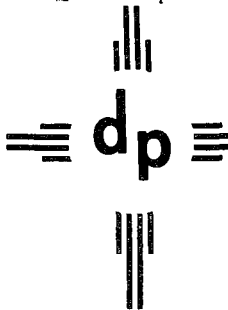
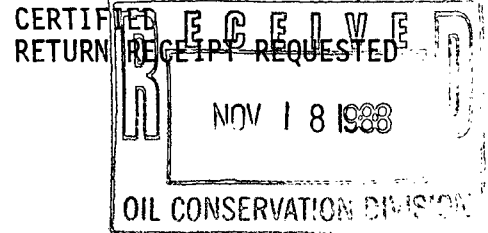


Sent only to Larnie Busch 11/30



dugan production corp.



November 14, 1988

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Administrative Approval
160 Acre Spacing Unit
Gibraltar #1 Well
T30N, R14W Section 9: NE/4
San Juan County, NM

Gentlemen:

Dugan Production Corp., hereby requests administrative approval for a 160 acre non-standard spacing unit consisting of the NE/4 of Section 9, T30N, R14W, under the rules of Order No. R-8768 establishing the Basin-Fruitland Coal Gas Pool. Said Order was made effective November 1, 1988 and provides for 320 acres spacing for wells producing from the Fruitland Coal Seams.

Dugan completed the referenced well on April 7, 1988, as a wildcat, spaced 160 acres. The well was drilled on USA lease number NM-55114, and communitized with USA lease #'s NM-56318, NM-63321, NM-58896, covering the NE/4 of said Section 9. Dugan was designated operator under Communitization Agreement NM-68523 approved effective 11/11/87.

✓ Dugan owns the operating rights in all the acreage surrounding the proposed Non-Standard spacing unit except for the E/2 SE/4 of Section 4 in which Dugan has been designated operator by the Record Title owner.

If there should be any questions concerning our application, please feel free to contact me.

