

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

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

Form C-103
Revised March 25, 1999

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. 30-045-30737
1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐		5. Indicate Type of Lease <i>FEDERAL LEASE</i> STATE ☐ FEE ☐
2. Name of Operator DUGAN PRODUCTION CORP.		6. State Oil & Gas Lease No. Federal Lease #NM-19163
3. Address of Operator P.O. Box 420 Farmington, NM 87499		7. Lease Name or Unit Agreement Name: Turk's Toast
4. Well Location Unit Letter <u>J</u> : <u>1765</u> feet from the <u>South</u> line and <u>1700</u> feet from the <u>East</u> line Section <u>17</u> Township <u>30N</u> Range <u>14W</u> NMPM <u>San Juan</u> County		8. Well No. 91S
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5603' GL		9. Pool name or Wildcat Basin Fruitland Coal & Harper Hill FR Sand PC

11. 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 ☐ OTHER: Downhole Commingle ☒	SUBSEQUENT REPORT OF: REMEDIAL WORK ☐ ALTERING CASING ☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐ CASING TEST AND CEMENT JOB ☐ OTHER: ☐

12. 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 recompilation. *DHC 1114 A2*

This well was spudded on 2-03-03 and 4-1/2" casing cemented at 1308' on 2/7/03. The Fruitland Coal will be perforated at approximately 1040'-1050' & 1150'-1165' and the Pictured Cliffs perforated at ±1170'-1190'. Both intervals will be fracture stimulated and the intervals downhole commingled to clean up stimulation fluids and produce both pools.

1&2. NMOCD Order R-11363 established the Basin Fruitland Coal (71629) and Harper Hill Fruitland Sand-Pictured Cliffs (78160) as pre-approved pools for downhole commingling.

3. Proposed perms: Fruitland Coal ± 1040'-1050' & ± 1150'-1165'. Pictured Cliffs ± 1170'-1190'

4. Allocation method: Fixed factors based upon an analysis of production from both pools in the 8 adjacent sections (Ref. Attachment No. 1)

Proposed Allocation	Gas	- <i>50% 53%</i>	Pictured Cliffs	- <i>50% 46%</i>
	Water	- 50%		50%

5. Both pools are anticipated to produce high volumes of water & the proposed downhole commingling is necessary to economically produce both pools. The value of production from either pool, will not be reduced, but will be maximized as a result of this downhole commingling.

6. The ownership (working, royalty and overriding) is identical for both pools. Dugan Production holds 100% of the working interest and all royalty is Federal.

7. A copy of this sundry is being sent to the Bureau of Land Management.

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

SIGNATURE John D. Roe, Jr. TITLE Engineering Manager DATE February 14, 2003.

Type or print name John D. Roe, Jr. Telephone No. (505) 325-1821

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE FEB 19 2003
Conditions of approval, if any:

Attachment No. 1
Offset Well Production
Dugan's Turk's Toast No. 90S & 91S
Section 17, T-30N, R-14W
San Juan County, New Mexico

Operator ①	Well	Location UL-S-T-R	# Months Produced	Average Production - mcf/mo & (# of mo. if less than 12) ②								
				Fruitland Coal			Fruitland Sand-PC					
				1st 12 months	2nd 12 months	3rd 12 months	1st 12 months	2nd 12 months	3rd 12 months	1st 12 months	2nd 12 months	3rd 12 months
ROC	WF State 16 #1	M-16-30N-14W	36	1034	2717	2701	333	401	375			
ROC	WF State 16 #2	B-16-30N-14W	19	1597	2889	3511 (8)	77	16 (7)				
ROC	WF State 16 #3	O-16-30N-14W	30				2234	3584	4007 (6)			
ROC	WF State 16 #4	C-16-30N-14W	9				226 (9)					
DPC	Riviera Corn #2	E-18-30N-14W	10				849 (10)					
DPC	Turk's Toast #9	P-18-30N-14W	10				249 (10)					
DPC	Turk's Toast Corn #92	N-18-30N-14W	11	601 (11)								
DPC	Turk's Toast #10	C-19-30N-14W	9				294 (9)					
ROC	WF Federal 20 #1	N-20-30N-14W	34	1957	2498	1518 (10)	320	306	217 (10)			
ROC	WF Federal 20 #2	A-20-30N-14W	21	517	218 (9)		369	342 (9)				
ROC	WF Federal 20 #3	O-20-30N-14W	21				1310	864 (9)				
ROC	WF Federal 21 #1Y	M-21-30N-14W	32	683	489	121 (7)	1568	640	161 (8)			
ROC	WF Federal 21 #2	F-21-30N-14W	21				3494	4045 (9)				
ROC	WF Federal 21 #3	O-21-30N-14W	20				3403	3756 (8)				
Total all wells				6389	8811	7851	14726	13954	4760			
# wells				6	5	4	13	9	4			
Average/well				1065	1762	1963	1133	1550	1190			
% of FC & PC				48	53	62	52	47	38			
Avg. 1st 2 yrs ③				50	55%		50	45%				

① - ROC - Richardson Operating Co., DPC - Dugan Production Corp.

② - Production data from Dwights/PI and ONGARD thru October, 2002. All data normalized to 1st month of production. Fruitland Coal production from the Basin Fruitland Coal pool (71629) and Fruitland Sand-PC production from the Harper Hill (78160) and Twin Mounds (86620) Fruitland Sand-Pictured Cliffs pools.

③ - Average of 1st 2 years = 50% Fruitland Coal & 50% Fruitland Sand PC. There is not enough data for time beyond 2 years to support changing the factor.