

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY(Other instructions on
reverse side)RECEIVED
BLM30-045-25564
5. LEASE DESIGNATION AND SERIAL NO.

SF 078931-B

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME

7. UNIT AGREEMENT NAME

Central Cha Cha Unit

8. FARM OR LEASE NAME

Central Cha Cha

9. WELL NO.

8

10. FIELD AND POOL, OR WILDCAT

Cha Cha Gallup

11. SEC., T., R., M., OR BLE.
AND SURVEY OR AREA

Sec. 31, T29N, R13W, NMPM

12. COUNTY OR PARISH

13. STATE

San Juan

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 420, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

585' FSL & 665' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

4 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)

585' FSL, Sec. 31

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

5650'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) This section is subject to technical and

5920' GL; 5932' RKB

procedural review pursuant to 43 CFR 3165.3

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 |
|--------------|----------------|-----------------|---------------|----------------------------|
| 12-1/4" | 8-5/8" | 24# | 200'± | 159 c.f. circ. to surface |
| 7-7/8" | 4-1/2" | 10.5# | 5650' | 1581 c.f. circ. to surface |

Plan to drill a 12-1/4" hole and set 200' of 8-5/8" OD, 24#, J-55 surface casing; then plan to drill a 7-7/8" hole to total depth with gel-water-mud program to test the Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing with stage tool, selective perforate, frac, clean out after frac and complete well.

BOP will be used during drilling and completing well.

*Note: Original APD rescinded. Resubmitted for reapproval with amended BOP & cementing information attached.

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

TITLE Vice-President

DATE 7-3-91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDEDJUL 10 1991
AREA MANAGER

*See Instructions On Reverse Side

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|--|-------------------------------|----------------------|--------------------------|--------------------------------|---------------|
| Operator Dugan Production Corporation | | | Lease Central Cha Cha | | Well No. 8 |
| Unit Letter P | Section 31 | Township 29 North | Range 13 West | County San Juan | |
| Actual Footage Location of Well: 585 feet from the South line and 665 feet from the East line | | | | | |
| Ground level Elev. 5920 | Producing Formation Gallup | | Pool Cha Cha Gallup | Dedicated Acreage: 80 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).

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.

OPERATOR CERTIFICATION

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

Signature

Printed Name

Sherman E. Dugan

Position

Vice-President

Company

Dugan Production Corp.

Date

4-11-89

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

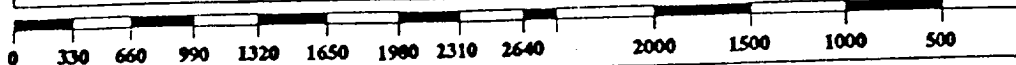
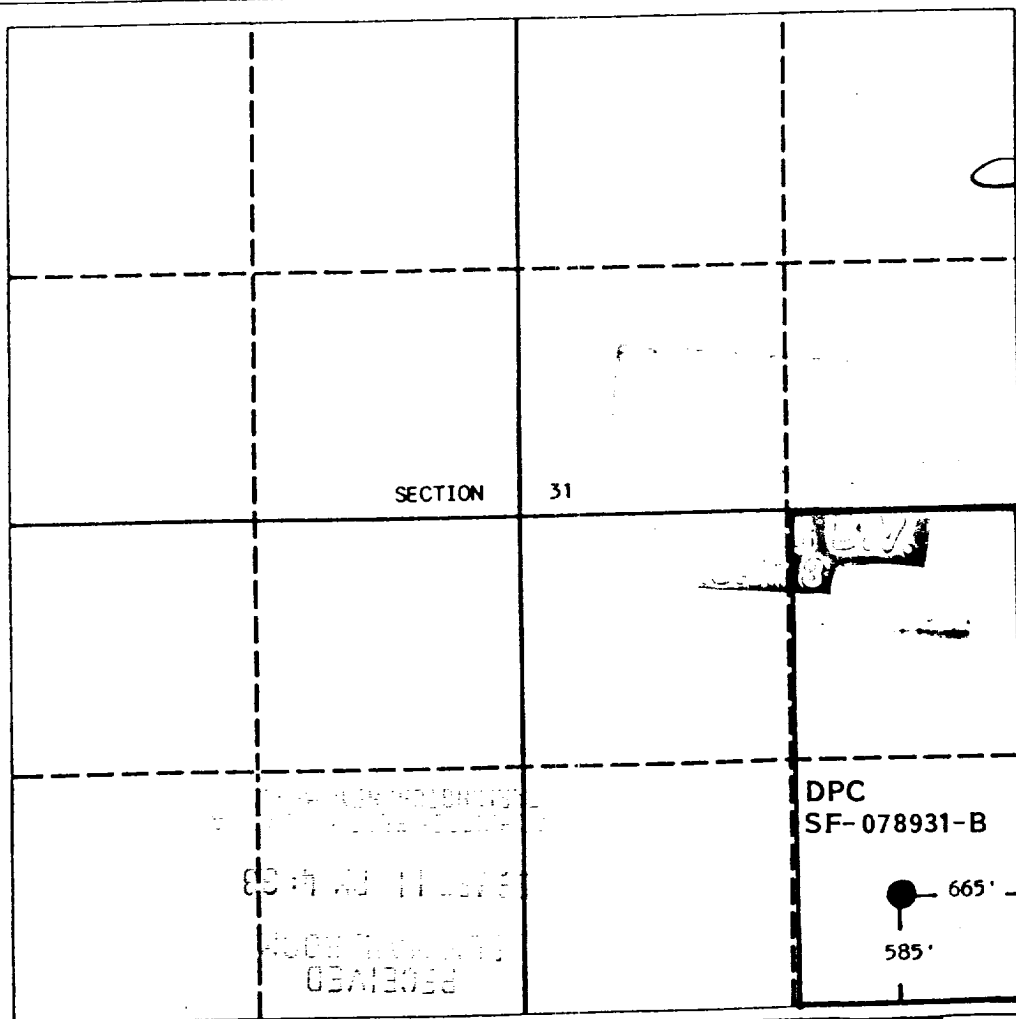
March 3, 1989

