

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1.a. TYPE OF WORK

DRILL

☒

DEEPEN

☐

b. TYPE OF WELL

Oil

☐

Gas

☒

Other

SINGLE

☒

MULTIPLE

☐

Well

Well

ZONE

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 1700' FNL &amp; 950' FWL (SW/4 NW/4)

At proposed prod. zone

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

Approx. 2 miles SE of EPNG Chaco Plant, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

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

950'

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160 NW

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

approx. 1280' from

DPC's

Leah Marie #1

19. PROPOSED DEPTH

1470'

20. ROTARY OR CABLE TOOLS

Rotary

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

6217' 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
9-7/8"	7"	20#	120'	60 sx (71 cu ft) circ to surf
6-1/4"	4-1/2"	10.5#	1470'	140 sx (236 cu ft) 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 the 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.

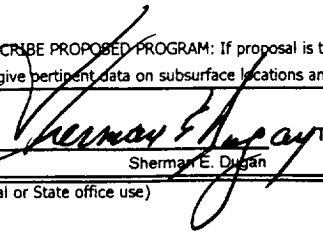
This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4.

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 Vice-President

Date 7/11/2000

Sherman E. Dugan

(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/ Jim Lovato

Title

Date

DEC 14

\*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.

NMOCB

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

1 APT Number 30 045 30314		2 Pool Code 87190		3 Pool Name Waw Fruitland Sand/PC	
4 Property Code 013851		5 Property Name Leah Marie			6 Well Number 3
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6217'

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
E	23	26N	12W		1700	North	950	West	San Juan

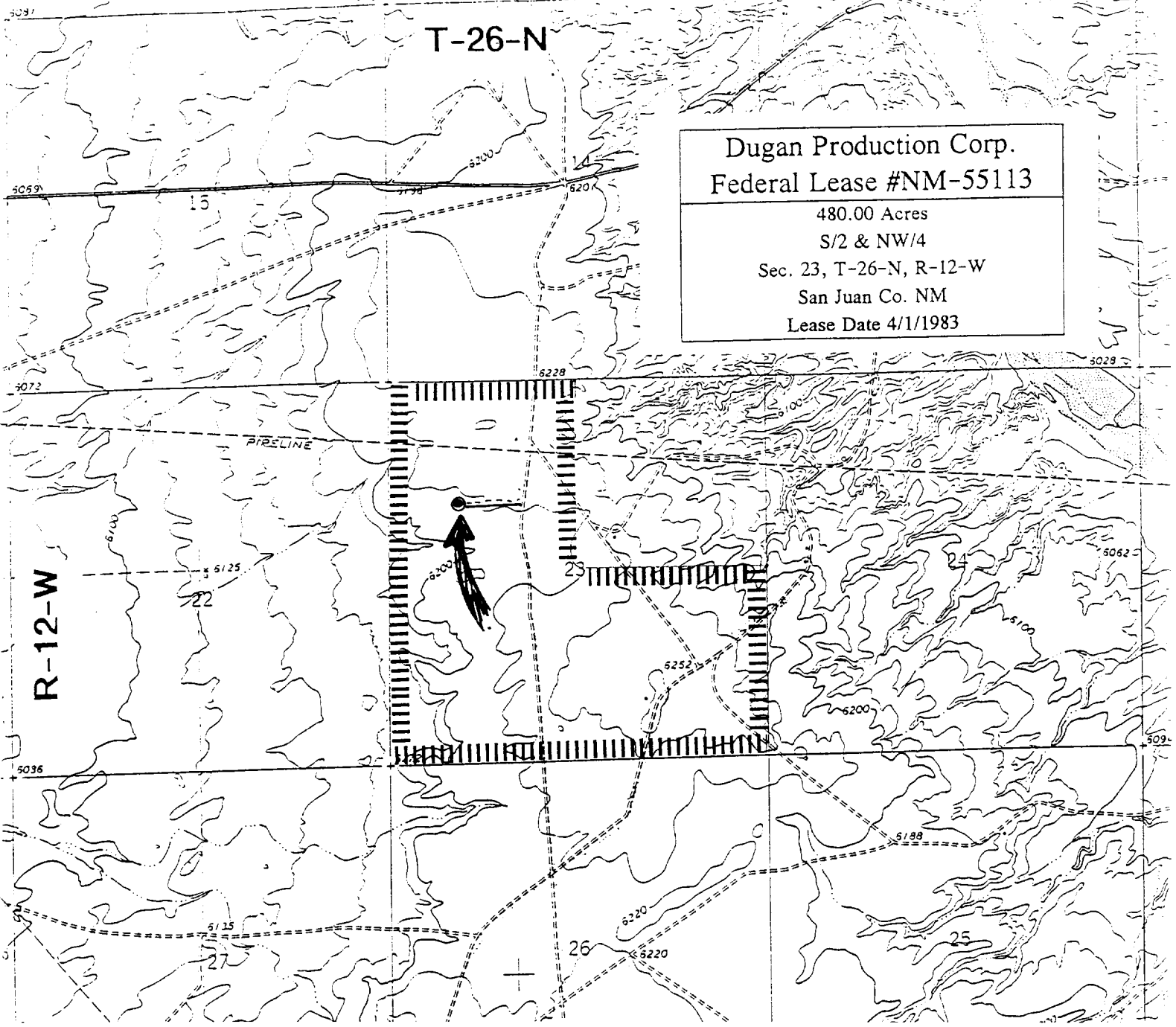
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 160 NW	13 Joint or Infill	14 Consolidation Code	15 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

