

APR 15 2015

Form C-103

Revised July 18, 2013

Submit 1 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

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.)		WELL API NO. 30-045-28333
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Dugan Production Corp.		6. State Oil & Gas Lease No. LG-9090
3. Address of Operator 709 East Murray Drive, Farmington, NM 87401 P.O. Box 420, Farmington, NM 87499		7. Lease Name or Unit Agreement Name Little b
4. Well Location Unit Letter <u>G</u> : <u>1850</u> feet from the <u>north</u> line and <u>1850</u> feet from the <u>east</u> line Section <u>36</u> Township <u>23N</u> Range <u>8W</u> NMPM County <u>San Juan</u>		8. Well Number #2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6910'-GL		9. OGRID Number 006515
		10. Pool name or Wildcat Rusty Chacra

12. 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 COMPL. <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: 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"/> Shut in due to pipeline construction and repair. OTHER: <input checked="" type="checkbox"/>	
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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.

The Little b #2 well was drilled and completed in the Rusty Chacra pool in December of 1990. Permission for gas sales into a BCO Inc. operated, surface gas line was received and first production from the well commenced the first of November, 2002. Ownership of the surface line was transferred to QEP Exploration and subsequently to Encana Services Company Inc. in 2013. In June of 2014, the subject well had to be shut in while Encana constructed a new sales trunk line in the area. The surface line that the Little b #2 was tied into, had to be moved out of the way during construction of the trunk line. Upon completion of the trunk line, the surface line was moved back into its previous location and numerous leaks in the line had to be repaired. Bad winter weather conditions from December of 2014 thru February of 2015 delayed completion of the construction and repair activity. The subject well was returned to production on April 2, 2015 (total shut in time 9-months). Rental payments for lease LG-9090 were made on November 21, 2014.

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 Fagrelis TITLE Vice President DATE 4/13/2015

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

For State Use Only

APPROVED BY: [Signature] DEPUTY OIL & GAS INSPECTOR
 TITLE DISTRICT #3 DATE 4/23/15

Conditions of Approval (if any):

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