

Submit 3 Copies to Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO.

30-045-**32980**

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

LG-3734

7. Lease Name or Unit Agreement Name

Bisti State Com

8. Well Number

1S

9. OGRID Number

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

P. O. Box 420, Farmington, NM 87499-0420

4. Well Location

Unit Letter K : 1500 feet from the South line and 1500 feet from the West line
Section 2 Township 25N Range 13W NMPM San Juan County

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

6259' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

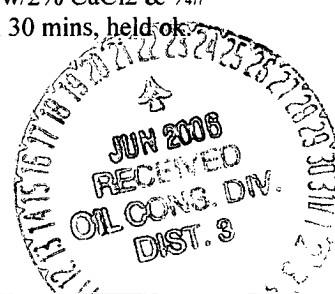
COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: Spud, surface casing ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud 8-3/4" hole on 5/30/06. Run 7" 23# J-55 csg. Land @ 129'. Cement w/65 sx Type 5 cement w/2% CaCl₂ & 1/4# celloflake/sx. Displace w/4 bbls water. Circulate 4 bbls cement. NU BOP. Pressure test to 800 psi 30 mins, held ok.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE John Alexander TITLE Vice-President DATE June 20, 2006

Type or print name John Alexander E-mail address: johncalexander@duganproduction.com Telephone No. (505)325-1821

For State Use Only

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 22 2006

Conditions of Approval (if any):

[Handwritten signature]