

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

Form C-103
 March 4, 2004

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

WELL API NO. 30-045-33932
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-1119 RCUD APR26'07
7. Lease Name or Unit Agreement Name Cochran SWD OIL CONS. DIV.
8. Well Number 2 DIST. 3
9. OGRID Number 006515
10. Pool name or Wildcat Morrison; Bluff Entrada SWD (96162)

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 SWD-1047

2. Name of Operator
 Dugan Production Corp.

3. Address of Operator
 P. O. Box 420, Farmington, NM 87499-0420 (505)325-1821

4. Well Location
 Unit Letter H : 1690 feet from the North line and 1170 feet from the East line
 Section 16 Township 22N Range 8W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6633' GL

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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: MIT Test <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Performed MIT on 4/19/07. Pressure test to 425 psig. Monitored for 30 minutes, held ok. Witnessed by the OCD.
Monica Kuehn, witness

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 Alexander TITLE Vice-President DATE April 23, 2007

Type or print name John 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 APR 26 2007

Conditions of approval, if any:

H