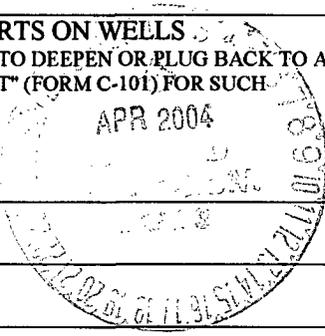


Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised June 10, 2003

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.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other 2. Name of Operator Dugan Production Corp. 3. Address of Operator P. O. Box 420, Farmington, NM 87499-0420 4. Well Location Unit Letter <u>M</u> : <u>972</u> feet from the <u>South</u> line and <u>896</u> feet from the <u>West</u> line Section <u>7</u> Township <u>30N</u> Range <u>14W</u> NMPM San Juan County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5373' GL	WELL API NO. 30-045-31945																				
	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>																				
	6. State Oil & Gas Lease No.																				
	7. Lease Name or Unit Agreement Name Monte Carlo Com																				
	8. Well Number 90																				
	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																				
	<table border="0"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTERING CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDONMENT <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPLETION <input type="checkbox"/></td> <td>CASING TEST AND CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td>OTHER: <input type="checkbox"/></td> <td></td> <td>OTHER: Completion <input checked="" type="checkbox"/></td> <td></td> </tr> </table>		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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>		OTHER: <input type="checkbox"/>		OTHER: Completion <input checked="" type="checkbox"/>
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OTHER: <input type="checkbox"/>		OTHER: Completion <input checked="" 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pressure test casing to 3500#, held. Run GR-CCL-CNL logs. Perforate Fruitland Coal from 578-85, 593-98, 640-44, 655-60 and 714-30 w/4 spf (total 148 holes). Acidize w/1000 gallons 15% HCL. Frac w/86,000# 20/40 Brady sand, 24,000# Resin coated sand, 45,500 gallons AmBor Max 1020 gel.

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

SIGNATURE John C. Alexander TITLE Vice-President DATE March 30, 2004

Type or print name John C. Alexander E-mail address: johncalexander@duganproduction.com Telephone No. (505)325-1821
 (This space for State use)

APPROVED BY Chuck T.H. TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 08 DATE APR -1 2004

Conditions of approval, if any: