

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 420, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
2205' FSL & 2205' FWL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
approx. 9 1/2 miles southwest of Blanco Trading Post

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)
2205'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
approx. 1550' from DPC's Calgary #2

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GL 6547'; KB 6559'

2. This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

PROPOSED CASING AND CEMENTING PROGRAM

| | WEIGHT PER FOOT | SETTING DEPTH |
|---------|-----------------|---------------|
| 12-1/4" | 8-5/8" | 24# |
| 7-7/8" | 4-1/2" | 10.5# |

16. NO. OF ACRES IN LEASE
636.72

17. NO. OF ACRES ASSIGNED TO THIS WELL
E/80

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
ASAP

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

159 cf circ. to surface
1462 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.

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MAY 21 1990

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
(This space for Federal or State office use)

Vice President/
Geologist

DATE 4-10-90

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NMOOD

*See Instructions On Reverse Side

AREA MANAGER

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-162
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

TAHITI, NEW MEXICO

| | | | | | |
|--|--------------|-------------------------------|------------------|--------------------------------|-----------------------------------|
| Operator Dugan Production Corporation | | | Lease Calgary | | Well No. 6 |
| Unit Letter K | Section 6 | Township 23 North | Range 10 West | County San Juan | |
| Actual Footage Location of Well: 2205 feet from the South line and 2205 feet from the West line | | | | | |
| Ground level Elev. 6547 | | Producing Formation Gallup | | Pool South Bisti Gallup EXT | Dedicated Acreage: E/ 80 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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).
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.?
☐ 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.

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DIST. 3

Section 6

DPC
NM 32124

2205'

2205'

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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

4-10-90

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

February 22, 1990

Signature

Professional

Edgar Hoover

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Edgar Hoover

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Edgar Hoover

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