

**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

Dugan Production Corp.

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 1850' FSL - 1600' FWL

At proposed prod. zone

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

14 miles south of Farmington, NM 87401

15. DISTANCE FROM PROPOSED*

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

790'

16. NO. OF ACRES IN LEASE

367.44

17. NO. OF ACRES ASSIGNED
TO THIS WELL

183.44

18. DISTANCE FROM PROPOSED LOCATION*

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

19. PROPOSED DEPTH

1400'

20. ROTARY OR CABLE TOOLS

Rotary

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

6090' GR

22. APPROX. DATE WORK WILL START*

6-1-78

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
6-1/4"	5-1/2"	14#	30'	5 sx
4-3/4"	2-7/8"	6.4#	1400'	175 cu ft.

Plan to drill 4-3/4" hole with air or minimum mud to 1400' to test Pictured Cliffs Formation.

Do not plan to have blowout preventer on well while drilling. Master valve and stripper head will be installed while completing.

NMERB Requirement: Gas is not dedicated.

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

Thomas W. Dugan

TITLE

Petroleum Engineer

DATE

5-10-78

(This space for Federal or State office use)

PERMIT NO.

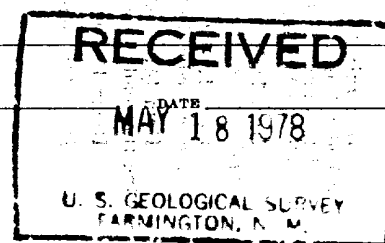
APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



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.

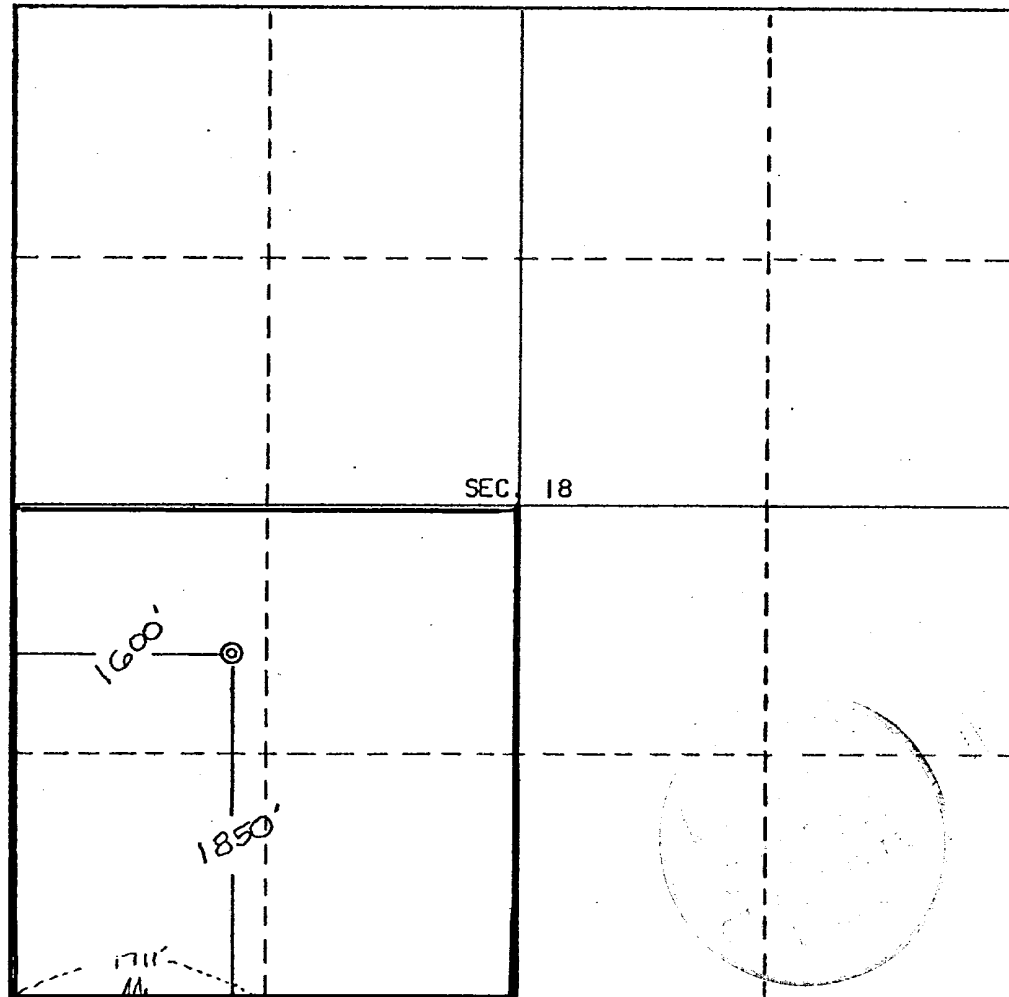
Operator Dugan Production Corporation			Lease Faith		Well No. 2
Unit Letter L	Section 18	Township 27	Range 13 West	County San Juan	
Actual Postage Location of Well: 1850 feet from the South line and 1600 feet from the West line					
Ground Level Elev. 6090	Producing Formation Pictured Cliff		Pool WAW	Dedicated Acreage: 183.44 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.

Name **Thomas A. Dugan**
Position **Petroleum Engineer**
Company **Dugan Production Corp.**
Date **5-10-78**

REGISTERED LAND SURVEYOR
STATE OF NEW MEXICO
Reg. No. **3602**
I hereby certify that the well location 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 knowledge and belief.
E.V. ECHOHAWK

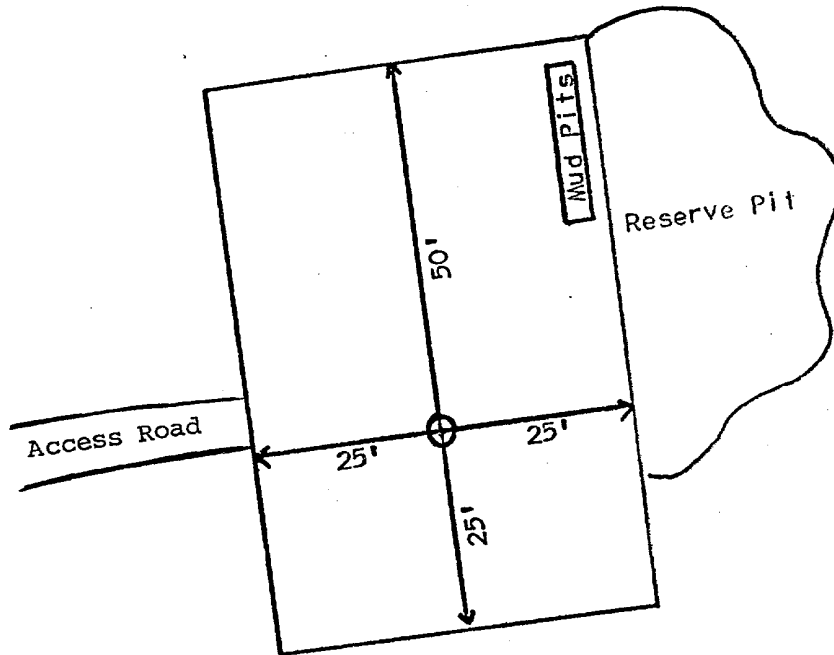
Date Surveyed
March 7, 1978
Registered Professional Engineer
and/or Land Surveyor

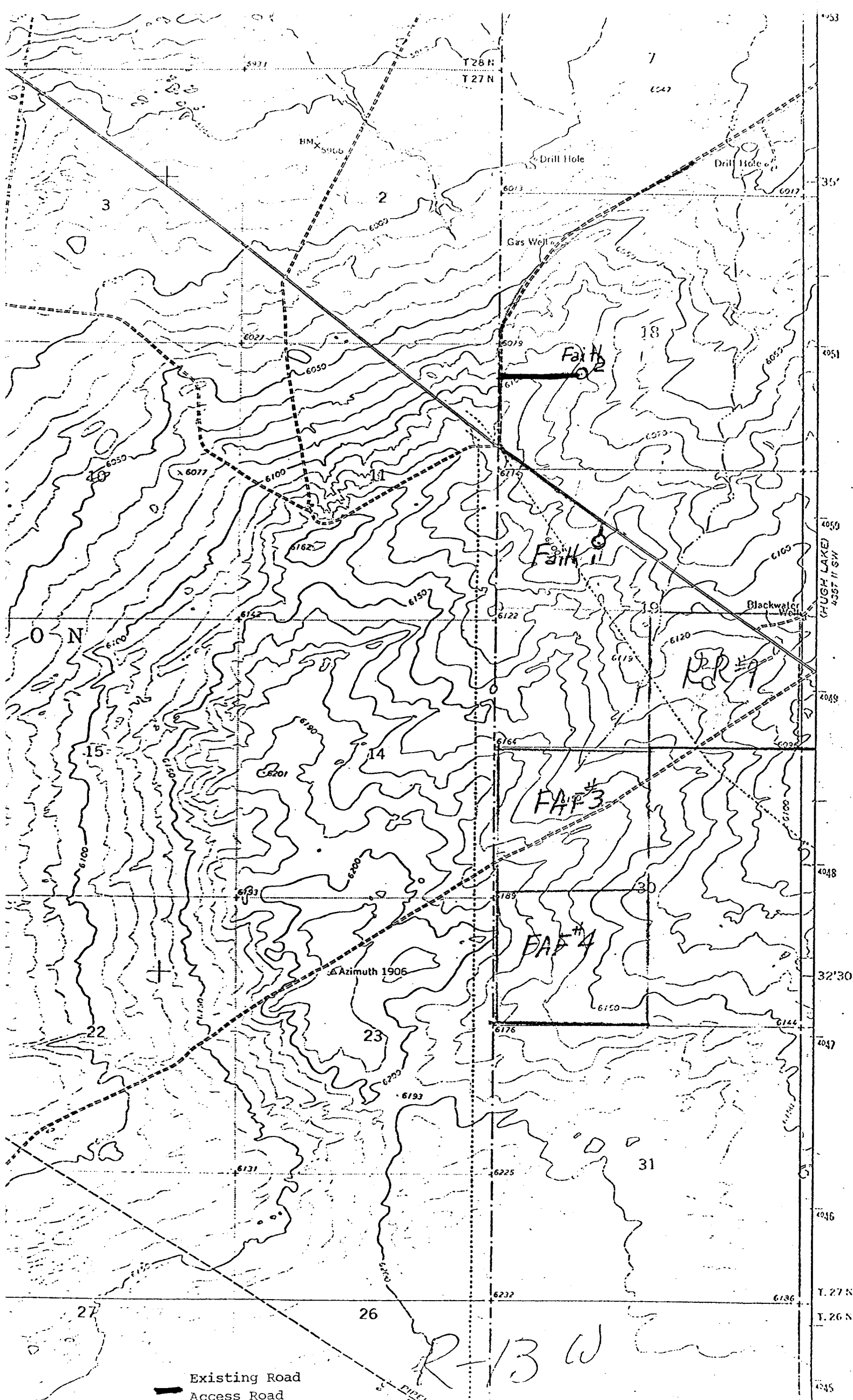
E.V. Echohawk
Certificate No. **3602**
E.V. Echohawk I S

