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|---------|--------|-------------|--------------|----------|-----------------|
| 5/20/02 | 6/9/02 | ENGINEER WJ | LOGGED IN KN | TYPE PLC | PRRY 0214/26381 |
|---------|--------|-------------|--------------|----------|-----------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

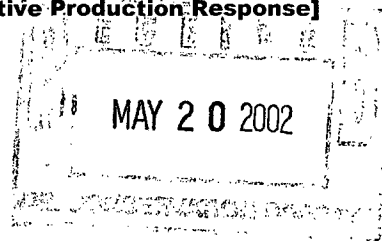
[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM ~~and SLQ~~
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

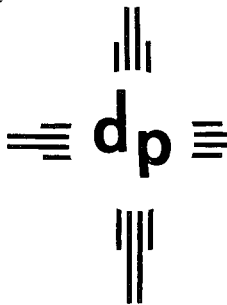
** - BLM is the only party requiring Notice. Certified return Receipt Card will be sent to NMCD upon receipt.*

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

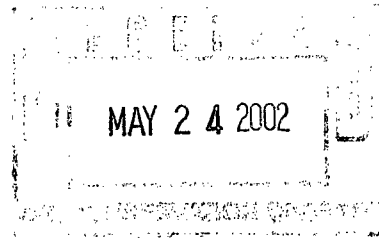
Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

| | | | |
|--------------------|--------------------|---------------------|----------|
| John D. Roe | <i>John D. Roe</i> | Engineering Manager | 05/16/02 |
| Print or Type Name | Signature | Title | Date |
| | | dugan@cptnet.com | |
| | | e-mail Address | |



dugan production corp.

May 22, 2002



Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Dugan Production's application dated 05/17/02
Surface commingling and off-lease measurement of natural gas
Dugan Production's No Doubt No. 90
Pet Inc Gas Gathering System
San Juan County, NM

Dear Ms. Wrotenbery,

Attached for your consideration in the captioned application is a copy of the return-receipt card from the BLM. Since all royalty interest is either Federal or Navajo Tribal, the BLM is the only interest owner requiring notice of the subject application. The BLM was provided with a copy, which at their discretion will be forwarded to the Navajo Nation. Dugan Production Corp. holds 100% of the working interest, and there are no over-riding royalty interest owners.

Should you have questions or need additional information, please let me know.

Sincerely,

John D. Roe
Engineering Manager

JDR:sh

Attachment

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Steve Henke
Bureau of Land Management
Farmington Field Office
1235 La Plata Hwy.,
Suite A
Farmington, NM 87401

2. Article Number (Copy from service label)

7000 1670 0010 0492 5107

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Virginia Barber

B. Date of Delivery

5/20/02

C. Signature

X Virginia Barber

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

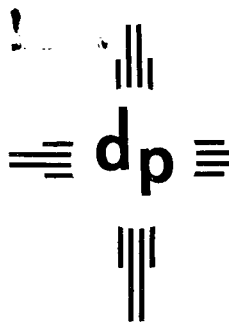
☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



dugan production corp.

May 17, 2002

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. Steve Henke
Bureau of Land Management-FFO
1235 La Plata Highway, Suite A
Farmington, NM 87401

Re: Proposed Surface Commingling and Off-Lease Measurement of Natural Gas
Dugan Production Corp.'s
No Doubt No. 90 (API No. 30-045-30781)
Dugan Production Corp.'s Pet Inc Gas Gathering System
San Juan County, New Mexico

Dear Ms. Wrotenbery and Mr. Henke:

We are writing to request your approvals for the surface commingling and off-lease measurement of natural gas produced from Dugan Production Corp.'s recently completed No Doubt No. 90. This well, located in the NWNE of Section 6, T-27N, R-13W, was completed on 04/11/02 in the Basin Fruitland Coal Pool and is located on Federal lease NM-89131. We are proposing to add the No Doubt No. 90 to Dugan Production's existing Pet Inc Gas Gathering System, which delivers natural gas to a central delivery sales (CDP) meter located in the SESW of Section 4, T-27N, R-13W (El Paso Meter No. 75470). In addition, we are requesting retroactive approval to move the CDP sales meter for the Pet Inc Gathering System from the NENW of Section 35, T-28N, R-14W to the SESW of Section 4, T-27N, R-13W.

Attachment No. 1 presents Dugan's Pet Inc Gas Gathering System, along with the wells connected, and proposed to be connected, to the system. In addition, Dugan Production's leasehold interest for these wells is also presented. Attachment No. 2 presents well and lease information for each of the wells connected to the gathering system, plus the one well proposed to be added. Attachment No. 3 presents the C-102's for each of the wells, along with the dedicated spacing units and associated leases. Attachment No. 4 presents the ownership for each of the wells, and Attachment No. 5 presents the proposed allocation procedures. Attachment No. 6 presents gas analyses believed to be representative of the gas to be surface commingled. Gas from wells on the Pet Inc Lease (which represents a mix of gas from the Ojo Fruitland Sand-Pictured Cliffs, plus the Basin Fruitland Coal) is presented on Page No. 1, and since a gas analysis is not available from the No Doubt No. 90, a gas sample from Dugan's Bengal C #90, located \pm 8 miles to the southeast, is presented on Page No. 2 and is believed to be representative of the Basin Fruitland Coal completed in the No Doubt No. 90. It is our belief that these gases are compatible, and there will be no problems resulting from commingling.

Dugan Production is the operator and holds 100% of the working interest in all wells. Since the spacing units for each of the wells encompasses only Navajo or Federal leases, all royalty interest is represented by the Bureau of Land Management (BLM), and there are no over-riding royalty interest owners. Thus, the only notice requirement is to the BLM, which is receiving this letter by certified return receipt mail. Upon receiving the return receipt from the BLM, we will forward a copy to the New Mexico Oil Conservation Division (NMOCD) as proof of notice. We are sending an extra copy of this application to the BLM, which may be forwarded to the Navajo Nation for their review and file.

The Pet Inc Gas Gathering System was initially authorized by the USGS on February 10, 1967 to gather gas from three wells (two Gallup and one Dakota) operated by Dugan Production for delivery to El Paso Natural Gas at a CDP sales meter located in the NENW Section 35, T-28N, R-14W. (El Paso Meter No. 75470) (Attachment No. 7 presents a copy of this approval.) The Pet Inc Gathering System was initially known as the Raven Area Pipeline and served these three wells until the Raven No. 1 (NWNW 6, T-27N, R-14W) was P&A 01/22/69, and the Midwest No. 1 (SESE 31, T-28N, R-14W) was P&A 09/24/70. On October 10, 1972, the USGS approved the addition of several Pictured Cliffs wells located on Dugan's Pet Inc lease (Navajo Lease No. 14-20-603-2015) to the Pet Inc Gas Gathering System. (Attachment No. 8 presents a copy of the USGS approval.) The NMOCD also approved the operation of the Pet Inc Gas Gathering System on 12-19-72 with Order R-4453, which authorized the surface commingling and off-lease measurement of gas from one Gallup well (the Pet Inc #1 NWNW 6, T-28N, R-14W), plus the Pictured Cliffs gas production from wells on Dugan's Pet Inc lease in Sections 25, 26, 35 and 36 in T-28N, R-15W. (Attachment No. 9 presents a copy of NMOCD Order R-4453.) Thus, from August, 1973 (the date gas from Pictured Cliffs wells was first delivered) to the current time, the Pet Inc Gas Gathering System has delivered gas only from Dugan's Pet Inc lease (one Gallup well, plus sixteen wells completed in the Pictured Cliffs, Fruitland Sand and/or the Fruitland Coal pools). The CDP sales meter currently authorized is El Paso's meter No. 75470, which was initially located in the NENW of Section 35, T-28N, R-14W. This meter was connected to El Paso's high pressure gathering system, which routinely averaged 275psi and often approached 400psi. In order to produce wells on the Pet Inc lease, it was necessary to operate a 120hp two-stage compressor located on the lease, which provided a field gathering system pressure of 15 to 30psi. In the early part of 1993, Dugan Production was able to negotiate with El Paso to relocate the Pet Inc CDP sales meter from El Paso's high pressure system to El Paso's low pressure gathering system, which was being operated at 30 to 50psi. This entailed transferring ownership to Dugan Production for the section of El Paso's pipeline between the NENW of Section 35, T-28N, R-14W and the SWNW of Section 4, T-27N, R-13W. This section of line was then isolated from El Paso's high pressure system in the SWNW of Section 4, T-27N, R-13W, and Dugan Production laid approximately 3,000' of buried 3" line to connect the Pet Inc Gas Gathering System to El Paso's low pressure gathering system in the SESW of Section 4, T-27N, R-13W on the location of Dugan's Piney No. 1 well. The Piney No. 1 is located on Federal Lease No. NM-25454 and is directly connected to El Paso's low pressure gathering system (El Paso Meter No. 94383). The Piney No. 1 is not part of the Pet Inc Gathering System. Thus, on 02/19/93, gas from the Pet Inc Gathering System began delivery (using the same El Paso Meter No. 75470) into El Paso's low pressure gathering system at the new meter location in the SESW of Section 4, T-27N, R-13W. We inadvertently did not solicit approval for the new meter location and are now requesting approval from the NMOCD and BLM for the new meter location. Producing into El Paso's low pressure gathering system offers several benefits, with the primary benefits being that a smaller compressor could be used (reducing fuel requirements \pm 21mcf/d), and the field gathering system pressure was lowered from an average of 20psi to an average of 8psi. In addition, the average pressure in the \pm 9 miles of pipeline between the Pet Inc lease compressor and the CDP sales meter was reduced from an average of 275psi to an average of 45psi.

The Pet Inc No. 1 Gallup completion was initially designated as the Ojo Gallup Gas Pool on 03/01/67, and the wells completed in the Pictured Cliffs were initially designated as the Ojo Pictured Cliffs Gas Pool on 03/01/75. The Ojo Pictured Cliffs pool was re-designated as the Ojo Fruitland-Pictured Cliffs pool, and then as the Ojo Fruitland Sand-Pictured Cliffs gas pool upon establishing special pool rules for the Basin Fruitland Coal. Currently, the only Gallup completion (Pet Inc No. 1) is shut in with plans to plug and abandon the well bore. A total of nineteen Fruitland Sand-Pictured Cliffs and/or Basin Fruitland Coal wells have been drilled; however, only ten are currently active, averaging a total of \pm 85 mcf/d, (ranging from 0.2 to 30 mcf/d per well). Three wells were never connected to the gathering system (Pet Inc No. 4, 8, and 19) and have been plugged, plus four of the wells connected have also been plugged (No. 6, 9, 15, and 18). In addition, one well (No. 11) is approved to be plugged, and one well (No. 13) is shut in as a second Fruitland Coal completion within a 320 acre spacing unit. Attachment No. 10 presents the production from all wells on the Pet Inc lease which have been completed in the Pictured Cliffs, Fruitland Sand, and Fruitland Coal. We did not present the production from the individual pools since all wells have been downhole commingled since completion in the early to mid-1970s, as authorized by NMOCD Order R-5359 on 01/25/77 (which authorizes the downhole commingling of Fruitland and Pictured Cliffs in 361.25 sections throughout the southwestern portion of the San Juan Basin). Production presented is from a total of 16 wells and 24 completions, since 8 of the wells have the Fruitland Coal interval completed. Upon establishing the Basin Fruitland Coal pool in 1988, it has been necessary to allocate production in these 8 wells between the Ojo Fruitland Sand-Pictured Cliffs and the Basin Fruitland Coal pools. The allocation factors being used are presented on Attachment No. 2 (Note No. 4). The current production rate for each well is presented on Attachment

No. 2, and as can be seen, of the 10 wells currently producing, the average production is 8.5 mcf/d/well, and only one well produces more than the marginal well rate of 15 mcf/d. Although none of the wells produce significant daily volumes, production has been fairly steady and as of 02/01/02 a total of 1.6 billion cubic feet of gas have been produced (Reference Page 2 of Attachment No. 10 for individual well cumulatives.). The wells are all completed at depths of 350' to 850' and are within ± 2 miles of the strip mining operation of San Juan Coal at the Navajo Coal Mine. Attachment No. 11 presents the Gallup production from the Pet Inc No. 1. The Gallup production has been fairly good, but it appears that production has declined to a level that will not support anticipated remedial costs on the Pet Inc No. 1, and upon abandonment of the Pet Inc. No. 1, there will no longer be any production from the Gallup.

The No Doubt No. 90 was initially planned as an extension to the WAW Fruitland Sand-PC gas pool; however, upon drilling, it was decided to attempt a completion in the Fruitland Coal. Based upon initial testing, the well will require rod pump artificial lift and has produced ± 50 mcf/d. This is an area that has not been developed in the Fruitland Coal, and little information about productivity of the Fruitland Coal is available. We are anxious to get this well on production, and the Pet Inc Gathering System is within 1,500' of the well. El Paso's nearest line is $\pm 5,500'$ to the southwest, and the No Doubt 90 does not qualify for a wellhead connection on El Paso's system.

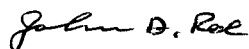
To insure that gas volumes and revenues measured at the CDP sales meter are properly allocated to each lease, we plan to install and maintain conventional, continuous recording gas meters (Barton dry flow or equivalent) on each lease and will use a commercial integration service to integrate the individual charts each allocation period, which typically will be a calendar month. These volumes will then be used to determine allocation factors for each lease. Gas BTUs and revenues will be allocated from the CDP sales meter to each lease using allocation factors determined by applying gas heating values determined from gas samples taken from each lease to the volumes measured by each lease allocation meter. Attachment No. 5 presents the details of our proposed allocation procedures.

To insure the integrity of the Pet Inc Gas Gathering System, Dugan Production routinely surveys all pipelines of the Pet Inc Gas Gathering System (as we do on all of our gathering systems), using our portable gas detector. Should a leak be detected, we initiate repairs as soon as possible. Attachment No. 12 presents a sketch of the facilities on the Pet Inc lease and at the CDP sales meter.

In summary, Dugan Production Corp. is proposing to add one recently completed well to our existing Pet Inc Gas Gathering System. Dugan Production is the operator of all wells and operates the Pet Inc Gas Gathering System. This will allow the No Doubt No. 90 to be produced and should have no affect upon the Pet Inc wells. All wells are considered to be fairly low volume producers; however, hopefully they will have long producing lives and will develop significant gas reserves. (The Pet Inc wells all produce less than 30 mcf/d per well, and the No Doubt No. 90 has tested ± 50 mcf/d.) All gas volumes, BTU's, and revenues will be allocated from the CDP to the individual leases, using allocation factors determined from gas volumes recorded by allocation meters located on each lease, and BTU's determined for each lease. This should help to insure that the proposed surface commingling and off-lease measurement will not diminish the production value for either of the leases.

Should you have questions or need additional information, please let me know.

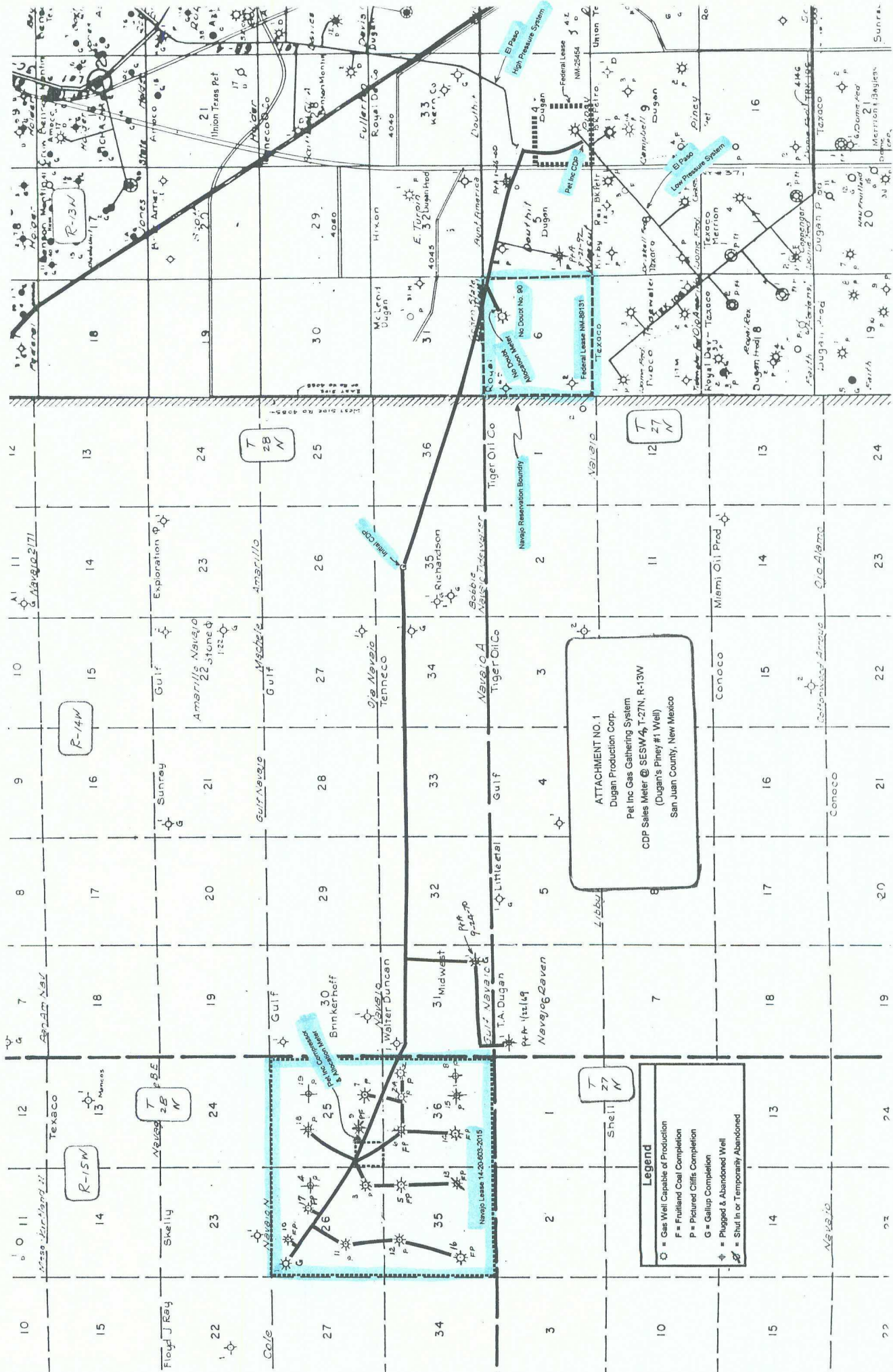
Sincerely,



John D. Roe
Engineering Manager

JDR:sh

xc: NMOCD-Aztec
Navajo Nation via the BLM



Legend

- = Gas Well Capable of Production
- F = Fruitland Coal Completion
- P = Pictured Cliffs Completion
- G = Gallup Completion
- ⊕ = Plugged & Abandoned Well
- ⊖ = Shut in or Temporarily Abandoned

ATTACHMENT NO. 1
Dugan Production Corp.
Pet Inc Gas Gathering System
CDP Sales Meter @ SESW 4th T-27N, R-13W
(Dugan's Piney #1 Well)
San Juan County, New Mexico

ATTACHMENT NO. 2
DUGAN PRODUCTION CORP.
PET INC GAS GATHERING SYSTEM AND CDP
CDP Sales Meter @ N-4-T27N-R13W (El Paso Meter No. 75470)
SAN JUAN COUNTY, NEW MEXICO

| Well Name | API No. 30-045- | Well Location | | Well Location | Lease No. | Well Location | | CA Number | Pool | Completion Date | Current Prod. | | | Spacing Unit | Date of First Delivery |
|--------------------------------------|--------------------|----------------|--|---------------|-------------|---------------|------|--------------|------------------------------|--------------------|---------------|------|------|--------------------|---------------------------|
| | | UL-Sec-Twn-Rng | | | | Lse | Type | | | | MCFD | BC/D | BW/D | | |
| WELLS APPROVED FOR CDP | | | | | | | | | | | | | | | |
| Pet Inc. 1 (Note 2) | 07235 | D-26-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO GALLUP | 11/09/61 | 0 | 0 | 0 | NW/4 - 160A | 12/29/66 |
| Pet Inc. 2 | 20735 | A-36-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 04/20/71 | 11.2 | 0 | 0.01 | NE/4 - 160A | 08/21/73 |
| Pet Inc. 2A | 21741 | B-36-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 04/18/75 | 0.4 | 0 | 0.01 | NE/4 - 160A | 05/02/75 |
| Pet Inc. 3 | 20940 | P-26-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 06/09/72 | 6.5 | 0 | 0.01 | SE/4 - 160A | 08/21/73 |
| Pet Inc. 4 - P&A (Note 3) | 21059 | H-26-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 10/11/72 | -- | -- | -- | NE/4 - 160A | -- |
| Pet Inc. 5 FC/PC (Note 4) | 21060 | A-35-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 10/11/72 | 8.5 | 0 | 0.01 | (Note 4) | 08/21/73 |
| Pet Inc. 6 FC/PC - P&A (Note 3) | 21061 | C-36-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 10/14/72 | -- | -- | -- | (Note 4) | 08/21/73 |
| Pet Inc. 7 | 21062 | O-25-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 10/24/72 | 29.9 | 0 | 0.01 | SE/4 - 160A | 08/21/73 |
| Pet Inc. 8 - P&A (Note 3) | 21739 | I-36-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 04/15/75 | -- | -- | -- | SE/4 - 160A | -- |
| Pet Inc. 9 FC/PC - P&A (Note 3 & 4) | 21740 | N-25-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 04/23/75 | -- | -- | -- | 120A NSPU (Note 5) | 05/02/75 |
| Pet Inc. 10 FC/PC (Note 4) | 22551 | C-26-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 06/11/77 | 7.4 | 0 | 0.01 | (Note 4) | 08/13/77 |
| Pet Inc. 11 (Note 3) | 22553 | K-26-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 07/23/77 | 0 | 0 | 0 | SW/4 - 160A | 08/15/77 |
| Pet Inc. 12 | 22554 | C-35-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 08/15/77 | 6.0 | 0 | 0 | NW/4 - 160A | 08/22/77 |
| Pet Inc. 13 FC/PC (Note 4 & 6) | 22555 | I-35-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 07/23/77 | 0 | 0 | 0 | (Note 4) | 08/25/77 |
| Pet Inc. 14 FC/PC (Note 4) | 22558 | K-36-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 08/15/77 | 0.2 | 0 | 0.01 | (Note 4) | 09/15/77 |
| Pet Inc. 15 FC/PC - P&A (Note 3 & 4) | 22557 | J-36-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 07/18/77 | -- | -- | -- | (Note 4) | 09/23/77 |
| Pet Inc. 16 FC/PC (Note 4) | 25400 | L-35-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 06/22/82 | 0.6 | 0 | 0.03 | (Note 4) | 11/29/82 |
| Pet Inc. 17 FC/PC (Note 4) | 22552 | G-26-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | BASIN FR COAL/OJO FR SAND PC | 06/14/77 | 13.6 | 0 | 0.01 | (Note 4) | 08/13/77 |
| Pet Inc. 18 - P&A (Note 3) | 22549 | F-25-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 07/23/77 | -- | -- | -- | NW/4 - 160A | 08/16/77 |
| Pet Inc. 19 - P&A (Note 3) | 25399 | G-25-28N-15W | | Navajo | 14206032015 | Navajo | | N/A | OJO FRUITLAND SAND PC | 06/22/82 | -- | -- | -- | NE/4 - 160A | -- |
| WELLS TO BE ADDED TO SYSTEM | | | | | | | | | | | | | | | |
| No Doubt 90 | 30781 | B-6-27N-13W | | Federal | NM 89131 | Federal | | N/A | BASIN FR COAL | 04/11/02 | 50 | 0 | 50 | E/2 - 320A | -- |

Notes: N/A - Not applicable or not needed.

- Current production data represents daily average for 11/01 and 12/01. Rates for No Doubt 90 represent initial test. For wells downhole commingled, production represents total from both zones.
- Well is currently shut in with plans to P&A. The Gallup last produced 01/98 @ \pm 20 mcf and 0.4 BOPD. Cumulative production = 793.7 mmcf and 6,160 bbl. condensate + 467 bbl. water.

3. Wells plugged and abandoned or approved for abandonment

| Well | Date P&A | Cum. Wellbore Production at Abandonment | |
|------|--------------|---|------------|
| | | Gas mcf | Water bbl. |
| 4 | 04/29/86 | 0 | 0 |
| 6 | 03/14/02 | 93016 | 5409 |
| 8 | 04/15/75 | 0 | 0 |
| 9 | 03/14/02 | 76895 | 0 |
| 11 | Proposed P&A | 37951 | 0 |
| 15 | 10/24/91 | 34007 | 0 |
| 18 | 03/14/02 | 52873 | 0 |
| 19 | 04/29/86 | 0 | 0 |

4. Wells downhole commingled - NMOC Order R-5359 dated 01/25/77 & R-8768 (Rule 12 & 13), plus R-8769 both dated 10/17/88.

| Well | Allocation Factor | | Spacing Unit | |
|------|-------------------|-----------------|----------------|-----------------|
| | Fruitland Coal | Pictured Cliffs | Fruitland Coal | Pictured Cliffs |
| 5 | 47 | 53 | E/2 - 320A | NE/4 - 160A |
| 6+ | 46 | 54 | N/2 - 320A | NW/4 - 160A |
| 9 | 63 | 37 | (Note 5) | (Note 5) |
| 10+ | 48 | 52 | W/2 - 320A | NW/4 - 160A |
| 13+ | 57 | 43 | E/2 - 320A | SE/4 - 160A |
| 14 | 50 | 50 | S/2 - 320A | SW/4 - 160A |
| 15+ | * | * | S/2 - 320A | SE/4 - 160A |
| 16 | 52 | 48 | W/2 - 320A | SW/4 - 160A |
| 17 | 64 | 36 | E/2 - 320A | NE/4 - 160A |

* No allocation factors determined as well was P&A at time the application for downhole

commingled factors was prepared.

+ Fruitland Coal Completion existed at time of special Pool rules and NSL was approved under

Order No. (4) of Special Pool Rules (NMOC Order R-8768).

5. 120 acre NSPU for Pet Inc No. 9 authorized by NSP - 992 dated 04/11/75 consisting of N/2 SW/4 plus SESW.

6. Well is shut in as the second well in the E/2 spacing unit with plans for long-term shut in pending 160A infill approval for Fruitland Coal. Wellbore potential = 4.5 mcf + .03 BWPD.

1 MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 1 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

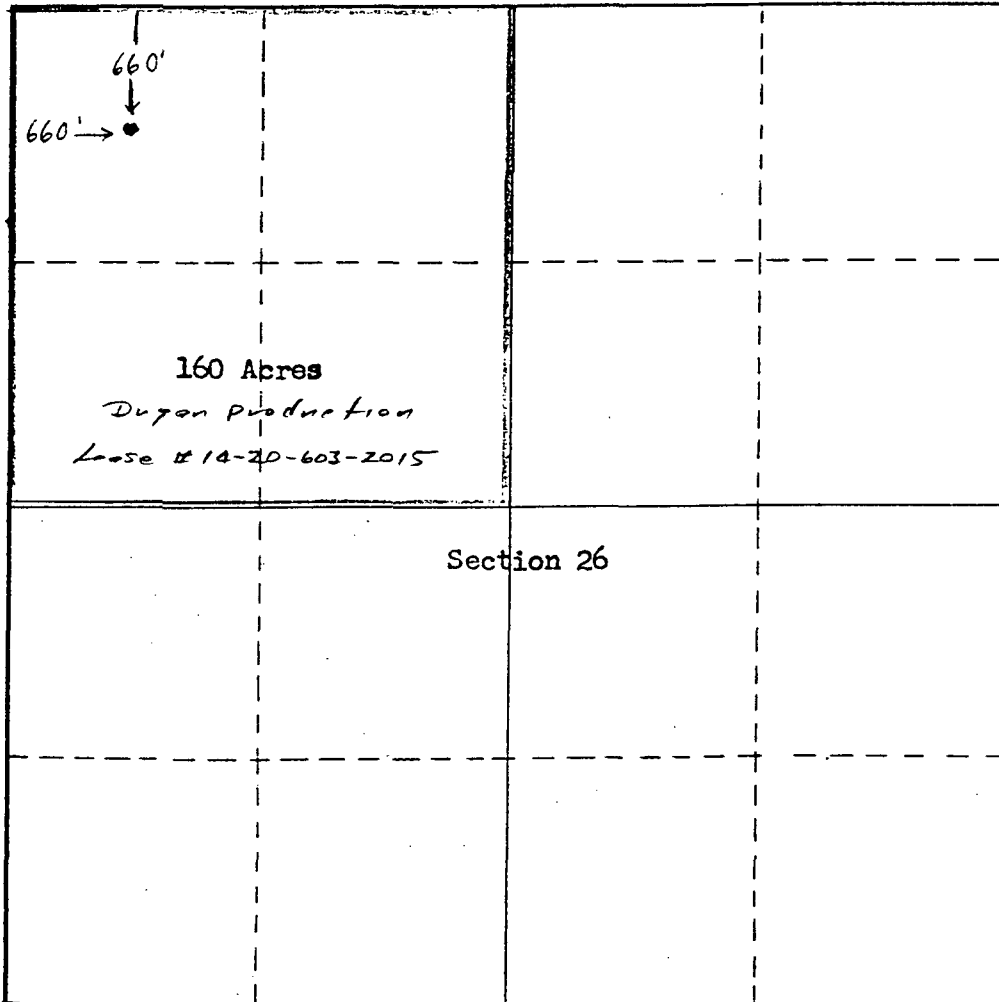
| | | | | | | | | |
|--|--------------------------------------|-----------------------------|---|---------------------------|--|--|--|--|
| Operator Thomas A. Dugan | | | Lease Pet. Inc. | | | Well No. 1 | | |
| Unit Letter D | Section 26 | Township 28 North | Range 15 West | County San Juan | | | | |
| Actual Footage Location of Well: 660 feet from the North line and 660 feet from the West line | | | | | | | | |
| Ground Level Elev: 5553' | Producing Formation Gallup | | Pool O to Gallup Undesignated | | | Dedicated Acreage: 160 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



CERTIFICATION

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

Name

Thomas A. Dugan

Position

Operator

Company

Date

1/12/67

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

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

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

Attachment

No. 3

Pg. 2 of 30

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 CORP. | | Lease PET INC. | | Well No. 2 | |
| Unit Letter A | Section 36 | Township 28 North | Range 15 West | County NMPM San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line | | | | | |
| Ground level Elev. 5722' | Producing Formation Fruitland Sand PC | | Pool Ojo Fruitland Sand PC | | 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 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.

| | | | |
|---------|--|--|--|
| | | 790' | |
| | | 790' | |
| | | Dugan Prod. Ls. #14-20-6034 2015 | |
| SEC. 36 | | | |
| | | | |
| | | | |

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

Jim L. Jacobs

Position

Geologist

Company

Dugan Production Corp.

Date

2-19-91

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

January 13, 1970

Signature & Seal of
Professional Surveyor

Redraft of original surveyed
by E.V. Echohawk

Certificate No.

3602

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 3 of 30

Form C-102
Supersedes C-123
Effective 1-1-65

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

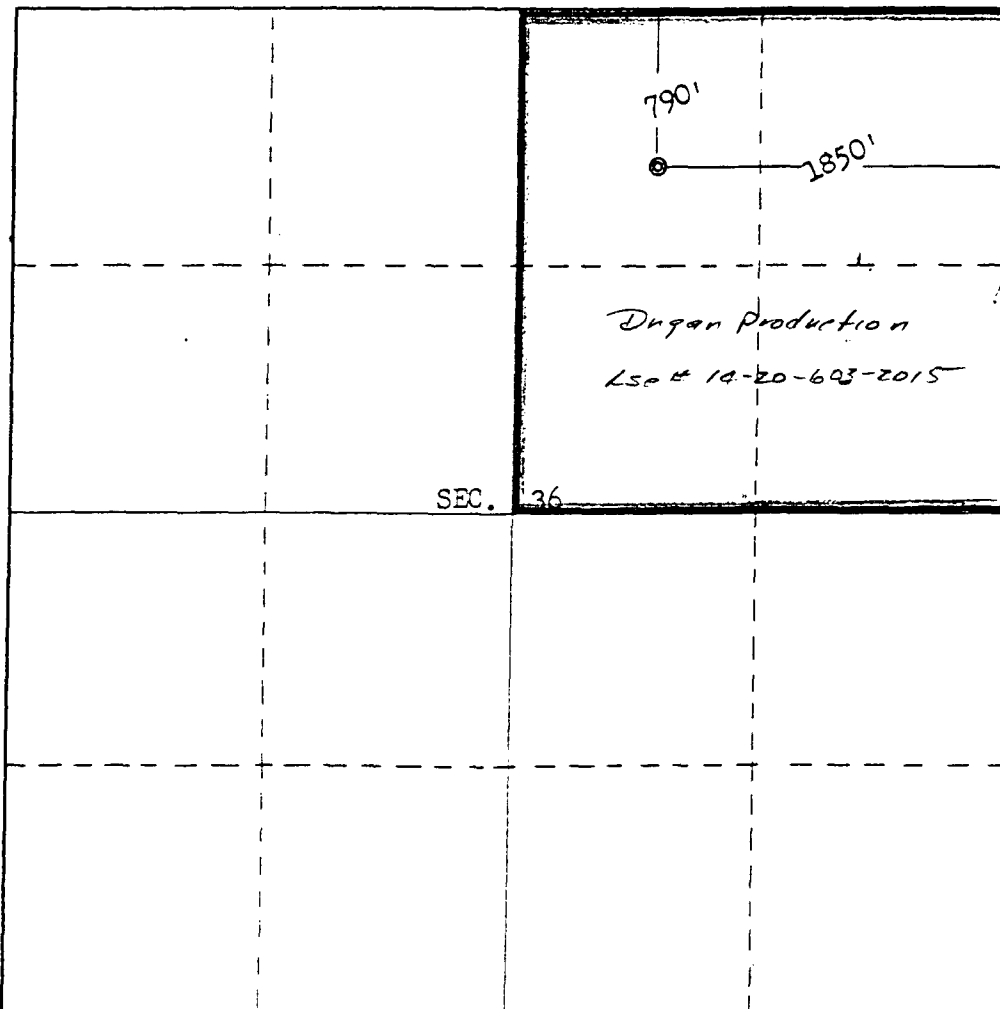
| | | | | | |
|---|--|--------------------------------------|---------------------------|--|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 2A |
| Unit Letter B | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the East line | | | | | |
| Ground Level Elev. 5699 | Producing Formation Fruitland/PC | Pool Ojo Fruitland Sand PC | | Dedicated Acreage: 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



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
September 24, 1990



Date Surveyed
March 12, 1975

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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

Attachment

No. 3

Pg. 4 of 30

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 CORP. | | | Lease PET INC. | | Well No. 3 |
| Unit Letter P | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the South line and 790 feet from the East line | | | | | |
| Ground level Elev. 5606' | Producing Formation Fruitland Sand PC | | Pool Ojo Fruitland Sand PC | | 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 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.

| | | | |
|-------------------------------|--|--|--|
| SEC. 26 | | | |
| Dugan Prod. 14-20-603-2015 | | | |
| 790' | | | |
| 790' | | | |

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

Jim L. Jacobs

Position

Geologist

Company

Dugan Production Corp.

Date

2-19-91

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

January 13, 1970

Signature & Seal of
Professional Surveyor

Redraft of original plat
surveyed by E.V. Echohawk,
L.S.

Certificate No.

3602

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

| | | | | | |
|---|---|---|---------------------------|--|----------------------|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 4 |
| Unit Letter H | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the North line and 790 feet from the East line | | | | | |
| Ground Level Elev. 5589 | Producing Formation Pictured Cliffs | Pool Ojo Fertiland Sand - Wildcat Pictured Cliffs | | Dedicated Acreage: 160 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
- 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

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

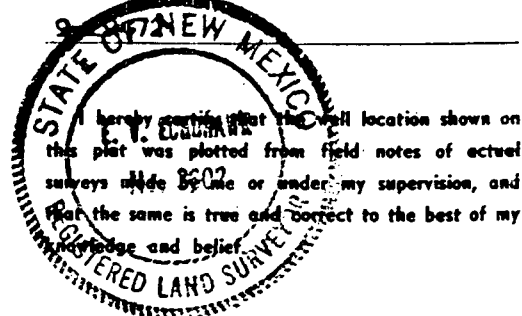
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

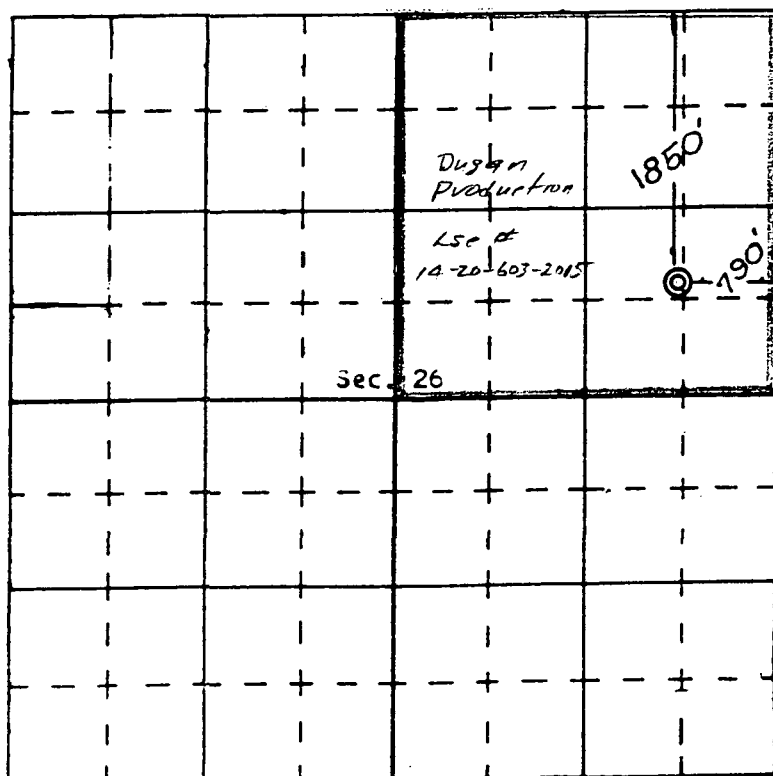
Original signed by T. A. Dugan

Name
Thomas A. Dugan
Position
Engineer
Company
Dugan Production Corporation
Date
9



Date Surveyed
January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echolaw
Certificate No. 3602
E. V. Echolaw LS



NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

| | | | | | |
|--|---|-------------------------------|---------------------------|--|----------------------|
| Operator Dugan Production Corporation | | | Lease Pat. Inc. | | Well No. 5 |
| Unit Letter A | Section 35 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line | | | | | |
| Ground Level Elev. 5621 | Producing Formation Pictured Cliffs | Pool Ojo FR Sand-PC | | 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

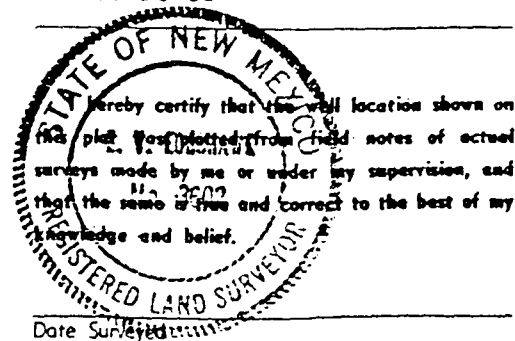
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

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 Commission.

CERTIFICATION

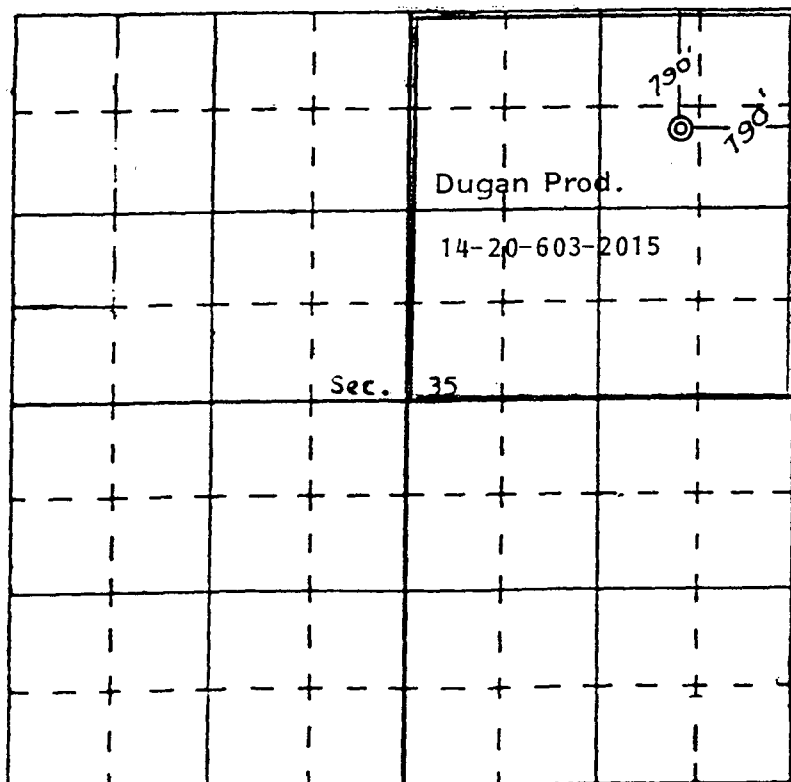
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Jim L. Jacobs
Position Geologist
Company Dugan Production Corp.
Date 11-30-88



Date Surveyed January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echowhawk
Certificate No. 3602
E. V. Echowhawk, LS



NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

| | | | | | |
|--|--|-----------------------------|-------------------------------------|---------------------------|---------------------------------------|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 5 |
| Unit Letter A | Section 35 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line | | | | | |
| Ground Level Elev. 5621 | Producing Formation Fruitland Coal | | Pool Basin Fruitland Coal | | Dedicated Acreage: 320 Acr. |

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

If answer is "no," list the owners and tract descriptions which have actually 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 Commission.

CERTIFICATION

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

Name

Jim L. Jacobs

Position

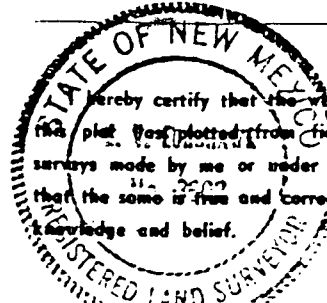
Geologist

Company

Dugan Production Corp.

Date

4-14-89



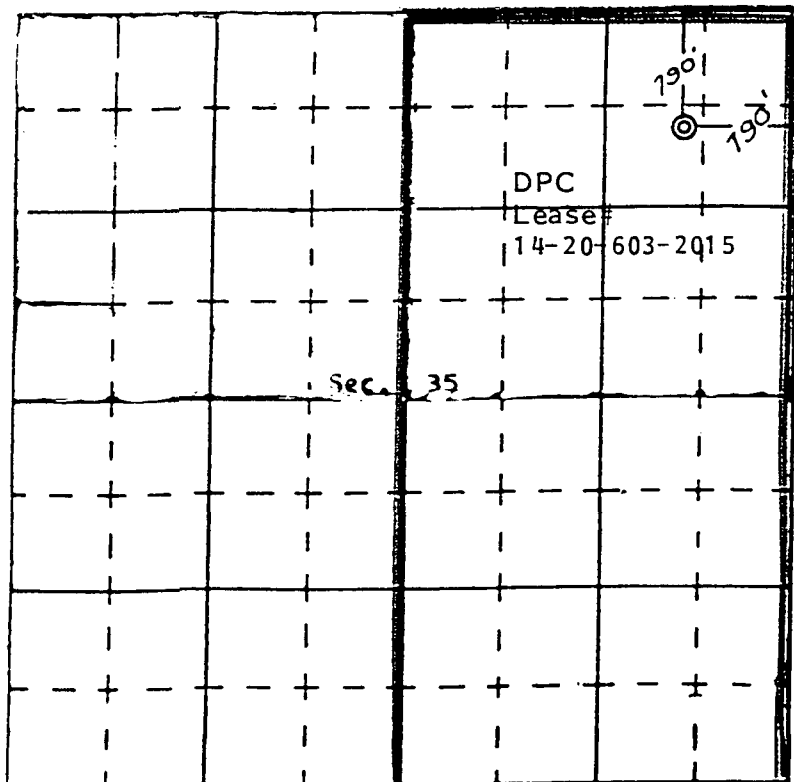
Date Surveyed

January 13, 1970

Registered Professional Engineer
and/or Land Surveyor

Certificate No. **3602**

E. V. Echolaw, LS



NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

| | | | | | |
|---|---|-------------------------------|---------------------------|--|----------------------|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 6 |
| Unit Letter C | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5658 | Producing Formation Pictured Cliffs | Pool Ojo FR Sand-PC | | Dedicated Acreage: 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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

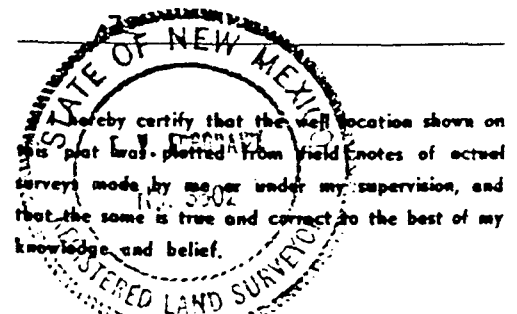
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this Form if necessary.)

