

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-101  
June 16, 2008

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

Submit to appropriate District Office

☐ 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> Property Code 34306	<sup>4</sup> Property Name Federal I Com	<sup>5</sup> API Number 30-045-35013
<sup>6</sup> Proposed Pool 1 Harper Hill Fruitland Sand Pictured Cliffs		<sup>7</sup> Proposed Pool 2 Basin Fruitland Coal

<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
I	12	29N	14W		2365	South	1220	East	San Juan

<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

Additional Well Information

<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 P	<sup>15</sup> Ground Level Elevation 5401' - GL
<sup>16</sup> Multiple Yes	<sup>17</sup> Proposed Depth 1220'	<sup>18</sup> Formation Fruitland P.C. SS & 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
12-1/4"	8-5/8"	24#	120-Feet	70-cf	Surface
7"	5-1/2"	14#	1220-Feet	210-cf	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 Fruitland Sand and Pictured Cliffs Sandstone from approximately 850 - 1100 feet and the Fruitland Coal from approximately 955 - 1050 perforated, fracture stimulated and commingled in the same well-bore.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
Signature <i>Kurt Fagrelus</i>	Approved by <i>[Signature]</i>	Title DEPUTY OIL & GAS INSPECTOR, DIST. #	
Printed name Kurt Fagrelus	Title VP-Exploration	Approval Date AUG 3 1 2009	Expiration Date 8/31/2011
E-mail Address kfagrelus@duganproduction.com			
Date 8-11-2009	Phone 505-325-1821	Conditions of Approval Attached <input type="checkbox"/>	

HOLD C104 FOR NSL in PC

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

AUG 3 1 2009

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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

<sup>1</sup> API Number <b>30045-35013</b>	<sup>2</sup> Pool Code 78160 / 71629	<sup>3</sup> Pool Name HARPER HILL FRUITLAND SAND PICTURED CLIFFS / BASIN FRUITLAND COAL
<sup>4</sup> Property Code <b>34306</b>	<sup>5</sup> Property Name FEDERAL I COM	<sup>6</sup> Well Number 102S
<sup>7</sup> GRID No 006515	<sup>8</sup> Operator Name DUGAN PRODUCTION CORPORATION	<sup>9</sup> Elevation 5401'

#### <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
I	12	29N	14W		2365	SOUTH	1220	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

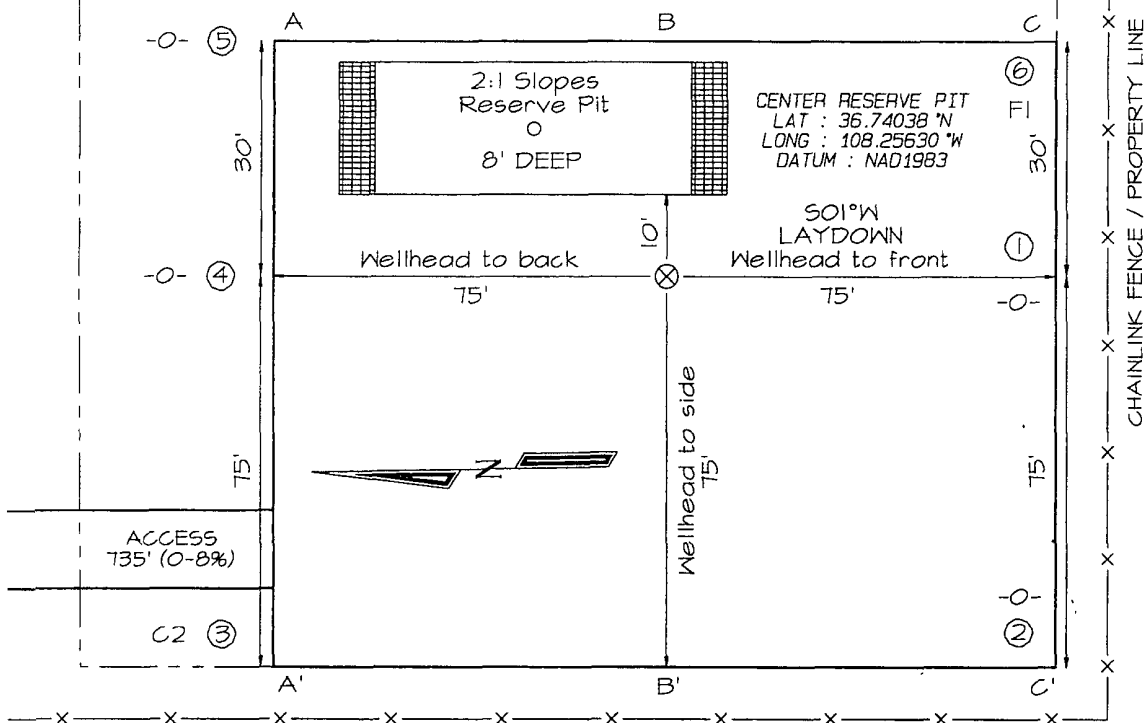
<sup>12</sup> Dedicated Acres 160.0 Acres (SE/4) - PC 320.0 Acres (E/2) - FC	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><div>16</div><div>2643.30'</div><div>2641.32'</div><div>2426.16'</div><div>12</div><div>LAT: 36.74029°N LONG: 108.25637°W DATUM NAD1983</div><div>LOT 2</div><div>LOT 1</div><div>LOT 3</div><div>San Juan River</div><div>5287.92' XTO Nav.14-20-603-2198</div></div>	<div><div>1323.30'</div><div>1326.60'</div><div>2556.84'</div><div>Dugan 100% SF-078110</div><div>XTO FEE</div></div>	<div><div><b>17 OPERATOR CERTIFICATION</b></div><div>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.</div><div><i>Kurt Fagrelus</i> 8-11-2009 Signature Date Kurt Fagrelus Printed Name</div><div><b>18 SURVEYOR CERTIFICATION</b></div><div>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</div><div>Date of Survey: JUNE 3, 2009</div><div>Signature and Seal of Professional Surveyor</div><div><div>JASON C. EDWARDS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15269</div><div>JASON C. EDWARDS Certificate Number 15269</div></div></div>
	<div><div>2641.32'</div><div>2556.84'</div><div>2598.42'</div><div>1220'</div><div>2365'</div></div>	

