

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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

Form C-103
March 4, 2004

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. 30-045-33927
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>SWD-1046</u>		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. B-11571
3. Address of Operator P. O. Box 420, Farmington, NM 87499-0420		7. Lease Name or Unit Agreement Name Sponge Bob SWD
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		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5608' GL		9. OGRID Number 006515
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)		
Pit Location: UL _____ Sect _____ Twp _____ Rng _____ Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ; _____ feet from the _____ line and _____ feet from the _____ line		

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 COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: TD, production casing ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Drill to TD @ 7455' on 10-12-06. Drill 8-3/4" hole. Run 5 1/2" 17# N-80 casing @ 7441', float collar @ 7399'. Cement 1st stage w/310 sx 65/35 POZ cement w/6% gel, 5 lbs/sx Gilsonite, 1/4 lb/sx Flocele. Tail w/300 sx 50/50 POZ, 3% gel, 5 lbs/sx Gilsonite, 1/4 lb/sx Flocele. Circ 18 bbls cement. Cement 2nd stage 370 sx 65/35 POZ, 6% gel, 5 lb/sx Gilsonite, 1/4 lb/sx Flocele. Tail w/100 sx of 50/50 POZ 2% gel, 5 lb/sx Gilsonite, 1/4 lb/sx Flocele. Circ 18 bbls cement. 3rd stage 242 sx 65/35 POZ cement, 6% gel, 5 lb/sx Gilsonite, 1/4 lb/sx Flocele. Tail w/100 sx 50/50 POZ cement, 2% gel, 5 lb/sx Gilsonite, 1/4 lb/sx Flocele. Displace w/36.5 bbls water. Circulate 21 bbls cement.

report PT on 5 1/2 csq

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE John C. Alexander TITLE Vice-President DATE November 01, 2006

Type or print name John C. Alexander E-mail address: johncalexander@duganproduction.com Telephone No. 505-325-1821

(This space for State use)

APPROVED BY H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE NOV 01 2006