

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

Form C-103
 Revised July 18, 2013

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-045-35765 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. V-8985 7. Lease Name or Unit Agreement Name Split Lip 8. Well Number 1 9. OGRID Number 006515 10. Pool name or Wildcat Basin Fruitland Coal
2. Name of Operator Dugan Production Corp. 3. Address of Operator P.O. Box 420, Farmington, NM 87499-0420 4. Well Location Unit Letter <u>P</u> : <u>914</u> feet from the <u>South</u> line and <u>847</u> feet from the <u>East</u> line Section <u>32</u> Township <u>24N</u> Range <u>11W</u> NMPM San Juan County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6200' GR		

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"/> OTHER: Spud, surface casing <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.

Spud 12-1/4" hole @ 9:00 a.m. on 5/17/16. Drilled to 136' GL. Ran 3 jts 8-5/8" 24# J-55 csg to 127'. Float collar @ 84'. Cement w/100 sks, 118 cu ft Halliburton Halcem Class G cement (1.174 cu ft/sk, 15.8#/gal). Displace w/6 bbls water. Circulate 5 bbls cement to surface. Wait on cement 20 hrs. NU casing head & BOP. Pressure test blind rams & csg to 800 psi for 30 mins, held ok. Pressure test pipe rams to 2000 psi for 30 mins, held ok; low test 250 psi for 10 mins, held ok. Pressure test choke manifold, kill line, Kelly valve to 2000 psi for 30 mins, held ok; low test 250 psi for 10 mins, held.

OIL CONS. DIV DIST. 3

JUN 13 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 Aliph Reena TITLE Engineering Supervisor DATE June 10, 2016

Type or print name Aliph Reena E-mail address: aliph.reena@duganproduction.com PHONE: 505-326-4548

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR DATE 6/28/16
 Conditions of Approval (if any): N