State of New Mexico

Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

APPLICATION FOR NGPA WELL CATEGORY DETERMINATION

| FOR DIVISION USB ONLY: APPROPRIATE FILING FEE ENCLOSED? YES NO DATE COMPLETE APPLICATION FILED Mach 19, 2003 DATE DETERMINATION MADE NO.: 128, 2003 WAS APPLICATION CONTESTED? YES NO. NAME (S) OF INTERVENOR (S), IF ANY: | FILING FEE Effective October 1, 1986 a non-refundable filing fee of \$25.00 per category for each application is mandatory (Rule 2, Order No. R-5878-B-3) |
|---|--|
| | 6. County: San Juan |
| 1. Name of Operator: Dugan Production Corp. | |
| 2. Address of Operator: | 7. API No: 30- <u>045- 28003</u> |
| P. O. Box 420 Farmington, NM 87499-0420 | 8. Indicate Type of Lease: State Fee _XX |
| 3. Location of Well: Unit Letter N Footage: 1250' FSL & 1800' FWL | 9. State Oil & Gas Lease No.: |
| Sec. <u>13</u> Twp. <u>30N</u> Rng. <u>15W</u> | 10. Unit Agreement Name: |
| 4. Lease Name: Sly Slav | |
| 5. Well No:3 | 11. Pool or Formation: |
| Bas | in Fruitland Coal Gas Pool (#71629) |
| Check the appropriate box for category sought and info Required information on lines 1 and 2, below. 1. Category sought NGPA Section No. 107 A1 X A3 | occluded natural gas from coal seam natural gas from a designated tight formation |
| Filing Fee(s) amount enclosed: \$25.00 All application must contain: C-105 Well Completion or Recompletion Replacement Affidavits of Mailing or Delivery | |
| I HEREBY CERTIFY THAT THE INFORMATION CONTHE BEST OF MY KNOWLEDGE AND BELIEF. | |
| John D. Roe, Jr. NAME OF APPLICANT (Type or Print) | SIGNATURE OF APPLICANT |
| TITLE: Engineering Manager | DATE:03/18/03 |
| FOR DIVISION | |
| APPROVED: | DISAPPROVED: |
| The information contained herein includes all of the info | ormation required to be filed by the applicant under |
| EXAMINER: Multiple Sta | |

| A. THE NGPA WELL CATEGORY DETERMINATION IS BEING SOUGHT FOR A WELL PRODUCING: |
|--|
| A1 XX occluded natural gas from coal seams. A2 natural gas from Devonian shale. A3 natural gas from a designated tight formation. NM17 |
| B. FOR ALL APPLICATIONS FOR DETERMINATION PROVIDE THE FOLLOWING: |
| 1. Well Name and No.* Sly Slav #3 |
| 2. Completed in (Name of Reservoir) * Fruitland Coal |
| 3. Field * Basin Fruitland Coal Gas Pool |
| 4. County * San Juan |
| 5. State * New Mexico |
| 6. API Well No. (14 digits maximum. If not assigned, leave blank.) |
| 30-045-28003 |
| 9. Measured Depth of the Completed Interval (in feet) TOP 525' BASE 653' |
| C. APPLICANT'S MAILING ADDRESS AND THE IDENTITY OF THE PERSON WHO IS RESPONSIBLE FOR APPLICATION: |
| 1. Applicant's Name * Dugan Production Corp. |
| 2. Street * P. 0. Box 420 |
| 3. City * Farmington |
| 4. State* New Mexico 5. Zip Code 87499-0420 |
| 6. Name of Person Responsible * John D. Roe, Jr. |
| 7. Title of Such Person * Engineering Manager |
| 8. Signature John D. Roe, 87. and Phone No. (505) 325 - 1821 |
| * SIGNIFIES THAT LINE ENTRY MAY CONTAIN UP TO 35 LETTERS AND/OR NUMBERS. |
| |

FERC Form-121 (1/2000)

Federal Energy Regulatory Commission Washington D.C.

Form Approved OMB No. 1902-0038 (Expires: 9/30/2003)

APPLICATION FOR DETERMINATION

GENERAL INSTRUCTIONS

- 1. Purpose: This form is to be used to provide basic data on each application for a well category determination that is filed with a Jurisdictional Agency to qualify the natural gas produced from such well as (a) occluded natural gas produced from coal seams, under section 107(c)(3) of the Natural Gas Policy Act of 1978 [15 U.S.C. 3301] (NGPA), (b) natural gas produced from Devonian shale, under section 107(c)(4) of the NGPA, or (c) natural gas produced from a designated tight formation, under section 107(c)(5) of the NGPA, in order to substantiate the eligibility of such natural gas for a tax credit under Section 29 of the Internal Revenue Code. The Commission will use this data, together with the other information contained in the Jurisdictional Agency's notice of determination, to evaluate whether substantial evidence exists to support the determination.
- 2. Who must submit: Anyone who files an application with a Jurisdictional Agency identified under Section 270.401 of the Commission's Regulations for a well category determination.
- 3. What and where to submit: The original of this form, and all of the information required by Section 270.302, 270.303, 270.304, or 270.306 of the Commission's Regulations must be filed with the Jurisdictional Agency. The Jurisdictional Agency making a determination must file the original of this form, with all of the other information required under the applicable Commission Regulations, with the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. 20426. Applicants should retain one copy of each completed form for their files for 4 years.
- 4. These are mandatory filing requirements.
- 5. The data on this form are not considered confidential and will not be treated as such.
- 6. Where to send comments on the public reporting burden: The public reporting burden for this collection of information is estimated to average 0.25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. 20426 (Attention: Mr. Michael Miller, CI-1) and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington D.C. 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). Persons subject to providing this information will not be penalized for failing to respond to these collections of information unless the collection of information displays a valid OMB control number.

Statement by John D. Roe, Jr.

Application for Section 107 Coal Seam Gas Determination
Dugan Production Corp.'s Sly Slav No. 3 (API No. 30-045-28003)
Basin Fruitland Coal Gas Pool
Unit N Section 13, T30N, R15W
San Juan County, New Mexico

I make the following statement under oath. Natural gas produced from Dugan's Sly Slav No. 3 is being produced from a coal seam through a well, the surface drilling of which began after December 31, 1979, but before January 1, 1993. In addition, I have no knowledge of any information which is inconsistent with this application.

John D. Roe, Jr., P. E. March 18, 2003

STATE OF NEW MEXICO) ss.
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 18th day of March, 2003 by John D. Roe, Jr., Engineering Manager of Dugan Production Corp., a New Mexico corporation, on behalf of said corporation.

My:Comunission Expires

08/11/04

Notary Public



dugan production corp.



March 18, 2003

Mr. Michael Stogner New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re:

NGPA Category Determination (107CB)
Dugan Production's Sly Slav #3 (API No. 30-045-28003)
Basin Fruitland Gas Pool
Unit N Sec. 13, T30N, R15W
San Juan County, New Mexico

Dear Mr. Stogner,

Enclosed for your consideration is Dugan's application, requesting a Section 107, coal seam, NGPA category determination for the captioned well.

Enclosed are the following items:

- a) Completed FERC Form 121.
- b) Completed NMOCD Form C-132.
- c) Dugan's check in the amount of \$25.00 for the NMOCD filing fee.
- d) Copy of all well completion reports.
- e) Copy of the well location plat (NMOCD Form C-102), which presents the surface location for the Sly Slav #3, along with the W/2 320 acre spacing unit for the Basin Fruitland Coal completion.
- f) Copy of the GR-Compensated Density Log over the Fruitland Coal interval. This well is located within the boundaries of the Basin Fruitland Coal pool as established by NMOCD Order R-8768 and amended.
- g) Copy of gas analysis from completed interval.
- h) My statement regarding spud date of the subject well.

There are no affidavits of mailing or delivery since Dugan Production holds 100% of the working interest in the Sly Slav No. 3 and there are no other parties to our gas purchase agreement.