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 Commission.

CERTIFICATION

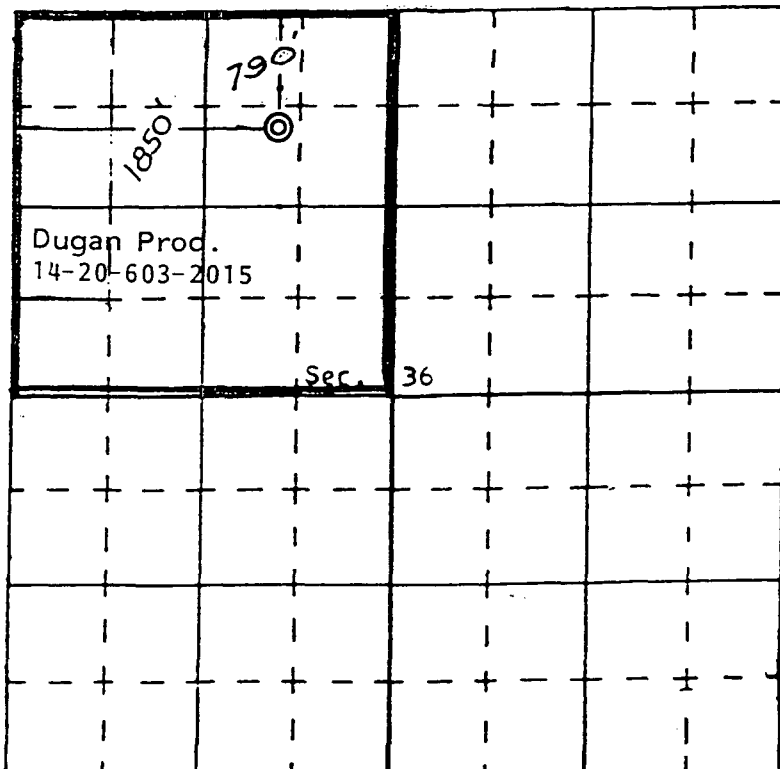
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date 11-30-88



Date Surveyed
January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echhawk
Certificate No. 3602
E. V. Echhawk, L. S.



NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

| | | | | | |
|---|--|-----------------------------|-------------------------------------|--|----------------------|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 6 |
| Unit Letter C | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5658 | Producing Formation Fruitland Coal | | Pool Basin Fruitland Coal | 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 interests 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 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 Commission.

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
4-14-89

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.

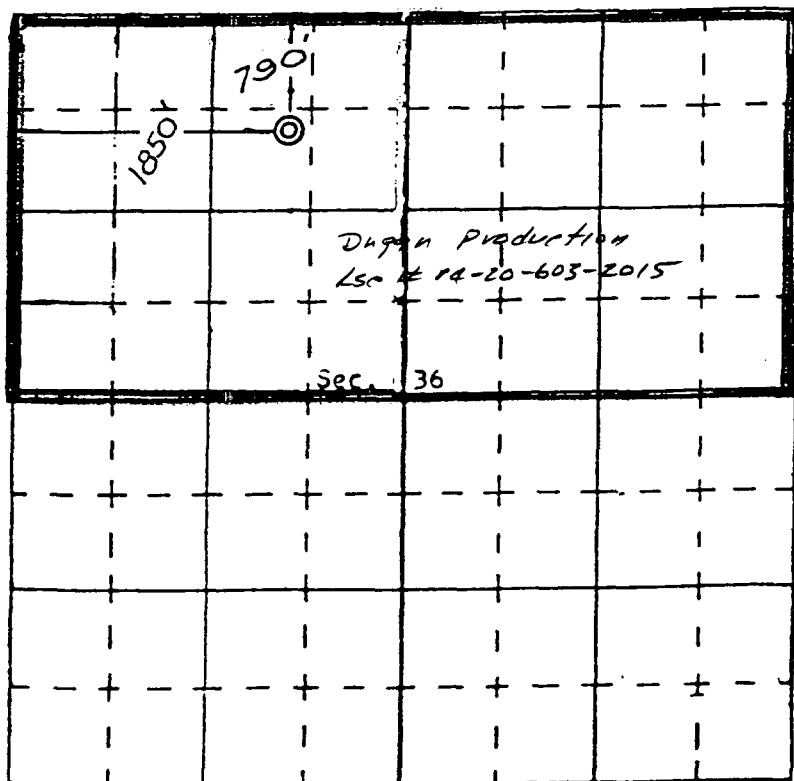
Date Surveyed

January 13, 1970

Registered Professional Engineer
and/or Land Surveyor

Certificate No. **3602**

E. V. Echolaw, L. S.



NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

| | | | | | |
|---|---|-----------------------------|--|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 7 |
| Unit Letter P O | Section 25 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the South line and 1750 feet from the East line | | | | | |
| Ground Level Elev. 5709 | Producing Formation Pictured Cliffs | | Pool O to Fruitland Sand - PL - WI Locat | | 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

If answer is "no," list the owners and tract descriptions which have actually 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 Commission.

CERTIFICATION

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

Original signed by **T. A. Dugan**

Name

Thomas A. Dugan

Position

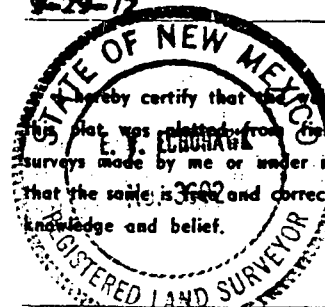
Engineer

Company

Dugan Production Corporation

Date

9-29-72



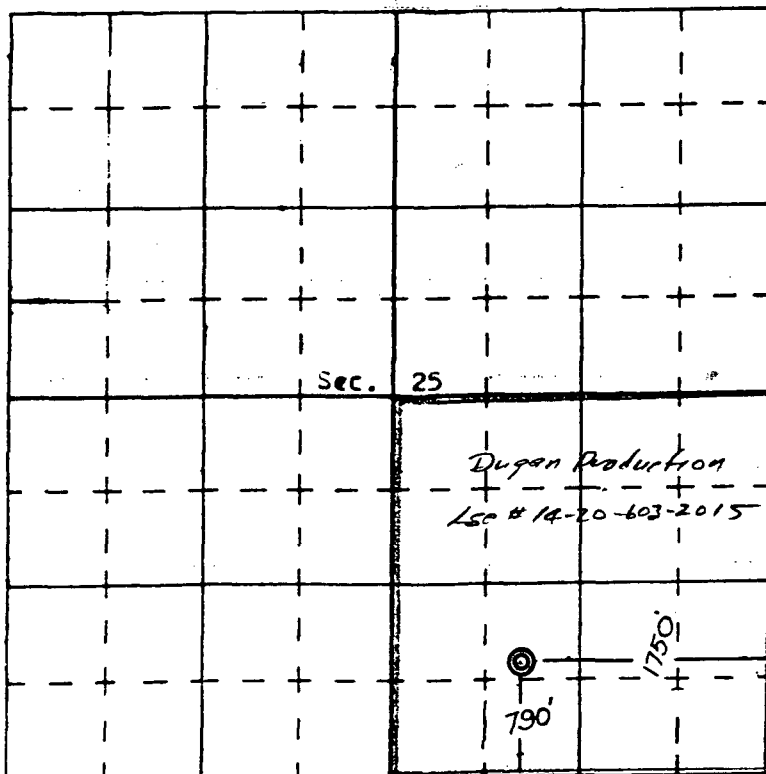
I hereby certify that the location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

January 13, 1970

Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk
Certificate No. **3602**
E. V. Echohawk, L. S.



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 11 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

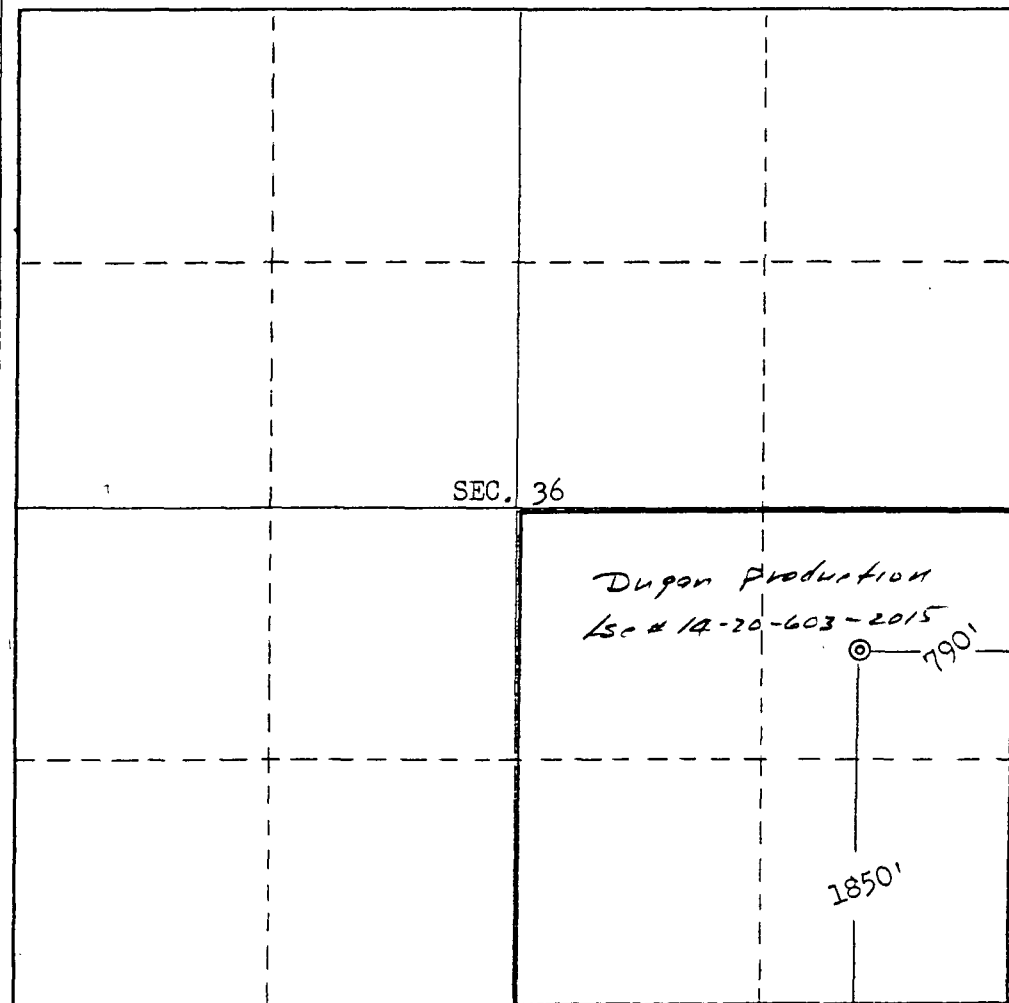
| | | | | | |
|---|---|--|---------------------------|--|----------------------|
| Operator Dugan Production Corporation | | | Lease Pet. Inc. | | Well No. 8 |
| Unit Letter I | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the South line and 790 feet from the East line | | | | | |
| Ground Level Elev. 5743 | Producing Formation Pictured Cliffs | Pool 0 to Fruitland Sand - P.C. Undesignated - P.C. | | Dedicated Acreage: 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



CERTIFICATION

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

Name

Thomas A. Dugan

Position

Petroleum Engineer

Company

Dugan Production Corp.

Date

3-17-75

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 are true and correct to the best of my knowledge and belief.

Date Surveyed

March 12, 1975

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 12 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

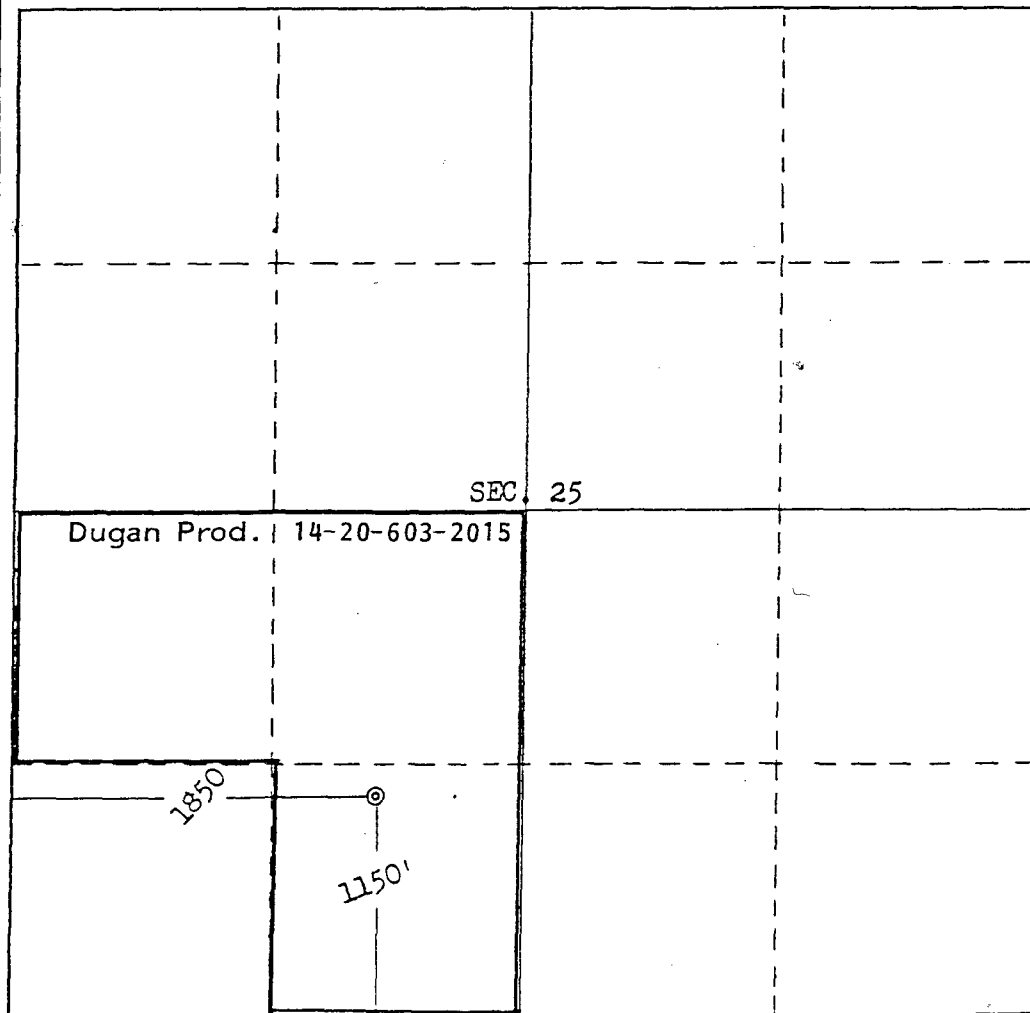
| | | | | | |
|--|---|-----------------------------|-------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | Lease Pet. Inc. | | Well No. 9 | |
| Unit Letter N | Section 25 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1150 feet from the South line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5665 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | Dedicated Acreage: * 120 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission. *Order NSP-992 (4-11-75) approves 120 acres for Ojo PC.



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

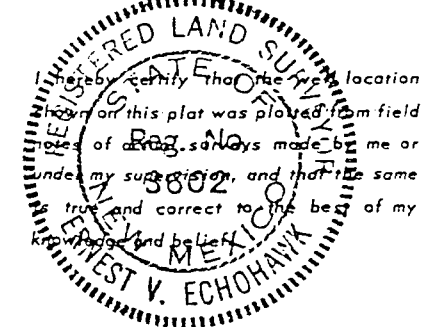
Geologist

Company

Dugan Production Corp.

Date

11-30-88



Date Surveyed

March 12, 1975

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 13 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

| | | | | |
|--|--|-------------------------------------|---|---------------------------|
| Operator Dugan Production Corporation | | Lease Pet. Inc. | | Well No. 9 |
| Unit Letter N | Section 25 | Township 28 North | Range 15 West | County San Juan |
| Actual Footage Location of Well: 1150 feet from the South line and 1850 feet from the West line | | | | |
| Ground Level Elev. 5665 | Producing Formation Fruitland Coal | Pool Basin-Fruitland Coal | Dedicated Acreage: *120 Acres | |

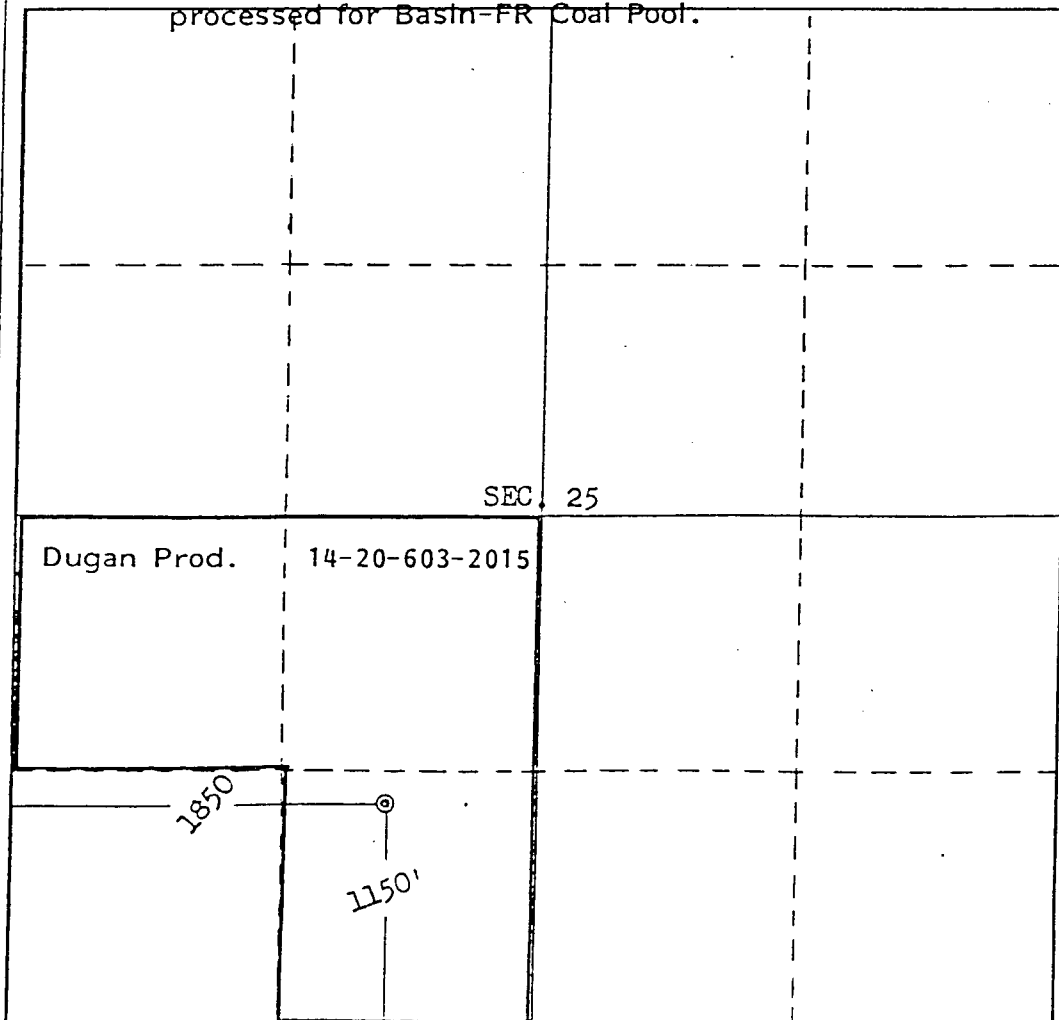
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 _____

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 Commission. *Order NSP-992 (4-11-75) approves 120 acres for Ojo PC. Application for NSP being

processed for Basin-FR Coal Pool.



CERTIFICATION

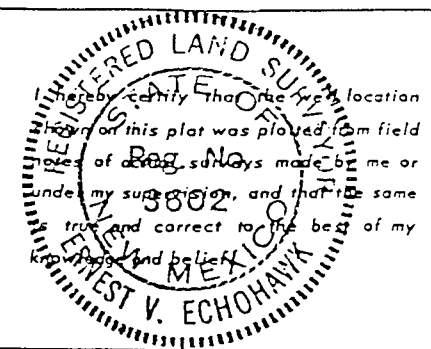
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
11-30-88



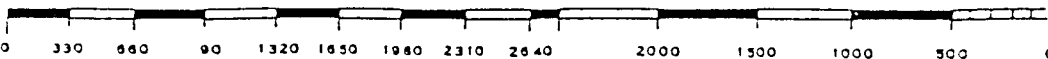
Date Surveyed
March 12, 1975

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 14 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

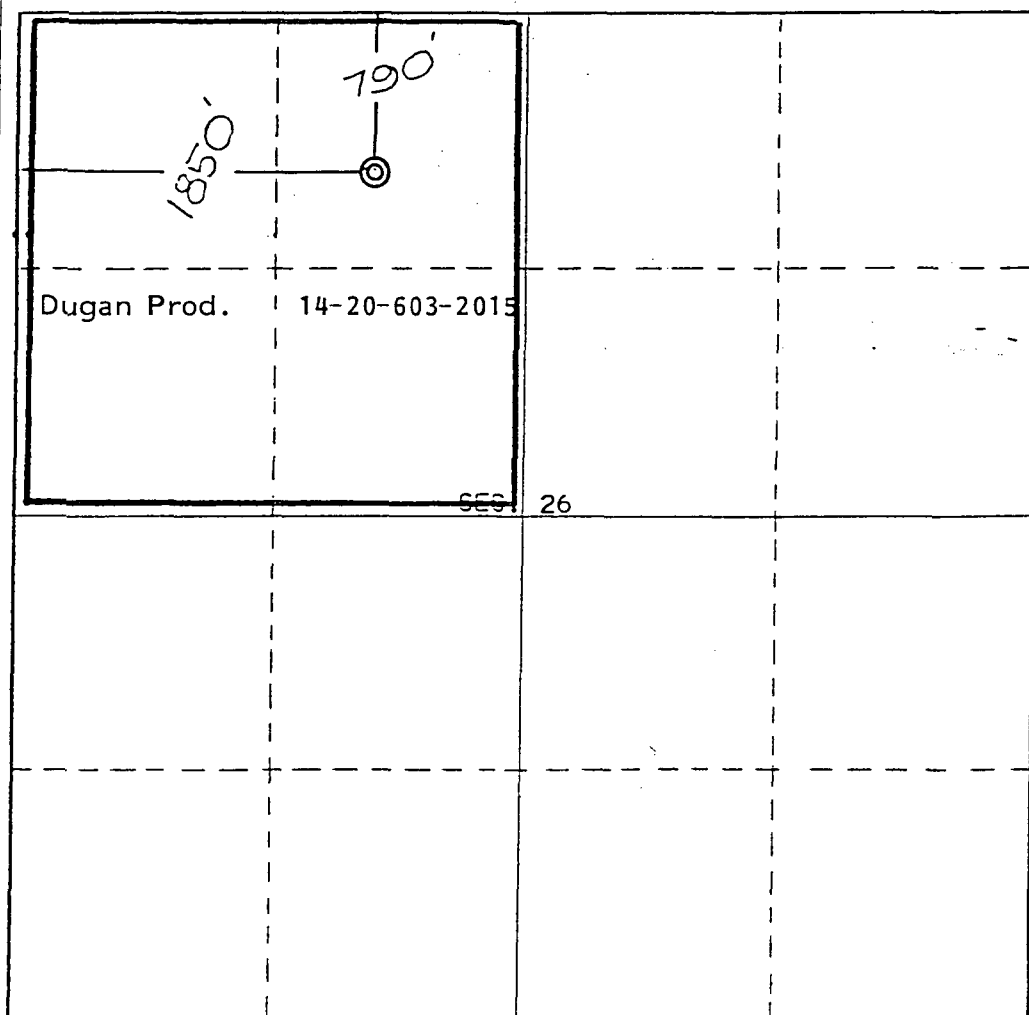
| | | | | | |
|---|---|-----------------------------|-------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 10 |
| Unit Letter C | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5555 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.