**DUGAN PRODUCTION CORPORATION FEDERAL I COM #102S**  
**2365' FSL & 1220' FEL, SECTION 12, T29N, R14W, NMPM**  
**SAN JUAN COUNTY, NEW MEXICO ELEVATION: 5401'**

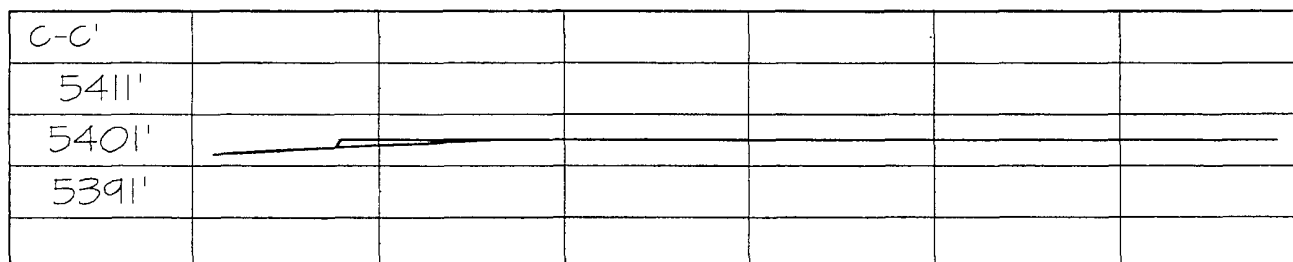
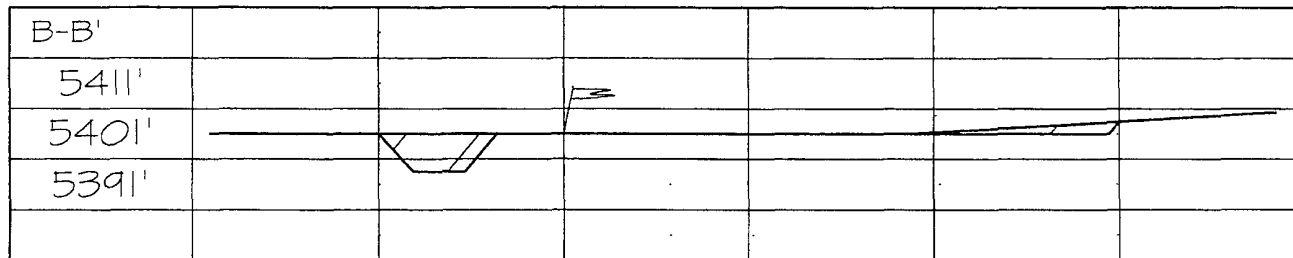
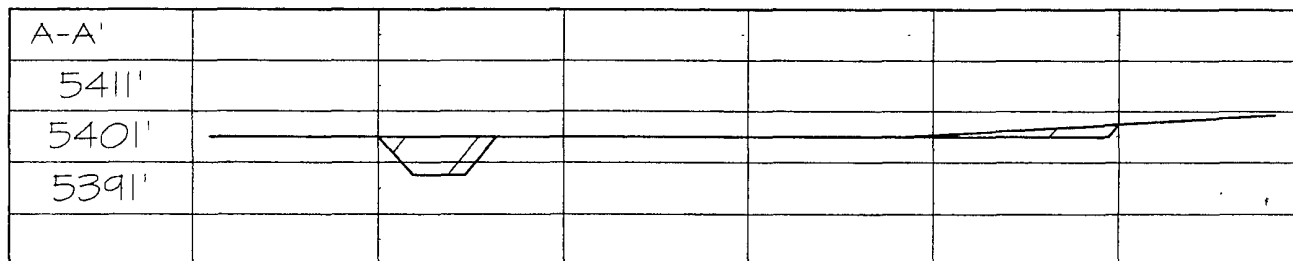
Steel T-Posts have been set to define the Edge of Disturbance limits which are 50' offset from the edge of the staked wellpad on both the East and North sides.