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

Sincerely,

John D. Roe

Engineering Manager

JDR/tmf

Enclosures

State of New Mexico

Form C-105

Energy, Minerals and Natural Resources Department

Revised 1-1-89

| Suis Lease — 6 copies Foe Lease — 5 copies DISTRICTI | | OIL CON | SERVATIO | MDIVIS | ION | WELL API NO 30-045 |). -28003 | | |
|--|--------------------------------|-------------------------|---------------------------------------|----------------------|-------------|-----------------------|-----------------|---------------------------------------|-----------|
| P.O. Box 1980, Hobbi | E, N.M. 88240 | Santa Fe | P.O. Box 200 | 87504-2088 | | 5. Indicate Ty | - | ATE : | FEE XX |
| P.O. Drawer DD, Arte | esia, NM 88210 | | (0) | JAN 2002 | , 19/ | 6. State Oil & | | | FEE [A] |
| DISTRICT III 1000 Rio Brazos Rd., | Aziec, NM 87410 | | [32] | Civ - | | C SCAL OU A | | •. ~~~~~ | mm |
| WELL | COMPLETION | OR RECOMPL | ETION REPOR | T AND LOG | E | | | | |
| OIL WELL | GAS WELL | | OTHER | Company (1) | | 7. Lease Nam | e or Unit Agn | cement Name | |
| b. Type of Completic | | PLUO BACK | DEPP RESVR OTHER | | | Sly S | lav | | |
| 2 Name of Operator | UCTION CORP | | | | | & Well No. | | | |
| 3. Address of Operato | | | | | | 9. Pool name | | | |
| P.O. Box 4 | 20 Farming | ton, NM 874 | 99 | | | Basin | Fruitla | and Coal | |
| Well Location Unit Letter | N : 1.2 | 50 Feet From The | South | Line and | 1,800 | Feet P | rom The | lest | Line |
| Section | 13 | | ON Rai | 4.5 | | | Juan | | County |
| 10. Date Spudded 07/25/90 | 11. Date T.D. Reac 07/27/90 | bed 12 Date C | compl. (<i>Ready to Pro</i> 14/01 | 1 | valions (DF | & RKB, RT, G | R, esc.) 1 | 4. Elev. Casingh | ead |
| 15. Total Depth | 16. Plug Ba | | 17. If Multiple Com | | | Roury Tool | ı l | Cable Tools | |
| 770' | 7001 | | Many Zones? | | Dillion By | | 1 22 | 10 16 | |
| 19. Producing Interval | s), of this completion | - Top, Bottom, Name | | | | 2 | | tional Survey Ma | NO.E |
| | (Fruitland (| Coal) | | | | 22. Was We | No No | | • |
| 21. Type Electric and C | Ather Logs Run | | | | | No No | a Corbo | | |
| GR-CDL, GR- | -ttl | | | | | | | | |
| 23. | | | ECORD (Rep | | s set in v | vell) | COORD | AMOUNT | DILLED |
| CASING SIZE | | | | HOLE STZE | | Class | | | PULLED |
| 7" | 20 | 94 | | 9-7/8" 6-1/4" | | | | - W/ 1/4# | cello |
| 4-1/2" | 10.5 | 76 | | 0-1/4 | 7 X | | SY | | |
| | | | | | | | | | |
| | | | | | | | | | |
| 24. | | LINER RECO | RD | | 25. | | BING REC | | |
| STZE | TOP | воттом | SACKS CEMENT | SCREEN | | SIZE | DEPTH S | | KER SET |
| | | | | | | 2-3/8" | 672' | | |
| | | | | ~ ACT | CHOT I | ED ACTI IR | CEMEN | r, squeeze | ETC. |
| 26. Perforation rec | cord (interval, siz | e, and number) | | DEPTH IN | | AMOU | YT AND KIN | D MATERIAL I | USED |
| 515 520 | 6/21_6531 | (with 2 spf |) | 525'-65 | | | . 15% HC | | |
| Total 36 s | • | (With 2 Spi | / | <u> </u> | | | nal. 700 | | |
| 10 Ca 1 30 2 | 3110 63 | | | | | 20,000 | lb. 20/4 | 0 sand | |
| 28 | | | PRODUCTI | | | | 1 2 2 3 2 | | |
| 28. Date First Production | | Production Method (| Towing, gas lift, pur | uping - Size and typ | e pump) | | Well Stant | s (Prod. or Shut- | -U1) |
| 08/06/90 | | flow and swa | | | - 1 | | /ater - BbL | Con . | Oil Ratio |
| Date of Test | Hours Tested | Choke Size | Prod'a For Test Period | Oil - BbL | Gas - Mo | ן יינ | | 02. | OIL ICES |
| 12/21/01 | 24 | 3/4" | | Gas - MCF | 50 | ter - BbL | 50 Oil Gavin | ty - API - (Cort. | 1 |
| Flow Tubing Press. | Casing Pressure | Calculated 24 Hour Rate | 1 | 1 | 1 | | Ou Olavi | , , , , , , , , , , , , , , , , , , , | |
| 10 | 130 | | 0 | 50 | | Test W | tnessed By | | |
| 29. Disposition of Gas (| | eried, etc.) | | | | 1000 | | | |
| vented - to | be sold | | | | | | | | |
| 30. Lis Amchinents | | | | | | | | | |
| 31. I hareby certify th | ne el a infammaiam | shown on both side | s of this form is tri | ue and complete | so the best | of my browle | dge and belia | q | |
| 31. I hereby certify th | as the information | 11/ | | | | | | | |
| 1 | glow le | Vola | Printed John | n Alexander | · | Vice- | Presiden | it Date 01/ | /15/02 |
| Signature | THUM GO | yuvan | Name | | 111 | ıc | | | |

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| | Southeastern New Mexico Anhy T. Canyon T. Ojo Alamo Salt T. Strawn T. Kirtland Surface | | | | | vestern | New N | 1 exico | | | |
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| B. Salt | | | T. Atoka | T. Fr. | uitlan | id 284 | | r. Penn. | "D" | | |
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| | | | OIL OR GAS | SANDS C | RZON | ES | | | | | |
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| | | | to | No. | 4, from. | ••••• | | | | | |
| | | | IMPORTANT | WATER | SAND | S | | | | | |
| Include d | lata on ra | ite of water | inflow and elevation to which water re | se in hole | | | | | | | |
| No. 1, fr | om | • | to | | | feet | ••••• | • • • • • • • • • • | | •••• | |
| No. 2, fro | om | • | to | | • | fæt | | •••••• | | •••• | |
| No. 3, fro | om | • | to | | | fæt | | | | | |
| | | | LITHOLOGY RECORD (| Attach ac | ditiona | l sheet if n | ecessary | /) | | | |
| From | To | Thickness | Lithology | From | To | Thickness | | I. | ithology | - | _ |

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| Submit 3 Copies To Ap | | of New Mo | | | Form C-103 |
|--|--|---|--|--|---|
| District I | Energy, Minera | Is and Nati | iral Resources | WELL API NO. | Revised March 25, 1999 |
| 1625 N. French Dr., Ho District II | bbs, NM 88240 OIL CONSEI | ONATION | NOISION | 30-045-280 | 03 |
| 811 South First, Artesia | . 14141 997 10 | South Pac | | 5. Indicate Type | |
| District III 1000 Rio Brazos Rd., A | 10.102110 | Fe, NM 8 | | STATE | FEE 🛇 |
| District IV 2040 South Pacheco, Sa | Santa | re, mivi o | 7303 | 6. State Oil & C | ias Lease No. |
| (DO NOT USE THIS FOR DIFFERENT RESERVE | SUNDRY NOTICES AND REPORTS ORM FOR PROPOSALS TO DRILL OR TO DI OIR. USE "APPLICATION FOR PERMIT" (FO | EEPEN OR PL | UG BACK TO A | 7. Lease Name or | Unit Agreement Name: |
| PROPOSALS.) 1. Type of Well: Oil Well | Gas Well 🖾 Other | P. S. | MUSAS | Sly Slav | |
| 2. Name of Opera | | P. | DEC 2001 | 8. Well No. #3 | |
| 3. Address of Ope P.O. Box | | 9. 01 | | 9. Poolname or V Basin Fruit | |
| 4. Well Location | | 10% | AY | | |
| Unit Letter | N : 1,250 feet from th | e <u>South</u> | , line and 1,8 | 00 feet from | n the <u>West</u> line |
| Section | 13 Township | | inge 15W | NMPM | County San Juan |
| | 10. Elevation (Show | whether Di | R, RKB , RT , GR , etc | | |
| | 5,315 GL 11. Check Appropriate Box to I | ndicate Na | ature of Notice, I | Report or Other 1 | Data |
| NO | TICE OF INTENTION TO: | | SUB | SÉQUENT REI | PORT OF: _ |
| PERFORM REMED | MAL WORK PLUG AND ABANDO | и 🗆 | REMEDIAL WORK | | ALTERING CASING |
| TEMPORARILY AB | | | COMMENCE DRI | | PLUG AND ABANDONMENT |
| PULL OR ALTER C | ASING MULTIPLE COMPLETION | | CASING TEST AN CEMENT JOB | | |
| OTHER: | | | 01112. | mpletion | <u> </u> |
| 12. Describe propo of starting any or recompilatio | osed or completed operations. (Clearly proposed work). SEE RULE 1103. Fo n. | state all per or Multiple C | tinent details, and g Completions: Attacl | ive pertinent dates, i wellbore diagram (| including estimated date of proposed completion |
| 1. | Pressure test casing 3,00 | O psi. | | | |
| 2. | Run GR-CCL-GHE. MONI purple | ٩٨٨ | | | |
| 3. | Perforate Fruitland Coal (36 shots for 18 ft.) | 515'-520 | ' & 642'-653' | with 2 shots, | /ft. |
| 4. | Breakdown with 200 gal. 1 sand in 18,000 gal. 70 qu | 5% HCl f ality fo | ollowed by Fra am containing | ac 20,000# 20, 30# linear ge | /40 el. |
| 5. | Job complete 12/14/2001. | | | | |
| | | | | | |
| I hereby certify that | the information above is true and com | plete to the b | est of my knowleds | ge and belief. | |
| SIGNATURE | Morhin | TITLE | Engineer | | _DATE_12/20/2001 |
| Type or print name | Terry Kochis | | * | Telepl | none No. (505) 325-1821 |
| (This space for State | e use) | 747 | TY SEE & MAS IFEE | CTOR RART OF | DEC 2 4 2001 |
| | BANA, INCOMES BY CHAPLES T. POPUN | TITLE | | ा वर्षा भ्या ज्यानसङ् क्रिके | DATE |
| APPPROVED BY_ Conditions of appro | val, if any: | | | | |

