

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

WELL API NO. 30-045-34696
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-2966
7. Lease Name or Unit Agreement Name PGA Unit
8. Well Number 16 #2
9. OGRID umber 006515
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6190' GL

**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  
709 East Murray Drive, Farmington, New Mexico 87401

4. Well Location  
 Unit Letter D: 660 feet from the north line and 660 feet from the west line  
 Section 16 Township 23N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6190' GL

OIL CONS. DIV DIST. 3  
 JAN 06 2017

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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Construct Pipeline and Access Road <input checked="" type="checkbox"/>		OTHER: <input 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.

Propose to construct access road and gas and water pipelines to transport vehicles and produced water and produced gas from the PGA Unit, PGA 16 #2 gas well to the Dugan operated Sesame Street Gathering system (NMNM-115114) located in the NW/4 of Sec. 15, T23N and R11W. Water and gas lines will transport produced water and gas to a centralized salt water disposal well and gas compressor station located in the NE/4 of Sec. 23, T23N and R11W. See Exhibits 1a-1d for access road and 2a-2f for pipelines.

The pipelines will be parallel to and within the 30-ft wide right-of-way for the existing access road for 5,109.2-ft and parallel to and within the 30-ft wide right-of-way for the proposed new access road for 1,329.5-ft.

All construction is within the PGA Unit (considered "on-lease") and both pipelines will be buried in the same trench for a total length of 6,438.7-ft (3,784.8-ft on State surface VA-2966 and 2,653.9-ft on Federal surface NM-112958).

Separate right-of-way applications for those portions of access road and the gas and water pipelines that are located outside of the PGA Unit (considered "off-lease") on Federal surface have been submitted to the BLM for approval.

7  
 Spud Date: 7/15/2008

Rig Release Date: 7/22/2008

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

SIGNATURE Kurt Fagrelis TITLE VP Land and Exploration DATE 1/4/2017

Type or print name Kurt Fagrelis E-mail address: kfagrelis@duganproduction.com PHONE: 505-325-1821

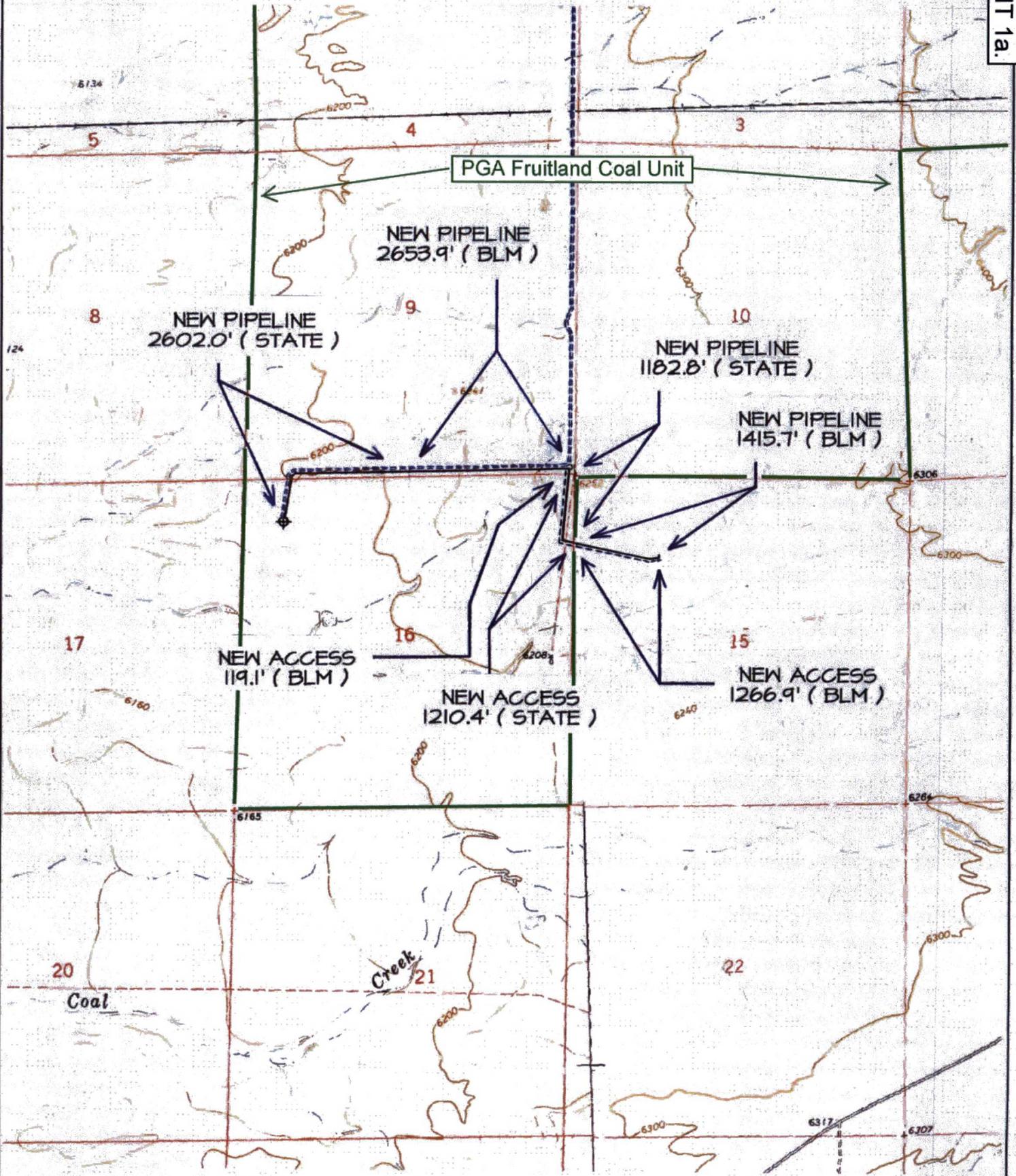
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): Accepted For Record CS (11)

# DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2

660' FNL & 660' FWL, SECTION 16, T26N, R11W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

EXHIBIT 1a.



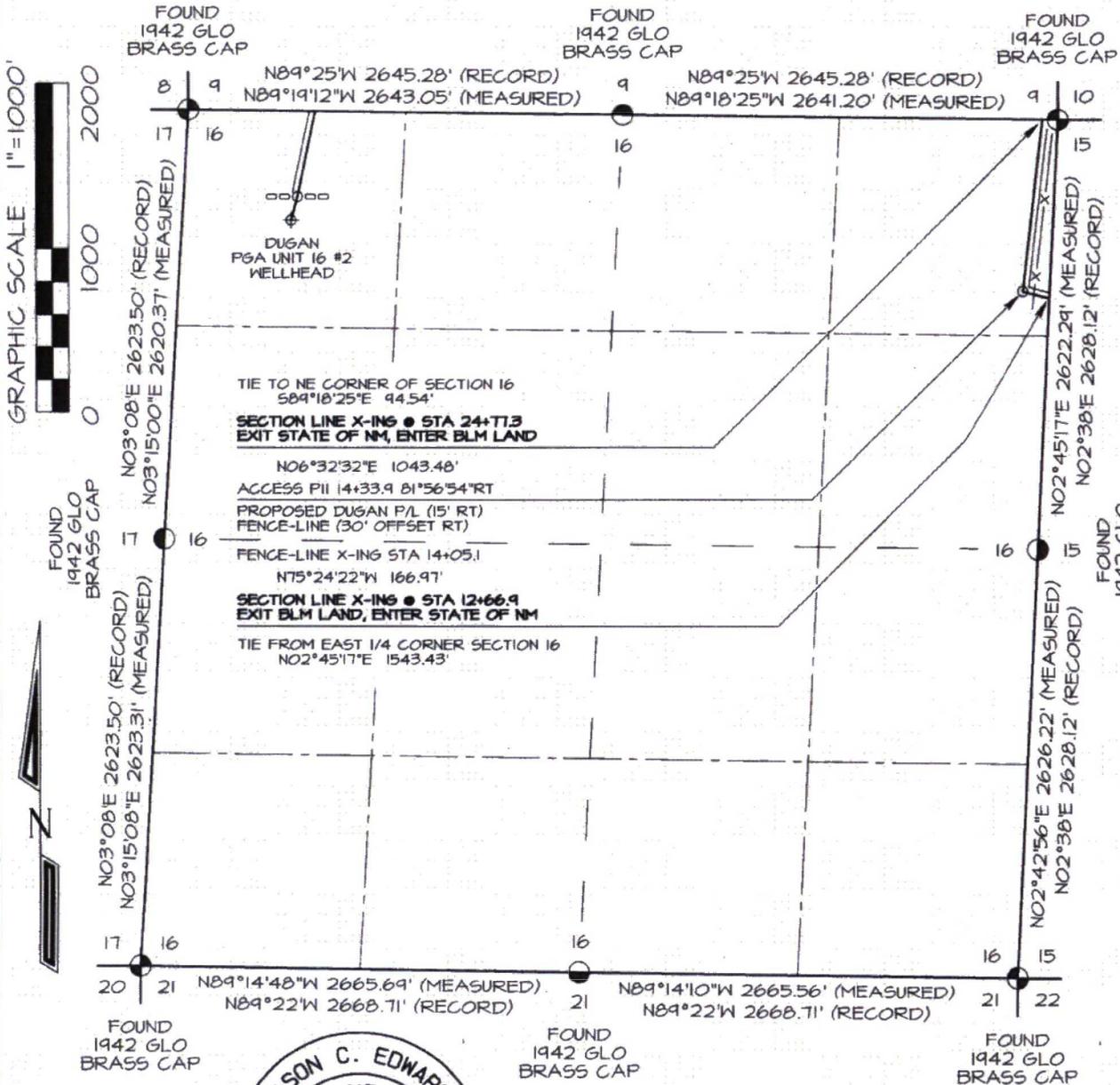
TOPO NAMES : PRETTY ROCK  
& PUEBLO BONITO NW

