

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

30-045-24482

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 208, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 810' FSL - 810' FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 6-1/2 miles south of Farmington, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 810'

16. NO. OF ACRES IN LEASE 320

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. 0'

19. PROPOSED DEPTH 1460'

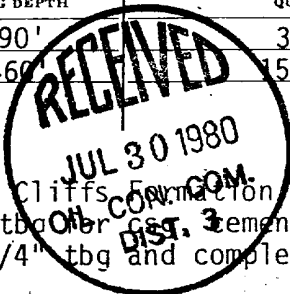
20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5986' GL

22. APPROX. DATE WORK WILL START*
 ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

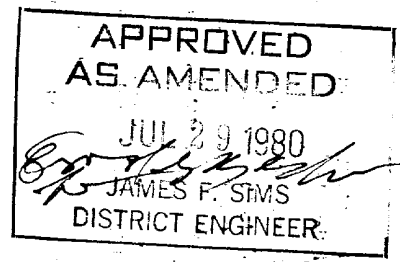
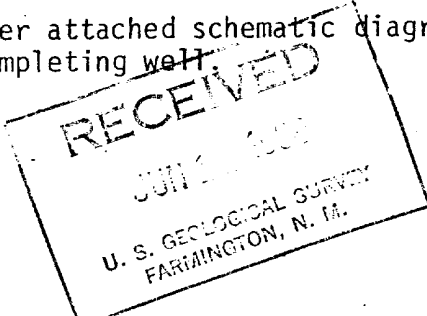
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7-7/8"	7"	20#	90'	35 sx circulate
4-3/4"	2-7/8"	6.4#	1460'	50 sx



Plan to drill 4-3/4" hole to test the Pictured Cliffs formation. Plan to run IES log to TD. If productive, plan to set 2-7/8" tubing cement, selectively perforate, frac, clean out after frac, run 1-1/4" tubing and complete well.

Plan to use 3000 psi BOP per attached schematic diagram. Will use master valve and stripper head while completing well.

NMERB: Gas 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 Sherman E. Dugan TITLE Geologist DATE 6-11-80
 Sherman E. Dugan

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

col 3rd

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.

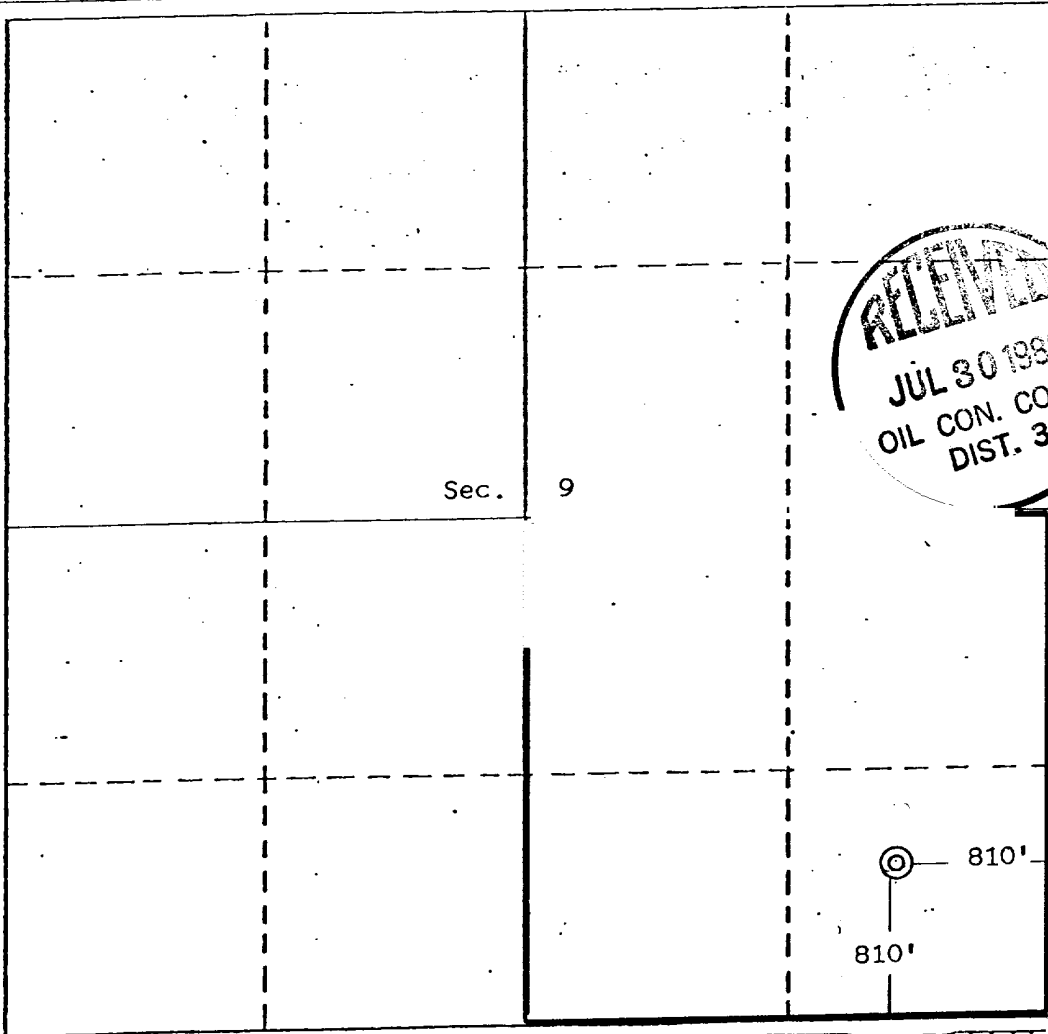
Operator Dugan Production Corporation		Lease Piney			Well No. 2
Unit Letter P	Section 9	Township 27 North	Range 13 West	County San Juan	
Actual Footage Location of Well: 810 feet from the South line and 810 feet from the East line					
Ground Level Elev. 5986	Producing Formation Pictured Cliffs		Pool WAW Fruitland	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.



RECEIVED
JUL 30 1980
OIL CON. COM.
DIST. 3

CERTIFICATION

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

Name: Sherman E. Dugan
 Position: Geologist
 Company: Dugan Production Corp.
 Date: 6-11-80

I hereby certify that the location shown on this plat was obtained 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.

Date Surveyed: June 6, 1980
 Registered Professional Engineer and/or Land Surveyor
Edgar L. Risenhoover
 Certificate No. 5979
 Edgar L. Risenhoover, L.S.