

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-29158
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Dugan Production Corp.		6. State Oil & Gas Lease No. VA-1121
3. Address of Operator P O Box 420, Farmington, NM 87499-0420 505-325-1821		7. Lease Name or Unit Agreement Name Marley
4. Well Location Unit Letter <u>N</u> : <u>1190</u> feet from the <u>South</u> line and <u>1450</u> feet from the <u>West</u> line Section <u>36</u> Township <u>23N</u> Range <u>9W</u> NMPM San Juan County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6640' GL		9. OGRID Number 006515
		10. Pool name or Wildcat Basin Fruitland Coal

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Well Test ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dugan Production requests permission to temporarily abandon this well. The well was completed in the Chacra, but was found uneconomical due to low gas volumes. The Chacra was later plugged and the Fruitland Coal interval was perforated and completed. Currently a gas pipeline installation is required to connect the well to the nearest sales line along with wellsite compression. The installation of these production facilities is uneconomical at the current gas prices. A sincere attempt has been made by the operator in the past to get production out of this well. Considering this, we request to temporarily abandon the well until the gas prices improve.

* If the TA request is approved, an MIT will be conducted as per NMOCD rules and regulations. NMOCD will be notified 24 hrs before the test and the pressure charts will be submitted.

* The above is required prior to placing well in TA status

OIL CONS. DIV DIST. 3

Spud Date:

Rig Release Date:

MAR 25 2015

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Aliph Reena TITLE Production Engineer DATE March 23, 2015

Type or print name Aliph Reena E-mail address: aliph.reena@duganproduction.com PHONE: 505-325-1821

For State Use Only

APPROVED BY: Bob Reel TITLE DEPUTY OIL & GAS INSPECTOR DISTRICT #3 DATE 4-20-15
Conditions of Approval (if any): AV