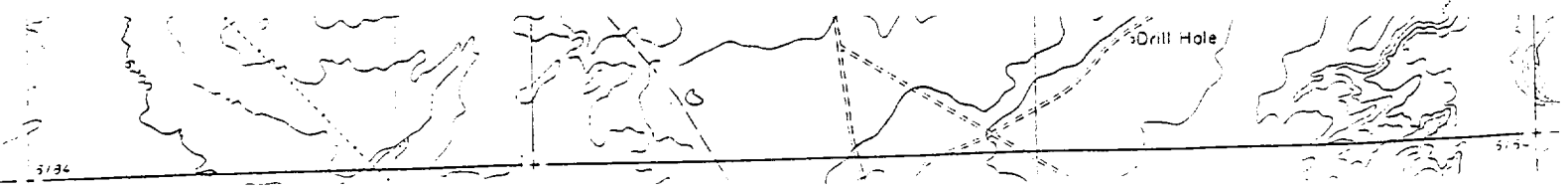
16		17 OPERATOR CERTIFICATION	
		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Sherman E. Dugan Printed Name Vice-president Title July 12, 2000 Date</p>	
		18 SURVEYOR CERTIFICATION	
		<p>I hereby certify 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>April 7, 2000 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:  Edgar L. Risenhoover Certificate Number 39799</p>	



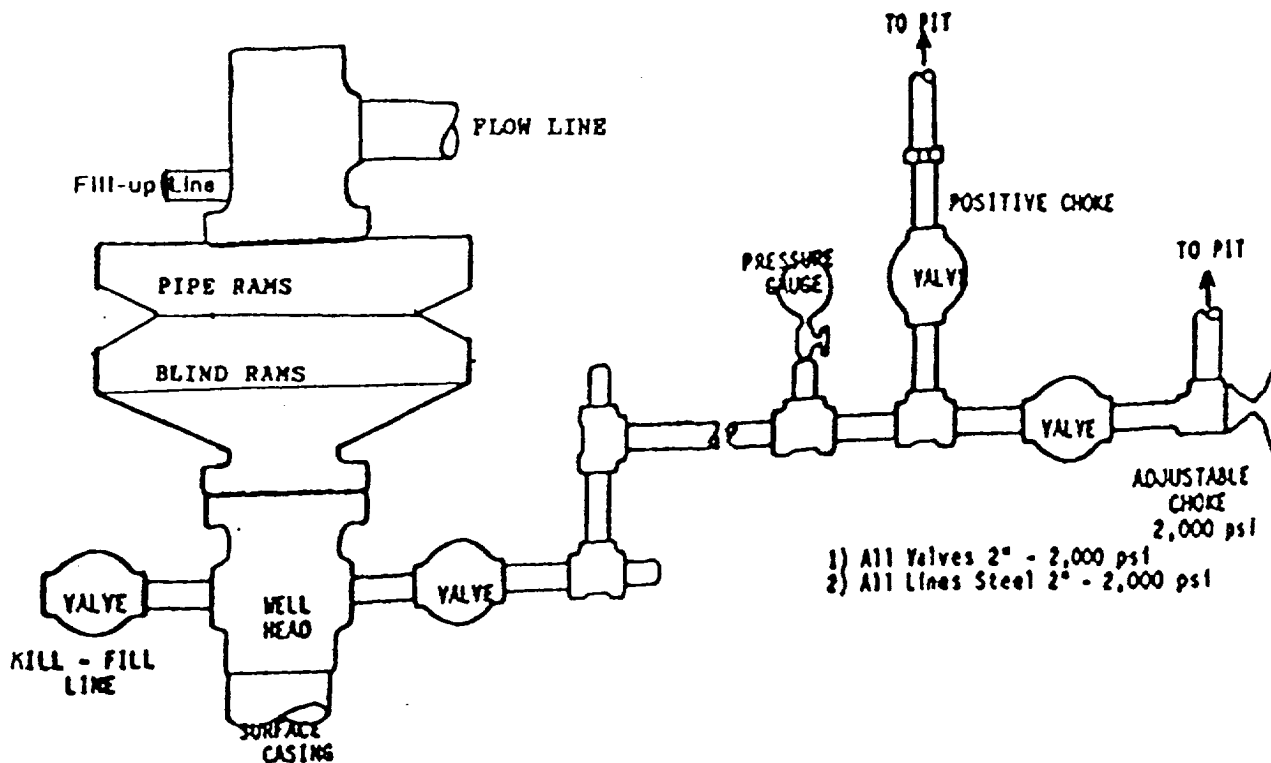
Dugan Production Corp.  
Federal Lease #NM-55113  
480.00 Acres  
S/2 & NW/4  
Sec. 23, T-26-N, R-12-W  
San Juan Co. NM  
Lease Date 4/1/1983

