

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 type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input type="checkbox"/>		WELL API NO. 30-045-33927 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. B-11571 7. Lease Name or Unit Agreement Name Sponge Bob SWD 8. Well Number 1 9. OGRID Number 006515 10. Pool name or Wildcat SWD; Morrison Bluff Entrada
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>K</u> : <u>2300</u> feet from the <u>South</u> line and <u>1810</u> feet from the <u>West</u> line Section <u>36</u> Township <u>30N</u> Range <u>14W</u> NMPM San Juan County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5608' 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"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <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: Acid Job <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.

Record cleanup:

8/16/16 - RU Haliburton Energy Services. Rig up to master valve. Max pressure set to 2400 psi. Pressure test lines to 3000 psi. Load backside. Pressure up to 1000 psi. Monitor back side during the job. Swapped to tubing. Start with 10 bbl treated water spacer @ 2 bpm, pressure @ 1950 psi. Switched to acid, @ 2 bpm 2000 psi. Dropped 10 dissolvable bio-ball/bbl acid for 30 bbl acid @ 2000 psi @ 2 bpm. Ball action seen. Total 284 balls dropped in 30 bbl acid stage. Pressure up to 2500 psi. Slow rates. Breaks seen from 2300 psi to 1900 psi, increased rates to 3 bpm. Break from 2400 psi to 1700 psi. Displaced with 41 bbl treated water @ 3 bpm, pressure @ 1700 psi. Shut down. ISPI 1560 psi. 5 min: 1375, 10 mins: 1321 psi, 15 mins: 1250 psi. Turn on after 5 hrs.

Spud Date:  Rig Release Date:

OIL CONS. DIV DIST. 3  
DEC 21 2016

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

SIGNATURE *Marty Foutz* TITLE Production Analyst DATE 12/19/16

Type or print name Marty Foutz E-mail address: marty.foutz@duganproduction.com PHONE: 505-325-1821

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APPROVED BY: *[Signature]* TITLE Deputy Oil & Gas Inspector, District #3 DATE 12/22/16  
 Conditions of Approval (if any): N