

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

¹ Operator Name and Address Dugan Production Corp. 709 East Murray Drive, Farmington, New Mexico 87401		² OGRID Number 006515
		³ API Number 30-045-34524
⁴ Property Code 3823	⁵ Property Name Road Runner	⁶ Well No. 92

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
B	36	24N	11W		1200'	North	1850'	East	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

⁹ Proposed Pool 1 Basin 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
B	36	24N	11W		1200'	North	1850'	East	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 S		¹⁵ Ground Level Elevation 6511'	
¹⁶ Multiple No		¹⁷ Proposed Depth 1080'		¹⁸ Formation Pictured Cliffs		¹⁹ Contractor Wayne Smith Drlg		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-Circ.
7"	5-1/2"	14#	1080'	165-cf	Surface-Circ.

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 900' - 920'. 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: Dec. 2, 2007

Phone: 505-325-1821

OIL CONSERVATION DIVISION

Approved by:

[Signature]
Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3

Approval Date: DEC 13 2007

Expiration Date:

Conditions of Approval:

Attached ☐

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

DEC 13 2007
AV

[Signature]

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
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 30045-34524		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name ROAD RUNNER		*Well Number 92
*OGRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 6511'

¹⁰ Surface Location

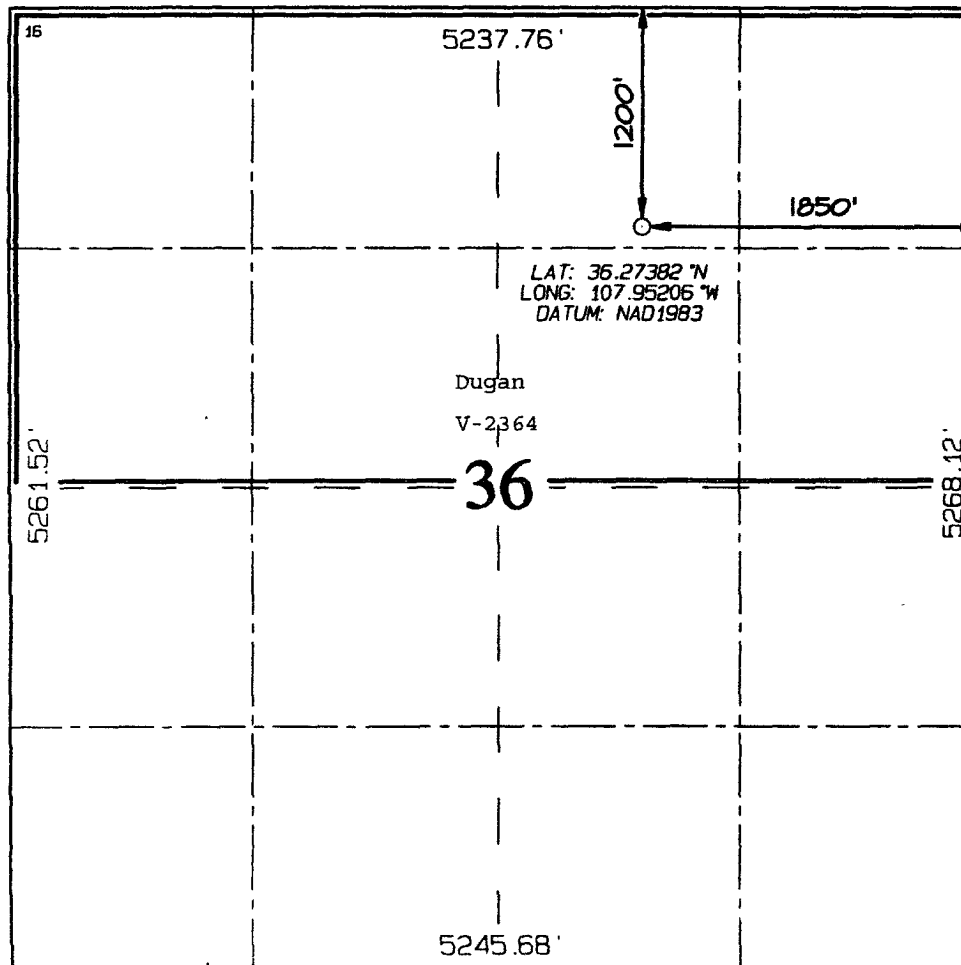
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24N	11W		1200	NORTH	1850	EAST	SAN JUAN

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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Kurt Fagrelus 12/02/2007
Signature Date

