

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

30-096-2386

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO. NM 10758

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME Pittam Pond

9. WELL NO. 1

10. FIELD AND POOL, OR WILDCAT Pictured Cliffs Twin

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Mounds Sec 1 T29N R15W

12. COUNTY OR PARISH San Juan

13. STATE NM

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 1235' FNL - 1215' FEL At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* 1-1/2 miles north of Kirtland, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1215'

16. NO. OF ACRES IN LEASE 1676.88

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. 1 mile

19. PROPOSED DEPTH 800'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5301'

22. APPROX. DATE WORK WILL START\* 12-15-79

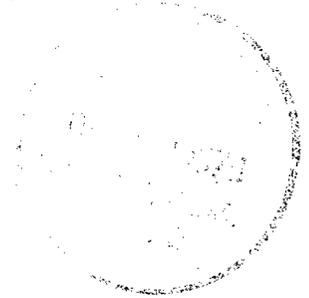
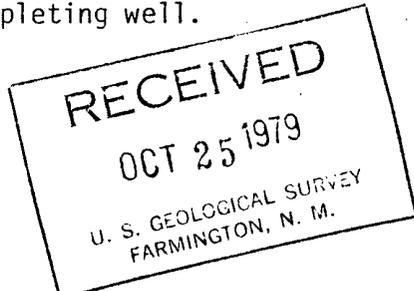
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7-7/8"	5-1/2"	14#	90'	20 sx
4-3/4"	2-7/8"	6.4#	800'	100 sx

Plan to drill 4-3/4" hole to test Pictured Cliffs Formation. Plan to run IES log to TD. If productive, plan to set 2-7/8" tbg for csg, cement, selectively perforate, frac, cleanout after frac, run 1-1/4" tbg 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 Thomas A. Dugan TITLE Petroleum Engineer DATE 10-22-79

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

Handwritten notes and signatures at the bottom of the page.

\*See Instructions On Reverse Side

NMOCC

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-55

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

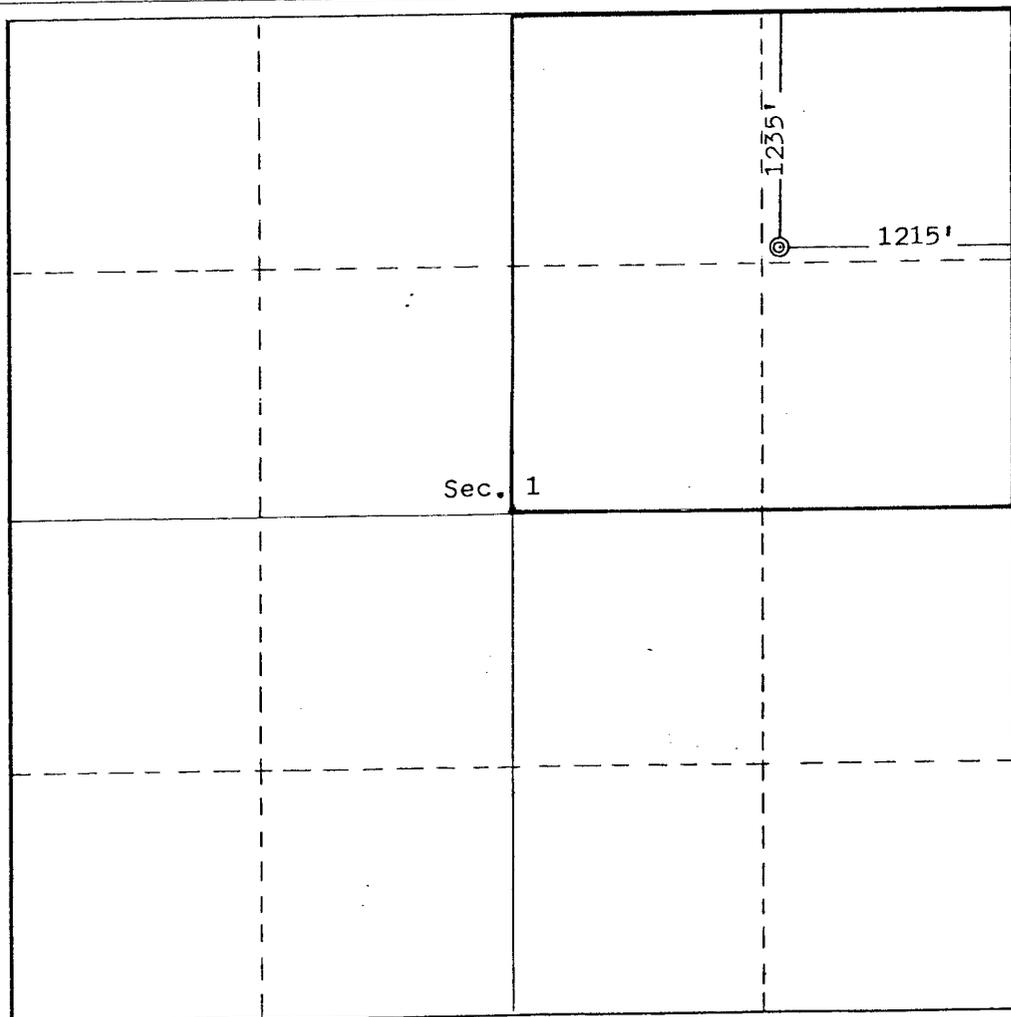
Operator <b>Dugan Production Corporation</b>			Lease <b>Pittam Pond</b>		Well No. <b>-#1</b>
Unit Letter <b>A</b>	Section <b>1</b>	Township <b>29 North</b>	Range <b>15 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1235</b> feet from the <b>North</b> line and <b>1215</b> feet from the <b>East</b> line					
Ground Level Elev. <b>5301</b>	Producing Formation <b>Pictured Cliffs</b>		Pool <b>Twin Mounds</b>	Dedicated Acreage: <b>160</b> 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.