⊕ PRODUCING WELL    ⊗ PLUGGED & ABANDONED WELL



# DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2 PROPOSED ACCESS ROAD SURVEY LOCATED IN THE NE/4 NE/4 OF SECTION 16, T23N, R11W, NMPM SAN JUAN COUNTY, NEW MEXICO

EXHIBIT 1C.



REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON OCTOBER 23, 2016 FROM A REFERENCE STATION POSITIONED IN NW/4 NW/4 OF SECTION 2, T23N, R11W

BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT

BASIS OF BEARING

PLAT NOTE



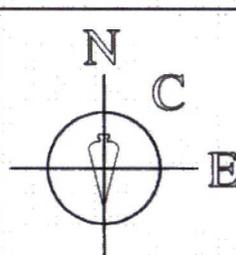
~ SURFACE OWNERSHIP ~  
State of New Mexico Land

12+66.9 TO 24+71.3    1210.4 FT / 73.4 RODS

I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

**JASON C. EDWARDS**      Date: November 4, 2016  
 Jason C. Edwards, P.L.S.  
 New Mexico L.S. #15269

Prepared for:  
 DUGAN PRODUCTION  
 P.O. BOX #420  
 FARMINGTON, NM 87499



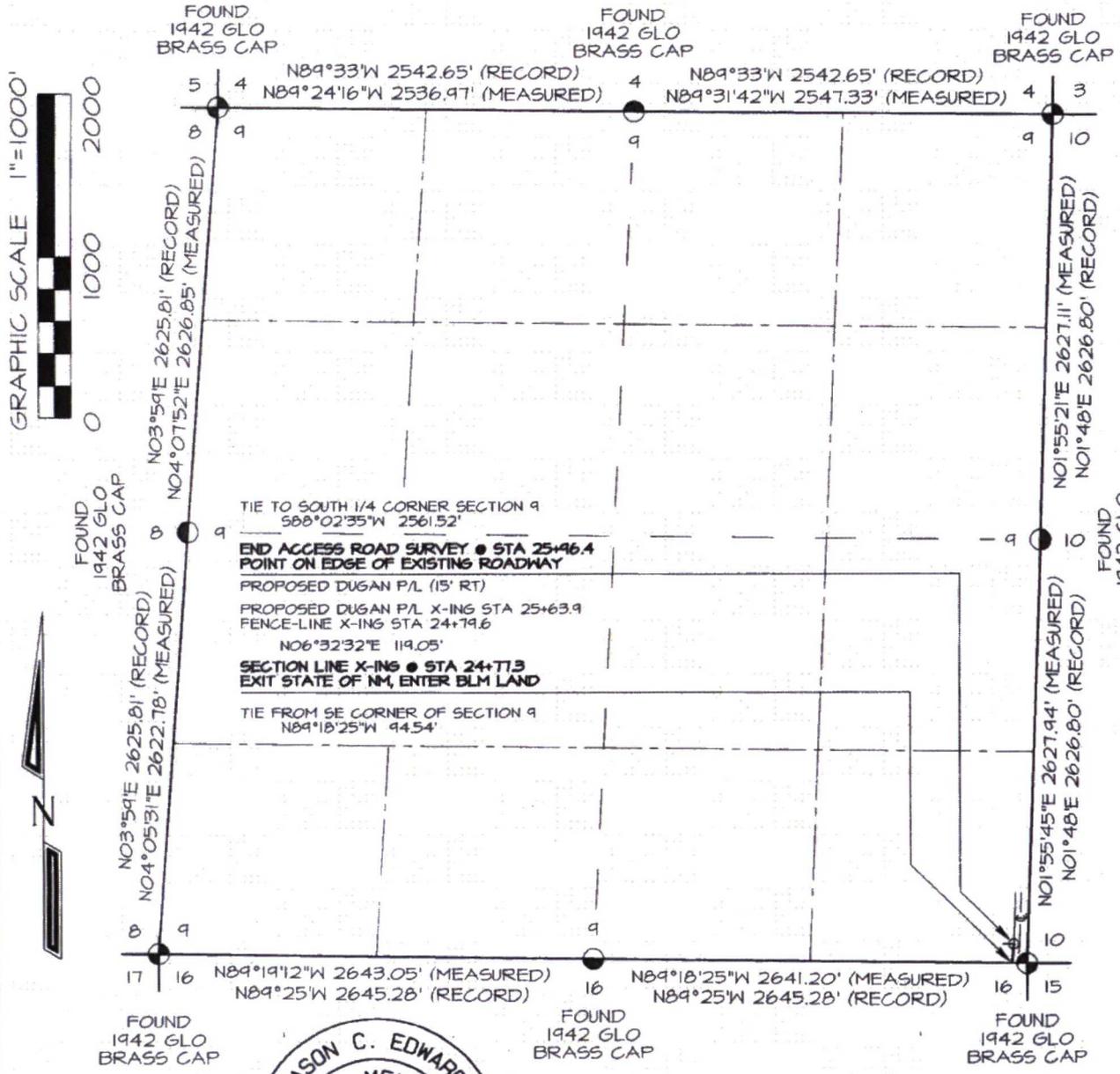
**Land Surveyor:**  
 Jason C. Edwards  
**Mailing Address:**  
 Post Office Box 6612  
 Farmington, NM 87499  
**Business Address:**  
 111 East Pinon Street  
 Farmington, NM 87402  
 (505) 486-1695 (Office)  
 ncesurveys@questoffice.net

