

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐DEEPEN ☒

b. TYPE OF WELL

Oil

Well

☒

Gas

Well

☐

Other

SINGLE

ZONE

☒

MULTIPLE

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 2200' FSL & 1400' FEL (NW/4 SE/4)

At proposed prod. zone

same

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

Approx. 6.3 miles SW of Chaco Plant, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

1400' FEL

16. NO. OF ACRES IN LEASE

2240

17. NO. OF ACRES ASSIGNED

TO THIS WELL

80 N/2 SE/4

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

Approx. 100'

from DPC's

WBU #130

19. PROPOSED DEPTH

5150' -

20. ROTARY OR CABLE TOOLS

Rotary

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

6209' GL

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
6 1/4"	4 1/2"	10.5#	5150' -	1500 cu ft to surface

Plan to re-enter & deepen drilled, completed, temporarily abandoned Menefee Mesaverde water well. Existing casing and cement program is as follows:

7" OD, 23# casing set @ 2599' RKB, cemented with 125 sx regular cement. Calculated TOC @ 1060'. See exhibit "H" for additional information.

Plan to drill out CIBP (see Exhibit "I") 2020', to a total depth of 5150', perforate Bisti Lower Gallup, frac and complete. If completion is productive, will tie into existing West Bisti pipeline.

This action is subject to technical and procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4.

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

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.

SIGNED



Title Engineer

Date 4/26/2001

Terry Kochis

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

5/9/01

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

Title

Date

5/9/01

*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.

UNITED STATES BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2001 APR 27 PM 2: 50

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-13403		² Pool Code 5890	³ Pool Name Bisti Lower Gallup
⁴ Property Code 003594	⁵ Property Name West Bisti		⁶ Well Number 131
⁷ OGRID No. 006515	⁸ Operator Name Dugan Production Corp.		⁹ Elevation 6209' GL —

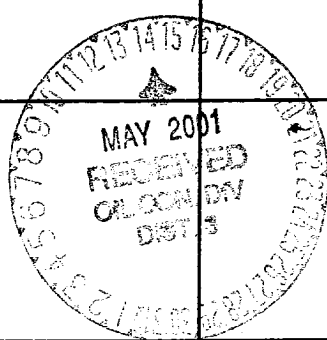
¹⁰ Surface Location

UL or lot no. J	Section 28	Township 26N	Range 13W	Lot Idn	Feet from the 2200	North/South line South	Feet from the 1400	East/West line East	County San Juan
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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
¹² Dedicated Acres 80		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
				Signature <i>Terry Kochis</i> Printed Name Terry Kochis Engineer Title April 26, 2001	
Section 28 Dugan Prod. SF-078091				¹⁸ SURVEYOR CERTIFICATION <i>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.</i>	
				Original signed 4/09/99 by E.V. Echolaw Date of Survey	
				Signature and Seal of Professional Surveyor	
				Certificate Number 1545	