

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

OCT 2006

Form C-101
March 4, 2004

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, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Dugan Production Corp. 709 East Murray Drive, Farmington, New Mexico 87401		² OGRID Number 006515
³ Property Code 27965	⁵ Property Name Spandex Com	⁴ API Number 30 - 30-045- 34000
		⁶ Well No. 90-S

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
D	16	25N	10W		1010'	North	1100	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

Fruitland Coal

¹⁰ Proposed Pool 2

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	25N	10W		1010	North	1100	West	San Juan
Depth to ground water			+100'			Distance from nearest fresh water well			+1000'
Distance from nearest surface water			+200'						
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary R		¹⁴ Lease Type Code State		¹⁵ Ground Level Elevation GL-6524'	
¹⁶ Multiple Single		¹⁷ Proposed Depth 1765'		¹⁸ Formation Pictured Cliffs		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
12-1/4"	8-5/8"	24#	120'	70-cf	Surface
7"	5-1/2"	14#	1765'	275-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. The Fruitland Coal will be completed from approximately 1600'-1612'. The interval will be fracture stimulated.

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 ☐.

Signature: *Kurt Fagrelus*

Printed name: Kurt Fagrelus

Title: Geology

E-mail Address: kfagrelus@duganproduction.com

Date: Oct. 11, 2006

Phone: 505-325-1821

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #10

Approval Date: OCT 13 2006 Expiration Date: OCT 13 2007

Conditions of Approval: file pit permit

Attached ☐

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 30-045-34000		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 27965	*Property Name SPANDEX COM		*Well Number 90S
*GRID No 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 6524'

¹⁰ Surface Location

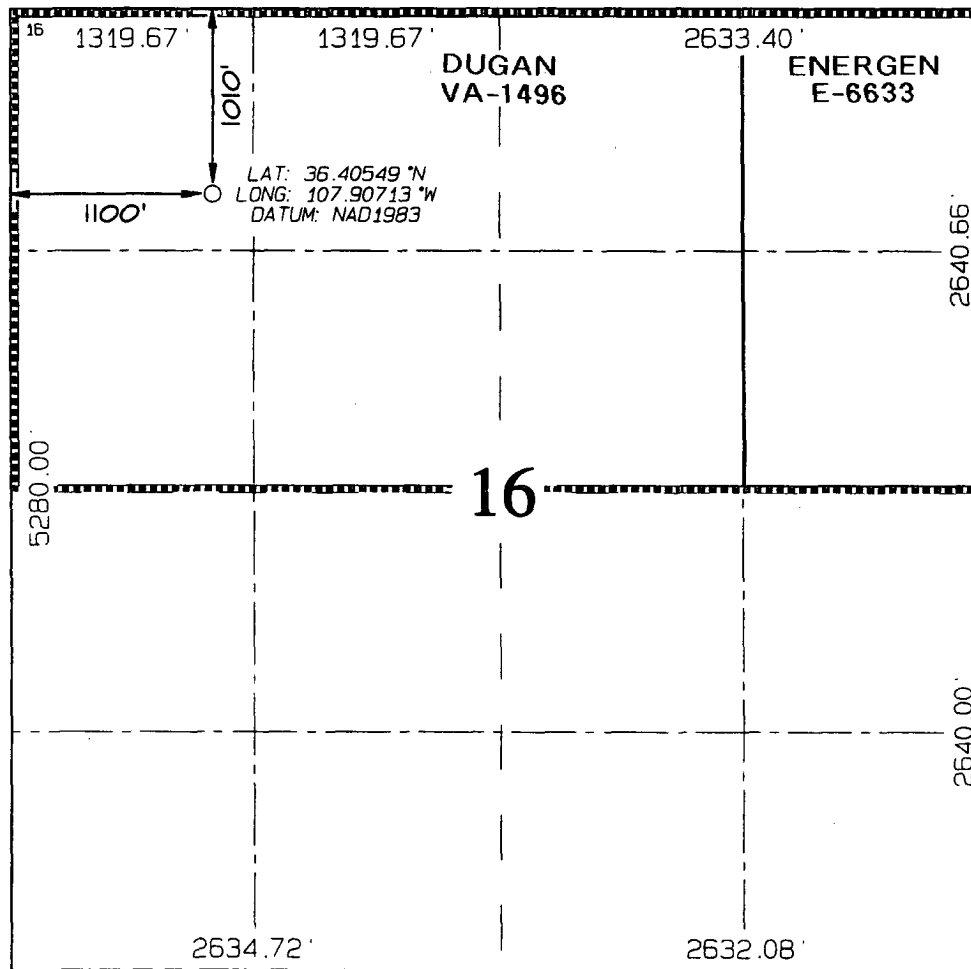
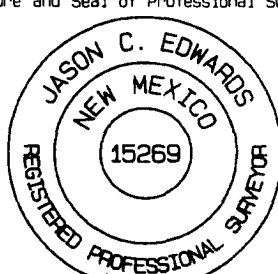
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	25N	10W		1010	NORTH	1100	WEST	SAN JUAN

