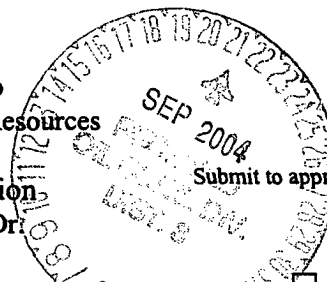


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-101
March 4, 2004



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

Operator Name and Address Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401		OGRID Number 006515
Property Code 34306		API Number 30 - 30-045- 32587
Property Name Federal I Com		Well No. 103

7 Surface Location

UL or lot no. E	Section 12	Township 29N	Range 14W	Lot Idn	Feet from the 1775	North/South line North	Feet from the 10	East/West line West	County San Juan
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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

Basin Fruitland Coal

10 Proposed Pool 2

Drilling Pit Location and Other Information

UL or lot no. E	Section 12	Township 29N	Range 14W	Lot Idn	Feet from the 1775	North/South line North	Feet from the 10	East/West line West	County San Juan
Depth to ground water 1,100'			Distance from nearest fresh water well 1-mile			Distance from nearest surface water 0.75 miles			
11 Work Type Code N		12 Well Type Code G		13 Cable/Rotary R		14 Lease Type Code FEE		15 Ground Level Elevation 5473'	
16 Multiple No		17 Proposed Depth 1,265'		18 Formation Fruitland Coal		19 Contractor W. Smith		20 Spud Date ASAP	

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	120'	70-cf.	Surface
7"	5-1/2"	14#	1,265'	210-cf.	Surface

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.

A water based gel-mud will be used to drill surface and production casing hole. Standard 2,000 psi BOP will be used to drill production hole. Drilling pits will be lined with an impervious liner and closed as per NMOCD and City of Farmington guidelines.

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Approved by:

Signature:

Kurt Fagrelus

Printed name: Kurt Fagrelus

Title: Geologist

E-mail Address: kfagrelus@duganproduction.com

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #2

Approval Date: SEP 21 2004

Expiration Date: SEP 21 2005

Date: Sept. 21, 2004

Phone: 505-325-1821

Conditions of Approval:

Attached ☐ HOLD C104 FOR NSL

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 21, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Free Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-af-32587		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 34306	*Property Name FEDERAL I COM		*Well Number 103
*OGRIID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 5473'

¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	29N	14W		1775	NORTH	10	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

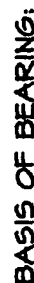
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

2641.32'	DUGAN FEE	2643.30'	DUGAN SF-078110	1323.30'	1326.60'	2556.84'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Kurt Fagrelus</i> Signature Kurt Fagrelus Printed Name Geologist Title August 6, 2004 Date
	12				2598.42'		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: JUNE 16, 2004 Signature and Seal of Professional Surveyor  JASON C. EDWARDS Certificate Number 15269
	10'	LOT 2					LOT 1
2426.16'	RICHARDSON FEE			5287.92'	LOT 3		

PLAT 2



FLAT NOTE:

