

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 July 18, 2013

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

WELL API NO.
30-045-29659

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
VO 8066

7. Lease Name or Unit Agreement Name
McCartney

8. Well Number 1

9. OGRID Number
06515

10. Pool name or Wildcat
Bisti Chacra Extension

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Dugan Production Corp.

3. Address of Operator
709 East Murray Drive, Farmington, New Mexico 87401

4. Well Location

Unit Letter A : 1190 feet from the North line and 825 feet from the East line
Section 2 Township 22N Range 9W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6598' GR

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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Construct water and gas pipeline ☒

SUBSEQUENT REPORT OF:

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

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.

Operator proposes to construct produced water and gas transportation pipelines from the subject well to a centralized water collection and disposal system and a gas compression and sales system. Detailed drawings of the proposed pipeline are attached. The pipelines will be 7,752.1-ft. in length and buried in the same trench. The portion of pipeline that is "on-lease", and is on State surface is 1,165.8-ft. in length and the portions that are "off-lease" are on Federal surface (4,682.6-ft. in length) and Navajo Allotted surface (1,743.7-ft. in length) Right-of-way applications have been submitted for those portion of pipeline that are on Federal and Navajo Allotted surface. Construction will begin when all necessary permits have been approved.

OIL CONS. DIV DIST. 3

Spud Date:

Rig Release Date:

JUN 20 2016

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

SIGNATURE Kurt Fagrelis TITLE Vice President DATE 6/15/2016

Type or print name Kurt Fagrelis E-mail address: kfagrelis@duganproduction.com PHONE: 505-325-1821

For State Use Only

Accepted For Record

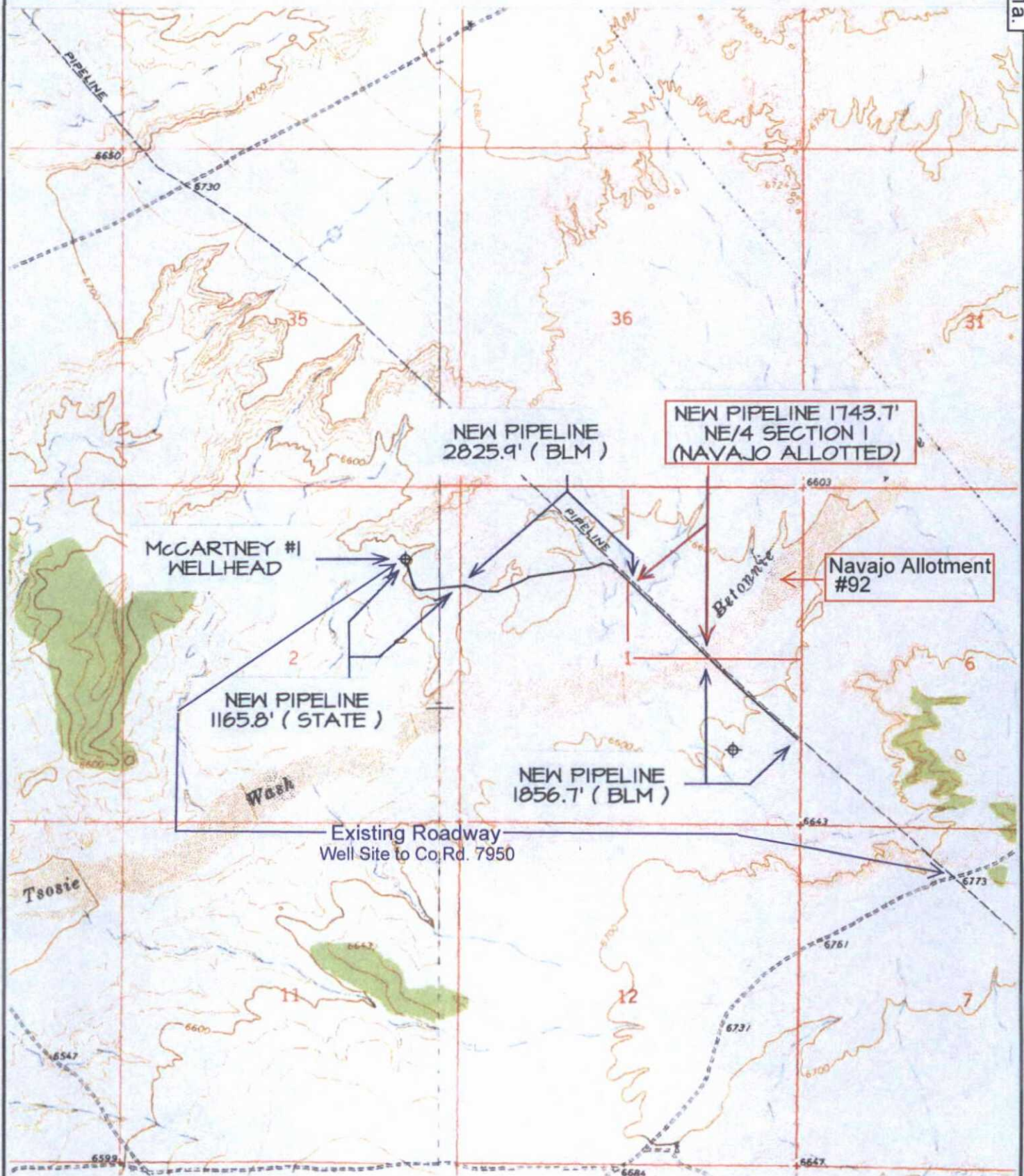
APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

