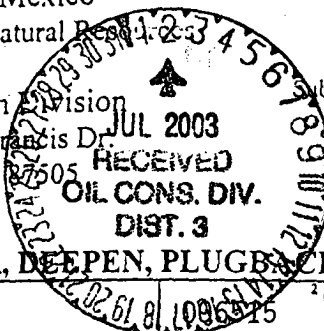


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-161  
Revised March 17, 1999

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



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

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Dugan Production Corp. 709 E. Murray Drive, Farmington, NM 87401		<sup>2</sup> OGRID Number 30-045-31761
<sup>3</sup> Property Code 3589	<sup>4</sup> Property Name Bi-Knobs	<sup>5</sup> Well No. 90-S

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	30N	14W		1100'	South	685'	East	SJ

<sup>8</sup> 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

<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal	<sup>10</sup> Proposed Pool 2
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<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 5409
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 1030'	<sup>18</sup> Formation Fruitland Coal	<sup>19</sup> Contractor Wayne Smith	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	23#	120'	70-cu. ft.	Surface
7"	5-1/2"	14#	1030'	160-cu. ft.	Surface

<sup>22</sup> 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 holes. A standard 2,000 psi BOP will be used to drill production casing hole. The Fruitland Coal will be completed from approximately 870'-885'. The interval will be fractured.

<sup>23</sup> 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:

June 27, 2003

Phone:

(505) 325-1821

OIL CONSERVATION DIVISION

Approved by:

*[Signature]*

Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3

Approval Date:

JUL - 2 2003

Expiration Date:

JUL - 2 2004

Conditions of Approval:

Attached ☐

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

District II  
PO Drawer 00, 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-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-3176 1</b>		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code <b>3589</b>	*Property Name BI KNOBS		*Well Number 90S
*GRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 5409'

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	30N	14W		1100	SOUTH	685	EAST	SAN JUAN

#### <sup>11</sup> 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

<sup>12</sup> Dedicated Acres 330.80 Acres - (S/2)	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<div><p><sup>16</sup></p><p>5280.00'</p><p>2640.00'</p><p>32</p><p>RICHARDSON E-3555</p><p>DUGAN LG-3045-1</p><p>DUGAN VA-1696</p><p>RICHARDSON E-6714</p><p>LOT 4</p><p>LOT 3</p><p>LOT 2</p><p>LOT 1</p><p>90</p><p>1384.02'</p><p>1320.00'</p><p>1434.18'</p><p>1100'</p><p>685'</p></div>	<div><p><sup>17</sup> OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><i>Kurt Fagrelus</i></p><p>Signature Kurt Fagrelus</p><p>Printed Name Geologist</p><p>Title June 27, 2003</p><p>Date</p></div> <div><p><sup>18</sup> SURVEYOR CERTIFICATION</p><p>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.</p><p>Date of Survey: JUNE 24, 2003</p><p>Signature and Seal of Professional Surveyor</p><div><p><i>JASON C. EDWARDS</i></p><p>Certificate Number 15269</p></div></div>
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