CONDITIONS OF APPROVAL, IF ANY:

oh Fruh

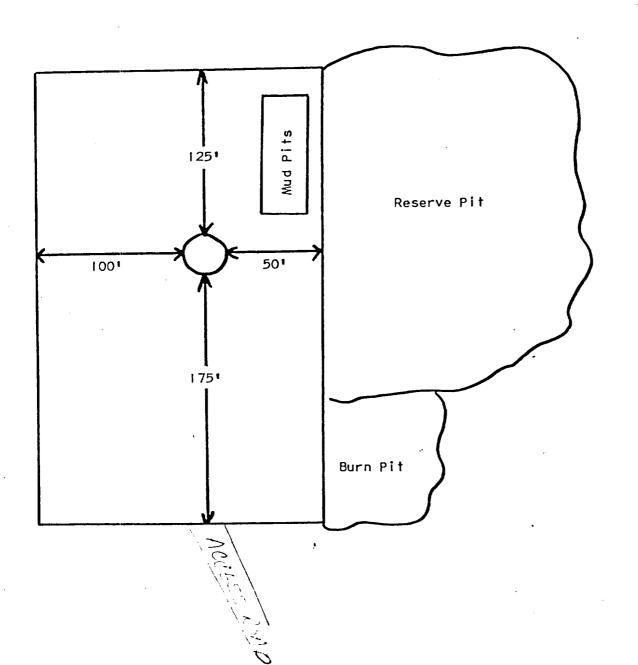
1-NWP (Duke) 1-File 1-Amerada Hess (Mullins) UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE.

(Other instructions on reverse side)

GEOLOGICAL SURVEY					Contract 37-E	
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1a. TYPE OF WORK DR b. TYPE OF WELL	ILL 🛛	DEEPEN		PLUG BA	CK 🗌	Jicarilla Apache 7. UNIT AGREEMENT NAME
	AS OTHER			RINGLE MULTI	PLE	8. FARM OR LEASE NAME
2. NAME OF OPERATOR	roduction Corn					_ A New Dawn
3. ADDRESS OF OPERATOR	roduction Corp.					9. WELL NO.
Box 208	, Farmington, N	M 87401				#3 10. FIELD AND POOL, OR WILDCAT
) At surface 80	eport location clearly and OO' FNL - 800'		th any	State requirements.*)		Basin Dakota Oter G. I. 11. SEC., T., B., M., OR BLE. AND SURVEY OR AREA
At proposed prod. zon	e					See 22 TOAN DELL
	AND DIRECTION FROM NEAR					Sec 23 T24N R5W 12. COUNTY OR PARISH 13. STATE
4 III I I ES	southeast of E	I Paso Lind		O. OF ACRES IN LEASE	1 17 NO (Rio Arriba NM
PROPERTY OR LEASE I	INE, FT. S. unit line, if any)			640		HIS WELL /320
18. DISTANCE FROM PROP TO NEAREST WELL, D	OSED LOCATION*		19. г	ROPOSED DEPTH	20. вота	RY OR CABLE TOOLS
OR APPLIED FOR, ON THE	IS LEASE, FT.	2350'		7050'		Rotary
21. ELEVATIONS (Show who 6704 GL						22. APPROX. DATE WORK WILL START* March 1, 1988
23.	P	ROPOSED CASIN	IG AN	D CEMENTING PROGR	AM	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FO	от	SETȚING DEPTH		QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#		2301	150	
7-7/8"	4-1/2"	10.5#_		7050'		sx 1st stage sx 2nd stage
If productiv frac, clean	e, will set 4-1 out after frac,	./2" casing run 1-1/2	, cei	ment in two sta g and complete	ges, se well.	an to run IES log to TD. electively perforate,
	BOP furnished b			•		
Plan to use	BOP rental whil	e completir	ng (6	5" 3000 psi dou	ble gat	ce manual
Gas Dedicate	d. - ,					(KLITIAED)
in above space describe zone. If proposal is to opreventer program, if any 24.	irill or Repen directional					
SIGNED Thom	as A Migan	TITI	. EPe1	troleum Enginee	r	DATE 12-27-79
	al or State office use)					
PERMIT NO				APPROVAL DATE		
PERMIT NO.	V	TITI		APPROVAL DATE		DATE

