 3936'	T. Elbert
T. Grayburg	T. Montoya	T. Mancos 4178'	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T. Fruitland 1030'
T. Blinebry	T. Gr. Wash	T. Morrison	T. Lewis 1594'
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....No. 3, from.....to.....
No. 2, from.....to.....No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

[illegible]