

| Submit To Appropriate District Office<br>Two Copies<br><u>District I</u><br>1625 N. French Dr., Hobbs, NM 88240<br><u>District II</u><br>811 S. First St., Artesia, NM 88210<br><u>District III</u><br>1000 Rio Brazos Rd., Aztec, NM 87410<br><u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM 87505   | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | <b>Form C-105</b><br>Revised April 3, 2017  |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|--|---|---|----------------------------|--|------------------------------|--|-----------------|---|----------|---------------|----------------|-------------------------------|-----------|---|--|--|--|--|
|  |   | 1. WELL API NO.<br>30-045-35773   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   | 2. Type of Lease<br><input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN                                      |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   | 3. State Oil & Gas Lease No. V-8294-2   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 4. Reason for filing:<br><br><input checked="" type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)<br><br><input checked="" type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) |   | 5. Lease Name or Unit Agreement Name<br>Sunflower Unit  |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   | 6. Well Number: <span style="color: blue; font-weight: bold;">NMOCB</span><br>1<br><div style="color: red; font-weight: bold; text-align: right;">MAR 06 2018</div> |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 7. Type of Completion:<br><input type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER   |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 8. Name of Operator<br>Dugan Production Corp.  |   | 9. OGRID <span style="color: blue;">006515</span> <span style="color: blue; font-weight: bold;">DISTRICT III</span>   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 10. Address of Operator<br>PO Box 420, Farmington, NM 87499-0420   |   | 11. Pool name or Wildcat<br>Basin Fruitland Coal  |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 12. Location   | Unit Ltr  | Section   | Township                   | Range  | Lot                          | Feet from the  | N/S Line        | Feet from the                                   | E/W Line | County        |                |                               |           |   |  |  |  |  |
| Surface:   | I   | 2   | 24N                        | 13W  |                              | 1654   | South           | 850   | East     | San Juan      |                |                               |           |   |  |  |  |  |
| BH:  | I   | 2   | 24N                        | 13W  |                              | 1654   | South           | 850   | East     | San Juan      |                |                               |           |   |  |  |  |  |
| 13. Date Spudded<br>10/27/17   | 14. Date T.D. Reached<br>11/2/17  | 15. Date Rig Released<br>11/3/17  |                            | 16. Date Completed (Ready to Produce)<br>2/27/18 |                              | 17. Elevations (DF and RKB, RT, GR, etc.)<br>6297' GL  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 18. Total Measured Depth of Well<br>1130'  |   | 19. Plug Back Measured Depth<br>1063'   |                            | 20. Was Directional Survey Made?<br>No           |                              | 21. Type Electric and Other Logs Run<br>GR-CCL-CNL   |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name<br>826'-919' (Basin Fruitland Coal)  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| <b>23. CASING RECORD (Report all strings set in well)</b>  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| CASING SIZE  |   | WEIGHT LB./FT.  |                            | DEPTH SET  |                              | HOLE SIZE  |                 | CEMENTING RECORD                                |          | AMOUNT PULLED |                |                               |           |   |  |  |  |  |
| 8-5/8"   |   | 24# J-55  |                            | 126'   |                              | 12-1/4"  |                 | 110 sks, 129 cu ft Halliburton Halcem cement    |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              |  |                 | Class G w/2% CaCl2                              |          |               |                |                               |           |   |  |  |  |  |
| 5-1/2"   |   | 15.5# J-55  |                            | 1114'  |                              | 7-7/8"   |                 | 110 sks Halliburton Halcem cement, tailed w/100 |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              |  |                 | sks, 138 cu ft Class G 50-50 cement blend       |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              |  |                 | Total cement volume 352.5 cu ft                 |          |               |                |                               |           |   |  |  |  |  |
| <b>24. LINER RECORD</b>  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| SIZE   | TOP   | BOTTOM  | SACKS CEMENT               | SCREEN   |                              | 25. TUBING RECORD  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              | SIZE   | DEPTH SET       | PACKER SET                                      |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              | 2-3/8"   | 980'            | N/A   |          |               |                |                               |           |   |  |  |  |  |
| 26. Perforation record (interval, size, and number)<br>826'-841'; 890'-919' w/4 spf (total 44', 176 holes)   |   |   |                            |  |                              | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>826'-919'</td> <td>800 gals acid; 220,000# 20/40 sand, 127,000 gals Crosslinked foam</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table> |                 |   |          |               | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 826'-919' | 800 gals acid; 220,000# 20/40 sand, 127,000 gals Crosslinked foam |  |  |  |  |
| DEPTH INTERVAL   | AMOUNT AND KIND MATERIAL USED   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 826'-919'  | 800 gals acid; 220,000# 20/40 sand, 127,000 gals Crosslinked foam   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| <b>28. PRODUCTION</b>  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| Date First Production<br>N/A   |   | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>to be pumping  |                            |  |                              | Well Status (Prod. or Shut-in)<br>Shut-in  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| Date of Test<br>N/A  | Hours Tested  | Choke Size  | Prod'n For Test Period     | Oil - Bbl  | Gas - MCF                    | Water - Bbl.   | Gas - Oil Ratio |   |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            |  | 0                            |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| Flow Tubing Press.   | Casing Pressure   | Calculated 24-Hour Rate   | Oil - Bbl.                 | Gas - MCF  | Water - Bbl.                 | Oil Gravity - API - (Corr.)  |                 |   |          |               |                |                               |           |   |  |  |  |  |
|  |   |   |                            | 0  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br>To be sold   |   |   |                            |  |                              | 30. Test Witnessed By  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 31. List Attachments   |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.   |   |   |                            |  |                              | 33. Rig Release Date:  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| 34. If an on-site burial was used at the well, report the exact location of the on-site burial:  |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| Latitude _____ Longitude _____ NAD83   |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief   |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |
| Signature  |   |   | Printed Name Kurt Fagrelus |  | Title VP, Land & Exploration |  |                 | Date 3/5/18                                     |          |               |                |                               |           |   |  |  |  |  |
| E-mail Address kfagrelus@duganproduction.com   |   |   |                            |  |                              |  |                 |   |          |               |                |                               |           |   |  |  |  |  |

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## 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 and not later than 60 days after completion of closure. When submitted as a completion report, this 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 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                  | Northwestern New Mexico |                  |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn A"       |
| T. Salt                 | T. Strawn        | T. Kirtland surface     | T. Penn. "B"     |
| B. Salt                 | T. Atoka         | T. Fruitland 509'       | T. Penn. "C"     |
| T. Yates                | T. Miss          | T. Pictured Cliffs 976' | T. Penn. "D"     |
| T. 7 Rivers             | T. Devonian      | T. Cliff House          | T. Leadville     |
| T. Queen                | T. Silurian      | T. Menefee              | T. Madison       |
| T. Grayburg             | T. Montoya       | T. Point Lookout        | T. Elbert        |
| T. San Andres           | T. Simpson       | T. Mancos               | T. McCracken     |
| T. Glorieta             | T. McKee         | T. Gallup               | T. Ignacio Otzte |
| T. Paddock              | T. Ellenburger   | Base Greenhorn          | T. Granite       |
| T. Blinebry             | T. Gr. Wash      | T. Dakota               |                  |
| T. Tubb                 | T. Delaware Sand | T. Morrison             |                  |
| T. Drinkard             | T. Bone Springs  | T. Todilto              |                  |
| T. Abo                  | T.               | T. Entrada              |                  |
| T. Wolfcamp             | T.               | T. Wingate              |                  |
| T. Penn                 | T.               | T. Chinle               |                  |
| T. Cisco (Bough C)      | T.               | T. Permian              |                  |

## 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)

| From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |

| From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |