

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., 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

Form C-103
 March 4, 2004

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

WELL API NO.
30-045-32708
 5. Indicate Type of Lease
 STATE FEE FED XX
 6. State Oil & Gas Lease No.
 Federal NM-17015

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

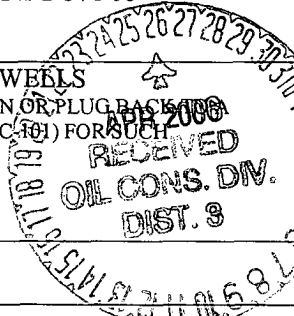
2. Name of Operator
 Dugan Production Corp.

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

4. Well Location
 Unit Letter K : 1950 feet from the South line and 1400 feet from the West line
 Section 11 Township 24N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6606' G.L.

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)
 Pit Location: UL K Sect 11 Twp 24N Rng 11W Pit type Dr g. Depth to Groundwater +100' Distance from nearest fresh water well +1000'
 Distance from nearest surface water +1000' Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ;
 feet from the _____ line and _____ feet from the _____ line



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 COMPLETION
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
- COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
- CASING TEST AND 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
 Water based gel-mud will be used to drill surface and production casing hole. Earthen pits will be lined with an impervious material. Pits will be constructed and abandoned as per BLM stipulations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan . Federal lease, pits will be constructed and abandoned as per BLM guidelines.

SIGNATURE Kurt Fagrelius TITLE Geologist DATE 11/30/04
 Type or print name Kurt Fagrelius E-mail address: kfagrelius@duganproduction.com Telephone No. 325-1821

(This space for State use)

APPROVED BY Denny Fournier TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE APR 26 2005
 Conditions of approval, if any: