

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.
 30-045-24465

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 VA-1119

7. Lease Name or Unit Agreement Name
 Cochran

8. Well Number
 1

9. OGRID Number
 006515

10. Pool name or Wildcat
 Bisti Chacra Ext.

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
 P. O. Box 420, Farmington, NM 87499-0420

4. Well Location
 Unit Letter A : 1165 feet from the North line and 1170 feet from the East line
 Section 16 Township 22N Range 8W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6656' GL

Pit or Below-grade Tank Application: (For pit or below-grade tank closures, a form C-144 must be attached)
 Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
 Distance from nearest surface water 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: | | 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: Pressure test casing <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.

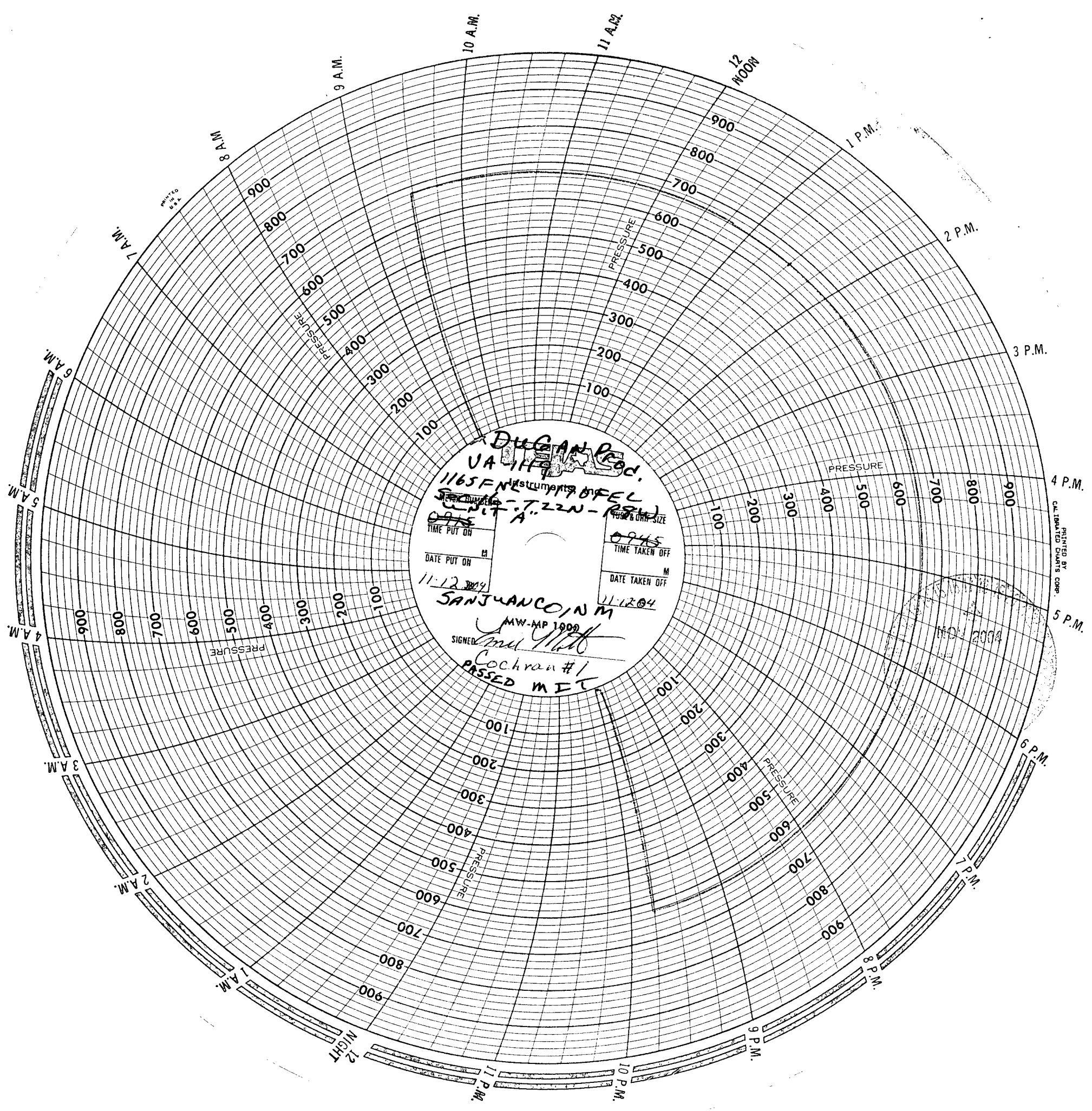
Pressure tested casing at 680 psi. Pressure decreased to 625 psi in 30 minutes. The test was conducted on 11/12/2004. The NMOCD was notified but did not witness the test. The pressure recording made during the test is attached. We request that This well remain shut-in pending installation of a gas sales line scheduled during 2005.

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 .

SIGNATURE John C. Alexander TITLE Vice-President DATE November 16, 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 Bruce Mark TITLE Dept. O+G Insp DATE 11/29/04
 Conditions of approval, if any:



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NOV 2004