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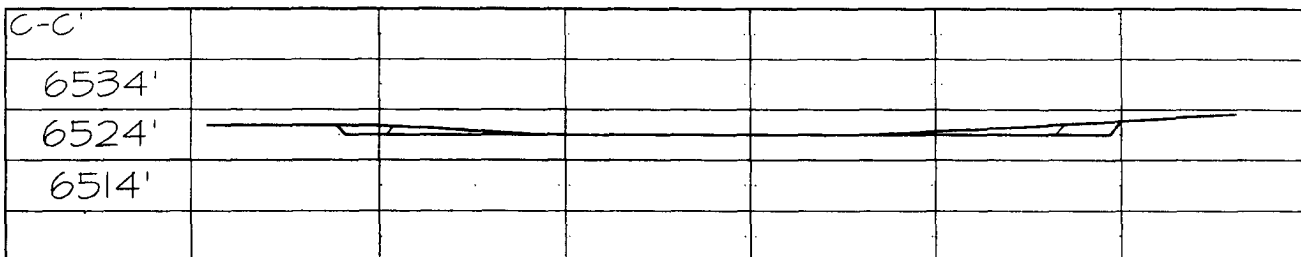
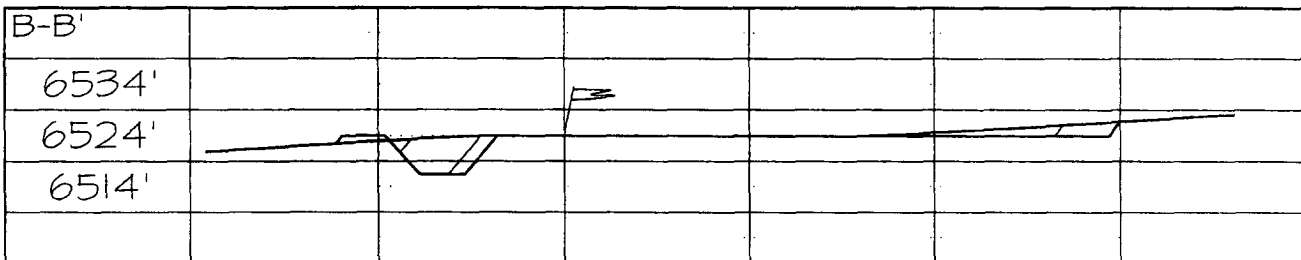
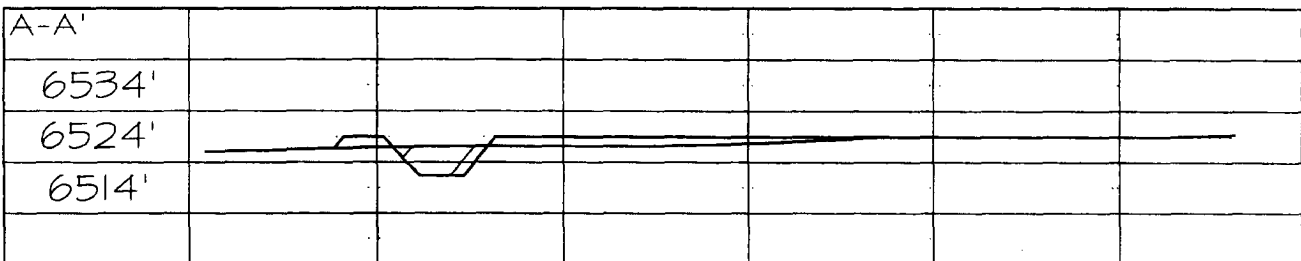
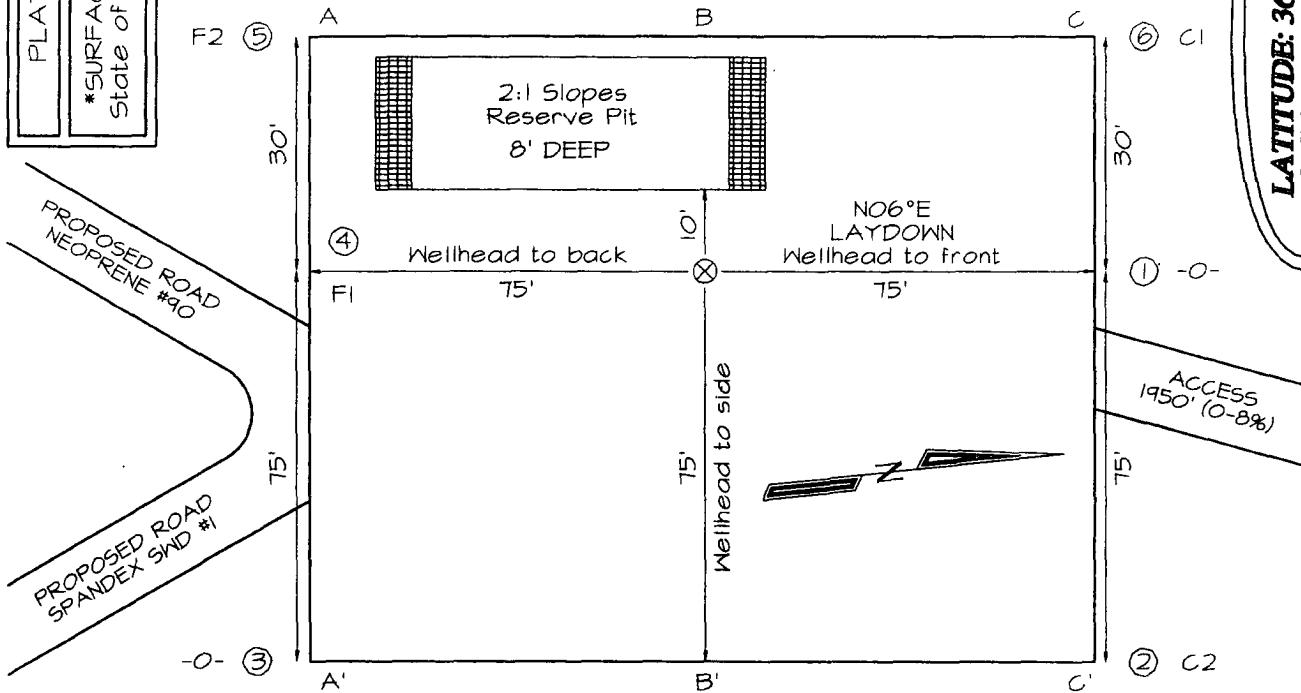
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ 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 Fagrelis</i></p> <p>Signature</p> <p>Kurt Fagrelis</p> <p>Printed Name</p> <p>Geology</p> <p>Title</p> <p>October 11, 2006</p> <p>Date</p>
	<p>¹⁸ 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>Survey Date: SEPTEMBER 13, 2006</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p>JASON C. EDWARDS</p> <p>Certificate Number 15269</p>

DUGAN PRODUCTION CORPORATION SPANDEX COM #90S
1010' FNL & 1100' FWL, SECTION 16, T25N, R10W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6524'

LATITUDE: 36.40549° N
LONGITUDE: 107.90713° W
 DATUM: NAD1983

1950' TOTAL LENGTH OF ACCESS
 995' Bureau of Land Management
 955' State of New Mexico Land



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