Dugan Production Corp.

Faith #2

Proposed Location Layout





Existing Road
Access Road

R-13 W

DEVELOPMENT PLAN

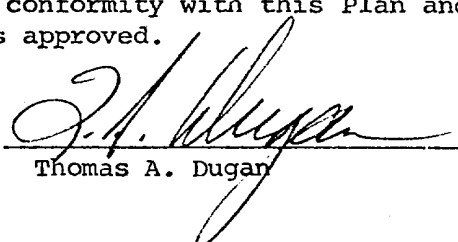
Dugan Production Corp.

Faith #2

1. Existing roads and existing wells are shown on attached plat.
2. Planned access from existing road approximately 1600' 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: 1850' FSL - 1600' FWL
Section 18, T27N, R13W
San Juan 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 San Juan River or Navajo Irrigation System.
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. A general description of the topography, soil characteristics, geologic features, flora and fauna; other surface-use activities and surface ownership of involved lands, proximity of water, occupied dwellings, archeological, historical or cultural sites can be found in the archeologist's report.
12. Geologic name of surface formation: Recent Blow Sand
13. Estimated tops of important geologic markers:
Kirtland 67' Fruitland 900' Pictured Cliffs 1338'
14. Estimated depths of anticipated water, oil, gas, or other mineral bearing formations which are expected to be encountered;
Pictured Cliffs 1338'
15. We do not anticipate to encounter any abnormal pressures or temperatures or any potential hazards such as those associated with hydrogen sulfide.
16. Will clean up location, fill and level pits, level ruts in road, reseed location and road with Seed Mixture #2 and paint equipment with Sandstone Brown.
17. Operator's Representative:
Thomas A. Dugan
Box 234
Farmington, NM 87401
18. Certification: The following statement must be signed by the lessee's or operator's field representative who is identified in Item #17 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 Dugan Production Corp. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Date: May 10, 1978


Thomas A. Dugan



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

June 21, 1978

Mr. Richard Tully
Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

Re: Dugan Production Corporation
Faith #2
1850' FSL; 1600' FWL
18-27N-13W

Dugan Production Corporation
Faith #1
1400' FNL; 2000' FWL
19-27N-13W

Dear Mr. Tully:

Each of the referenced wells is at a non-standard footage location as defined in Rule 104.

Please obtain approval for the locations prior to production.

Yours very truly,

A. R. Kendrick
District Supervisor

ARK:no



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

JERRY APODACA
GOVERNOR

June 26, 1978

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

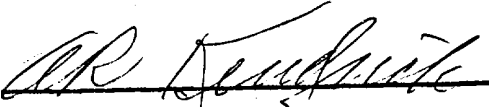
NICK FRANKLIN
SECRETARY

NWU 3- 730

Dugan Production Corp.
Box 234
Farmington, NM

SUBJECT: NON-STANDARD GAS PRORATION UNIT CONSISTING OF 183.44
ACRES IN THE WAW Pictured Cliffs GAS
POOL DESCRIBED AS FOLLOWS:
TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
SECTION: 18 SW/4

By authority granted me by Rule 5(8) of Order R-1670, as amended, the above-
described acreage has been approved as a non-standard gas proration unit
to be dedicated to the Faith
well no. 2, located 1850/S; 1600/W of said
Section 18.


Supervisor, District #3

xc: Oil Conservation Commission
Santa Fe, New Mexico