

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 GEOLOGICAL SURVEY

30-043-20692  
 5. LEASE DESIGNATION AND SERIAL NO.  
 NM 14970

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER   
 SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR  
 P O Box 208, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface 330' FSL - 500' FEL  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 20 miles south of Cuba, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 330'

16. NO. OF ACRES IN LEASE  
 880

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 1 mi. south

19. PROPOSED DEPTH  
 4875'

20. ROTARY OR CABLE TOOLS  
 rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 7125' GL; 7137' RKB  
 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START\*  
 ASAP

23. ~~PROPOSED CASING AND CEMENTING PROGRAM~~ This action is subject to administrative appeal pursuant to 30 CFR 200.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	36#	200'	160 cf to surface.
7-7/8"	4-1/2"	10.5#	4875'	1305 cf in 2 stages

Plan to drill a 12-1/4" hole with spud mud to 200' and set 8-5/8" surface casing. (circulate cement to surface) Then plan to drill a 7-7/8" hole to T.D. to test the Gallup formation. Will run I.E.S. and C.D.L. logs, and if deemed productive, will run casing, cement in two stages (effectively covering the top of the Ojo Alamo formation at 1175'; will selectively perforate, frac, clean out after frac, and complete well.

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OIL CON. DIV.  
 DIST. 3

GAS NOT DEDICATED.

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. Sherman E. Dugan Sherman E. Dugan TITLE Geologist

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

*ahs*

\*See Instructions On Reverse Side  
**NMOCC**

9-16-83  
**APPROVED**  
 AS AMENDED  
 OCT 19 1983  
 DATE  
*R. B. ...*  
 AREA MANAGER  
 FARMINGTON RESOURCE AREA

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator Dugan Production Corporation		Lease B. R.'s Stars			Well No. 2
Unit Letter P	Section 17	Township 21 North	Range 3 West	County Sandoval	
Actual Footage Location of Well: 330 feet from the South line and 500 feet from the East line					
Ground Level Elev. 7125	Producing Formation Gallup		Pool Undesignated Gallup	Dedicated Acreage: 40 Acres	

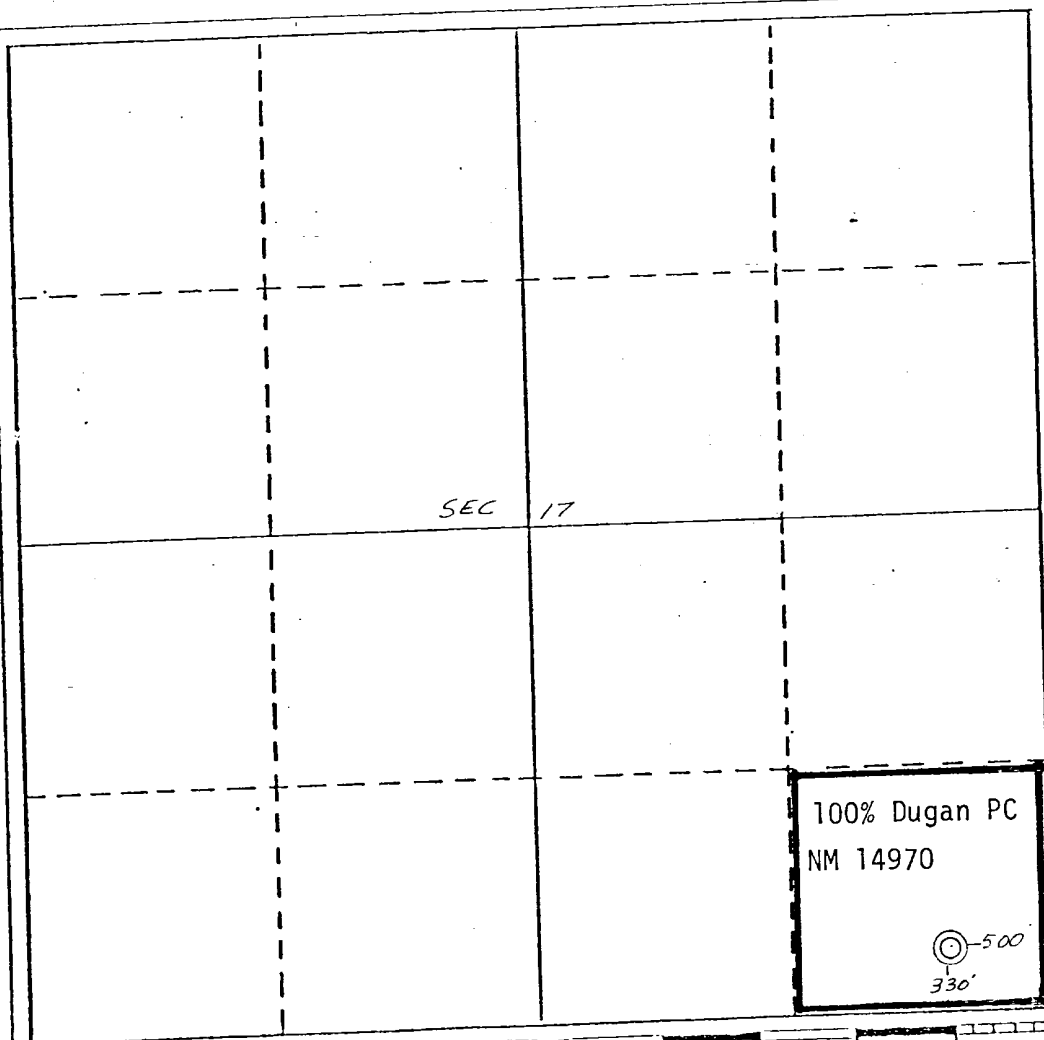
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Division.

