

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. NM-32124
1B. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF 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 Calgary
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 660' FEL At proposed prod. zone			9. WELL NO. 5
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approx. 9½ miles SW of Blanco Trading Post			10. FIELD AND POOL, OR WILDCAT South-Bisti Gallup Ext
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 6, T23N, R10W, NMPM
16. NO. OF ACRES IN LEASE 640			12. COUNTY OR PARISH San Juan
17. NO. OF ACRES ASSIGNED TO THIS WELL 80			13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1867' from DPC's Calgary #2			20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DP, RT, GR, etc.) 6573' GL			22. APPROX. DATE WORK WILL START* ASAP
23. PROPOSED CASING AND CEMENTING PROGRAM			

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	159 cf circ. to surface
7-7/8"	4-1/2"	10.5#	4680'	1477 cf 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.

RECEIVED

JUN 19 1989

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

RECEIVED

JUL 2 1989

OIL CON. DIV.

DIST. 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 E. Dugan TITLE Vice President/
Geologist DATE 6-19-89
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED

AS ASSIGNED

JUL 10 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

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 Calgary		Well No. 5
Unit Letter I	Section 6	Township 23 North	Range 10 West	County San Juan	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground level Elev. 6573'	Producing Formation Gallup		Pool South Bisti Gallup Ext.		Dedicated Acreage: 80 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 _____ 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.</p>					

OPERATOR CERTIFICATION

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

Signature
Sherman E. Dugan

Printed Name
Sherman E. Dugan

Position
Vice-President

Company
Dugan Production Corp.