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

| Form C-103 |
|---------------|
| Revised 1-1-8 |

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

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

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

P.O. Box 2088 Santa Fe, New Mexico 87504 2088 WELL API NO.
30 045 28003

5. Indicate Type of Lease
STATE FEE X

6. State Oil & Gas Lease No.

NOV 2001

| (R) | |
|--|---|
| SUNDRY NOTICES AND REPORTS ON WEL (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN DIFFERENT RESERVOIR. USE "APPLICATION FOR PE (FORM C-101) FOR SUCH PROPOSALS) | LOG PLUG BACK TO A 7 Lease Name or Unit Agreement Name |
| 1. Type of Well: OL OL WELL WELL X OTHER | 930097 |
| 2 Name of Operator DUGAN PRODUCTION CORP. | 8. Well No. |
| 3. Address of Operator P.O. Box 420, Farmington, NM 87499 | 9. Pool same or Wildcat Basin Fruitland Coal |
| 4. Weil Location Unit Letter N: 1250 Feet From The South | |
| 10. Elevation (Show whether 5, 315 'GL | |
| 11. Check Appropriate Box to Indicate I NOTICE OF INTENTION TO: | Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK PLUG AND ABANDON | REMEDIAL WORK ALTERING CASING |
| TEMPORARILY ABANDON CHANGE PLANS | COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT |
| PULL OR ALTER CASING | CASING TEST AND CEMENT JOB |
| OTHER: Fracture | OTHER: |
| 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, an work) SEE RULE 1103. | d give pertinent dates, including estimated date of starting any proposed |

Plan to foam fracture the Fruitland Coal. Job will consist of 60,000 lb. of 20/40 sand in 70-quality foam. The well was drilled in 1990 and not fractured. Recent developments within the coal prompted the operator to consider this an appropriate action at this time.

| I hereby certify that the information above is true and complicate to the bost of my known | riedge and belief | Vice President | DATE 11/26/01 |
|--|-------------------|---------------------------|-----------------------|
| TYPE OR PRINT NAME John Alexander | TILE - | | телетноме мо. 325-18 |
| (This space for State Use) | | DEPUTY OIL & GAS INSPECTO | **. 1951. *NOV 2 8 21 |
| APPROVED BY CONDITIONS OF APPROVAL, IF ANY: | TITLE | | DATE |

| Submat 3 Copies to Approviate District Office | Energy als and Natural R | lesources Department | . ile | Revised 1-1-5 | 89 |
|--|---|---|--|--|--------|
| 10. Box 1980, Hobbs, NM 88240 | OIL CONSERVATION P.O. Box 20 | | WELL API NO. | 12 | |
| P.O. Drawer DD. Artesia, NM \$8210 | Santa Fe, New Mexico | | 30-045-2800 5. Indicate Type of I | mse | FEE X |
| DISTRICT III 1000 Rob Brazos Rd., Aztec, NM 37410 | | | 6. State Oil & Gas L | | E CO |
| (CO NOT USE THIS FORM FOR PRODIFFERENT RESER | CES AND REPORTS ON WE POSALS TO DRILL OR TO DEEPER VOIR. USE "APPLICATION FOR PE 101) FOR SUCH PROPOSALS.) | N OR PLUG BACK TO A | 7. Lease Name or Ut | nit Agreement Name | |
| Type of Well: | отны | | Sly Slav | | |
| 2 Name of Operator DUGAN PRODUCTION CORP | | | 8. Well No. | | |
| 3. Address of Operator | | | 9. Pool same or Wild | | |
| 2.0. 30x 420, Farming | ton, NM 37499 | | Basin Fruit | land Coal | |
| Unit Letter N: 125 | O Feet From The South | Line and 180 | O Feet From T | West | Une |
| Section 13 | | ange 15 West | NMPM San Juar | 1 , | County |
| | 10. Elevation (Show whether 5315' GL | DF, RKB, RT, GR, uc.) | | | |
| PULL CR ALTER CASING OTHER: 12 Describe Proposed or Compided Operation work) SEE RULE 1103. T. D. T. I. 600 1 10gs hole 1/2; at 10de | DIV | SUB REMEDIAL WOFK COMMENCE DRILLING CASING TEST AND CE OTHER: -27-90. , collars, & o te hole. T.C , collars & dr I pipe. T.I Ing landed at ls water. Ce Loflake/sk, ta Lloflake/sk (r. Plug down | drill pipe. O.H. Ran Coill pipe. H. with 19 766', floament with ail with 50 110 cu.ft. 6:00 P.M. | Drilled Circulate its. 4- at collar 25 sx 23 sx class slurry). | W TES |
| I hereby certify that the information above is true : | Circles to the best of my knowledge and | beied. Geologist | | DATE | · |
| THE CREAT NAME I'M L. Ja | cobs | | | TELEPHONE NO. 325- | 1821 |
| This rouse for State Circl Original Signed by FRA | NK T. CHAVEZ | 2'REDXISOR DIS | लिटा हा ६ | DATE JUL 31 | 1990 |
| THERTONS OF APPROVAL IF ANY | | | | | |

State of New Mexico Submit 3 Copies MMOCD als and Natural Resources Department Energy, Revised 1-1-89 to Appropriate i dile-Distinct Office OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-045-28003 חולופורד וו Santa Fe. New Mexico 87504-2088 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM \$8210 FEE X STATE DISTRICT III 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FCRM C-101) FCR SUCH PROPOSALS.) 1. Type of Well: Sly Slav CIL. VELL OTHER 2. Name of Operator & Well No. DUGAN PRODUCTION CORP. 3 9. Pool name or Wildcat 3. Address of Operator P.O. Box 420, Farmington, NM 37499 Basin Fruitland Coal Well Location 1800 West South . 1250 Feet From The Line Feet From The Line and San Juan 30 North Range 15 West NMPM County Township Section 10. Elevation (Show whether DF, RKB, RT, GR. etc.) 5315' GL Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: ALTERING CASING PLUG AND ABANDON REMEDIAL WORK PERFORM REMEDIAL WORK TEMPORARILY ABANDON ... PLUG AND ABANDONMENT CHANGE PLANS COMMENCE DRILLING OPNS. CASING TEST AND CEMENT JOB PULL OR ALTER CASING [1] OTHER: Spud, surface casing & cement OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed worth SEE RULE 1103. Spudded a 9-7/8" hole at Moved in & rigged up Salazar Drilling. Drilled surface to 100'. 3:00 P.M. on <u>7-25-90</u> with air. with drill collars & bit. T.I.H. with 3 jts. 7", 20# casing landed at 94'. Cemented with 40 sacks class "B" neat (47.2 cubic feet). Circulated 1 bbl cement. Displaced with 2.5 bbls water. at 7:30 P.M. 7-25-90. Pressure test to 600# - held OK. Nipple up Bradenhead & BOP. I hereby centry that the information shows is true and complete to the best of my knowledge and belief,

