

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

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

WELL API NO. 30-045-34696
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-2966
7. Lease Name or Unit Agreement Name PGA Unit
8. Well Number 16 #2
9. OGRID umber 006515
10. Pool name or Wildcat Basin Fruitland Coal

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	<i>OIL CONS. DIV DIST. 3</i> <i>JAN 06 2017</i>
2. Name of Operator Dugan Production Corp.	
3. Address of Operator 709 East Murray Drive, Farmington, New Mexico 87401	
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>north</u> line and <u>660</u> feet from the <u>west</u> line Section <u>16</u> Township <u>23N</u> Range <u>11W</u> NMPM County <u>San Juan</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6190' GL	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Construct Pipeline and Access Road <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Propose to construct access road and gas and water pipelines to transport vehicles and produced water and produced gas from the PGA Unit, PGA 16 #2 gas well to the Dugan operated Sesame Street Gathering system (NMNM-115114) located in the NW/4 of Sec. 15, T23N and R11W. Water and gas lines will transport produced water and gas to a centralized salt water disposal well and gas compressor station located in the NE/4 of Sec. 23, T23N and R11W. See Exhibits 1a-1d for access road and 2a-2f for pipelines.

The pipelines will be parallel to and within the 30-ft wide right-of-way for the existing access road for 5,109.2-ft and parallel to and within the 30-ft wide right-of-way for the proposed new access road for 1,329.5-ft.

All construction is within the PGA Unit (considered "on-lease") and both pipelines will be buried in the same trench for a total length of 6,438.7-ft (3,784.8-ft on State surface VA-2966 and 2,653.9-ft on Federal surface NM-112958).

Separate right-of-way applications for those portions of access road and the gas and water pipelines that are located outside of the PGA Unit (considered "off-lease") on Federal surface have been submitted to the BLM for approval.

7
Spud Date: 7/15/2008

Rig Release Date: 7/22/2008

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

SIGNATURE Kurt Fagrelis TITLE VP Land and Exploration DATE 1/4/2017

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

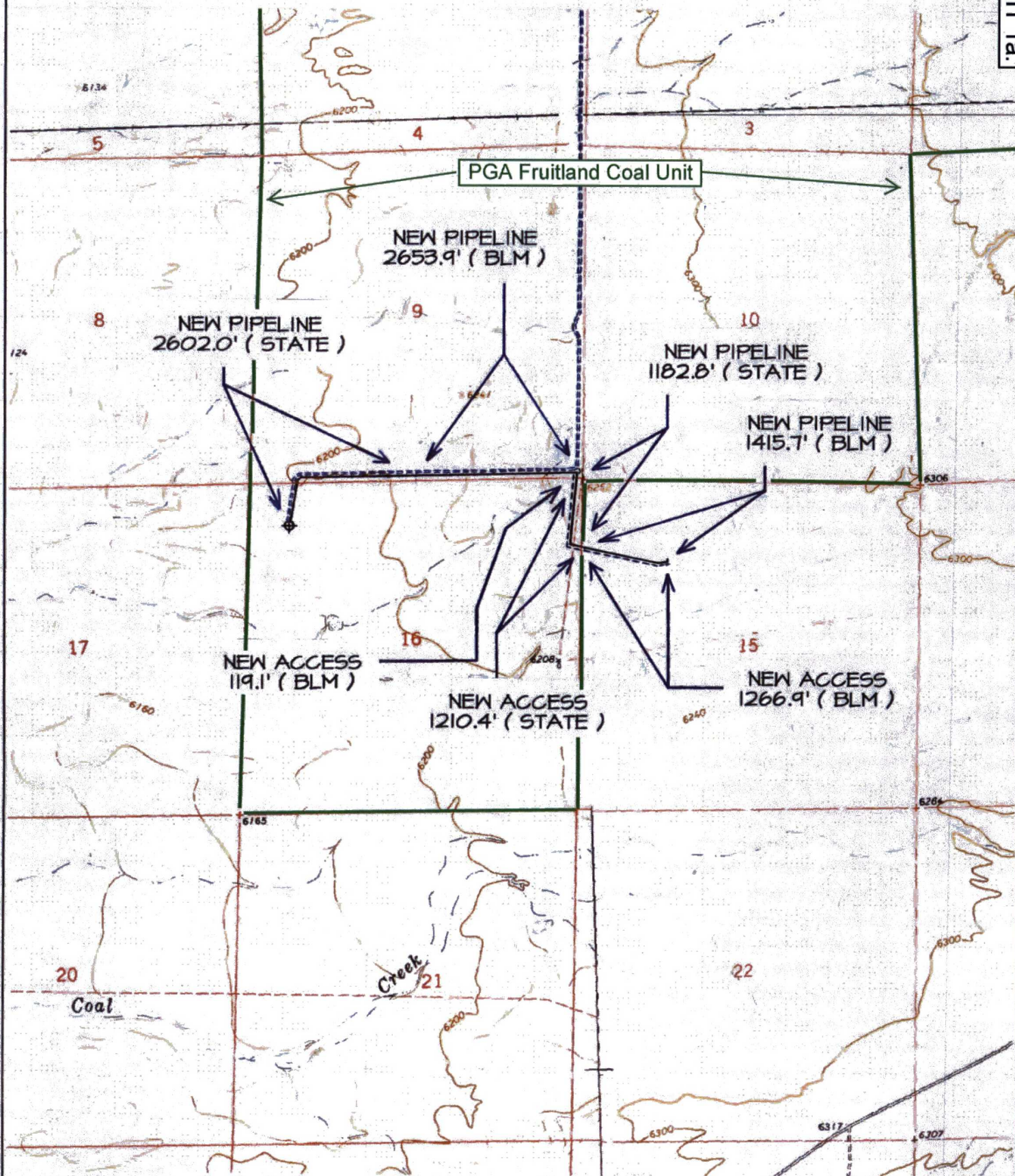
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): Accepted For Record CS (11)

DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2

660' FNL & 660' FNL, SECTION 16, T26N, R11W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

EXHIBIT 1a.

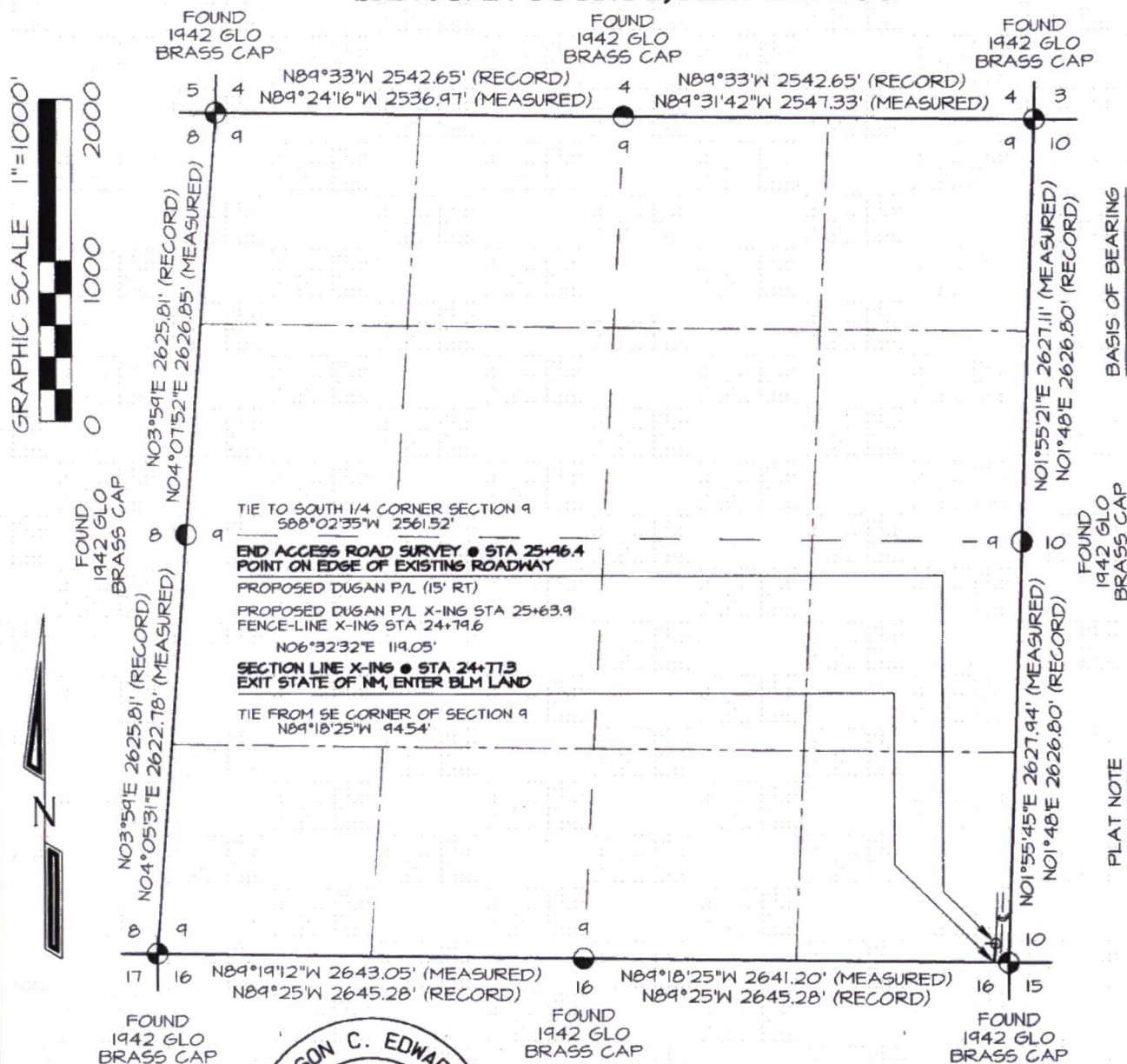


TOPO NAMES : PRETTY ROCK
& PUEBLO BONITO NW

⊕ PRODUCING WELL ⊗ PLUGGED & ABANDONED WELL

**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2
PROPOSED ACCESS ROAD SURVEY LOCATED IN THE
SE/4 SE/4 OF SECTION 9, T23N, R11W, NMPM
SAN JUAN COUNTY, NEW MEXICO**

EXHIBIT 1d.



REAL-TIME KINEMATIC GPS SURVEY
SOLUTION OBTAINED FROM SATELLITES
TRACKED ON OCTOBER 23, 2016 FROM
A REFERENCE STATION POSITIONED IN
NW/4 NW/4 OF SECTION 2, T23N, R11W

BASIS OF BEARING

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



~ SURFACE OWNERSHIP ~ Bureau of Land Management	
24+77.3 TO 25+46.4	119.1 FT / 7.2 RODS

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

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

Date: November 4, 2016

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		Land Surveyor: Jason C. Edwards	CHECKED BY: JCE DRAWN BY: SLE SHEET 4 OF 9 FILENAME: 231119A3
		Mailing Address: Post Office Box 6612 Farmington, NM 87499	
		Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) acesurveys@qwestoffice.net	
		SURVEYS, INC.	

PGA Fruitland Coal Unit

Proposed Pipeline
On-Lease Federal
2,653.9-ftProposed Pipeline
Off-Lease Federal
1,415.7-ftProposed Pipeline
On-Lease State
1,182.8-ftProposed Pipeline
On-Lease State
2,602.0-ft

PGA UNIT 16 2

WILL 3

WILL 1

LITTLE
JOE 91SLITTLE JOE
COM 90

FLO JO 91S

FLO JO 90

15

14

13

WILL 4

WILL 2

LITTLE JOE 91

LITTLE JOE
COM 90S

FLO JO 91

FLO JO 90S

T23N

HOSS 92S

HOSS 91S

PIERRE
COM 90SBonanza
Comp. 1&2PIERRE
COM 91S

FLO JO 8 SWD

BONANZA
COM 92SBONANZA
COM 92

22

23

24

COFFEE 1

HOSS 92

HOSS 91

PIERRE COM 90

PIERRE 2
PIERRE COM 91

HOP-SING 1

BONANZA 90

BONANZA 91

Legend

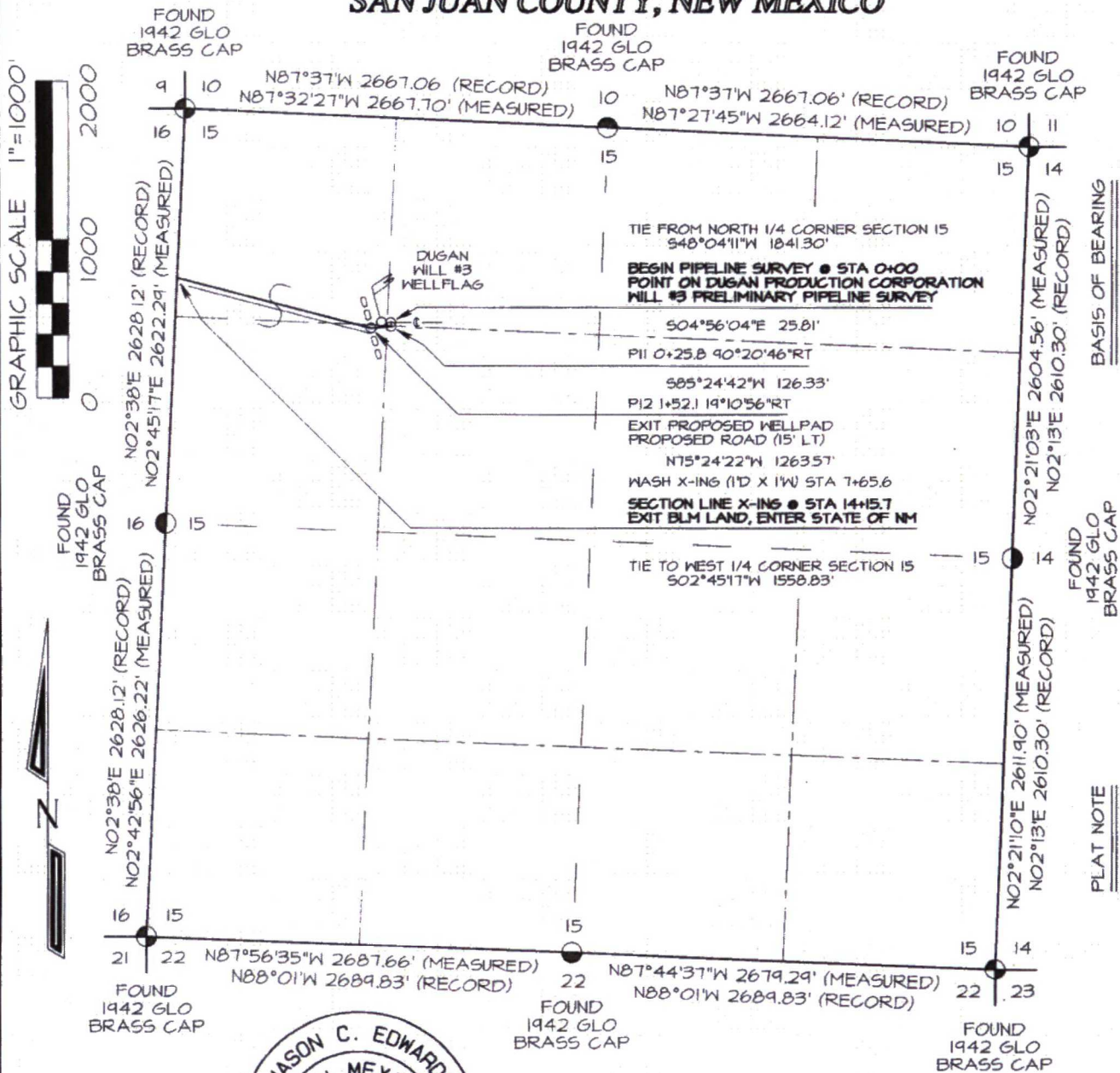
- ✱ Gas Wells
- ✱ Gas Wells P&A
- Oil Wells
- ⚙ SWD Wells
- Proposed Wells
- Compressors
- Sesamee Street Pipeline
- Proposed Pipeline
- Roads
- Proposed Roads