8
XC

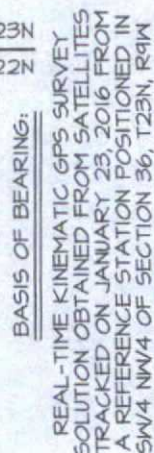
DUGAN PRODUCTION CORPORATION McCARTNEY #1 PIPELINE

LOCATED IN N/2 SE/4, SW/4 NE/4, NW/4 SECTION 1, T22N, R9W,
E/2 NE/4, SECTION 2, T22N, R9W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



TOPO NAMES : KIMBETO & LYBROOK NW ⊕ PRODUCING WELL ⊗ PLUGGED & ABANDONED WELL

EXHIBIT 1b.



PLAT NOTE:

BEFORE ANY CONSTRUCTION BEGINS,
CONTRACTOR IS ADVISED TO CALL
ONE-CALL FOR LOCATION OF ANY
MARKED OR UNMARKED PIPELINES OR
CABLES IN THE AREA OF THE PROJECT




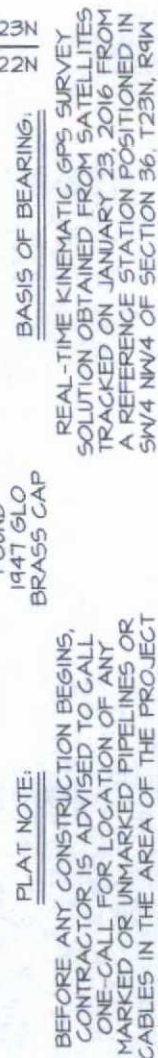
<p>Prepared for:</p> <p>DUGAN PRODUCTION</p> <p>P.O. BOX #420</p> <p>FARMINGTON, NM 87499</p>		<p>Land Surveyor: Jason C. Edwards</p> <p>Mailing Address: Post Office Box 6612 Farmington, NM 87499</p> <p>Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncesurveys@qwestoffice.net</p>	<p>CHECKED BY: JCE</p> <p>DRAWN BY: SLE</p>
<p>SURVEYS, INC.</p>		<p>SHEET 2 of 6</p> <p>FILENAME: 22XIR01</p>	<p>DATE: 11/1/01</p> <p>TIME: 10:00 AM</p>

EXHIBIT 1c.



PLAT NOTE:

BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT.

REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON JANUARY 23, 2016 FROM A REFERENCE STATION POSITIONED IN SW/4 NW/4 OF SECTION 36, T23N R94W

~ SURFACE OWNERSHIP ~ Navajo Allotted Land (NE/4)	
18+56.7 TO 36+00.4	1743.7 FT / 105.7 RODS


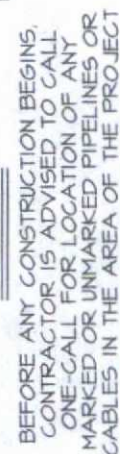
Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		Land Surveyor: Jason C. Edwards Mailing Address: Post Office Box 6612 Farmington, NM 87499 Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncs-surveys@qwestoffice.net	CHECKED BY: JCE DRAWN BY: SJE
		SURVEYS, INC.	SHEET 3 OF 6 LEVANCE, 22092

EXHIBIT 1d.



SHEET 4 OF 6	CHECKED BY: JCE
PLANE: 22MIG3	DRAWN BY: SLE

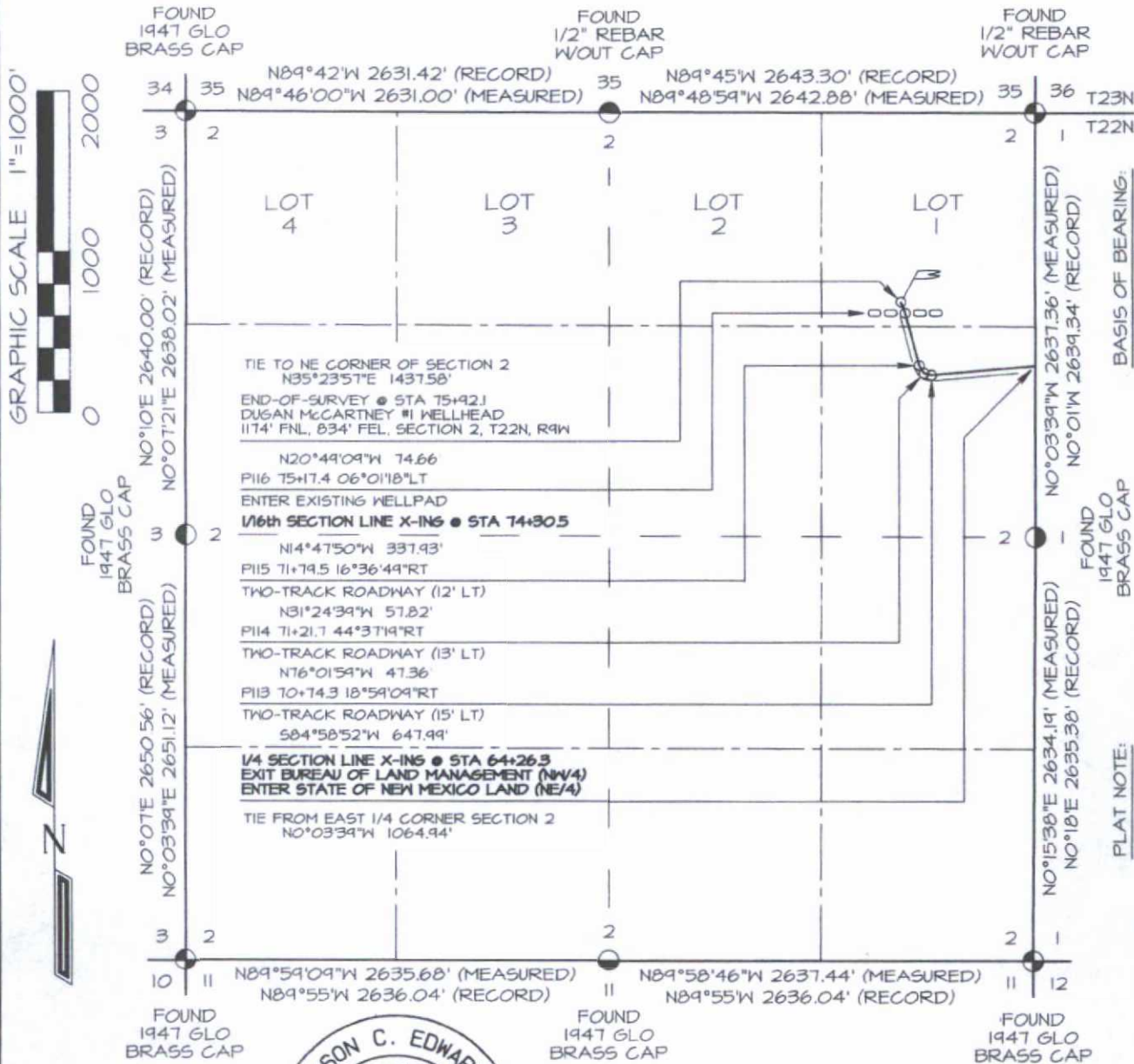
EXHIBIT 1e.



