

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

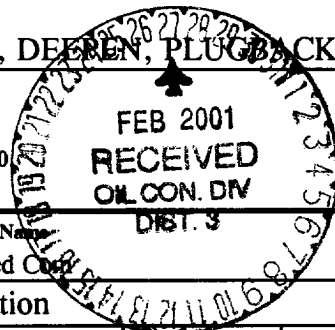
OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. Dugan Production Corp. P. O. Box 420, Farmington, NM 87499-0420		<sup>2</sup> OGRID Number 006515
<sup>4</sup> Property Code 27522		<sup>3</sup> API Number 30-045-30577
<sup>5</sup> Property Name Winifred Coal		<sup>6</sup> Well No. 90



<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	26	30N	14W		660	South	1980	East	San Juan

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal - 71629					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N -	<sup>12</sup> Well Type Code G -	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P -	<sup>15</sup> Ground Level Elevation 5560' -
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 1310' -	<sup>18</sup> Formation Fruitland Coal	<sup>19</sup> Contractor Wayne Smith Drilling	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
9-7/8"	7"	20#	120'	70 cu.ft	surface—
6-1/4"	4-1/2"	10.5#	1310'	225 cu ft	surface—

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

A water based gel mud will be used to drill surface and production casing holes. A standard 2,000 psi BOP will be used to drill production casing hole. The Fruitland Coal will be completed from approximately 1170'-1180'.  
 The interval will be fractured.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kurt Fagrelis*  
 Printed name: Kurt Fagrelis  
 Title: Geologist  
 Date: February 23, 2001  
 Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by: *[Signature]*  
 Title: DEPUTY OIL & GAS INSPECTOR, DIST. 33  
 Approval Date: FEB 27 2001  
 Expiration Date: FEB 27 2001  
 Conditions of Approval :  
 Attached

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 District II  
 PO Drawer DD, Artesia, NM 88211-8719  
 District III  
 1000 Rio Bravo 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 AFI Number 30 045		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code		5 Property Name WINIFRED COM			6 Well Number 90
7 OGRID No. 006515		8 Operator Name DUGAN PRODUCTION CORPORATION			9 Elevation 5560'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	26	30N	14W		660	South	1980	East	San Juan

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 5/2 320	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	
		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kurt Fagrelius</i>          Signature          Kurt Fagrelius          Printed Name          Geologist          Title          February 26, 2001          Date</p>	
		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>February 23, 2001          Date of Survey          Signature and Seal            Certificate Number 5979</p>	
<p>E 1/2 SEC. 26</p> <p>W 1/2 SEC. 25</p> <p>Dugan Prod.          NM-0206994</p> <p>Dugan Prod.          NM-23072</p>		<p>N 36°46'47.34"          W 108°16'35.19"</p>	