

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-34696
5. Indicate Type of Lease STATE ☒ FEE ☐
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

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 <u>D</u>: <u>660</u> feet from the <u>north</u> line and <u>660</u> feet from the <u>west</u> line Section <u>16</u> Township <u>23N</u> Range <u>11W</u> NMPM County <u>San Juan</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6190' GL	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: Construct Pipeline and Access Road ☒		OTHER: ☐	

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

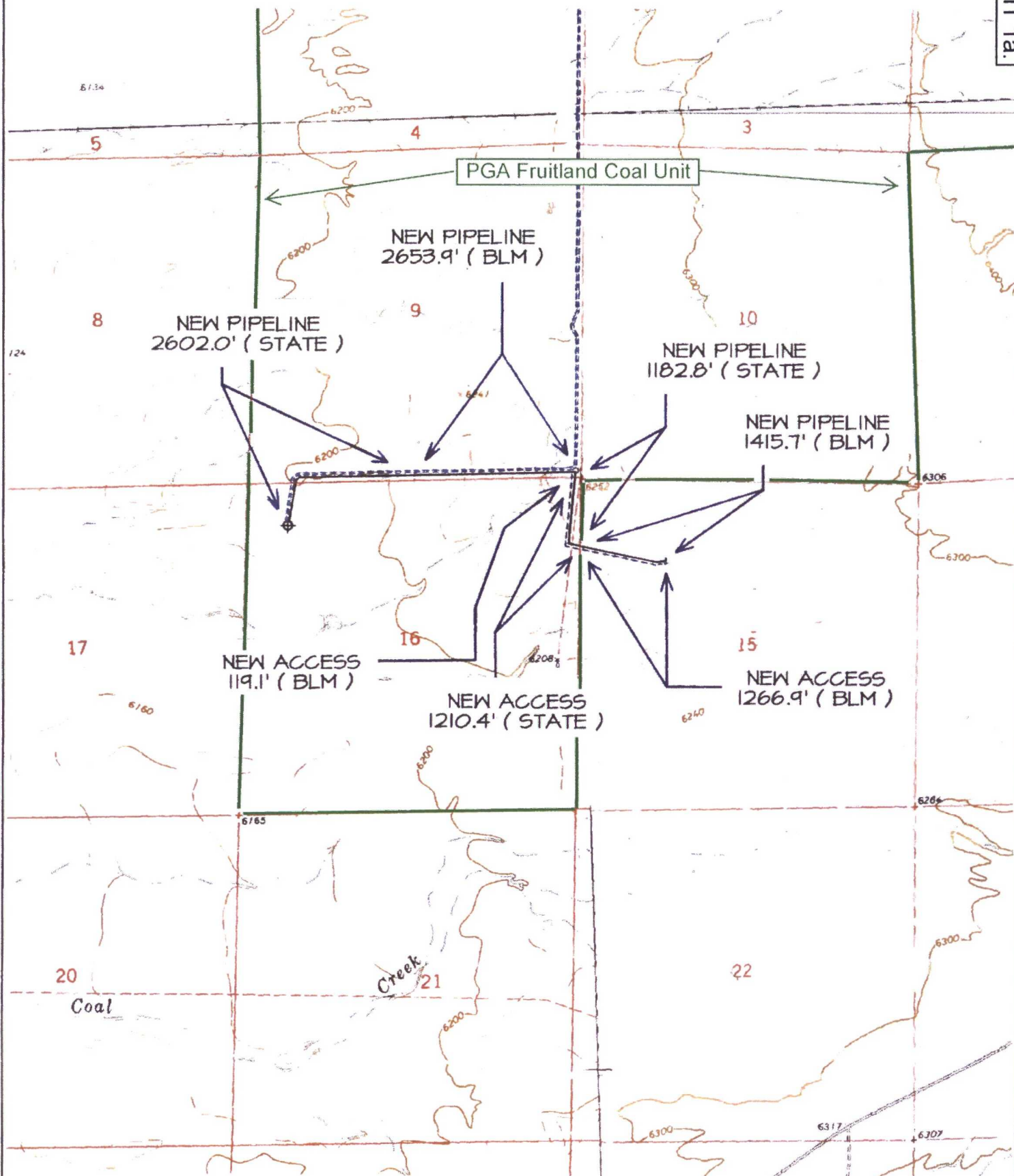
For State Use Only **ACCEPTED FOR RECORD**