		All distan	ces must be from	the outer boundari	es of the Section	l	
Operator Dugan Production Corporation A New Dawn Well No. #3							
Unit Letter Section Township		Range	County		L		
D	23	24 N	orth	5 West	Ri	o Arriba	
Actual Footage Loc	Actual Footage Location of Well:						
Ground Level Elev.			Po		i		Dedicated Acreage:
6704	Dak	ota/Ga		Basi	****		320 /40 Acres
. 1. Outline th	ie acreage dedica	ted to the	subject well	by colored pen	cil or hachure	marks on th	e plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).							
	3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?						
X Yes	No If an	iswer is "y	es," type of co	onsolidation	Plan to co	mmunitize	
	is "no," list the f necessary.)	owners and	tract descript	ions which hav	e actually be	en consolida	ted. (Use reverse side of
						•	nunitization, unitization, approved by the Commis-
							CERTIFICATION
800 - 800 - 800	1	o+ #27	liana	illa Contra	o+ #271	tained her	ertify that the information con- ein is true and complete to the knowledge and belief.
<u> </u>	<u>aril</u> µa <u>Con</u> tr <u>a</u> ∣ ∣ ∣	L <u>L #3</u> /	<u>016</u>	illa¦Contra 	<u> </u>	Position Pe	omas A. Dugan troleum Engineer
	i 	Sec.	23	; 		Date	gan Production Corp. -27-79
			DEC 3.1. OIL CON. DIST	979 COM 3		nous of a under myss is much a knowledge. Date Surveye December	- 15, 1979 rofessional Engineer
						Certalicate N	
0 330 660	10 1320 1650 1980	2310 2640	2000	1500 1000	500 0	1	Risenhoover, L.S.



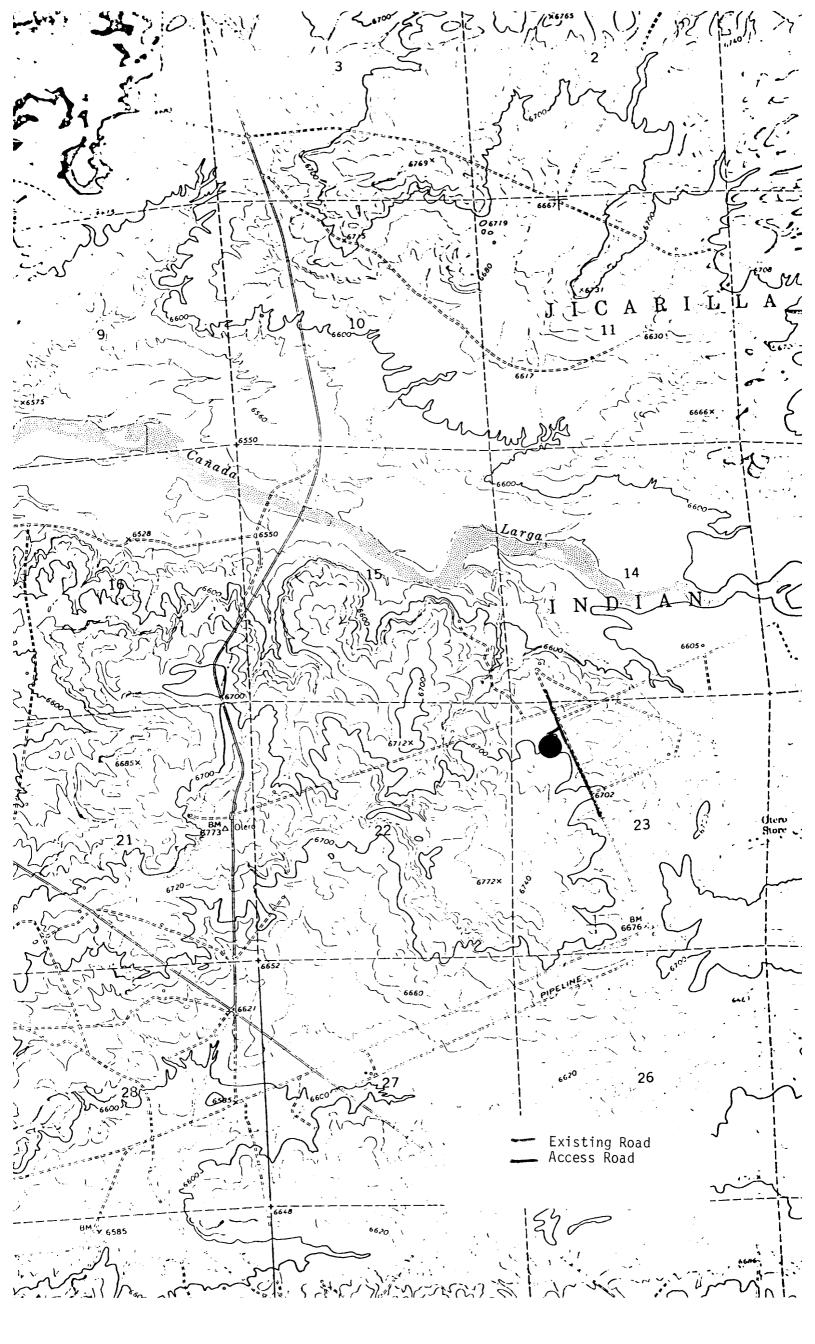
FOR DAKOTA WELL Flow Nipple Flow Line Roms Pipe Mind Roms Drilling Spool Relief Line Bradenhead Gate Valve -Bull Plug

Scries 900 Double Gate BOP, rated at 3000 psi Working Pressure
When gas drilling operations begin a Shaffer type 50 or equivalent rotating head is installed on top of the flow nipple and the flow line is converted into a blowie line.

