

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**

<sup>1</sup> Operator Name and Address Dugan Production Corp. 709 East Murray Drive, Farmington, New Mexico 87401		<sup>2</sup> OGRID Number 006515
		<sup>3</sup> API Number 30-045-33932
<sup>4</sup> Property Code 36011	<sup>5</sup> Property Name Cochran SWD	<sup>6</sup> Well No. #2

**7 Surface Location**

UL or lot no. H	Section 16	Township 22N	Range 8W	Lot Idn	Feet from the 1690	North/South line North	Feet from the 1170	East/West line East	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
<sup>9</sup> Proposed Pool 1 Morrison, Bluff, Entrada SWD						<sup>10</sup> Proposed Pool 2			

**Drilling Pit Location and Other Information**

UL or lot no. H	Section 16	Township 22N	Range 8W	Lot Idn	Feet from the 1690	North/South line north	Feet from the 1170	East/West line East	County San Juan
Depth to ground water +100'			Distance from nearest fresh water well +1000'			Distance from nearest surface water +200'			
<sup>11</sup> Work Type Code N		<sup>12</sup> Well Type Code S		<sup>13</sup> Cable/Rotary R		<sup>14</sup> Lease Type Code S		<sup>15</sup> Ground Level Elevation 6633'	
<sup>16</sup> Multiple N		<sup>17</sup> Proposed Depth 6600'		<sup>18</sup> Formation Entrada Ss.		<sup>19</sup> Contractor Patterson UTI		<sup>20</sup> Spud Date 10-1-2006	

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	360'	180	Surface
7-7/8"	5-1/2"	15.5 & 17#	6600'	700	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 hole. Standard 2,000 psi BOP will be used to drill production hole. The Entrada Ss. will be completed from approximately 6280' - 6480'. Pits will be lined.

<sup>23</sup> 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 ☐.

Signature: *Kurt Fagrelus*

Printed name: Kurt Fagrelus

Title: Geology

E-mail Address: kfagrelus@duganproduction.com

Date: 9/12/2006

Phone: 505-325-1821

**OIL CONSERVATION DIVISION**

Approved by:

*[Signature]*

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #8

Approval Date: SEP 13 2006 Expiration Date: SEP 13 2007

Conditions of Approval: Obtain SWD order

Attached ☐

*Entered 9-14*

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-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>30-045-33932</b>		*Pool Code <b>96162</b>	*Pool Name <b>SWD, Morrison, Bluff Entrada</b>
*Property Code <b>36011</b>	*Property Name <b>COCHRAN SWD</b>		*Well Number <b>2</b>
*OGRID No. <b>006515</b>	*Operator Name <b>DUGAN PRODUCTION CORPORATION</b>		*Elevation <b>6633'</b>


<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
H	16	22N	8W		1690	NORTH	1170	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 <b>NA</b>					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		

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>15</div> <div>5257.56'</div> <div>5285.94'</div> <div>16</div> <div>2632.74'</div> <div>2635.38'</div> <div>LAT: 36.14233 'N LONG: 107.68218 'W DATUM: NAD83</div>	<div>1690'</div> <div>1170'</div>	<div><sup>17</sup> 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 <b>Kurt Fagrelus</b> Printed Name <b>Geology</b> Title <b>Sept. 12, 2006</b> Date</div> <div><sup>18</sup> 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 Survey Date: <b>SEPTEMBER 12, 2006</b> Signature and Seal of Professional Surveyor  <b>JASON C. EDWARDS</b> Certificate Number <b>15269</b></div>
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DUGAN PRODUCTION CORPORATION COCHRAN SWD #2

1690' FNL & 1170' FEL, SECTION 16, T22N, R8W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

