Submit 3 Copies to Appropriate District Office   3 NMOCD   1 File

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO.
30-045-28026

5. Indicate Type of Lease
STATE [X]   FEE [ ]

6. State Oil & Gas Lease No.
V-1509

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.)

7. Lease Name or Unit Agreement Name
Mary Lou

1. Type of Well:
OIL WELL [ ]   GAS WELL [X]   OTHER

2. Name of Operator
DUGAN PRODUCTION CORP.

8. Well No.
90

3. Address of Operator
P.O. Box 420, Farmington, NM 87499

9. Pool name or Wildcat
Basin Fruitland Coal

4. Well Location

Unit Letter __M__ : __1200__ Feet From The __South__ Line and __1200__ Feet From The __West__ Line

Section 32   Township 24 North Range 10 West   NMPM   San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
6592' GL

11.   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 [ ]

OTHER: _____ [ ]

SUBSEQUENT REPORT OF:

REMEDIAL WORK [ ]   ALTERING CASING [ ]

COMMENCE DRILLING OPNS. [ ]   PLUG AND ABANDONMENT [ ]

CASING TEST AND CEMENT JOB [ ]

OTHER: Spud & Surface Casing [X]

(RECEIVED AUG 06 1990 OIL CON. DIV. DIST. 3)

12. 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.

Moved in & rigged up Salazar Drilling Rig. Spudded 9-7/8" hole @ 10:00 A.M. on 7-31-90. Drilled with air surface - 95'. Circulated with air 1 hour. T.O.H. with collars & bit. T.I.H. with 3 jts. 7", 20# casing landed @ 91'. Wash last joint down. Pump 20 bbls. Est. circ. Cemented with 50 sx class "B" neat cement (58 cu.ft.). Displace with 2.5 bbls water. Circulate 1-1/2 bbls cement. Job complete at 6:00 P.M. 7-31-90.

Pressure tested BOP and surface casing 800 psi for 30 minutes - held OK - before drilling out.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____   TITLE Vice President   DATE 8-3-90

TYPE OR PRINT NAME Jim L. Jacobs   TELEPHONE NO.

(This space for State Use)

Original Signed by CHARLES GHOLSON   DEPUTY OIL & GAS INSPECTOR, DIST. #3   AUG 07 1990

APPROVED BY _____   TITLE _____   DATE _____

CONDITIONS OF APPROVAL, IF ANY: