

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

SF 078110

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Federal I #6R

9. API Well No.

30 045 29991

10. FIELD AND POOL, OR WILDCAT

Harper Hill Fruitland Sand/PC

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

Unit B

Sec. 1, T29N, R14W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

Oil ☐
Well ☐

Gas ☒
Well ☒ Other ☐

SINGLE ☐
ZONE ☒

MULTIPLE ☐
ZONE ☐

3. Name of Operator

Dugan Production Corp.

4. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821

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

A. surface 950' FNL & 1835' FEL (NW/4 NE/4)

A. proposed prod. zone

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

Approx. 1/2 mile west of La Plata Highway 170 & Twin Mounds Bypass

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

950'

16. NO. OF ACRES IN LEASE

2492.51

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160 159 NE

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, Approx. 600' from
OR APPLIED FOR, ON THIS LEASE, FT. DPC Federal I #8

19. PROPOSED DEPTH

1355'

20. ROTARY OR CABLE TOOLS

Rotary

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

5698' GL 5565'

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADES, SIZES OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	50 sx (59 cu.ft.) circ. to surface
6-1/4"	4-1/2"	10.5#	1355'	135 sx (225 cu.ft.) circ. to surface

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

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

Plan to drill a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6-1/4" hole to total depth with gel-water-mud program to test Fruitland Sand/PC formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

Vice-President

Date 9/22/99

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

6/27/01

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Approved by

/s/ Lee Otten

Title

Date

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30 045 <u>29991</u>		2 Pool Code 78160		3 Pool Name Harper Hill Fruitland Sand/PC	
4 Property Code 003682		5 Property Name Federal 1			6 Well Number 6 R
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation <u>5565'</u> 5635'

10 Surface Location

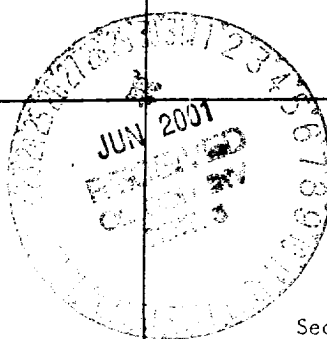
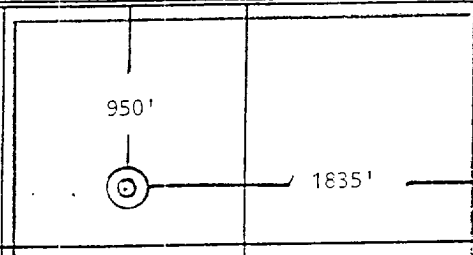
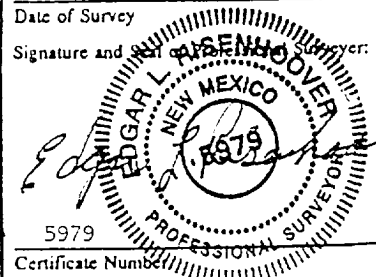
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	1	29N	14W	B	950	North	1835	East	San Juan