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

DUGAN PRODUCTION CORPORATION PGA UNIT 16 #2

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

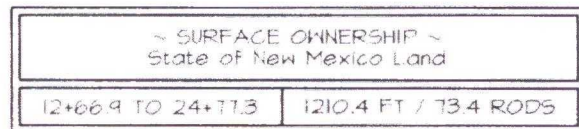
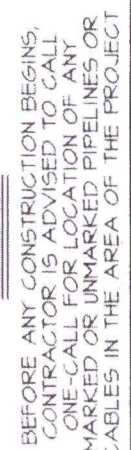
EXHIBIT 1a.



TOPO NAMES : PRETTY ROCK
& PUEBLO BONITO NW

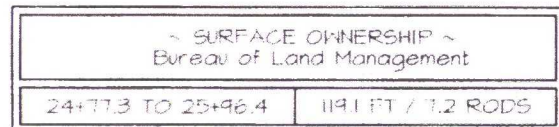
⊕ PRODUCING WELL ⊗ PLUGGED & ABANDONED WELL

EXHIBIT 1c.



SHEET 3 OF 9	CHECKED BY: JCE
FILENAME: 23116A2	DRAWN BY: SLE

EXHIBIT 1d.



SHEET 4 OF 9	CHECKED BY: JCE
FILENAME: 23119A3	DRAWN BY: SLE

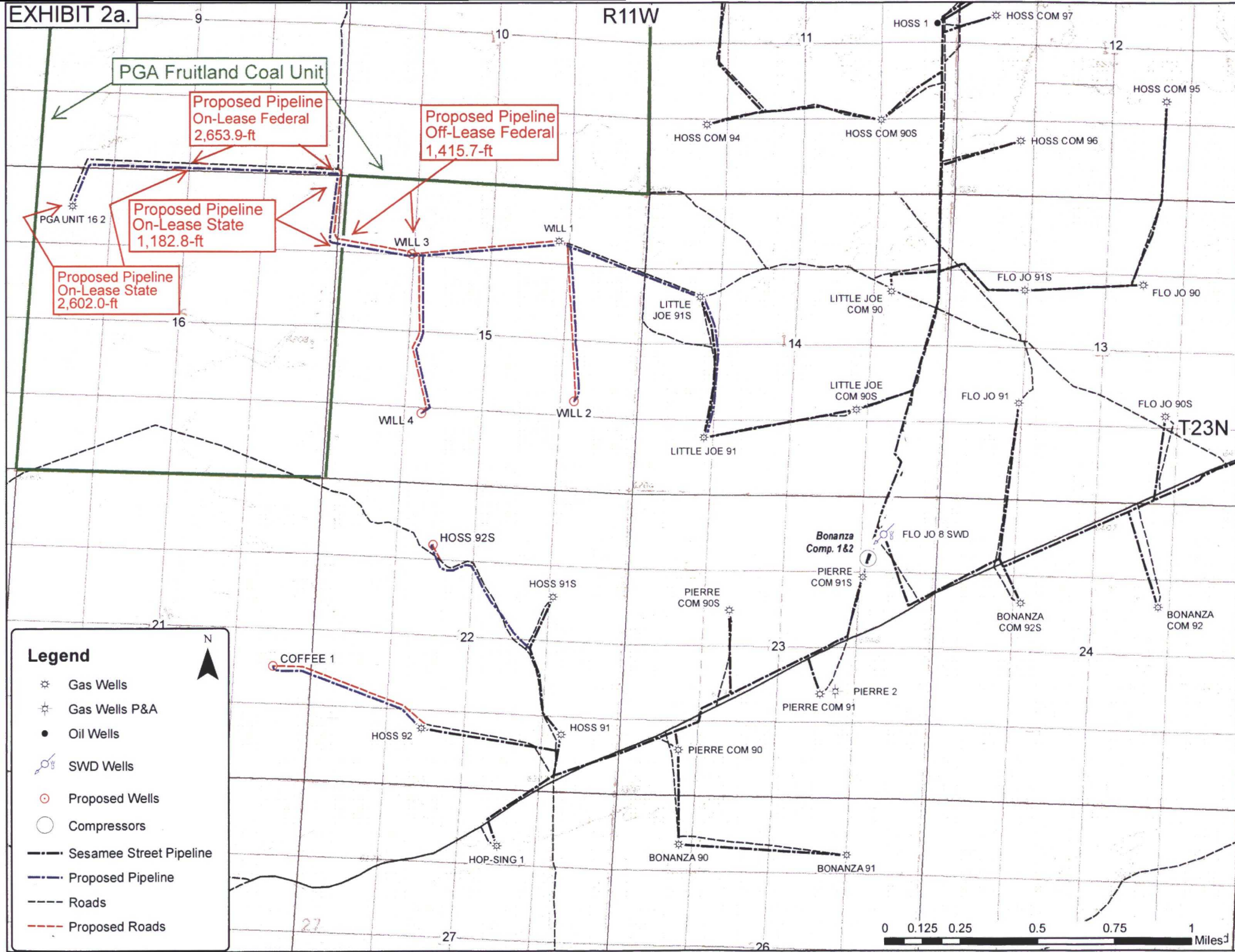


EXHIBIT 2b



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.



JASON C. EDWARDS

Date: November 4, 2016

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

Business Address:
111 East Pinon Street
Farmington, NM 87402
(505) 486-1695 (Office)
ncesurveys@gwestoffice.net

SHEET 5 OF 9	CHECKED BY: JCE
FILENAME: 2311561	DRAWN BY: GNF