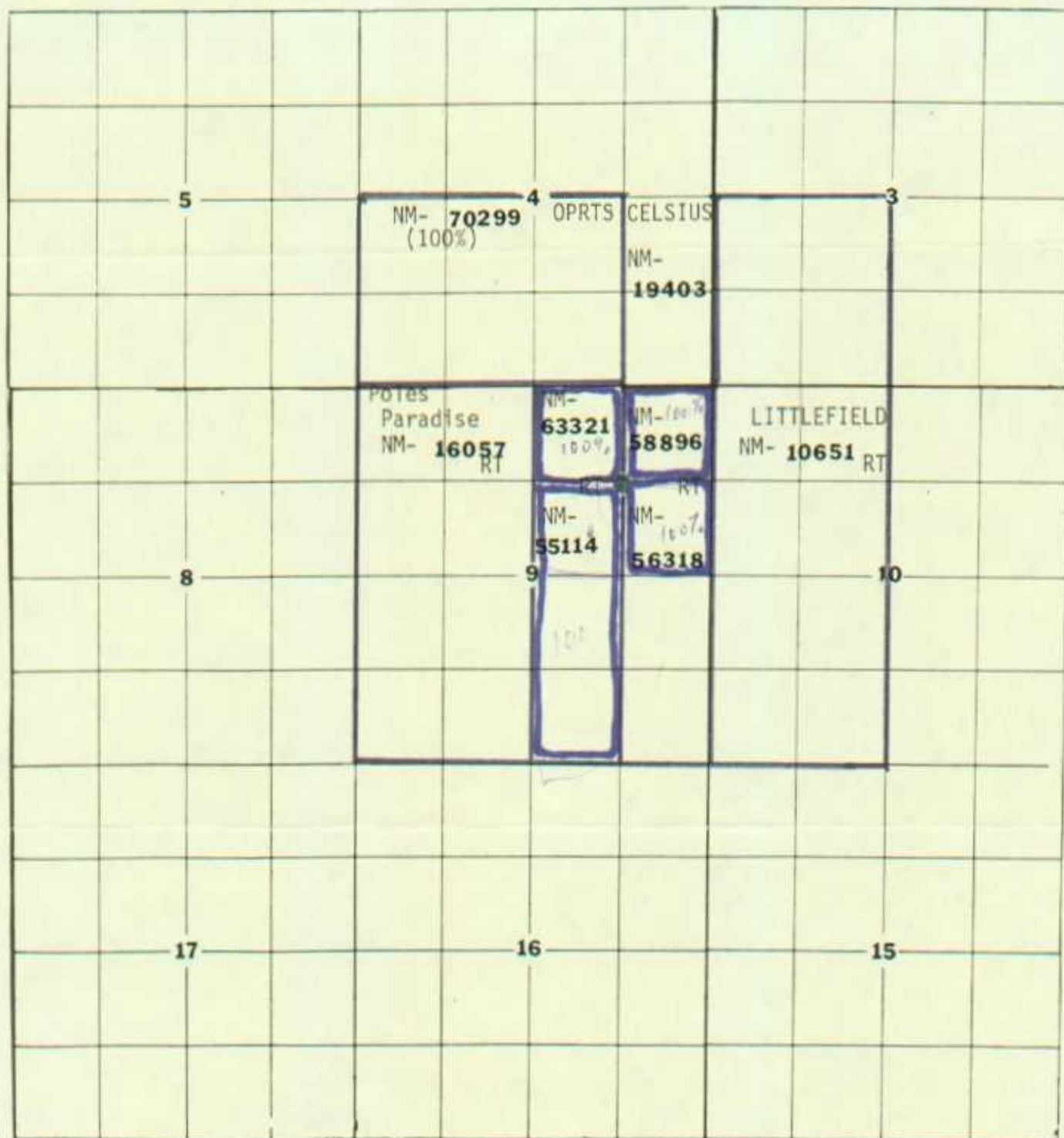
Sincerely,

Richard Corcoran
Landman

RC/dh

Enc.

R 14 W

T
3
0
N

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTForm C-104
Revised 10-01-78
Format 08-01-83
Page 1

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
OPERATOR	GAS
PRORATION OFFICE	

RECEIVED
MAY 12 1988
OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

OIL CONSERVATION DIVISION
SANTA FE
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator
DUGAN PRODUCTION CORP.
Address
P.O. Box 208, Farmington, NM 87499

Reason(s) for filing (Check proper box)
☒ New Well
☐ Recompletion
☐ Change in Ownership
 Change in Transporter of:
☐ Oil
☐ Gas
☐ Dry Gas
☐ Condensate
 Other (Please explain)

APR 27 1988
OIL CON. DIV.
DIST. 3

If change of ownership give name
and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

Lease Name Gibraltar	Well No. 1	Pool Name, including Formation Wildcat Fruitland	Kind of Lease State, Federal or Fee Federal	Lease No. NM 55114
Location Unit Letter G : 1850 Feet From The North Line and 1850 Feet From The East Line of Section 9 Township 30N Range 14W , NMPM, San Juan County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☐ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Gas ☐ or Dry Gas ☒	Address (Give address to which approved copy of this form is to be sent)
DUGAN PRODUCTION CORP.	P.O. Box 208, Farmington, NM 87499
If well produces oil or liquids, give location of tanks.	Is gas actually connected? When
	No

If this production is commingled with that from any other lease or pool, give commingling order number: _____

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Jim L. Jacobs
Jim L. Jacobs (Signature)
Geologist (Title)
4-26-88 (Date)

OIL CONSERVATION DIVISION
APR 27 1988
APPROVED *[Signature]*
BY *[Signature]*
SUPERVISOR DISTRICT # **5**
TITLE _____

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.

IV. COMPLETION DATA

Designate Type of Completion -- (X)		Oil Well	Gas Well XX	New Well XX	Workover	Deepen	Plug Back	Same Resrv.	Dill. Resrv.
Date Spudded 2-26-88	Date Compl. Ready to Prod. 4-7-88		Total Depth 1255'		P.B.T.D. 1045'				
Elevations (DF, RKB, RT, GR, etc.) 5596' GL	Name of Producing Formation Fruitland		Top Oil/Gas Pay 883'		Tubing Depth none				
Perforations 883' - 1040' - Fruitland						Depth Casing Shoe 1239'			
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT				
9-3/4"	7"		98'		41 cf				
5-1/8"	2-7/8"		1239'		162 cf				

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

GAS WELL

Actual Prod. Test - MCF/D 59 MCFD	Length of Test 3 hrs	Bbls. Condensate/MCF ---	Gravity of Condensate
Testing Method (pilot, back pr.) back pressure	Tubing Pressure (shut-in)	Casing Pressure (shut-in) 405 psi	Choke Size 7/16"

UNITED STATES

SUBMIT-IN DUPLICATE*

Budget Bureau No. 1004-0137
Expires August 31, 1985

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(See other In-
structions on
reverse side)

RECEIVED
BLM MAIL ROOM
88 APR 27 PM 1:57

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. CENVR. ☐ FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

2. NAME OF OPERATOR
DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR
P.O. Box 208, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1850' FNL & 1850' FEL

At top prod. interval reported below 5 1989

At total depth

14. PERMIT NO. DATE ISSUED

12-1-87

13. DATE SPUDDED 2-26-88 16. DATE T.D. REACHED 3-3-88 17. DATE COMPL. (Ready to prod.) 4-7-88 18. ELEVATION (OF RKB, RT, GR, ETC.)* 5596' GL 19. ELEV. CASINGHEAD 5596'

20. TOTAL DEPTH, MD & TVD 1255' 21. PLUG BACK T.D., MD & TVD 1045' 22. IF MULTIPLE COMPL., HOW MANY* *2 23. INTERVALS DRILLED BY T.D. 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 883- 1040' - Fruitland 25. WAS DIRECTIONAL SURVEY MADE no

26. TYPE ELECTRIC AND OTHER LOGS RUN

Induction Electric; Electric Guard; Density Neutron; GR-CCL

27. WAS WELL CORED
no

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7" OD	20#	98'	9-3/4"	41 cf class "B" neat+2%CaC	2 ---
2-7/8"	6.4#	1239'	5-1/8"	162 cf (50 sx 2% lodense &	---
50 sx class "B" neat).					

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					none		

31. PERFORATION RECORD (Interval, size and number)

1125-35 w/11 holes. Squeezed 1125-35 w/25 sx (29.5 cf) class "B" cement on 3-18-88.

Perforate 883-93, 1005-09, & 1035-40' w/ 20 shots - 0.34" holes.

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
883-1040'	300 gals 15% HCL
"	14,215 gals 70 quality foam
"	15,500 lbs 12-20 sand
1125-1150	300 gals 15% HCL

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
4-8-88		flowing					shut-in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
4-15-88	3	7/16"	→	---	7	---		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)		
	405 psi-si	→	---	59	---			

34. DISPOSITION OF GAS (Hold, used for fuel, vented, etc.)

awaiting pipeline connection

TEST WITNESSED BY

Brown

35. LIST OF ATTACHMENTS

*Perforations in the PC interval plugged back. Fruitland only producing completion.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED Jim I. Jacobs

TITLE Geologist

DATE 4-25-88

(See Instructions and Submit Additional Data on Reverse Side) BY

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Kirtland Fruitland	surface 665'	

5 BLM 1 File 1 ga 1 mba 1 bw 1 lc 1 fm 1 app 1 ed 1 rc 1 cf
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. WIRE DESIGNATION AND SERIAL NO.

NM 55114

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Gibraltar

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat - Pictured Cliffs

11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 9, T30N, R14W, NMPM

12. COUNTY OR PARISH

San Juan

13. STATE

NM

1a. TYPE OF WELL:

OIL WELL ☐

GAS WELL ☒

DRY ☐

b. TYPE OF COMPLETION:

NEW WELL ☒

WORK OVER ☐

DEEP-EN ☐

PLUG BACK ☐

DIFF. REVR ☐

Other

2. NAME OF OPERATOR

DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR

P.O. Box 208, Farmington, NM, 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

1850' FNL & 1850' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12-1-87

15. DATE SPUDDED

2-26-88

16. DATE T.D. REACHED

3-3-88

17. DATE COMPL. (Ready to prod.)

P & A

18. ELEVATIONS (DP, RKB, RT, GR, ETC.)*

5596' CL

19. ELEV. CASINOHEAD

5596'

20. TOTAL DEPTH, MD & TVD

1255'

21. PLUG. BACK T.D., MD & TVD

1045'

22. IF MULTIPLE COMPL. HOW MANY*

*2

23. INTERVALS DRILLED BY

ROTARY TOOLS

T.D.

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

P & A

25. WAS DIRECTIONAL SURVEY MADE

no

26. TYPE ELECTRIC AND OTHER LOGS RUN

Induction Electric; Electric Guard; Density Nuutron; GR-CCL

27. WAS WELL CORRED

no

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7" OD	20#	98'	9-3/4"	41 cf class "B" neat+2%CaC	---
2-7/8"	6.4#	1239'	5-1/8"	162 cf (50 sx 2% Iodense &	---
50 sx class "B" neat).					

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
none		

31. PERFORATION RECORD (Interval, size and number)

1144-50 with 6 holes. Squeezed 1144-50 w/
25 sx (29.5 cf) class "B" cement on 3-18-88

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1125-1150'	300 gals 15% HCL

33.*

PRODUCTION

DATE FIRST PRODUCTION

PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)

WELL STATUS (Producing or shut-in)

* P & A - Completed in Fruitland - see separate completion report.

DATE OF TEST

HOURS TESTED

CHOKES SIZE

PROD'N. FOR TEST PERIOD

OIL—BBL.

GAS—MCF.

WATER—BBL.

GAS-OIL RATIO

FLOW. TUBING PRESS.

CASINO PRESSURE

CALCULATED 24-HR'S RATE

OIL—BBL.

GAS—MCF.

WATER—BBL.

OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

35. LIST OF ATTACHMENTS

*Perforations in PC interval plugged back. Fruitland only producing completion.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Jim L. Jacobs

TITLE

Geologist

DATE

4-25-88

*(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, cushion 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
				Kirtland Fruitland Pictured Cliffs	surface 665' 1140'	

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test ☒ Initial ☐ Annual ☐ Special		Test Date 4-15-88	
Company DUGAN PRODUCTION CORP.		Connection	
Pool Wildcat		Formation Pictured Cliffs	
Completion Date 4-7-88	Total Depth 1255'	Plug Back TD 1045'	Elevation 5596' GL
Farm or Lease Name Gibraltar		Well No. 1	
Csg. Size 2-7/8"	Wt. 6.4#	Set At 1239'	Perforations: From 883' To 1040'
Thq. Size None	Wt. d	Set At d	Perforations: From To
Type Well - Single - Brdenhead - G.C. or G.O. Multiple Single - gas		Packer Set At	
Producing Thru casing		County San Juan	
Reservoir Temp. °F #		Mean Annual Temp. °F	
Baro. Press. - P _g		State New Mexico	
L	H	G _g .62	% CO ₂ % N ₂ % H ₂ S
Prover		Meter Run Taps	

FLOW DATA							TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
SI									405		7 days
1.											
2.											
3.	7/16" pos. choke					64°			2.5		3 hours
4.											
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor Fg	Super Compress. Factor, Fpr	Rate of Flow Q, Mcfd
1							
2.							
3.	4.1423		14.5	.9962	.9837	1.000	59
4.							
5.							

NO.	P _f	Temp. °R	T _f	Z	Gas Liquid Hydrocarbon Ratio	Mcf/bbl.
1.					A.P.I. Gravity of Liquid Hydrocarbons	Deq.
2.					Specific Gravity Separator Gas	XXXXXXX
3.					Specific Gravity Flowing Fluid	XXXXX
4.					Critical Pressure	P.S.I.A.
5.					Critical Temperature	R

NO.	P _i ²	P _w	P _w ²	P _c ² - P _w ²
1				
2				
3		14.5	210	173679
4				
5				

(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 1.0012$

AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 59$

(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 1.0010$

Absolute Open Flow	59	Mcf/d @ 15.025	Angle of Slope °	Slope, n	.85
--------------------	----	----------------	------------------	----------	-----

Remarks:

Approved By Division	Conducted By: Mark Brown	Calculated By: Brown	Checked By: Jacobs
----------------------	-----------------------------	-------------------------	-----------------------

Form 3160-5
(November 1983)
(Formerly 9-331)

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. ☐ OIL WELL ☐ GAS WELL ☒ OTHER	7. UNIT ACREMENT NAME
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.	8. FARM OR LEASE NAME Gibraltar
3. ADDRESS OF OPERATOR P.O. Box 208, Farmington, NM 87499	9. WELL NO. 1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1850' FNL & 1850' FEL	10. FIELD AND POOL, OR WILDCAT Wildcat - FR/PC
14. PERMIT NO.	11. SEC., T., R., N., OR BLK. AND SUBST OR AREA Sec. 9, T30N, R14W, NMPM
15. ELEVATIONS (Show whether OF, BT, CR, etc.) 5596' GL	12. COUNTY OR PARISH San Juan
	13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐
☐
☐
☐

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

☐
☐
☐
☐
☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

Plugged Back

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

☐
☐
☐
☒

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

17. 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.)*

Rigged up Cementers Inc. Squeezed perms 1125-35' and 1144-50 with 25 sx (29.5 cf) class "B" neat cement. Displaced with 6.25 bbls water.