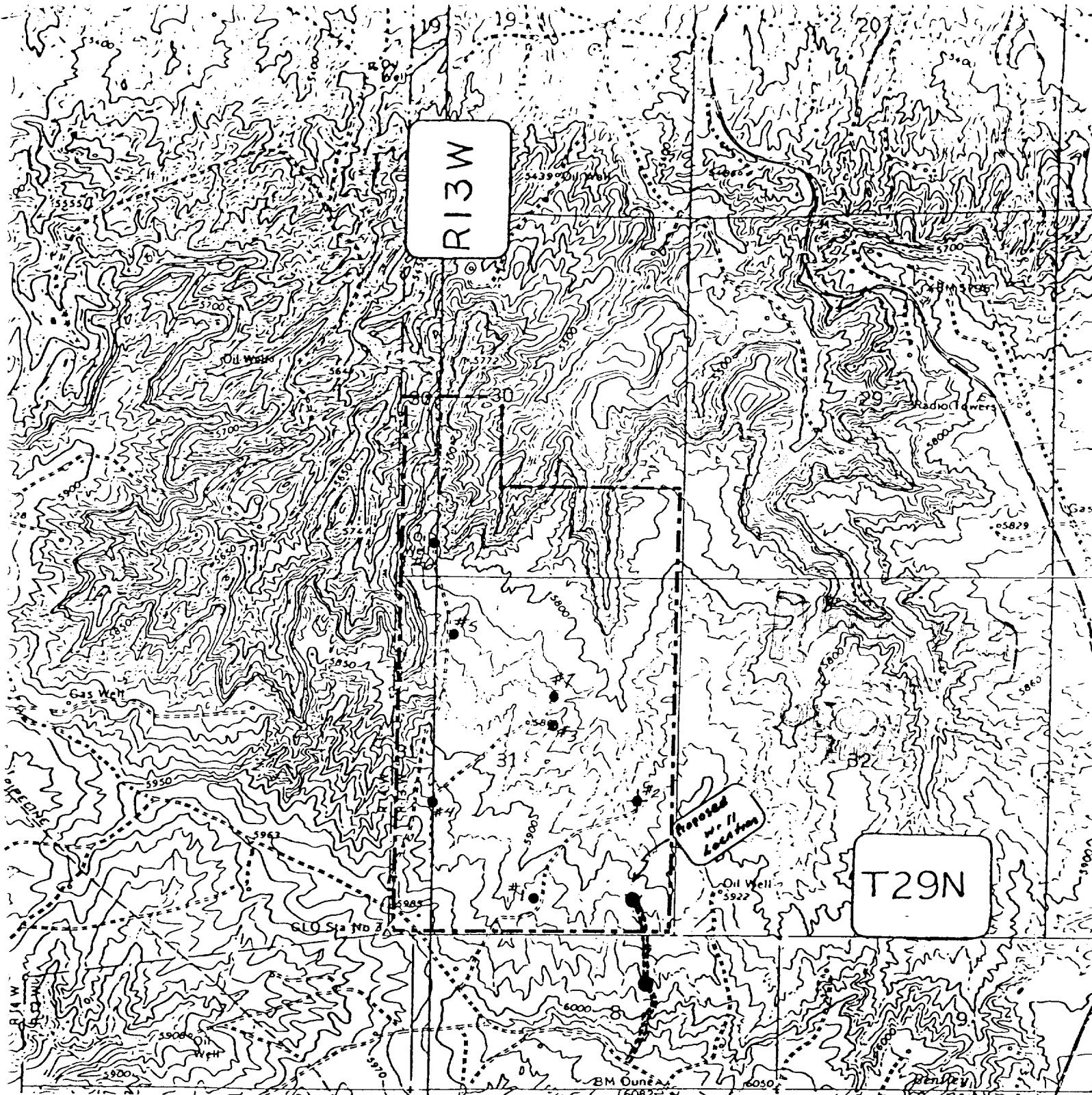
Signature & Seal of
Professional Surveyor

Certificate No.

Edgar

Risenhoover





DUGAN PRODUCTION CORP. -Central Cha Cha #8

Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.
Farmington City Limits - 4 miles North

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map - Farmington

South. New Mexico - N3637.5-W10807.5/

Planned Access Road(s)

Exhibit E

Width 25' Maximum grades 4%

Drainage design _____

Cuts & Fills _____

Surfacing material _____

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

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