The rosce for State Use)

The rosce for State Use)

The rosce for State Use)

Original Signed by FRANK T. CHAYEZ

STREET BORDER STREET

... .111 3 1 1990

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

DISTRICT I P.O. BOX 1980, Hobbs, NM 88240 DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| perator | Deadwetien Co | coccio | Sly Slav | | Well 140. |
|---|--|--|--|---|--|
| Inst Leaer | Production Co | Township | Range | County | |
| N N | 13 | 30 North | 15 West | NMPM | San Juan |
| inal Footage Loc | ation of Well: | | . 1800 | | Vaca |
| 1250 | feet from the | | ne 200 | feet from the | West line Dedicated Acreage: |
| round level Elev. 5315 | | ing Formation and Coal | Basin Fruitl | and Coal | 320 Acres |
| 1. Outlin | e the acreage dedical | ed to the subject well by cold | ored pencil or hachure marks on the p | Hat below. | |
| 2. If more unitized [X] If answer this form | than one lease is do than one lease of d tion, force-pooling, Yes is "no" list the owne if neccessary. | edicated to the well, outline e ifferent ownership is dedicate stc.? No If answer is " ers and tract descriptions which | ach and identify the ownership thereoned to the well, have the interest of all yes" type of consolidationWill the have actually been consolidated. (have been consolidated (by communication) | of (both as to working interest owners been consolidated by <u>be</u> <u>Communitized</u> (Use reverse side of | communitization, |
| | | | een approved by the Division. | | |
| ta di 🕶 stimbi milit nel 1 Ettim, di i ini | Ministración de Caración de Maria de Maria | | | I her | EATOR CERTIFICATION reby certify that the information herein in true and complete to the compl |
| DPC - 10 | F E E | A THE PARTY OF THE | | Signature View | provided grant belief. |
| | F El E | The state of the s | | Position Vice-F Company Dugan | President Production Corp. |
| | | Section 13 | | Date 7-24-9 | 90 EYOR CERTIFICATION |
| DPC - 10 | 00% | | | on this pla actual sur supervison, | ersify that the well location sho so was plotted from field notes weys made by me or under and that the same is true the best of my knowledge |
| DPC - 10 | 00% DPC - | 100% | | Signature of Professions | July 23, 1990 a Seal of RISEN, And RISEN, MEX. |
| FEE | | 1980 2310 2640 | 2000 1500 1000 | Edgar Soo | NE 5978 |



(505) 325-6622

ANALYSIS NO. DUG30041

WELL/LEASE INFORMATION

COMPANY: DUGAN PRODUCTION CORPORATION

WELL NAME: SLY SLAV #3

LINE PRESSURE: 18 PSIG

LOCATION: SEC. 13-T30N-R15W

SAMPLE TEMP.:

DEG.F

COUNTY: SAN JUAN

FORMATION: FRUITLAND Coal

WELL FLOWING: NO

DATE SAMPLED: 2/11/93

METER NO .: Not connected

SAMPLED BY: CHARLES HALL

REMARKS: *PRESSURED WITH HELIUM TO 25#; UNNORMALIZED TOTAL=77.29%.

ANALYSIS

| COMPONENT | MOLE% | | GPM |
|--|---------------|-------|--------|
| NITROGEN CO2 METHANE ETHANE ETHANE PROPANE I-BUTANE N-BUTANE | | | |
| | | | 0.1387 |
| COMPRESSIBILITY | FACTOR | (1/Z) | 1.0020 |
| BTU/CU.FT. (DRY) | CORRECTED FOR | (1/Z) | 980.2 |
| BTU/CU.FT. (WET) | CORRECTED FOR | (1/Z) | 963.2 |
| REAL SPECIFIC GR | AVITY | | 0.5784 |

ANALYSIS RUN AT 14.73 PSIA & 60 DEGREES F

CYLINDER PRESSURE: *14 PSIG

DATE RUN: 2/12/93

ANALYSIS RUN BY: CHELLE DURBIN

| d | n = | dugan production corp. |
|---|--|------------------------|
| | ·μ = | |

RECEIVED

| - | P. O. BOX 420 • FARMINGTON, NM 87499-0420 • (505) 325-1821 | MAR 1 9 2003 |
|---|--|---|
| | | Oil Conservation Division Date 3/18/03 |
| | Michael Stogner | Subject Applications for |
| T | NMORD - Sala Fe | NEPA Category |
| 0 | | determinations- |
| | MESSAG | |
| | Michael | |
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| | researching Dugon's records, | |
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| | previously been done + one | of the fight Formation |
| | had a sprd date outside the | |
| | have one coal soam (which is | |
| | dight formation Applications would this week. | |
| | Signed | en Roe |

| ENERGY, MINERALS AND NATURAL RESOURCES DEPT. -521 NO. 117316 | | | | | | |
|--|-------------------------------|------------------|------------------|--------------------------|------------------|--|
| | cial Receipt cived from: R | c-Dugan P | roduction | Date: 3/20 Dollar Amount | 25,00 | |
| DR CR. | AMOUNT NUMBER | CENTER NUMBER | CREDIT AMOUNT | DEPOSIT NUMBER | WORK ORDER NO | |
| 60 | 4290 | | | | | |
| 60 | 4291 | | | | | |
| 60 | 3450 | | | | | |
| 60 | 3451 | | | | | |
| 60 | 3410 | | | | | |
| 60 | 4210 | | | | | |
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CMD :

ONGARD

04/28/03 16:00:45

OG6IWCM

INOUIRE WELL COMPLETIONS

OGOMES -TP8P

Pool Idn : 71629 BASIN FRUITLAND COAL (GAS)

OGRID Idn : 6515 DUGAN PRODUCTION CORP

Prop Idn : 3840 SLY SLAV

Well No : 003 GL Elevation: 5315

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : N 13 30N 15W FTG 1250 F S FTG 1800 F W P

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

Date: 4/28/2003 Time: 04:00:25 PM

Page: 1 Document Name: untitled

CMD : ONGARD 04/28/03 16:00:36 OG5SECT INQUIRE LAND BY SECTION

PAGE NO: 2

OGOMES -TP8P

Sec : 13 Twp : 30N Rng : 15W Section Type : NORMAL

| L | K | J | I |
|-------------------|---------------------|---------------------|---------------------|
| 40.00 | 40.00 | 40.00 | 40.00 |
| Fee owned | Fee owned | Federal owned | Federal owned |
| M | | 0 | _ |
| 40.00 | 40.00 | 40.00 | 40.00 |
| Fee owned | Fee owned | Fee owned | Federal owned |
| | A A | A | A |
| PF01 HELP PF02 | PF03 EXIT | PF04 GoTo PF05 | PF06 |
| PF07 BKWD PF08 FW | D PF09 PRINT | PF10 SDIV PF11 | PF12 |

Date: 4/28/2003 Time: 04:01:02 PM

State of New Mexico Form C-105 Submit to Appropriate Energy, Minerals and Natural Resources Department Revised 1-1-89 District Office State Lease - 6 copies WELL APINO. Fee Lease - 5 copies OIL CONSERVATION DIVISION 30-045-28003 P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 Indicate Type of Lease Santa Fe. New Mexico 87804-2088 DISTRICT II FEE KX STATE P.O. Drawer DD, Artenia, NM 88210 JAN 2002 6 State Oil & Gas Lease No. RECEIVED 1000 Rio Brazos Rd., Aziec, NM 87410 WELL COMPLETION OR RECOMPLETION REPORTAND PORTAND 7. Lease Name or Unit Agreement Name la. Type of Well: OIL WELL GAS WELL (X) DRY OTHER b. Type of Completion: WELL XX OVER DEEPEN FLUG RESVR OTHER Slv Slav 8 Well No. 2. Name of Operator DUGAN PRODUCTION CORP. 9. Pool name or Wildcat 1 Address of Operator Basin Fruitland Coal P.O. Box 420 Farmington, NM 4 Well Location Line and 1,300 Unit Letter N: 1,250 Feet From The South Feet From The Mest Line 30N Range 15W NMPM San Juan County Township Section 13. Elevations (DF& RKB, RT, GR, etc.) 14. Elev. Casinghead 12. Date Compi. (Ready to Prod.) 10. Date Soudded 11. Date T.D. Reached 315' GL 07/25/90 07/27/90 12/14/01 Rotary Tools 17. If Multiple Compl. How Many Zones? Cable Tools 18. Intervals
Drilled By 16. Plug Back T.D. 15. Total Depth 770' 700' 20. Was Directional Survey Made 19. Producing Interval(s), of this completion - Top, Bottom, Name 515'-653' (Fruitland Coal) 22. Was Well Cored 21. Type Electric and Other Logs Run No GR-CDL, GR-CCL CASING RECORD (Report all strings set in well) HOLE SIZE CEMENTING RECORD AMOUNT PULLED DEPTH SET WEIGHT LB/FT. CASING SIZE 94 ' 9-7/8" Class "B" neat 20 40 sx. 6-1/4" Class "B" neat w/ 1/4# cello 4-1/2" 7661 10.5 flake/sx. TUBING RECORD 24 LINER RECORD 25. SIZE **DEPTH SET** PACKER SET SACKS CEMENT BOTTOM SCREEN SIZE TOP 2-3/8" 6721 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. 26. Perforation record (interval, size, and number) AMOUNT AND KIND MATERIAL USED DEPTH INTERVAL 515'-520', 642'-653' (with 2 spf) 525'-653' 830 gal. 15% HCl 18,000 gal. 700 foam Total 36 shots 20,000 lb. 20/40 sand PRODUCTION Well Status (Prod. or Shut-in) Production Method (Flowing, gas lift, pumping - Size and type pump) Date First Production 08/06/90 flow and swab Gas - Oil Ratio Water - Bbl. Oil - Bbl. Gas - MCF Prod'a For Date of Test Hours Tested Choke Size Test Period 50 3/4" 24 12/21/01 Oil Gravity - API - (Corr.) Water - Bbl Calculated 24-Oil - BbL Gas - MCF Flow Tubing Press. Casing Pressure Hour Rate 50 50 Test Witnessed By 29. Disposition of Gas (Sold, used for fuel, verued, etc.) vented - to be sold 30. List Attachments 31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief Printed Title Vice-President Date 01/15/02 John Alexander

Signature

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

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| District II 2040 South Pacheco Santa Fe, NM 87505 STATE | | | New Me | | | Form C- | |
|--|---|--|-------------------------|---|--|---|-------------|
| OIL CONSERVATION DIVISION 30-045-28003 5. Indicate Type of Lease STATE FEE | strict [| Energy, Minerals | and Natu | ral Resources | WELL APINO | Revised March 25, | 1999 |
| South First, Ansaia, NM 88210 South Pacheco STATE FEE Strictly | strict II | OIL CONCEDI | ZATION | DIVISION | | 003 | |
| Santa Fe, NM 87505 STATE FEE (A) | | | | | | | |
| SUNDRY NOTICES AND REPORTS ON WELL OF TO SHARE FOR METERS FOR MEDIAL OR PROPOSALS TO DRILL OR TO DEPPEN OF RED SHARE FOR MEDIAL OR PROPOSALS TO DRILL OR TO DEPPEN OF RED SHARE FOR MEDIAL OR PROPOSALS TO DRILL OR TO DEPPEN OF RED SHARE FOR MEDIAL OR PROPOSALS TO DRILL OR TO DEPPEN OF RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM CAMPFOR SUCH DEC 2001) Type of Well: Oil Well Gas Well CO Other Dugan Production Corp. Address of Operator P.O. Box 420 Farmington, NM 87499 Address of Operator P.O. Box 420 Farmington, NM 87499 Feetion 13 Township 30N Range 15N NMPM County San Julia (State of State o | | | | | | | |
| SUNDRY NOTICES AND REPORTS ON WELL PROPOSED TO SUND THE STORM FOR PROPOSALS TO DRILL OR TO DEPEND OF REVIGENCE TO A SUND THE STORM FOR PROPOSALS TO DRILL OR TO DEPEND OF REVIGENCE TO A SUND THE SERVICE USE "APPLICATION FOR PERMIT" (FORM CADIFOR SUCH PROPOSALS). Name of Operator Dugan Production Corp. Address of Operator P.O. 80x 420 Farmington, NM 87499 Well No. Div No. Div Well No. Div Well No. Div No. Div Well No. Div No. | | | 5, INIVI 0 / | 7303 | 6. State Oil & C | Gas Lease No. | |
| EMPORARILY ABANDON | SUNDRY NOT ONOT USE THIS FORM FOR PROPERED TRESERVOIR. USE "APPLOPOSALS.) Type of Well: Oil Well Gas Well Name of Operator Dugan Production Conduction Conduction Conduction Address of Operator P.O. Box 420 Farm Well Location Unit Letter N Section 13 | OSALS TO DRILL OR TO DEE ICATION FOR PERMIT" (FOR Other Corp. 1,250 feet from the Township 10. Elevation (Show v 5,315 GL Appropriate Box to Industrian TO: | South 30N Ra whether DE | line and 1,80 Inge 15W R, RKB, RT, GR, etc. Ature of Notice, F SUBS | Sly Slav Well No. #3 9. Pool name or Basin Fruit 00 feet fro NMPM Report or Other SEQUENT RE | Wildcat land Coal m the West County San Jua Data | line |
| ABANDONMENT ABANDONMENT CASING TEST AND CEMENT JOB OTHER: Completion OTHER: Completion OTHER: Completion OTHER: Completion OTHER: Completion Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comp or recompilation. 1. Pressure test casing 3,000 psi. 2. Run GR-CCL-CNL. 3. Perforate Fruitland Coal 515'-520' & 642'-653' with 2 shots/ft. (36 shots for 18 ft.) 4. Breakdown with 200 gal. 15% HCl followed by Frac 20,000# 20/40 sand in 18,000 gal. 70 quality foam containing 30# linear gel. | RFORM REMEDIAL WORK | PLUG AND ABANDON | | REMEDIAL WORK | < L | ALTERING CASIN | G L |
| ULL OR ALTER CASING | MPORARILY ABANDON | CHANGE PLANS | | COMMENCE DRII | LING OPNS. | | |
| Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comp or recompilation. Pressure test casing 3,000 psi. Run GR-CCL-CNL. Perforate Fruitland Coal 515'-520' & 642'-653' with 2 shots/ft. (36 shots for 18 ft.) Breakdown with 200 gal. 15% HCl followed by Frac 20,000# 20/40 sand in 18,000 gal. 70 quality foam containing 30# linear gel. | LL OR ALTER CASING | | | | ID 🗆 | ADANDONMENT | |
| of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed compor recompilation. 1. Pressure test casing 3,000 psi. 2. Run GR-CCL-CNL. 3. Perforate Fruitland Coal 515'-520' & 642'-653' with 2 shots/ft. (36 shots for 18 ft.) 4. Breakdown with 200 gal. 15% HCl followed by Frac 20,000# 20/40 sand in 18,000 gal. 70 quality foam containing 30# linear gel. | HER: | | | OTHER: Cor | mpletion | | X |
| Run GR-CCL-CNL. Perforate Fruitland Coal 515'-520' & 642'-653' with 2 shots/ft. (36 shots for 18 ft.) Breakdown with 200 gal. 15% HCl followed by Frac 20,000# 20/40 sand in 18,000 gal. 70 quality foam containing 30# linear gel. | of starting any proposed work or recompilation. | s). SEE RULE 1103. For | Multiple C | tinent details, and gi Completions: Attach | ive pertinent dates, i wellbore diagram | including estimated of proposed complet | date ion |
| Perforate Fruitland Coal 515'-520' & 642'-653' with 2 shots/ft. (36 shots for 18 ft.) Breakdown with 200 gal. 15% HCl followed by Frac 20,000# 20/40 sand in 18,000 gal. 70 quality foam containing 30# linear gel. | | | port | | | | |
| (36 shots for 18 ft.)4. Breakdown with 200 gal. 15% HCl followed by Frac 20,000# 20/40 sand in 18,000 gal. 70 quality foam containing 30# linear gel. | | | 15'-520 | ' & 642'-653' | with 2 shots | /ft. | |
| sand in 18,000 gal. 70 quality foam containing 30# linear gel. | | | | | | | |
| 5. Job complete 12/14/2001. | 4. Breakdown sand in 1 | with 200 gal. 15 8,000 gal. 70 qua | % HCl fo | ollowed by Fra am containing | ac 20,000# 20 30# linear g | 0/40 uel. | |
| | 5. Job compl | ete 12/14/2001. | | | | | |
| | | | | | | | |
| hereby certify that the information above is true and complete to the best of my knowledge and belief. | ereby certify that the informatic | on above is true and compl | ete to the h | pest of my knowleds | ge and belief. | | |
| | areby certify that the informatic | and compr | | | , | 10/00/0 | 001 |
| IGNATURE TITLE Engineer DATE 12/20, | 11 | Ry | _TITLE | Engineer | | DATE_12/20/2 | 001 |
| ype or print name Terry Kochis Telephone No. (505) | GNATURE_ HOU | | | | Teler | phone No. (505) 3 | 25-18 |
| This space for State use) | - | Cochis | | | | | ~~ |
| | pe or print name Terry k | Cochis | | THEY CA & GAS | INSPECTOR, MIST. | DEC 2 | 4 2 |
| APPPROVED BY Charles | pe or print name Terry k | Cochis | | STPUTY COL & GAS | INSPECTOR, MSI. | DEC 2 | 4 2 |