RECEIVED
BLM MAIL ROOM
88 APR -7 PM 1:12
FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

RECEIVED
APR 13 1988
OIL CON. DIV.
DIST. 3

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

SIGNED

Jim L. Jacobs

TITLE

Geologist

DATE

4-6-88

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

APR 07 1988

FARMINGTON RESOURCE AREA

BY klr

NMOCC

*See Instructions on Reverse Side

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

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER		3. LEASE DESIGNATION AND SERIAL NO. NM 55114
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		6. IF INDIA, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 208, Farmington, NM 87499		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1850' FNL & 1850' FEL		8. FARM OR LEASE NAME Gibraltar
14. PERMIT NO.		9. WELL NO. 1
15. ELEVATIONS (Show whether SP, ST, CR, etc.) 5596' GL		10. FIELD AND POOL, OR WILDCAT Wildcat - FR/PC
		11. SEC. T, R., N., OR BLM, AND SURVEY OR AREA Sec. 9, T30N, R14W, NMPM
		12. COUNTY OR PARISH San Juan
		13. STATE NM

16. **Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	☐	WATER SHUT-OFF	☐
FRACURE TREAT	☐	FRACURE TREATMENT	☐
SHOOT OR ACIDIZE	☐	SHOOTING OR ACIDISING	☐
REPAIR WELL	☐	(Other)	☐
(Other) Plug Back	☒	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
PCLL OR ALTER CASING	☐	REPAIRING WELL	☐
MULTIPLE COMPLETE	☐	ALTERING CASING	☐
ABANDON*	☐	ABANDONMENT*	☐
CHANGE PLANS	☐		

17. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This well was perforated and tested in the Fruitland basal coal and upper Pictured Cliffs formation. Commercial gas production was not encountered. We plan to plug back perfs 1125' - 1150' with 25 sx class "B" neat cement (29.5 cu. ft.) leaving 50' above top perf. Will perf and test upper Fruitland.

Discussed procedure with Steve Mason 3-17-88.

RECEIVED
MAR 28 1988
OIL CON. DIV.
DIST. 3

RECEIVED
BLM MAIL ROOM
89 MAR 21 PM 2:15
FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

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

SIGNED <u>Jim L. Jacobs</u>	TITLE <u>Geologist</u>	DATE <u>3-18-88</u>
(This space for Federal or State office use)		

APPROVED BY CS TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

NMOCB

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER		5. LEASE IDENTIFICATION AND SERIAL NO. NM 55114	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 208, Farmington, NM 87499		7. UNIT ACQUISITION NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1850' FNL & 1850' FEL		8. FARM OR LEASE NAME Gibraltar	
14. PERMIT NO.		9. WELL NO. 1	
15. ELEVATIONS (Show whether OF, RT, CR, etc.) 5596' GL		10. FIELD AND POOL, OR WILDCAT Wildcat - FR/PC	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 9, T30N, R14W, NMPM	
		12. COUNTY OR PARISH San Juan	
		13. STATE NM	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	☐	WATER SHUT-OFF	☐
FRACURE TREAT			
SHOOT OR ACIDIZE			
REPAIR WELL			
(Other)			
PCLL OR ALTER CASING	☐	REPAIRING WELL	☐
MULTIPLE COMPLETE			
ABANDON*			
CHANGE PLANS			
(Other)			
		T.D., tbq. for casing & cement X	
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. 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.)

T.D. 1255' reached on 3-3-88.

RECEIVED
MAR 24 1988
CONSERVATION DIVISION
SANTA FE
T.I.H. and laid down drill pipe. Rigged up and ran 58 jts. 2-7/8" O.D., 6.4#, 10 Rd. NEUE tubing for casing (T.E. 1240.43') set @ 1239' GL. Cemented with 50 sacks 2 1/2 lodense followed by 50 sx class "B" neat (total cement slurry = 162 cubic feet). Had full returns while cementing. Circulated approximately 1 bbl cement to surface. P.O.B. @ 1:00 PM 3-4-88. Released rig @ 2:00 PM. 3-4-88.