**SURVEYS, INC.**

SHEET 3 OF 4    CHECKED BY: JCE    DRAWN BY: SLE  
 FILENAME: 23110A2

**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2  
PROPOSED ACCESS ROAD SURVEY LOCATED IN THE  
SE/4 SE/4 OF SECTION 9, T23N, R11W, NMPM  
SAN JUAN COUNTY, NEW MEXICO**

**EXHIBIT 1d**



**REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON OCTOBER 23, 2016 FROM A REFERENCE STATION POSITIONED IN NW/4 NW/4 OF SECTION 2, T23N, R11W**

**BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT**



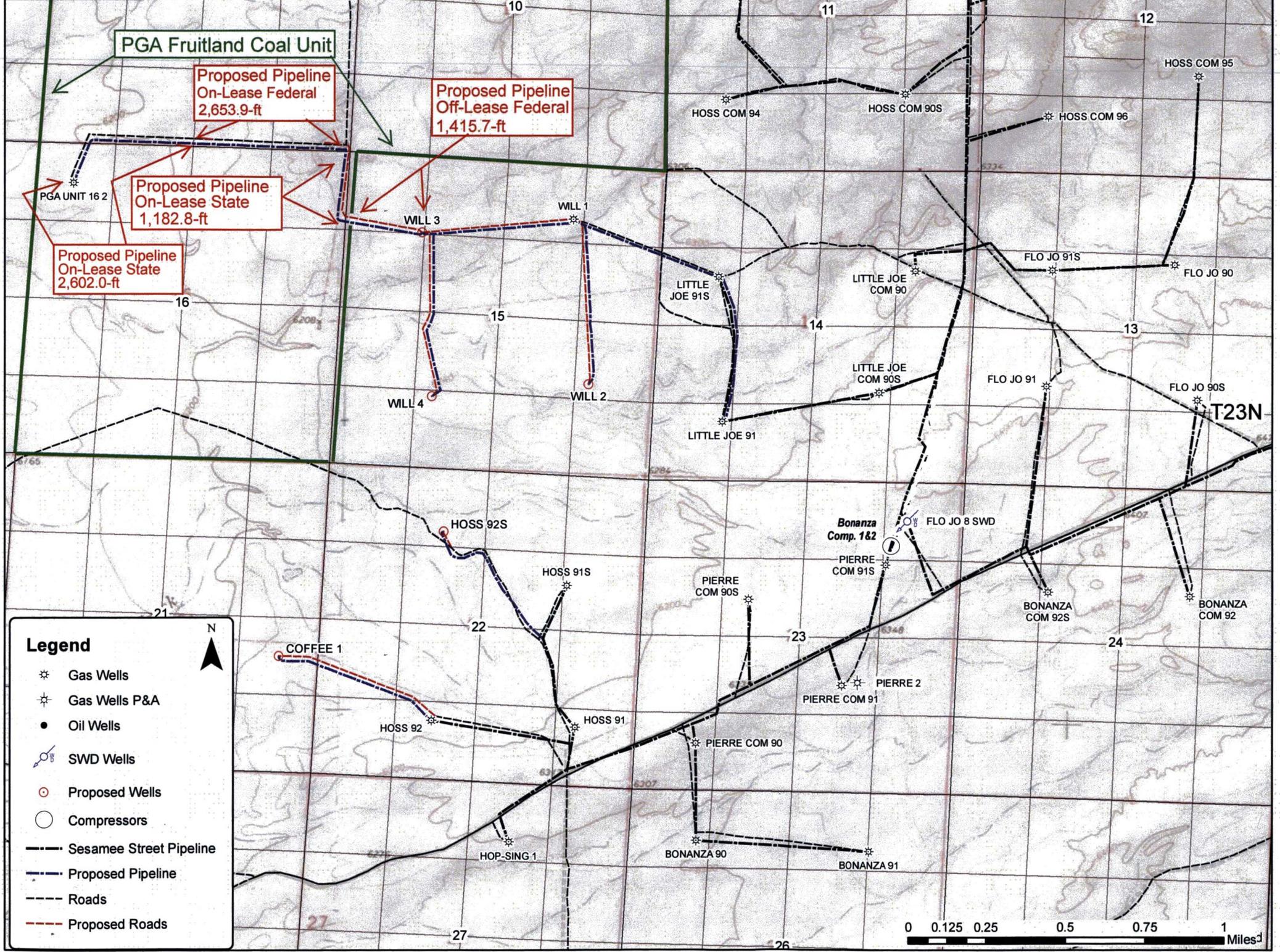
~ SURFACE OWNERSHIP ~  
Bureau of Land Management

24+77.3 TO 25+46.4	119.1 FT / 7.2 RODS
--------------------	---------------------

I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

**JASON C. EDWARDS** Date: November 4, 2016  
Jason C. Edwards, P.L.S.  
New Mexico L.S. #15269

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		<b>Land Surveyor:</b> Jason C. Edwards <b>Mailing Address:</b> Post Office Box 6612 Farmington, NM 87499 <b>Business Address:</b> 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) acesurveys@qwestoffice.net	CHECKED BY: JCE DRAWN BY: SLE SHEET 4 OF 9 FILENAME: 231019A3
	<b>SURVEYS, INC.</b>		



PGA Fruitland Coal Unit

Proposed Pipeline  
On-Lease Federal  
2,653.9-ft

Proposed Pipeline  
Off-Lease Federal  
1,415.7-ft

Proposed Pipeline  
On-Lease State  
1,182.8-ft

Proposed Pipeline  
On-Lease State  
2,602.0-ft

PGA UNIT 16 2

WILL 3

WILL 1

WILL 4

WILL 2

LITTLE JOE 91S

LITTLE JOE COM 90

LITTLE JOE COM 90S

LITTLE JOE 91

FLO JO 91S

FLO JO 90

FLO JO 91

FLO JO 90S

T23N

HOSS 92S

HOSS 91S

Bonanza Comp. 1&2

PIERRE COM 91S

PIERRE COM 90S

BONANZA COM 92S

BONANZA COM 92

COFFEE 1

HOSS 92

HOSS 91

PIERRE 2  
PIERRE COM 91

PIERRE COM 90

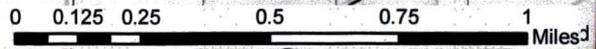
HOP-SING 1

BONANZA 90

BONANZA 91

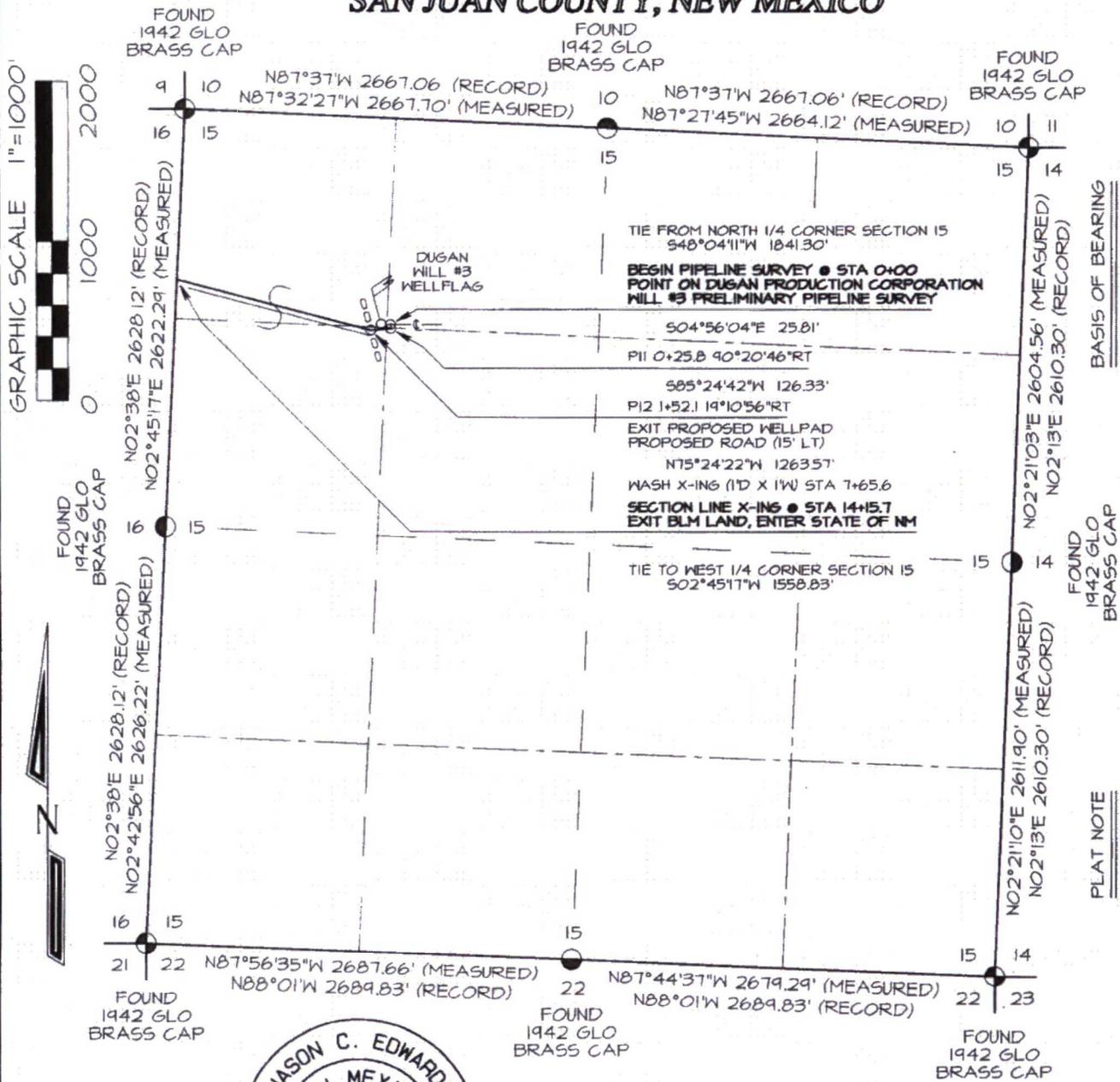
**Legend**

- ☼ Gas Wells
- ☼ Gas Wells P&A
- Oil Wells
- ⊕ SWD Wells
- Proposed Wells
- Compressors
- Sesamee Street Pipeline
- Proposed Pipeline
- Roads
- Proposed Roads



**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2  
PROPOSED PIPELINE SURVEY LOCATED IN THE  
NW/4 OF SECTION 15, T23N, R11W, NMPM  
SAN JUAN COUNTY, NEW MEXICO**

**EXHIBIT 2b.**



**PLAT NOTE**

BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT

**BASIS OF BEARING**

REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON OCTOBER 23, 2016 FROM A REFERENCE STATION POSITIONED IN NW/4 NW/4 OF SECTION 2, T23N, R11W



