

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Jerome P. McHugh

3. ADDRESS OF OPERATOR

Box 234, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

870' FSL - 1170' FWL

At proposed prod. zone

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

25 miles southwest of Dulce, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

870'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. approx. 1/2 mile

19. PROPOSED DEPTH

4300'

20. ROTARY OR CABLE TOOLS

Rotary

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

7321' GR

22. APPROX. DATE WORK WILL START*

3-15-78

23.

PROPOSED CASING AND CEMENTING PROGRAM

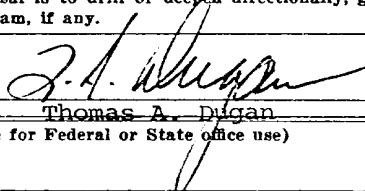
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	180'	125/sx
7-7/8"	4-1/2"	10.5#	4300'	600/sx

Plan to drill well to test the Pictured Cliffs formation using mud as a circulating medium. Plan to run open hole logs, set 4-1/2" casing thru the Pictured Cliffs formation, selectively perforate, frac, cleanout after frac, run tubing and complete well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

Petroleum Engineer

DATE

1-26-78

(This space for Federal or State office use)

PERMIT NO.

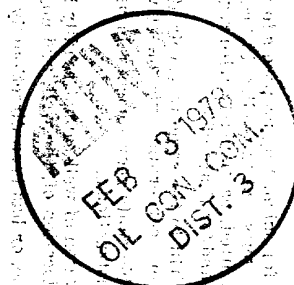
APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



JAN 27 1978

*See Instructions On Reverse Side

U. S. GEOLOGICAL SURVEY
DENVER, COLO.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

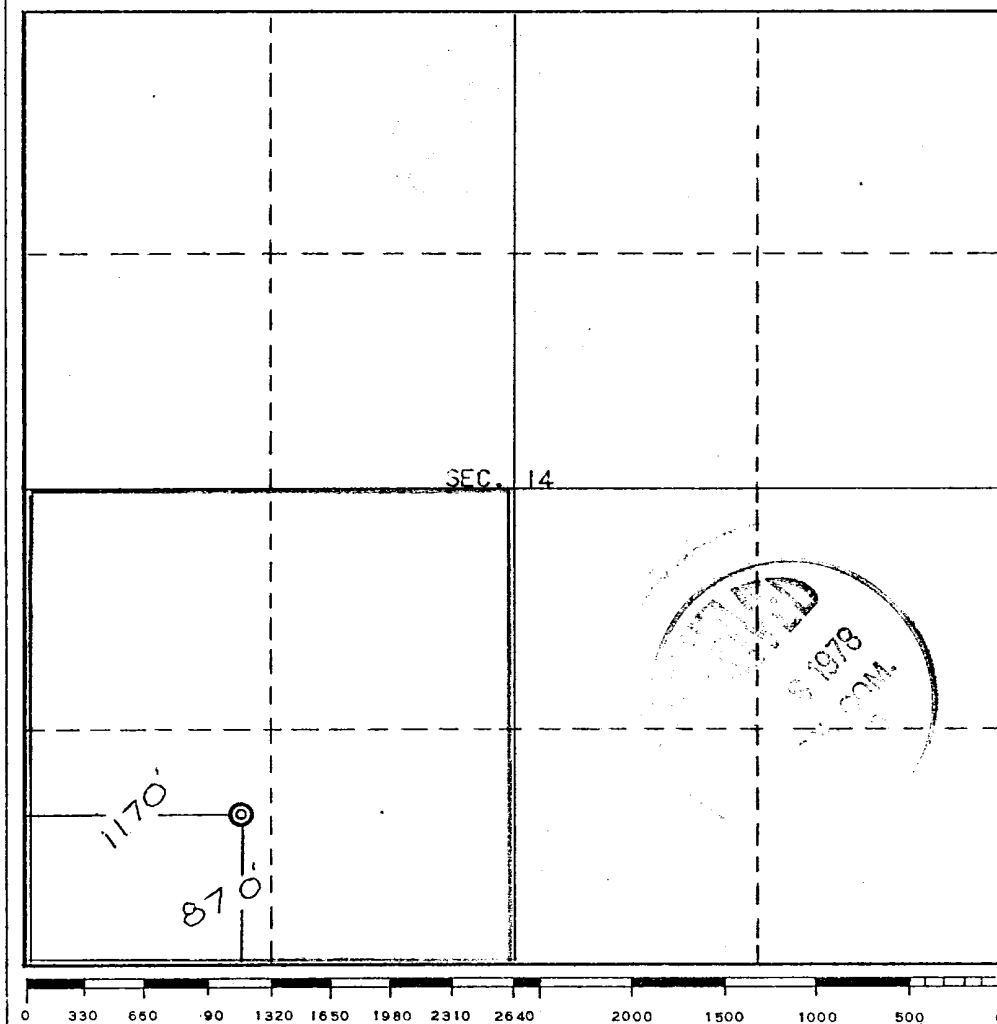
Operator Jerome P. McHugh			Lease Valencia Canyon Unit		Well No. # 37
Unit Letter M	Section 14	Township 28 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well:					
870 feet from the South line and		1170 feet from the West line			
Ground Level Elev. 7321	Producing Formation Pictured Cliffs	Pool Choza Mesa	Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Thomas A. Dugan
Name
Thomas A. Dugan

