

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 5820, Farmington, NM 87499-5820

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

At surface

1660' FNL & 1040' FWL

At proposed prod. zone

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

approx. 6 miles North of Kirtland, NM

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

340'

16. NO. OF ACRES IN LEASE

1397.16

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.

75' from DPC's

19. PROPOSED DEPTH

1225'

20. ROTARY OR CABLE TOOLS

Rotary

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

5743' GL

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START*

After completion of
Atlantis #1

23.

PROPOSED CASING AND CEMENTING PROGRAM This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
9-3/4"	7"	20#	±90'	40 cu.ft. circ. to surface
6-1/4"	4-1/2"	10.5#	1225'	208 cu.ft. circ. to surface

Plan to drill a 9-3/4" hole and set ±90' 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/Pictured Cliffs formations. 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.

RECEIVED

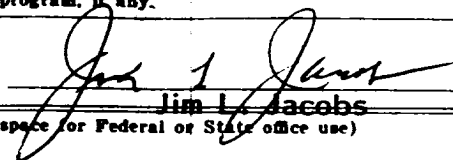
SEP 26 1988

OIL CON.
DIST

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

Geologist

DATE

8-11-88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

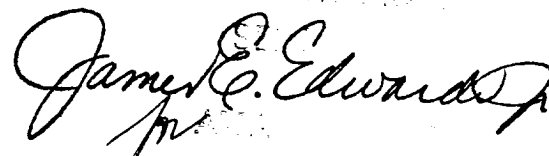
TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

HOLD C-104 FOR BACKLOG CONSOLIDATION

*See Instructions On Reverse Side



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

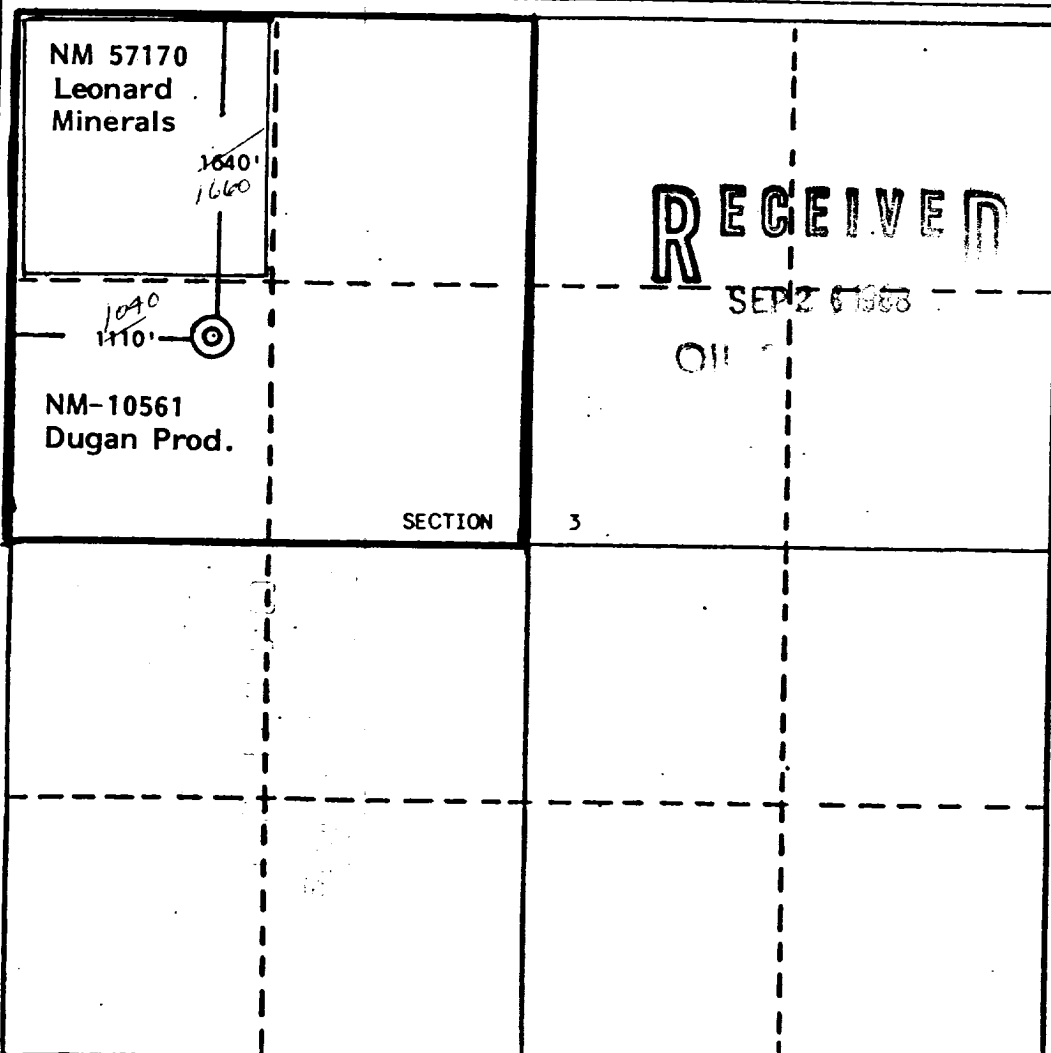
Operator Dugan Production Corporation			Lease Atlantis			Well No. 3		
Unit Letter E	Section 3	Township 30 North	Range 14 West	County San Juan				
Actual Footage Location of Well:								
1660 feet from the North line and			1040 feet from the West line					
Ground Level Elev. 5743	Producing Formation Fruitland/Pictured Cliffs			Pool Wildcat			Dedicated Acreage: 160 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation To be communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