SURVEYS, INC.

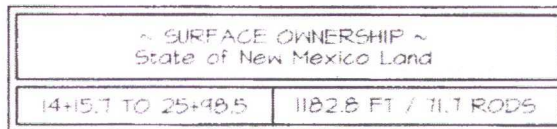
EXHIBIT 2C.



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, T33N, 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.



Land Surveyor:
Jason C. Edwards

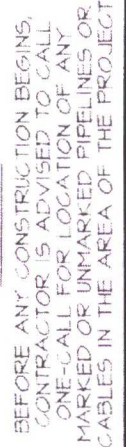
Mailing Address:
Post Office Box 6612
Farmington, NM 87499

Business Address:
111 East Pinon Street
Farmington, NM 87402
(505) 486-1695 (Office)
ncoesurveys@qwestoffice.net

SURVEYS, INC.

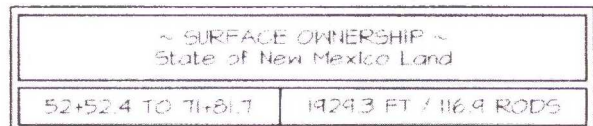
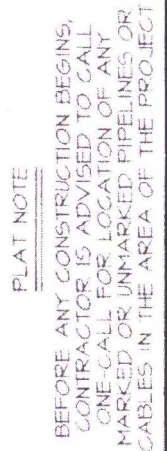
SHEET 6 OF 9	CHECKED BY: JCE
FILENAME: 2311052	DRAWN BY: GAF

EXHIBIT 2d.



Prepared For: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87404		Land Surveyor: Jason C. Edwards	CHECKED BY: JCE
		Mailing Address: Post Office Box 6612 Farmington, NM 87499	DRAWN BY: JCE
		Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) ncesurveys@questoffice.net	SHEET # OF # ELENAVE, 251933
SURVEYS, INC.			

