

Submit 3 Copies 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  
May 27, 2004

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

WELL API NO. <b>30-005-10465</b>
5. Indicate Type of Lease STATE <b>X</b> FEE
6. State Oil & Gas Lease No. <b>K-527</b>
7. Lease Name or Unit Agreement Name <b>K.M. CHAVEROO S.A. UNIT</b>
8. Well Number <b>34</b>
9. OGRID Number <b>006515</b>
10. Pool name or Wildcat <b>Chaveroo (San Andres)</b>

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Injection Well <input type="checkbox"/>	
2. Name of Operator <b>DUGAN PRODUCTION CORPORATION</b>	
3. Address of Operator <b>P.O. BOX 420, FARMINGTON, NM 87499-0420</b>	
4. Well Location Unit Letter <b>D</b> : 660 feet from the <b>NORTH</b> line and 660 feet from the <b>WEST</b> line Section <b>1</b> Township <b>8S</b> Range <b>33E</b> <b>NMPM</b> County <b>CHAVES</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>4351' RKB</b>	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

3-24-06 Set 4 1/2" CIPB @4,144'. Cap w/35' cmt. w/bailer. Circulate hole w/mud. Perf. 4 holes @3,105'. Set pkr. @2,760'. Sqz. 40 sx. cmt.  
3-27-06 Tag plug @2,936'. Perf 4 holes @2,100'. Set pkr. @1,700'. Sqz. 40 sx. cmt. Tag & plug @1,951'.  
3-28-06 Perf. 4 holes @420'. Pump 15 sx. cmt. down 4 1/2" to surface out of 8 5/8". Leave 4 1/2" full of cement. Install dryhole marker.

Approved as to plugging of the Well Bore.  
Liability under bond is retained until  
surface restoration is completed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Randall Minear TITLE **AREA MANAGER** DATE: **4-3-06**

Type or print name **RANDALL MINEAR** E-mail address: randall.minear@basicenergyservices.com Telephone No. 432-530-0907  
For State Use Only

APPROVED BY Gary W. Wink TITLE **OCD FIELD REPRESENTATIVE II/STAFF MANAGER** DATE **APR 13 2006**  
RECEIVED  
APR 10 2006