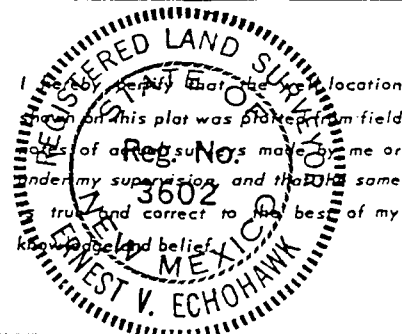


CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.

Date
11-30-88



Date Surveyed
April 21, 1977
Registered Professional Engineer
and/or Land Surveyor

E.V. Echoshawk
Certificate No. **3602**
E.V. Echoshawk LS



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 15 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

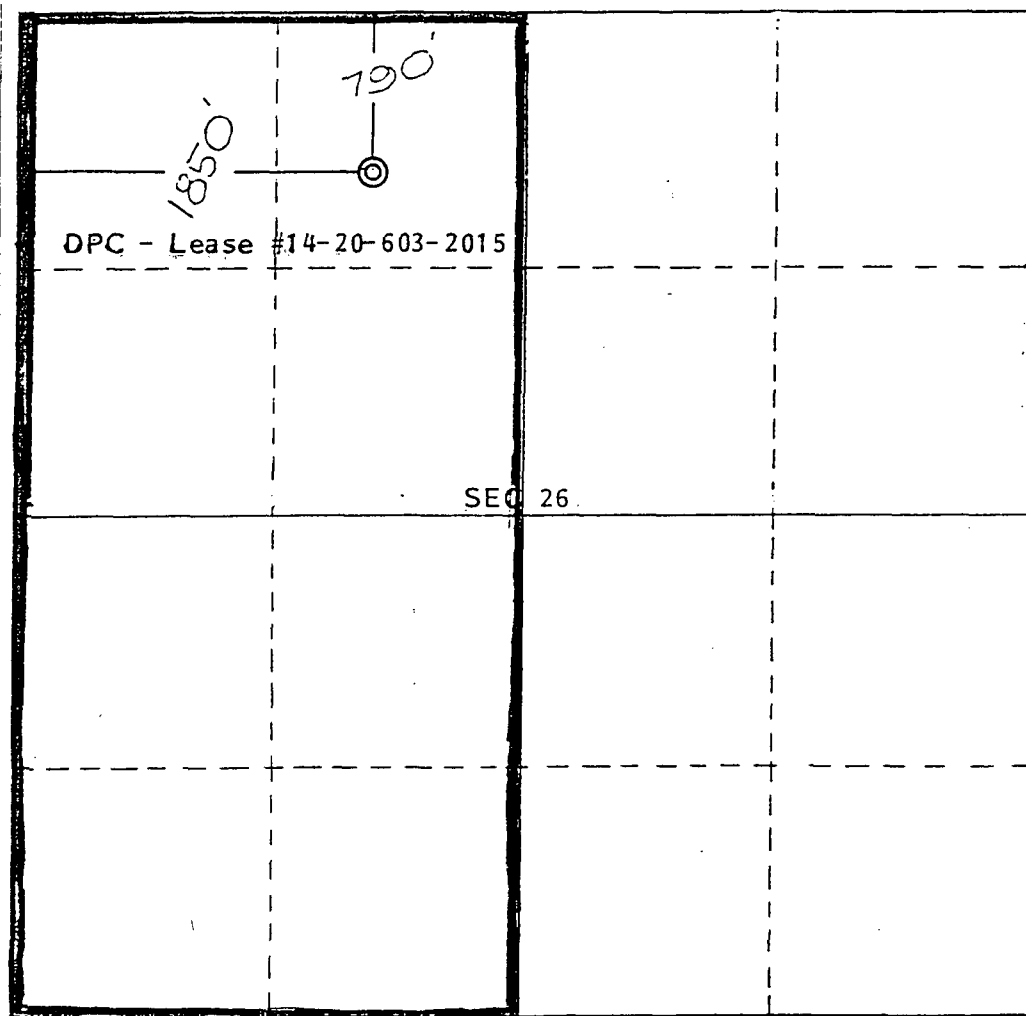
| | | | | | |
|---|--|-------------------------------------|-------------------------|--|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 10 |
| Unit Letter C | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5555 | Producing Formation Fruitland Coal | Pool Basin Fruitland Coal | | Dedicated Acreage: 320 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position

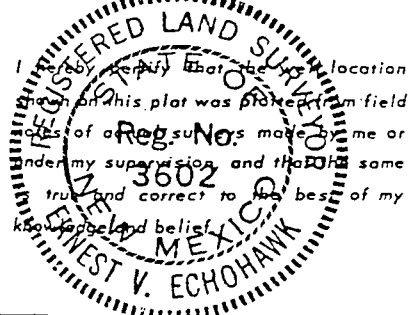
Geologist

Company

Dugan Production Corp.

Date

4-14-89



Date Surveyed

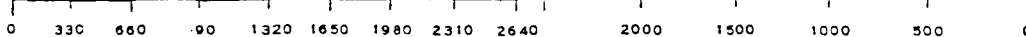
April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602

E.V. Echohawk LS



MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 16 of 30

Form C-102
 Supersedes C-128
 Effective 1-1-65

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

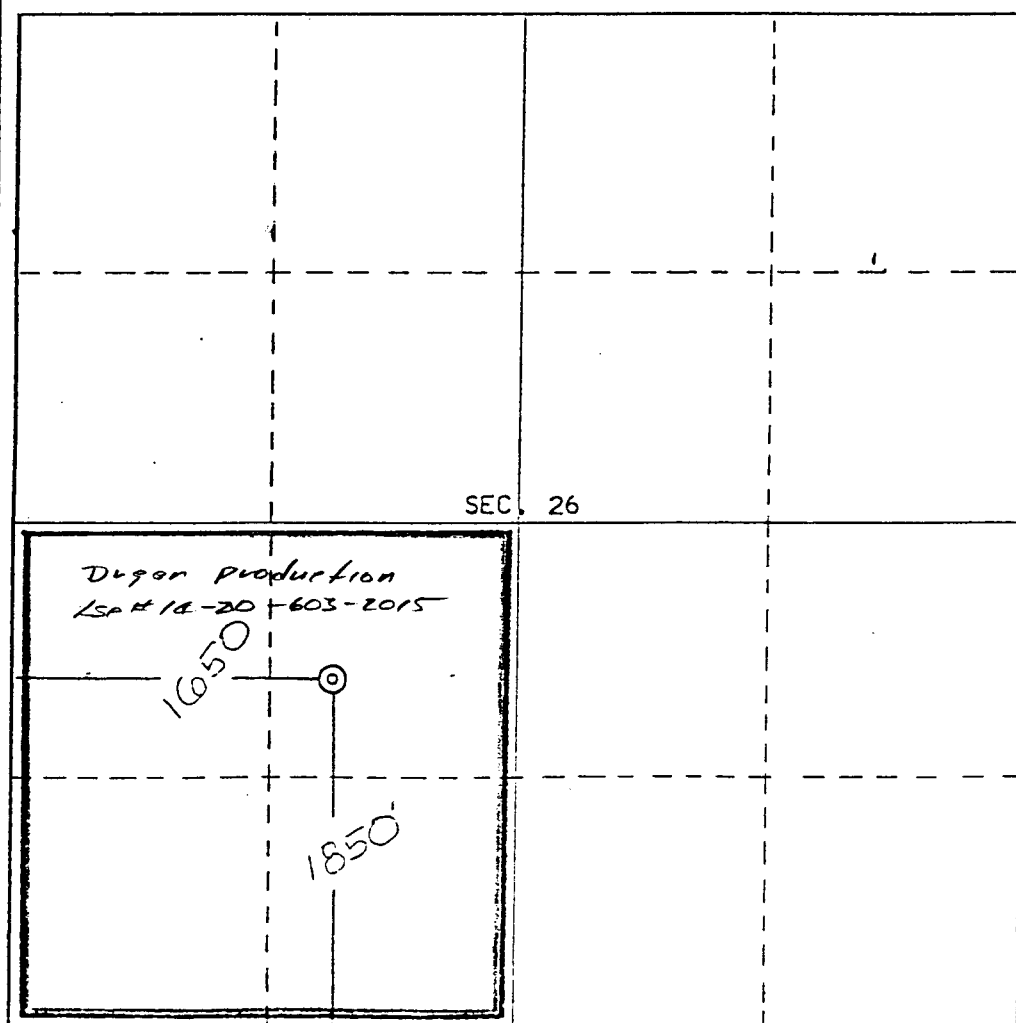
| | | | | | |
|--|---|-----------------------------|--------------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 11 |
| Unit Letter K | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the South line and 1650 feet from the West line | | | | | |
| Ground Level Elev. 5578 | Producing Formation Fruitland/ PC | | Pool Ojo Fruitland Sand PC | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



CERTIFICATION

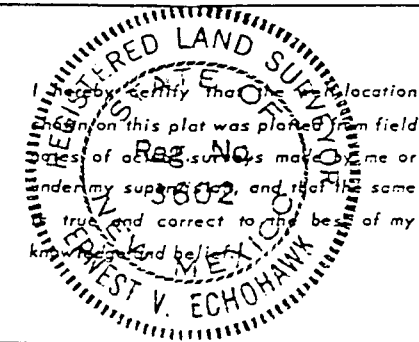
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
 Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
September 24, 1990



Date Surveyed
April 16, 1977

Registered Professional Engineer and/or Land Surveyor

[Signature]

Certificate No. **3602**
E.V. Echohawk LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 17 of 30

Form C-122
Supersedes C-123
Effective 1-1-65

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

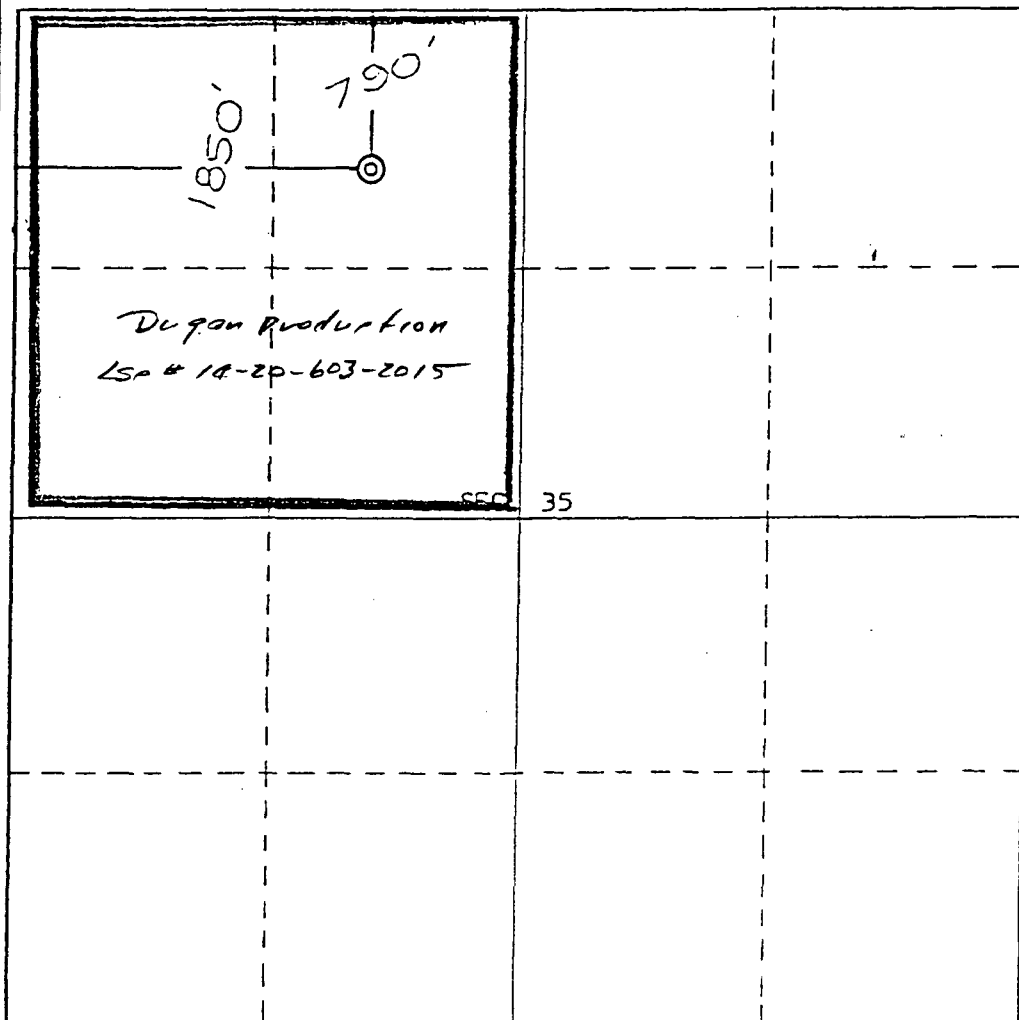
| | | | | | |
|---|--|--------------------------------------|-------------------------|--|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 12 |
| Unit Letter C | Section 35 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5611 | Producing Formation Fruitland/PC | Pool Ojo Fruitland Sand PC | | Dedicated Acreage: 160 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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 Commission.



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
September 24, 1990

I hereby certify that the location shown on this plat was plotted from field notes of a registered professional engineer or land surveyor, and that the same is true and correct to the best of my knowledge and belief.

REGISTERED LAND SURVEYOR
E. V. ECHOHAWK
MEXICO
No. 3602

Date Surveyed
April 16, 1977

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. 3602
E.V. Echohawk LS

N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 18 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

| | | | | | | | | |
|--|---|-----------------------------|-------------------------------|---------------------------|--|--|--|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | | Well No. 13 | | |
| Unit Letter I | Section 35 | Township 28 North | Range 15 West | County San Juan | | | | |
| Actual Footage Location of Well: 1850' feet from the South line and 790 feet from the East line | | | | | | | | |
| Ground Level Elev. 5641 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | | Dedicated Acreage: 160 Acres | | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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

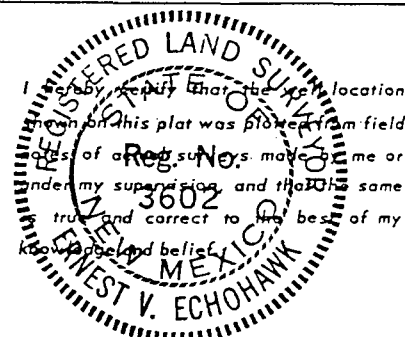
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

| | | | |
|--|--|----------------------------|--|
| | | SEC. 35 | |
| | | Dugan Prod. 14-20-603-2015 | |
| | | | |

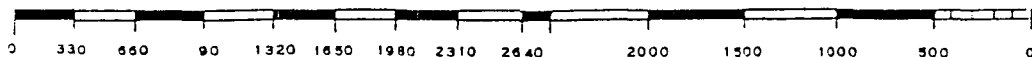
CERTIFICATION

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
11-30-88



Date Surveyed
April 16, 1977
Registered Professional Engineer and/or Land Surveyor
E.V. Echohawk
Certificate No. **3602**
E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 19 of 30

Form C-122
Supersedes C-128
Effective 1-1-55

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

| | | | | | |
|---|----------------------|-----------------------------|-------------------------|---------------------------|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 13 |
| Unit Letter 1 | Section 35 | Township 28 North | Range 15 West | County San Juan | |

Actual Footage Location of Well:

1850' feet from the **South** line and **790** feet from the **East** line

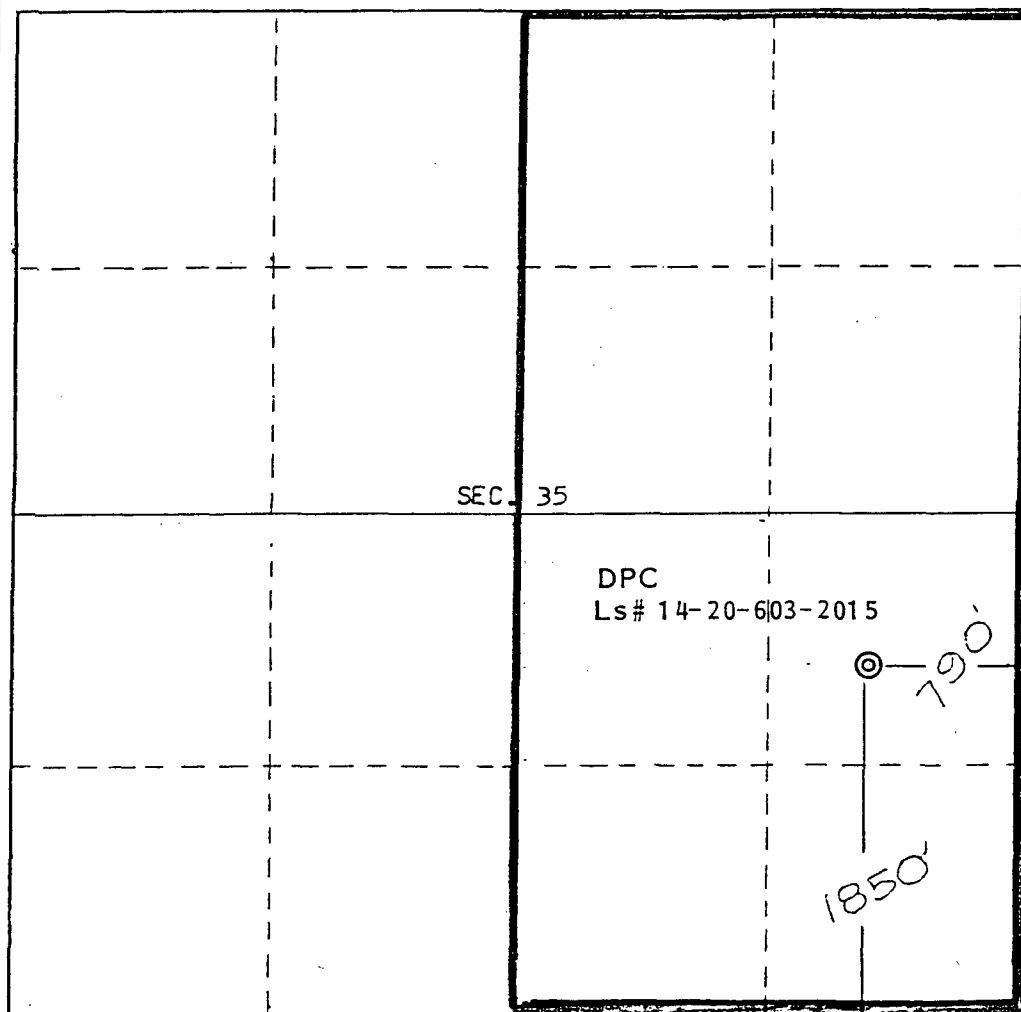
| | | | |
|-----------------------------------|--|-------------------------------------|--|
| Ground Level Elev. 5641 | Producing Formation Fruitland Coal | Pool Basin Fruitland Coal | Dedicated Acreage; 320 Acres |
|-----------------------------------|--|-------------------------------------|--|

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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date
4-14-89

I hereby certify that the location of this plat was plotted from field notes of a registered professional engineer or land surveyor, and that the same are true and correct to the best of my knowledge and belief.

