

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                                             |  |                                                                                   |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------|--|
| 1a. TYPE OF WORK<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>                            |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>NM 42059                                   |  |
| b. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>                            |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME                                              |  |
| 2. NAME OF OPERATOR<br>DUGAN PRODUCTION CORP. 6515                                                                                                          |  | 7. UNIT AGREEMENT NAME                                                            |  |
| 3. ADDRESS OF OPERATOR<br>P.O. Box 420, Farmington, NM 87499                                                                                                |  | 8. FARM OR LEASE NAME<br>Champ 3618                                               |  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)<br>At surface<br>990' FSL & 990' FWL<br>At proposed prod. zone |  | 9. WELL NO.<br>8                                                                  |  |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br>approx. 9-3/4 miles SW of Blanco Trading Post, NM                                  |  | 10. FIELD AND POOL, OR WILDCAT<br>South Bisti Gallup 5860                         |  |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.<br>(Also to nearest drlg. unit line, if any)<br>990'                            |  | 11. SEC., T., R., M., OR B.L.<br>AND SURVEY OR AREA<br>M Sec. 5, T23N, R10W, NMPM |  |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.<br>approx. 1300' from DPC's Champ #7          |  | 12. COUNTY OR PARISH<br>San Juan                                                  |  |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>6560' GL                                                                                                  |  | 13. STATE<br>NM                                                                   |  |
| 16. NO. OF ACRES IN LEASE<br>640 2115 1/2                                                                                                                   |  | 17. NO. OF ACRES ASSIGNED TO THIS WELL<br>S/80                                    |  |
| 19. PROPOSED DEPTH<br>4650'                                                                                                                                 |  | 20. ROTARY OR CABLE TOOLS<br>Rotary                                               |  |
| 22. APPROX. DATE WORK WILL START*<br>ASAP                                                                                                                   |  |                                                                                   |  |

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT         |
|--------------|----------------|-----------------|---------------|----------------------------|
| 12-1/4"      | 8-5/8"         | 24#             | 200'          | 159 c.f. circ. to surface  |
| 7-7/8"       | 4-1/2"         | 10.5#           | 4650'         | 1478 c.f. 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 the 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.

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NOV 20 1991

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 DATE 10-25-91  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

APPROVED  
AS AMENDEDNOV 15 1991  
AREA MANAGER

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JUN 11 1964

U.S. AIR FORCE

OFFICE OF THE  
JUDGE ADVOCATE GENERAL

Send to Appropriate  
Dist. 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 D2, Aramis, NM 88210

DISTRICT III  
1000 Rio Bravo Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT  
All Distances must be from the outer boundaries of the section

|                                                                                                  |                               |                            |                  |                                |               |
|--------------------------------------------------------------------------------------------------|-------------------------------|----------------------------|------------------|--------------------------------|---------------|
| Operator<br>Dugan Production Corporation                                                         |                               |                            | Lease<br>Champ   |                                | Well No.<br>8 |
| Unit Letter<br>M                                                                                 | Section<br>5                  | Township<br>23 North       | Range<br>10 West | County<br>NMNM                 | San Juan      |
| Actual Footage Location of Well:<br>990 feet from the South line and 990 feet from the West line |                               |                            |                  |                                |               |
| Ground level Elev.<br>6560                                                                       | Producing Formation<br>Gallup | Pool<br>South Bisti Gallup |                  | Dedicated Acreage:<br>80 Acres |               |

- Outline the acreage dedicated to the subject well by colored pencil or hatch marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

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

10-25-91

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

August 26, 1991

Signature & Seal of  
Professional Surveyor

Edgar L. Risenhoover  
Certificate No. 5979  
Edgar L. Risenhoover, P.S.