*Thomas A. Dugan*

Name  
**Thomas A. Dugan**  
Position  
**Petroleum Engineer**

Company  
**Dugan Production Corp.**

Date  
**10-22-79**

I hereby certify that all location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

EDGAR L. RISENHOVER  
REGISTERED LAND SURVEYOR  
5979

Date Surveyed  
**October 19, 1979**

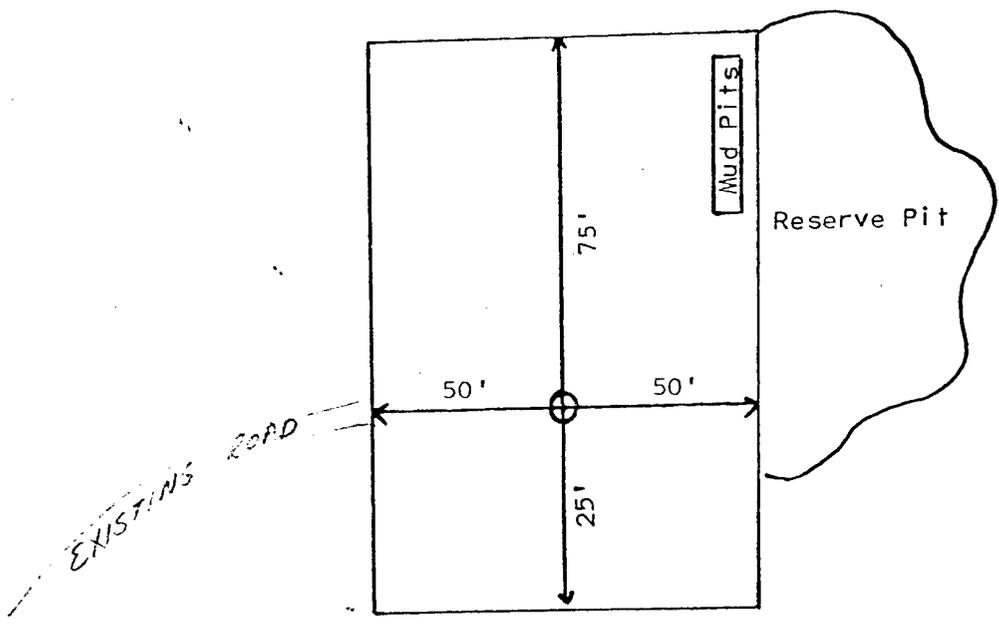
Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhoover*

Certificate No. 5979  
**Edgar L. Risenhoover, L.S.**



Dugan Production Corp.  
Pittam Pond #1  
PROPOSED LOCATION LAYOUT

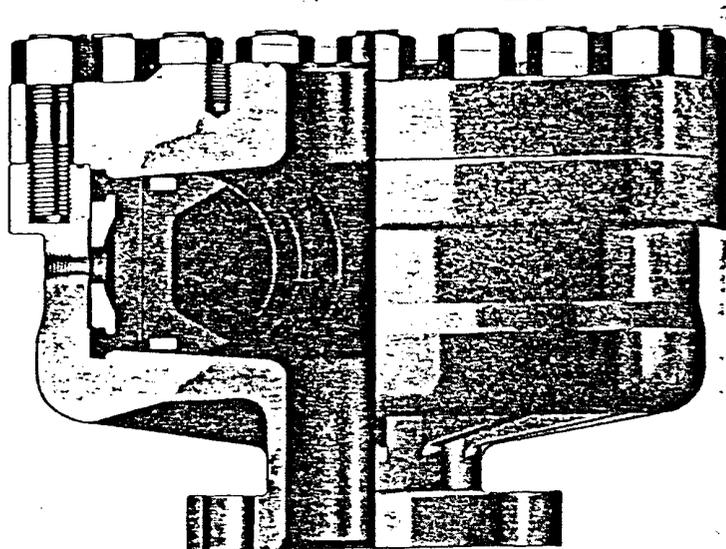


SCHEMATIC DIAGRAM

TESTING PROCEDURES

Install BOP after setting surface pipe and pressure test to 1000 psi after drilling out from under surface pipe.

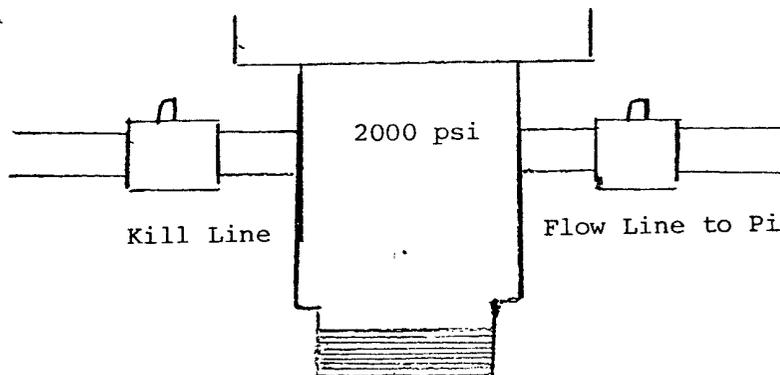
**REGAN BLOWOUT PREVENTERS**



The Regan Torus Blowout Preventer is used primarily on production and workover rigs for well control up to 3000 PSI working pressure