~ SURFACE OWNERSHIP ~  
 Bureau of Land Management

0+00 TO 14+15.7      1415.7 FT / 85.8 RODS

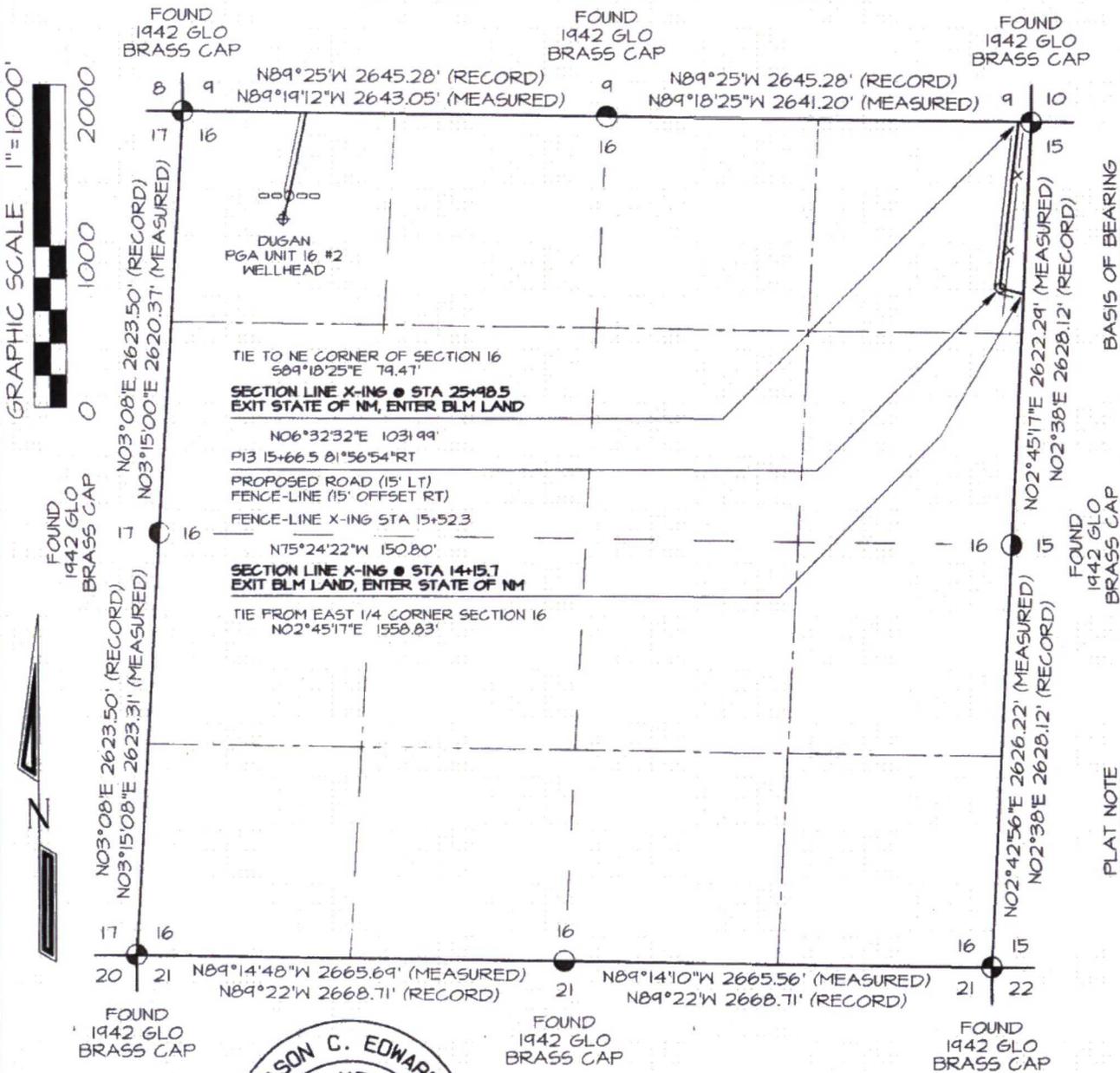
I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief

**JASON C. EDWARDS**      Date: November 4, 2016  
 Jason C. Edwards, P.L.S.  
 New Mexico L.S. #15269

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		<b>Land Surveyor:</b> Jason C. Edwards <b>Mailing Address:</b> Post Office Box 6612 Farmington, NM 87499 <b>Business Address:</b> 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncesurveys@qwestoffice.net	CHECKED BY: JCE DRAWN BY: SLE
	<b>SURVEYS, INC.</b>		SHEET 5 OF 9 FILENAME: 23111554

**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2  
PROPOSED PIPELINE SURVEY LOCATED IN THE  
NE/4 NE/4 OF SECTION 16, T23N, R11W, NMPM  
SAN JUAN COUNTY, NEW MEXICO**

**EXHIBIT 2c.**



REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON OCTOBER 23, 2016 FROM A REFERENCE STATION POSITIONED IN NW/4 NW/4 OF SECTION 2, T23N, R11W

