

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		
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. 6515			7. UNIT AGREEMENT NAME		
3. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499			8. FARM OR LEASE NAME, WELL NO. 3825 Salge Federal A 95		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FNL & 790' FEL (SE/4 NE/4) At proposed prod. zone			9. AM WELL NO. 30-045-21514		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 5.5 mi SW of EPNG Chaco Plant			10. FIELD AND POOL, OR WILDCAT 71629 Basin Fruitland Coal		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 790'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit H Sec 33-T26N-R13W		
16. NO. OF ACRES IN LEASE 1120			12. COUNTY OR PARISH San Juan		
17. NO. OF ACRES ASSIGNED TO THIS WELL 1/320			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* approx 1000'			19. PROPOSED DEPTH 1420'		
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6295' GL (est)		
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
9-7/8"	7"	20#	120'	50sx (59 cu.ft.) circ. to surf.
6-1/4"	4 1/2"	10.5#	1420'	180sx (371 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.

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DIBL 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.

SIGNED Sherman P. Dugan TITLE Vice-President DATE June 3, 1997  
(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 \_\_\_\_\_

\*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.

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

<sup>1</sup> API Number 30-045-29514	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 003825	<sup>5</sup> Property Name Salge Federal A	<sup>6</sup> Well Number 95
<sup>7</sup> OGRID No. 006515	<sup>8</sup> Operator Name Dugan Production Corporation	<sup>9</sup> Elevation 6295' Estimated

<sup>10</sup> 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	33	26N	13W		1650	North	790	East	San Juan

<sup>11</sup> 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

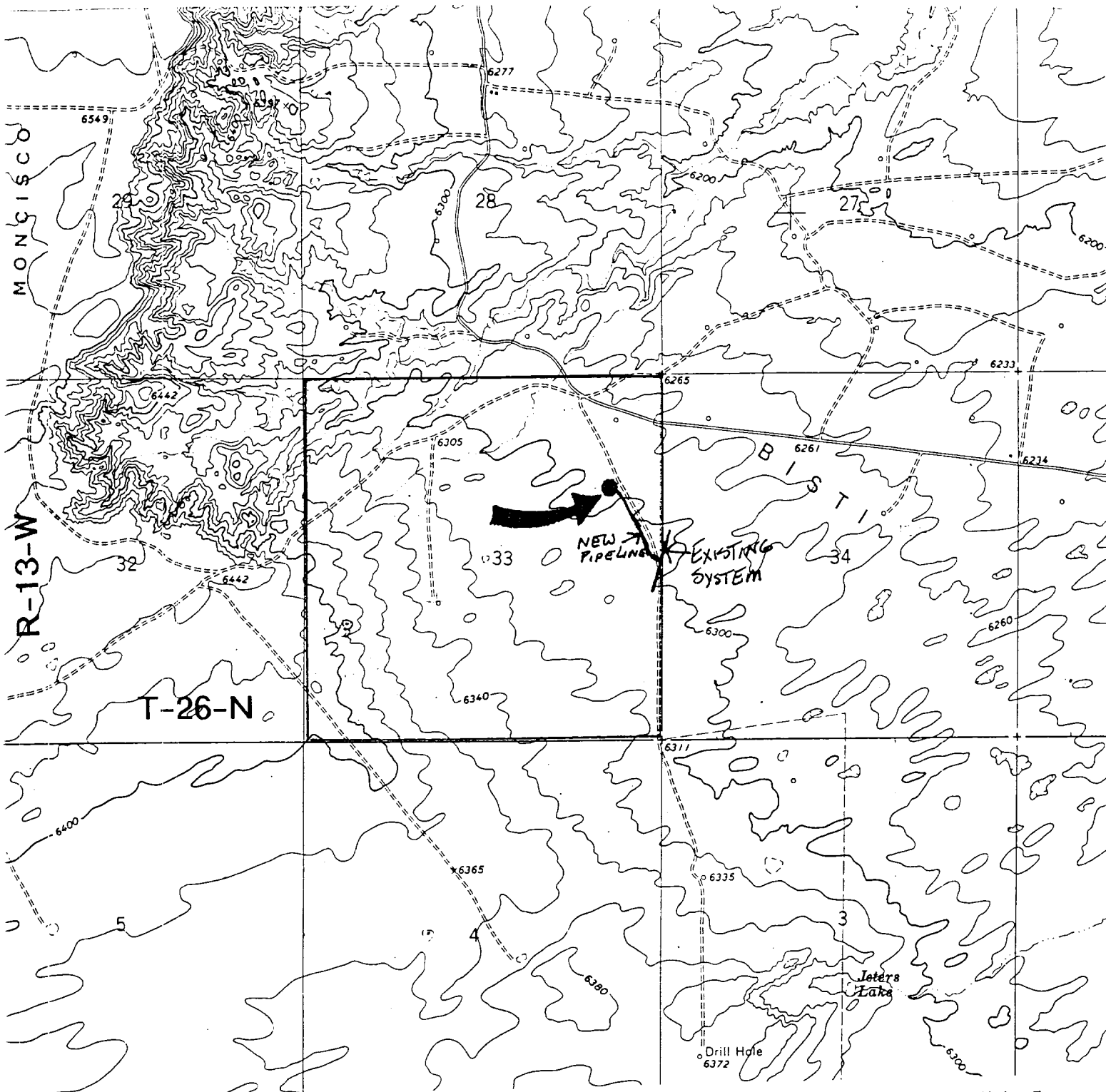
<sup>12</sup> Dedicated Acres E/320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					1650'	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Sherman E. Dugan</i> Signature Sherman E. Dugan Printed Name Vice-President Title June 3, 1997 Date</p>
					790'	
						<p><b>18 SURVEYOR CERTIFICATION</b> 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.</p> <p>July 5, 1995 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Edgar L. Risenhoover NEW MEXICO 5979 Certificate Number</p>

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DIST. 3



### Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.  
Approx. 5.5 mi SW of EPNG Chaco Plant

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map

Moncisco Wash, NM

Dugan Production Corp.

Salge Fed A #95

### Planned Access Road(s)

Exhibit E

Width -- Maximum grades --

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.

No new access required