

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. NM 56311	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP. <i>✓6515</i>				7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499				8. FARM OR LEASE NAME, WELL NO. Pillary #1 <i>✓13489</i>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 860' FSL & 900' FWL (SW/4 SW/4) At proposed prod. zone				9. AM WELL NO. 30-045-28956 <i>✓</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approx. 5 miles east of Blanco Trading Post, NM				10. FIELD AND POOL, OR WILDCAT POTWIN EXT Wildcat Pictured Cliffs <i>✓</i>	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		860'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit M, Sec. 31, T25N, R8W <i>✓</i>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		N/A		12. COUNTY OR PARISH   13. STATE <i>✓</i> San Juan   NM	
16. NO. OF ACRES IN LEASE 480		17. NO. OF ACRES ASSIGNED TO THIS WELL 160.05 <i>✓</i>		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DE, GR, or etc.) 6708 <i>✓</i> GR (est) procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.				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 GENERAL REQUIREMENTS	
9-7/8"	7"	20#	120'	53 cu.ft. (45 sx) circ. to surf.	
6-1/4"	4 1/2"	10.5#	2050'	315 cu.ft. (175 sx) circ. to surf.	

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

24. *Sherman E. Dugan* SIGNED *Sherman E. Dugan* TITLE Vice-President DATE 5/5/93  
(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 operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *OK @* NMCCD TITLE \_\_\_\_\_  
APPROVED AS AMENDED MAY 11 1993  
DISTRICT MANAGER

\*See Instructions On Reverse Side

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

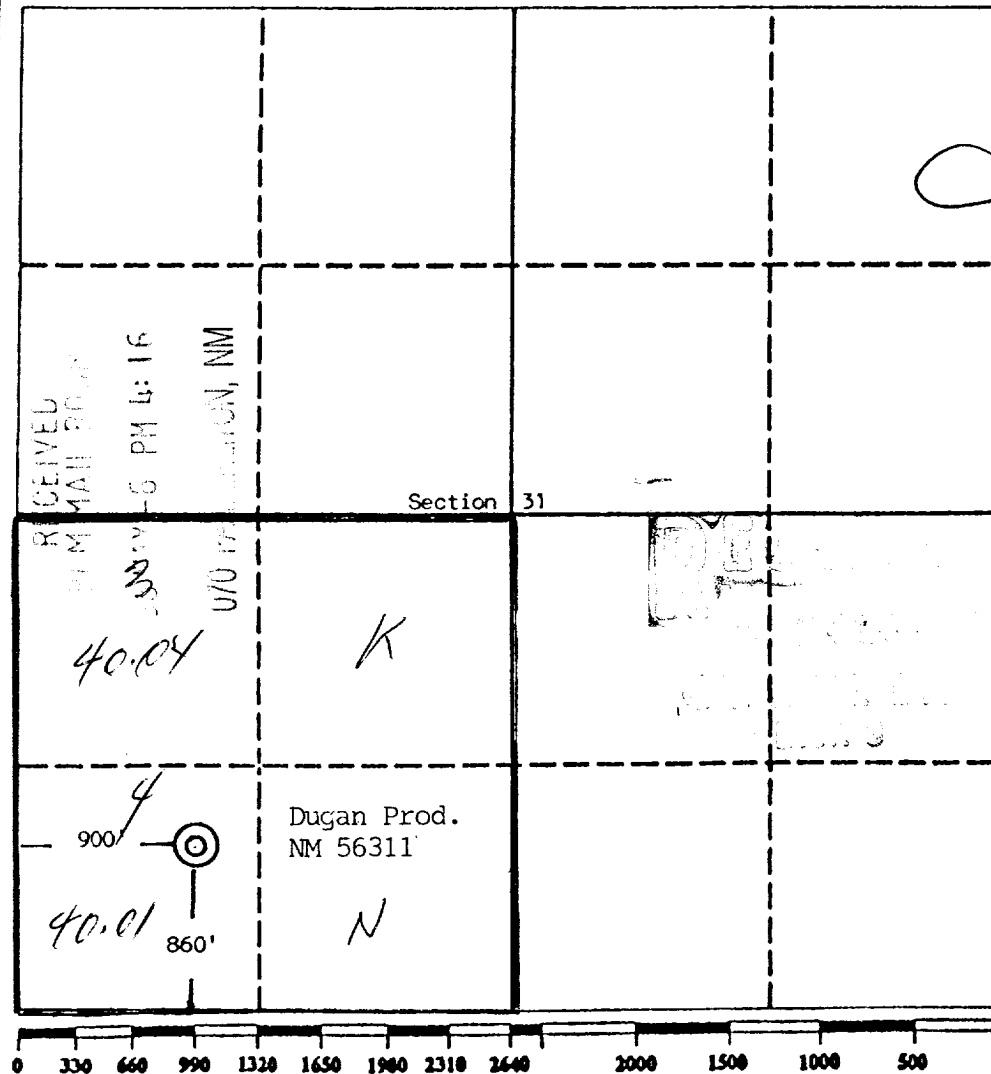
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT  
All Distances must be from the outer boundaries of the section