**PLAT NOTE**

BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT



~ SURFACE OWNERSHIP ~  
State of New Mexico Land

14+15.7 TO 25+98.5      1182.8 FT / 71.7 RODS

I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

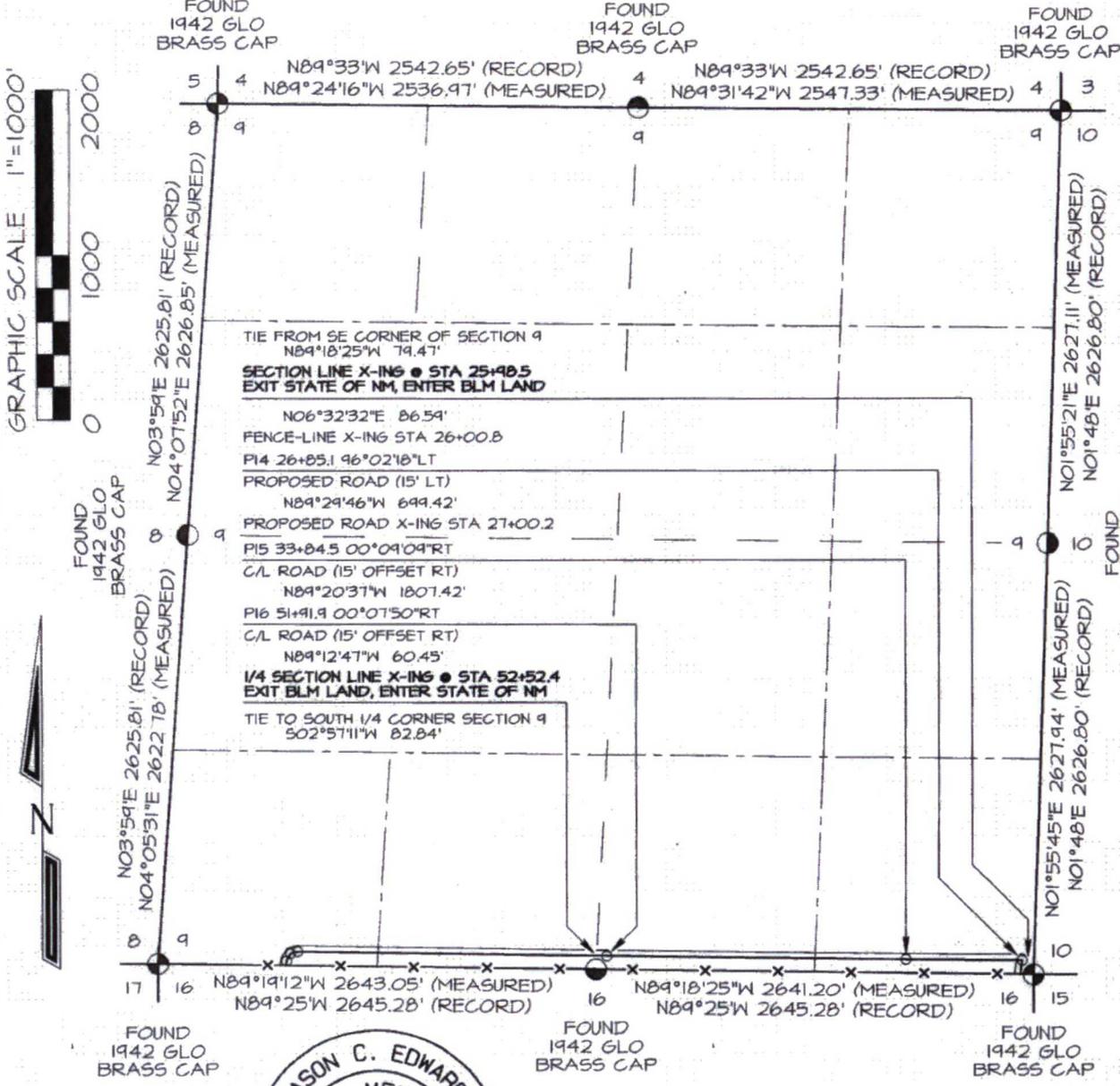
**JASON C. EDWARDS**  
Jason C. Edwards, P.L.S.  
New Mexico L.S. #15269

Date: November 4, 2016

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		<b>Land Surveyor:</b> Jason C. Edwards <b>Mailing Address:</b> Post Office Box 6612 Farmington, NM 87499 <b>Business Address:</b> 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncesurveys@qwestoffice.net
	<p><b>SURVEYS, INC.</b></p>	SHEET 6 OF 9 FILENAME: 23110602 CHECKED BY: JCE DRAWN BY: SLE

**DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2  
PROPOSED PIPELINE SURVEY LOCATED IN THE  
S/2 SE/4 OF SECTION 9, T23N, R11W, NMPM  
SAN JUAN COUNTY, NEW MEXICO**

