

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-25587

5. LEASE DESIGNATION AND SERIAL NO.
NM 33040

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Faith

9. WELL NO.
4

10. FIELD AND POOL, OR WILDCAT
WAW Pictured Cliffs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 18, T27N, R13W

12. COUNTY OR PARISH
San Juan

13. STATE
NM

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
P. O. Box 208, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any Special Requirements.)
At surface 1850' FSL - 1850' FWL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
12 miles South of Farmington

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 mile

19. PROPOSED DEPTH
1400'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6075' GL

22. APPROX. DATE WORK WILL START*
3-1-83

RECEIVED
FEB 4 1983
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	20#	90'	35 sx Class B neat (41.3 c.f.)
5-1/8"	2-7/8"	6.4#	1400'	170 c.f.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

This action is subject to administrative appeal pursuant to 30 CFR 290.

Plan to drill with spud mud to set 7" surface casing at 90'. Will then drill with as little mud as possible, using the slim hole technique to test the Pictured Cliff Formation. Will run IES logs if the well appears productive, will run 2-7/8" tubing as casing, selectively perforate, frac, clean out after frac, and complete well using 1 1/4" tubing.

GAS DEDICATED.

RECEIVED
FEB 24 1983
OIL CON. DIV.
DIST. 3

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 Jerry McHugh TITLE Well Site Coordinator DATE 2-2-83
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

APPROVED
AS AMENDED

NWU 3-731

ahz

*See Instructions On Reverse Side

NMOCC

FEB 19 1983
JAMES F. SIMS
DISTRICT ENGINEER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

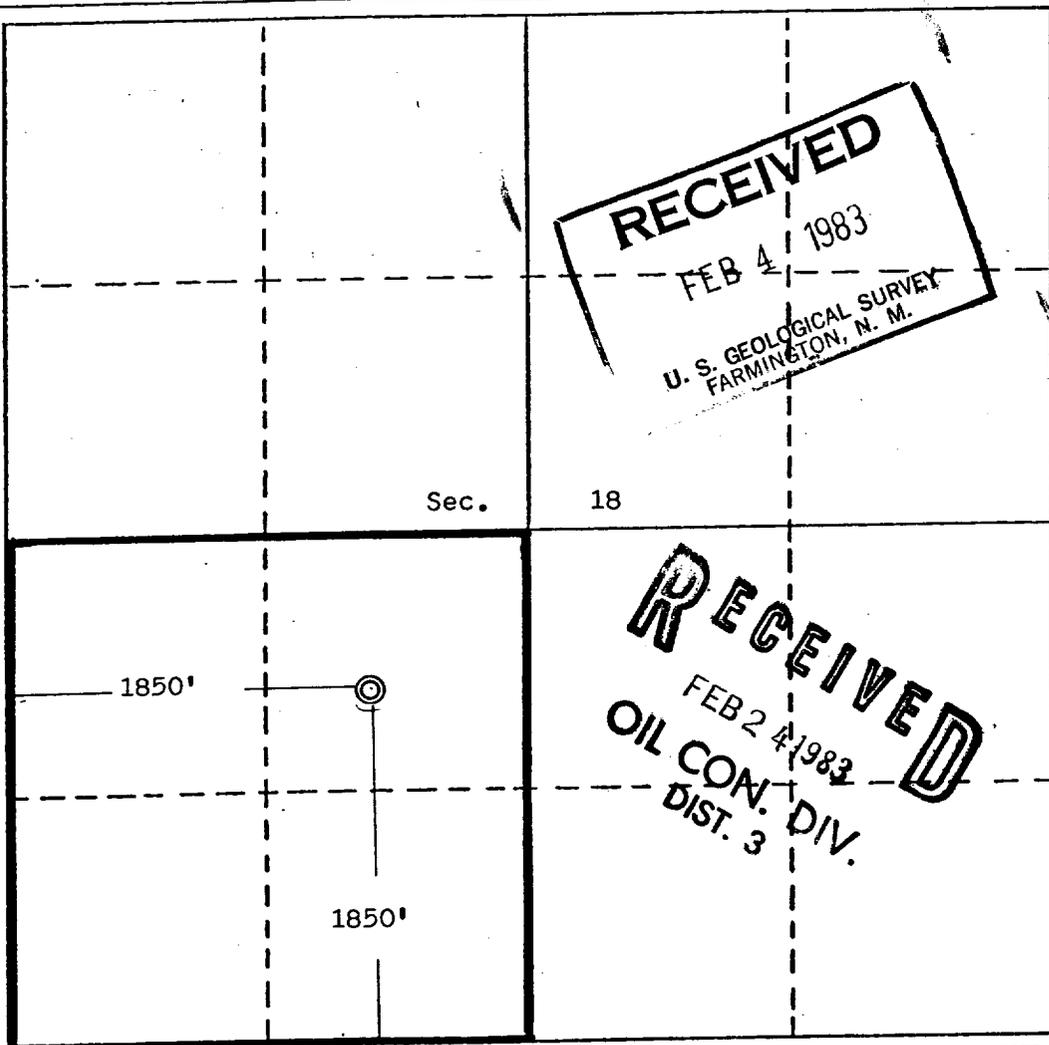
Operator Dugan Production Corporation		Lease Faith		Well No. 4
Unit Letter K	Section 18	Township 27 North	Range 13 West	County San Juan
Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the West line				
Ground Level Elev. 6075	Producing Formation Pictured Cliffs	Pool WAW Pictured Cliffs	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 Division.