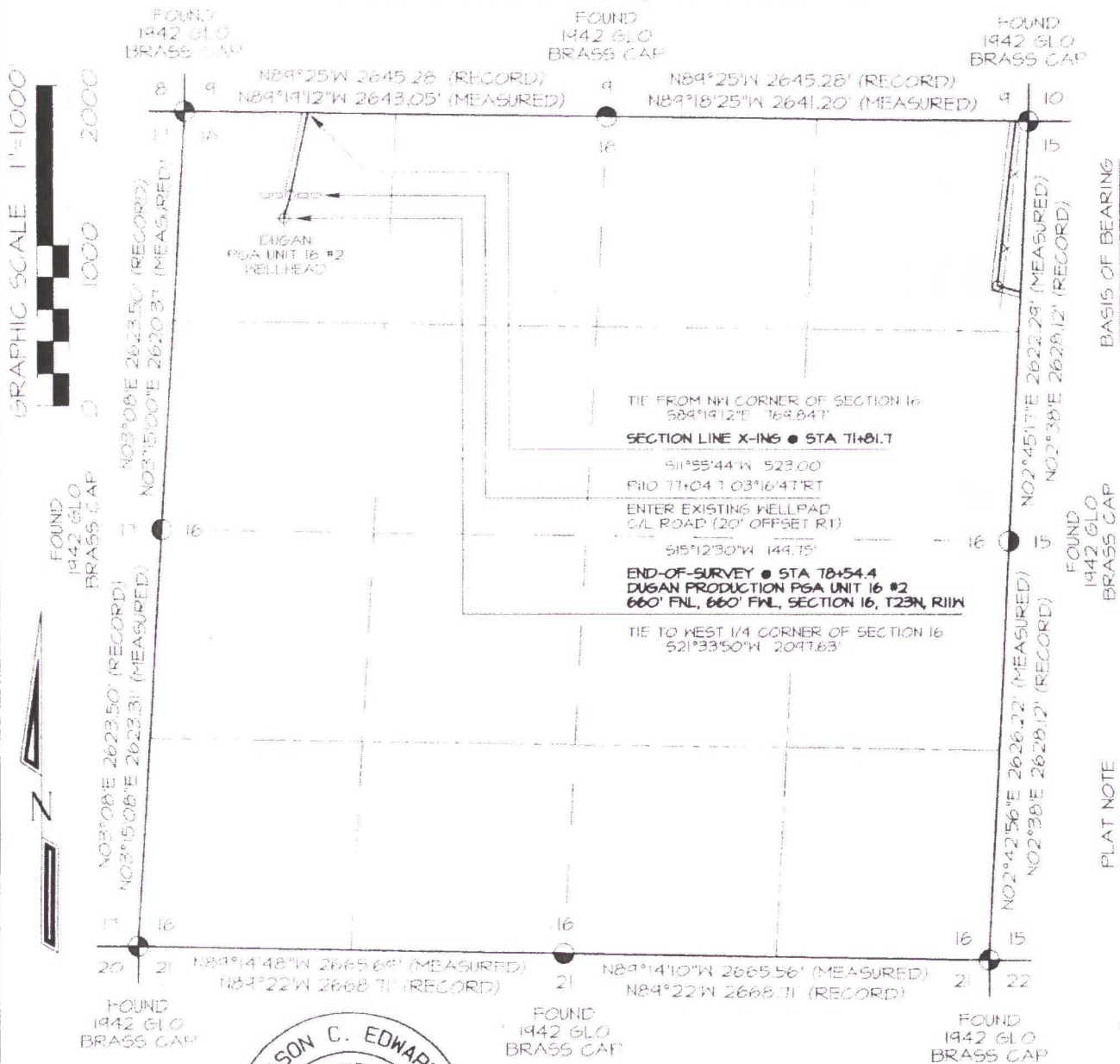
EXHIBIT 2e.



SHEET 8 OF 9	CHECKED BY: JCE
FILENAME: 2311964	DRAWN BY: SJE

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

EXHIBIT 2f.



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.

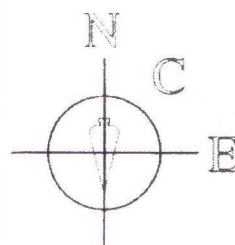
JASON C. EDWARDS

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

Date: November 4, 2015

~ SURFACE OWNERSHIP ~ State of New Mexico Land	
71+81.7 TO 78+54.4	672.7 FT / 40.8 RODS

Prepared for:
DUGAN PRODUCTION
P.O. BOX #420
FARMINGTON, NM 87404



SURVEYS, INC.

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)
nceasurveys@qwestoffice.net

CHECKED BY: J.E.
DRAWN BY: SLE
SHEET 9 OF 9
FILENAME: 2311605