

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|--|--|
| ¹ Operator Name and Address Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87499 (505) 325-1821 | | ² OGRID Number 006515 |
| ³ Property Code 33832 | | ⁴ Property Name Pseudo Fruitland Coal Mine Gas |
| ⁵ API Number 30 - 045-32285 | | ⁶ Well No. #1 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| N | 23 | 30N | 15W | | 223.75 | South | 2209 | West | San Juan |

⁸ Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

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|---|-------------------------------|
| ⁹ Proposed Pool 1 Pseudo Fruitland Coal Mine Gas Pool | ¹⁰ Proposed Pool 2 |
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|------------------------------|--------------------------------------|---|-------------------------------|--|
| ¹¹ Work Type Code | ¹² Well Type Code | ¹³ Cable/Rotary | ¹⁴ Lease Type Code | ¹⁵ Ground Level Elevation 5282 |
| ¹⁶ Multiple | ¹⁷ Proposed Depth 1000 | ¹⁸ Formation Fruitland Coal | ¹⁹ Contractor | ²⁰ Spud Date |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
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²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

Transfer Point for Fruitland Coal Mine gas. Upstream of this point, San Juan Coal Company will collect and deliver gas from the San Juan Underground Mine area to the Transfer Point. Downstream of this point, Dugan Production Corp. will treat and transport the Fruitland Coal Mine gas to a sales point located at the Central Point Delivery on the Turk's Toast Gas Gathering System.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Kurt Fagrelus

Printed name:

Kurt Fagrelus

Title:

Geologist

Date:

4/7/2004

Phone:

OIL CONSERVATION DIVISION

Approved by:

Accepted For Record

Title:

Approval Date:

APR - 8 2004

Expiration Date:

APR 8 2005

Conditions of Approval:

Attached ☐