Form 3160-5 (November 1983) (Formerly 9-331) BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)			Form approved. File Budget Bureau No. 1004-0135 Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. NOO-C-1420-7313 6. IF INDIAN, ALLOTTEE OR TRISE NAME Navajo Allotted	
1. RECEIVED			7. UNIT AGREEMENT NAME	
OIL XX GAS WELL OTHER 2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		JAN 24 1986	JAN 24 1986 St. Louis	
3. ADDRESS OF OPERATOR P O Box 208, Farmington, NM 87499 BUREAU OF LAND MANAGEMENT LOCATION OF WELL (Report location clearly and in accordance with any SCHEPTERMINE AREA LOCATION OF WELL (Report location clearly and in accordance with any SCHEPTERMINE AREA See also space 17 below.) At surface 330' FNL - 2310' FWL			9. WELL NO. 12 10. FIELD AND POOL, OR WILDCAT SOUTH BISTI-Gallup 11. BEC., T., R., M., OR BLK. AND BURYEY OF AREA Sec. 9, T23N, Rlow, NMPM	
14. PERMIT NO. 15. ELEVATIONS (Show		IF, RT, GR, etc.)	12. COUNTY OF PARISH	13. STATE
	6582' GL; 65		San Juan NM	
16. Check A	ppropriate Box To Indicate I	Nature of Notice, Report, or C	Other Data UBNT BBPORT OF:	
TEST WATER SHOT-OFF PRACTURE TREAT SHOOT OR ACIDIZE REPAIR WELL (Other) 17. DESCRIPE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting a proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones per nent to this work.)* Moved in and rigged up Four Corners Drilling Company Rig #3. Spudded a 12½" hole @ 9:15 AM 1-22-86. Drilled to 212'. Ran 5 jts. of 8-5/8" OD, 24#, 8 Rd, ST&C casing (T.E. 193.92') set @ 206' RKB. Cemented with 135 sx class "B" plus 2% CaCl (total cement slurry 159 cf). P.O.B. @ 12:00 Noon 1-22-86. Circulated approximately 2 bbls cement to surface. Waited on cement 12 hrs before drilling. Pressure tested BOP and surface casing 600 psi for 30 minutes - held 0K.				
				Zo.
18. I hereby certify that the foregoing is true and correct		Geologist	DATE 11-23-86	
SIGNED Jim L. Jac. (This space for Federal or State of	cobs		DATE	A 1 (2000)

*See Instructions on Reverse Side NMOCO

OPERATIONS PLAN

OPERATOR: JEROME P. MCHUGH WELL NAME: NEW HORIZON #1 FIELD: GAVILAN MANCOS/DAKOTA

LOCATION: SEC. 2, T24N, R2W LEGAL FOOTAGES: 990' FSL - 1850' FEL

ELEVATION: 7253 GL

Revised 7/26/85

EXPECTED FORMATION TOPS:

Ojo Alamo 3105' Point Lookout 5645' Kirtland 33051 Mancos 5850' Fruitland 3335' Niobrara · ·· 6375' Pictured Cliffs 3470' Niobrara "A" 6815' Levis 3505' Carlisle 7370' Cliff House 5135' Greenhorn 7665' Menefee 5300' Graneros 7740'

LOGGING PROGRAM: IES, CDL, and CNL logs

SAMPLES: Catch samples every 10' from 6300' to total depth.

CASING PROGRAM:

Hole Casing Grade & Size Depth Size Wt./Ft. Condition 12ት" 2001 9-5/8" 36# J-55, "A" 815" 8190' 51/3" 17./15.5 K-55, "A"

, ,

Dakota 7790' Total Depth 8190'

N ECEIVE

JUL 3 1 1985

OIL CON. DIV.

Cementing Program

135 sx class "B" neat + 2% CaCl cir-

culated to surface (159 cu. ft.)

lst stage: 400 sx 50-50 poz w/2% gel

+6¼ gilsonite/sk + ¼ flocele/sk

(450 cu. ft.)

2nd stage: 210 sx 65-35 poz w/12%

gel + 6¼ gilsonite/sk (1200 cu. ft.)

+ ¼ flocele/sk followed by 310 sx

50-50 poz w/2% gel + ¼ flocele/sk

3rd stage: 450 sx 65-35 poz w/12%

gel + ¼ flocele/sk followed by 100

sx 50-50 poz w/12% gel Total slurry:

2750 cu. ft.

WELLHEAD EQUIPMENT: 9-5/8" x 10" 600 series bradenhead w/ $5\frac{1}{2}$ " slips; 10"x6" 600 series; 3000 psi working pressure.

FARMINGTON DISTRICT OFFICE 326-7793

JAMES HAZEN, Field Supt. 334-8225 (Home)
DENVER OFFICE, Garry Johnson 303 321-2111

JEROME P. McHUGH
New Horizon #1 Well
Exhibit B