

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1.a. TYPE OF WORK

DRILL ☒DEEPEN ☐

2001 MAR 26 PM 1:15

b. TYPE OF WELL

Oil ☐Gas ☐Well ☐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 1850' FSL &amp; 1850' FWL (NE/4 SW/4)

At proposed prod. zone

same

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

Approx. 10 miles NW of Carson Trading Post, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

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

1850'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320 S/2

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.approx. 1/4 mile  
from DPC's  
Irish #3

19. PROPOSED DEPTH

1370'

20. ROTARY OR CABLE TOOLS

Rotary

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

6110' 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
8-7/8" 8 3/4"	7"	20#	120'	70 cu.ft. circ. to surf.
6-1/4"	4 1/2"	10.5#	1370'	220 cu.ft. circ. to surf.

A water based gel-mud will be used to drill surface and production casing hole. Standard 2,000 psi BOP will be used to drill production hole. The Fruitland Coal will be completed from approximately 1220'-1240'. The interval will be fractured.

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

APPROVED FOR SIGNATURE OF  
BUREAU OF LAND MANAGEMENT  
APPROVED FOR SIGNATURE OF  
BUREAU OF LAND MANAGEMENT

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

Kurt Fagrellius  
Kurt Fagrellius

Title Geologist

Date 3/19/2001

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

10/5/01

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

/s/ V.R. Balderaz

Title

Date

OCT - 5

\*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.

NMOOD

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 API Number 30 045 30611		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 28965		5 Property Name Irish Com			6 Well Number 90
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6110

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	11	26N	13W		1850	South	1850	West	San Juan

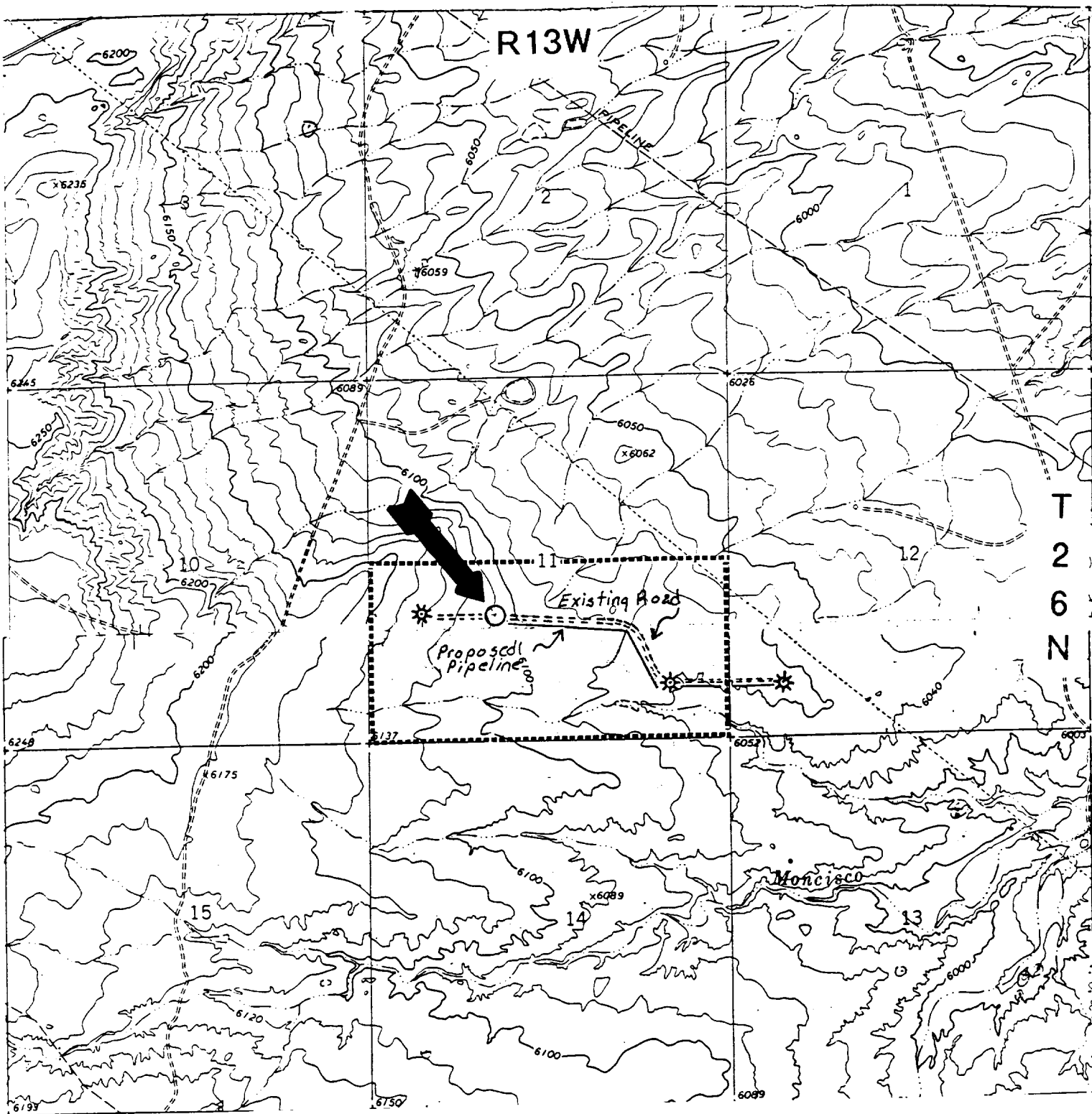
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 320	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><i>Kurt Fagrelus</i></p> <p>Signature</p> <p>Kurt Fagrelus</p> <p>Printed Name</p> <p>Geologist</p> <p>Title</p> <p>March 19, 2001</p> <p>Date</p>	
		<p>18 SURVEYOR CERTIFICATION</p> <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>September 1, 1999</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Edgar R. Risen</i></p> <p>EDGAR R. RISEN NEW MEXICO PROFESSIONAL SURVEYOR 5979</p> <p>Certificate Number</p>	



### Existing Roads

### Exhibit E

Vicinity of nearest town or reference pt.  
Approx. 10 mi. NW of Carson Trading Post, NM

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map-Hugh Lake & Moncisco Wash

### Planned Access Road(s)

### Exhibit E

Width 20' 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.

**EXHIBIT B**  
**OPERATIONS PLAN**  
*Irish Com #90*

**APPROXIMATE FORMATION TOPS:**

Ojo Alamo	<100'
Kirtland	190'
Fruitland	960'
Pictured Cliffs	1245'
 Total Depth	 1370'

**LOGGING PROGRAM:** Run cased hole CNL-CDL

Catch samples every 10 feet from 1100 feet to total depth.

**CASING PROGRAM:**

Hole <u>Size</u>	Casing <u>Size</u>	<u>Wt./ft.</u>	Setting <u>Depth</u>	Grade and <u>Condition</u>
9-7/8"	7"	20#	±120'	J-55
6-1/4"	4-1/2"	10.5#	1370'	J-55

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 Fruitland Coal Formation. 4½", 10.5# J-55 casing will be run and cemented. Cased hole CNL-CDL log will be run. Productive zone will be perforated and fractured. After frac the well will be cleaned out and production equipment will be installed.

**CEMENTING PROGRAM:** All volumes are contingent upon Caliper logs.

Surface: Cement with 70 cu.ft. Class "B" neat. Circulate to surface

Production Stage - Cement with 142 cu.ft. 2% Lodense with 1/4# celloflake/sx followed by 78 cu.ft. Class "B" with 1/4# celloflake/sx.  
Total cement slurry for production stage is 220 cu.ft.  
Circulate to surface.

An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement. An adequate number of casing centralizers will be run through usable water zones to ensure that casing is centralized through these zones. The adequate number of centralizers will be determined based on API standards. Centralizers to impart a swirling action around the casing will be used just below and into the base of the lowest usable water zone. These devices will assist mud displacement, increase cement bonding potential and create an effective hydraulic seal. A chronological log will be kept which records the pump rate, pump pressure, slurry density, and slurry volume for the cement job. The log will be sent to the BLM after completion of the job.

**WELLHEAD EQUIPMENT:**

Huber 7" x 4-1/2" casing head, 1000#WP, tested to 2000#

Huber 4-1/2" x 2-7/8" tubing head, 1000# WP, tested to 2000#

BOP and Related Equipment will include for a 2000 psi system:

Annual preventer, double ram, or 2 rams with one being blind and  
one being a pipe ram

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

Dugan Prod.Corp. Office & Radio Dispatch:	325-1821
	Kurt Fagrelus 325-4327
John Alexander 325-6927	Mark Brown 327-3632
Sherman Dugan 327-3121	John Roe 326-1034

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

## 1. Type of Well

☐ Oil Well      ☒ Gas Well      ☐ Other

## 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 (Footage, Sec., T., R., M., or Survey Description)

1850' FSL & 1850' FWL (NE/4SW/4)  
Unit K, Sec. 11, T26N, R13W

## 5. Lease Designation and Serial No.

NM 57580

## 6. If Indian, Allotted or Tribe Name

## 7. If Unit or CA, Agreement Designation

## 8. Well Name and No.

Irish Com #90

## 9. API Well No.

30 045

## 10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

## 11. County or Parish, State

San Juan, NM

## 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

## TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other Change of plans
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

## 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Change bit size for 7" surface casing from 9-7/8" to 8-3/4".



## 14. I hereby certify that the foregoing is true and correct

Signed

*Terry Kochis*

Title

Engineer

Date

7/9/2001

Terry Kochis

(This space for Federal or State office use)

Approved by

Title

Date

10/5/01

Conditions of approval, if any:

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.

\*See Instruction on Reverse Side

BAMOOD