PLAT NOTE:

\*FEE SURFACE OWNER\*  
M & R TRUCKING

**LATITUDE: 36.74029° N**  
**LONGITUDE: 108.25637° W**  
 DATUM: NAD1983

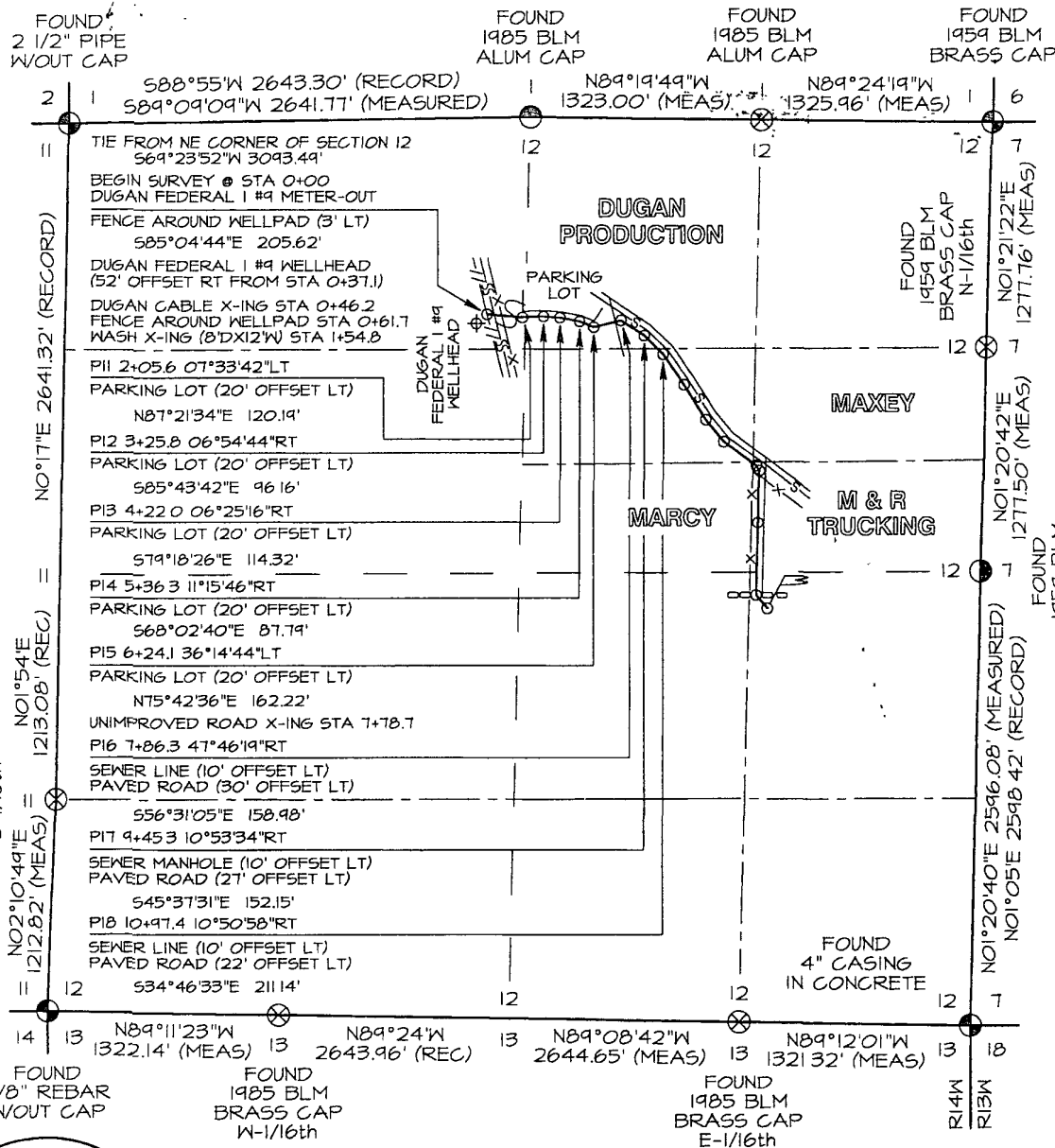


Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

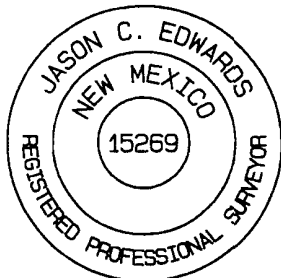
# DUGAN FEDERAL I COM #102S PROPOSED PIPELINE SURVEY LOCATED IN N/2 & NE/4 SE/4 OF SECTION 12, T29N, R14W NMPM, SAN JUAN COUNTY, NEW MEXICO

PLAT 2a.

GRAPHIC SCALE 1"=1000'



BASIS OF BEARING:  
 REAL-TIME KINEMATIC GPS SURVEY  
 SOLUTION OBTAINED FROM SATELLITES  
 TRACKED ON JULY 16, 2009 FROM A  
 REFERENCE STATION POSITIONED IN  
 SW/4 SE/4 OF SECTION 2, T29N, R14W  
 BEFORE ANY CONSTRUCTION BEGINS,  
 CONTRACTOR IS ADVISED TO CALL  
 ONE-CALL FOR LOCATION OF ANY  
 MARKED OR UNMARKED PIPELINES OR  
 CABLES IN THE AREA OF THE PROJECT.



I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

**JASON C. EDWARDS** Date: July 19, 2009  
 Jason C. Edwards  
 New Mexico LS #15269

~ FEE SURFACE OWNERSHIP ~		
Dugan Production Corporation	0+00 TO 18+95.5	1895.5 FT / 114.9 RODS
Rick L. Marcy	18+95.5 TO 19+28.8	33.3 FT / 2.0 RODS
M & R Trucking	19+28.8 TO 27+79.9	851.1 FT / 51.6 RODS

Prepared for:  
 DUGAN PRODUCTION  
 P.O. BOX #420  
 FARMINGTON, NM 87499

**SURVEYS, INC.**

**Land Surveyor:**  
 Jason C. Edwards  
**Mailing Address:**  
 Post Office Box 6612  
 Farmington, NM 87499  
**Business Address:**  
 111 East Pinon Street  
 Farmington, NM 87402  
 (505) 325-2654 (Office)  
 (505) 326-5650 (Fax)