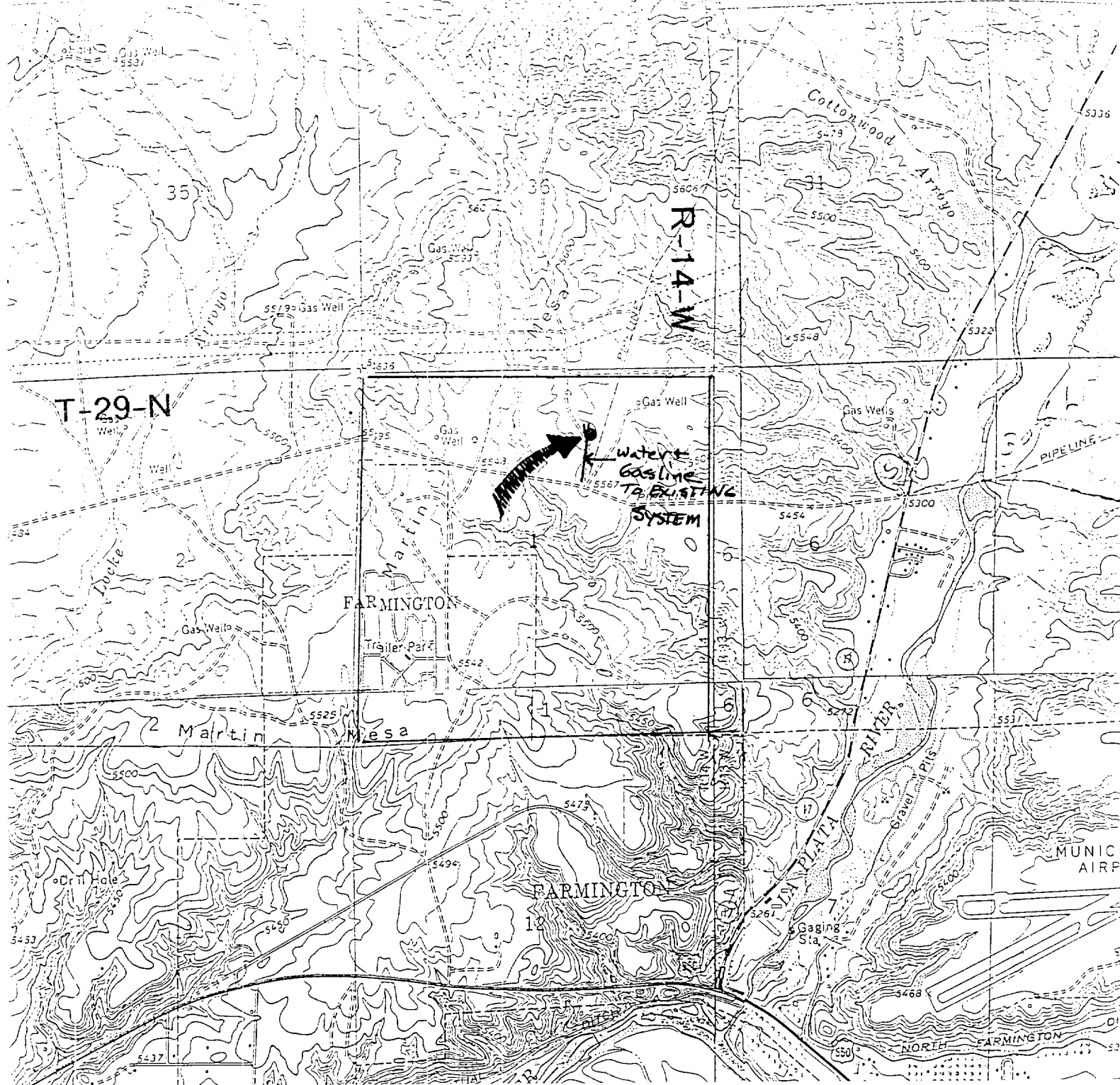
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres <u>159 AC</u> 300	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Sherman E. Dugan</u> Printed Name Sherman E. Dugan Title Vice-president Date <u>9-22-99</u> 	
	Section 1 DPC SF-078110		18 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 belief. September 9, 1999 Date of Survey Signature and Seal of Surveyor: 



Existing Roads

Exhibit E

Proximity of nearest town or reference pt.

1/2 mi. W. of Farmington, NM

Type of surface dirt

Conditions good

Other

Reference map: USGS map Youngs Lake, NM, 1963;

photorevised 1979; Farmington, North, NM 1963,

photorevised 1979. [DPC - Federal I #6R]

Planned Access Road(s)

