

Submit 1 Copy 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
October 13, 2009

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

WELL API NO. 30-045-34922
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-11751
7. Lease Name or Unit Agreement Name O'Henry
8. Well Number 2
9. OGRID Number 006515
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5553' 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 (505)325-1821

4. Well Location
Unit Letter L : 2200 feet from the South line and 660 feet from the West line
Section 36 Township 30N Range 14W NMPM San Juan County

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Spud, surface 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud 12-1/4" hole on 10/13/09. Drilled to 135'. Run 8-5/8" 24# J-55 csg. Land @ 128', float collar @ 86'. Cement w/90 sx Type III cement w/2% CaCl₂ & 1/4# celloflake/sx (124 cu ft total slurry). Displace w/5.5 bbls water. Circulate 5 bbls cement. NU BOP. Pressure test blind rams and surface casing to 700# for 30 mins, held; 200# for 5 mins, held. Pressure test pipe rams to 700# for 30 mins, held; 250# for 5 mins, held.

RCVD OCT 20 '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 Alexander TITLE Vice-President DATE October 19, 2009

Type or print name John Alexander E-mail address: johncalexander@duganproduction.com PHONE: 505-325-1821
For State Use Only

APPROVED BY: Falk G. Fort TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 20 2009
Conditions of Approval (if any):

5