Position
Petroleum Engineer

Company
Dugan Production Corp.

Date
1-26-78

REGISTERED LAND SURVEYOR
E. V. ECHOHAWK
No. 3602
NEW MEXICO
JAN 26 1978
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 are true and correct to the best of my knowledge and belief.

Date Surveyed
September 9, 1977

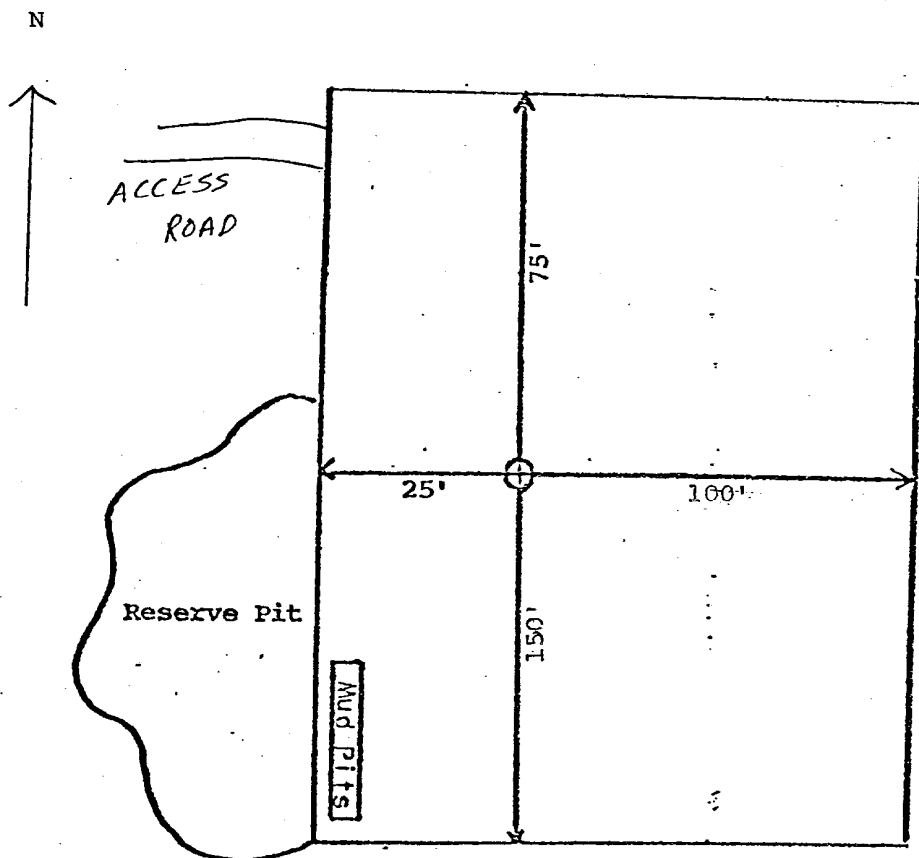
Registered Professional Engineer and/or Land Surveyor