Operator Dugan Production Corporation			Lease Billary		Well No. 1
Unit Letter M	Section 31	Township 25 North	Range 8 West	County NMPM	San Juan
Actual Footage Location of Well: 860 feet from the South line and 900 feet from the West line					
Ground level Elev. 6708 Est.	Producing Formation Pictured Cliffs	Pool Wildcat POTWIN EXT	Dedicated Acreage: 160.05 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

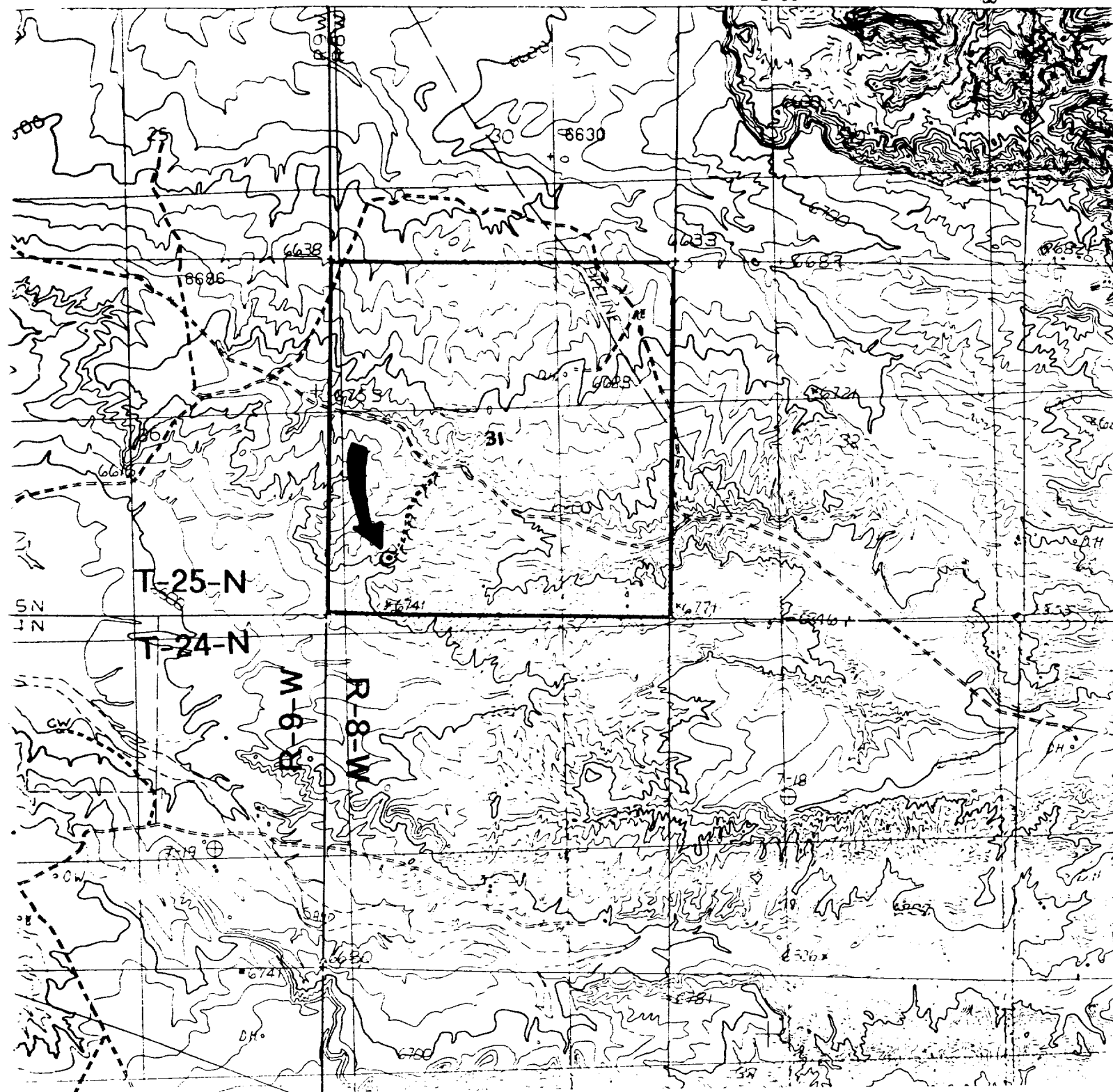
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
Sherman E. Dugan  
Printed Name  
Sherman E. Dugan  
Position  
Vice-President  
Company  
Dugan Production Corp.  
Date  
5/5/93

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 knowledge and belief.

Date Surveyed  
March 23, 1993  
Signature & Seal of Professional Surveyor  
Edgar L. Risenhour  
Certificate No. 5979  
Edgar L. Risenhour



# Existing Roads

## Exhibit E

Vicinity of nearest town or reference pt.  
approx. 5 miles East Blanco Trading Post

Type of surface dirt

Conditions good

Other

Reference map: USGS map Crow Mesa West, NM

# Planned Access Road(s)

## Exhibit E

Width 14' Maximum grades 9%

Drainage design as required

Cuts & Fills as needed

Surfacing material none

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

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