Form Approved.

| Form 9–331   | Budge  | et Bureau No. 42-R1424                       |
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| UNITED STATES  | 5. LEASE NM 8902 6. IFINDIAN, ALLOTTEE OR TRIBE NAME |  |
| DEPARTMENT OF THE INTERIOR   |  |  |
| GEOLOGICAL SURVEY  |  |  |
| SUNDRY NOTICES AND REPORTS ON WELLS  | 7. UNIT AGREEMENT NAME                               |  |
| (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9–331–C for such proposals.)   | 8. FARM OR LEASE NAME Billie                         |  |
| 1. oil gas X other   | 9. WELL NO.<br>#3                                    |  |
| 2. NAME OF OPERATOR Dugan Production Corp.   | 10. FIELD OR WILDCAT NAME Wildcat                    |  |
| 3. ADDRESS OF OPERATOR P O Box 208, Farmington, NM 87401   | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA     |  |
| 4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17.  | Sec 4 T21N R8W                                       |  |
| below.) AT SURFACE: 1550' FNL - 1850' FWL AT TOP PROD. INTERVAL:   | 12. COUNTY OR PARISH San Juan                        | 13. STATE<br>NM                              |
| AT TOTAL DEPTH:  | 14. API NO.  |  |
| 16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE,<br>REPORT, OR OTHER DATA   | 15. ELEVATIONS (SHOW DF, KDB, AND WD) 6785' GR       |  |
| REQUEST FOR APPROVAL TO:  SUBSEQUENT REPORT OF:  TEST WATER SHUT-OFF  FRACTURE TREAT  SHOOT OR ACIDIZE  REPAIR WELL  PULL OR ALTER CASING  MULTIPLE COMPLETE  CHANGE ZONES  ABANDON*  (other)  17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly stat including estimated date of starting any proposed work. If well is d measured and true vertical depths for all markers and zones pertiner | nt to this work.)*                                   | give pertinent dates, osurface locations and |
| 2-7-81 Moved in and rigged up Morrow Dri<br>hole at 2:30 p.m. 2-6-81. Drille<br>OD, 23#, 8 Rd, ST&C csg. T.E. 84<br>w/ 35 sx class "B". POB at 4:00<br>surface.  | ed to 87' G.L. Ran<br>1.73' set at 86' G.            | ı 2 jts. 7"<br>L. Cemented                   |
| Subsurface Safety Valve: Manu. and Type  | Set  | @ Ft.  |
| 18. I hereby certify that the foregoing is true and correct  | <u>.</u>   | 0.003  |
| SIGNED   |  | 7-9-81                                       |
|  |  |  |
| APPROVED BY FEB 17 1981 TITLE  | DATE   |  |