Submit 3 Copies

State of New Mexico Form C-103 Energy, Minerals and Natural Resources Department Revised 1-1-89 to Appropriate District Office OIL CONSERVATION DIVISION DISTRICT I P.O. Box 1980, Hobbs, NM 88240 WELL API NO. P.O. Box 2088 30 045 28003 Santa Fe, New Mexico 3004 2088 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease FEE X STATE 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON TELLS CON (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEFEN OR MASS BOTTOM FOR PERMIT 7. Lease Name or Unit Agreement Name (FORM C-101) FOR SUCH PROPOSALS.) Sly Slav 1. Type of Well: GAS WELL OE. WELL OTHER 2 Name of Operator 8. Well No. DUGAN PRODUCTION CORP. 9. Pool name or Wildcat 3. Address of Operator Basin Fruitland Coal P.O. Box 420, Farmington, NM 87499 Well Location 1800 Feet From The West . 1250 Feet From The _ South Unit Letter N Line and 15 West San Juan thip 30 North Range 15 West

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 30 North **NMPM** Township Section 5,315' GL Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: **ALTERING CASING** PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK PLUG AND ABANDONMEN **CHANGE PLANS** COMMENCE DRILLING OPNS. **TEMPORARILY ABANDON** CASING TEST AND CEMENT JOB **PULL OR ALTER CASING**

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

OTHER:

Plan to foam fracture the Fruitland Coal. Job will consist of 60,000 lb. of 20/40 sand in 70-quality foam. The well was drilled in 1990 and not fractured. Recent developments within the coal prompted the operator to consider this an appropriate action at this time.

| I hereby certify that the information above is type and possibiote to the best of my knowledge | re and belief. | |
|--|-------------------------------------|-------------------------------|
| SIGNATURE SIGNATURE | Wice President | DATE 11/26/01 |
| TYPECRPENT NAME John Alexander | • | ТЕГЕРНОМЕ NO. 325-1821 |
| (This space for State Use) | DEPUTY OR & GAS INSPECTOR, DIST. #3 | NOV 2 8 2001 |

CONDITIONS OF APPROVAL, IF ANY:

OTHER: Fracture

| Submit 3 Copies to Appropriate District Office | State of New Me Energy, Minerals and Natural Re | xioo sources Department | 3 NMOCD 1 File | Form C-103 Revised 1-1-89 |
|---|--|----------------------------|--|------------------------------|
| DISTRICT I P.O. Box 1980, Hobbs, NM 88240 | OIL CONSERVATIO P.O. Box 208 Santa Fe, New Mexico | 8 | WELL API NO. 30-045-28003 5. Indicate Type of Le | 200 |
| P.O. Drawer DD, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 | Same and a same a same a same a same a same a | | 6. State Oil & Gas Le | STATE FEE A |
| (DO NOT USE THIS FORM FOR PRODIFFERENT RESERVED (FORM CO. 1. Type of Well: OIL OAS WELL X. 2. Name of Operator | ICES AND REPORTS ON WELL OPPOSALS TO DRILL OR TO DEEPEN RVOIR. USE "APPLICATION FOR REF-101) FOR SUCH PROPOSALS. | OR PLUG BACK TO A | 7. Lease Name or Uni Sly Slav 8. Well No. 3 | Agreement Name |
| DUGAN PRODUCTION CORP 3. Address of Operator P.O. Box 420, Farming | | CON. DIV. DIST. 3 | 9. Pool name or Wildo Basin Fruit | |
| 4. Well Location Unit Letter N: 125 | 50 Feet From The South | Line and1800 | Feet From The | West Line |
| Section 13 | Township 30 North Ray | nge 15 West | MPM San Juan | County |
| Section | 10. Elevation (Show whether I | OF, RKB, RT, GR, etc.) | | |
| 11. Check A NOTICE OF INT | Appropriate Box to Indicate N | Nature of Notice, ReSUBS | SEQUENT REP | PORT OF: |
| TEMPORARILY ABANDON | CHANGE PLANS | COMMENCE DRILLING | OPNS. PLI | JG AND ABANDONMENT |
| PULL OR ALTER CASING | | CASING TEST AND CE | | [T] |
| OTHER: | | OTHER: Mechanic | al Integrity I | est X |
| work) SEE RULE 1103. Pressure casing t | tions (Clearly state all pertinent details, and to 590 psi - held for 30 min ompleted 5/24/1999. | | | |
| I hereby certify that the information above is tru | eland complete to the best of my knowledge and | ьыг. Vice-Presiden | t | DATE 5/26/99 |
| SKINATURE John A | Jexander | | | TELEPHONE NO. 325-1821 |
| (This space for State Use) | 7 | DEPUTY OIL & GAS INSI | PECTOR, DIST. #3 | MAY 27 1999 |
| CONDITIONS OF APPROVAL, IF ANY: | <i>)</i> | | | |

