

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

|   |  |   |
|---|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.<br>30-045-34922  |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other   |  | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator<br>Dugan Production Corp.   |  | 6. State Oil & Gas Lease No.<br>B-11571   |
| 3. Address of Operator<br>P. O. Box 420, Farmington, NM 87499-0420 (505)325-1821  |  | 7. Lease Name or Unit Agreement Name<br>O' Henry  |
| 4. Well Location<br>Unit Letter <u>L</u> : <u>2200</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line<br>Section <u>36</u> Township <u>30N</u> Range <u>14W</u> NMPM San Juan County |  | 8. Well Number<br>2   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>5553' GL  |  | 9. OGRID Number<br>006515   |
|   |  | 10. Pool name or Wildcat<br>Harper Hill Fruitland Sand Pictured Cliffs                              |

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"/> | PLUG AND ABANDON <input type="checkbox"/>        | REMEDIAL WORK <input type="checkbox"/>           | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input checked="" type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPL <input type="checkbox"/>          | CASING/CEMENT JOB <input type="checkbox"/>       |  |
| DOWNHOLE COMMINGLE <input type="checkbox"/>    |  |  |  |
| OTHER: <input 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.

Change the currently permitted blow out preventer configuration to 9" 2,000 psi dual ram configuration. The previous configuration used a 7-1/16" 2,000 psi dual ram BOP.

The new configuration will allow for a test plug to be set in the casing head such that testing of the BOP stack can be done in a conventional manner.

Change the hole size for the production casing to 7-7/8" (the previously permitted hole size was 7"). The cement volume will be adjusted to compensate for the increased hole size to allow for circulation of cement to the surface.

RCVD SEP 17 '09

OIL CONS. DIV.

DIST. 3

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

*John C. Alexander*

TITLE Vice-President

DATE September 16, 2009

Type or print name John C. Alexander

E-mail address: johncalexander@duganproduction.com

PHONE: 505-325-1821

For State Use Only

APPROVED BY:

*[Signature]*

TITLE

Deputy Oil & Gas Inspector,  
District #3

DATE

SEP 18 2009

Conditions of Approval (if any):

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