

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  
March 4, 2004

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

WELL API NO. 30-045-34001
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-1496
7. Lease Name or Unit Agreement Name Spandex SWD
8. Well Number 1
9. OGRID Number 006515
10. Pool name or Wildcat SWD; Mesaverde

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 ☐ Salt Water Disposal

2. Name of Operator  
Dugan Production Corp.

3. Address of Operator  
P. O. Box 420, Farmington, NM 87499-0420 (505)325-1821

4. Well Location  
Unit Letter D : 1300 feet from the North line and 1300 feet from the West line  
Section 16 Township 25N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6522' GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL      Sect      Twp      Rng      Pit type      Depth to Groundwater      Distance from nearest fresh water well       
Distance from nearest surface water      Below-grade Tank Location UL      Sect      Twp      Rng      ;  
feet from the      line and      feet from the      line

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 COMPLETION ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐

OTHER: Additional APD information ☒

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.

Blow-out Preventor Equipment (BOPE) tests will be performed without using a test plug.

Will test the BOPE and surface casing together. The test will include a low pressure test to 250 psig held for five minutes and a high pressure test to 800 psig held for thirty minutes (with no more than a 10 percent pressure drop during the duration of the tests). If a 10 percent or greater pressure drop occurs, a packer will be run to isolate the surface casing and BOPE to locate the source of the leak.

RCVD MAY 9 '08  
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 ☐.

SIGNATURE Kurt Fagrelus TITLE Vice-President, Exploration DATE May 6, 2008  
Type or print name Kurt Fagrelus E-mail address: kfagrelus@duganproduction.com Telephone No. 505-325-1821

(This space for State use)

APPROVED BY H. Villanueva TITLE Deputy Oil & Gas Inspector, DATE MAY 13 2008  
Conditions of approval, if any: District #3