

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
 March 4, 2004

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

WELL API NO. 30-045-32284
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-4426
7. Lease Name or Unit Agreement Name State Com
8. Well Number 1B
9. OGRID Number 006515
10. Pool name or Wildcat Blanco Mesaverde

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 Gas Well Other

2. Name of Operator
 Dugan Production Corp.

3. Address of Operator
 P. O. Box 420, Farmington, NM 87499-0420

4. Well Location
 Unit Letter L : 1980 feet from the South line and 990 feet from the West line
 Section 16 Township 32N Range 12W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6005' GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
 Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
 feet from the line and feet from the line

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Change casing sizes as follows:
 Surface 9-5/8" 36 lb/ft at 200' in 12-1/4" hole.
 Intermediate 7" 23 lb/ft. at 2700' in 8-3/4" hole
 Production Liner 4-1/2" 10.5 lb/ft. 200' inside 7" to TD 4625' in 6-1/4" hole.
 Surface and intermediate will be mud drilled.
 Air will be used to drill below the 7" to TD.

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 below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE John Alexander TITLE Vice-President DATE November 30, 2004

Type or print name John C. Alexander E-mail address: johncalexander@duganproduction.com Telephone No. 505-325-1821

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 40 DATE DEC -1 2004
 Conditions of approval, if any: