

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
 Revised March 25, 1999

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

WELL API NO. 30-045-05698
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-9707

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		7. Lease Name or Unit Agreement Name: West Bisti Unit
2. Name of Operator DUGAN PRODUCTION CORP.		8. Well No. 157
3. Address of Operator P.O. Box 420 Farmington, NM 87499		9. Pool name or Wildcat Bisti Lower Gallup
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		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,043' GL		

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Convert to water injection <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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.

Dugan Production Corp. plans to convert this well to water injection for secondary recovery. Applications have been filed with NMOCD, US EPA, and NN EPA. Upon approval, we plan to proceed as follows:

1. RIH w/composite bridge plug for 7" casing & set @ 4830'.
2. Run ±4825' of 4-1/2" casing and cement back to surface with 564 cu ft of cement.
3. Drill out CBP.
4. RIH w/plastic lined Baker AD-1 packer on plastic lined 2-3/8" tubing.
5. Set packer @ ±4820' and commence injection.

NOTIFY AZTEC OCD
 IN TIME TO WITNESS

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

SIGNATURE Hank Baca TITLE Petroleum Engineer DATE February 26, 2003

Type or print name Hank Baca Telephone No. (505) 325-1821

(This space for State use)
 APPROVED BY Charles R. [Signature] TITLE DEPUTY OIL & GAS INSPECTOR DATE 27 2003

Conditions of approval, if any: