

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 August 1, 2011

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		WELL API NO. 30-045-29158 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. VA-1121
2. Name of Operator Dugan Production Corp.		7. Lease Name or Unit Agreement Name Marley
3. Address of Operator P O Box 420, Farmington, NM 87499-0420 505-325-1821		8. Well Number 1
4. Well Location Unit Letter <u>N</u> : <u>1190</u> feet from the <u>South</u> line and <u>1450</u> feet from the <u>West</u> line Section <u>36</u> Township <u>23N</u> Range <u>9W</u> NMPM San Juan County		9. OGRID Number 006515
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6640' GL		10. Pool name or Wildcat Basin Fruitland Coal

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

<b>NOTICE OF INTENTION TO:</b> 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"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Well Test <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dugan Production requests permission to temporarily abandon this well. The well was completed in the Chacra, but was found uneconomical due to low gas volumes. The Chacra was later plugged and the Fruitland Coal interval was perforated and completed. Currently a gas pipeline installation is required to connect the well to the nearest sales line along with wellsite compression. The installation of these production facilities is uneconomical at the current gas prices. A sincere attempt has been made by the operator in the past to get production out of this well. Considering this, we request to temporarily abandon the well until the gas prices improve.

If the TA request is approved, an MIT will be conducted as per NMOCD rules and regulations. NMOCD will be notified 24 hrs before the test and the pressure charts will be submitted.

The above is required prior to placing well in TA status

OIL CONS. DIV DIST. 3

Spud Date:  Rig Release Date:

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

SIGNATURE Aliph Reena TITLE Production Engineer DATE March 23, 2015

Type or print name Aliph Reena E-mail address: aliph.reena@duganproduction.com PHONE: 505-325-1821

For State Use Only

APPROVED BY: Bob Bell TITLE DEPUTY OIL & GAS INSPECTOR DISTRICT # 3 DATE 4-20-15  
 Conditions of Approval (if any): AV