RECEIVED
MAR 18 1988
OIL CON. DIV.
DIST. 3

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

SIGNED <u>Jim L. Jacobs</u>	TITLE <u>Geologist</u>	DATE <u>3-9-88</u>
(This space for Federal or State office use)		

APPROVED BY _____ TITLE _____ DATE MAR 15 1988
CONDITIONS OF APPROVAL, IF ANY:

NMOCO

*See Instructions on Reverse Side

FARMINGTON, NEW MEXICO
BY [Signature]

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. ☐ OIL WELL ☐ GAS WELL ☒ OTHER		RECEIVED MAR 02 1988		3. LEASE DESIGNATION AND SERIAL NO. NM 55114	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 208, Farmington, NM 87499		BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1850' FNL & 1850' FEL		10. FIELD AND POOL, OR WILDCAT Wildcat - FR/PC WC PC		8. FARM OR LEASE NAME Gibraltar	
14. PERMIT NO.		15. ELEVATIONS (Show whether OF, AT, OR, etc.) 5596' GL		9. WELL NO. 1	
				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 9, T30N, R14W, NMPM	
				12. COUNTY OR PARISH San Juan	
				13. STATE NM	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	☐	WATER SHUT-OFF	☐
FRACURE TREAT	☐	FRACURE TREATMENT	☐
SHOOT OR ACIDIZE	☐	SHOOTING OR ACIDIZING	☐
REPAIR WELL	☐	(Other) Spud, surface casing & test	☒
(Other)	☐	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. 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.)

Moved in & rigged up Morrow Drilling Company Rig. Spudded a 9-3/4" hole @ 11:30 A.M. on 2-26-88. Drilled to 100'. Ran 3 jts. 7" OD, 20#, 8 Rd, ST&C casing (T.E. 97.75') set @ 98' G.L. Cemented with 35 sx (41.3 cubic feet) class "B" neat cement + 2% CaCl₂. P.O.B. @ 4:00 PM 2-26-88. Had good cement returns to surface. W.O.C.

Pressure tested BOP and surface casing 500 psi for 30 minutes before drilling below surface casing-held OK.