JASON C. EDWARDS

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		Land Surveyor: Jason C. Edwards Mailing Address: Post Office Box 6612 Farmington, NM 87499 Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncesurveys@qwestoffice.net	CHECKED BY: JCE DRAWN BY: SLE
	SURVEYS, INC.		

DUGAN PRODUCTION CORPORATION McCARTNEY #1 PROPOSED PIPELINE SURVEY LOCATED IN THE E/2 NE/4 OF SECTION 2, T22N, R9W, NMPM SAN JUAN COUNTY, NEW MEXICO



REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON JANUARY 23, 2016 FROM A REFERENCE STATION POSITIONED IN SW/4 NW/4 OF SECTION 36, T23N, R9W

BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT



I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief

JASON C. EDWARDS

Date: February 17, 2016

Jason C. Edwards, P.L.S.
 New Mexico L.S. #15269

~ SURFACE OWNERSHIP ~ State of New Mexico Land (NE/4)	
64+26.3 TO 75+92.1	1165.8 FT / 70.7 RODS

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		Land Surveyor: Jason C. Edwards	CHECKED BY: JCE DRAWN BY: SLE
		Mailing Address: Post Office Box 6612 Farmington, NM 87499 Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncesurveys@qwestoffice.net	
SURVEYS, INC.		SHEET 6 OF 6 FILENAME: 22020605	

February 17, 2016

**NEW MEXICO STATE APPLICATION
DUGAN PRODUCTION CORPORATION McCARTNEY #1
E/2 NE/4 SECTION 2, TOWNSHIP 22 NORTH, RANGE 9 WEST
N.M.P.M., SAN JUAN COUNTY, NEW MEXICO**

A strip of land 30 feet wide across a portion of Section 2, Township 22 North, Range 9 West, N.M.P.M., San Juan County, New Mexico being 15 feet on both sides and perpendicular to the following described centerline:

Commencing at the East Quarter Section Corner of said Section 2, thence N0°03'39"W a distance of 1064.94 feet to the "true point-of-beginning" for this description;

Thence S84°58'52"W a distance of 647.99 feet to a point;

Thence N76°01'59"W a distance of 47.36 feet to a point;

Thence N31°24'39"W a distance of 57.82 feet to a point;

Thence N14°47'50"W a distance of 250.98 feet to a point on the 1/16th section line;

Thence N14°47'50"W a distance of 86.95 feet to a point;

Thence N20°49'09"W a distance of 74.66 feet to the "true point-of-ending" for this description from whence the North-East Section Corner of said Section 2 bears N35°23'57"E a distance of 1437.58 feet.

The above described strip of land totals 1165.76 feet or 70.652 rods in length, contains 0.803 acres more or less, and is allocated by 40-acre tracts as follows:

Section 2	SE/4 NE/4	1004.15 Feet	60.858 Rods	0.692 Acre(s)
	NE/4 NE/4	161.61 Feet	9.794 Rods	0.111 Acre(s)
	Total	1165.76 Feet	70.652 Rods	0.803 Acre(s)

BASIS OF BEARING: REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON JANUARY 23, 2016 FROM A REFERENCE STATION POSITIONED IN THE SW/4 NW/4 SECTION 36, T23N, R9W, SAN JUAN COUNTY, NEW MEXICO.

SURVEYOR'S CERTIFICATION

I, JASON C. EDWARDS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15269, DO HEREBY CERTIFY THAT THIS SURVEY DESCRIPTION AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT.

JASON C. EDWARDS

JASON C. EDWARDS, NEW MEXICO LS #15269
REFERENCE DRAWING: 2292PG5