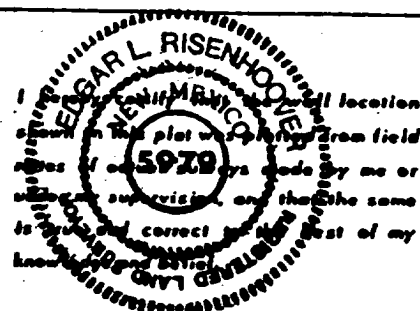
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

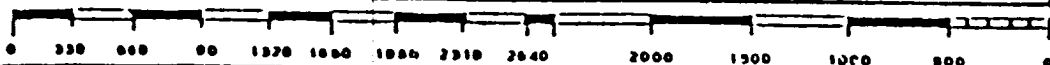
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

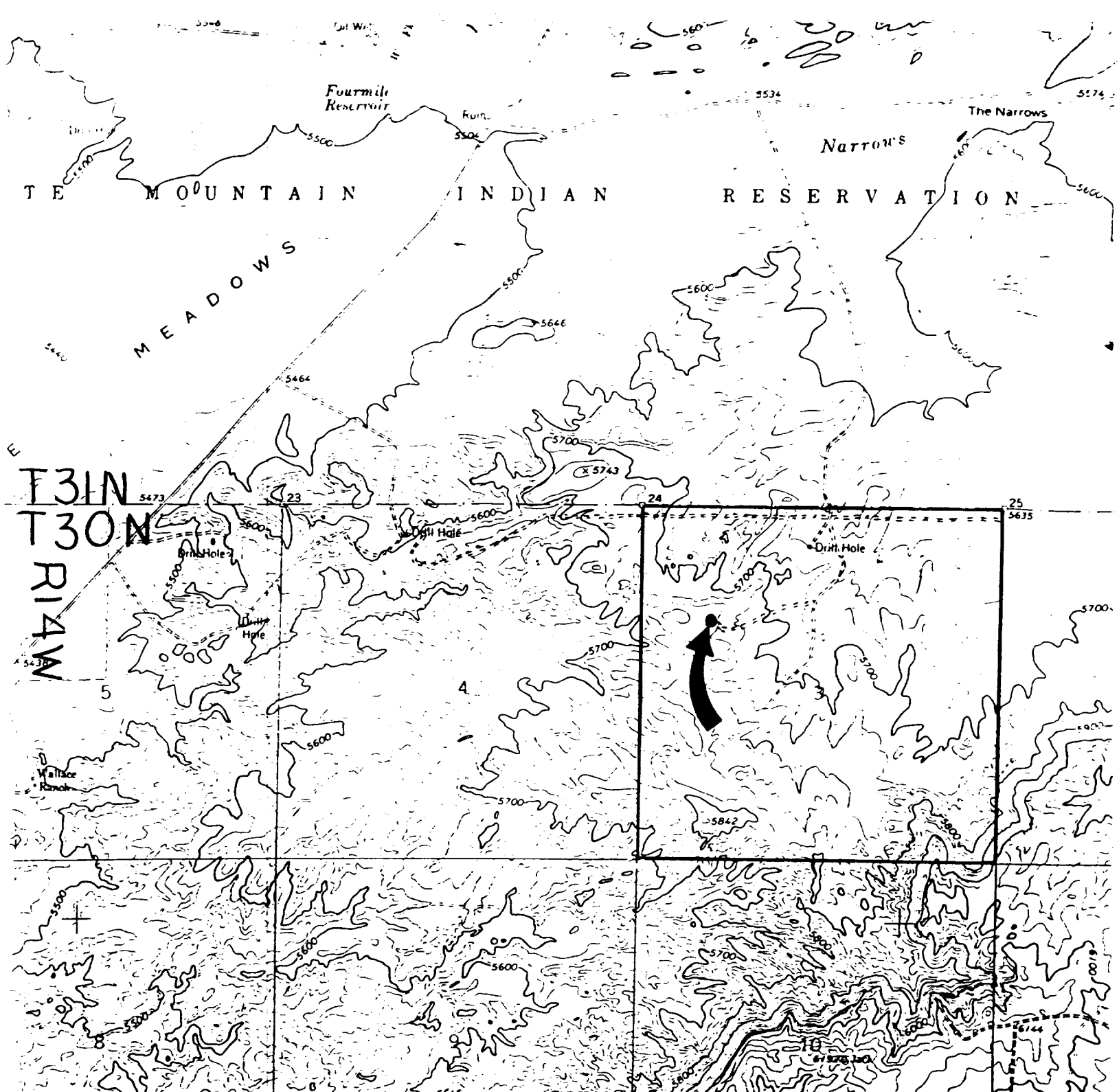
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date
8-11-88



Date Surveyed
July 18, 1988
Registered Professional Engineer
and/or Land Surveyor

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





Existing Roads

Vicinity of nearest town or reference pt.
Approx. 6 miles North of Kirtland, NM

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map Young's Lake
N3645-W10815/7.5, 1963, photorevised 1979

Exhibit E

Planned Access Road(s)

Exhibit E

Width _____ Maximum grades _____

Drainage design _____ None required _____

Cuts & Fills _____

Surfacing material _____

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

**NO ACCESS ROAD
 REQUIRED**

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