N

0 0.125 0.25 0.5 0.75 1 Miles

**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2
PROPOSED PIPELINE SURVEY LOCATED IN THE
NW/4 OF SECTION 15, T23N, R11W, NMPM
SAN JUAN COUNTY, NEW MEXICO**

EXHIBIT 2b.



REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON OCTOBER 23, 2016 FROM A REFERENCE STATION POSITIONED IN NW/4 NW/4 OF SECTION 2, T23N, R11W

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



~ SURFACE OWNERSHIP ~ Bureau of Land Management	
0+00 TO 14+15.7	1415.7 FT / 85.8 RODS

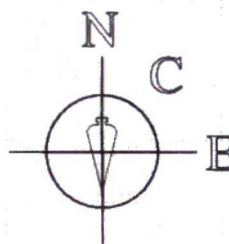
I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge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

JASON C. EDWARDS

Date: November 4, 2016

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

Prepared for:
DUGAN PRODUCTION
P.O. BOX #420
FARMINGTON, NM 87499



SURVEYS, INC.

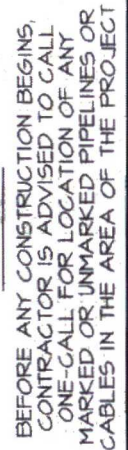
Land Surveyor:
Jason C. Edwards


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
SHEET 5 OF 9
FILENAME: 23111591

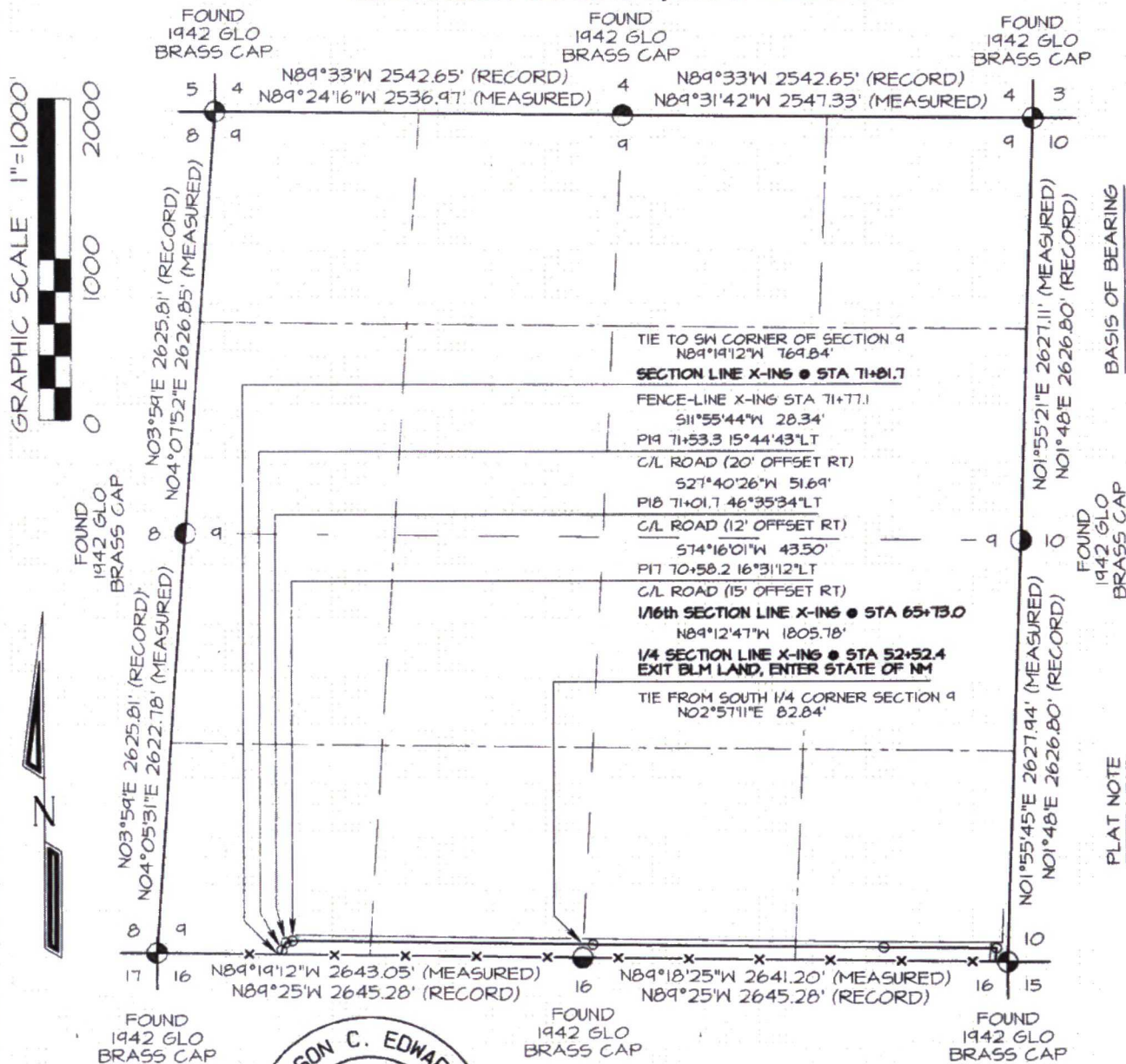
EXHIBIT 2c.



