Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II 30-045-34525 OIL CONSERVATION DIVISION 1301 W Grand Ave, Artesia, NM 88210 5. Indicate Type of Lease District III 1220 South St. Francis Dr. STATE 🖂 FEE \square 1000 Rio Brazos Rd, Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St Francis Dr, Santa Fe, NM V-2364 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 Road Runner 8. Well Number 1. Type of Well: Oil Well Gas Well Other 91 2. Name of Operator 9. OGRID Number Dugan Production Corp. 006515 3. Address of Operator 10. Pool name or Wildcat P. O. Box 420, Farmington, NM 87499-0420 Basin Fruitland Coal 4. Well Location : 1200 feet from the South line and 1850 feet from the East Unit Letter line Township 24N Range 11W NMPM San Juan County Section 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6534' GL Pit or Below-grade Tank Application or Closure Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: Below-Grade Tank: Volume bbls: Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ ALTERING CASING □ PLUG AND ABANDON REMEDIAL WORK CHANGE PLANS COMMENCE DRILLING OPNS. P AND A TEMPORARILY ABANDON \Box \Box **PULL OR ALTER CASING** MULTIPLE COMPL CASING/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 belowgrade tank has been/will be constructed or closed according to NMOCD guidelines _, a general permit _ or an (attached) alternative OCD-approved plan _. **SIGNATURE** TITLE Vice-President, Exploration DATE 5-6-08 E-mail address: kfagrelius@duganproduction.com Telephone No. 505-325-1821

Deputy Oil & Gas Inspector, Type or print name Kurt Fagrelius For State Use Only MAY 1 3 2008. District #3 TITLE APPROVED BY: DATE Conditions of Approval (if any):