

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		1b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		1c. UNIT AGREEMENT NAME Hop-Sing #1 19000	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP. 6515		3. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499		4. AN WELL NO. 30 045-29378	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FNL & 1980' FEL (NW/4 NE/4) At proposed prod. zone		5. FIELD AND POOL OR WILDCAT Wildcat Gallup 23N11W27E, 96563 GALLUP (U)		6. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit B, Sec. 27, T23N, R11W	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approximately 15 miles southwest of Blanco Trading Post		16. NO. OF ACRES IN LEASE 3195.36		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 990'		19. PROPOSED DEPTH 4115'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GL 6298' est.		22. APPROX. DATE WORK WILL START* ASAP			

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	159 cf circ. to surface
7-7/8"	4-1/2"	10.5#	4115'	1288 cf circ. to surface

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

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

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 CDI 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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DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 blow-out preventer program, if any.

24. SIGNED Sherman E. Dugan TITLE Vice-President DATE 5/14/96
(This space for Federal or State office use)

PERMIT NO. _____ 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 entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

JUN 01 1996

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

DISTRICT MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCH

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION, NM
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 045 - 29378		Pool Code 96563	Well Name Wildcat 23N11W21B1 CALLUP (O)
Property Code 19000	Property Name Hop-Sing		Well Number 1
GRID No. 006515	Operator Name Dugan Production Corporation		Elevation 6298' Estimated

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	23 N	11 W		990	North	1980	East	San Juan

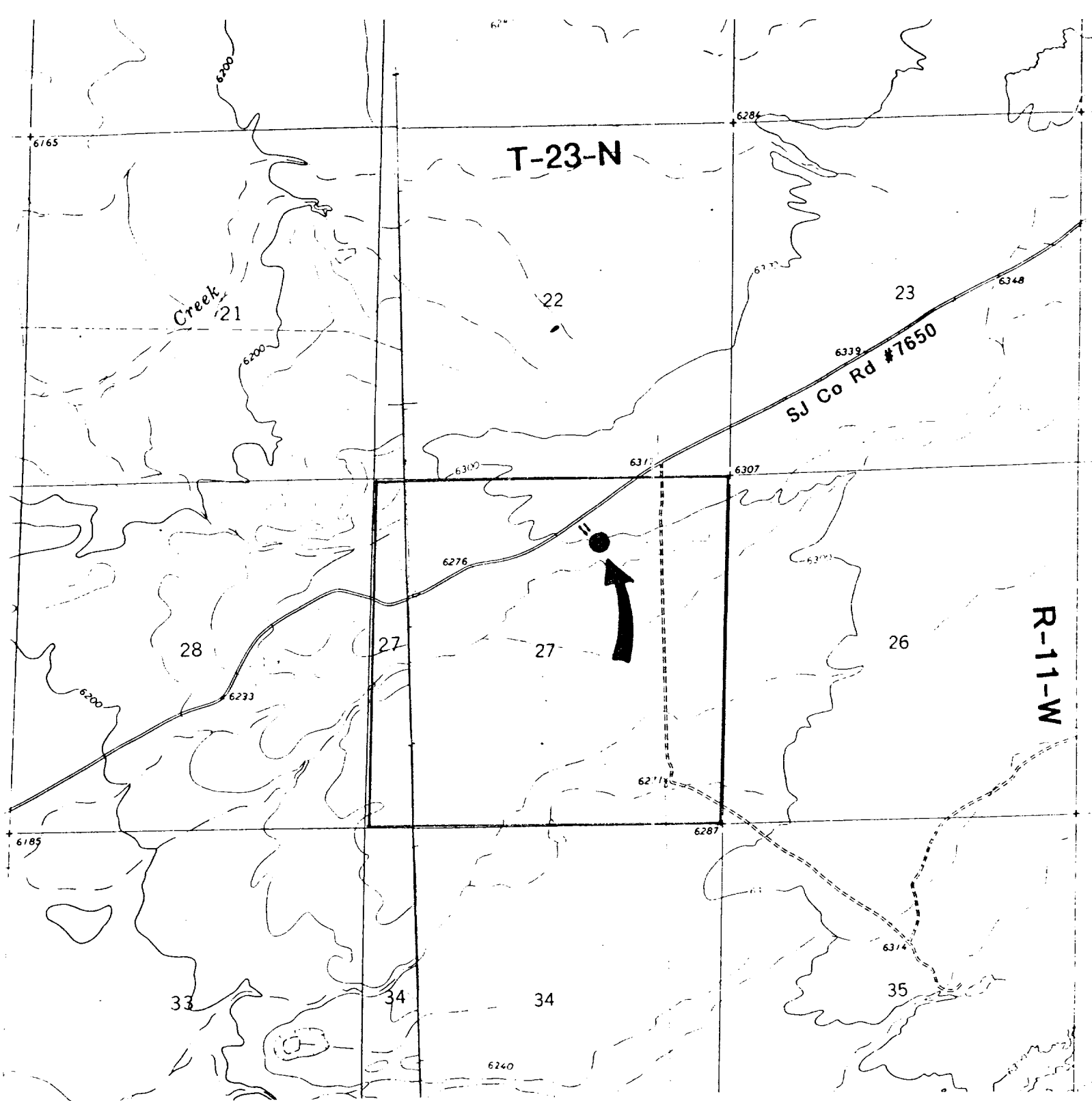
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	Section 27	990' NM 65528	1980'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Sherman E. Dugan</u> Printed Name: <u>Sherman E. Dugan</u> Title: <u>Vice-President</u> Date: <u>5/14/96</u>
				18 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 belief. Date of Survey: <u>April 22, 1996</u> Signature and Seal of Surveyor: <u>Edgar L. Hoover</u> NEW MEXICO 5979 Certificate Number: <u>5979</u>

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SANTA FE, NM



Existing Roads

Exhibit E

Dugan Production Corp. - Hop-Sing #1
Vicinity of nearest town or reference pt.
approx. 15 miles southwest of Blanco Trading Post

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map - Pueblo Bonito
NW 1966

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 3%

Drainage design as required

Cuts & Fills as required

Surfacing material none

☒ Turnouts

☒ Waterbars

☒ Culverts

☒ Gates

☒ Cattleguards

Access Road &

☒ Fence cuts

Pipeline

Access road(s) ☒ do not cross ☒ Fed/Ind land.