

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTRECEIVED  
BLM

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1 a. TYPE OF WORK

DRILL ☒DEEPEN ☐

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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 790' FSL &amp; 1040' FWL (SW/4 SW/4)

At proposed prod. zone

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

Approx. 5.5 miles WSW of EPNG Chaco Plant, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

790'

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

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.approx. 3260' from  
DPC  
Paul Revere #204

16. NO. OF ACRES IN LEASE

1760

19. PROPOSED DEPTH

1380'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

S/320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether on ground or in hole)  
6142' GR (est) **This action is subject to technical and  
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	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#	1380'	135 sx (225 cu ft) circ to surf

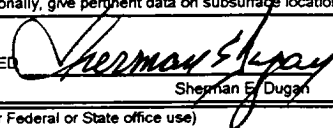
**DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"**

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

24.

SIGNED

  
Sherman E. Dugan

Title Vice-President

Date 8/31/98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

FEB 18 1999

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

**Team Lead, Petroleum Management**

Date

FEB 18 1999

\*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  
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  
☐ AMENDED REPORT

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30 045 28340 29840	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 003819	<sup>5</sup> Property Name Paul Revere	<sup>6</sup> Well Number 91
<sup>7</sup> OGRID No. 006515	<sup>8</sup> Operator Name Dugan Production Corp.	<sup>9</sup> Elevation 6142' (est.)

<sup>10</sup> Surface Location

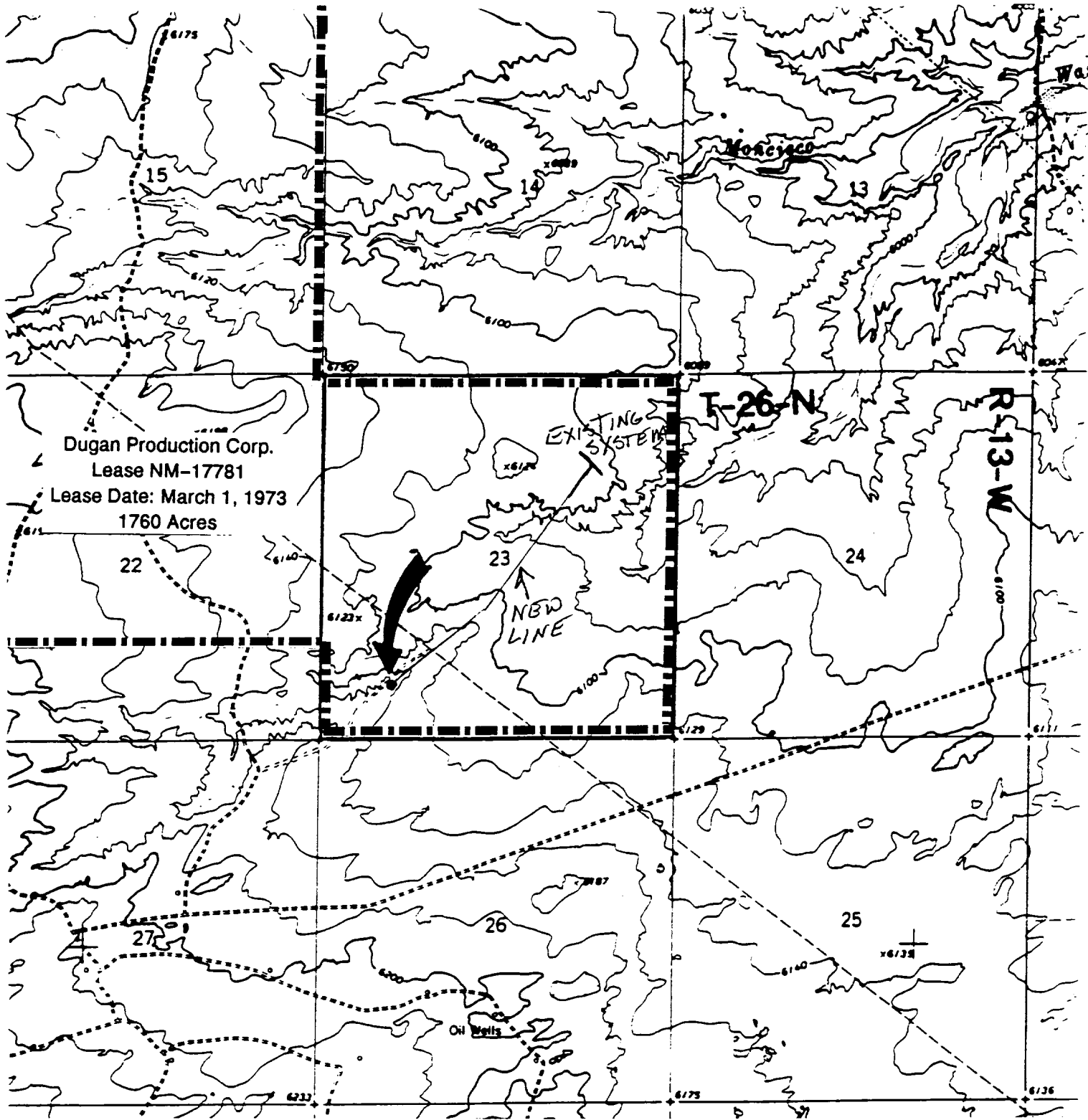
U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	26N	13W		790	South	1040	West	San Juan

<sup>11</sup> Bottom Hole Location If Different From Surface

U/L 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 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<div>RECEIVED FEB 22 1999 OIL CON. DIV. DIST. 3</div>				<sup>17</sup> 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 Vice-President Title Date 8/31/98	
Section 23				<sup>18</sup> 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.	
Dugan Prod. NM17781				Date of Survey August 10, 1990 Signature and Seal of Professional Surveyer:	
1040' 790'				Original survey made & signed by Edgar L. Risenhoover Certificate Number 5979	



Existing Roads

Exhibit E

Planned Access Road(s)

Exhibit E

Proximity of nearest town or reference pt.  
Approx. 5.5 mi WSW of EPNG Chaco Plant

Type of surface dirt

Conditions good

Other

Reference map: USGS map Moncisco Wash, NM 1966

Width  Maximum grades

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.

DUGAN PRODUCTION CORP.