Surface Casing

DEVELOPMENT PLAN

	Dugan Production Corp.						
	A New Dawn #3						
1.	Existing roads and existing wells are shown on attached plat.						
2.	Planned access from existing road approximately 75' to new location. Will leave natural grass and small vegetation on roadway. Will remove large brush or trees from road. Do not plan to make road grade or bar ditches. Will bottom-out any arroyo we cross and not install culverts.						
3.	Location of well: 800' FNL - 800' FWL						
	Section 23 T24N R5W						
,	Rio Arriba County, NM						
4.	One additional well(s) planned on this lease at this time.						
5.	Separator and flow line will be located within 50' of wellhead.						
6.	Water will be secured from Largo Wash watering hole						
7.	o. water will be seedred from						
	No permanent camp is planned; trailer house will be used on location while drilling.						
8.							
9.	Do not plan to build airstrip.						
10.	See attached plat for proposed location layout.						
11.	A general description of the topography, soil characteristics, geologic features, flora and fauna; other surface-use activities and surface ownership of involved lands, proximity of water, occupied dwellings, archeological, historical or cultural sites can be found in the archeologist's report.						
12.	Geologic name of surface formation: San Jose						
13.	Estimated tops of important geologic markers:						
	See Attached Operations Plan						
14.	Estimated depths of anticipated water, oil, gas, or other mineral bearing formations which are expected to be encountered:						
15.	water - 0jo Alamo - 2027', oil - 5758' - Gallup gas 2578' Pictured Cliffs - 6811' Dakota We do not anticipate to encounter any abnormal pressures or temperatures or any potential hazards such as those associated with hydrogen sulfide.						
16.	Will clean up location, fill and level pits, level ruts in road, reseed location and road with Seed Mixture #2 and paint equipment withSandstone Brown						
17.	Operator's Representative:						
	Thomas A. Dugan Box 208 Farmington, NM 87401						
18.	Certification: The following statement must be signed by the lessee's or operator's field representative who is identified in Item #17 of the Plan:						
	I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this Plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Dugan Production Corp. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved. Date: 12-27-79 Thomas A Dugan						
	Thomas A. Dugan						



OPERATIONS PLAN

OPERATOR:

Dugan Production Corp.

WELL NAME:

A New Dawn #3

FIELD:

Basin Dakota Otero Gallup

LOCATION:

800' FNL - 800' FWL

Sec 23 T24N R5W

Rio Arriba County, NM

ELEVATION:

6704' GL

EXPECTED FORMATION TOPS:

Ojo Alamo	2027'	Point Lookout	4658'
Kirtland	2188'	Mancos	4870'
Fruitland	2327	Gallup	5758'
Pictured Cliffs	2578'	Greenhorn	6650'
Lewis	2607'	Graneros	6762'
Cliff House	4043'	Dakota	6811'
Menefee	4111'	Total Depth	7050'

LOGGING PROGRAM:

IES and CDL

SAMPLES:

Samples will be collected at the following depths:

2550-2600', 4600-4700', 5700-5800', 6750'6880'

CASING PROGRAM

<u> Hole Size</u>	Depth	Csg Size, Wt, Grade, & C	Condition	Cementing Program
12-1/4"	230'	8-5/8" OD 24# K-55 r	new	Cement surface pipe with 150 sx class "B" cement with 3% CaCl.
7-7/8"	7050'	4-1/2" OD 10.5# J-55 r	new	1st stage: Cement w/200 sx Halliburton lite plus 10# gilsonite per sx followed by 150 sx class "B" w/10# gilsonite per sx. 1st stage total slurry 550 cu ft

2nd stage: Cement through Baker stage tool at 4750' using 500 sx Halliburton lite plus 6% gel followed by 50 sx neat. 2nd stage total slurry 1370 cu ft.

WELLHEAD EQUIPMENT

Casing head 8-5/8" x 10" 600 series " new " Tubing head 10" 600 series with screwed outlets x 6" 600 series "new"

Office	_	325-0238
Tom Dugan		325-5694
Jim Jacobs		325-8353
Kurt Fagrelius		334-3381
Bill Donovan		325-5692
James Hazen		