CHECKED BY: JCE  
 SHEET 3 OF 6  
 FILENAME: 29141263

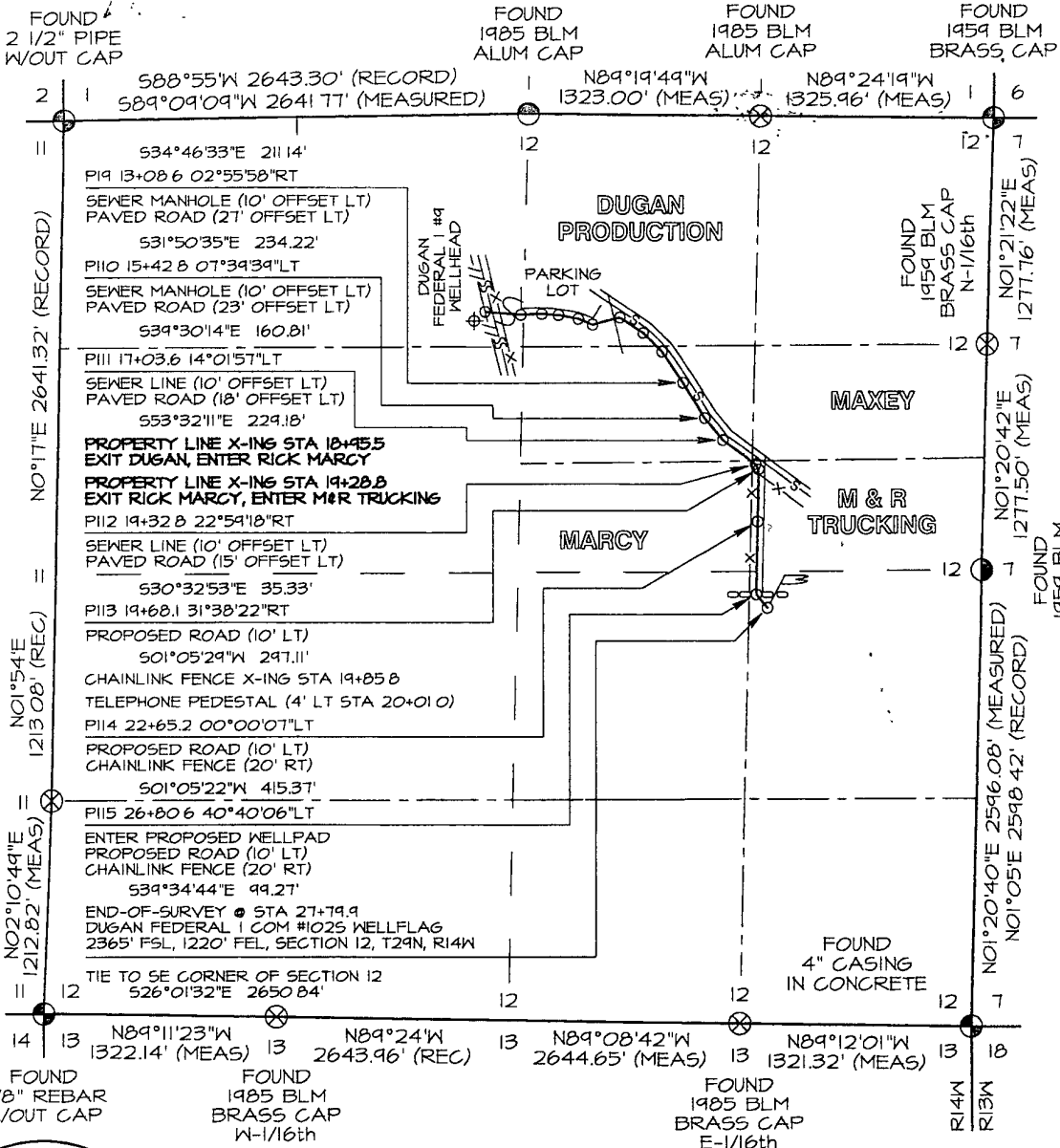
DRAWN BY: SLE

# DUGAN FEDERAL I COM #102S PROPOSED PIPELINE SURVEY LOCATED IN N/2 & NE/4 SE/4 OF SECTION 12, T29N, R14W NMPM, SAN JUAN COUNTY, NEW MEXICO

GRAPHIC SCALE 1"=1000'



FOUND  
1973 BLM  
BRASS CAP  
5-1/16th



BASIS OF BEARING

REAL-TIME KINEMATIC GPS SURVEY  
SOLUTION OBTAINED FROM SATELLITES  
TRACKED ON JULY 16, 2009 FROM A  
REFERENCE STATION POSITIONED IN  
SW/4 SE/4 OF SECTION 2, T29N, R14W

FOUND  
1959 BLM  
BRASS CAP

FOUND  
1959 BLM  
BRASS CAP

BEFORE ANY CONSTRUCTION BEGINS,  
CONTRACTOR IS ADVISED TO CALL  
ONE-CALL FOR LOCATION OF ANY  
MARKED OR UNMARKED PIPELINES OR  
CABLES IN THE AREA OF THE PROJECT.



