

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1.a. TYPE OF WORK

DRILL

☒

DEEPEN

☐

b. TYPE OF WELL

Oil

☐

Gas

☒

Other

SINGLE

☒

MULTIPLE

☐

Well

Well

ZONE

ZONE

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499

(505) 325-1821

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

At surface 1400' FNL & 2300' FEL (SW/4 NE/4)

At proposed prod. zone

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

Approx. 2.5 miles SW of Blanco Trading Post, NM

15. DISTANCE FROM PROPOSED*

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

1240'

16. NO. OF ACRES IN LEASE

480.96

17. NO. OF ACRES ASSIGNED
TO THIS WELL

N/320.64

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

approx. 1566' from

DPC

Sixteen G's #3

19. PROPOSED DEPTH

1825'

20. ROTARY OR CABLE TOOLS

Rotary

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

6822' (est) This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.2

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADES, SIZES OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	60 sx (71 cu ft) circ to surf
6-1/4"	4-1/2"	10.5#	1825'	170 sx (296 cu ft) circ to surf

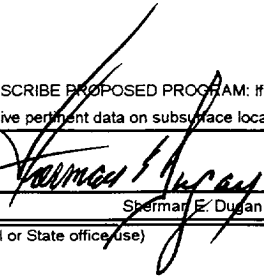
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

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 Fruitland Coal 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.

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 to deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED



Title Vice-President

Date 9/25/98

Sherman E. Dugan

(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

/s/ Duane W. Spencer

Title

Date

OCT 27 1998

*See Instructions on Reverse Side

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.

NM000

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

APN Number 30 045 29709		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 003838	Property Name Sixteen G's		Well Number 90
UGRID No. 006515	Operator Name Dugan Production Corporation		Elevation 6822' Estimated

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	24N	9W	G	1400	North	2300	East	San Juan

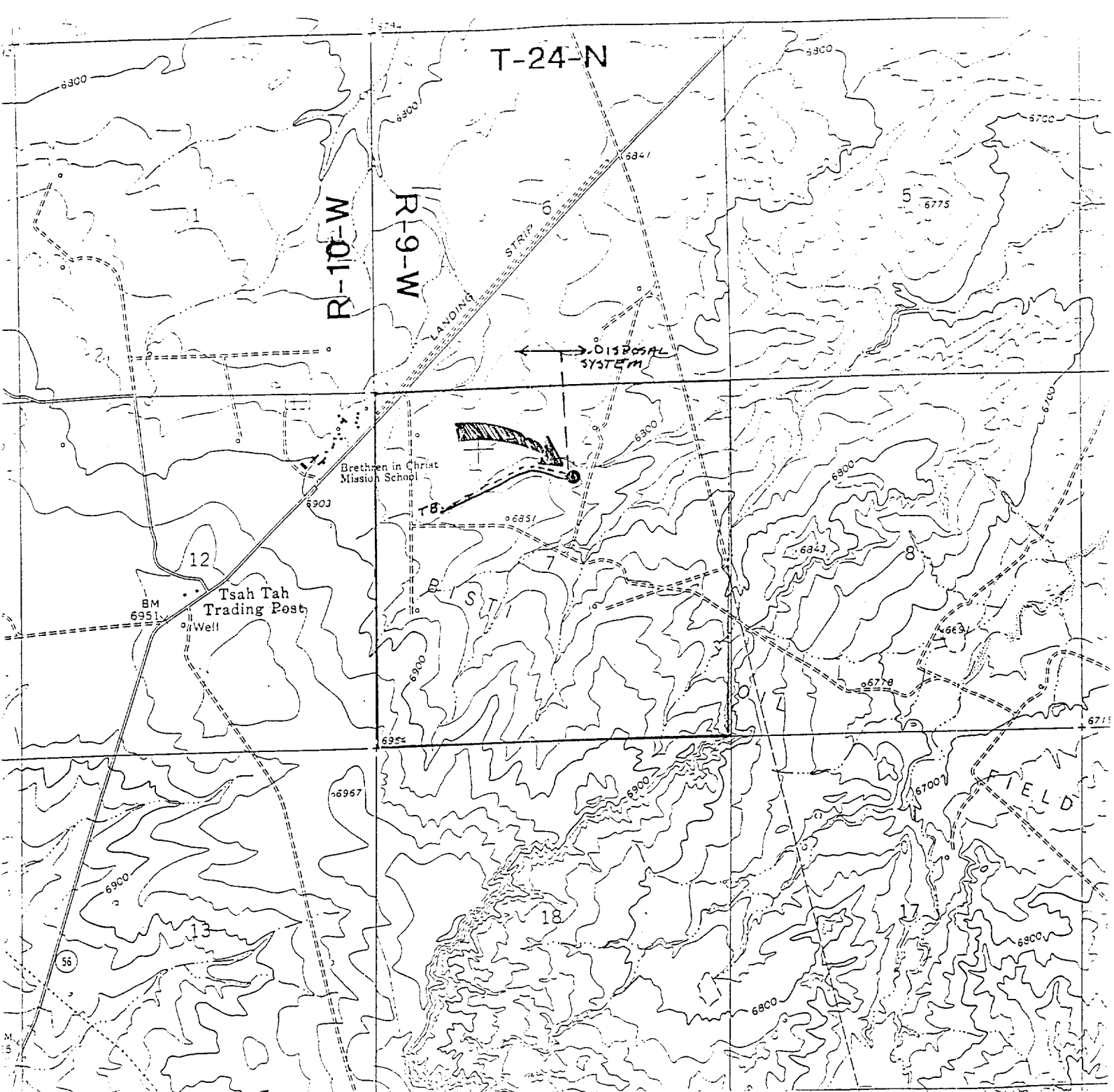
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320.64	Joint or Infill	Consolidation Code	Order No.
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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

Lot 1 40.36 Ac. DPC NM-25433		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: September 28, 1998
Lot 2 40.28 Ac.		
Section 7		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 1, 1998 Signature and Seal of Professional Surveyor: <i>Edgar L. Risenhoover</i> Certificate Number: 5979



Existing Roads

Exhibit E

Nicinity of nearest town or reference pt.
 Approx. 3000' E of Brethren in Christ Mission School.

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map

Blanco Trading Post, NM 1966

Dugan Production Corp. - Sixteen G's #90

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 2%

Drainage design as required

Cuts & Fills as required

Surfacing material none

☒ Turnouts

☐ Culverts

☒ Gates

☒ Cattleguards

☒ Fence cuts

☒ Waterbars

☒ Access Road & Pipeline

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