

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

30-045-28768

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 70300	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP. 6515		8. FARM OR LEASE NAME, WELL NO. Lisbon Com #1 3746	
3. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499		9. API WELL NO.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1450' FSL & 790' FEL At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT Basin Dakota 71599	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA I Sec. 5, T30N, R14W		12. COUNTY OR PARISH San Juan	
13. STATE NM		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approx. 5 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) 530'		16. NO. OF ACRES IN LEASE 200	
17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		18. PROPOSED DEPTH 5970'	
19. ELEVATIONS (Show whether DP, RT, GR, etc.) G.L. 5575' (est.)		20. ROTARY OR CABLE TOOLS Rotary	
21. APPROX. DATE WORK WILL START* ASAP		22. APPROX. DATE WORK WILL START* ASAP	
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	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT ATTACHED
12-1/4"	8-5/8"	24#	200'	160 cf circ. to surface
7-7/8"	4-1/2"	10.5#	5970'	2159 cf 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 Dakota formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing with stage tool, selectively perforate, frac, clean out after frac and complete well.

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on existing 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 TITLE Vice-President DATE 8/14/92  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
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 Hold C-104 For CA @ TITLE \_\_\_\_\_ DATE Aug 31 1992  
NMOC/D REA MANA OFF

\*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  
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OIL CONSERVATION DIVISION

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

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019 FARMINGTON, N.M.

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

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

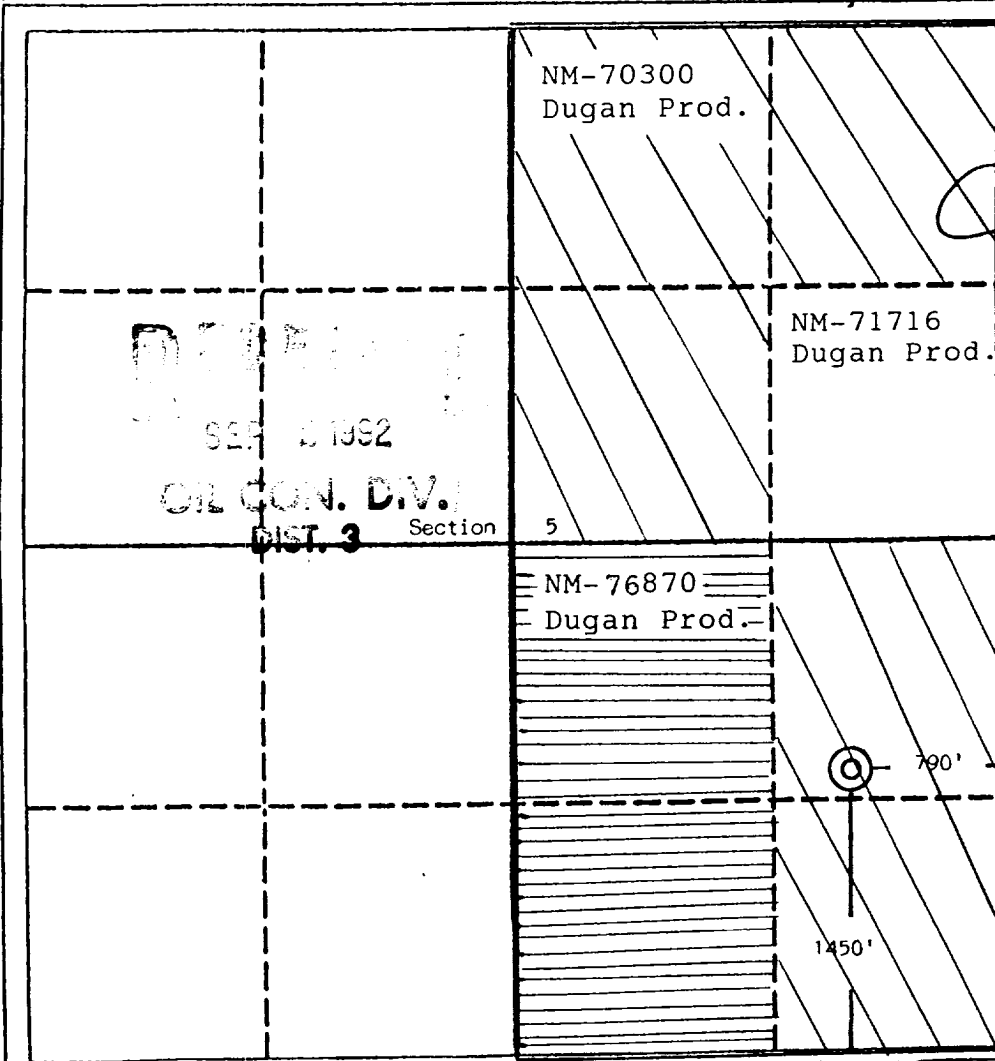
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Dugan Production Corporation			Lease Lisbon Corr		Well No. 1
Unit Lease I	Section 5	Township 30 North	Range 14 West	County NM PM San Juan	
Actual Footage Location of Well: 1450 feet from the South line and 790 feet from the East line					
Ground level Elev. 5575 Est.	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 320 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.? will be communitized  
☒ 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, force-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.