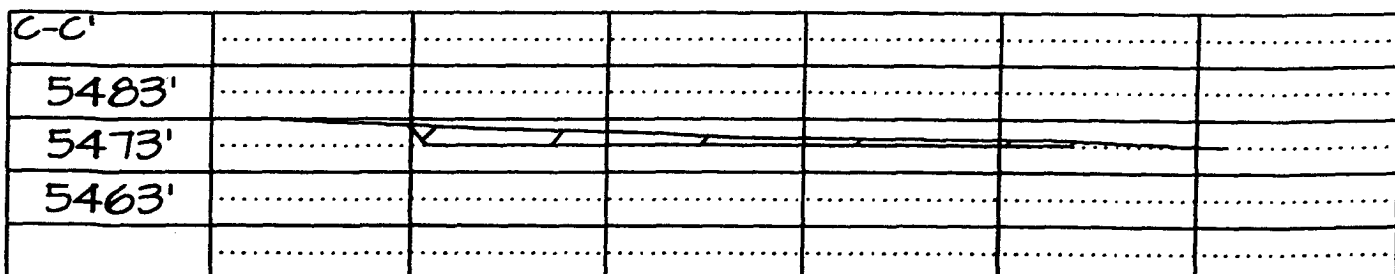
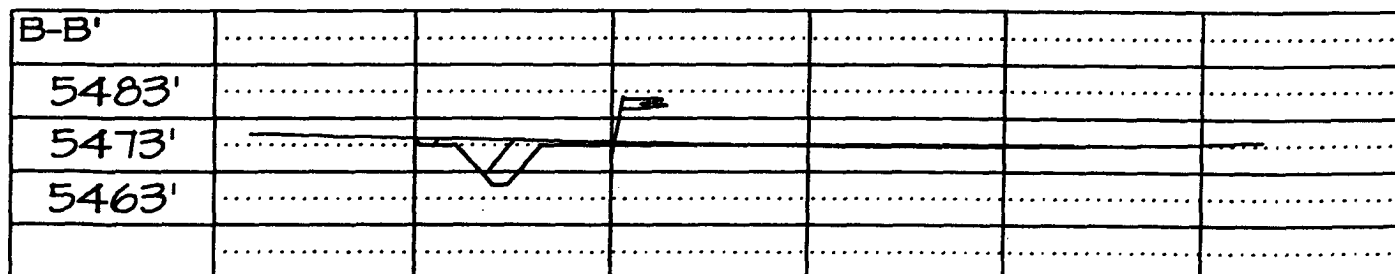
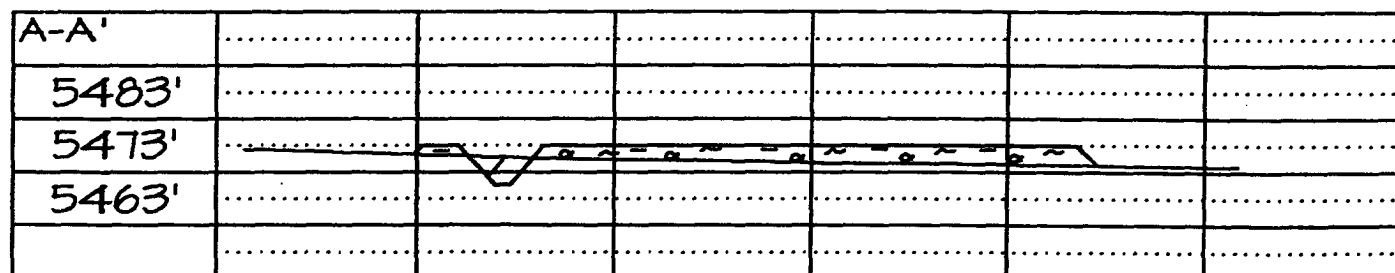
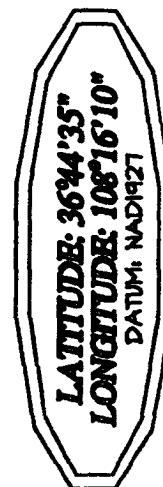
A circular professional seal for Jason C. Edwards. The outer ring contains the text "JASON C. EDWARDS" at the top and "REGISTERED PROFESSIONAL SURVEYOR" at the bottom. The inner ring contains the text "NEW MEXICO". The center of the seal features the license number "15269".

SURFACE OWNERSHIP		
Fee Land ~ Joe Kozlmar ~	0+00 TO 20+34.9	2034.9 FT / 123.33 RODS
~ City of Farmington ~	20+34.9 TO 21+00.4	65.5 FT / 3.47 RODS
Fee Land ~ Dugan Production Corp. ~	21+00.4 TO 22+65.7	165.3 FT / 10.02 RODS

Business Address:
111 East Pecos Street
Farmington, NM 87402
(505) 325-2654 (Office)
(505) 326-5650 (Fax)

SHEET 3 OF 4	CHECKED: JCE
FILENAME: D0028L	DRAWN BY: KEB

PLAT 3



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction