

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 7625 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 July 18, 2013

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

WELL API NO. 30-045-35384
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO 8066
7. Lease Name or Unit Agreement Name Kinbeto 16
8. Well Number 3
9. OGRID Number 06515
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6583' GR

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, New Mexico 87401

4. Well Location
 Unit Letter L: 1955 feet from the South line and 840 feet from the West line
 Section 16 Township 23N Range 10W NMPM San Juan County

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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Construct water and gas pipeline <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.

Operator proposes to construct produced water and gas transportation pipelines from the subject well to a centralized water collection and disposal system and a gas compression and sales system. Detailed drawings of the proposed pipeline are attached. The pipelines will be 4,917.6-ft. in length and buried in the same trench. The portion of pipeline that is "on-lease", and is on State surface is 3,397.5-ft. in length and the portion that is "off-lease" is on Federal surface and is 1,520.0-ft. in length. Right-of-way applications have been submitted for that portion of pipeline that is on Federal surface. Construction will begin when all necessary permits have been approved.

OIL CONS. DIV DIST. 3

JUN 20 2016

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 6/15/2016

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

For State Use Only

APPROVED BY: Accepted For Record TITLE _____ DATE _____

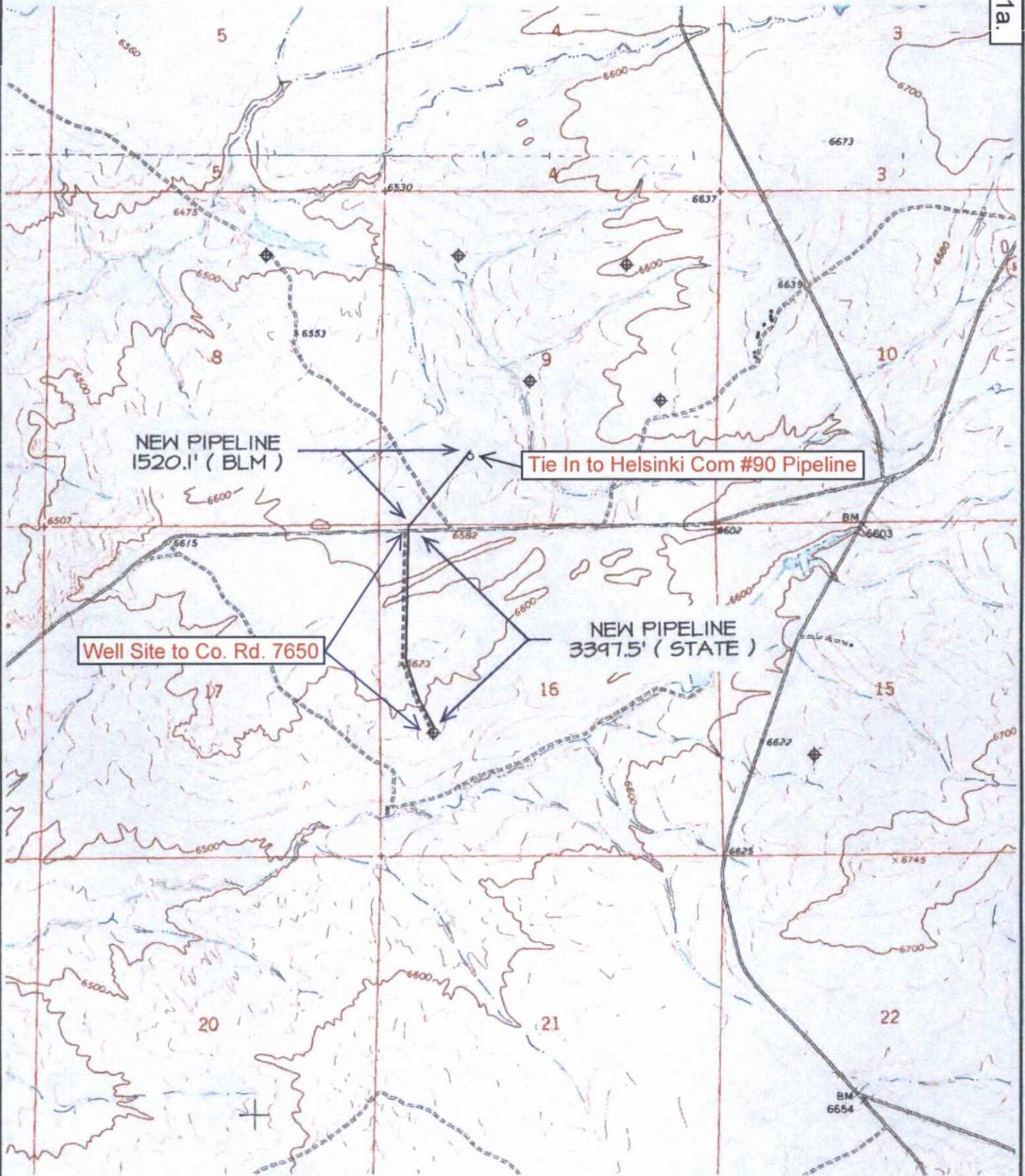
Conditions of Approval (if any):

6
KC

DUGAN PRODUCTION CORPORATION KIMBETO 16 #3

LOCATED IN S/2 SW/4 SECTION 9, T23N, R10W, W/2 NW/4
& NW/4 SW/4 SECTION 16, T23N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

EXHIBIT 1a.



NEW PIPELINE
1520.1' (BLM)

Tie In to Helsinki Com #90 Pipeline

Well Site to Co. Rd. 7650

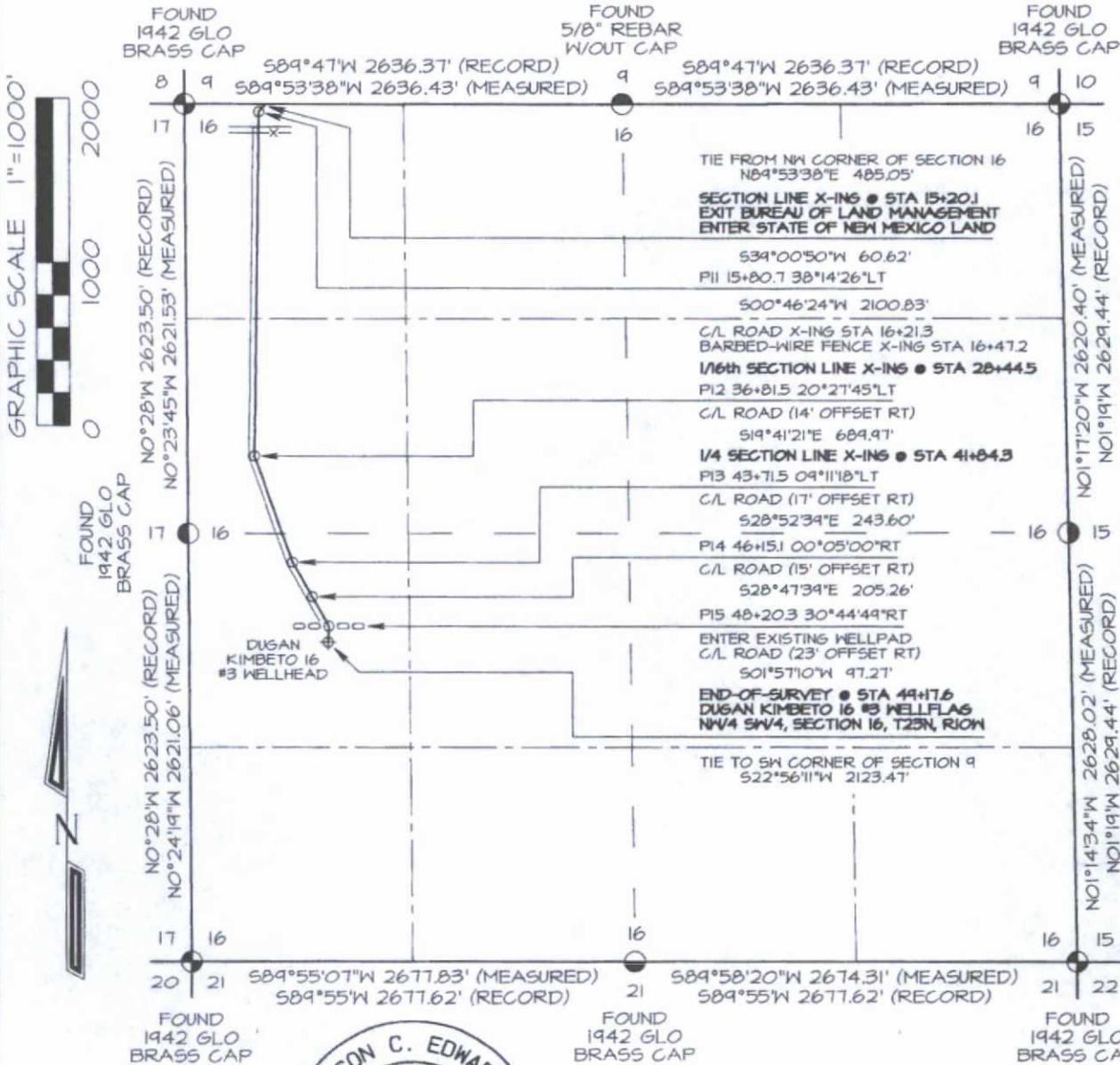
NEW PIPELINE
3397.5' (STATE)

TOPO NAME : PUEBLO BONITO NW

⊕ PRODUCING WELL ⊗ PLUGGED & ABANDONED WELL

DUGAN PRODUCTION CORPORATION KIMBETO 16 #3 PROPOSED PIPELINE SURVEY LOCATED IN THE W/2 NW/4 & NW/4 SW/4 OF SECTION 16, T23N, R10W NMPM, SAN JUAN COUNTY, NEW MEXICO

EXHIBIT 1C.



REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON MARCH 19, 2016 FROM A REFERENCE STATION POSITIONED IN SW/4 SW/4 OF SECTION 3, T23N, R10W

BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THE PROJECT

~ SURFACE OWNERSHIP ~ State of New Mexico Land	
15+20.1 TO 49+17.6	3397.5 FT / 205.9 RODS

I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

JASON C. EDWARDS Date: May 16, 2016
Jason C. Edwards, P.L.S.
New Mexico L.S. #15269

Prepared for: DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87499		<p>Land Surveyor: Jason C. Edwards</p> <p>Mailing Address: Post Office Box 6612 Farmington, NM 87499</p> <p>Business Address: 111 East Pinon Street Farmington, NM 87402 (505) 486-1695 (Office) noesurveys@qwestoffice.net</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">SURVEYS, INC.</p>
SHEET 3 OF 5	CHECKED BY: JCE	DRAWN BY: SLE
FILENAME: 23101662		

May 16, 2016

**NEW MEXICO STATE APPLICATION
 DUGAN PRODUCTION CORPORATION KIMBETO 16 #3
 W/2 NW/4 & NW/4 SW/4 OF SECTION 16
 TOWNSHIP 23 NORTH, RANGE 10 WEST, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO**

A strip of land 30 feet wide across a portion of Section 16, Township 23 North, Range 10 West, N.M.P.M., San Juan County, New Mexico being 15 feet on both sides and perpendicular to the following described centerline:

Commencing at the North-West Section Corner of said Section 16, thence N89°53'38"E a distance of 485.05 feet to the "true point-of-beginning" for this description:
 Thence S39°00'50"W a distance of 60.62 feet to a point;
 Thence S00°46'24"W a distance of 1263.80 feet to a point on the 1/16th section line;
 Thence S00°46'24"W a distance of 837.02 feet to a point;
 Thence S19°41'21"E a distance of 502.79 feet to a point on the 1/4 section line;
 Thence S19°41'21"E a distance of 187.18 feet to a point;
 Thence S28°52'39"E a distance of 243.60 feet to a point;
 Thence S28°47'39"E a distance of 205.26 feet to a point;
 Thence S01°57'10"W a distance of 97.27 feet to the "true point-of-ending" for this description from whence the South-West Section Corner of said Section 16 bears S22°56'11"W a distance of 2123.47 feet.

The above described strip of land totals 3397.54 feet or 205.912 rods in length, contains 2.340 acres more or less, and is allocated by 40-acre tracts as follows:

Section 16	NW/4 NW/4	1324.42 Feet	80.268 Rods	0.912 Acre(s)
	SW/4 NW/4	1339.81 Feet	81.201 Rods	0.923 Acre(s)
	NW/4 SW/4	733.31 Feet	44.443 Rods	0.505 Acre(s)
	Total	3397.54 Feet	205.912 Rods	2.340 Acre(s)

BASIS OF BEARING: REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON MARCH 19, 2016 FROM A REFERENCE STATION POSITIONED IN THE SW/4 NW/4 SECTION 3, T23N, R10W, SAN JUAN COUNTY, NEW MEXICO.

SURVEYOR'S CERTIFICATION

I, JASON C. EDWARDS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15269, DO HEREBY CERTIFY THAT THIS SURVEY DESCRIPTION AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT.

JASON C. EDWARDS

JASON C. EDWARDS, NEW MEXICO LS #15269
REFERENCE DRAWING: 231016G2