REGISTERED LAND SURVEYOR
E.V. ECHOHAWK
MEXICO

Date Surveyed
April 16, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS

N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 20 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

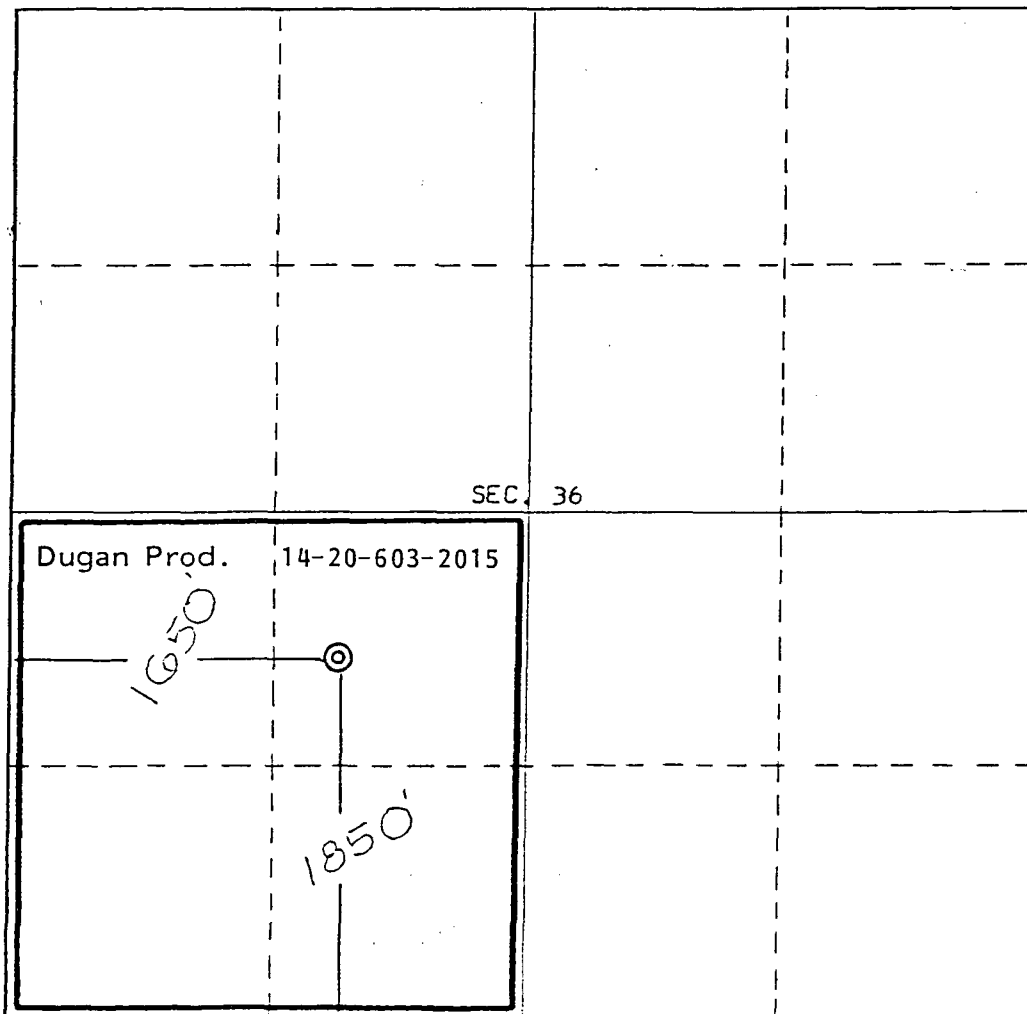
| | | | | | |
|---|---|-----------------------------|-------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 14 |
| Unit Letter K | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850' feet from the South line and 1650 feet from the West line | | | | | |
| Ground Level Elev. 5659 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



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

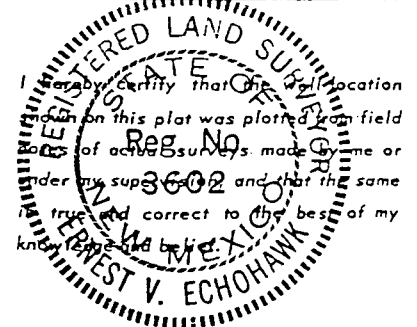
Geologist

Company

Dugan Production Corp.

Date

11-30-88



Date Surveyed

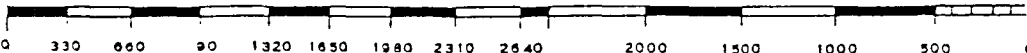
April 19, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 21 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

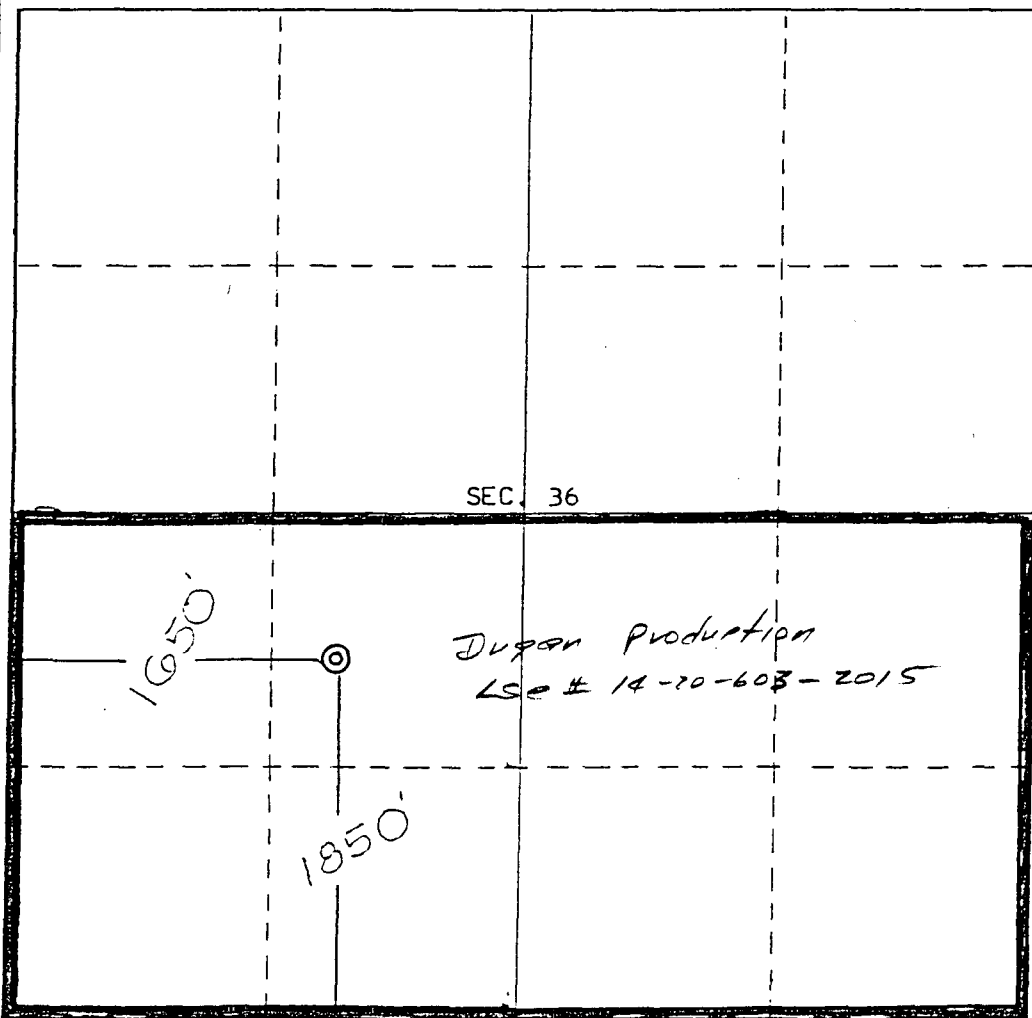
| | | | | | |
|---|--|-------------------------------------|-------------------------|--|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 14 |
| Unit Letter K | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850' feet from the South line and 1650 feet from the West line | | | | | |
| Ground Level Elev. 5659 | Producing Formation Fruitland Coal | Pool Basin Fruitland Coal | | Dedicated Acreage: 320 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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 Commission.



CERTIFICATION

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

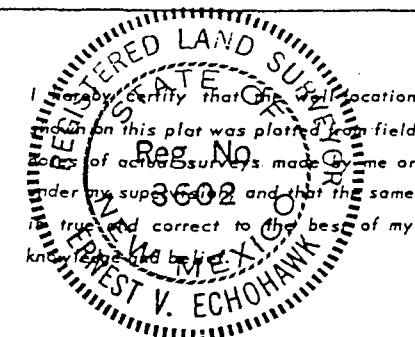
Jim L. Jacobs

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
4-14-89



Date Surveyed
April 19, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 22 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

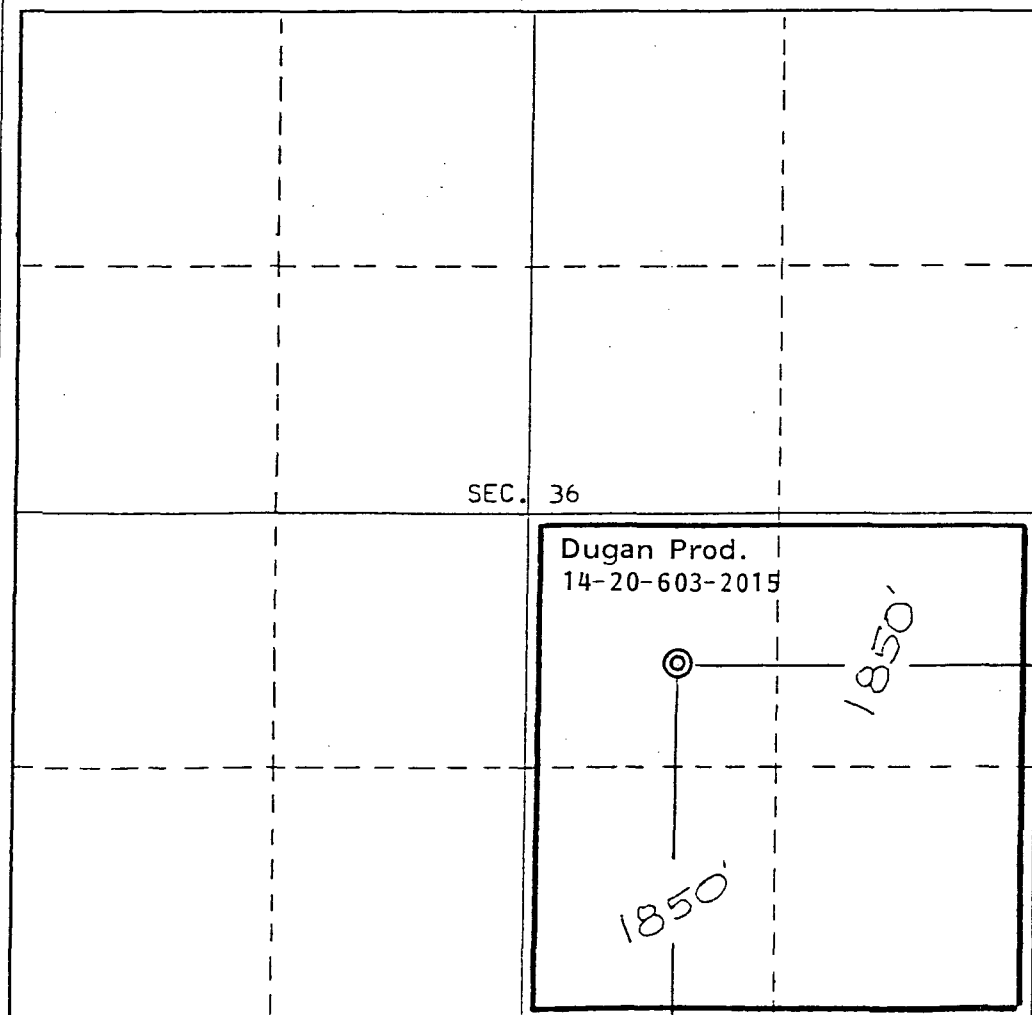
| | | | | | |
|--|---|-----------------------------|-------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 15 |
| Unit Letter J | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the East line | | | | | |
| Ground Level Elev. 5709 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | Dedicated Acreage: 160 Acres |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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 Commission.



CERTIFICATION

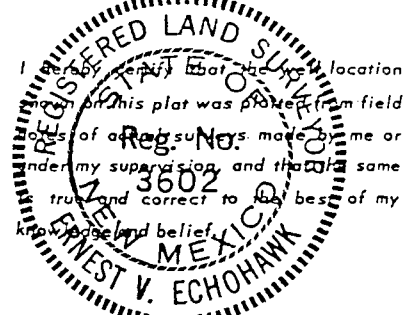
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
11-30-88



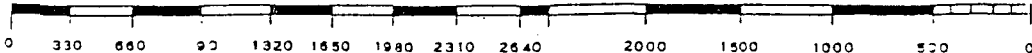
Date Surveyed
April 19, 1977

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS



**MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Attachment

No. 3

Pg. 23 of 30

Form C-102
Supersedes C-128
Effective 1-1-55

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

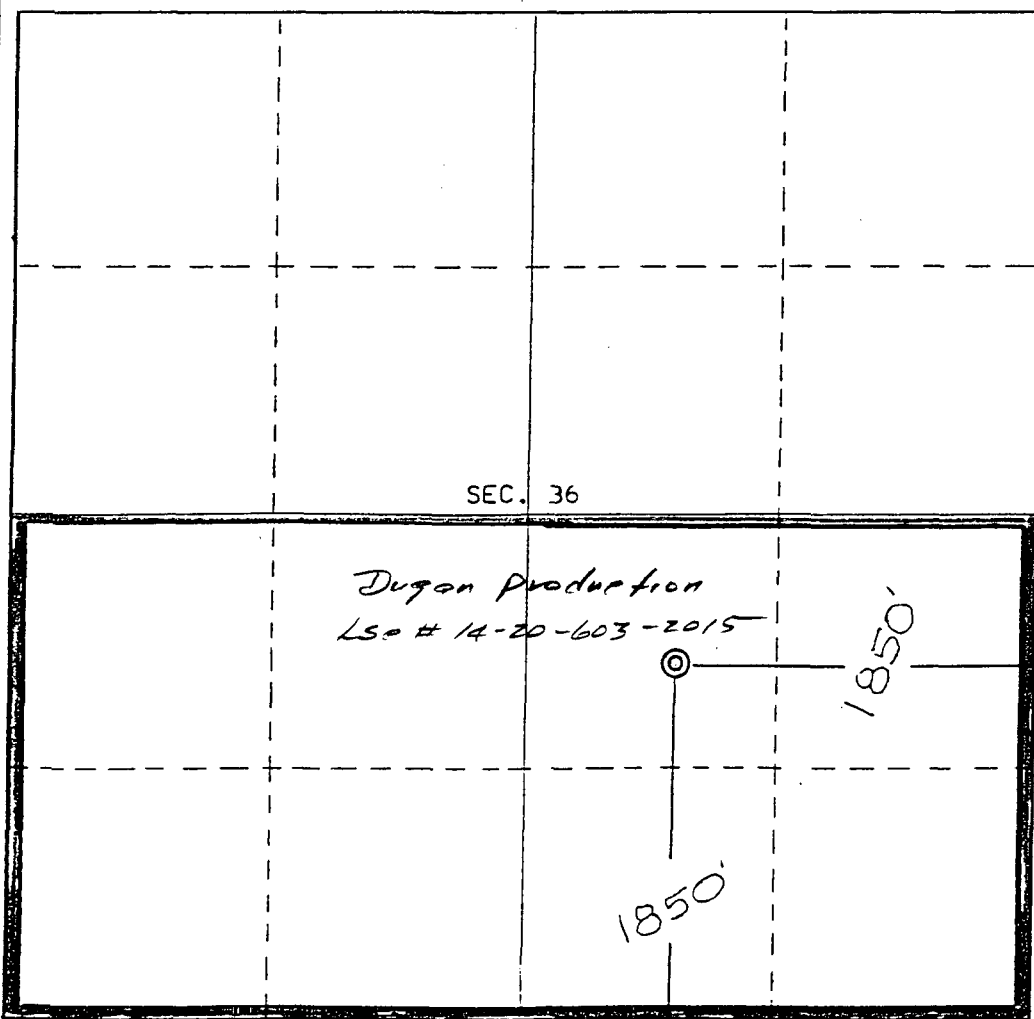
| | | | | | |
|--|--|-------------------------------------|-------------------------|--|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 15 |
| Unit Letter J | Section 36 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the East line | | | | | |
| Ground Level Elev. 5709 | Producing Formation Fruitland Coal | Pool Basin Fruitland Coal | | Dedicated Acreage: 320 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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 Commission.



CERTIFICATION

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

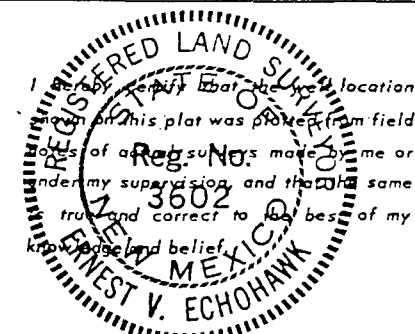
Jim L. Jacobs

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
4-14-89

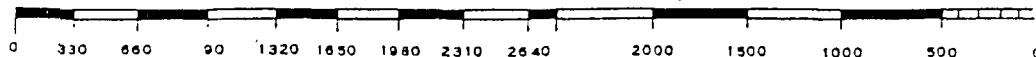


Date Surveyed
April 19, 1977

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS



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

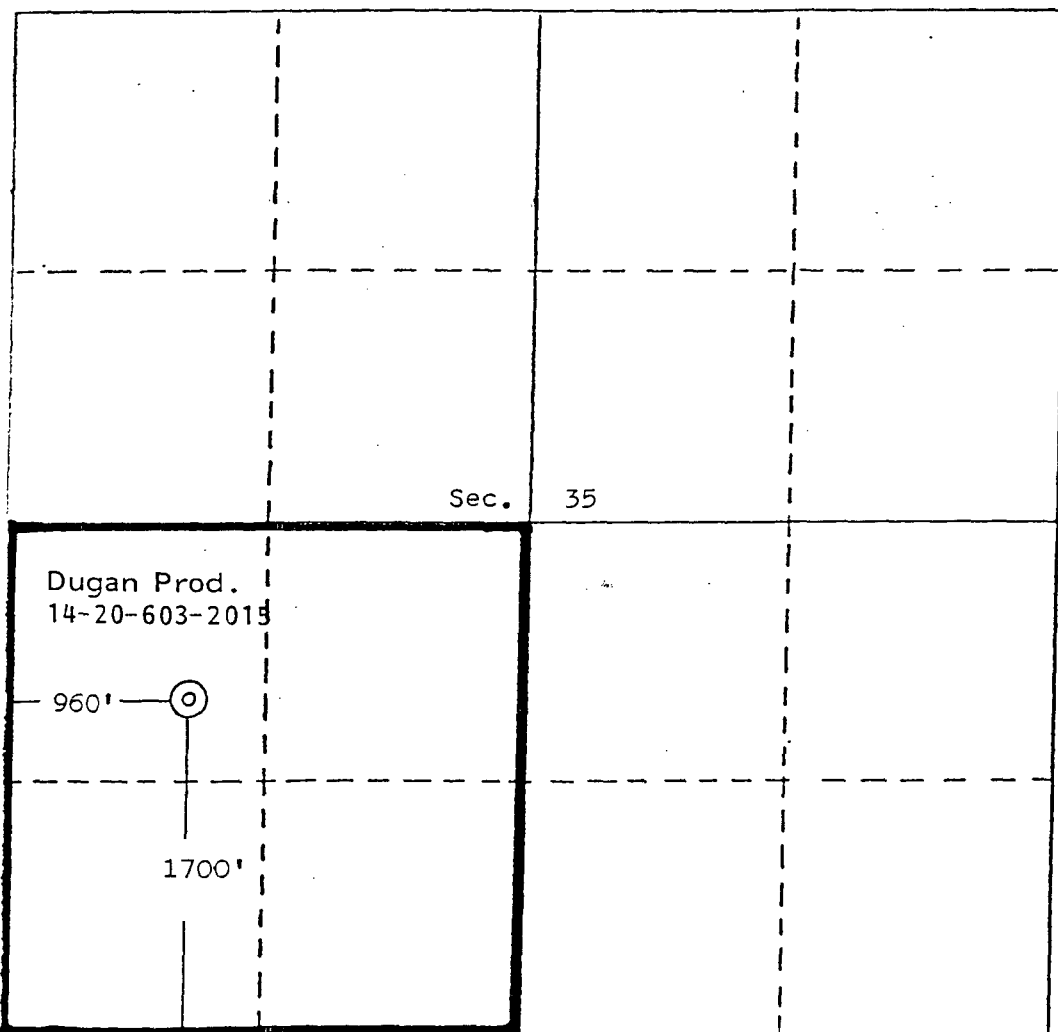
| | | | | | | | | |
|---|--|----------------------|------------------------|--------------------|---------------------------------|----------------|--|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc. | | | Well No. 16 | | |
| Unit Letter L | Section 35 | Township 28 North | Range 15 West | County San Juan | | | | |
| Actual Footage Location of Well: 1700 feet from the South line and 960 feet from the West line | | | | | | | | |
| Ground Level Elev. 5623 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | Dedicated Acreage: 160 Acres | | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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?

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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

11-30-88

I hereby certify that the location shown on this plat is 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

May 13, 1982

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, L.S.

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

| | | | | |
|--|---------------|----------------------|------------------|--------------------|
| Operator Dugan Production Corporation | | Lease Pet Inc. | | Well No. 16 |
| Unit Letter L | Section 35 | Township 28 North | Range 15 West | County San Juan |

Actual Footage Location of Well:

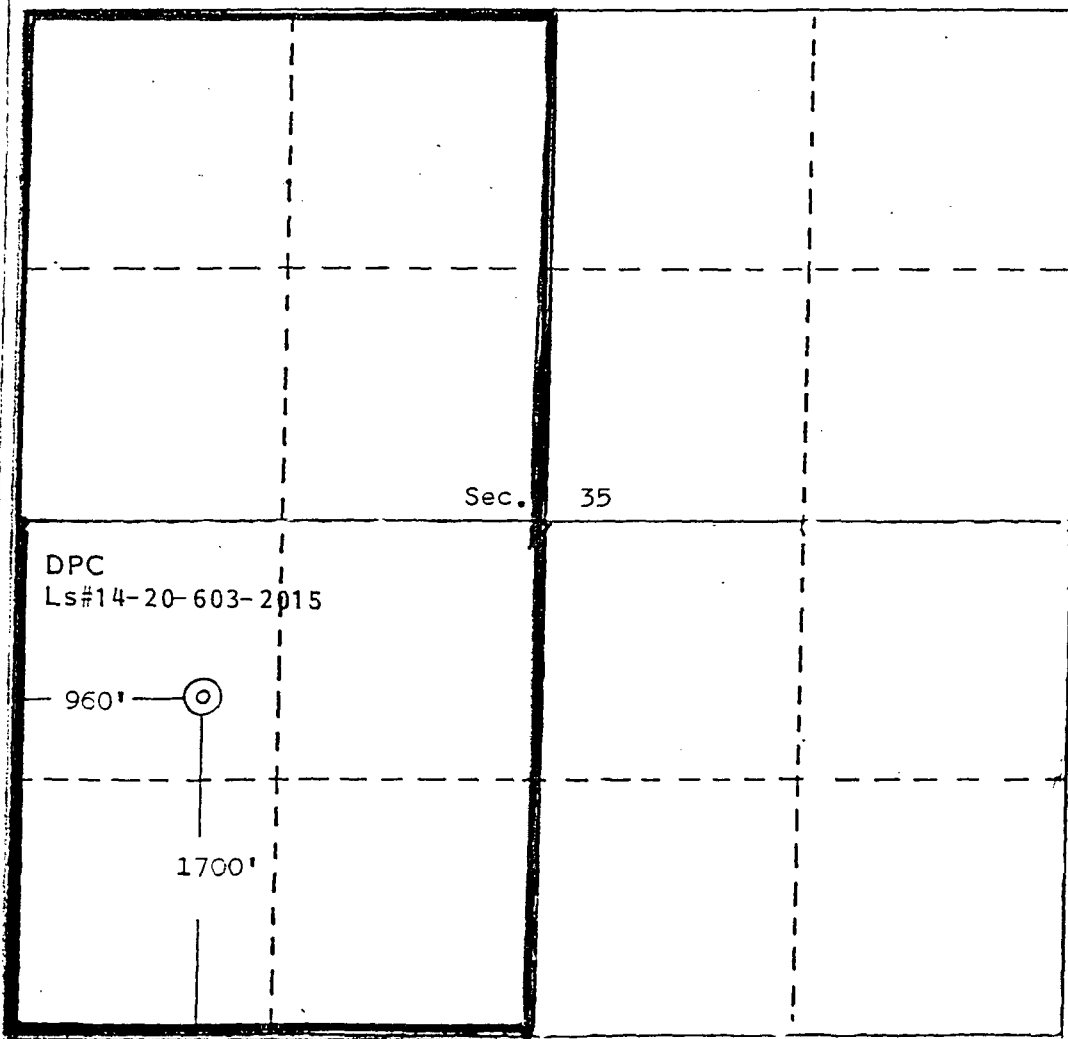
| | | | | | | | |
|----------------------------|---------------------------------------|-------|------------------------------|-----|---------------------------------|------|------|
| 1700 | feet from the | South | line and | 960 | feet from the | West | line |
| Ground Level Elev. 5623 | Producing Formation Fruitland Coal | | Pool Basin Fruitland Coal | | 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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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

4-14-89

EDGAR L. RISENHOVER
NEW MEXICO
5979
REGISTERED LAND SURVEYOR
I hereby certify that the 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

May 13, 1982

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, L.S.

N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 26 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

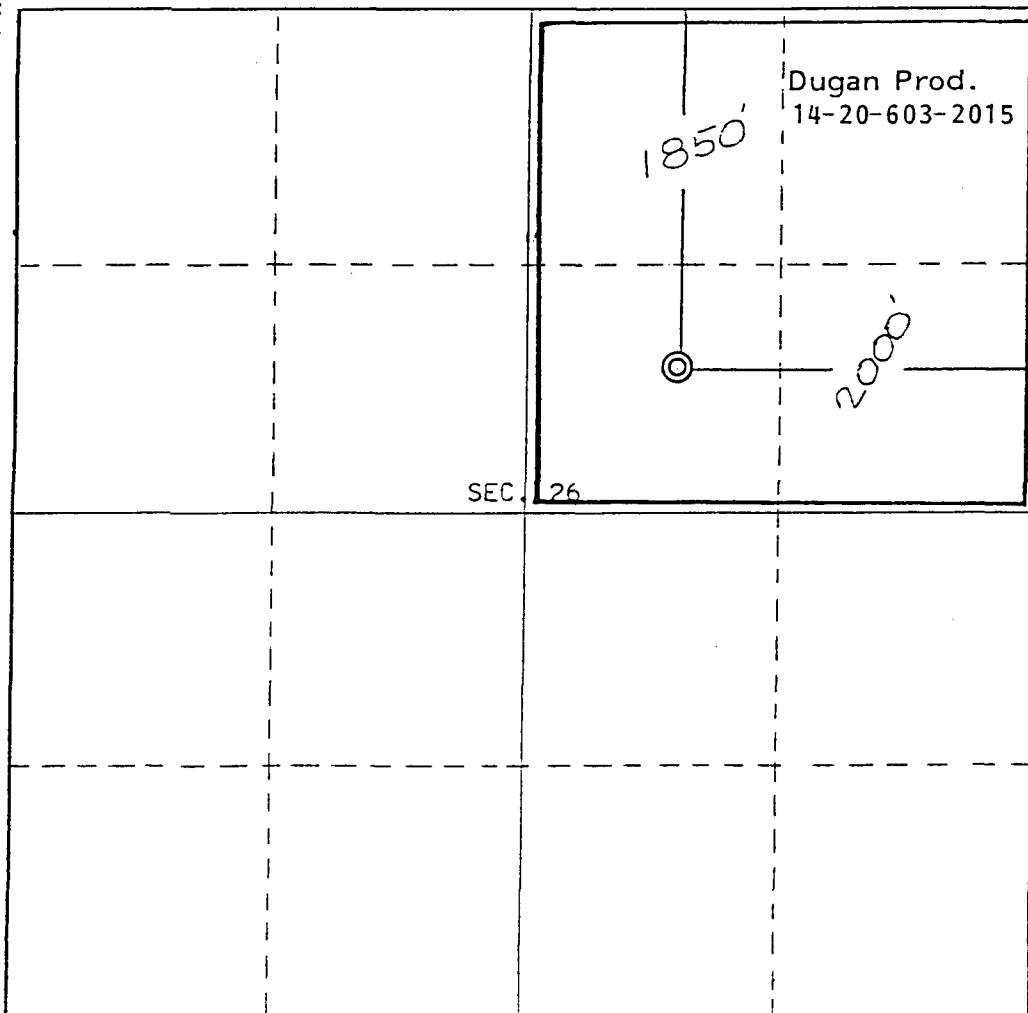
| | | | | | |
|---|---|-----------------------------|-------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 17 |
| Unit Letter G | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850' feet from the North line and 2000 feet from the East line | | | | | |
| Ground Level Elev. 5575 | Producing Formation Pictured Cliffs | | Pool Ojo FR Sand-PC | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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

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CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position

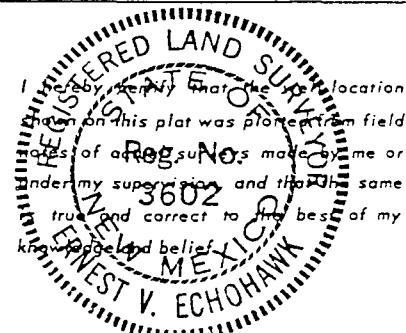
Geologist

Company

Dugan Production Corp.

Date

11-30-88



Date Surveyed

April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602

E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 27 of 30

Form C-100
Supersedes C-128
Effective 1-1-85

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

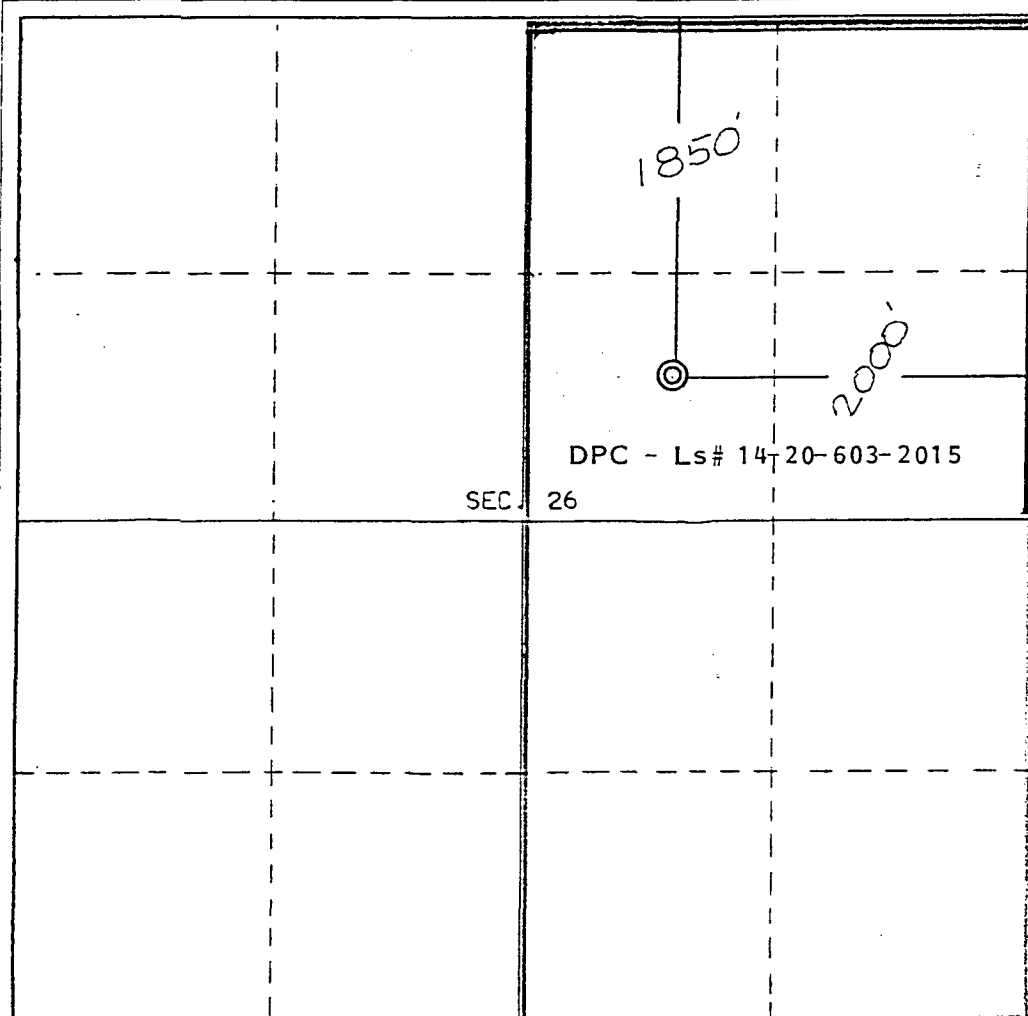
| | | | | | |
|--|--|-----------------------------|-------------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 17 |
| Unit Letter G | Section 26 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850' feet from the North line and 2000' feet from the East line | | | | | |
| Ground Level Elev. 5575 | Producing Formation Fruitland Coal | | Pool Basin Fruitland Coal | | 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position

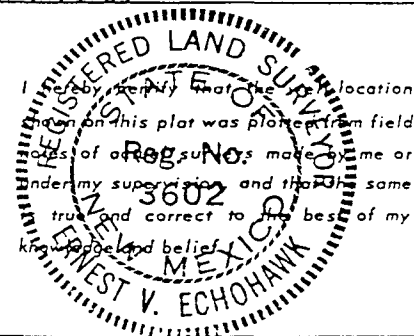
Geologist

Company

Dugan Production Corp.

Date

4-14-89



Date Surveyed

April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602

E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 28 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

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

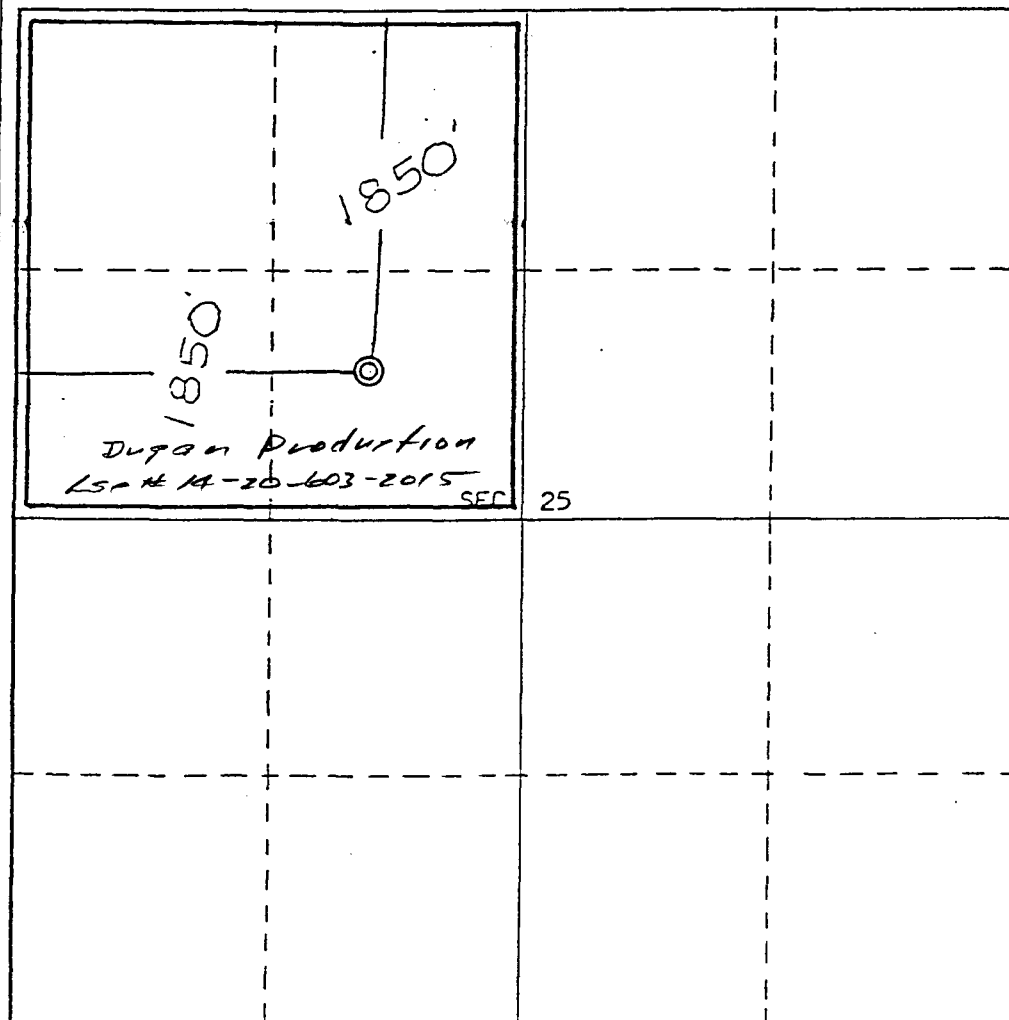
| | | | | | |
|---|---|-----------------------------|--------------------------------------|---------------------------|--|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 18 |
| Unit Letter F | Section 25 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850. feet from the North line and 1850 feet from the West line | | | | | |
| Ground Level Elev. 5638 | Producing Formation Fruitland Sand PC | | Pool Ojo Fruitland Sand PC | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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?

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CERTIFICATION

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

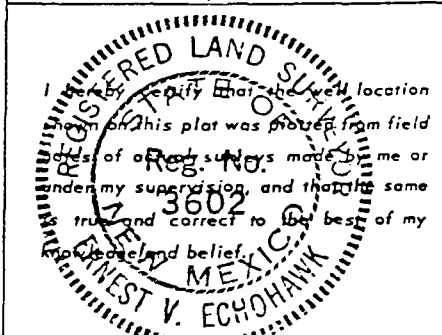
Jim L. Jacobs

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
November 8, 1990

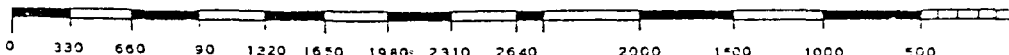


Date Surveyed
April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment

No. 3

Pg. 29 of 30

Form C-102
Supersedes C-128
Effective 1-1-55

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

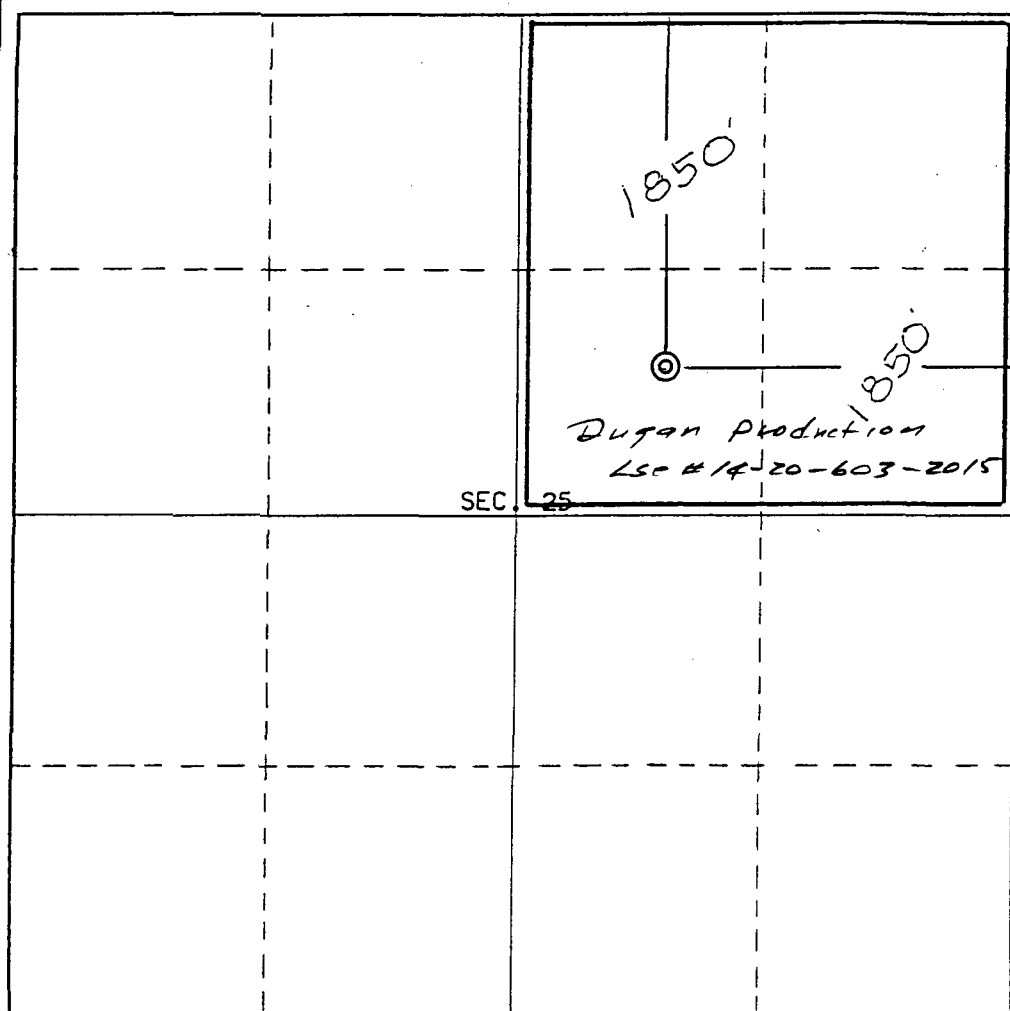
| | | | | | |
|--|---|------------------------------------|--|---------------------------|-----------------------|
| Operator Dugan Production Corporation | | | Lease Pet Inc | | Well No. 19 |
| Unit Letter G | Section 25 | Township 28 North | Range 15 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the North line and 1850 feet from the East line | | | | | |
| Ground Level Elev. 5680 | Producing Formation Pictured Cliffs | Pool Ojo Pictured Cliffs | Dedicated Acreage: 160 Acres | | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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?

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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

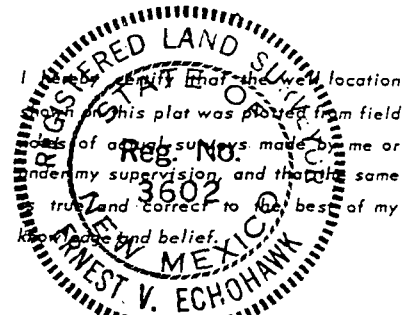
Geologist

Company

Dugan Production Corp.

Date

5-12-77



Date Surveyed

April 21, 1977

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602

E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

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

Attachment
No. 3
Pg. 30 of 30

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|------------------------------|--|----------------------|-------------------------------------|
| * API Number 30-045-30781 | | * Pool Code 71629 | * Pool Name Basin Fruitland Coal |
| * Property Code | * Property Name No Doubt | | * Well Number 90 |
| * OGRID No. 006515 | * Operator Name Dugan Production Corp | | * Elevation 5875' Estimated |

¹⁰ Surface Location

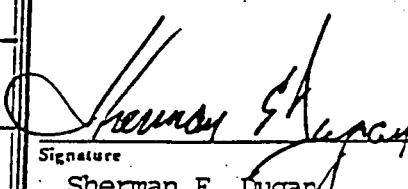

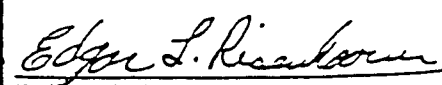
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 8 | 6 | 27N | 13W | | 790 | North | 1850 | 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 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

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 | | Dugan Production Corp. 790' NM-89131 | ¹⁷ 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 Vice-President Title June 4, 1997 Date |
| | | | |
| | Section 6 | | |
| | | Dugan Production Corp. NM-89131 | |
| | | | ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from existing ^{previous} surveys made by me or under my supervision and the same is true and correct to the best of my knowledge and belief  Date of Survey Signature of Professional Surveyor  Certificate Number 5979 |
| | | | |
| | | | |

ATTACHMENT NO. 4
Interest Ownership Summary
Dugan Production Corp.'s Pet Inc Gas Gathering System

| | Pet Inc Lease 20 wells (details on Pg. No. 2) | | No Doubt No. 90 (details on Pg. No. 2) | |
|-------------------------|---|----------------|---|----------------|
| | WI | NI | WI | NI |
| <u>Working Interest</u> | | | | |
| Dugan Production Corp. | 100.000 | 87.500 | 100.000 | 87.500 |
| <u>Royalty Interest</u> | | | | |
| USA - Federal | | 0.000 | | 12.500 |
| Navajo Tribe | | 12.500 | | 0.000 |
| TOTALS | 100.000 | 100.000 | 100.000 | 100.000 |

**ATTACHMENT NO. 4
Dugan Production Corp.
Pet Inc Lease**

Basin Fruitland Coal, Ojo Fruitland Sand PC, & Ojo Gallup Gas Pools

Lease Location: Section 25 (N/2, SE/4, N/2 SW/4, SESW),

Section 26 (all), Section 35 (all), and Section 36 (all)

T-28N, R-15W

Wells No: 1, 2, 2A, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 (Total 20)

San Juan County, New Mexico

| <u>INTEREST OWNER</u> | <u>INTEREST%</u> | |
|--|------------------|-----------------|
| <u>Working Interest</u> | <u>Gross</u> | <u>Net</u> |
| Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420 | 100.0000 | 87.5000 |
| <u>Royalty</u> | | |
| Navajo Tribe c/o Bureau of Land Management 1235 La Plata Hwy., Suite A Farmington, NM 87401 | 0.0000 | 12.5000 |
| TOTAL LEASE & WELLS | 100.0000 | 100.0000 |

**No Doubt No. 90
Basin Fruitland Coal Pool
Well Location: NWNE Section 6, T-27N, R-13W
Spacing Unit: E/2 (320A)
San Juan County, New Mexico**

| <u>INTEREST OWNER</u> | <u>INTEREST%</u> | |
|--|------------------|-----------------|
| <u>Working Interest</u> | <u>Gross</u> | <u>Net</u> |
| Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420 | 100.0000 | 87.5000 |
| <u>Royalty</u> | | |
| USA - Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401 | 0.0000 | 12.5000 |
| TOTAL | 100.0000 | 100.0000 |

ATTACHMENT NO. 5
Allocation Procedures
Dugan Production Corp.'s
Pet Inc Gas Gathering System
CDP GAS SALES METER: SESW 4-27N-13W (El Paso Meter No. 75470)
San Juan County, New Mexico

Currently gas from the CDP sales meter is allocated to the individual Pet Inc lease wells using allocation factors determined from individual well tests. Upon adding the No Doubt No. 90 to the gathering system, an allocation meter will be installed on the Pet Inc lease to measure all gas leaving the Pet Inc lease. A second allocation meter will be installed at the No Doubt No. 90 to measure all gas leaving the No Doubt lease. The CDP sales volume and BTU will be allocated between the two leases using factors determined from the allocation meter volumes. The volume allocated to the Pet Inc lease will then be allocated to individual wells, based upon well tests as is currently being done. The volume allocated to the No Doubt lease will be credited to the No. 90 well, which is the only well on that lease.

