Form 9-331 C
(May 1963)

6 BLM 1 File 1 BIA

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] 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 State requirements.*)
At surface: 1090' FNL - 790' FWL
At proposed prod. zone:

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BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

5. LEASE DESIGNATION AND SERIAL NO.: NOO-C-1420-5706

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Navajo

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Marvel

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Undes. Pictured Cliffs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: D Sec.32,T27N,R12W,NMPM

12. COUNTY OR PARISH: San Juan 13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 12 miles south of Farmington, NM

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: 160

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. 3000' NE of DPC's Gee Gee #2

19. PROPOSED DEPTH: 1270'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5818' GL

22. APPROX. DATE WORK WILL START*: ASAP

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

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

23. 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'	41 cf circ. to surface
5-1/8"	2-7/8"	6.4#	1270'	188 cf circ. to surface

Plan to drill with as little mud as possible, using the slim-hole technique to test the Pictured Cliffs formation. Plan to run IES log and if the well appears productive, will set 2-7/8" casing, cemented to surface. Will selectively perforate, possibly frac and clean out after frac.

GAS IS NOT DEDICATED.

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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 Sherman E. Dugan Sherman E. Dugan TITLE Geologist DATE 9-20-85

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

/s/ J. Stan McKee

*See Instructions On Reverse Side

NMOCC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

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	Lease	Well No.
Dugan Production Corporation	Marvel	1

Unit Letter	Section	Township	Range	County
D	32	27 North	12 West	San Juan

Actual Footage Location of Well: 1090 feet from the North line and 790 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5818	Pictured Cliffs	~~Undesignated~~ PC Ext	160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

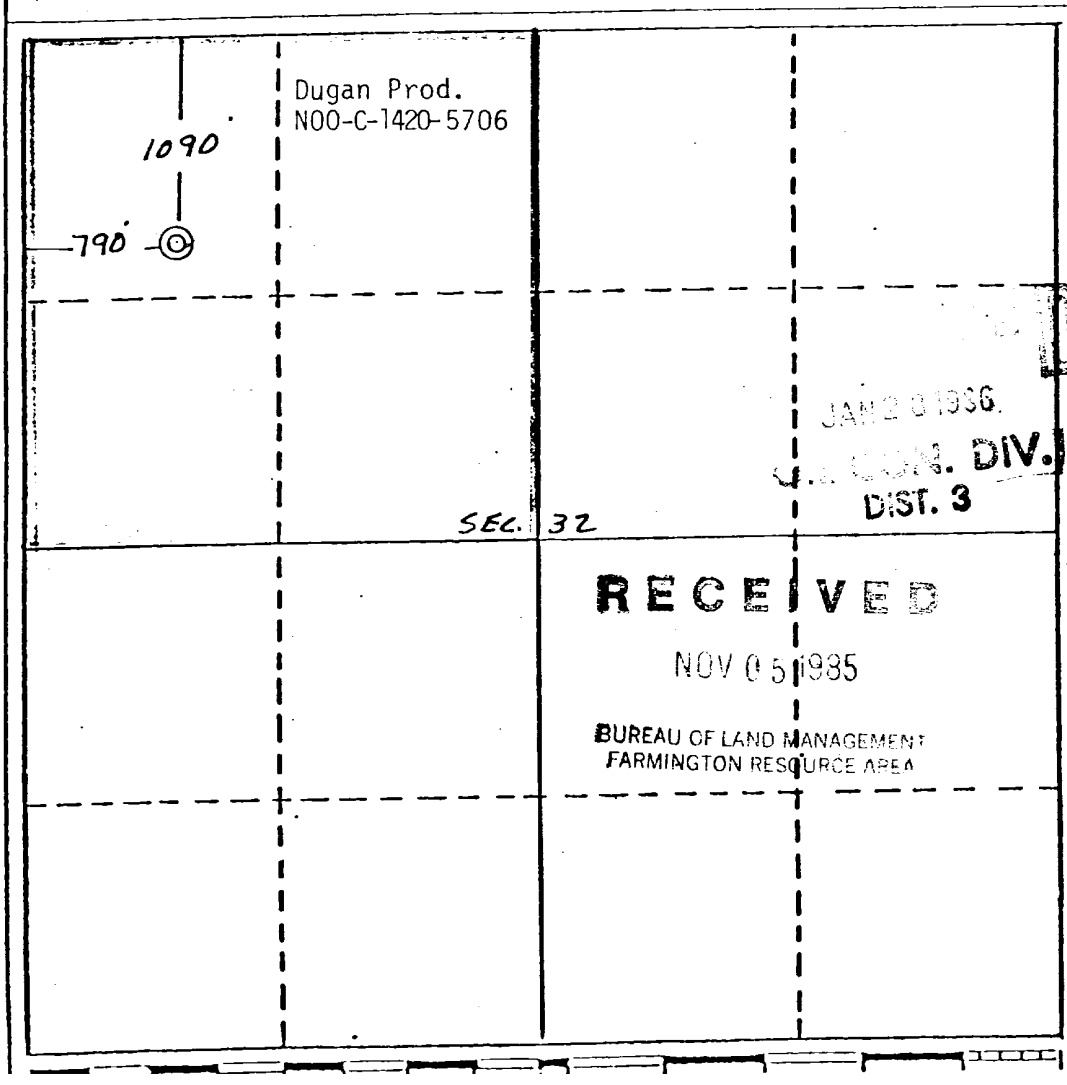
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 Division.



CERTIFICATION

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

Sherman E Dugan

Name: Sherman E. Dugan

Position: Geologist

Company: Dugan Production Corp.

Date: 9-20-85

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 knowledge and belief.

EDGAR L. RISENHOOVER
REGISTERED LAND SURVEYOR
NEW MEXICO
5979

Date Surveyed: August 26, 1985

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

DUGAN PRODUCTION CORP. - Marvel #1

Existing Roads — Exhibit E

Distance from nearest town or reference pt.
12 miles south of Farmington, NM

Type of surface dirt

Conditions good

Other

DUGAN PRODUCTION CORP. - Marvel #1

Planned Access Road(s) — Exhibit E

Width 20' Maximum grades 2%

Drainage design

Cuts & Fills

Surfacing material

Plan to utilize approx. 1000' of existing 2-track and construct approx. 300' new access road.

Access road(s) (do)/do not cross Fed/(Ind) land.