Form 3160-3 (July 1992)

SURMIT IN TRIPLICATES (Other instructions on

FORM APPROVED OMB NO. 1004-0136 Expires: Pebruary 28, 1995

UNITED STATES reverse side) DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM 55836 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK 7. UNIT AGREEMENT HAMB DEEPEN DRILL M b. TYPE OF WELL MULTIPLE BINGLE (8. FARM OR LEASE HAME WELL NO. WELL WELL XX 2. NAME OF OPERATOR Hendrix #2 9. AFI WELL NO. Dugan Production Corp. 10. FIELD AND FOOL OF WILDCARD
W/C Pictured Cliffs 3. ADDRESS AND TELEPHONE NO. 87499 P.O. Box 420, Farmington, NM 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 11. SEC., T., R., M., OR BLH. AND SURVEY OR AREA 990' FNL & 1850' FEL (NW/4 NE/4)Unit B, At proposed prod. sone Sec. 7, T22N, R8W 12. COUNTY OR PARISH | 18. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE approx. 6.5 miles southwest of 44 store, NM San Juan 17. NO. OF ACRES ASSIGNED 16. NO. OF ACRES IN LEASE 15. DISTANCE FROM PROPUSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) TO THIS WELL 990' 1375.54 160 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 18. DISTANCE FROM PROPOSED LOCATION®
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEARS, FT. 201' from Hendrix #1 1005 Rotary 22. APPROX. DATE WORK WILL START* 21. BLEVATIONS (Show whether DF, RT, GR, etc.) This cotion to subject to technical and procedural review pursuam to 43 CFR \$185.3 ASAP 6745 GL PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT SETTING DEPTH WEIGHT PER FOOT SIZE OF ROLE ORADE SIZE OF CASING 711 20# 120 45 sx (53 cu.ft.) circ. to surf. 9-7/8 1005 120 sx (142 cu.ft.) circ. to surf. 6-1/4" 2-7/8" 6.5# DRILLING GREATHOUS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" Plan to drill a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6-1/4" hole to total depth with gel-water-mud program to test the Pictured Cliffs formation. Plan to run IES 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. EUS EUS O OIL COM. DIV. active zone and proposed new productive zone. If proposal is to drill or IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present pro bsurface locations and measured and true vertical depths. Give blowout preventer program, if any. deepen directionally, give Vice-President RIG NED Sherman E. Duga (This space for Federal or State) 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 CONDITIONS OF APPROVAL, IF ANY: SER 07 1994 NMOCD APPROVED BY DISTRICT MANAGER *See Instructions On Reverse Side

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District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back

OIL CONSERVATION DIVISION EIVE Submit to Appropriate District Office

1000 Rio Brazos Rd., Aztee, NM 87410				Santa Fe, NM 87504-2088 State Lease - 4 Fee Lease - 3						•	
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30-045-29172			ے ا	1 5037 99	d Cliffs						
⁴ Property Code				⁵ Property Name					* Well Number 2		
13583 OGRID No.				Hendrix Operator Name						' Élevation	
		Dugan Pr	oduction Corporation						- 6745	Estimated	
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βi l Du	gan Production Corp Hendrix #2 Existing Roads Exhibit E	Planned Access Road(s) Exhibit E					
		Width Maximum grades					
	Vicinity of nearest town or reference pt. Approx. 6.5 miles southwest 44 Store	Drainage design as required Cuts & Fills as required					
	Type of surface dirt	Surfacing material none					
	Conditions good	Turnouts Waterbars					
	Other	☐ Gattes ☐ Cattleguards					
	Reference map: USGS map	No new access is required.					
	Lybrook NW, NM 1966	No new access is required. Access road(s) doy do not cross Fed Ind land					