Base Data:

V = Gas Volume from individual well test.

W = Gas Volume (MCF) from lease allocation meters during allocation period.

X = Gas Volume (MCF) from CDP Sales Meter during allocation period.

Y = BTU's from CDP Sales Meter during allocation period.

Allocation Period is typically a calendar month and will be the same for all wells.

1. Allocated Lease Gas Production = A + B + C + D + E

A = Allocated Sales Volume, MCF. = $(W / \text{SUM } W) \times X$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual leases benefiting from the equipment using allocation factors determined by $W / \text{SUM } W$ for the leases involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual leases affected using factors determined by $W / \text{SUM } W$.

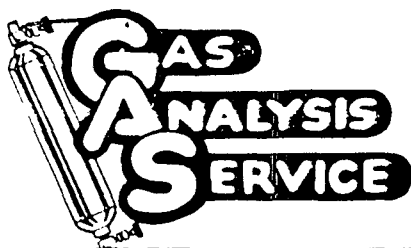
2. Allocated Lease BTU = $((W \times \text{Individual lease BTU}) / \text{Sum } (W \times \text{individual lease BTU})) \times Y$. Individual lease gas heating values to be determined in accordance with BLM regulations (currently Onshore Order No. 5)

3. Individual Well Gas Production

A. The volumes allocated to the Pet Inc lease will then be allocated to the individual wells using factors determined by $V / (\text{SUM } V)$ for Pet Inc lease wells.

B. The volumes allocated to the No Doubt lease will be credited to the No Doubt No. 90, which is the only well on that lease.

4. Individual Well BTU - the BTU allocated to each lease will be allocated to each well on that lease using allocation factors determined by $V / (\text{SUM } V)$ for each well on that lease.



330 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DU210230
CUST. NO. 23000 - 11250

WELL/LEASE INFORMATION

CUSTOMER NAME DUGAN PRODUCTION CORP.
WELL NAME PET INC Lease (All wells)
COUNTY/ STATE SAN JUAN NM
LOCATION Sections 25, 26, 35 & 36
FIELD T-28N, R-15W
FORMATION
CUST. STN. NO. 7223

SOURCE N/A
PRESSURE 66 PSIG
SAMPLE TEMP N/A DEG.F
WELL FLOWING Y
DATE SAMPLED 8/31/01
SAMPLED BY J. DAVIS
FOREMAN/ENGR. TOM BLAIR

Attachment
No. 6
Pg 1 of 2

REMARKS

Gas Sample includes all Pet Inc
wells producing from Ojo Fruitland Sand-PC
plus Basin Fruitland Coal pools. The
Gallup was shut in @ time of sampling

ANALYSIS

| COMPONENT | MOLE % | GPM** | B.T.U.* | SP.GR * |
|-------------|---------|--------|----------|---------|
| NITROGEN | 0.214 | 0.0000 | 0.00 | 0.0021 |
| CO2 | 3.123 | 0.0000 | 0.00 | 0.0475 |
| METHANE | 92.042 | 0.0000 | 931.74 | 0.5098 |
| ETHANE | 3.566 | 0.9539 | 63.25 | 0.0370 |
| PROPANE | 0.677 | 0.1866 | 17.07 | 0.0103 |
| I-BUTANE | 0.196 | 0.0641 | 6.39 | 0.0039 |
| N-BUTANE | 0.020 | 0.0063 | 0.65 | 0.0004 |
| I-PENTANE | 0.075 | 0.0274 | 3.01 | 0.0019 |
| N-PENTANE | 0.002 | 0.0007 | 0.08 | 0.0000 |
| HEXANE PLUS | 0.085 | 0.0371 | 4.37 | 0.0027 |
| TOTAL | 100.000 | 1.2762 | 1,026.56 | 0.6157 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0023
BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 1,029.0
BTU/CU.FT (WET) CORRECTED FOR (1/Z) 1,011.1
REAL SPECIFIC GRAVITY 0.6171

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 1,023.4
DRY BTU @ 14.696 1,026.6
DRY BTU @ 14.730 1,029.0
DRY BTU @ 15.025 1,049.6

CYLINDER # K045
CYLINDER PRESSURE 67 PSIG
DATE RUN 9/4/01
ANALYSIS RUN BY GINA HANON

CO.CD 23 EL PASO NATURAL GAS
CUSTOMER ACCOUNTING SERVICES DEPARTMENT
VOLUME CALCULATION DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

CONTACTS:
EL PASO FIELD SERVICES
(713) 757-5953
EL PASO MAINLINE
(915) 496-2595

DATE 8/05/99

CHROMATOGRAPHIC GAS ANALYSIS REPORT

Attachment
No. 6
pg 2 of 2

MAILEE
26730

DUGAN PRODUCTION CORPORATION
P O BOX 420
FARMINGTON, NM 87499-0420

Basin Fruitland
Coal

METER NUMBER 99466 - BENGAL C #90 (H-36-27N-13W)
OPERATOR 1862 - DUGAN PRODUCTION CORP

ANALYSIS DATE 6/22/99 TYPE CODE 2 - ACTUAL
SAMPLE DATE 6/21/99 H2S GRAINS 0
EFFECTIVE DATE 7/01/99 LOCATION F - FARM BECK
EFFECTIVE FOR 6 MONTHS

| COMPONENTS | NORMALIZED MOL % | GPM |
|--------------|---------------------|-------|
| CO2 | .99 | .000 |
| H2S | .00 | .000 |
| N2 | .56 | .000 |
| METHANE | 97.36 | .000 |
| ETHANE | 1.09 | .292 |
| PROPANE | .00 | .000 |
| ISO-BUTANE | .00 | .000 |
| NORM-BUTANE | .00 | .000 |
| ISO-PENTANE | .00 | .000 |
| NORM-PENTANE | .00 | .000 |
| HEXANE PLUS | .00 | .000 |
| | 100.00 | 0.292 |

SPECIFIC GRAVITY .572
MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1007
RATIO OF SPECIFIC HEATS .000
NO TEST SECURED FOR H2S CONTENT



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

Attachment
No. 7
Pg 1 of 1

February 10, 1967

Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

Attention: Mr. T. A. Dugan

Gentlemen:

Your letter of January 31, with attachments, requests our approval for the commingling of gas produced from the Thomas A. Dugan No. 1 Midwest, a Gallup gas well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 31, T. 28 N., R. 14 W., N.M.P.M., Navajo tribal lease 14-20-603-2205; from Thomas A. Dugan No. 1 Petroleum Inc., a Gallup gas well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 26, T. 28 N., R. 14 W., N.M.P.M., Navajo tribal lease 14-20-603-2015; and from Thomas A. Dugan No. 1 Raven, a Dakota gas well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 6, T. 27 N., R. 14 W., N.M.P.M., Navajo tribal lease 14-20-603-2179-A, all in San Juan County, New Mexico.

The method you propose to allocate gas production to each lease by measurement of gas produced from each well at the wellhead and balancing with El Paso Natural Gas Company's meter at a central delivery point is satisfactory to this office. Form 9-361, Lessee's Report of Sales and Royalty, must show all computations used in determining production allocated to each lease.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

Attachment
No. 8
pg 1 of 1

October 10, 1972

Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

Re: Navajo Tribal lease
14-20-603-2015

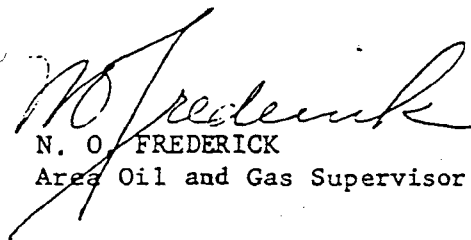
Gentlemen:

Your letter of September 26, 1972 requests approval to commingle all gas from lease Navajo tribal 14-20-603-2015 in secs. 25, 26, 35, and 36, T. 28 N., R. 15 W., San Juan County, New Mexico.

As set forth in your letter, all wells would be produced into your Raven Area Pipeline, a compressor set and the gas transported to El Paso's pipeline in the NW $\frac{1}{4}$ sec. 35, T. 28 N., R. 14 W. where all gas would be metered. Gas that is metered at the one Gallup well would be subtracted from the total and the remainder allocated back to the Pictured Cliffs wells based on individual tests.

Your request is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Sincerely yours,


N. O. FREDERICK
Area Oil and Gas Supervisor

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Attachment
No. 9
Pg. 1 of 3

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4854
Order No. R-4453

APPLICATION OF DUGAN PRODUCTION
CORPORATION TO COMMINGLE GAS
PRODUCTION PRIOR TO METERING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 29, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 19th day of December, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Dugan Production Corporation, is the owner operator of the Pet. Inc. lease in Sections 25, 26, 35, and 36, Township 28 North, Range 15 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has completed 6 wells on said lease in a non-prorated undesignated Pictured Cliffs Pool, and one well in the Ojo-Gallup Pool, and is the sole operator in said pools.
- (4) That the applicant proposes to install a low pressure pipeline system to gather the production from said wells, and to compress the production for sale into a high pressure pipeline.
- (5) That the applicant seeks authority to commingle the gas produced from the aforesaid Pictured Cliffs gas wells, to meter the Gallup gas production, and to combine it with the Pictured Cliffs production for sale through a single sales meter, determining the total Pictured Cliffs gas production by means of subtraction, with allocation to the individual wells on the basis of periodic well tests.

Attachment
No. 9
Pg 2 of 3

-2-

Case No. 4854
Order No. R-4453

(6) That gas reserves under the Pet. Inc. lease in the aforesaid Pictured Cliffs gas pool are of a low marginal nature and that to require metering of the production from the Pictured Cliffs wells could seriously affect the practicability of the proposed project.

(7) That the ownership of all wells in each of the aforesaid two gas pools is common throughout, including working interest, royalty interest, and overriding royalty interest.

(8) That approval of the application will permit the production of gas which might not otherwise be recovered and will not harm correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dugan Production Corporation, is hereby authorized to commingle, prior to measurement, the Pictured Cliffs gas production from its wells on the Pet. Inc. lease, in Sections 25, 26, 35, and 36, Township 28 North, Range 15 West, NMPM, San Juan County, New Mexico.

(2) That the applicant is further authorized to commingle the production of its Pet. Inc. lease Well No. 1 located in Unit D of Section 26 of said Township and Range, Ojo-Gallup Pool, San Juan County, New Mexico, after metering, with the commingled Pictured Cliffs Pool production.

(3) That the commingled production shall be metered, the metered production from the Ojo-Gallup Pool subtracted, and the remainder allocated to the individual wells in accordance with the most recent well tests required under (4) below.

(4) That within 30 days after the date of connection of any Pictured Cliffs Pool well to the applicant's Pet. Inc. lease commingled gathering system, and during the months of April and October, thereafter, the operator shall conduct a productivity test on said well. The test shall be conducted in a manner approved by the supervisor of the Commission's Aztec district office and shall be under conditions closely approximating normal production conditions.

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve an extension of the test period when an application for the same has been received and the evidence indicates that such extension is warranted.

(5) Copies of all productivity tests required under (4) above shall be submitted to the Commission's Aztec district office.

A Harkness
No. 9
Pg. 3 of 3

-3-

Case No. 4854

Order No. R-4453

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

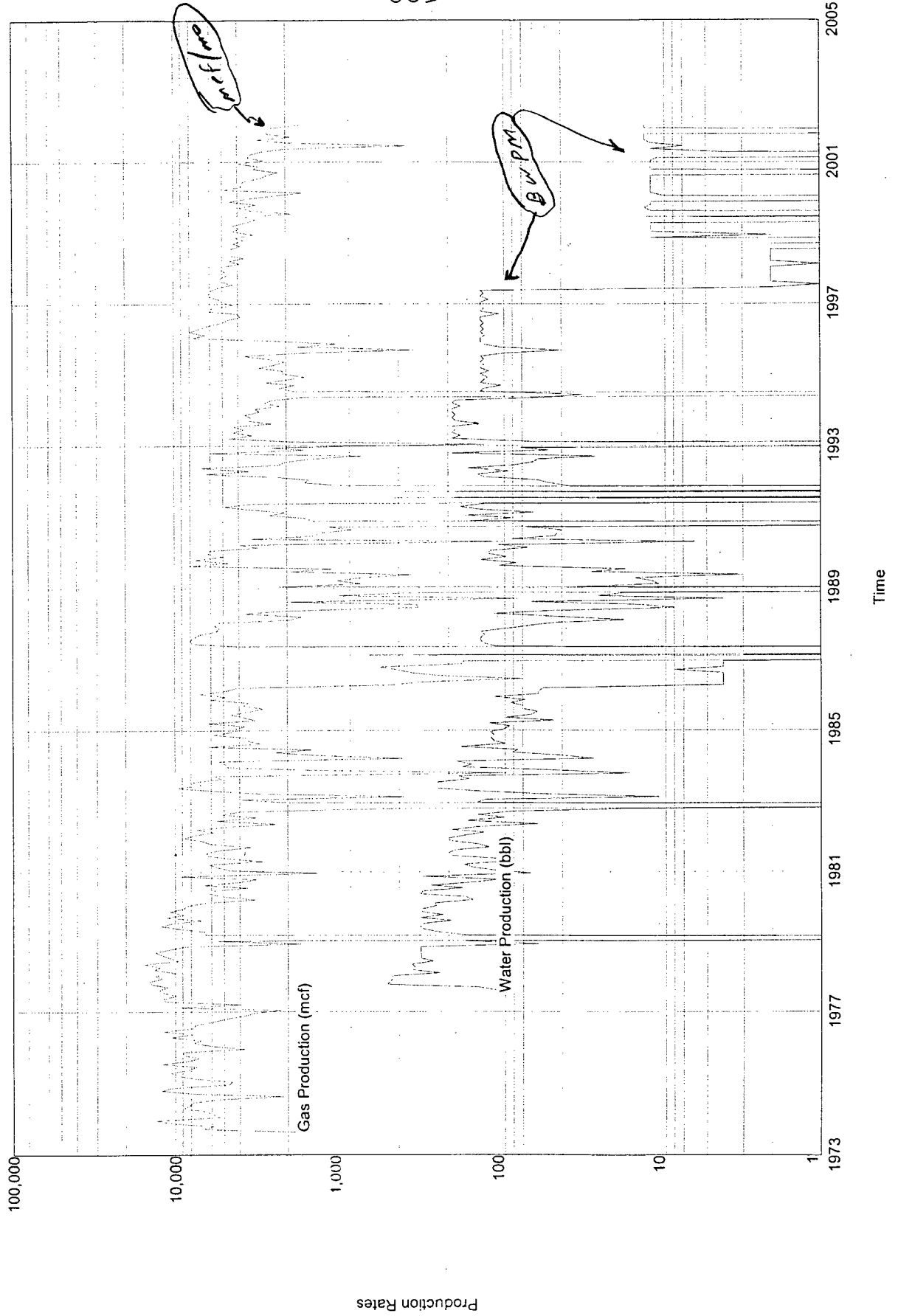
A. L. PORTER, JR., Member & Secretary

S E A L

Lease Name: PET INC
 County, State: SAN JUAN, Unknown
 Operator: BUGAN PRODUCTION CORPORATION
 Field: MULTIPLE - 070 Fruitland Sand - PC,
 Basin Fruitland Coal
 Reservoir: MULTIPLE
 Location:
 Date thru 1/02

Attachment
 No. 10
 PG 10 of 2

PET INC - MULTIPLE - 16 wells / 24 completions (See pg #2 for details)



| Operator Name | Lease | Well # | API | Spot | Sec | Typ | Rng | Field Name | Prod Zone Name | Comp | First Prod Date | Latest Mo | Gas Last 12 Mos | Oil Last 12 Mos | Wtr Last 12 Mos | Gas Cum | Oil Cum | Years On |
|------------------------------|---------|--------|----------------|----------|-----|-----|----------|---------------------------|---------------------------|---------|-----------------|-----------|-----------------|-----------------|-----------------|-----------|---------|----------|
| DUGAN PRODUCTION CORPORATION | PET INC | 18 | 30045225490000 | NW SE NW | 25 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/08 | 1977/08 | | 2398 | 0 | 0 | 52873 | 17 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 9 | 30045217400000 | NW SE SW | 25 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | | 77 | 0 | 0 | 172 | 22 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 9 | 30045217400000 | NW SE SW | 25 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1975/05 | 1975/05 | | 45 | 0 | 0 | 76774 | 22 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 7 | 30045210620000 | NE SW SE | 25 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1973/08 | 1973/08 | JAN | 10133 | 0 | 0 | 187402 | 29 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 10 | 30045225510000 | SW NE NW | 26 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/08 | 1977/08 | JAN | 1306 | 0 | 0 | 66156 | 25 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 10 | 30045225510000 | SW NE NW | 26 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 1210 | 0 | 0 | 14868 | 25 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 17 | 30045225520000 | NW SW NE | 26 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/08 | 1977/08 | JAN | 1654 | 0 | 0 | 130659 | 25 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 17 | 30045225520000 | NW SW NE | 26 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 2947 | 0 | 0 | 35484 | 8 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 11 | 30045225530000 | SW NE SW | 26 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/08 | 1977/08 | JAN | 1613 | 0 | 0 | 37951 | 17 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 3 | 30045209400000 | NW SE SE | 26 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1973/09 | 1973/09 | JAN | 2209 | 0 | 0 | 205312 | 29 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 5 | 30045210600000 | SW NE NE | 35 | 28 | 15 OJO | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 1528 | 0 | 0 | 192831 | 29 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 5 | 30045210600000 | SW NE NE | 35 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 1352 | 0 | 0 | 16306 | 8 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 12 | 30045225540000 | SW NE NW | 35 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/08 | 1977/08 | JAN | 130 | 0 | 0 | 62628 | 20 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 13 | 30045225550000 | SW NE SE | 35 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/08 | 1977/08 | JAN | 657 | 0 | 0 | 96145 | 25 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 13 | 30045225550000 | SW NE SE | 35 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 867 | 0 | 0 | 10885 | 8 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 16 | 30045254000000 | SE NW SW | 35 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1982/12 | 1982/12 | JAN | 83 | 0 | 0 | 33534 | 20 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 16 | 30045254000000 | SE NW SW | 35 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 89 | 0 | 0 | 2354 | 8 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 2 | 30045207350000 | SW NE NE | 36 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1973/08 | 1973/08 | JAN | 3808 | 0 | 0 | 109193 | 29 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 2A | 30045217410000 | SE NW NE | 36 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1975/05 | 1975/05 | JAN | 146 | 0 | 0 | 56692 | 27 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 6 | 30045210610000 | SW NE NW | 36 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1973/09 | 1973/09 | JAN | 1635 | 0 | 0 | 9932 | 21 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 6 | 30045210610000 | SW NE NW | 36 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 84 | 0 | 0 | 84 | 0 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 015 | 30045225570000 | SE NW SE | 36 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/10 | 1977/10 | JAN | 2509 | 0 | 0 | 34007 | 8 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 14 | 30045225580000 | SW NE SW | 36 | 28 | 15 BASIN | FRUITLAND COAL | FRUITLAND COAL | 1994/04 | 1994/04 | JAN | 33 | 0 | 0 | 1657 | 8 | 3 |
| DUGAN PRODUCTION CORPORATION | PET INC | 14 | 30045225580000 | SW NE SW | 36 | 28 | 15 OJO | FRUITLAND-PICTURED CLIFFS | FRUITLAND-PICTURED CLIFFS | 1977/09 | 1977/09 | JAN | 33 | 0 | 0 | 52415 | 25 | 3 |
| | | | | | | | | | | | | | 36,546 | 0 | 0 | 1,589,434 | 0 | |

cum to

2-1-02

16 wells completed in the wto Fruitland Sand-Pictured Cliffs pool,

8 of which are also completed in the Basin

Fruitland pool & down hole commingled.

