

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  
June 19, 2008

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

WELL API NO. 30-045-34693
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-1119
7. Lease Name or Unit Agreement Name Cochran
8. Well Number 3
9. OGRID Number 006515
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6643' GL

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  
P. O. Box 420, Farmington, NM 87499-0420

4. Well Location

Unit Letter O : 1195 feet from the South line and 1380 feet from the East line

Section 16 Township 22N Range 8W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6643' GL

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 COMPL ☐  
DOWNHOLE COMMINGLE ☐

OTHER: Suspend completion operations ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
RCVD MAY 4 '09  
OIL CONS. DIV.

OTHER: DIST. 3 ☐

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.

Due to current infrastructure and economic constraints, the operator requests approval to suspend completion operations indefinitely on the Cochran #3.

The Cochran #3 is tied into the Big Band Gathering System. This infrastructure is insufficient to handle current production volumes of produced water. Construction will begin in two weeks on a water transfer station. This expansion will create additional room for water transportation from new wells to be added to the system.

Once the expansion project is finished and improvements in the economy occur, completion operations (fracture stimulations, installation of production facilities, pipeline construction, road crowning and ditching and re-contouring and re-seeding of disturbed areas) will resume.

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 Fagrelus TITLE Vice-President, Exploration DATE 4/29/09

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

For State Use Only

Deputy Oil & Gas Inspector,  
District #3

APPROVED BY: Kathy G. Bolz TITLE Deputy Oil & Gas Inspector, District #3 DATE MAY 05 2009

Conditions of Approval (if any):

by