APR 1 5 2015

Form C-103
Revised July 18, 2013

State of New Mexico
Energy, Minerals and Natural Resources

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

WELL API NO. 30-045-28333
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. LG-9090

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 709 East Murray Drive, Farmington, NM 87401
P.O. Box 420, Farmington, NM 87499

7. Lease Name or Unit Agreement Name Little b
8. Well Number #2
9. OGRID Number 006515
10. Pool name or Wildcat Rusty Chacra

4. Well Location

Unit Letter G : 1850 feet from the north line and 1850 feet from the east line

Section 36 Township 23N Range 8W NMPM County San Juan

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
6910'-GL

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐

Shut in due to pipeline construction and repair.
OTHER: ☒

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 it's 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: 11/23/1990

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 Vice President DATE 4/13/2015

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

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

Conditions of Approval (if any): PV