

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR

P.O. Box 208, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1980' FSL & 1980' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

approx. 9½ miles SW of Blanco Trading Post, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

1594.4

17. NO. OF ACRES ASSIGNED
TO THIS WELL

E/ 80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.1867' from DPC
Gold Medal #5

19. PROPOSED DEPTH

4735'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6535' GL; 6547' RKB

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	159 cu.ft. circ. to surface
7-7/8"	4-1/2"	10.5#	4735'	1499 cu.ft. 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 Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

Gas is Dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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.

24.

SIGNED

Jim L. Jacobs

TITLE

Geologist

DATE

12-4-87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NM000

*See Instructions On Reverse Side

RECEIVED
DEC 21 1987
OIL CON. DIV.
DIST. 3

for Robert Mox

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

All distances must be from the outer boundaries of the Section.

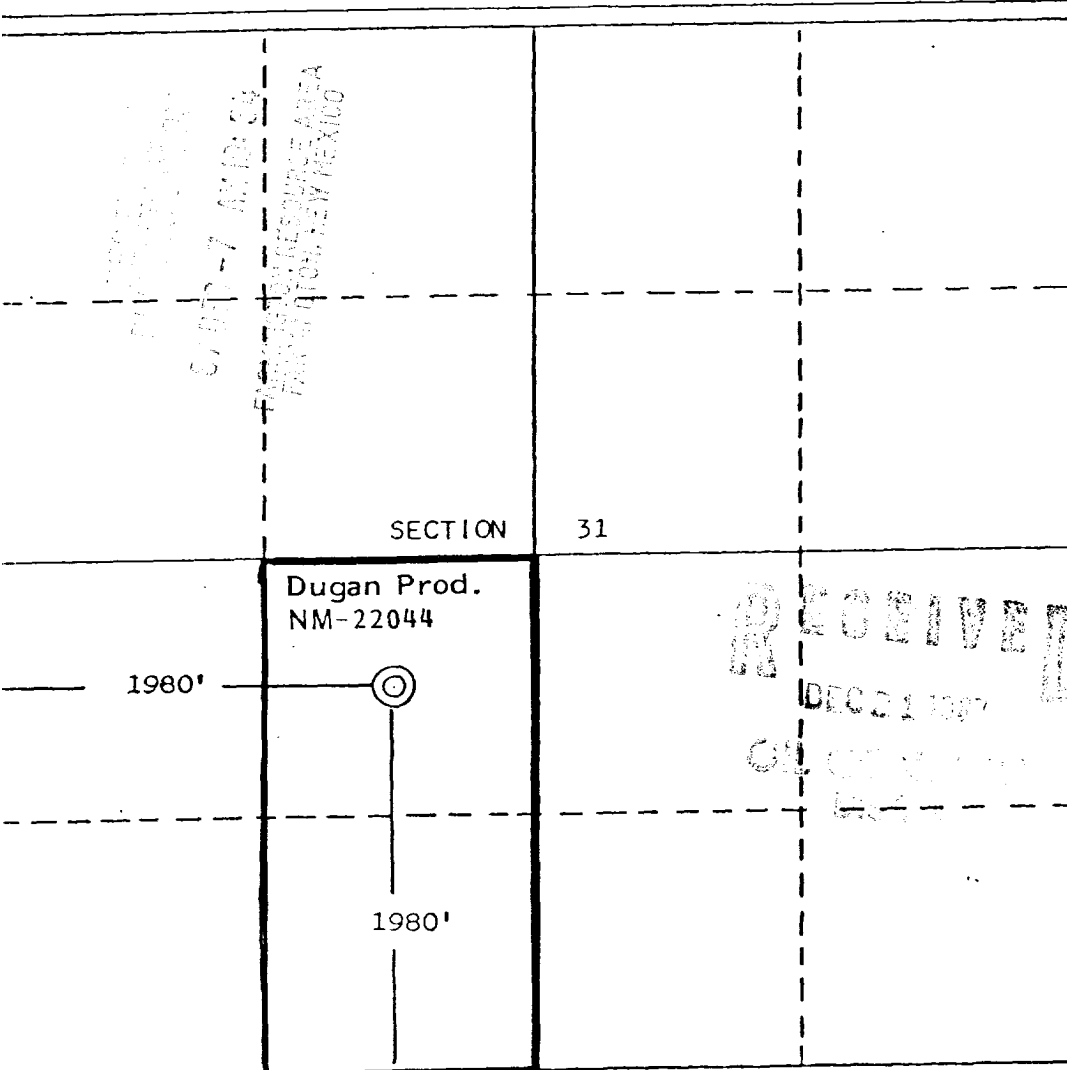
Operator Dugan Production Corporation		Lease Gold Medal		Well No. 6
Init Letter K	Section 31	Township 24 North	Range 10 West	County San Juan
Actual Footage Location of Well:				
1980	feet from the	South	line and	1980
feet from the	West	line		
Ground Level Elev. 6535	Producing Formation Gallup		Pool South Bisti Gallup <i>ET</i>	Dedicated Acreage: 80 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the 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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Jim L. Jacobs

Position

Geologist

Company

Dugan Production Corp.

