



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

April 3, 1989

GARREY CARRUTHERS

GOVERNOR

Robert L. Bayless

P.O. Box 168

Farmington, NM 87499

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Attention: Kevin H. McCord  
Petroleum Engineer

Administrative Order NSP-1569

Dear Mr. McCord:

Reference is made to your application of January 3, 1989 and February 8, 1989, for a 160-acre non-standard gas proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool:

SAN JUAN COUNTY, NEW MEXICO  
TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM  
Section 34: NW/4

It is my understanding that this unit is to be dedicated to your Ruby Well No. 1, which is presently producing from the WAW Fruitland-Pictured Cliffs Sand Pool and is located at a previously authorized unorthodox coal gas well location, pursuant to Decretory Paragraph No. 4 of Division Order No. R-8768, 790 feet from the North line and 1790 feet from the West line (Unit C) of said Section 34.

By authority granted me under the provisions of Rule 6 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by said Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,

*for* William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
NM Oil and Gas Engineering Committee - Hobbs  
U.S. Bureau of Land Management - Farmington

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM61

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
RACHEL 91

2. Name of Operator **DUGAN PRODUCTION CORPORATION** Contact: **KURT FAGRELIUS**  
E-Mail: **kfagrelus@duganproduction.com**

9. API Well No.  
30-045-29835-00-X1

3a. Address  
**P. O. BOX 420  
FARMINGTON, NM 874990420**

3b. Phone No. (include area code)  
Ph: **505.325.1821**  
Fx: **505.327.4613**

10. Field and Pool, or Exploratory  
**BASIN FRUITLAND COAL**

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)  
**Sec 34 T26N R12W NESW 1620FSL 1760FWL**

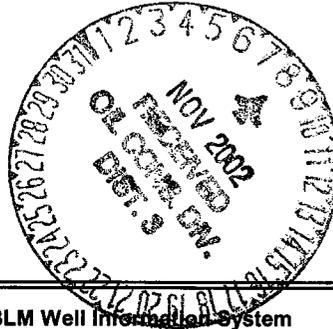
11. County or Parish, and State  
**SAN JUAN COUNTY, NM**

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Well Spud

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Spud 8-3/4" hole on 10/29/02.  
Set 7" 23lb./ft. casing. Landed at 126 ft.  
Cemented with 50 sx. (60 cu. ft.) Class "B" neat with 2% Calcium Chloride.  
Circulated 3 bbls. cement to surface.  
Pressure tested casing to 600psi - held ok.



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

**Electronic Submission #15391 verified by the BLM Well Information System  
For DUGAN PRODUCTION CORPORATION, sent to the Farmington  
Committed to AFMSS for processing by Adrienne Garcia on 11/05/2002 (03AXG0203SE)**

Name (Printed/Typed) <b>HANK BACA</b>	Title <b>PETROLEUM ENGINEER</b>
Signature (Electronic Submission)	Date <b>11/04/2002</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	ADRIENNE GARCIA Title <b>PETROLEUM ENGINEER</b>	Date <b>11/05/2002</b>
-----------------------------	--	------------------------

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**\*\* REVISED \*\* REVISED \*\***

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM61

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. RACHEL 91
2. Name of Operator DUGAN PRODUCTION CORPORATION		9. API Well No. 30-045-29835-00-X1
3a. Address P. O. BOX 420 FARMINGTON, NM 874990420		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
3b. Phone No. (include area code) Ph: 505.325.1821 Fx: 505.327.4613		11. County or Parish, and State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T26N R12W NESW 1620FSL 1760FWL		

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal
	<input checked="" type="checkbox"/> Other Drilling Operations

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**PRODUCTION CASING:**  
Drilled to TD of 1,310' on 11/02/02.  
Ran 4-1/2" 10.5# J-55 casing. Landed @ 1,306'.  
Cemented with 60 sx. 3% Lodense with 1/4# celloflake/sx.  
Tailed with 60 sx. Class "B" neat with 1/4# celloflake/sx.  
(Total 240 cu. ft. slurry)  
Circulated 7 bbls. cement.  
Job completed 11/02/02.



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

**Electronic Submission #15737 verified by the BLM Well Information System  
For DUGAN PRODUCTION CORPORATION, sent to the Farmington  
Committed to AFMSS for processing by Adrienne Garcia on 11/05/2002 (03AXG0204SE)**

Name (Printed/Typed) HANK BACA	Title PETROLEUM ENGINEER
Signature (Electronic Submission)	Date 11/04/2002

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	ADRIENNE GARCIA Title PETROLEUM ENGINEER	Date 11/05/2002
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Farmington

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**\*\* REVISED \*\* REVISED \*\***

**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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. <b>NM 61</b> 6. If Indian, Allotted or Tribe Name
2. Name of Operator <b>Dugan Production Corp.</b>	7. If Unit or CA, Agreement Designation  8. Well Name and No. <b>Rachel #91</b>
3. Address and Telephone No. <b>P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821</b>	9. API Well No. <b>30 045 29835</b>
Location of Well (Footage, Sec., T., R., M., or Survey Description)  <b>1620' FSL &amp; 1760' FWL (NESW) Unit K, 'Sec. 34, T26N, R12W, NMPM</b>	10. Field and Pool, or Exploratory Area  <b>Basin Fruitland Coal</b> 11. County or Parish, State <b>San Juan, NM</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Extend APD</u>	<input type="checkbox"/> 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.)\*

Request a 6 month extension on approved APD.

*Approved expires 2/20/03*



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

Signed *Kurt Fagrellius* Title Geologist Date 1/18/2002  
Kurt Fagrellius

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

Title 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

401 D 0100 500 NCRD

NMOC

5 BLM 1 File  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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**SUBMIT IN TRIPLICATE**

Type of Well  
 Oil Well     Gas Well     Other

Name of Operator  
Dugan Production Corp.

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)  
1620' FSL & 1760' FWL (NESW)  
Unit K, 'Sec. 34, T26N, R12W, NMPM



5. Lease Designation and Serial No.  
**NM 61**

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
**Rachel #91**

9. API Well No.  
**30 045 29835**

10. Field and Pool, or Exploratory Area  
**Basin Fruitland Coal**

11. County or Parish, State  
**San Juan, NM**

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

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<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
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	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Extend APD</u>	<input type="checkbox"/> Dispose Water

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

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Request 6 month extension on approved APD. Negotiating with Navajo Tribe for permit.

RECEIVED  
 2001 AUG 16 PM 5:07  
 070 16...

THIS APPROVAL EXPIRES FEB 20 2002

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

Signed Kurt Fagrelus Title Geologist Date 8/15/2001  
Kurt Fagrelus

This space for Federal or State office use)

Approved by Matthew Warren Title PetroWorm Engineer Date 8/17/01

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\*See Instruction on Reverse Side

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

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**SUBMIT IN TRIPLICATE**

Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. <b>NM 61</b>
Name of Operator <b>Dugan Production Corp.</b>	6. If Indian, Allotted or Tribe Name
Address and Telephone No. <b>P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821</b>	7. If Unit or CA, Agreement Designation
Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>620' FSL &amp; 1760' FWL (NESW) Unit K, 'Sec. 34, T26N, R12W, NMPM</b>	8. Well Name and No. <b>Rachel #91</b>
	9. API Well No. <b>30 045 29835</b>
	10. Field and Pool, or Exploratory Area <b>Basin Fruitland Coal</b>
	11. County or Parish, State <b>San Juan, NM</b>

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TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
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<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Change of plans</u>	<input type="checkbox"/> Dispose Water

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

3. 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.)\*

Change bit size for 7" surface casing from 9-7/8" to 8-3/4".

RECEIVED  
2001 JUL 11 AM 11:4  
070 Farmington, NM



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

Signed Terry Kochis Title Engineer Date 7/9/2001

This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date 7/13/01

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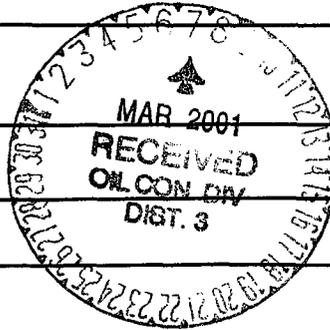
Type of Well  
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Name of Operator  
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Address and Telephone No.  
P.O. Box 420, Farmington, NM 87499 (505) 325-1821

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

1620' FSL & 1760' FWL (NESW)  
Unit K, 'Sec. 34, T26N, R12W, NMPM



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NM 61

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Rachel #91

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30 045 29835

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

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	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
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(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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Request a 6 month extension on approved APD. Negotiating with Navajo Tribe for permit.

2001 FEB 20 PM 1:21

THIS APPROVAL EXPIRES AUG 20 2001

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

Signed John Alexander Title Vice-president

Date 2/20/2001

(This space for Federal or State office use)

/s/ Jim Lovato

MAR - 5 2001

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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Type of Well  
 Oil Well     Gas Well     Other

Name of Operator  
Dugan Production Corp.

