

Submit 1 Copy 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  
October 13, 2009

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

WELL API NO. 30-045-05598
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-9707
7. Lease Name or Unit Agreement Name West Bisti Unit
8. Well Number 157
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
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 <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>36</u> Township <u>26N</u> Range <u>13W</u> NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6043' GL	

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: Mechanical Integrity Test <input checked="" type="checkbox"/>

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.

Pressure test casing to 1020 psi. Pressure decreased to 1015 psi in 30 mins. MIT passed. The test was witnessed by Navajo EPA and NMOCD. Test conducted 2/1/2010. Returned well to injection 2/2/2010.

RCVD FEB 3 '10  
OIL CONS. DIV.  
DIST. 3

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*John Alexander*

Vice-President

DATE: February 2, 2010

Type or print name John Alexander E-mail address: johncalexander@duganproduction.com PHONE: 505-325-1821

For State Use Only

Deputy Oil & Gas Inspector,

APPROVED BY: *Felix G. Taylor*

TITLE

District #3

DATE FEB 25 2010

Conditions of Approval (if any):

# ANNULAR PRESSURE TEST

(Mechanical Integrity Test)

Operator Dugan Production Date of Test 2/1/2010  
Well Name West Bisti Unit 157 EPA Permit No. \_\_\_\_\_  
Location SESE, Sec. 36, T26N, R13W Tribal Lease No. E9707  
State and County San Juan County, New Mexico  
Continuous Recorder? YES ☒ NO ☐ Pressure Gauge? YES ☒ NO ☐  
Bradenhead Opened? YES ☒ NO ☐ Fluid Flow? YES ☐ NO ☒

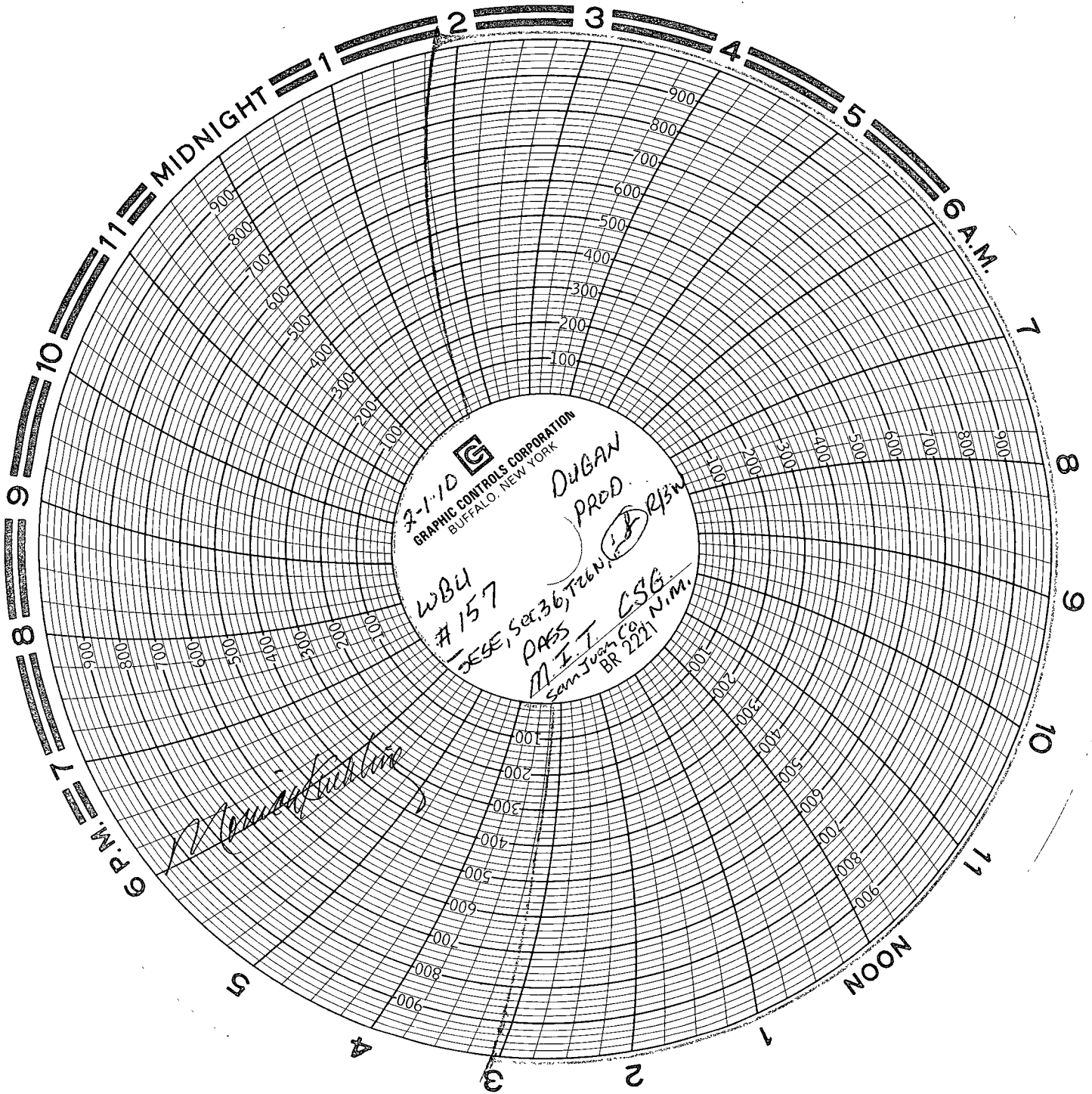
TIME	ANNULUS PRESSURE, psi		TUBING PRESSURE, psi
	Chart	(0-2000)	(0-600)
9:57	1020	1000 ft	220
10:02	1020	1010	220
10:07	1020	1010	220
10:12	1015	1010	220
10:17	1015	1010	220
10:22	1015	1010	220
10:27	1015	1010	220