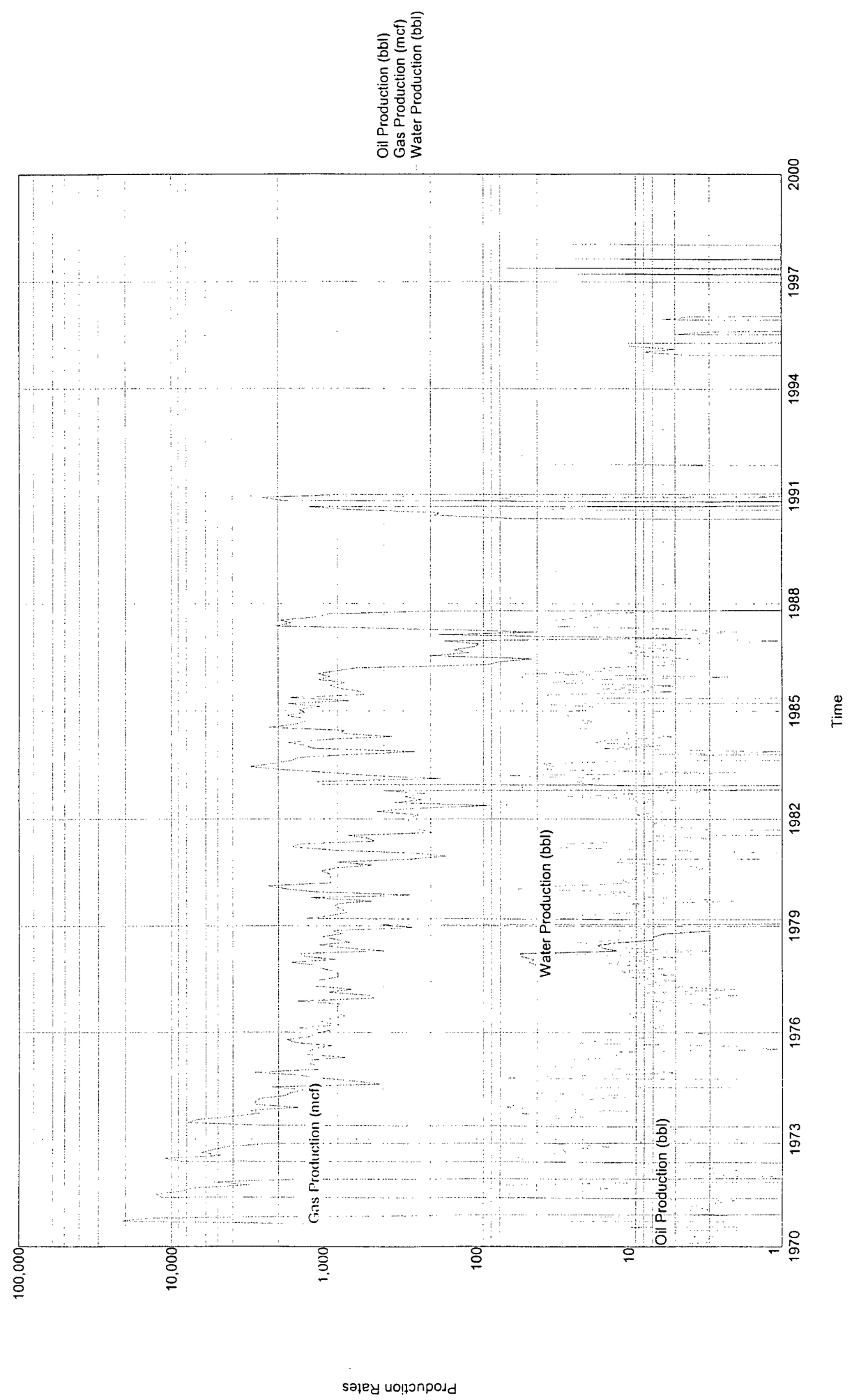
Sorted by location

Attachment
No. 10
Pg 2 of 2

Lease Name: PET INC
County, State: SAN JUAN, NM
Operator: DUGAN PRODUCTION CORPORATION
Field: OJO
Reservoir: GALLUP
Location: 26 28N 15W C NW NW

Attachment
No. 11
Pg 1 of 2

PET INC - OJO - 1 well = Pet Inc #1 (See pg #2)



| Well # | Operator Name | Lease | API | Spot | Sec | Twp | Rng | Field Name | Prod Zone Name | Comp | First Prod Date | Latest Mo | Gas Last 12 Mos | Oil Last 12 Mos | Wtr Last 12 Mos | Gas Cum | Oil Cum | Years On |
|--------|------------------------------|---------|----------------|---------|-----|-----|-----|------------|-----------------|------|-----------------|-----------|-----------------|-----------------|-----------------|---------|---------|----------|
| 1 | DUGAN PRODUCTION CORPORATION | PET INC | 30045072350000 | C NW NW | 26 | 28 | 15 | OJO | GALLUP /SD/ SH/ | | 1961/12 | | | 131 | 0 | 793732 | 6160 | 37 |
| 2 | | | | | | | | | | | | | | 131 | 0 | 793,732 | 6,160 | |

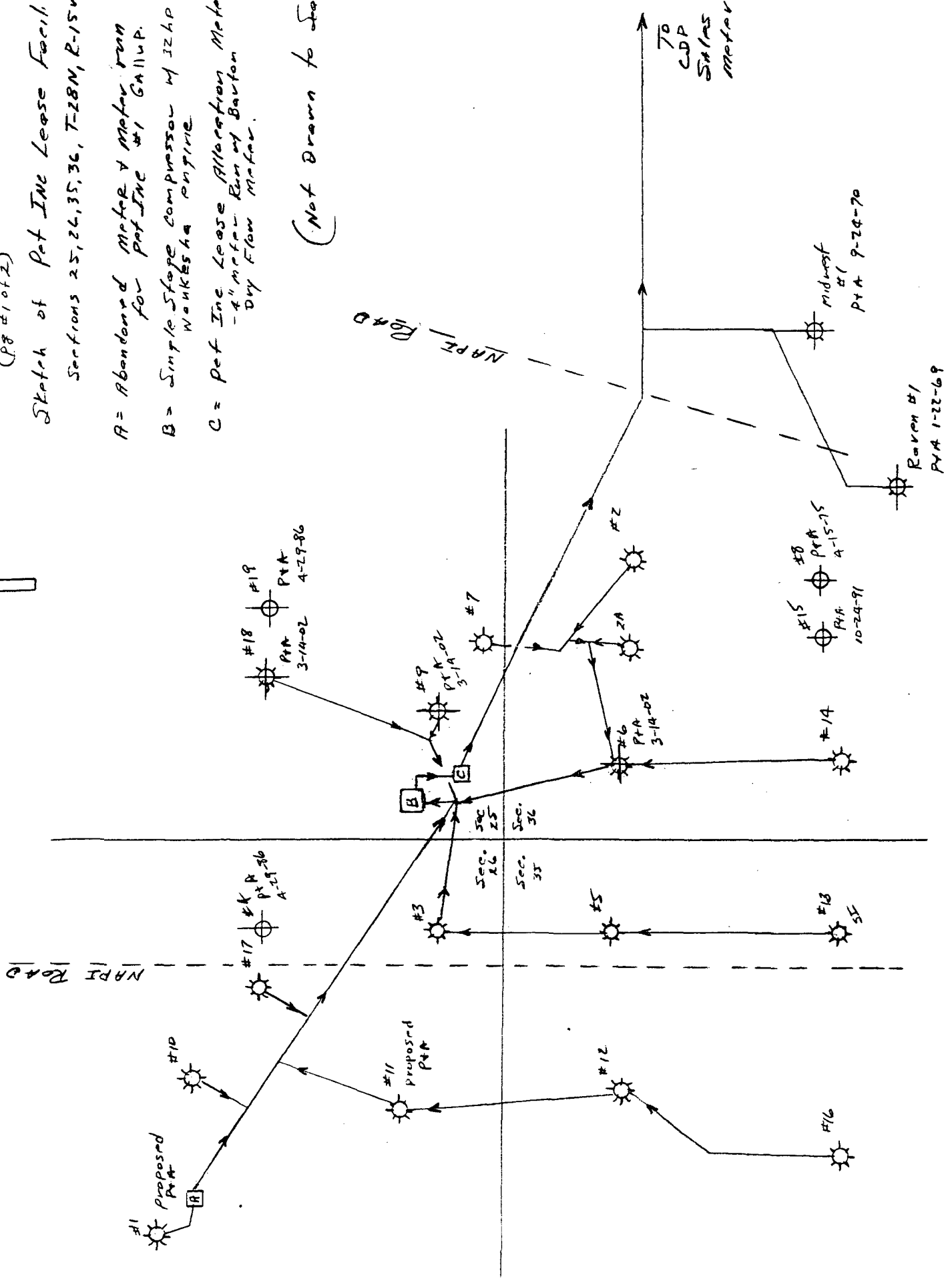
Attachment
No. 11
Pg 2 of 2

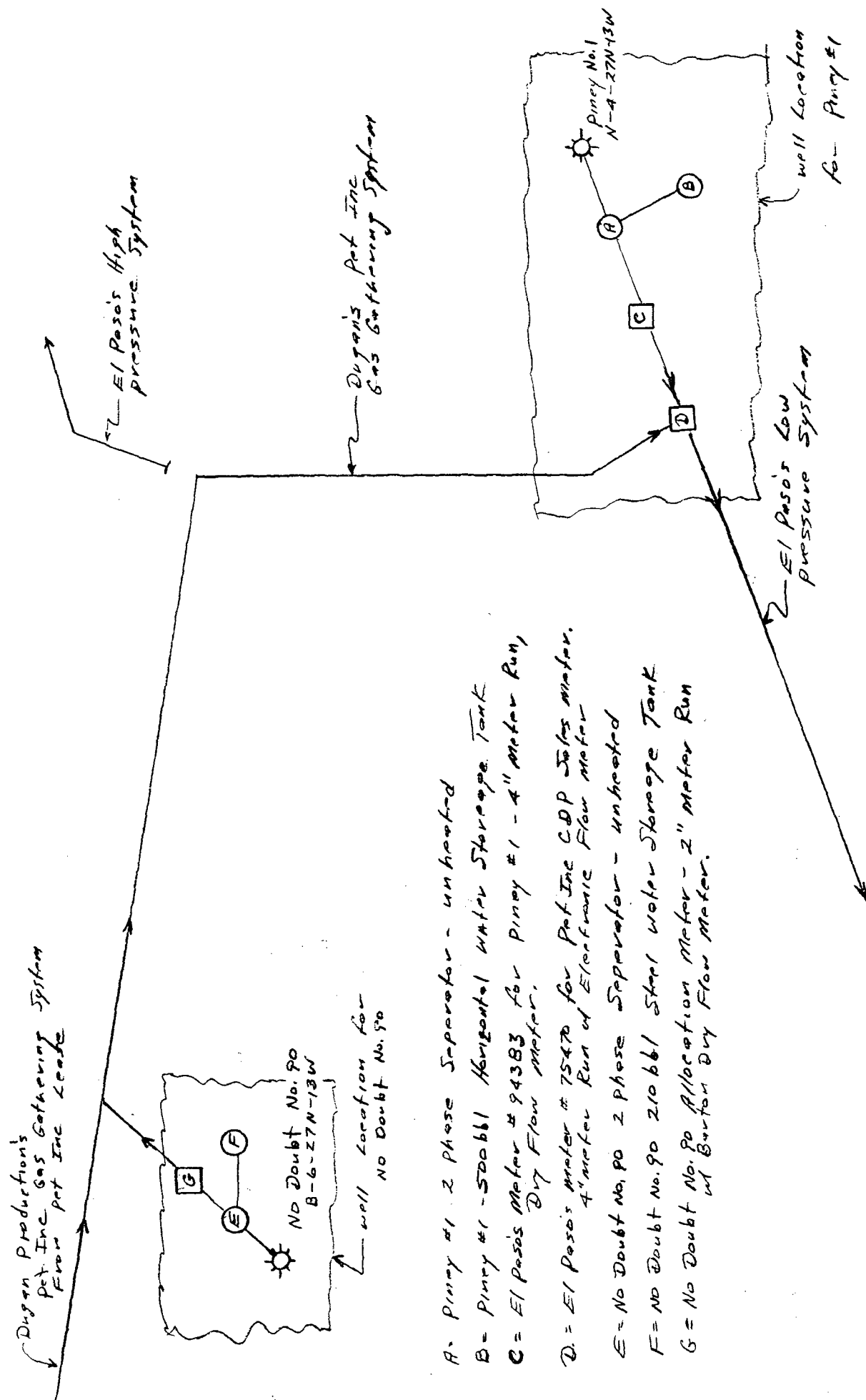
Attachment No. 12 (Pg #1 of 2)

Sketch of Pet Inc Lease Facilities
Sections 25, 26, 35, 36, T-28N, R-15W

- A = Abandoned Meter & Meter Run for Pet Inc #1, Gallup.
- B = Single Stage Compressor w/ 12hp Waukesha engine
- C = Pet Inc Lease Allocation Meter - 4" meter - Run at Barton Dry Flow Meter.

(Not Drawn to Scale)







United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

NM - 89131
3162.3-1
3162.3-2 (07100)

April 24, 2002

Kurt Fagrelus
Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499

Dear Mr. Fagrelus:

Reference is made to the following well on Federal oil and gas lease NM-89131:

**No Doubt No. 90, located 790' FNL and 1850' FEL, Sec 6, T.27N., R.13W.,
San Juan County, New Mexico.**

On February 5, 2002, this office approved an Application for Permit to Drill to complete in the WAW Fruitland Sand Pictured Cliffs interval of the referenced well. Your Subsequent Report was received on April 17, 2002, outlining your change of plans to perforate and complete this well in the Basin Fruitland Coal formation. Pursuant to the General Requirements attached to the APD, prior approval by the BLM Authorized Officer is required for a variance from the approved drilling program. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent (on a Sundry Notice Form 3160-5) within three business days. This office has no record of prior approval, written or verbal, being authorized to change the completion interval. As such, you are in violation of 43 CFR 3162.3-1, for failure to comply with the written requirements of the Application for Permit to Drill.

In addition to the foregoing, you are also in violation of 43 CFR 3162.3-2, Subsequent Well Operations, which requires prior approval before commencing completion in a different interval than what was approved on your Application for Permit to Drill. These are considered minor violations and this will serve as notice that if violations of this sort occur in the future, you will be subject to a monetary assessment. Enclosed you will find your processed Sundry Notice and Well Completion Report.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request will not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3154.4, and 43 CFR 4.400, et seq.

If you have any questions regarding the above contact Matt Halbert at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

Is/ Jim Lovato

Jim Lovato
Senior Technical Advisor,
Petroleum Management Team

Enclosures: (2)

cc:

NMOCD, Aztec, NM

NMOCD, Santa Fe, NM

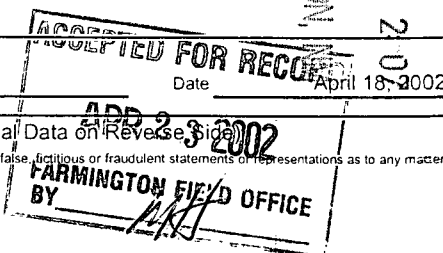
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

| | | | | | | | | | | | | | | | | | |
|---|--|--|--|---|--|--|--|---|--|----------------------------------|--|---|--|---|--|---|--|
| 1. a. TYPE OF WELL: | | | | | | OIL WELL <input type="checkbox"/> | | GAS WELL <input checked="" type="checkbox"/> | | DRY <input type="checkbox"/> | | OTHER <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM-89131 | | | |
| b. TYPE OF COMPLETION: | | | | | | NEW Well <input checked="" type="checkbox"/> | | WORK OVER <input type="checkbox"/> | | DEEP-EN <input type="checkbox"/> | | PLUG BACK <input type="checkbox"/> | | DIFF. CENTR. <input type="checkbox"/> | | 7. UNIT AGREEMENT NAME | |
| 2. Name of Operator | | | | | | Dugan Production Corp. | | | | | | | | | | 8. FARM OR LEASE NAME, WELL NO. No Doubt #90 | |
| 3. Address and Telephone No. | | | | | | P.O. Box 420, Farmington, NM 87499 (505) 325-1821 | | | | | | | | | | 9. API Well No. 30-045-30781 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* | | | | | | At surface 790' FNL & 1,850' FEL | | | | | | | | | | 10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal | |
| At top prod. interval reported below | | | | | | same | | | | | | | | | | 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Unit B | |
| At total depth | | | | | | same | | | | | | | | | | 12. COUNTY OR PARISH San Juan | |
| 14. PERMIT NO. | | | | | | DATE ISSUED | | | | | | 13. STATE NM | | | | | |
| 15. DATE SPUDDED 3/7/2002 | | 16. DATE T.D. REACHED 3/12/2002 | | 17. DATE COMPL. (Ready to prod.) 4/11/2002 | | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5,875' GL | | | | 19. ELEV. CASINGHEAD | | | | | | | |
| 20. TOTAL DEPTH, MD & TVD 1,395' | | 21. PLUG BACK T.D., MD & TVD 1,332' | | 22. IF MULTIPLE COMPL., HOW MANY* | | 23. INTERVALS DRILLED BY → TD | | ROTARY TOOLS | | CABLE TOOLS | | 24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 1,191'-1,200'; 1,242'-1,250' | | | | | |
| 25. TYPE ELECTRIC AND OTHER LOGS RUN GR-CCL-CNL | | | | | | 27. WAS WELL CORED no | | | | | | | | | | | |
| 28. CASING RECORD (Report all strings set in well) | | | | | | | | | | | | | | 25. WAS DIRECTIONAL SURVEY MADE no | | | |
| CASING SIZE/GRADE | | WEIGHT, LB./FT. | | DEPTH SET (MD) | | HOLE SIZE | | TOP OF CEMENT, CEMENTING RECORD | | | | AMOUNT PULLED | | | | | |
| 7" | | 20 | | 132' | | 8-3/4" | | 59 cu. ft. class "B" neat | | | | | | | | | |
| 4-1/2" | | 10.5 | | 1,388' | | 6-1/4" | | 164.8 cu. ft. class "B" w/ 2% Lodense and 1/4# celloflake/sx. | | | | | | | | | |
| | | | | | | | | 88.5 cu. ft. Class "B" neat w/1/4# celloflake/sx. | | | | | | | | | |
| | | | | | | | | Total: 312.3 cu. ft. | | | | | | | | | |
| 29. LINER RECORD | | | | | | 30. TUBING RECORD | | | | | | | | | | | |
| SIZE | | TOP (MD) | | BOTTOM (MD) | | SACKS CEMENT* | | SCREEN (MD) | | SIZE | | DEPTH SET (MD) | | PACKER SBT (MD) | | | |
| | | | | | | | | | | 2-3/8" | | 1,267' | | | | | |
| 31. PERFORATION RECORD (Interval, size and number) | | | | | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | | | | | | | | | |
| Perforated Fruitland Coal from 1,191'-1,200'; 1,242'-1,250' w/4sp (Total 68 holes) | | | | | | DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | | | | | | | | | |
| | | | | | | 1,191'-1,250' | | 26,600 gal. 70Q X-linked gel; 30,000# 20-40 | | | | | | | | | |
| | | | | | | | | Brady sand; 10,000# resin sand, 240,000 scf/N ₂ | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| 33.* PRODUCTION | | | | | | | | | | | | | | | | | |
| DATE FIRST PRODUCTION | | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) | | | | | | WELL STATUS (Producing or shut in) | | | | | | | | | |
| N/A | | Flowing | | | | | | Shut In | | | | | | | | | |
| DATE OF TEST | | HOURS TESTED | | CHOKE SIZE | | PROD'N FOR TEST PERIOD | | OIL - BBL. | | GAS - MCF. | | WATER - BBL. | | GAS - OIL RATIO | | | |
| 4/15/2002 | | 24 hrs | | 3/4" | | → | | 0 | | 50 | | 50 | | N/A | | | |
| FLOW. TUBING PRESS. | | CASING PRESSURE | | CALCULATED 24 - HOUR RATE | | OIL - BBL. | | GAS - MCF. | | WATER - BBL. | | OIL GRAVITY - API (CORR.) | | | | | |
| 5 | | 120 | | → | | 0 | | 50 | | 50 | | N/A | | | | | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) | | | | | | TEST WITNESSED BY | | | | | | | | | | | |
| Vented - to be sold | | | | | | | | | | | | | | | | | |
| 35. LIST OF ATTACHMENTS | | | | | | | | | | | | | | | | | |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records | | | | | | | | | | | | | | | | | |
| SIGNED <u>Terry Kochis</u> | | | | Title <u>Engineer</u> | | | | Date <u>April 18, 2002</u> | | | | | | | | | |

NMOCD



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐

Oil
Well

☒

Gas
Well

☐

Other

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

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

Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 6, T27N, R13W

790' FNL & 1850' FEL

5. Lease Designation and Serial No.

NM-89131

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

No Doubt #90

9. API Well No.

30 045 - 30781

10. Field and Pool, or Exploratory Area

WAW Fruitland Sand PC

11. County or Parish, State

San Juan, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐

Notice of Intent

☐

Abandonment

☒

Change of Plans

☒

Subsequent Report

☐

Recompletion

☐

New Construction

☐

Final Abandonment Notice

☐

Plugging Back

☐

Non-Routine Fracturing

☐

Casing Repair

☐

Water Shut-Off

☐

Altering Casing

☐

Conversion to Injection

☒

Other

☐

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This well was permitted to test the WAW Fruitland Sand Pictured Cliffs interval. However, after reviewing cased hole logs, plans were changed and the Basin Fruitland Coal interval was perforated and completed. The enclosed C-102 reflects the change in acreage dedication.

RECEIVED
2002 APR 17 AM 11:47
070 FARMINGTON, NM

14. I hereby certify that the foregoing is true and correct

Signed

Kurt Fagrellius
Kurt Fagrellius

Title

Geologist

Date

4/16/2002

This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any

ACCEPTED FOR RECORD

APR 23 2002

FARMINGTON FIELD OFFICE

The 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.

*See Instruction on Reverse Side

PO Box 1000, Hobbs, NM 88240-1000
 District III
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Hondo Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

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

Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------|------------------------------|-------------|----------------------|
| * APT. Number | | * Pool Code | * Pool Name |
| | | 71629 | Basin Fruitland Coal |
| * Property Code | * Property Name | | * Well Number |
| | No Doubt | | 90 |
| * OGRID No. | * Operator Name | | * Elevation |
| 006515 | Dugan Production Corporation | | 5375' Estimated |

¹⁰ Surface Location

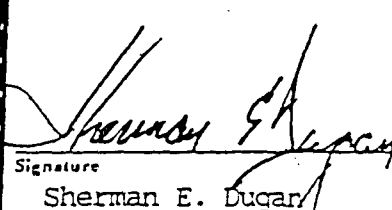
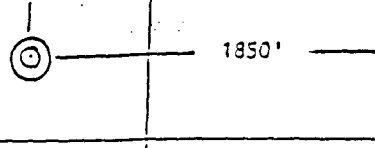

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 5 | 5 | 27N | 13W | | 790 | North | 1850 | 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 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 320.0 | | | |

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 | Dugan Production Corp. 790' NY-89131 | | ¹⁷ 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 Vice-President Title June 4, 1997 Date |
| |  | | |
| | Section 5 | | |
| | ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from the ^{the} original ^{original} surveys made by me or under my the ^{the} same is true and correct to  Date of Signature Edgar L. Rickerson Certificate Number 157 | | |

070 FARMINGTON, NM
 2002 APR 17 AM 11:47

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APR 23 2002
 FARMINGTON FIELD OFFICE
 BY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

Pet Inc Gas Gathering System
3162.7-3 (07100)

SEP 03 2002

Mr. John Roe
Dugan Production Corporation
PO Box 420
Farmington, NM 87499-0420

PLC-206

Dear Mr. Roe:

Reference is made to your letter dated May 17, 2002, requesting approval to add the following well to the previously approved Pet Inc Gas Gathering System (formerly the Raven Area Pipeline):

**No. 90 No Doubt, located 790' FNL and 1850' FEL section 6, T. 27 N., R. 13 W.,
San Juan, County, New Mexico on Federal Lease No. NM-89131.**

This facility was originally approved on February 10, 1967, and amended on October 10, 1972, to include additional wells. Based on the information supplied, Dugan is hereby authorized to include this well in the Pet Inc Gas Gathering System. In addition, retroactive approval to relocate the sales meter (EPNG Meter No. 75470) to the Piney No. 1 well location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, T. 27 N., R. 13 W., is also authorized.

If you have any questions, regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,

Jim Lovato
Senior Technical Advisor,
Petroleum Management Team

cc:

NMOCD (Aztec and Santa Fe)
BIA Gallup
Navajo Nation