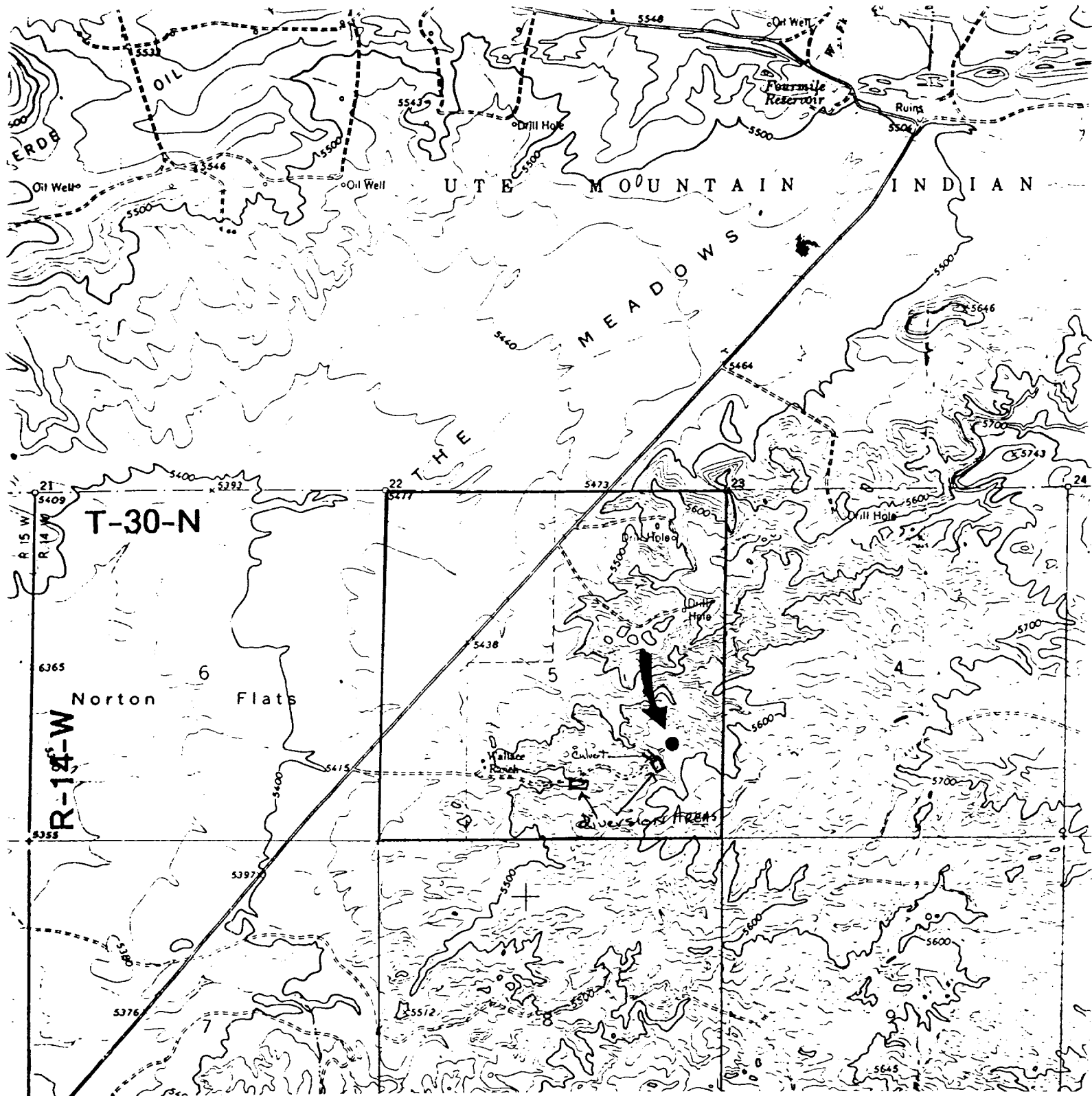
Signature Sherman E. Dugan  
Printed Name  
Sherman E. Dugan  
Position  
Vice-President  
Company  
Dugan Production Corp.  
Date  
8/14/92

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  
June 26, 1992

Signature & Seal of Professional Surveyor  
Edgar E. Risenhoover  
Edgar E. Risenhoover  
5979  
Professional Surveyor  
R.S.



Dugan Prod. Corp. - Lisbon Com #1  
Existing Roads Exhibit E

Vicinity of nearest town or reference pt.  
approx. 5 miles north of Kirtland, NM

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map Young's Lake,  
N.Mex., 1963 photorevised 1979

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 9%

Drainage design as required

Cuts & Fills as required

Surfacing material none

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

Access road(s) do do not cross Fed/Ind land.  
Two seasonal drainages will be  
diverted