

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. SF-078156	
1B. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499		8. FARMOR LEASE NAME, WELL NO. Salge Federal "A" #94	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1800' FNL & 790' FEL (SE/4 NE/4) At proposed prod. zone		9. APPROX. WELL NO. 30-045-22501	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approx. 3 1/2 miles SW of El Paso Natural Gas Chaco Plant		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
16. NO. OF ACRES IN LEASE 1599.05		11. SEC. T., R., N., OR BLK. AND SURVEY OR AREA Unit H, Sec. 34, T26N, R13W	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		12. COUNTY OR PARISH San Juan	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. S. of WBU #145 approx. 1100'		13. STATE NM	
19. PROPOSED DEPTH 1360'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6245' GL (est.)		22. APPROX. DATE WORK WILL START* ASAP	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	50 sx (59 cu.ft.) circ. to surf.
6-1/4"	4 1/2"	10.5#	1360'	160 sx (276 cu.ft.) circ. to surf.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING AND CEMENTING OPERATIONS ARE SUBJECT TO THE GENERAL REQUIREMENTS ATTACHED

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.

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OIL CON. DIV.
DIST. 3

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.

34. SIGNED Sherman E. Dugan TITLE Vice-President DATE 3/1/95
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE OCT 28 1997

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 [Signature] TITLE NMOC DATE _____

*See Instructions On Reverse Side

District I
PO Box 1900, Hobbs, NM 88241-1900
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

API Number		Pool Code	Pool Name
		71629	Basin Fruitland Coal
Property Code	Property Name		Well Number
003825	Salge Federal A		94
OGRID No.	Operator Name		Elevation
006515	Dugan Production Corporation		6245' Estimated

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	34	26N	13W		1800	North	790	East	San Juan

11 Bottom Hole Location If Different From Surface

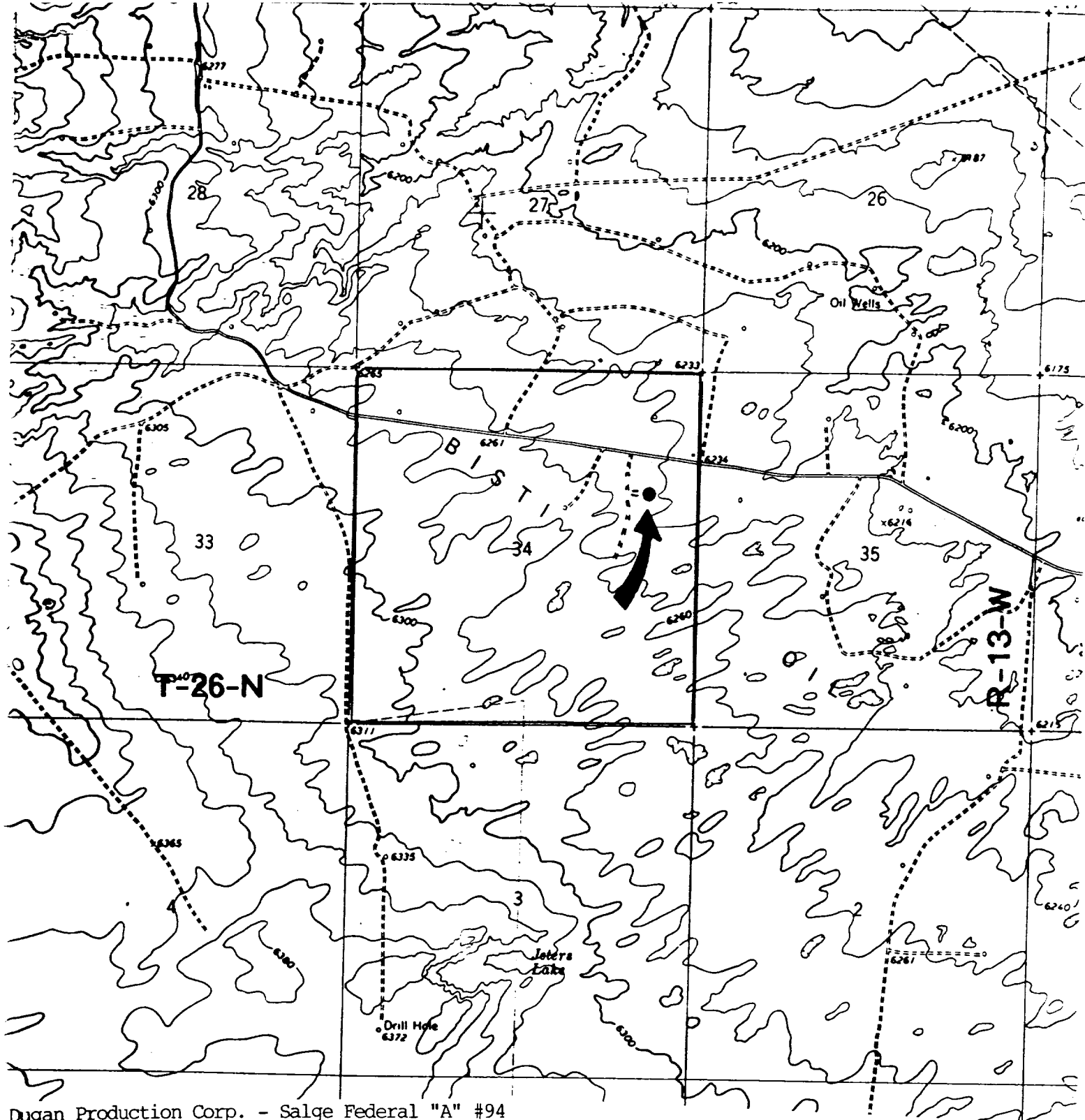
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

16	Section 34	SF-078156	1800'	790'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Sherman E. Dugan</u> Printed Name: <u>Sherman E. Dugan</u> Title: <u>Vice-President</u> Date: <u>3/1/95</u>

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Dugan Production Corp. - Salge Federal "A" #94
Existing Roads Exhibit E

Vicinity of nearest town or reference pt.
 approx. 3½ miles SW of EPNG Chaco Plant

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map

Moncisco Wash, NM

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 1%
 Drainage design as required
 Cuts & Fills as required
 Surfacing material none
☒ Turnouts ☐ Waterbars
☐ Culverts
☐ Gates
☐ Cattleguards
☐ Fence cuts
☐ Access Road & Pipeline

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