

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
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
1050 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

30-045-28533 ✓

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

LH-174

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

LH

2. Name of Operator

Dugan Production Corp.

8. Well No.

174

3. Address of Operator

P.O. Box 420, Farmington, NM 87499

9. Pool name or Wildcat

Wildcat *Gallup*

4. Well Location

Unit Letter A : 570 Feet From The North Line and 645 Feet From The East Line

Section 32 Township 23N Range 8W NMPM San Juan County

10. Proposed Depth
4850'

11. Formation
Gallup

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

6770' GR ✓

14. Kind & Status Plug. Bond

statewide

15. Drilling Contractor

4 Corners Drilling

16. Approx. Date Work will start

asap

17. PROPOSED CASING AND CEMENT PROGRAM

40

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|------------------|----------|
| 12-1/4" | 8-5/8" | 24# | 200' | 135 sx (159 cf) | surface |
| 7-7/8" | 4-1/2" | 10.5# | 4850' | 825 sx (1543 cf) | 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 with stage tool, selectively perforate, frac, clean out after frac and complete well.

RECEIVED

APR 03 1991

OIL CON. DIV
DIST. 3

APPROVAL EXPIRES 10-3-91
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Jim L. Jacobs TITLE Vice-President DATE 4-3-91

TYPE OR PRINT NAME Jim L. Jacobs TELEPHONE NO.

(This space for State Use)

APPROVED BY Charles Hobbs DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE APR 03 1991

CONDITIONS OF APPROVAL, IF ANY:

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APR 24 1951
VIC. NO. 10
DIV. 1

RECEIVED
APR 24 1951
VIC. NO. 10
DIV. 1

APR 24 1951

RECEIVED

Submit to Appropriate
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Energy, Minerals and Natural Resources Department

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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

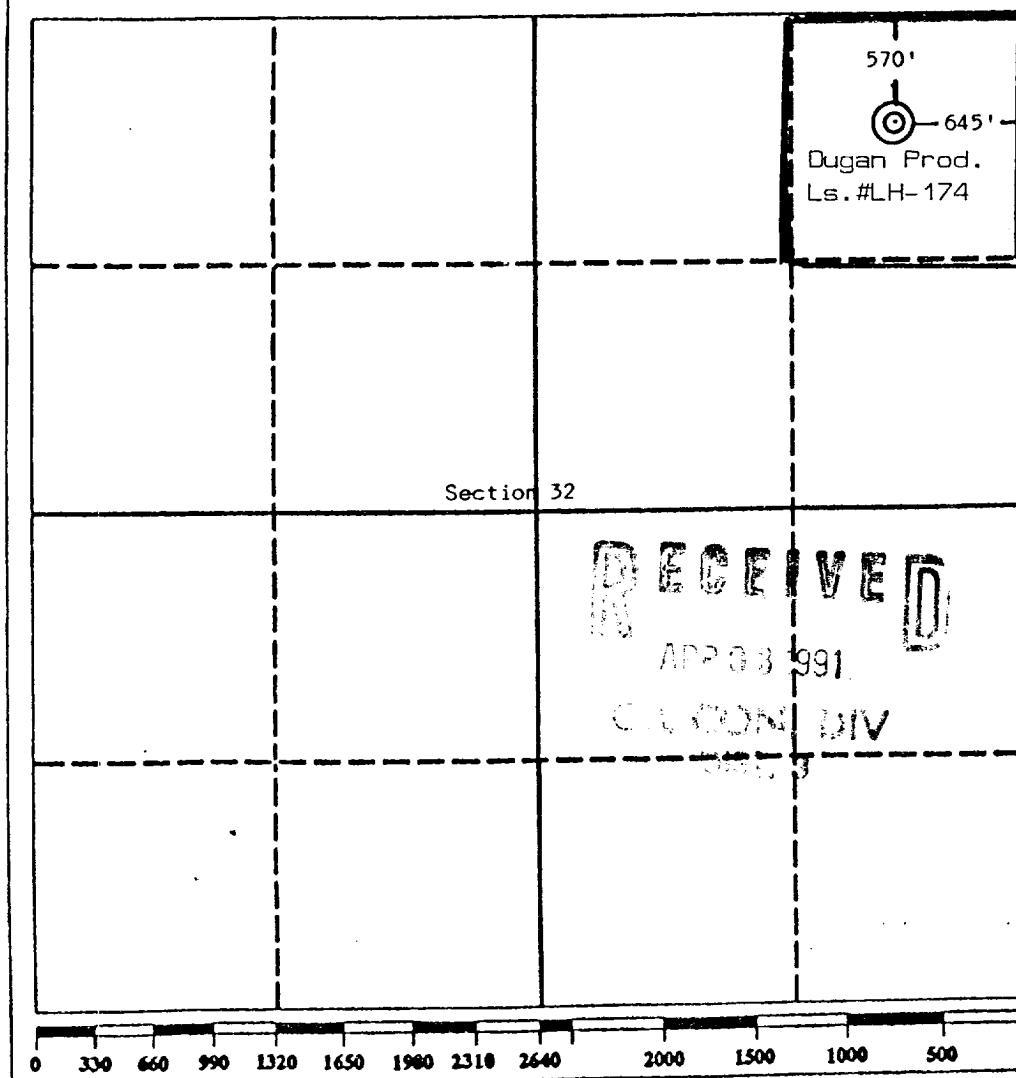
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 LH | | Well No. 174 |
| Unit Letter A | Section 32 | Township 23 North | Range 8 West NMPM | County San Juan |
| Actual Footage Location of Well: 570 feet from the North line and 645 feet from the East line | | | | |
| Ground level Elev. 6770 | Producing Formation Gallup | Pool Wildcat | Dedicated Acreage: 40 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> | | | | |



OPERATOR CERTIFICATION

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

Signature
Jim L. Jacobs
Printed Name
Jim L. Jacobs
Position
Vice-President
Company
Dugan Production Corp.
Date
4-3-91

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
March 28, 1991
Signature & Seal of Professional Surveyor
Edgar L. Risenhoover
Edgar L. Risenhoover
Certification No. 5879
REGISTERED LAND SURVEYOR