

5 BLM
1 File

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NM 89023

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARMOR LEASE NAME, WELL NO.
South Seas #2

9. API WELL NO.
30-043-20914

10. FIELD AND POOL OR WILDCAT
Undes. Chacra EXT

11. SEC., T., R., M., OR BLM.
AND SURVEY OR AREA
Unit K,
Sec. 6, T22N, R7W, NMPM

12. COUNTY OR PARISH
Sandoval

13. STATE
NM

18. TYPE OF WORK
DRILL ☒ DEEPEN ☐ 8" 3:17

9. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Dugan Production Corp.

3. ADDRESS AND TELEPHONE NO.
P.O. Box 420, Farmington, NM 87499 (505) 325-1821

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
At surface
1850' FSL & 1850' FWL (NE/4 SW/4)
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
approx. 4 miles SW of Escrito Trading Post, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)
1850'

16. NO. OF ACRES IN LEASE
924.87

17. NO. OF ACRES ASSIGNED
TO THIS WELL
160 161.49

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
approx. 3200' from South Seas #1

19. PROPOSED DEPTH
1935'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6870' (est) GL

22. APPROX. DATE WORK WILL START*
ASAP

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	53 cu.ft. (45 sx) circ. to surface
6-1/4"	2-7/8"	6.5#	1935'	266 cu.ft. (225 sx) circ. to surface

Plan to drill a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6 1/4" hole to total depth with gel-water-mud program to test Chacra formation. Plan to run IES and CDL logs. If determined productive, will run 2-7/8", 6.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

RECEIVED

DEC 16 1993

OIL CON. DIV.

DIST. 2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 E. Dugan TITLE Vice-President DATE 11/19/93
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY OK TITLE _____

APPROVED
AS AMENDED

DEC 13 1993

DISTRICT MANAGER

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

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-182
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

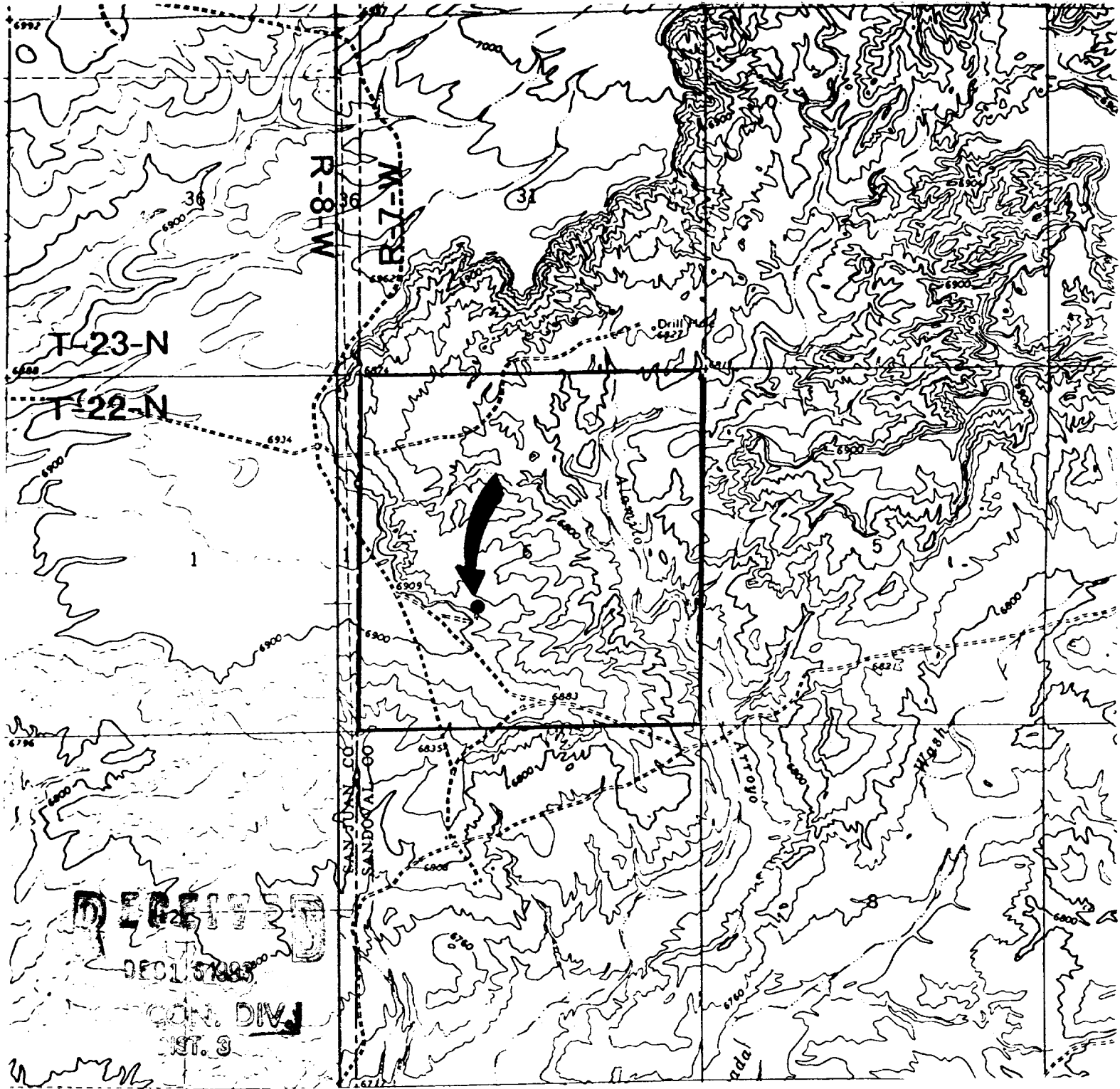
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 South Seas		Well No. 2
Unit Letter K	Section 6	Township 22 North	Range 7 West	County Sandoval	
Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the West line					
Ground level Elev. 6870' Est.	Producing Formation Chacra	Pool Undesignated Chacra EXT		Dedicated Acreage: 161.49 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					
<div style="text-align: center;">RECEIVED DEC 16 1993 OIL CON. DIV. DIST. 3</div> <div style="text-align: center;">Section 6</div> <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 200px;"><p>Dugan Prod. Corp. NM 89023</p><p>1850'</p><p>1850'</p></div> <div style="text-align: center;">0 130 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0</div>					
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Sherman E. Dugan</i> Printed Name: Sherman E. Dugan Position: Vice-President Company: Dugan Production Corp. Date: 11/19/93					
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: October 25, 1993 Signature & Seal of Professional Surveyor: <i>Edgar L. Risenhoover</i> Certifying No.: 9929 Edgar L. Risenhoover, P.E.					



Existing Roads

Vicinity of nearest town or reference pt.
approx. 4 miles SW of Escrito Trading Post

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map Lybrook, NM

Exhibit E

Planned Access Road(s)

Exhibit E

Width	<u>14'</u>	Maximum grades	<u>6%</u>
Drainage design	<u>as required</u>		
Cuts & Fills	<u>as required</u>		
Surfacing material	<u>none</u>		
Turnouts	<u>none</u>	Waterbars	<u>none</u>
Culverts	<u>none</u>		
Gates	<u>none</u>		
Cattleguards	<u>none</u>		
Fence cuts	<u>none</u>		

Access road(s) do/do not cross Fed/Ind land.

Dugan Production Corp. - South Seas #2