I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

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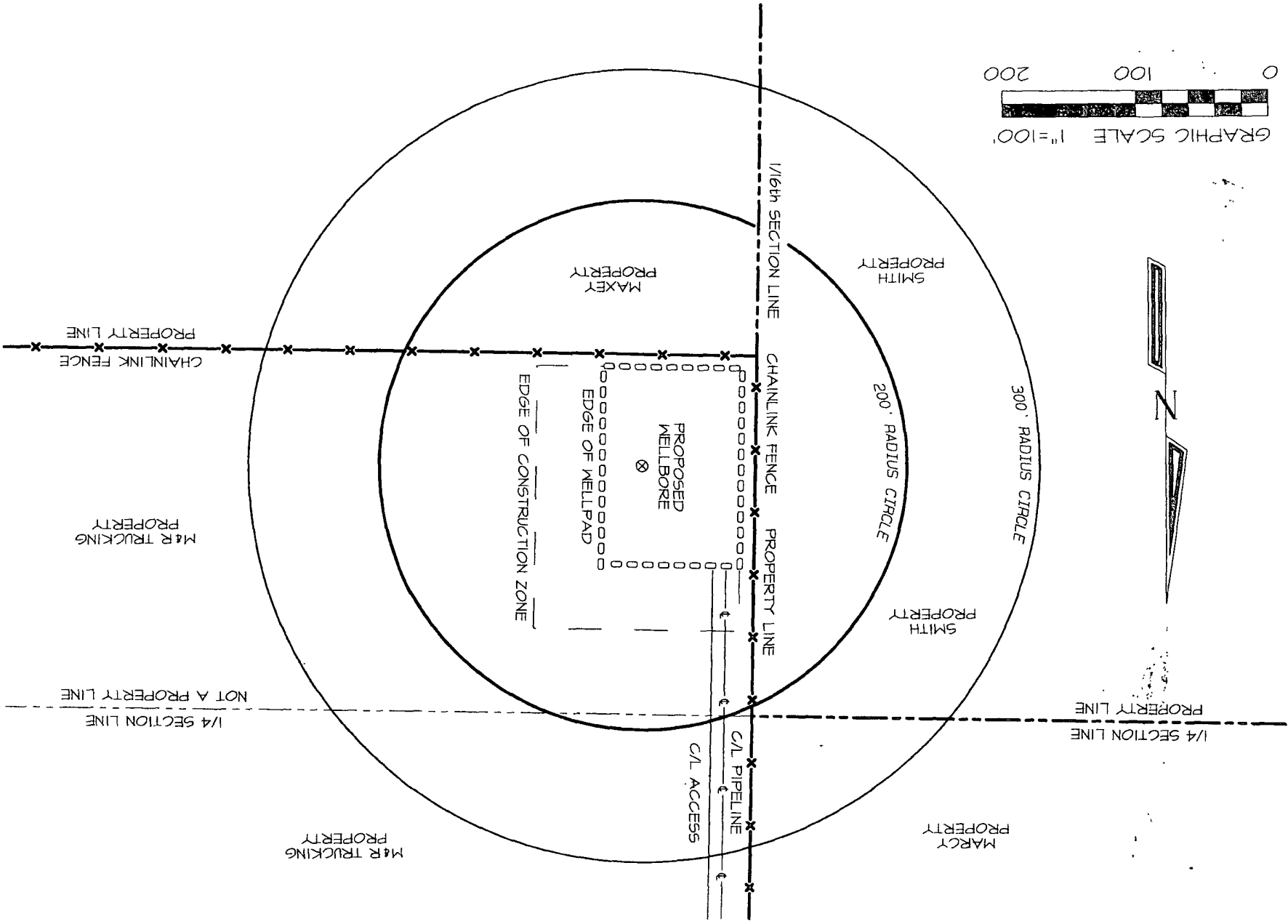
**Business Address:**  
111 East Pinon Street  
Farmington, NM 87402  
(505) 325-2654 (Office)  
(505) 326-5650 (Fax)

SHEET 4 OF 6

CHECKED BY: JCE

DRAWN BY: SLE

DUGAN PRODUCTION CORPORATION FEDERAL I COM #102S  
2365' FSL & 1220' FEL, SECTION 12, T29N, R14W, NMPM  
SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 5401'



# DUGAN PRODUCTION CORPORATION FEDERAL I COM #1025

2365' FSL & 1220' FEL, SECTION 12, T29N, R14W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

EXHIBIT E