**EXHIBIT 2d.**



**REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON OCTOBER 23, 2016 FROM A REFERENCE STATION POSITIONED IN NW/4 NW/4 OF SECTION 2, T23N, R11W**

**BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT**

TIE FROM SE CORNER OF SECTION 9  
N89°18'25"W 79.47'

**SECTION LINE X-ING @ STA 25+98.5  
EXIT STATE OF NM, ENTER BLM LAND**

N06°32'32"E 86.59'  
FENCE-LINE X-ING STA 26+00.8  
PI4 26+85.1 96°02'18"LT  
PROPOSED ROAD (15' LT)  
N89°29'46"W 699.42'  
PROPOSED ROAD X-ING STA 27+00.2  
PI5 33+84.5 00°09'09"RT  
C/L ROAD (15' OFFSET RT)  
N89°20'37"W 1807.42'  
PI6 51+91.9 00°07'50"RT  
C/L ROAD (15' OFFSET RT)  
N89°12'47"W 60.45'

**1/4 SECTION LINE X-ING @ STA 52+52.4  
EXIT BLM LAND, ENTER STATE OF NM**

TIE TO SOUTH 1/4 CORNER SECTION 9  
S02°57'11"W 82.84'



~ SURFACE OWNERSHIP ~ Bureau of Land Management	
25+98.5 TO 52+52.4	2653.9 FT / 160.8 RODS

I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

**JASON C. EDWARDS** Date: November 4, 2016  
Jason C. Edwards, P.L.S.  
New Mexico L.S. #15269

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	<b>SURVEYS, INC.</b>		SHEET 7 OF 9 FILENAME: 231163



