

Submjt I Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised August 1, 2011

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

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-045-27053 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. LG-5686 7. Lease Name or Unit Agreement Name Squash Blossom 8. Well Number 1 9. OGRID Number 006515 10. Pool name or Wildcat <del>Basin Fruitland Coal</del>
2. Name of Operator Dugan Production Corp. 3. Address of Operator P O Box 420, Farmington, NM 87499-0420 (505)325-1821		10. Pool name or Wildcat Basin Fruitland Coal
4. Well Location Unit Letter O : 760 feet from the South line and 1980 feet from the East line Section 36 Township 24N Range 10W NMPM San Juan County		Bisti, So. Gallup (5880)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6928' GL		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> 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 COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Change spacing unit <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.

Dugan Production Corp. requests a change in the spacing unit. The current spacing unit is the W/2 of the SE/4 of Section 36, T24N, R10W. We request the spacing unit be changed to the S/2 of the SE/4 of Section 36, T24N, R10W. All leases remain the same. A revised C-102 is attached.

ROVD MAR 28 '14  
 OIL CONS. DIV.  
 DIST. 3

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: Kurt Fagrelius TITLE VP, Land & Exploration DATE March 26, 2014

Type or print name Kurt Fagrelius E-mail address: kfagrelius@duganproduction.com PHONE: 505-325-1821

**For State Use Only**

APPROVED BY: Wade TITLE DEPUTY OIL & GAS INSPECTOR DISTRICT #3 DATE 4/1/14  
 Conditions of Approval (if any): NV

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-103  
Supersedes C-12A  
Effective 1-1-67

All distances must be from the outer boundaries of the Section.

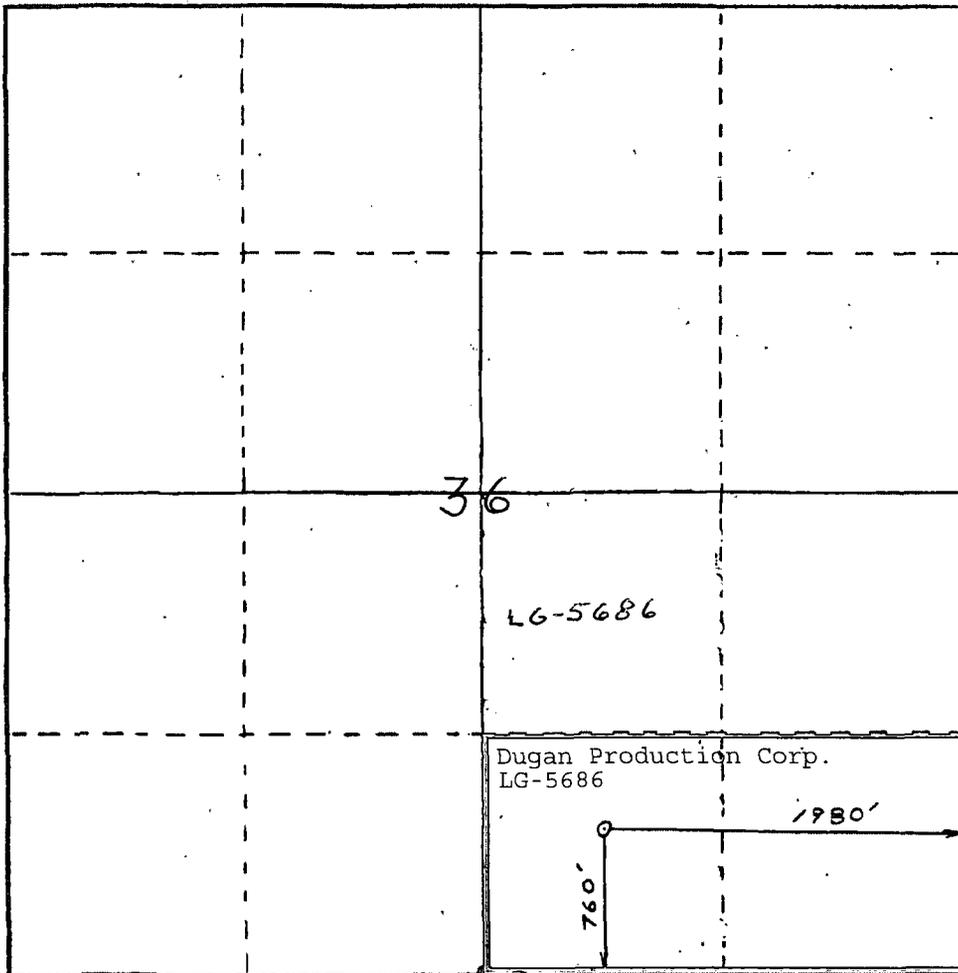
Operator Dugan Production Corp.		Lessee Squash Blossom AFU State			Well No. #1
Unit Letter O	Section 36	Township 24N	Range 10W	County San Juan	
Actual Footage Location of Well: 760 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 6928'	Producing Formation Gallup	Pool South Bisti Gallup Oil		Dedicated Acreage 80-acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Kurt Fagrelius*

Name  
Kurt Fagrelius

Position  
VP Land & Exploration

Company  
Dugan Production Corp.

Date  
March 25, 2014

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
August 30, 1988

Registered Professional Engineer and Official Surveyor  
6844

*Edward J. Hurdleston*

Certification  
EDWARD J. HURDLESTON SURVEYOR

