

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

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

OIL CONSERVATION DIVISION  
P.O. Box 2083  
Santa Fe, New Mexico 87504-2083

|                              |                                                                        |
|------------------------------|------------------------------------------------------------------------|
| WELL API NO.                 | 30 045 30557                                                           |
| 5. Indicate Type of Lease    | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | LG-3045                                                                |

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:<br>OIL <input type="checkbox"/><br>WELL <input checked="" type="checkbox"/> GAS<br>OTHER <input type="checkbox"/> | 2. Name of Operator<br>Dugan Production Corp. | 3. Address of Operator<br>P. O. Box 420, Farmington, NM 87499-0420 | 4. Well Location<br>Unit Letter <u>B</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1500</u> Feet From The <u>East</u> Line<br>Section <u>32</u> Township <u>30N</u> Range <u>14W</u> NMPM <u>San Juan</u> County | 7. Lease Name or Unit Agreement Name<br>Bi-Knobs | 8. Well No.<br>91 | 9. Pool name or Wildcat<br>Basin Fruitland Coal |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------|-------------------------------------------------|

|                                                                |
|----------------------------------------------------------------|
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.)<br>5448' GL |
|----------------------------------------------------------------|

|                                                                               |                                                                     |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 11. 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"/>                                | REMEDIAL WORK <input type="checkbox"/>                              |
| TEMPORARILY ABANDON <input type="checkbox"/>                                  | ALTERING CASING <input type="checkbox"/>                            |
| PULL OR ALTER CASING <input type="checkbox"/>                                 | COMMENCE DRILLING OPNS. <input type="checkbox"/>                    |
| OTHER: <input type="checkbox"/>                                               | PLUG AND ABANDONMENT <input type="checkbox"/>                       |
|                                                                               | CASING TEST AND CEMENT JOB <input type="checkbox"/>                 |
|                                                                               | OTHER: <u>Production casing</u> <input checked="" type="checkbox"/> |

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.

Drill to TD 1,070' on 2/26/01. Ran 4½" 10.5 lb/ft Tex tube casing. Cement with 123.6 cu ft Class "B" containing 2% Lodense and 1/4 lb/sx celloflake. Tail with 59 cu ft containing 1/4 lb/sx celloflake. Circulate 5 bbls cement. Job complete 2/27/01.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE Terry Kochis TITLE Engineer DATE 3/6/01  
TYPE OR PRINT NAME Terry Kochis TELEPHONE NO. (505) 325-1821

(This space for State Use)  
ORIGINAL SIGNED BY CHARLIE T. PERPIN  
DEPUTY OIL & GAS INSPECTOR, DIST. 89  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

MAR - 8 2001