

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

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| 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. 30-045-3384 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Dugan Production Corp. | | 6. State Oil & Gas Lease No. NM-33025 |
| 3. Address of Operator 709 East Murray Drive, Farmington, NM | | 7. Lease Name or Unit Agreement Name Hugh Lake |
| 4. Well Location Unit Letter J : 2300 feet from the south line and 1720 feet from the east line Section 33 Township 27N Range 12W NMPM County San Juan | | 8. Well Number #91 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL-5964 | | 9. OGRID Number 006515 |
| Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/> | | 10. Pool name or Wildcat Basin Fruitland Coal |
| Pit type Drilling Depth to Groundwater +100' Distance from nearest fresh water well +1000' Distance from nearest surface water +200' | | |
| Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material Synthetic | | |

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 ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Reserve pit for drilling (lined). ☒

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

Change well pad location from that originally proposed in APD dated July 4, 2006. New location is necessary to avoid proposed NAPI facilities in the area.

Original Location: Sec. 33, T27N, R12W (1540' FSL & 1435' FEL)

New Location: Sec. 33, T27N, R12W (2300' FSL & 1720' FEL).

New Developmental Plan, Operations Plan, Pipeline Survey, Cut and Fill Diagram and Topographic Map and a new NM State Form C-102 were included with Sundry notice submitted October 5, 2006.

RCVD NOV 28 '07
OIL CONS. DIV.
DIST. 3

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 ☐. Modified only as per BLM Conditions of Approval.

SIGNATURE Kurt Fagrelus TITLE Vice President, Exploration DATE Nov. 28, 2007

Kurt Fagrelus

kfagrelus@duganproduction.com

505-325-1821

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY: [Signature]
Conditions of Approval (if any):

Deputy Oil & Gas Inspector
District #3

DATE DEC 03 2007