

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)
30-045-28269
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-3736

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> <del>PLUG BACK</del> <input checked="" type="checkbox"/>		7. Lease Name or Unit Agreement Name  Com			
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Well No. 1			
2. Name of Operator DUGAN PRODUCTION CORP.		9. Pool name or Wildcat Basin Fruitland Coal			
3. Address of Operator P.O. Box 420, Farmington, NM 87499					
4. Well Location Unit Letter J : 1750 Feet From The South Line and 1820 Feet From The East Line Section 2 Township 29 North Range 14 West NMPM San Juan County					
10. Proposed Depth		11. Formation			
12. Rotary or C.T.					
13. Elevations (Show whether DF, RT, GR, etc.) 5516' GR		14. Kind & Status Plug. Bond statewide			
15. Drilling Contractor		16. Approx. Date Work will start 9-1-90			
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP

It is proposed that existing Dakota perms be abandoned, the wellbore plugged back to 1160', and the Fruitland Coal be completed for production.

--- SEE ATTACHED ---

RECEIVED  
AUG 1 1990  
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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Jim L. Jacobs TITLE Vice-President DATE 7-31-90  
TYPE OR PRINT NAME Jim L. Jacobs TELEPHONE NO. 325-1821

(This space for State Use)

APPROVED BY Ernie Busch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE AUG 03 1990

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 For CA + NSL + pool change for  
H. Perm #2 + #3

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator DUGAN PRODUCTION CORP.			Lease Com		Well No. 1
Unit Letter J	Section 2	Township 29 North	Range 14 West	County San Juan	
Actual Footage Location of Well: 1750 feet from the South line and 1820 feet from the East line					
Ground level Elev. 5516'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 316.65 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest 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. All lease hold interest is held by Dugan Prod. & will be communitized.

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 interest, has been approved by the Division.

<b>RECEIVED</b> AUG 1 1990 OIL CON. DIV. DIST. 3	Lot 2 Dugan Prod. 38.49 A NM B-11242-43	Lot 1 Dugan Prod. 38.16 A LG-3736
	Dugan Prod. 80 A NM E-6714-4	
	Dugan Prod. 40 A LG-3736	Dugan Prod. 80 A 1820'
	Dugan Prod. 40 A Fee Lse. (King)	SF-078110

OPERATOR CERTIFICATION

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

Signature

Printed Name

Jim L. Jacobs

Position

Vice President

Company

Dugan Production Corp.

Date

7-31-90

SURVEYOR CERTIFICATION

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.

Date Surveyed

3-21-61

Signature & Seal of  
Professional Surveyor

Original signed survey  
plat by James P. Leese  
is on file.

Certificate No.

1463

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Attachment To Form C-101 Dated 7-31-90  
Dugan Production Corp.  
Com #1  
J-2-29N-14W  
Basin Fruitland Coal Pool

It is proposed that existing Dakota perfs be abandoned, the wellbore plugged back to 1160', and the Fruitland Coal be completed for production.

**Existing perforations:**

Perfs: 5772-5797' (4 JSPF) - Dakota  
Casing: 8-5/8", 24#, J-55 @ 326' cemented with 250 sks -  
circulated to surface.  
4-1/2", 11.6#, J-55 @ 5924' cemented in 2 stages -  
DV @ 1298'.  
1st - 300 sks 50/50 Poz w/12-1/2# gilsonite/sk.  
Calculated cement top @ 4582'.  
2nd - 350 sks 50/50 Poz w/12-1/2# gilsonite/sk.  
Calculated cement top @ surface.

**Plugback & Recompletion Procedure:**

1. Spot 15 sack cement plug 5800-5602' in 4-1/2" casing.
2. Spot 12 sack cement plug 4650-4492' in 4-1/2" casing.
3. Perf 4-1/2" casing @ 4010' with 4 holes @ 90° & pump 40 sack plug. Leave 7.5 sacks (8.85 cf) in casing 3909- 4010'.
4. Perf 4-1/2" casing @ 2660' with 4 holes @ 90° & pump 40 sack plug - leave 7.5 sacks (8.85 cf) in casing 2559-2660'.
5. Spot 12 sack cement plug 1322-1160' in 4-1/2" casing.

**Note:**

- a.) <sup>9.0</sup>~~9.3~~ #/gal mud (water & Bentonite) to be placed between all cement plugs.
  - b.) Aztec office of NMOCD to be notified 24 hours prior to commencing plugback work.
  - c.) General procedure reviewed with Ernie Busch on 7-27-90.
6. Perforate Fruitland Coal 1008-1013', 1048-1051', 1125-1132'. (Depths from 4-9-61 Schlumberger IEL).
  7. Evaluate productivity & stimulate as required.