

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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.)		WELL API NO. 30-045-26749
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Dugan Production Corp. c/o BHP Billiton San Juan Mine		6. State Oil & Gas Lease No.
3. Address of Operator PO Box 561, Waterflow, NM 87421		7. Lease Name or Unit Agreement Name Barcelona
4. Well Location Unit Letter <u>F</u> : <u>1850</u> feet from the <u>North</u> line and <u>1850</u> feet from the <u>West</u> line Section <u>23</u> Township <u>30N</u> Range <u>15W</u> NMPM County: <u>San Juan</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5265 ft. GL		9. OGRID Number
10. Pool name or Wildcat Wildcat PC		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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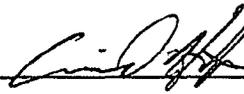
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

As required by MSHA, San Juan Mine is to Re-P&A oil and gas wells ahead of mine development. See attached daily logs.

Note: the submitted and NMOCD approved P&A procedure did not go as planned. Several amendments to the submitted plan were verbally approved by NMOCD as needed.

Spud Date: 9/9/13 Rig Release Date: 10/8/13

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

SIGNATURE  TITLE Mine Geologist DATE 10/23/13

Type or print name Eric D. Herth E-mail address: eric.d.herth@bhpbilliton.com PHONE: (505) 598-2105

For State Use Only
 APPROVED BY:  TITLE Deputy Oil & Gas Inspector, District #3 DATE 10/31/13
 Conditions of Approval (if any): AV

Mo-Te Drilling Log on Barcelona #1 Oil and Gas well.

9/9/13 – wait on welder to weld collar onto 2 7/8" tubing. Rig up BOP on 7" surface casing. Rig up rig.

9/10/13 – Attempt to drill over 2 7/8" tubing. Broke diamond bit after one foot. Remove BOP after talking with NMOCD.

9/11/13 – Rig down, re-dig cellar due to rain runoff. Attempt to drill around 2 7/8" tubing with cutrite bit. Too close to 7" pipe.

9/12/13 – Receive verbal permission from NMOCD to change original drill plans. Start milling 2 7/8" tubing with 6 1/4" mill bit. 0'-30'.

9/13/13 – Continue milling 30'-43'. Shut down due to hose failure on rig.

9/16/13 – Repair rig. Mill 2 7/8" tubing 43'-70'. TOH.

9/17/13 – Change mill bit. Mill 2 7/8" tubing 70'-92'.

9/18/13 – Rig up Jet West Geophysical. Run camera. 92' was not out of the 7" surface pipe. Rig down Jet West. TIH with mill. Mill 2 7/8" tubing 92'-100'. TOH. Rig up Jet West, run camera. Rig down Jet West.

9/19/13 – Received verbal permission from NMOCD to change original drill plan. TIH with open mill bit. Drill 1 foot. TOH. Rig up BOP. TIH drill around 2 7/8" tubing 100'-280'.

9/20/13 – TOH swap bit to a diamond cutter style. Drill around 2 7/8" tubing 280'-380'. Broke bit.

9/23/13 – TIH with mill open bit. Drill around 2 7/8" tubing. 380'-420'.

9/24/13 – Drill around 2 7/8" tubing. 420'-520'.

9/25/13 – Drill around 2 7/8" tubing 520'-542'. Hit perms around 541', broke bit.

9/26/13 – TIH with overshot & jar. Jar not working – TOH. Replace Jar, TIH. Attempt to remove 2 7/8" tubing. Recovered 48'.

9/27/13 – TIH with 5" mill. Mill 3' of 2 7/8" tubing. TOH. TIH with overshot and Jar. Attempted to pull 2 7/8" tubing. No results.

10/1/13 – Received verbal permission from NMOCD to change original drill plans. TIH with 2 7/8" tubing with open overshot. Drill 2 1/4" hole inside 2 7/8" tubing. 150'-315'.

10/2/13 – Drill inside 2 7/8" tubing with 2 1/4" bit. 315'-635'. TOH

10/3/13 – Day off

10/4/13 – Rig up Jet West, run camera down hole. Perforate and rip casing at 525'. Rig down Jet West. Attempt to pull tubing. Tubing not free. Rig up Jet West for 2nd attempt. Only made it to 310' due to cement blockage. Use tophead to break tubing free. TOH with 525' of 2 7/8" tubing.

10/7/13 – TIH with core pipe. Rig up Jet West, run gyro deviation log. Rig down Jet West. TOH with core pipe.

10/8/13 – Load 1 1/4" tubing. TIH with 1 1/4" tubing, cement 525'-360' using 1.5 yards expanding cement with added aluminum. Wash up, WOC. Rig down.

10/9/13 – finish cementing well. Circulate cement to surface. 4 yards cement. 5.5 yards total cement in well. Install marker approximately 3' below GL. Bury cellar. Rig down.