Address and Telephone No.  
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Location of Well (Footage, Sec., T., R., M., or Survey Description)

620' FSL & 1760' FWL (NESW)  
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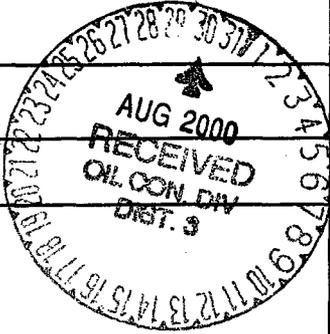
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Rachel #91

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30 045 29835

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State  
San Juan, NM



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	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Extend APD</u>	<input type="checkbox"/> Dispose Water

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

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*JEH*  
Request a 6 month extension on approved APD. Negotiating with Navajo Tribe for permit.

2000 AUG 23 PM 2:17  
070 FARMINGTON, NM

THIS APPROVAL EXPIRES 8/20/01

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

Signed Sherman E. Dugan Title Vice-president Date 8/23/2000

This space for Federal or State office use  
Approved by Jim Lovato Title \_\_\_\_\_ Date AUG 28 2000

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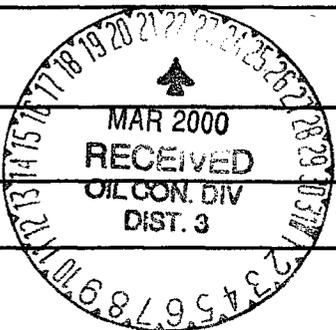
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Name of Operator  
Dugan Production Corp.

Address and Telephone No.  
P.O. Box 420, Farmington, NM 87499 (505) 325-1821

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

620' FSL & 1760' FWL (NESW)  
Unit K, Sec. 34, T26N, R12W, NMPM



5. Lease Designation and Serial No.  
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9. API Well No.  
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Basin Fruitland Coal

11. County or Parish, State  
San Juan, NM

**2. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Extend APD</u>	<input type="checkbox"/> Dispose Water

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

3. 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.)\*

Request a 6 month extension on approved APD.

*APD extension on approved APD*

2000 MAR -2 PM 4:04  
OIL CON. DIV. FARMINGTON, NM

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

Signed Sherman E. Dugan Title Vice-president Date 2/18/2000

This space for Federal or State office use)

Approved by /s/ Charlie Beecham Title Team Lead, Petroleum Management Date MAR 20 2000

Conditions of approval, if any:

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

RECEIVED  
BLM

98 SEP -2 AM 9:03  
070 FARMINGTON, NM

5. LEASE DESIGNATION AND SERIAL NO.  
NM 61

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
3812

8. FARMOR OR LEASE NAME, WELL NO.  
Rachel #91

9. AP WELL NO.  
30 045 29835

10. FIELD AND POOL, OR WILDCAT  
Basin Fruitland Coal

11. T. R. M. OR B.L.C. SURVEY OR AREA  
Sec. 34, T26N, R12W

12. COUNTY OR PARISH  
Dolan Juan

13. STATE  
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approx. 5.5 mi W of Carson Trading Post, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
880'

16. NO. OF ACRES IN LEASE  
1760

17. NO. OF ACRES ASSIGNED TO THIS WELL  
160\*

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. DPC Rachel #1 P&A  
approx. 977' from

19. PROPOSED DEPTH  
1310'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6222' GR (est)

22. APPROX. DATE WORK WILL START\*  
ASAP

RECEIVED  
FEB 22 1999  
OIL CON. DIST. 3

1A. TYPE OF WORK  
DRILL  DEEPEN

B. 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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At surface 1620' FSL & 1760' FWL (NE/4 SW/4)  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approx. 5.5 mi W of Carson Trading Post, NM

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6222' GR (est)

22. APPROX. DATE WORK WILL START\*  
ASAP

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	60sx (71 cu. ft.) circ. to surf.
6-1/4"	4 1/2"	10.5#	1310'	130sx (215 cu. ft.) circ. to surf.

Plan to drill a 9-7/8" hole and set 120' 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.

\*Non-Standard Proration Unit Application will be submitted to New Mexico Oil & Gas Commission.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Sherman F. Dugan TITLE Vice President DATE 8/31/98

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE FEB 19 1999

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Duane W. Spencer TITLE Team Lead, Petroleum Management DATE \_\_\_\_\_

\*See Instructions On Reverse Side

Title 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 omissions, or to conceal any material matter within its jurisdiction.

