

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. 30-045-35234 30-043-21108
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-7860
7. Lease Name or Unit Agreement Name Shaw Com
8. Well Number # 1
9. OGRID Number 006515
10. Pool name or Wildcat Basin Fruitland Coal (71629)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6866' GL

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. (505) 325-1821

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

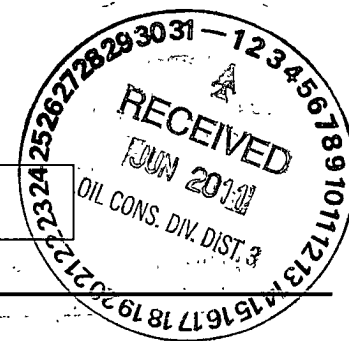
4. Well Location
 Unit Letter M : 990 feet from the FSL line and 660 feet from the FWL line
 Section 16 Township 22N Range 07W NMPM County Sandoval

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 type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: TD, production casing <input checked="" 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Drilled to TD @1400' on 5/24/2011. Run 5-1/2" 15.5# J-55 LT&C casing. Land @ 1389', float collar @1349'. Cement w/164 sx Premium Lite-FM w/3% CaCl2; 1/4# sx celloflake; 5#/sx LCM, 0.4% FL-52, 8% Bentonite & 0.4% Sodium Metasilicate. Tail w/65 sx Type III cement w/1% CaCl2, 1/4# celloflake, 0.2% F-52 (349 cu ft total slurry). Displace w/32 bbls water. Circulate 25 bbls cement. Wayne Smith Drilling released on 5/25/2011. Pressure test will be reported on completion.



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 C. Alexander TITLE: Vice President DATE: 05/27/2011

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

For State Use Only Deputy Oil & Gas Inspector,
 District #3

APPROVED BY: Bob Red TITLE: _____ DATE: 6-16-11

Conditions of Approval (if any):

A