

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. SF-080230	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				6. INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 420, Farmington, NM 87499				8. FARM OR LEASE NAME Sapp C	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 900' FNL & 1660' FWL At proposed prod. zone				9. WELL NO. 4	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 1/2 miles northwest of Escrito Trading Post				10. FIELD AND POOL, OR WILDCAT Lybrook Gallup	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 900' FNL				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T 23N, R 7W, NMPM	
16. NO. OF ACRES IN LEASE 632.4				12. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40				13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.				20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7075' GL; 7087' RKB				22. APPROX. DATE WORK WILL START* asap	
23. PROPOSED CASING AND CEMENTING PROGRAM					
This action is subject to technical and procedural review pursuant to 43 CFR 3165.1 and appeal pursuant to 43 CFR 3166.4.					
SIZE OF HOLE		SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	159 cu.ft. circ. to surface	
7-7/8"	4-1/2"	10.5#	5750'	1868 cu.ft. circ. to surface	

Plan to drill a 12-1/4" hole and set 200' of 8-5/8" OD, 24#, J-55 surface casing; then plan to drill a 7-7/8" hole to total depth with gel-water-mud program to test Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4 1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

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JUN 5 1989
DIV.
101.3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Sherman Dugan TITLE Geologist
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED
JUN 05 1989
AREA MANAGER

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

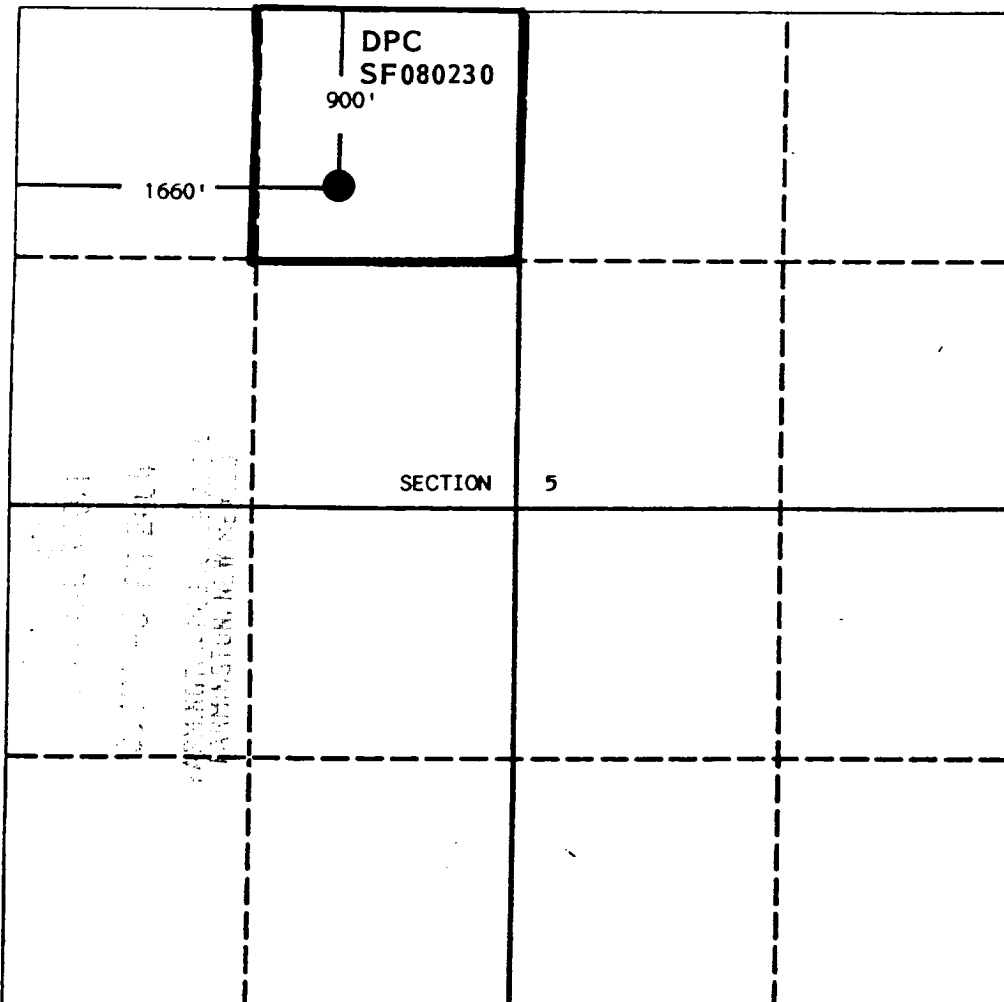
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Dugan Production Corporation			Lease Sapp C		Well No. 4
Unit Letter C	Section 5	Township 23 North	Range 7 West	County Rio Arriba	
Actual Footage Location of Well: 900 feet from the North line and 1660 feet from the West line					
Ground level Elev. 7075	Producing Formation Gallup		Pool Lybrook Gallup		Dedicated Acreage: 40 38/100 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Sherman E. Dugan

Position

Vice-President

Company

Dugan Production Corp.

Date

5-2-89

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 knowledge and belief.

Date Surveyed

March 6, 1989

Signature & Seal of
Professional Surveyor

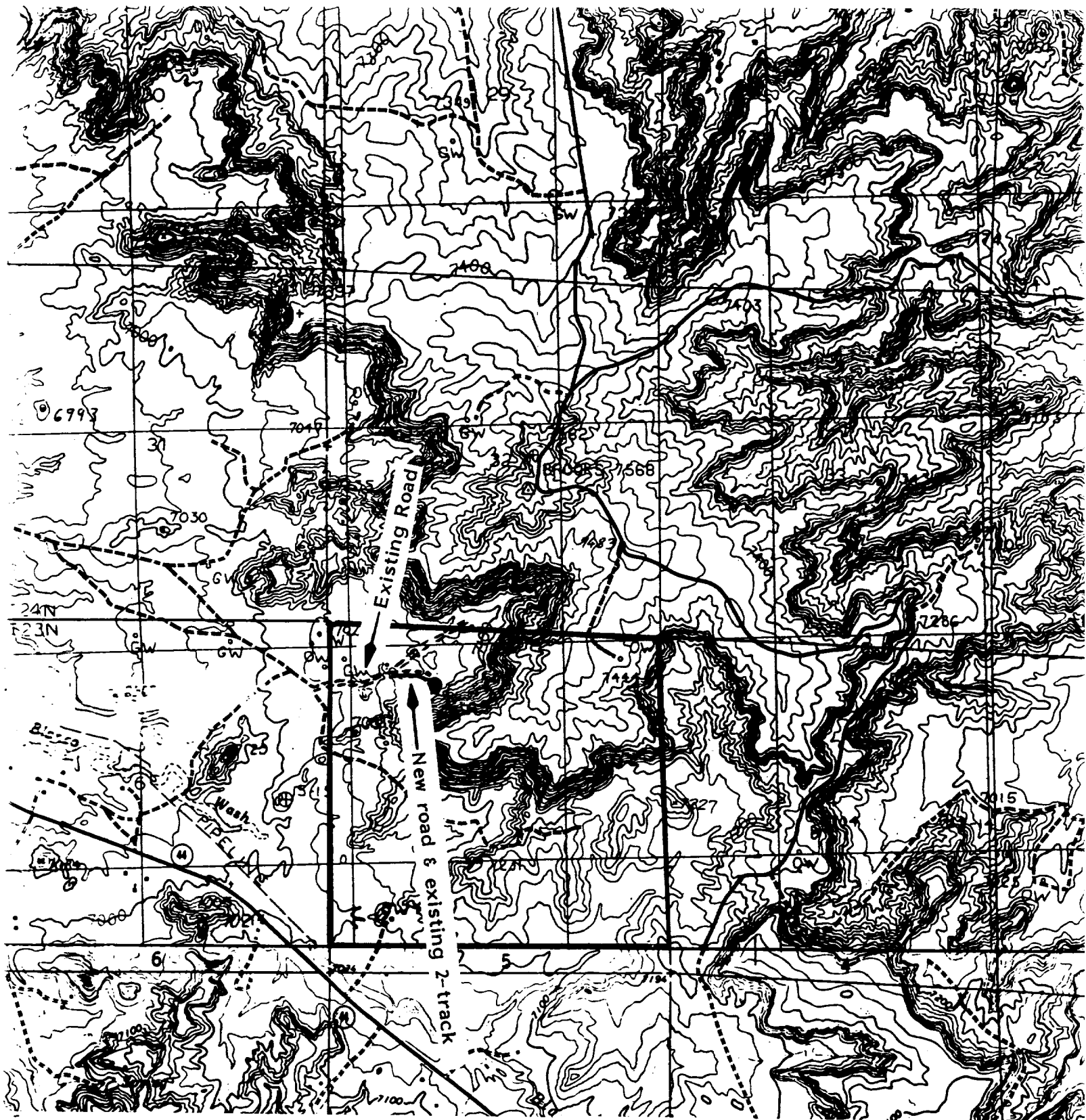
Certificate No.

5940

Edgar

Edgar L. Risenhoover





DUGAN PRODUCTION CORP. - Sapp C #4
Existing Roads Exhibit E

Vicinity of nearest town or reference pt.
2 1/2 miles Escrito Trading Post

Type of surface dirt

Conditions good

Other

Reference map: USGS map Lybrook NW, NM

Planned Access Road(s) Exhibit E

Width 20' Maximum grades 1%

Drainage design

Cuts & Fills See Cut & Fill Diagram

Surfacing material none required

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

-- New Access & Pipeline