NMOCD

District I  
 ☐ Box 1980, Hobbs, NM 88241-1980  
 District II  
 ☐ Drawer DD, Artesia, NM 88211-0719  
 District III  
 ☐ 000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 ☐ 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

RECEIVED  
 98 SEP -2 AM 9:03

AMENDED REPORT

070 FARMINGTON, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

* All Number 30 045 29835		* Pool Code 71629	* Pool Name Basin Fruitland Coal
* Property Code 003812	* Property Name Rachel		* Well Number 91
* OGRID No. 006515	* Operator Name Dugan Production Corporation		* Elevation 6222' Estimated

10 Surface Location

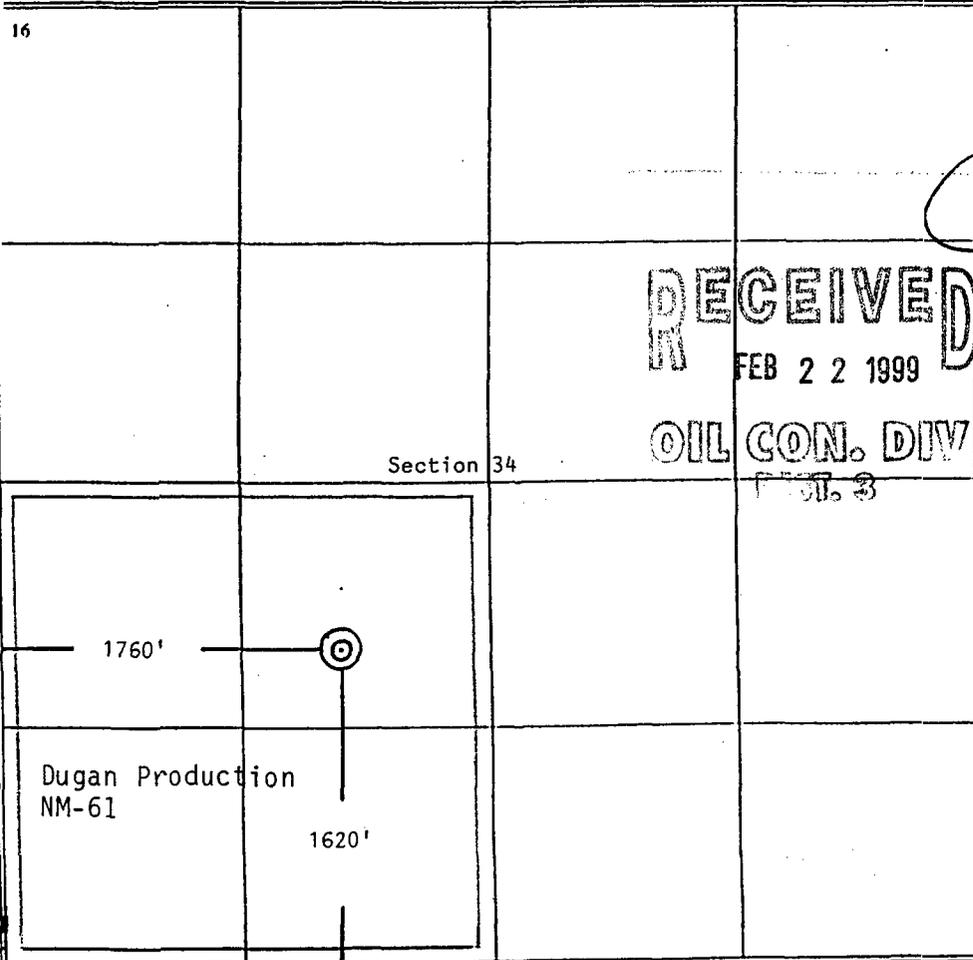
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	26N	12W	K	1620	South	1760	West	San Juan

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

* Dedicated Acres 160	* Joint or Infill	* Consolidation Code	* Order No. Non-Standard Proration Unit Application to be submitted.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