E. V. Echhawk
Certificate No. 3602

E.V. Echhawk LS

Jerome P. McHugh

Valencia Canyon Unit #37



DEVELOPMENT PLAN

Jerome P. McHugh

Valencia Canyon Unit #37

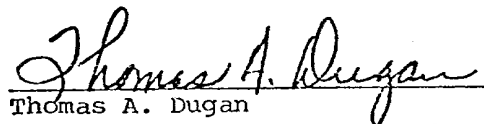
1. Existing roads are shown on attached plat.
2. Planned access from existing road approximately 400' to new location. Will leave natural grass and small vegetation on roadway. Will remove large brush or trees from road. Do not plan to make road grade or bar ditches. Will bottom-out any arroyo we cross and not install culverts.
3. Location of well: 870' FSL - 1170' FWL
Section 14, T28N, R4W
Rio Arriba County, NM
4. One additional well(s) planned on this lease at this time.
5. Separator and flow line will be located within 50' of wellhead.
6. Water will be secured from La Jara Wash or Carrizo Wash.
7. Waste materials will be buried on location or in reserve pit.
8. No permanent camp is planned; trailer house will be used on location while drilling.
9. Do not plan to build airstrip.
10. See attached plat for proposed location layout.
11. Will clean up location, fill and level pits, level ruts in road, reseed location and road with Seed Mixture #2 and paint equipment with Pinon Green.
12. Operator's Representative:
Thomas A. Dugan
Box 234
Farmington, New Mexico 87401
13. Certification: The following statement must be signed by the lessee's or operator's field representative who is identified in Item #12 of the Plan:

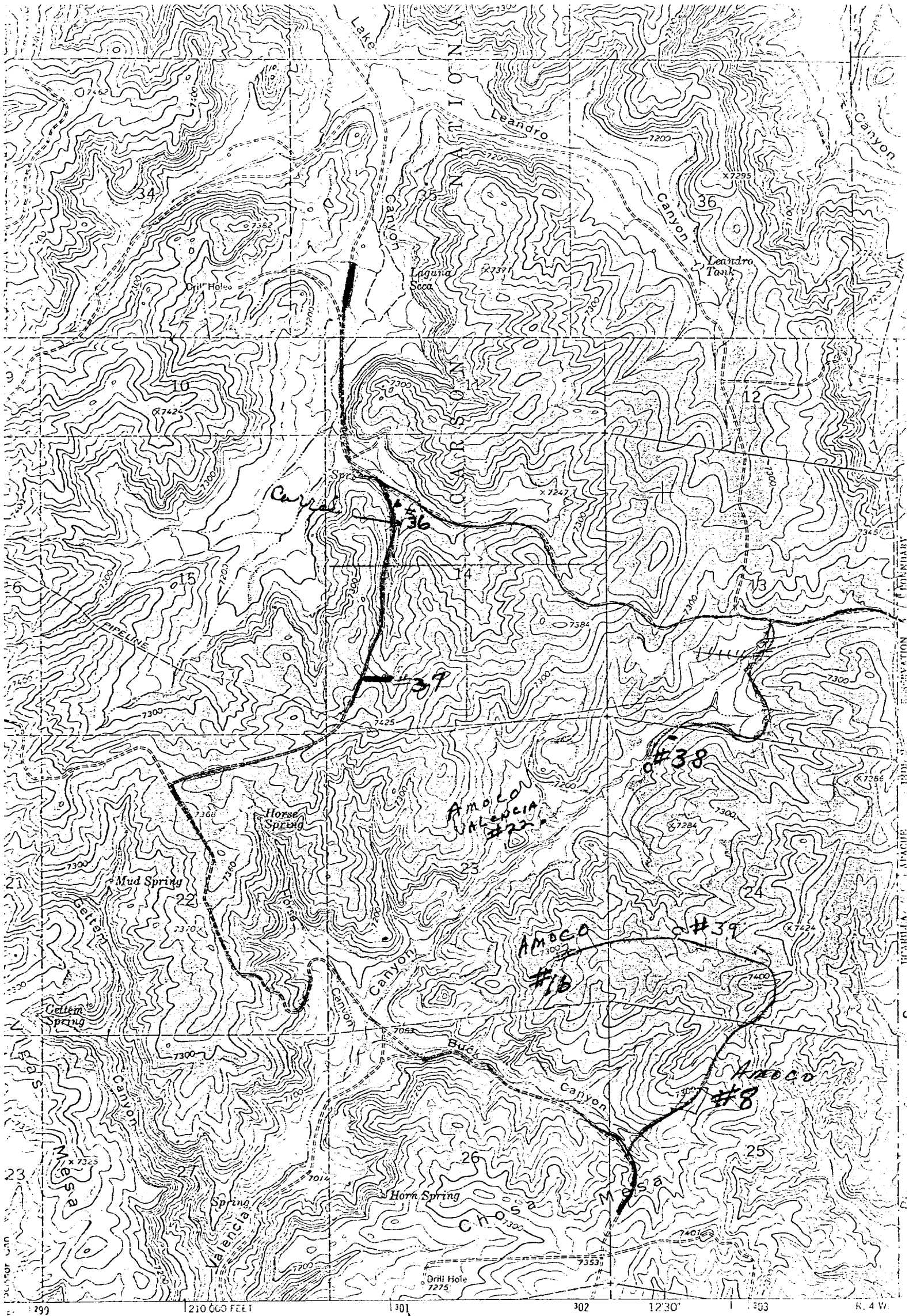
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this Plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by _____

Jerome P. McHugh

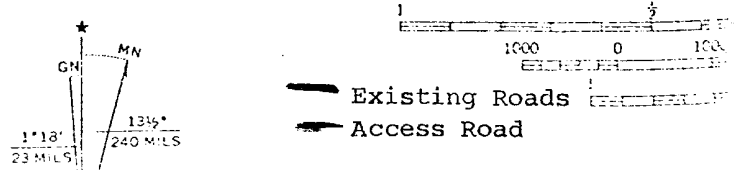
and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Date: 1-26-78


Thomas A. Dugan
Professional Petroleum Engineer



Designed, edited, and published by the Geological Survey
 of the USGS and USC&GS
 Topography by photogrammetric methods from aerial
 photographs taken 1958 and 1962. Field checked 1963
 UTM projection, 1927 North American datum
 100-foot grid based on New Mexico coordinate system, central zone



dugan production corp.

Additional Information on
Intent to Drill Filed
1-26-78.

Lease No. NM 14914
Lease Name Valencia Canyon Unit
Unit No. #37
Location 870' FSL - 1170' FWL
Sec 14 T28N R4W
Rio Arriba, NM

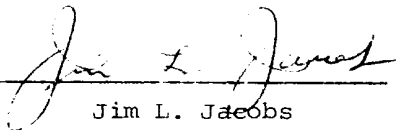
Wellhead and Blowout Prevention Requirements

Plan to use WKM Wellhead systems flanged 600 series casing and tubing head with screwed outlets.

Plan to use 10" hydraulic double gate 3000 psi W.P. Blowout Preventer furnished by drilling contractor while drilling well.

Plan to use 6" manual double gate 3000 psi W. P. Blowout Preventer rented while completing well.

Signed


Jim L. Jacobs

Title Geologist

Date 2-24-78