Kurt Fagrelus

Printed Name

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

Survey Date: NOVEMBER 19, 2007

Signature and Seal of Professional Surveyor

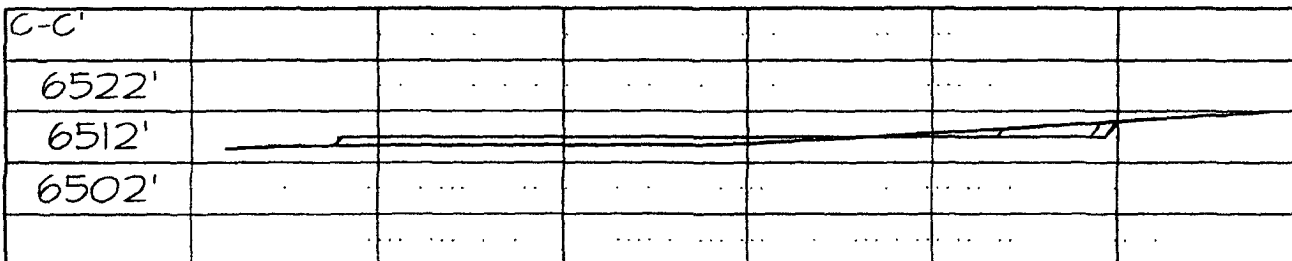
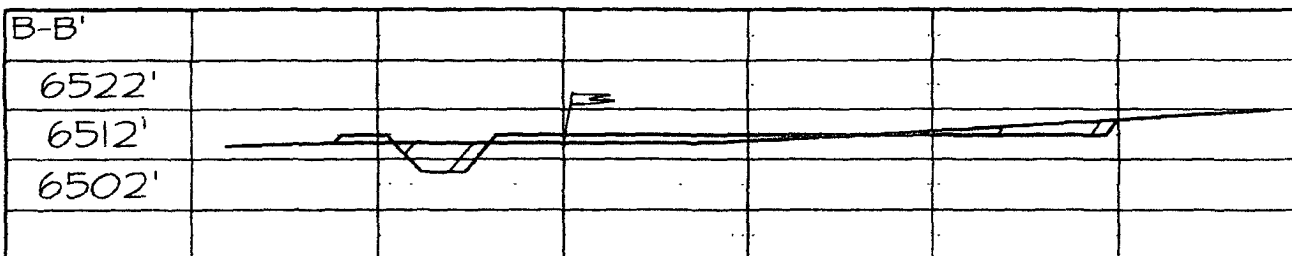
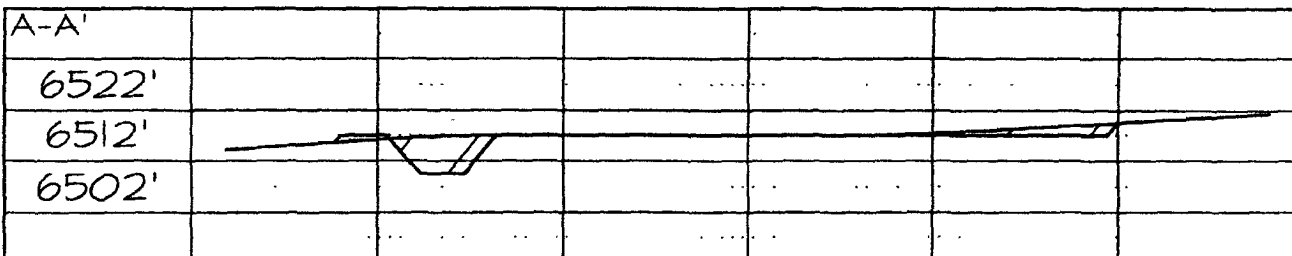
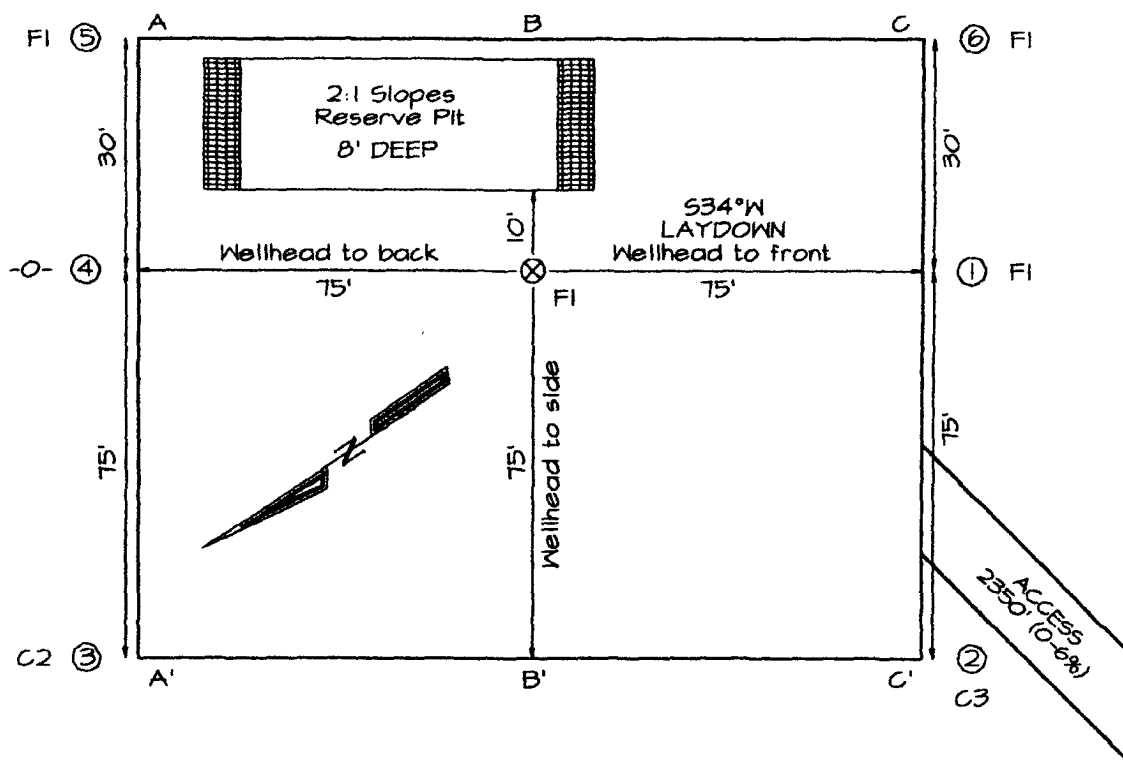


JASON C. EDWARDS
Certificate Number 15269

DUGAN PRODUCTION CORPORATION ROAD RUNNER #92
1200' FNL & 1850' FEL, SECTION 36, T24N, R11W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6511'

PLAT NOTE:
 SURFACE OWNER
 Bureau of Land
 Management

LATITUDE: 36.27382° N
 LONGITUDE: 107.95206° W
 DATUM: NAD1983



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