MAX. INJECTION PRESSURE: 967 PSI  
MAX. ALLOWABLE PRESSURE CHANGE: 50.5 PSI (TEST PRESSURE X 0.05)  
REMARKS: Passed? Failed? If failed, cease injection until well passes MIT (40CFR§144.21(c)(6)).

Passed MIT Inspection  
Bradenhead pressure = 0 psi  
2.51 Barrels of water to pressure up.  
Pressure Truck - Three Rivers Trucking  
NM  
Monica Kuehling - OCD  
R & R packer

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Roy Collison Roy Collison 2-1-2010  
COMPANY REPRESENTATIVE: (Print and Sign) DATE  
Leroy Lee Leroy Lee 2/1/2010  
INSPECTOR: (Print and Sign) DATE



RCVD FEB 3 '10  
OIL CONS. DIV.  
DIST. 3

# U.S. ENVIRONMENTAL PROTECTION AGENCY

## NOTICE OF INSPECTION

### Address (EPA Regional Office)

Region 9  
Environmental Inspection Agency  
75 Hawthorne Street (WTR-9)  
San Francisco, CA 94105

### NNEPA - UIC PROGRAM

P.O. BOX 1999  
SHIPROCK, NM 87420-1999

### Firm To Be Inspected

Dugan Production Inc.  
709 E. Murray Drive  
P.O. Box 420  
Farmington, NM 87499

Date 2/1/2010

Hour 1035

Notice of inspection is hereby given according to Section 1445(b) of the  
Safe Drinking Water Act (42 U.S.C. §300 f et seq.).

### Reason For Inspection

For the purpose of inspecting records, files, papers, processes, controls and facilities,  
and obtaining samples to determine whether the person subject to an applicable  
underground injection control program has acted or is acting in compliance with  
the Safe Drinking Water Act and any applicable permit or rule.

MIT @ Dugan Production Corp.  
West Bisti Unit Well # 157  
SESE, SEC. 36, T20N, R13W  
San Juan County, N.M.

Pass MIT

RCVD FEB 3 '10

OIL CONS. DIV.

DIST. 3

Section 1445(b) of the SDWA (42 U.S.C. §300 j-4 (b) is quoted on the reverse of this form.

Receipt of this Notice of Inspection is hereby acknowledged.

### Firm Representative

*Ray Callison*

### Date

2-1-2010

### Inspector

*Leroy Lee*