

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-005-10531
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. OG-1062
7. Lease Name or Unit Agreement Name KM Chaveroo SA Unit
8. Well Number 113
9. OGRID Number 006515
10. Pool name or Wildcat
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4347' 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 ☒ Water Injection Well

2. Name of Operator
Dugan Production Corp.

3. Address of Operator
P O Box 420, Farmington, NM 87499-0420

4. Well Location

Unit Letter P : 990 feet from the South line and 990 feet from the East line
Section 2 Township 8S Range 33E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4347' GL

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: Mechanical Integrity Test ☒

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.

Pressure test casing at 560 psi for 30 minutes with no leaks. Test conducted 7/17/2012. Returned well to injection. Pressure test chart is attached.

RECEIVED
JUL 30 2012
NMOCD ARTESIA

Spud Date:

Rig Release Date:

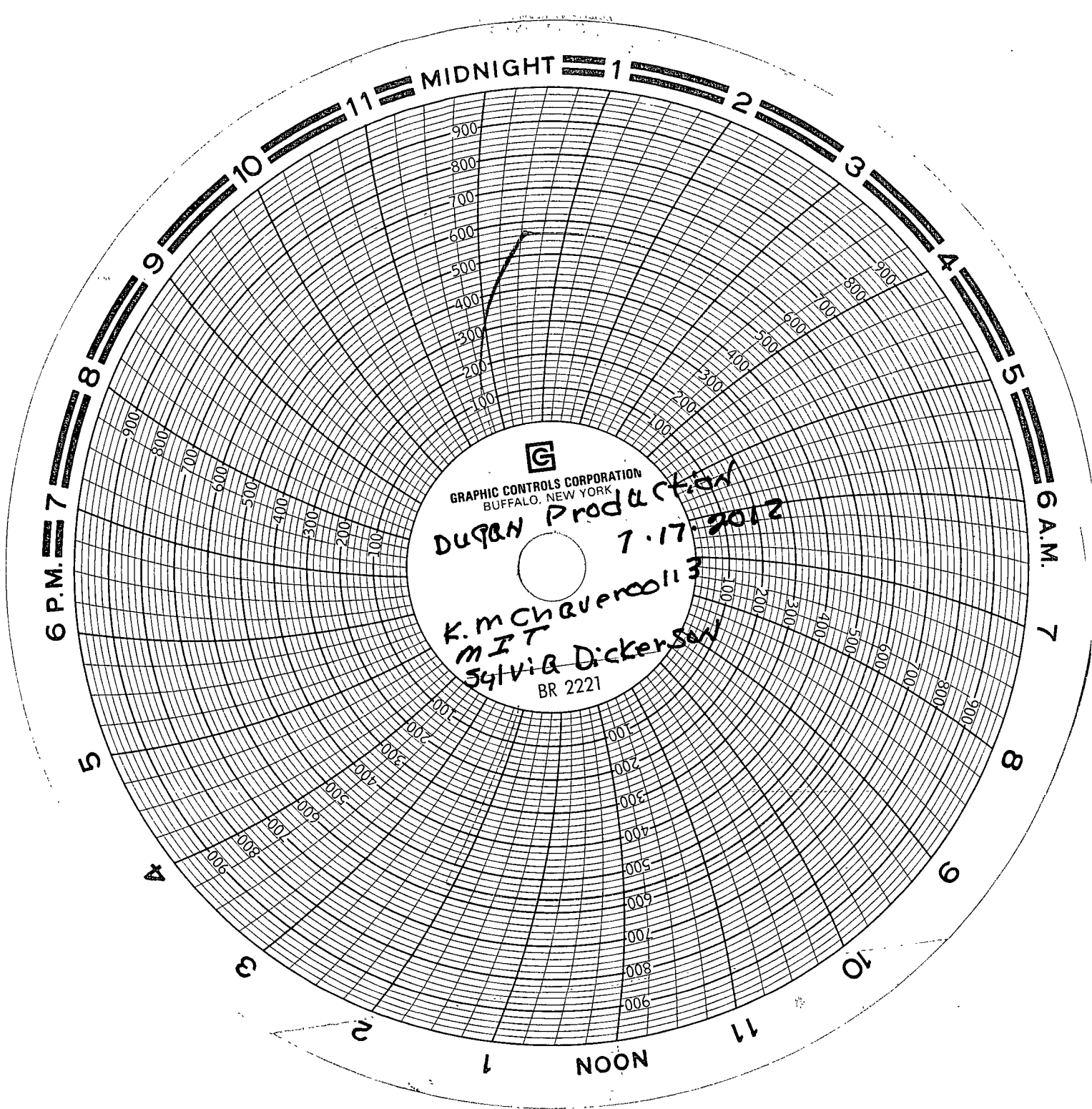
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE John Alexander TITLE Vice-President DATE 7/25/12

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

APPROVED BY: [Signature] TITLE Dist. Mgr DATE 8-28-2012
Conditions of Approval (if any):

AUG 28 2012



7-17-12 9:00 AM

Dugan Production

Km 113

Lease OG 1062

Unit E Sec 1 T5 85 R33 E

Produced Pursuant to
Lease No. 1062
Unit E Sec 1 T5 85 R33 E