

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., 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 & Natural Resources

Form C-104  
Revised August 1, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                                |                                                |                                                           |                                 |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|---------------------------------|
| <sup>1</sup> Operator name and Address<br>Dugan Production Corp.<br>P. O. Box 420<br>Farmington, NM 87499-0420 |                                                | <sup>2</sup> OGRID Number<br>006515                       |                                 |
|                                                                                                                |                                                | <sup>3</sup> Reason for Filing Code/ Effective Date<br>NW |                                 |
| <sup>4</sup> API Number<br>30 - 043 - 21112                                                                    | <sup>5</sup> Pool Name<br>Basin Fruitland Coal |                                                           | <sup>6</sup> Pool Code<br>71629 |
| <sup>7</sup> Property Code<br>038592                                                                           | <sup>8</sup> Property Name<br>Basie Com        |                                                           | <sup>9</sup> Well Number<br>1   |

II. <sup>10</sup> Surface Location

|                    |               |                 |             |         |                      |                           |                      |                        |                    |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|----------------------|------------------------|--------------------|
| Ul or lot no.<br>D | Section<br>21 | Township<br>22N | Range<br>7W | Lot Idn | Feet from the<br>990 | North/South line<br>North | Feet from the<br>800 | East/West line<br>West | County<br>San Juan |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|----------------------|------------------------|--------------------|

<sup>11</sup> Bottom Hole Location

|                    |               |                 |             |         |                      |                           |                      |                        |                    |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|----------------------|------------------------|--------------------|
| Ul or lot no.<br>D | Section<br>21 | Township<br>22N | Range<br>7W | Lot Idn | Feet from the<br>990 | North/South line<br>North | Feet from the<br>800 | East/West line<br>West | County<br>San Juan |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|----------------------|------------------------|--------------------|

|                             |                                          |                                          |                                   |                                    |                                     |
|-----------------------------|------------------------------------------|------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <sup>12</sup> Lse Code<br>F | <sup>13</sup> Producing Method Code<br>F | <sup>14</sup> Gas Connection Date<br>N/A | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |
|-----------------------------|------------------------------------------|------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|

III. Oil and Gas Transporters

|                                    |                                                                    |                     |
|------------------------------------|--------------------------------------------------------------------|---------------------|
| <sup>18</sup> Transporter<br>OGRID | <sup>19</sup> Transporter Name<br>and Address                      | <sup>20</sup> O/G/W |
| 151618                             | Enterprise Field Services<br>614 Reilly Ave., Farmington, NM 87401 | G                   |
|                                    |                                                                    |                     |
|                                    |                                                                    |                     |
|                                    |                                                                    |                     |
|                                    |                                                                    |                     |
|                                    |                                                                    |                     |
|                                    |                                                                    |                     |



IV. Well Completion Data

|                                    |                                                       |                                 |                                   |                                           |                       |
|------------------------------------|-------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------------------------|-----------------------|
| <sup>21</sup> Spud Date<br>5/4/11  | <sup>22</sup> Ready Date<br>9/29/11                   | <sup>23</sup> TD<br>1400'       | <sup>24</sup> PBTD<br>1348'       | <sup>25</sup> Perforations<br>1175'-1187' | <sup>26</sup> DHC, MC |
| <sup>27</sup> Hole Size<br>12-1/4" | <sup>28</sup> Casing & Tubing Size<br>8-5/8" 24# J-55 | <sup>29</sup> Depth Set<br>123' | <sup>30</sup> Sacks Cement<br>120 |                                           |                       |
| 7-7/8"                             | 5-1/2" 15.5# J-55                                     | 1390'                           | 190                               |                                           |                       |
|                                    | 2-3/8" 4.7# J-55                                      | 1253'                           |                                   |                                           |                       |
|                                    |                                                       |                                 |                                   |                                           |                       |

V. Well Test Data

|                                   |                                        |                                    |                                     |                                  |                                   |
|-----------------------------------|----------------------------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------------------|
| <sup>31</sup> Date New Oil<br>N/A | <sup>32</sup> Gas Delivery Date<br>N/A | <sup>33</sup> Test Date<br>9/30/11 | <sup>34</sup> Test Length<br>24 hrs | <sup>35</sup> Tbg. Pressure<br>0 | <sup>36</sup> Csg. Pressure<br>10 |
| <sup>37</sup> Choke Size<br>2"    | <sup>38</sup> Oil<br>0                 | <sup>39</sup> Water<br>60          | <sup>40</sup> Gas<br>10             | <sup>41</sup> Test Method        |                                   |

|                                                                                                                                                                                                                                                 |                        |                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------|
| <sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <i>John C. Alexander</i> |                        | 10-17-11 OIL CONSERVATION DIVISION                  |
| Printed name:<br>John C. Alexander                                                                                                                                                                                                              |                        | Approved by: <i>Charles R. [Signature]</i> 10-26-11 |
| Title:<br>Vice-President                                                                                                                                                                                                                        |                        | Title: SUPERVISOR DISTRICT # 3                      |
| E-mail Address:<br>johncalexander@duganproduction.com                                                                                                                                                                                           |                        | Approval Date: OCT 26 2011                          |
| Date:<br>October 11, 2011                                                                                                                                                                                                                       | Phone:<br>505-325-1821 | OCD-B.P. April                                      |

A