Existing Roads                      Exhibit E  
Vicinity of nearest town or reference pt.  
Approx. 2 mi. SE of EPNG Chaco Plant  
Type of surface dirt  
Conditions good  
Other \_\_\_\_\_  
Reference map: USGS map Carson Trading Post, NM  
DUGAN PRODUCTION CORP.  
LEAH MARIE #3

Planned Access Road(s)                      Exhibit E  
Width 10'                      Maximum grades 1%  
Drainage design as required  
Cuts & Fills as required  
Surfacing material none  
    Turnouts  
    Culverts                      Waterbars  
    Gates  
    Cattleguards                      Access Road &  
    Fence cuts                      Pipeline  
Access road(s) do/do not cross Fed/Ind land.



# B.O.P. WITH CHOKE MANIFOLD



BOP and Related Equipment will include for a 1000 psi system:

## 2000 PSI DOUBLE RAM BLOWOUT PREVENTER

Kill line (2" minimum)

1 kill line valve (2" minimum)

1 choke line valve

2 chokes

Upper kelly cock valve with handle available

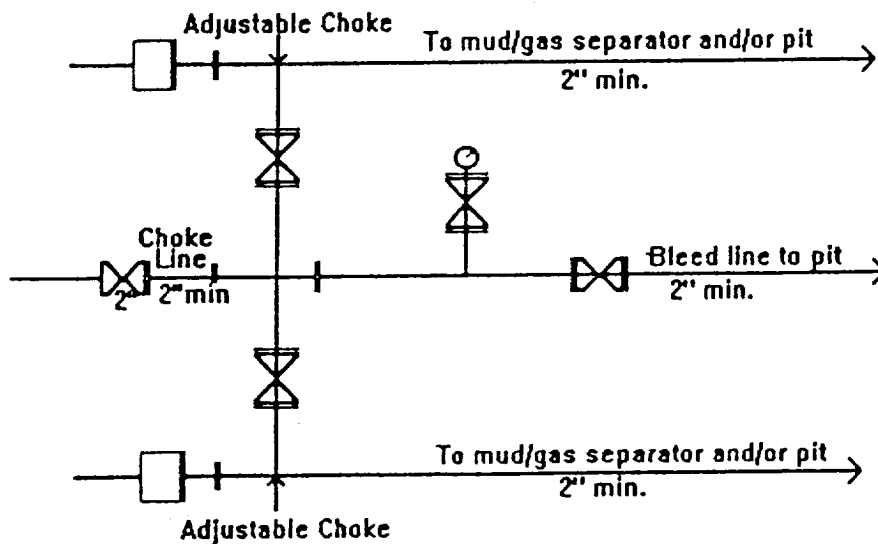
Safety valve and subs to fit all drill string connections in use

Pressure gauge on choke manifold

2" minimum choke line

Fill-up line above the uppermost preventer

BOP equipment will be tested as required in Section III A.1 of Onshore Order 2, plus a 30% safety factor.



2M Choke Manifold Equipment - Configuration May Vary

DUGAN PRODUCTION CORP.  
LEAH MARIE #3  
EXHIBIT D