SUBMIT IN TRIPLICATES Form approved. form 3160-3 Budget Bureau No. 1004-0136 (Other instructions on reverse side) (December 1990) UNITED STATES Expires: December 31, 1991 DEPARTMENT OF THE INTERIOR 5 BLM 1 bw 5. LEASE DESIGNATION AND SERIAL DO. 1 File BUREAU OF LAND MANAGEMENT NM 90469 6. IF INDIAN, ALLOTTES OR TRIBE HAMS APPLICATION FOR PERMIT TO DRILL OR DEEPEN 14. TYPE OF WORK 7. UNIT AGREEMBET HAMS DEEPEN [] DRILL [2] b. TIPE OF WELL MULTIPLE WELL | WELL X S. FARM OR LEASE HAME WELL NO. OTREE 2. NAME OF OPERATOR Preslev #1 9. AH WELLHO. Dugan Production Corp. 6515 3. ADDRESS AND TELEPHONE NO. <u> 50-045</u> P.O. Box 420, Farmington, NM 87499 (505) 325-1821 Undes. Chacra 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 6031 11. SEC., T., R., M., OR BLE. 790' FSL & 790' FEL (SE/4 SE/4) At proposed prod. sone Unit P, Sec. 7, T22N, RSW, NMPM 12. COUNTY OR PARISH (18. STATE 14. DIRTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE approx. 6 miles SW Forty-Four Store, NM <u>San</u> Juan NM 18. DISTANCE FROM PROPUSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, PT 17. NO. OF ACRES ASSIGNED TO THIS WELL 16. NO. OF ACRES IN LEASE 790' 320,49 160 (Also to nearest drig, unit line, if any 18. DISTANCE FROM PROPOSED LOCATIONS
TO NEAREST WELL, DRILLING, COMPLETED, 19 PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 1410' Rotary N/A OR APPLIED FOR, ON THIS LEASE, PT. 21. SLEVATIONS (Show whether DE RT. GR etc.)
This action is subject to technical and 22. APPROX. DATE WORK WILL STARTS **ASAP** procedural review pursuant to 40 CFR 3165,3 and appost pursuaphologic Casing and cementing program HONS AU HECHIZED ARE WEIGHT PER FOOT RETTING DEPTH QUANTITY OF CEMENT RIZE OF ROLE GRADE SIZE OF CASING (45 sx) circ. to surface 20# 120' 53 cu.ft. 9-7/8" 6-1/4" 495 cu.ft. (165 sx) circ.to surface 2-7/8" 6.5# 1410' Plan to drill a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6%" hole to total depth with Plan to run IES gel-water-mud program to test Chacra formation. and CDL logs. If determined productive, will run 2-7/8", 6.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well. JAN1 01994 OIL CON. DIV DIST. 3 IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new pudeepen directionally, give perticent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 11/19/93 reman RIGNED Sherman (This space for Federal or State office APPROVAL DATE Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would proper divisions thereon. AS AMENDED CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to DISTRICT MANAGER United States any false fictions or found to the

LAN 05 1994

APPROVED BY

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

DISTRICT | P.O. Bux 1940, Hobbs, NM 84240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DO, Artenia, NM \$4210

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Dugan Production Corporation				Presley				<u> </u>	
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	Existing Roads	Exhibit E	Planned Access Roa	d(s) Exhibit E			
	Vicinity of nearest town approx. 6 miles SW of 44	or reference pt. Store, NM	Drainage design	Maximum grades 3% as required			
	Type of surface dirt	······································	Cuts & Fills Surfacing material	none			
	Conditions good		→ Turnouts □ Culverts	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
	Other		⊆ Gates ∈ Cattleguards				
	Reference map: USGS map Ly	brook, NW,	// Fence cuts	_			
	NM, 1966			do not cross (Fed) Ind land.			
			Dugan Production Corp.	- Presley #1			
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