

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

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| 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. 30-045-35243 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Dugan Production Corp. (505) 325-1821 | | 6. State Oil & Gas Lease No. V-7770 |
| 3. Address of Operator P.O. Box 420, Farmington, NM 87499-0420 | | 7. Lease Name or Unit Agreement Name Susana Com |
| 4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>FNL</u> line and <u>1689</u> feet from the <u>FWL</u> line Section <u>02</u> Township <u>22N</u> Range <u>08W</u> NMPM County <u>San Juan</u> | | 8. Well Number # <u>1</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6700' GL | | 9. OGRID Number <u>006515</u> |
| | | 10. Pool name or Wildcat Basin Fruitland Coal (71629) |

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: ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☒ Spud

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.

Started Spud on 4/26/2011. Drilled to 137' on 4/27/2011. Run 8-5/8" 24# J-55 csg. Land @ 132', float collar @ 87'. Cement w/120 sx Type III cement w/2% CaCl₂ & 1/4# celloflake/sx (164 cu ft total slurry). Displace with 5.5 bbls water. Circulated 5 bbls cement. NU BOP. Pressure test blind rams and surface casing to 800 psi for 30 mins, held; 250# for 5 mins, held. Pressure test pipe rams to 800 psi for 30 mins, held; 250 psi for 5 mins, held.



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: 05/02/2011

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

For State Use Only

APPROVED BY: Paul Bell TITLE: Deputy Oil & Gas Inspector, DATE: 5/31/11

Conditions of Approval (if any):

AV