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) nccsurveys@questoffice.net	CHECKED BY: JCE
			SHEET 6 OF 9
			DRAWN BY: SLE FILENAME: ZB11662

**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2
PROPOSED PIPELINE SURVEY LOCATED IN THE
S/2 SW/4 OF SECTION 9, T23N, R11W, NMPM
SAN JUAN COUNTY, NEW MEXICO**

EXHIBIT 2e.



PLAT NOTE
BEFORE ANY CONSTRUCTION BEGINS,
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CABLES IN THE AREA OF THE PROJECT

**REAL-TIME KINEMATIC GPS SURVEY
SOLUTION OBTAINED FROM SATELLITES
TRACKED ON OCTOBER 23, 2016 FROM
A REFERENCE STATION POSITIONED IN
NW/4 NW/4 OF SECTION 2, T23N, R11W**



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.

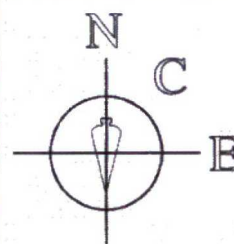
JASON C. EDWARDS

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

Date: November 4, 2016

~ SURFACE OWNERSHIP ~ State of New Mexico Land	
52+52.4 TO 71+81.7	1929.3 FT / 116.9 RODS

Prepared for:
DUGAN PRODUCTION
P.O. BOX #420
FARMINGTON, NM 87499