Exhibit E

Width 25' Maximum grades 2%

Drainage design as required

Cuts & Fills as required

Surfacing material none

☒ Turnouts

☒ Culverts

☒ Gates

☒ Cattleguards

☒ Fence cuts

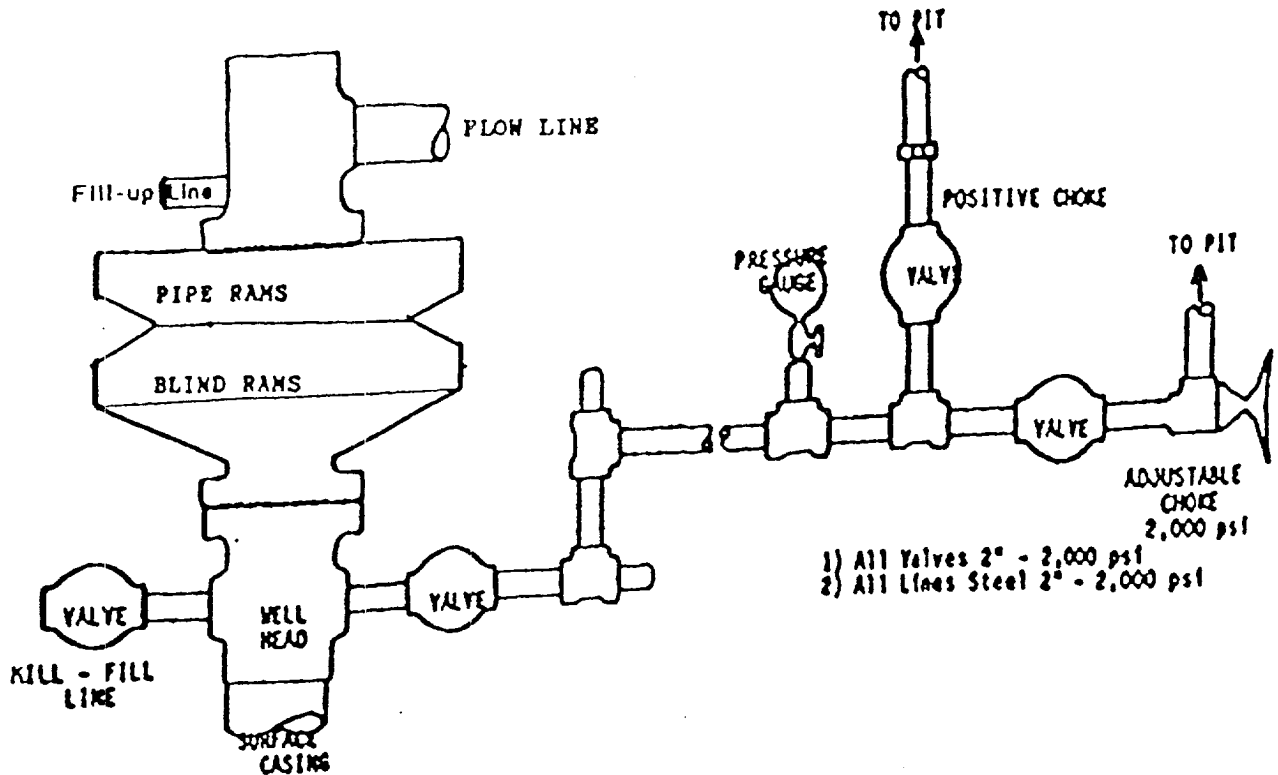
☒ Waterbars

☒ Access Road &
Pipeline

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

Note: Twin Mounds Bypass is not represented on topo.

B.O.P. WITH CHOKE MANIFOLD



BOP and Related Equipment will include for a 2000 psi system:

2000 PSI DOUBLE RAM BLOWOUT PREVENTER

Kill line (2" minimum)

1 kill line valve (2" minimum)

1 choke line valve

2 chokes

Upper Kelly cock valve with handle available

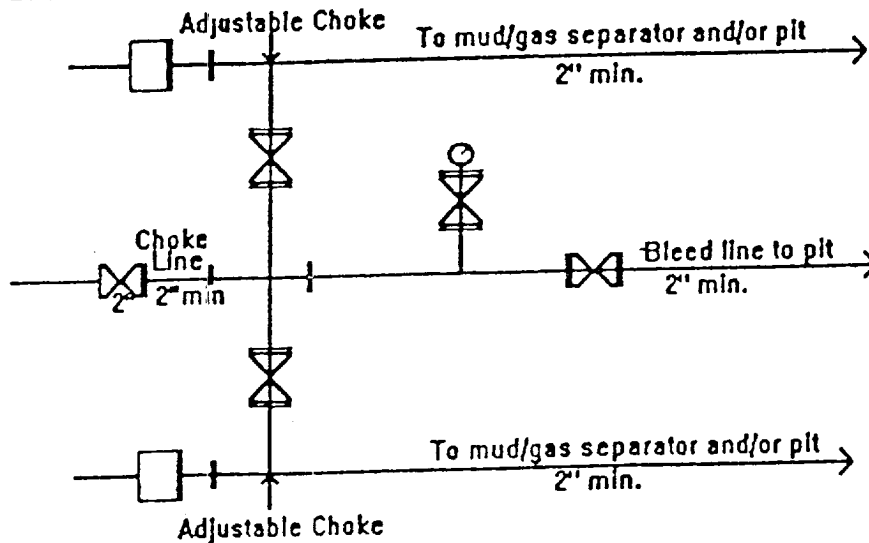
Safety valve and subs to fit all drill string connections in use

Pressure gauge on choke manifold

2" minimum choke line

Fill-up line above the uppermost preventer

BOP equipment will be tested as required in Section III A.1 of Onshore Order 2, plus a 30% safety factor.



2U Choke Manifold Equipment - Configuration May Vary

DUGAN PRODUCTION CORP.
FEDERAL I #6R
EXHIBIT D