

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

DEC - 9 1999

OIL CONSERVATION DIVISION

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Dugan Production Corp. P. O. Box 420, Farmington, NM 87499-0420							OGRID Number 006515	
Contact Party John Alexander							Phone (505) 325-1821	
Property Name Zappa					Well Number 3		API Number 30 045 29908	
UL P	Section 27	Township 22N	Range 8W	Feet From The 790'	North/South Line South	Feet From The 1190'	East/West Line East	County San Juan

II. Date/Time Information

Spud Date 7/6/99	Spud Time 1130	Date Completed 12/2/99	Pool Bisti Chacra Ext.
---------------------	-------------------	---------------------------	---------------------------

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico)
County of San Juan) ss.
John Roe, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature John D. Roe Title Engineering Manager Date December 7, 1999
SUBSCRIBED AND SWORN TO before me this 7th day of December, 1999.
Cynthia L. Sweetland
Notary Public
My Commission expires: 8-11-2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Halvick</u>	Title <u>P.E. Lopez</u>	Date <u>JAN 31 2000</u>
----------------------------------	----------------------------	----------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 1/31/00

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2007336449

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

5. Lease Designation and Serial No.

NM 57445

6. If Indian, Allotted or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

7. If Unit or CA, Agreement Designation

2. Name of Operator

Dugan Production Corp.

8. Well Name and No.

Zappa #3

3. Address and Telephone No.

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

9. API Well No.

30 045 29908

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

790' FSL & 1190' FEL (SE/4 SE/4)
Unit P, Sec. 27, T22N, R8W, NMPM

10. Field and Pool, or Exploratory Area

Bisti Chacra Ext.

11. County or Parish, State

San Juan, NM

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

TYPE OF SUBMISSION		TYPE OF ACTION			
<input type="checkbox"/>	Notice of Intent	<input type="checkbox"/>	Abandonment	<input type="checkbox"/>	Change of Plans
<input checked="" 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>Surface casing</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.)*

Spud @ 1130 hrs 7/6/99. Run 7" 20# K-55 casing. Land @ 120'. Cement with 59 cu. ft. class "B" containing 1/4# celloflake/sx. Circulate 2 bbls cement to surface. Pressure test casing to 600 psi with no leaks.

RECEIVED
BLM
99 JUL -9 PM 12:02
070 FARMINGTON, NM

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

Signed John Alexander Title Vice-President Date 7/8/99
John Alexander

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

ACCEPTED FOR RECORD

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.

JUL 14 1999

*See Instruction on Reverse Side

OPERATOR

FARMINGTON FIELD OFFICE
BY 6-410

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1.a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER
 b. TYPE OF COMPLETION: NEW Well WORK OVER DEEP-EN PLUG BACK DIFF. CENTR. OTHER

5. LEASE DESIGNATION AND SERIAL NO.
NM 57445
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME, WELL NO.
Zappa #3
 9. API Well No.
30 045 29908
 10. FIELD AND POOL, OR WILDCAT
Bisti Chacra Ext.
 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Unit P
Section 27, T22N, R8W
 12. COUNTY OR PARISH
San Juan
 13. STATE
NM

2. Name of Operator
Dugan Production Corp.

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 790' FSL & 1190' FEL (SE/4 SE/4)
 At top prod. interval reported below same
 At total depth same

14. PERMIT NO.	DATE ISSUED	15. DATE SPUDDED 7/6/99	16. DATE T.D. REACHED 7/8/99	17. DATE CCMPL. (Ready to prod.) 12/2/99	18. ELEVATIONS (OF, RKB, RT, GR, ETC.) 6738'	19. ELEV. CASINGHEAD
20. TOTAL DEPTH, MD & TVD 1405'	21. PLUG BACK T.D., MD & TVD 1362'	22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY → TD	24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 1130' - 1252' (Chacra)	
26. TYPE ELECTRIC AND OTHER LOGS RUN GR-CCL-CNL					25. WAS DIRECTIONAL SURVEY MADE no 27. WAS WELL CORED no	

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
7"	20#	120'	9-1/8"	59 cuft class "B" containing 1/4# celloflake/sx	
4-1/2"	10.01#	1398'	6-1/4"	102 cu ft 2% Lodense containing 1/4# celloflake/sx.	
				Tail w/118 cu ft class "B" containing 1/4# celloflake/sx.	
				Total 220 cu ft.	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SBT (MD)
2-3/8"	1198'	NA

31. PERFORATION RECORD (Interval, size and number)

1130', 37', 44', 53', 63', 72', 80', 95', 1207', 13', 20', 1222', 30', 37', 42', 52' w/1 spf (16 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1130' - 1252'	750 gals 15% HCL

33.* PRODUCTION

DATE FIRST PRODUCTION: 12/2/99
 PRODUCTION METHOD: capable of production
 WELL STATUS: shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PRODN FOR TEST PERIOD	OIL - MCF.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
12/7/99	24 hours		→				

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24 - HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)
242 psi - SI	242 psi - SI	→				

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
vented - to be sold

TEST WITNESSED BY
C. Hall

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: John D. Roe Title: Engineering Manager Date: 12/7/99
 John D. Roe

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof: cored intervals; and all drill-stem, tests, including depth interval tested on used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo	78'	
				Kirtland	209'	
				Fruitland	568'	
				Pictured Cliffs	777'	
				Lewis	940'	
				Chacra	1124'	

WORKING INTEREST OWNERS

**ZAPPA #3
API #30 045 29908
Unit P, Section 27, T22N, R8W
San Juan County, New Mexico**

Dugan Production Corp. -- 100.0%