CERTIFICATION

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

Jerry McHugh
Name
Jerry McHugh

Position
Well Site Coordinator

Company
Dugan Production Corp.

Date
2-2-83

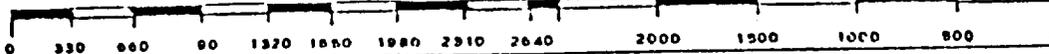
I hereby certify that the location shown on this plat was plotted in the field and that the data were made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 24, 1983

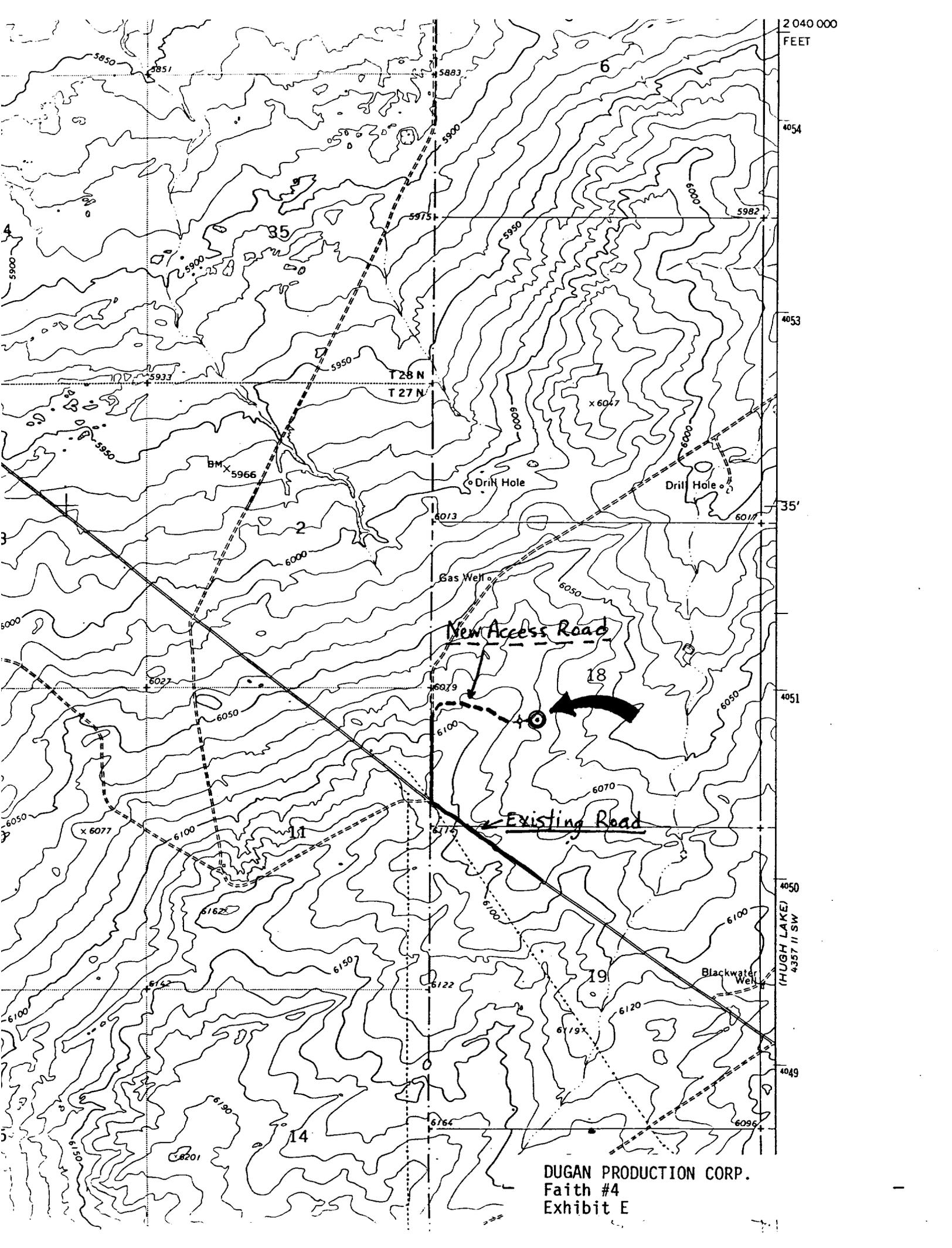
Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.



2 040 000
FEET



DUGAN PRODUCTION CORP.
Faith #4
Exhibit E