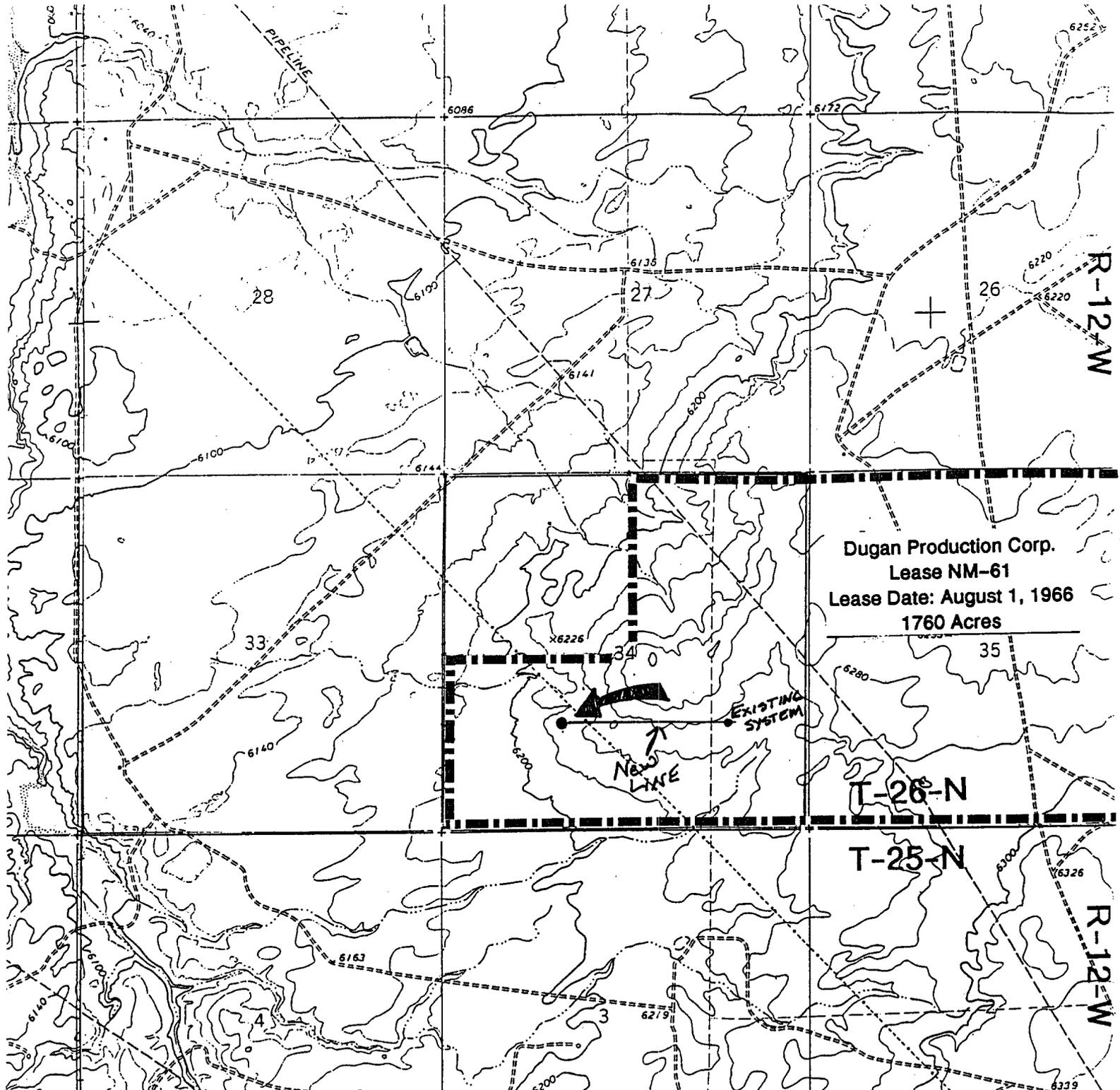
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*Sherman E. Dugan*  
 Signature  
 Sherman E. Dugan  
 Printed Name  
 Vice-President  
 Title  
 8/31/91  
 Date

18 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 belief.

March 8, 1998  
 Date of Survey  
 Signature and Seal of Edgar L. Risenhofer  
 Edgar L. Risenhofer  
 PROFESSIONAL SURVEYOR  
 5979  
 Certificate Number



Dugan Production Corp.  
 Lease NM-61  
 Lease Date: August 1, 1966  
 1760 Acres

ALL CONSTRUCTION ON-LEASE

Existing Roads \_\_\_\_\_  
 Proximity of nearest town or reference pt.  
 approx. 5.5 mi W of Carson Trading Post, NM  
 Type of surface \_\_\_\_\_ dirt \_\_\_\_\_  
 Conditions \_\_\_\_\_ good \_\_\_\_\_  
 Owner \_\_\_\_\_  
 Reference map: USGS map Carson Trading Post, NM &  
San Francisco Wash, NM      Dugan Production Corp.  
 Parcel #01

Planned Access Road(s)      Exhibit E  
 Width 20'      Maximum grades \_\_\_\_\_  
 Drainage design \_\_\_\_\_ as required \_\_\_\_\_  
 Cuts & Fills \_\_\_\_\_ as required \_\_\_\_\_  
 Surfacing material \_\_\_\_\_ none \_\_\_\_\_  
 Turnouts       Waterbars  
 Culverts  
 Gates  
 Cattleguards      Access Road & Pipeline  
 Fence cuts  
 Access road(s)  do not cross Fed./Ind. land.  
 No new access is required.