| Submit 3 Copies | State of New Me | | 3 NMOCD | Revised 1-1-89 |
|--|--|------------------------------------|--|-------------------------------|
| to Appropriate District Office | Energy, Minerals and Natural Re | Sources Department | 1 File | Revised 1-1-07 |
| | OIL CONSERVATIO | N DIVISION | WELL API NO. | |
| DISTRICT I P.O. Box 1980, Hobbs, NM 88240 | P.O. Box 208 | 88 | 30-045-2800 | 3 |
| DISTRICTI | Santa Fe, New Mexico | 87504-2088 | | |
| P.O. Drawer DD, Artesia, NM 88210 | # · | | 5. Indicate Type of L | STATE FEE X |
| DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 | | A Control of the Control | 6. State Oil & Gas Le | ease No. |
| 7000 700 700 700 700 700 700 700 700 70 | | And the second second | | |
| SUNDRY NOTI | CES AND REPORTS ON WEL | LS | | |
| (DO NOT USE THIS FORM FOR PRO | POSALS TO DRILL OR TO DEEPEN | OR REUG BACK TO A | 7. Lease Name or Un | it Agreement Name |
| (FORM C- | 101) FOR SUCH PROPOSACS | | Sly Slav | |
| 1. Type of Well: | OTHER A | PR 2 7 1999 | 313 3141 | |
| WEIL WEIL X | OTHER | 1033 | 8. Well No. | |
| Name of Operator DUGAN PRODUCTION CORP | | DONG DONG | 3 | |
| | | TO LAND | 9. Pool name or Wild | cat |
| Address of Operator P.O. Box 420, Farming | ton NM 87499 | distr. 3 | Basin Fruit | land Coal |
| 4. Well Location | ton, m. 07.100 | | | |
| 4. Wen Excelled N . 125 | O Feet From The South | Line and1800 | Feet From Th | e West Line |
| Unit Letter | | | | |
| Service 13 | Township 30 North Ra | nge 15 West | NMPM San Juan | County |
| Section 13 | 10. Elevation (Show whether | DF, RKB, RT, GR, etc.) | | |
| | 5315' GL | | | |
| Check | Appropriate Box to Indicate N | Nature of Notice, Re | eport, or Other D | ata |
| | | SUB | SEQUENT REF | PORT OF: |
| NOTICE OF INT | ENTION TO. | 00,0 | | |
| PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WORK | L AL | TERING CASING |
| ra . | | A COMMENCE DESIGNATION | ODNIC DI | UG AND ABANDONMENT |
| EMPORARILY ABANDON X | CHANGE PLANS | COMMENCE DRILLING | IOPNS. | OG AND ADAMOUNTED L |
| PULL OR ALTER CASING | | CASING TEST AND CE | MENT JOB | |
| THE STATE OF THE S | | 07.150 | • | |
| OTHER: | | OTHER: | | |
| 12. Describe Proposed or Completed Operat | ions (Clearly state all pertinent details, an | d give pertinent dates, includ | ling estimated date of sta | rting any proposed |
| work) SEE RULE 1103. | | | | |
| Cancel plans to required to produc | eturn this well to production se economic quantities of | n at this time. Hy gas. Gas prices | draulic fracturir at this time do r | ng will be not support |
| this type of invest | ment | | | |
| this type of invest | | | | |
| | | | | |
| * | dia the adams of status. Co | mont was circulat | ed to surface o | n the |
| Request temporar | rily abandoned status. Ce | ent are protected | Tubing and na | cker will be |
| primary cement jo | b. Any water zones prese | ent are protected. | nubing and pe | d to 500 |
| run to 100' above | the uppermost perforation | ns. Casing will be | pressure lesie | eu to 500 |
| nsi The tubing a | nd packer will be removed | from the well. C | asıng will be se | curea with |
| a valve NMOCD | will be notified prior to co | nducting pressure | e test. | |
| | | | | |
| this ADDA | OUAL EXPIRES JUR | 2/1999 | | |
| I hereby certify that the information above is trye | and complete to the best of my knowledge and | belia. | | |
| I hereby certify that the information above is use | The Constitution of the Co | Vice-Presiden | t | DATE 4/23/99 |
| SIGNATURE JOHN | CYANAN TIN | vice-Presiden | | |
| | · vandon | | | ТЕLЕРНОМЕ NO. 325-1821 |
| TYPE OR PRINT NAME John Ale | :xanuer | | | |
| 1 | | DEPUTY OIL & GAS IN | SPECTOR DIST. #3 | A 00 9 7 1000 |
| (This space for State Use) | | NETUIT OIL & GAS IN | OI PRINCE LANCE | APR 27 1999 |
| Ph V.TI | X - | | | DATE |
| APPROVED BY Marky | m m | LC | | |
| CONDITIONS OF APPROVAL, IF ANY: | | | | |
| | T /10 To | | | |
| 3 .1 L 11 | / / / V V Q | | | |

Ext. Res June /1999

State of New Mexico Form C-103 NMOCD Submit 3 Copies Energy, Minerals and Natural Resources Department Revised 1-1-89 to Appropriate District Office 1 File OIL CONSERVATION DIVISION DISTRICT WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-045-28003 Santa Fe, New Mexico 87504-2088 DISTRICTI 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 FEE X STATE DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: Sly Slav GAS WELL X WELL 8. Well No. Name of Operator DUGAN PRODUCTION CORP. 9. Pool name or Wildcat 3. Address of Operator Basin Fruitland Coal P.O. Box 420, Farmington, NM Well Location 1800 West South : 1250 Feet From The Feet From The Line Unit Letter San Juan 30 North Range 15 West NMPM 13 Section 5 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5315' GL Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: ALTERING CASING REMEDIAL WORK PLUG AND ABANDON PERFORM REMEDIAL WORK PLUG AND ABANDONMEN COMMENCE DRILLING OPNS **CHANGE PLANS** TEMPORARILY ABANDON CASING TEST AND CEMENT JOB **PULL OR ALTER CASING** X OTHER: Report timing OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Plan to place this well on production during September 1998.

| | ① [] | L CON. DIV. dist. 3 |
|---|---------------------------------------|--------------------------------------|
| I hereby certify that the information above in true and complete to the bearpf my knowled SKONATURE TYPE OR PRINT NAME John Alexander | edge and belief. TITLE Vice-President | DATE _7/16/97 TELEPHONE NO. 325-1821 |
| (This space for State Use) APPROVED BY JOHNS OF APPROVAL, IF ANY: | DEPUTY OIL & GAS INSPECTOR, DIST. | . #3 JUL 1 8 199 |

| Submit 3 Copies to Appropriate District Office | | ' / | 3 NMOCD 1 File | Form C-103 Revised 1-1-89 |
|--|--|---|---|--|
| DISTRICT I P.O. Box 1980, Hobbs, NM 88240 DISTRICT II P.O. Drawer DD, Artesix, NM 88210 | /: | • | WELL API NO. 30-045-28003 5. Indicate Type of Le | |
| DISTRICT III 1000 Rio Brazos Rd., Azioc, NM 87410 | Tile OIL CONSERVATION DIVISION OIL CONSERVATION DIVISION DIVISIO | | 6. State Oil & Gas Le | |
| (DO NOT USE THIS FORM FOR P | PROPOSALS TO DRILL OR TO DEEPEN (SERVOIR, USE "APPLICATION FOR PER | OR PLUG BACK TO A | 7. Lease Name or Uni | t Agreement Name |
| Type of Well: OIL GAS WELL WELL | ОТНЕЯ | | Sly Slav | |
| Address of Operator P.O. Box 420, Farmi Well Location | ngton, NM 87499 | 100 | 9. Pool name or Wildo Basin Fruit | land Coal |
| 12 | Township 30 North Ran 10. Elevation (Show whether D | _{ge} 15 West | San Juan | County |
| ERFORM RENAMAL WORK EMPORARILY ABANDUNL 3 ULL OR ALTER OHG CON | PLE AND ABANDON | SUB REMEDIAL WORK COMMENCE DRILLING CASING TEST AND CE | SEQUENT REF | |
| work) SEE RULE 1103. T. 60 10 ho 1/at 20 | D. 770' reached on 7- I.H. with 6-1/4" bit, 00' - 770'. Circulate 0gs. T.I.H. with bit, 0le. Laid down drill 12#, 10.5#, J-55 casin 1740'. Pump 20 bbl: 10dense with 1/4# cello | 27-90. collars, & e hole. T.0 collars & dr pipe. T.I ng landed at s water. Ce oflake/sk, ta loflake/sk | drill pipe. O.H. Ran Cl. ill pipe. Co. H. with 19 766', floa ement with 20 ill with 50 (110 cu.ft. | Drilled DL & IES circulate jts. 4- t collar 25 sx 2% sx class slurry). |
| SKINATURE 1 | Jenot mu | Coologist | | DATE |
| (This space for State Use) |) | AND ENLERON DIST | | DATE JUL 3 1 1990 |

CONDITIONS OF APPROVAL, IF ANY:

| Submit 3 Copies to Appropriate District Office | | state of New Me and Natural Re | exico esources Department | 3 NMOCD 1 File | Form C-100 Revised 1-1 | |
|---|---|-----------------------------------|---|------------------------------|---------------------------|--------|
| DISTRICT I P.O. Box 1980, Hobbs, NIM 188749 10 | OIL CONS | ERVATIO P.O. Box 208 | N DIVISION | WELL API NO. 30-045-28003 | | |
| P.O. Drawer DD, Artesia, NM 88210 | | New Mexico | 87504-2088 | 5. Indicate Type of La | | [V] |
| DISTRICT III | 7_ | | | 6. State Oil & Gas Le | STATE | FEE X |
| 1600 Re Brizos Bd., Astec, NW 874 | 10 | | | 6. State Ott & Gas Le | 286 NO. | |
| SUNDRY N | OTICES AND REPO | ORTS ON WEL | LS | | | |
| (DO NOT USE THIS FORM FOR DIFFERENT RE (FOR | PROPOSALS TO DRILL SERVOIR. USE "APPLI M C-101) FOR SUCH PF | CATION FOR PER | OR PLUG BACK TO A | 7. Lease Name or Uni | t Agreement Name | |
| 1. Type of Well: OIL GAS WELL WELL WELL | X | отнех | | Sly Slav | | |
| 2. Name of Operator DUGAN PRODUCTION CO | TRP. | | | 8. Well No. | | |
| 3. Address of Operator | | | | 9. Pool name or Wilde | | |
| P.O. Box 420, Farm | ington, NM 874 | 99 | | Basin Fruit | land Coal | |
| 4. Well Location Unit Letter N: | 1250 Feet From The | South | Line and 1800 | Feet From Th | West | Line |
| Section 13 | Township | 30 North Ra | nge 15 West | NMPM San Juan | | County |
| | ////////////////// 10. Elevai | ion (Show whether i | DF, RKB, RT, GR, etc.) | | | |
| 11. Chec | <i>[[]]</i> | | Nature of Notice, Re | eport, or Other D | ata | |
| NOT | PATE INTRODUCTION | | | SEQUENT REF | | |
| PERFORM REMEDIAL NORK | PLUG AND | ANDON | REMEDIAL WORK | AL | TERING CASING | |
| AA AA | L2 7 1990 NGE PLA | | COMMENCE DRILLING | OPNS PU | UG AND ABANDON | IMENT |
| | | | CASING TEST AND CE | | | |
| PULL OR ALTER CASING | | | OTHER: Spud, Su | | cement | X |
| , | DIST. 3 | | | | | |
| 12. Describe Proposed or Completed O work) SEE RULE 1103. | perations (Clearly state all | persinent details, an | d give pertinent dates, includ | ling estimated date of sta | ning any proposed | |
| 3:00 P.M. o | on <u>7-25-90</u> wi collars & bit mented with 4 with 2.5 bbls | th air. . T.I.H. | lling. Spude Drilled surfa with 3 jts. 7 lass "B" neat Circulated 1 | 7", 20# casi | ng landed ic feet). | |
| Nipple up | Bradenhead & | BOP. P | ressure test | to 600# - | held OK. | |
| I hereby certify that the information above i | s true and complete to the best | of my knowledge and l | belia. | | | |
| And to | D'ans | m | Goologist | | 7-27- | 90 |
| TYPE OR PRINT NAME Jim L. | Jacobs | | | | TELEPHONE NO. 325 | -1821 |
| (This space for State Use) | | | | | | |
| | 0 | m | E | MCT 9 | DATE JUL 3 | 1300 |
| CONDITIONS OF APPROVAL IF ANY: | 0 | , | | | | |

und Office

1 File State of New Mexico 5 NMOCD Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

| P.O. Box 1980, Hobbs, NM DISTRICT II P.O. Drawer DD, Artesia, NI DISTRICT III 1000 Rio Brazos Rd., Aziec, | S M 88210 | API NO. (assigned by OCD on New Wells) 30-045-28003 5. Indicate Type of Lease STATE FEE XX 6. State Oil & Gas Lease No. | | | |
|--|-------------------|---|--|----------------------------|--------------------------|
| APPLICATION APPLIC | ON FOR PERMIT | O DRILL, DEEPEN, C | OR PLUG BACK | | |
| la. Type of Work: | Olt Cit Elimit | 7. Lease Name or Unit A | 7. Lease Name or Unit Agreement Name | | |
| DRILL b. Type of Well: OIL GAS WELL WELL (X) | RE-ENTER | DEEPEN SINGLE | PLUG BACK MULTERE ZONB | Sly Slav | |
| 2 Name of Operator DUGAN PRODUCTION | ON CORP. | 8. Well No. 3 9. Pool same or Wildcat Basin Fruitland Coal | | | |
| 3. Address of Operator P.O. Box 420, I | armington, NM | | | | |
| 4. Well Location Unit Letter N | : 1250 Feet Fr | oon The South | Line and 1800 | Feet From The W | est Line |
| Section 13 | Towns | hip 30 North Ran | ige 15 West | NMPM San Juan | County |
| | | | | | |
| | | 10. Proposed Depth 768 ¹ | 1 *** | Formation ruitland Coal | 12 Rotary or C.T. Rotary |
| 13. Elevations (Show whether 5315 GL | DF, RT, GR, etc.) | 4. Kind & Status Plug. Bond Statewide | 15. Drilling Contractor Salazar Dri | | Date Work will start |
| 17. | PR | OPOSED CASING AN | ID CEMENT PROC | RAM | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
| 9- 7/ 8" | 7" | 20# | 90' | 40 sx (48 cf) | surface |
| 6-1/4" | 4-1/2" | 10.5# | 768' | 105 sx (124 cf) | surface |
| • . | × | <u> </u> | | | - |

Plan to drill a 9-7/8" hole and set 90' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6-1/4" hole to total depth with gel-water-mud program to test the Fruitland Coal formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.



OIL CON. Dr. DIST. 3

| hereby certify that the let | formation above is true and complete to the best of my knowledge and belief. | |
|-----------------------------|--|---------------------|
| SIONATURE | Tomace & Bran me Vice-Pre | sident DATE 7-24-90 |
| TYPE OR PRINT NAME | Sherman E. Dugan | TELEPHONE NO. |

DEPUTY OIL & GAS INSPECTOR, DIST. #.

DATUL 2 4 1990

CONDITIONS OF APPROVAL, IF ANY:

Holde COYFOR CHE

APPROVAL EXPIRES_ UNLESS DRILLING IS COMMENCED. SPUD NOTICE MUST BE STIBLITYEN

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revued 1-1-89

3

Well No.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I P.O. Drawer DD, Anessa, NM 88210

DISTRICT. P.O. BUL 1980, Hobbe, NM 88240

DISTRICT III 1000 Ruo Brazos Rd., Azzec, NM 87410

Dugan Production Corporation

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Sly Slav

1.05.00

| Unit Letter | Section | Township | | Range | | County | |
|---------------------|--|-----------------------|------------------|--------------------------------|------------------------|------------------|--|
| N | 13 | 30 | North | 15 West | NMPM | | San Juan |
| Actual Footage Loca | won of Well: | | | | | | |
| 1250 | feet from the | South | line and | 1800 | feet from | wes Wes | t line |
| round level Elev. | | g Formstion | ane and | Pool | ica nom | UK | Dedicated Acreage: |
| 5315 | | and Coal | | Basin Fruitl | and Coal | | 320 |
| | | | | | | | Acres |
| i. Odube | me acterile decorates | to the subject wer | by coloned per | icil or hachure marks on the p | HAL DEIOW. | | |
| 2. If more | than one lease is ded | icated to the well, o | outline each and | identify the ownership there | of (both at to work) | ne interest and | rovalty). |
| | | | | | . , | • | · · · · · · · · · · · · · · · · · · · |
| 3. If more | than one lease of diff | ereat ownership is | dedicated to the | well, have the interest of all | owners been consol | lidated by com | munitization. |
| unit/22ti | ion, force-pooling, etc | 1.7 | | | | | |
| 44. | Yes | | | e of consolidation Will | | | |
| | | and tract descripts | ons which have | actually been consolidated. | (Use neverse side of | | |
| | beccessary. | | | | | | |
| | | | | es consolidated (by commun | itization, unitization | , forced-poolin | g, or otherwise) |
| OL TROLLE | SO-MANGAPO WALL BUT | usynas erce mesis | a. has been app | roved by the Division. | | | |
| 17-18-18 No. 2013 | | | , | | | OPERAT | OR CERTIFICATION |
| | | | | | | | certify that the informati |
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| DPC - 1 | വര് | | | | | The sme | W/anu |
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| 20 A 20 A 20 A 20 A | and the state of t | | | - | | Jile villeti | 2. 5939. |
| | | } | | | 1 1 | DELICOS | |
| | ! | | | | | Vice-Pre | sident |
| | FELE | | | | | ompasy | |
| | 1 | | | | | Dugan Pr | oduction Corp. |
| | 1 | 9 | | i | | Me | · · · · · · · · · · · · · · · · · · · |
| 3 | i | 8 | | E 6 10 10 0 00 | | 7-24-90 | |
| | | 1 | | DEFEIV | | | |
| | | Section | 13 | | | SURVEY | OR CERTIFICATION |
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| DPC - 1 | 00% | | | JUL 2 4 199 | | | that the well location show |
| DPC - 1 | 00% | []: | | an dian s | 01 | • | s plotted from field notes |
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| | | 10 | | 1 | ~ | dief. | |
| | | | | 1 | 1 10 | Date Surveyed | |
| | | | | | | | July 23, 1990 |
| 180 | 00 -11 | リーニュー | | i | - | gnature & Sea | |
| | | | | i | P | TOT CESTODE SUT | DIO. CO. |
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