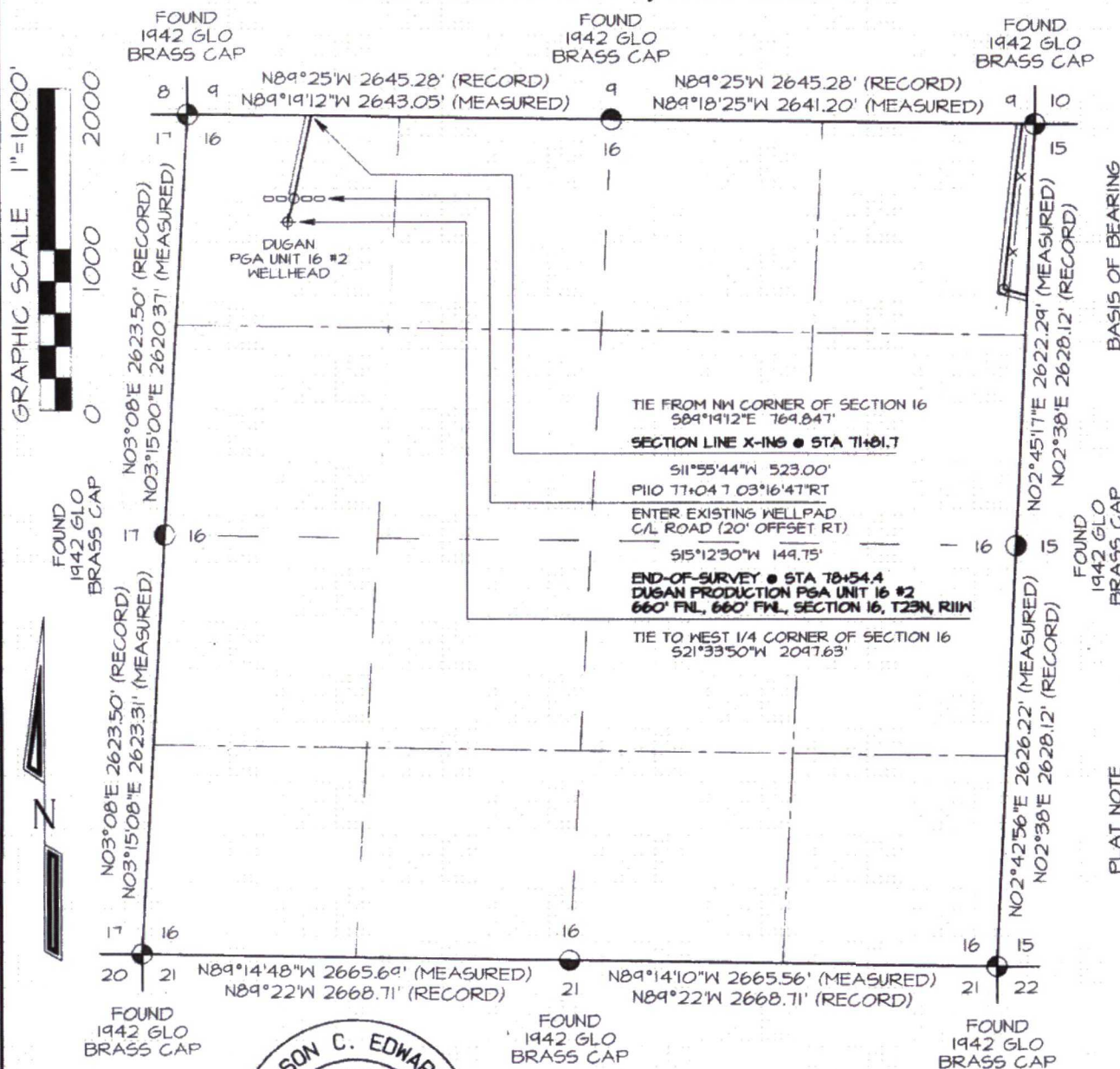
SURVEYS, INC.

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)
jcedwards@qwestoffice.net

CHECKED BY: JCE
DRAWN BY: SLE
SHEET 8 OF 9
FILENAME: 2011064

DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2 PROPOSED PIPELINE SURVEY LOCATED IN THE NW/4 NW/4 OF SECTION 16, T23N, R11W, NMPM SAN JUAN COUNTY, NEW MEXICO

EXHIBIT 2f.



REAL-TIME KINEMATIC GPS SURVEY
SOLUTION OBTAINED FROM SATELLITES
TRACKED ON OCTOBER 23, 2016 FROM
A REFERENCE STATION POSITIONED IN
NW/4 NW/4 OF SECTION 2, T23N, R11W

BASIS OF BEARING

PLAT NOTE

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~ SURFACE OWNERSHIP ~ State of New Mexico Land	
71+81.7 TO 78+54.4	672.7 FT / 40.8 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@questoffice.net	

SURVEYS, INC.

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JASON C. EDWARDS

Date: November 4, 2016

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

SHEET 9 OF 9
FILENAME: 23110605