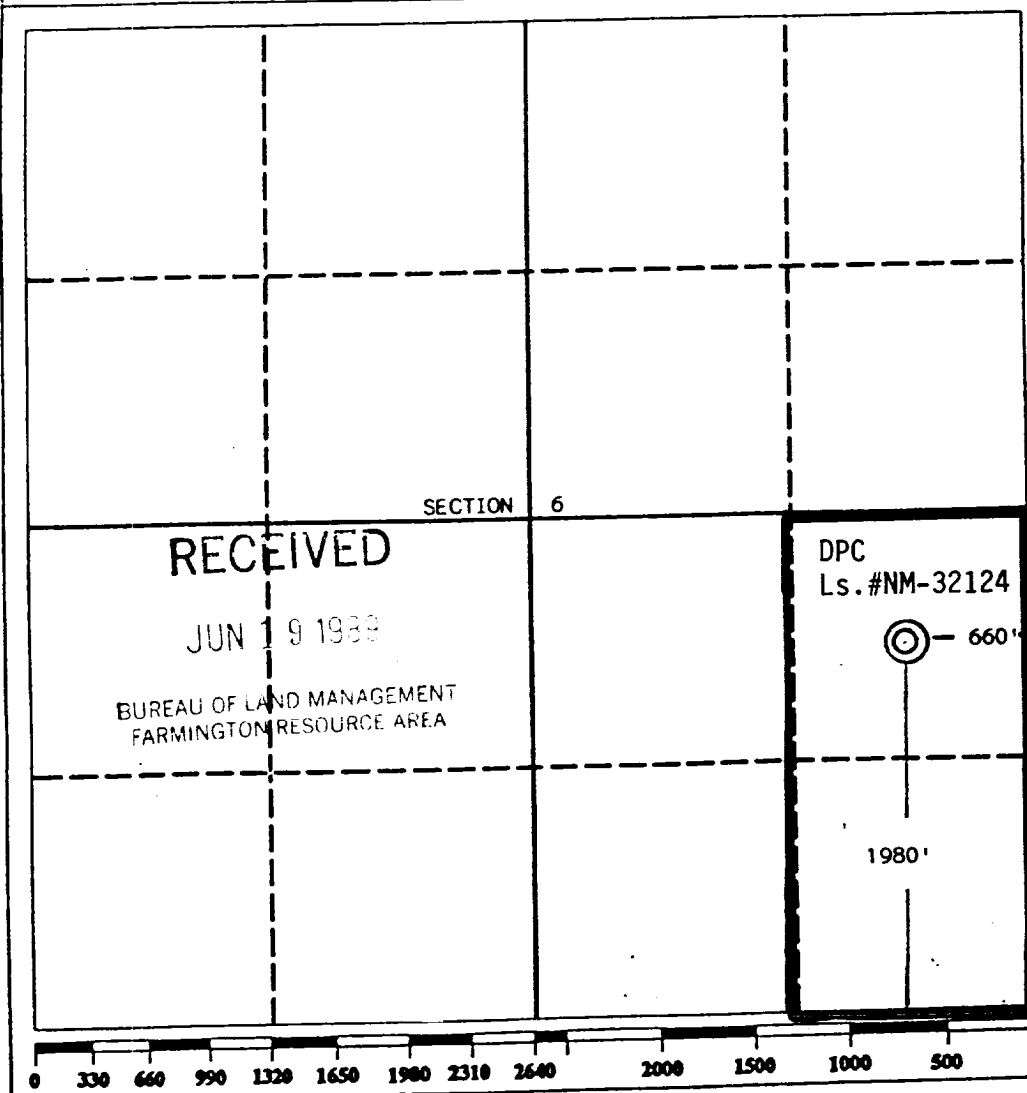
Date
6-19-89

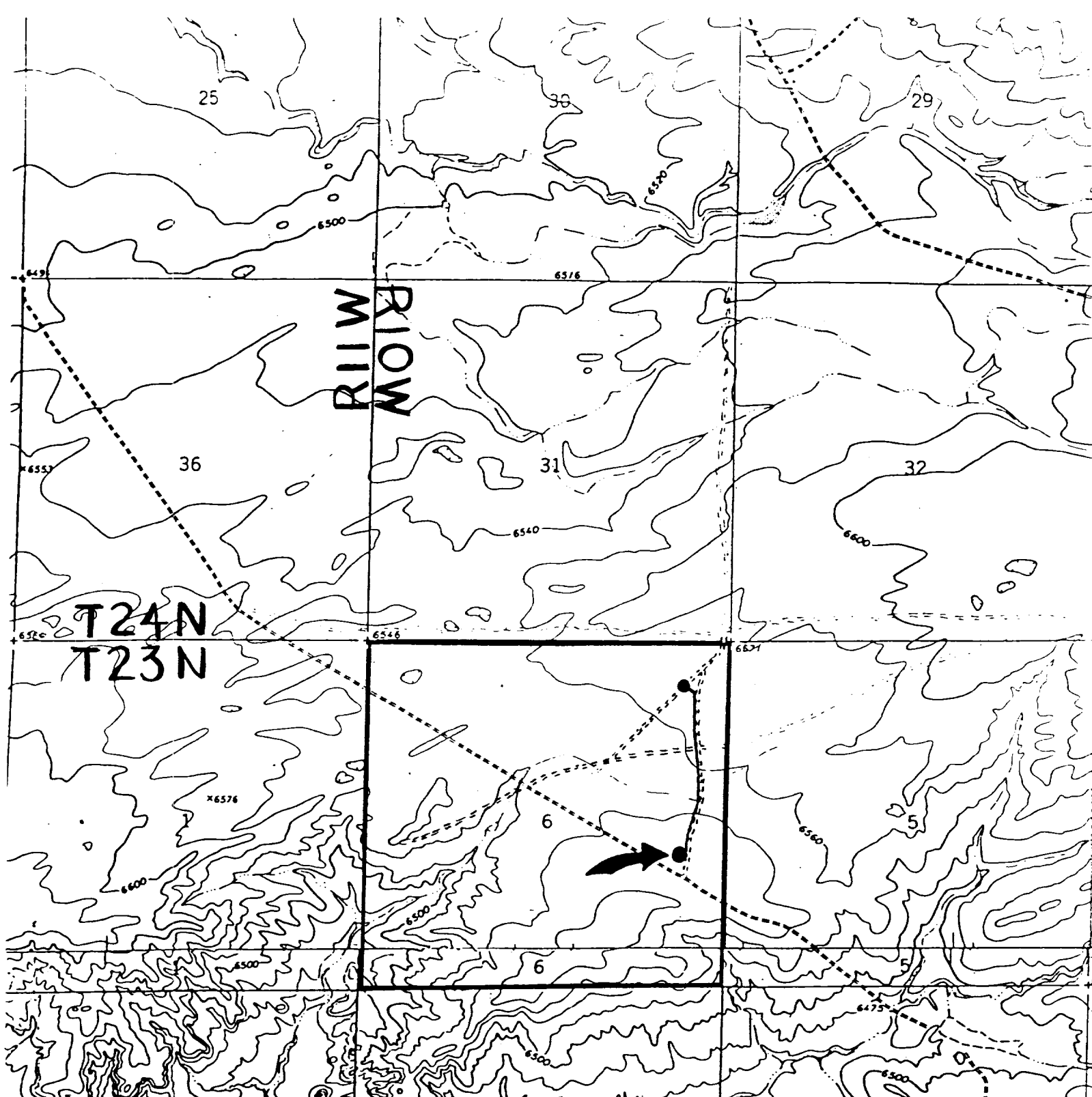
SURVEYOR CERTIFICATION

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
June 7, 1989

Signature & Seal of Professional Surveyor
Edgar E. Risen
EDGAR E. RISEN
NEW MEXICO
Certification No. 5979
Edgar E. Risen





DUGAN PRODUCTION CORP. - Calgary #5
Existing Roads Exhibit E

Vicinity of nearest town or reference pt.
 approx. 9½ miles SW of Blanco Trading Post

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map: Huerfano Trading
 Post SW 1966; Pueblo Bonito NW 1966

Planned Access Road(s) Exhibit E

Width 20' Maximum grades 2%
 Drainage design as required

Cuts & Fills see Cut & Fill Diagram

Surfacing material none required

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

--- new access & fluid
 line to existing
 system

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