**DESIGN FEATURES**

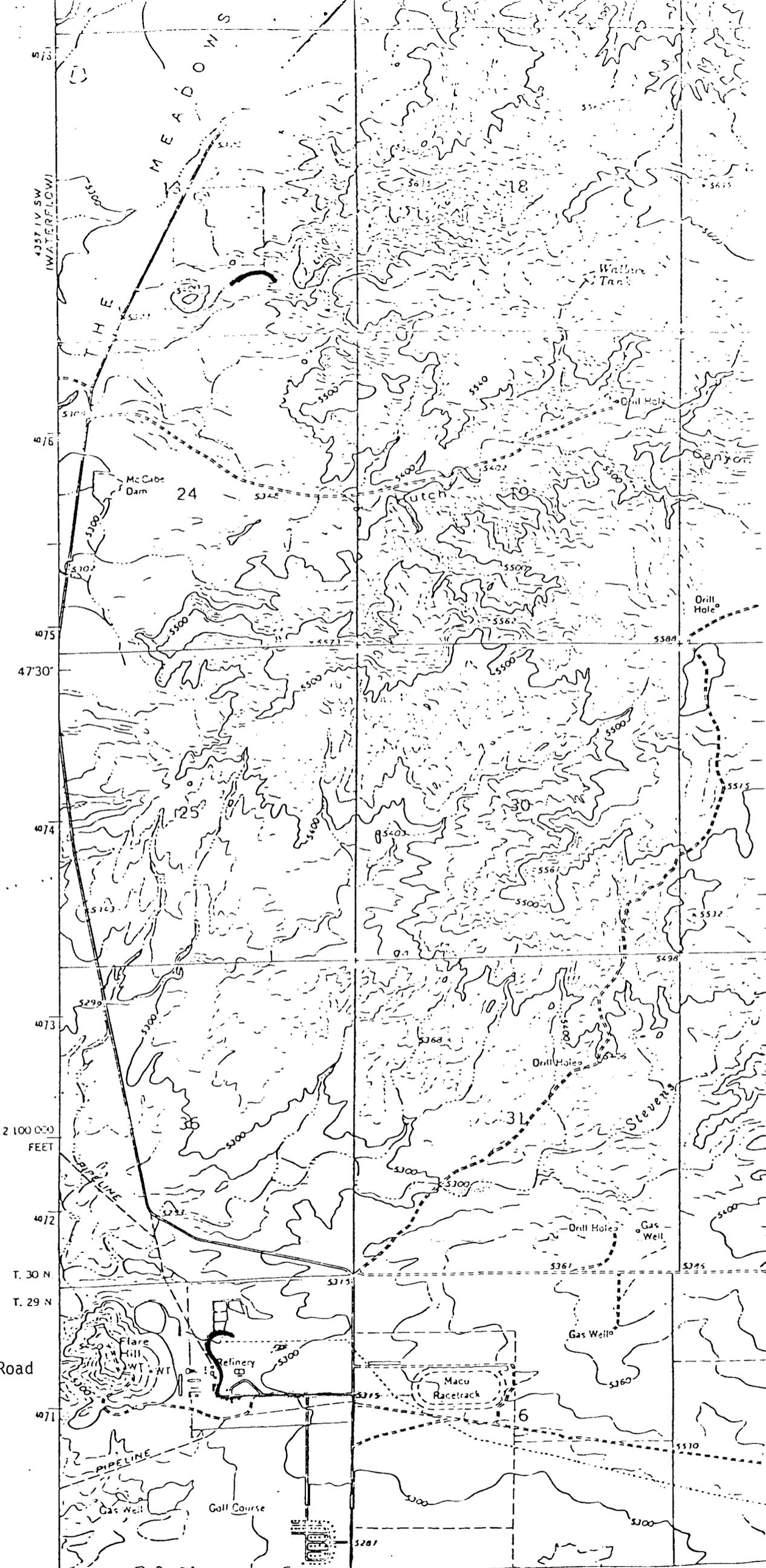
- a. The Torus Preventer is designed for minimum height to facilitate its use with production and workover rigs.
- b. The rubber packer will conform to any object in the well bore. Sealing ability is not affected by minor damage to the inner bore.
- c. The packer will seal on open hole at full working pressure.
- d. The dual packer design increases the reliability of the preventer since the outer rubber is never exposed to the well bore. Under ordinary service, the outer packer is rarely replaced.



**TORUS BLOWOUT PREVENTER**  
PATENTED

**SPECIFICATIONS**

Nominal Size	Test Pressure (psi)	DIMENSIONS (In.)			Weight (lb.)	End Flanges (I)	R/RX Ring Grooves	Side Outlet
		Outside Diameter	Thru Bore	Overall Height				
6	3000 6000	27 28½	7¼ 7¼	19½ 21½	1360 1950	Nom. 6 Nom. 6	45 45	None 2" L.P.



200  
12  
Existing Road

DEVELOPMENT PLAN

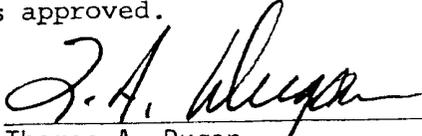
Dugan Production Corp.

Pittam Pond #1

1. Existing roads and existing wells are shown on attached plat.
2. Planned access from existing road approximately 0' 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: 1235' FNL - 1215' FEL  
Sec 1 T29N R15W  
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 Plant.
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: Undifferentiated Tertiary
13. Estimated tops of important geologic markers:  
Fruitland 300'      Pictured Cliffs 600'
14. Estimated depths of anticipated water, oil, gas, or other mineral bearing formations which are expected to be encountered:  
water - surface 200'      gas - PC 600'
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: 10-22-79

  
Thomas A. Dugan