

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		6. LEASE DESIGNATION AND SERIAL NO. NM 19816	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. IF INDIAN, ALLOTTEE OR TRIBE NAME	
c. NAME OF OPERATOR DUGAN PRODUCTION CORP. 6515		7. UNIT AGREEMENT NAME	
d. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499		8. FARM OR LEASE NAME, WELL NO. 3626 December Dream #3	
e. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2310' FSL & 2150' FWL (NE/4 SW/4) At proposed prod. zone		9. AN WELL NO. 30 045 29408	
f. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approx. 9 1/2 miles SW of Blanco Trading Post		10. FIELD AND POOL, OR WILDCAT South Bisti Gallup 5566	
g. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 2150'		11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Unit K, Sec. 7, T23N, R9W	
h. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx. 1700' SW of DPC's December Dream #2		12. COUNTY OR PARISH San Juan	
i. ELEVATIONS (Show whether DF, RT, GR, etc.) 6730' GL (est)		13. STATE NM	
16. NO. OF ACRES IN LEASE 320.72		17. NO. OF ACRES ASSIGNED TO THIS WELL 80	
18. PROPOSED DEPTH 4835'		20. ROTARY OR CABLE TOOLS Rotary	
21. APPROX. DATE WORK WILL START* ASAP		22. APPROX. DATE WORK WILL START* ASAP	

## 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#	4835'	1928 cf 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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OCT 21 1996  
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 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.

SIGNED Sherman E. Dugan TITLE Vice-President DATE 10/4/96  
(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 BY Chip Harward TITLE DISTRICT MANAGER DATE OCT 17 1996  
\*See Instructions On Reverse Side

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 045 29408		Pool Code 05860	Pool Name South Bisti Gallup
Property Code 003626	Property Name December Dream		Well Number 3
OGRID No. 006515	Operator Name Dugan Production Corporation		Elevation 6730' 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
K	7	23N	9W		2310	South	2150	West	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 80		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						17 OPERATOR CERTIFICATION	
						I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
						Signature <i>Sherman E. Dugan</i>	
						Printed Name Sherman E. Dugan	
						Title Vice-President	
						Date 10/4/96	
						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 September 1996	
						Signature <i>Edgar L. Risen</i>	
						Certificate Number 5979	

Section 7

2150'

Dugan Prod.  
NM 19816

2310'

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TRADING POST 9 MI. 243000m.E. 244 R. 10 W. R. 9 W. 50' 246 (BLANC)