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OIL CON. DIV.



CERTIFICATION

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

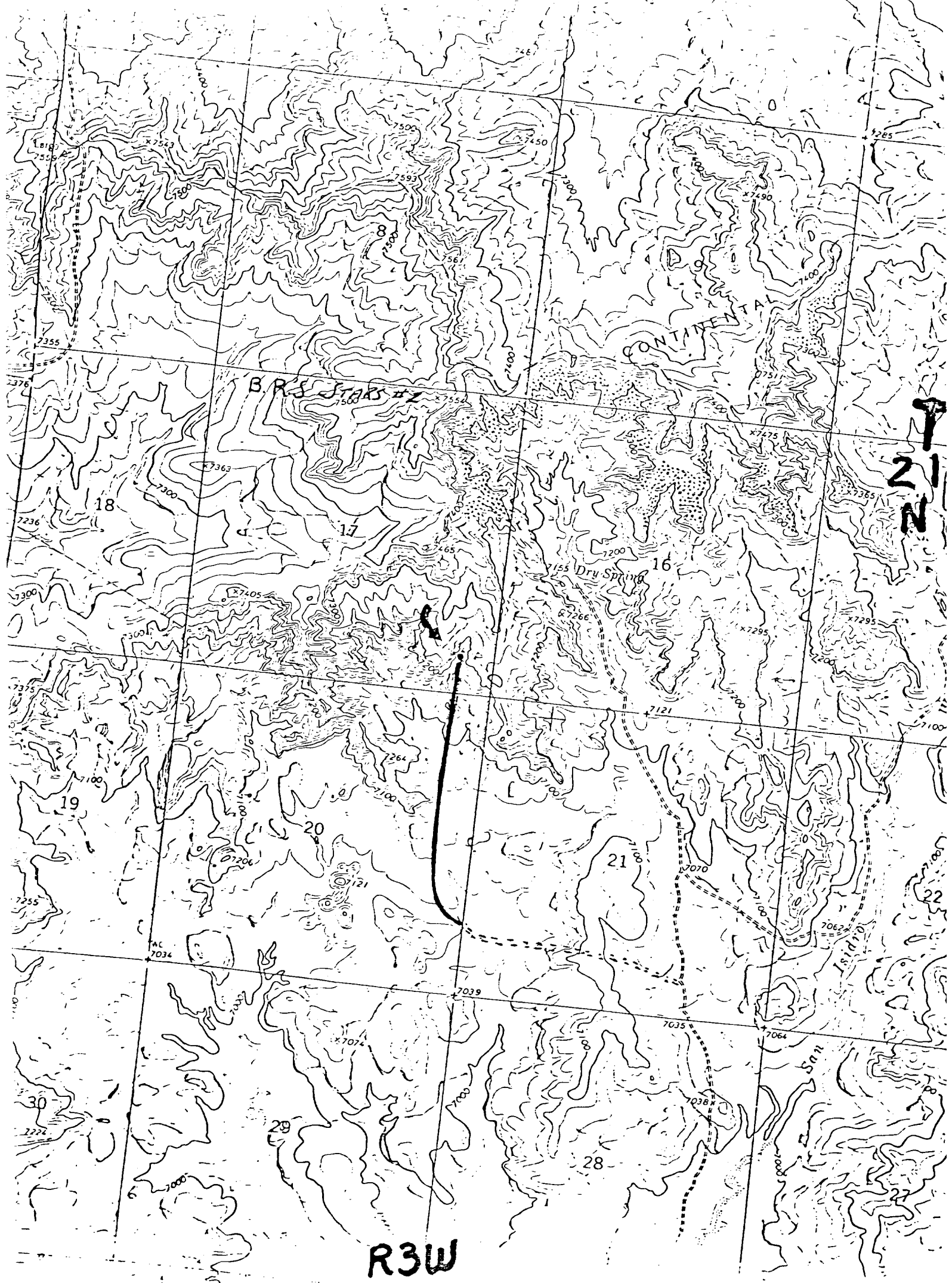
*Sherman E. Dugan*

Name  
Sherman E. Dugan  
Position  
Geologist  
Company  
Dugan Production Corp.  
Date  
9-16-83

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey 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  
September 7, 1983  
Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979  
Edgar L. Risenhoover, L.S.



DUGAN PRODUCTION CORP.  
Existing Roads =====

B.R.'s Stars #2  
Exhibit E

DUGAN PRODUCTION CORP.  
Planned Access Road(s) —————

B.R.'s Stars #2  
Exhibit E

Distance from nearest town or reference pt.  
20 miles south of Cuba, NM

Width 15' Maximum grades 1%  
Drainage design: access rd high on W side of canyon; drainage on E side of canyon

Type of surface dirt

Surfacing material on site

Conditions good

- Turnouts NONE
- Culverts NONE
- Gates NONE
- Cattleguards NONE
- Fence cuts NONE

Other \_\_\_\_\_