Date

12-4-87

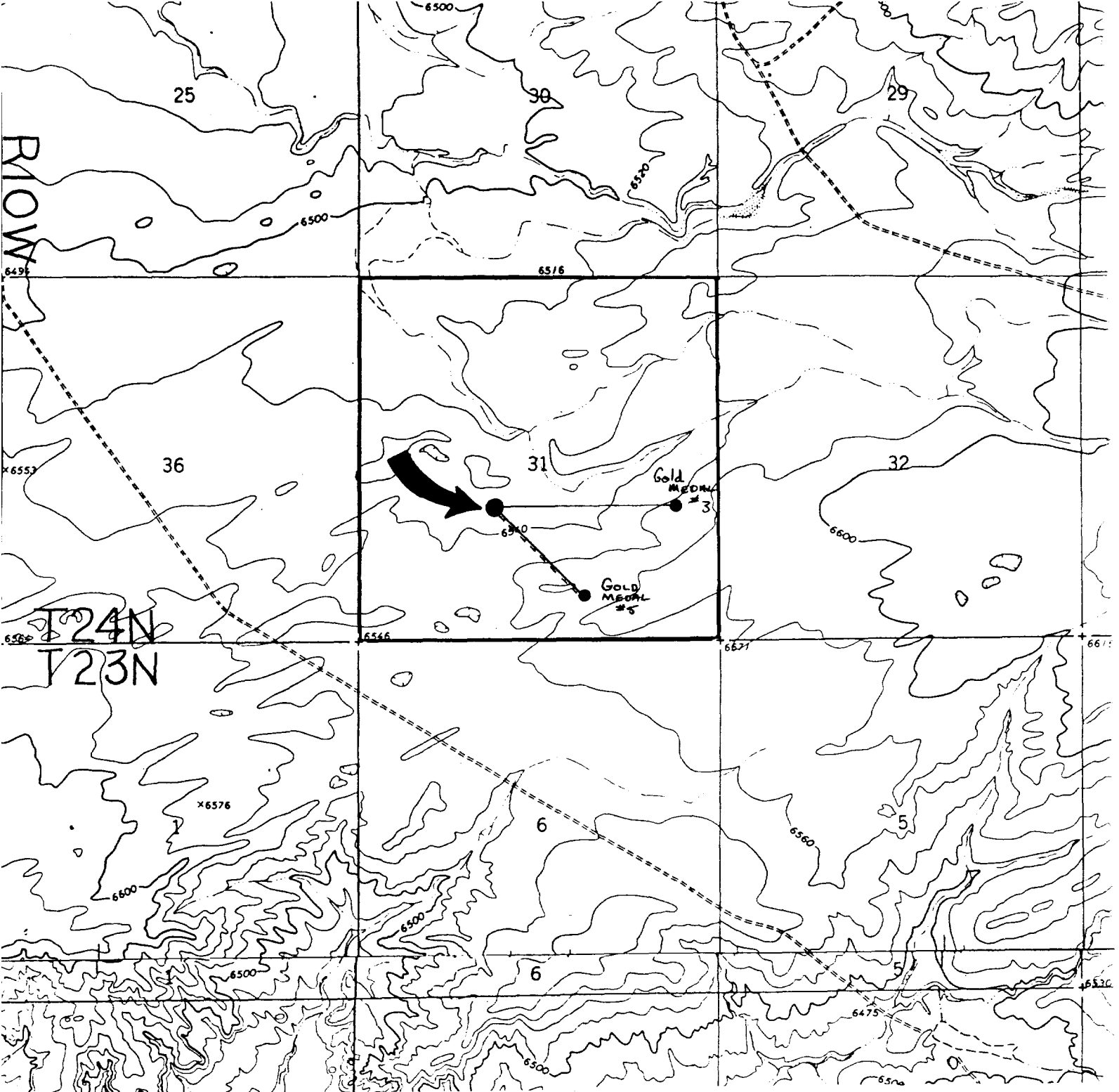
I hereby certify that the location shown on this plat was obtained from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

November 23, 1987

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenbourn
Certificate No. 5979



DUGAN PRODUCTION CORP. - Gold Medal #6
Existing Roads Exhibit E

Vicinity of nearest town or reference pt.
9½ miles SW of Blanco Trading Post, NM

Type of surface dirt

Conditions good

Other _____

Reference map: USGS maps: Huerfano Trading
Post SW, 1966 (7.5 min series) and Pueblo
Benito NW, 1966 (7.5 min series)

DUGAN PRODUCTION CORP. - Gold Medal #6
Planned Access Road(s) Exhibit E

Width 20' Maximum grades 1%

Drainage design as required

Cuts & Fills see diagram

Surfacing material none

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Access road(s) do/do not cross Fed/Ind land
Proposed access & gathering system