RECEIVED
MAR 07 1988
OIL CON. DIV.
DIST. 3

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

SIGNED Jim L. Jacobs

TITLE Geologist

DATE 3-1-88

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE MAR 03 1988

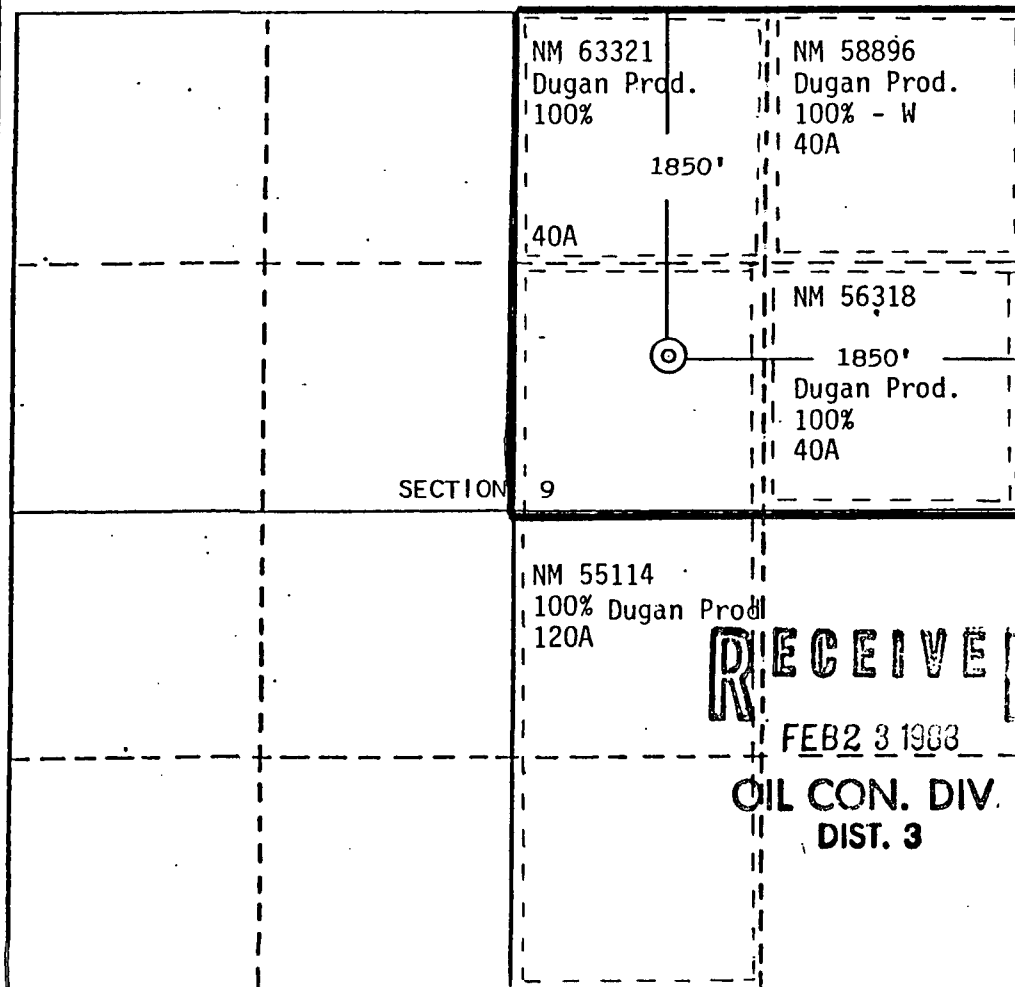
NMOCG
*See Instructions on Reverse Side

FARMINGTON RESOURCE AREA

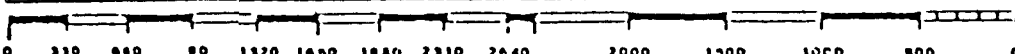
BY [Signature]

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

Operator Dugan Production Corporation		Lease Gibraltar		Well No. 1	
Unit Letter G	Section 9	Township 30 North	Range 14 West	County San Juan	
Actual Footage Location of Well: 1850 feet from the North line and 1850 feet from the East line					
Ground Level Elev. 5596	Producing Formation Fruitland/PC	Pool Wildcat / WUC	Dedicated Acreage: 160 Acres		
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? ☒ Yes ☐ No If answer is "yes," type of consolidation <u>Communitization Number NM 68523</u> <u>Effective 11-11-87</u> If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.					



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	Jim L. Jacobs
Position	Geologist
Company	Dugan Production Corp.
Date	2-22-88
I, <u>EDGAR L. RISENHOVER</u>, a location shown on the plat was obtained from field notes of occurrence made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	October 28, 1987
Registered Professional Engineer and/or Land Surveyor	
<u>Edgar L. Risenhoover</u> Certificate No. 5979 Edgar L. Risenhoover, L.S.	



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐

2. NAME OF OPERATOR

DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR

P.O. Box 208, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1850' FNL & 1850' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

approx. 7 miles NE of Kirtland, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

530'

16. NO. OF ACRES IN LEASE

120

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160/160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

1255'

20. ROTARY OR CABLE TOOLS

rotary

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

5596' GL

22. APPROX. DATE WORK WILL START*

rig availability

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	23#	90'	27 cubic feet circ. to surface
5-1/8"	2-7/8"	6.5#	1255'	185 cubic feet circ. to surface

Plan to drill with as little mud as possible, using the slim-hole technique to test the Fruitland-Pictured Cliffs formation. Plan to run IES log and if the well appears productive, will set 2-7/8" casing, cemented to surface. Will selectively perforate, possibly frac and clean out after frac.

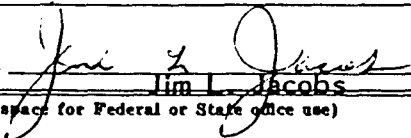
(APD originally submitted for Gen of Gibraltar #1 (lease #NM 16595) on 7-15-82 for Dakota test; APD approved, see archeology report #CR82-39; APD rescinded 8-31-82, lease expired.)

Gas is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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


Jim L. Jacobs

TITLE

Geologist

DATE

11-10-87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:


Hold 2-10-88 for Average Consolidation
NMOC

*See Instructions On Reverse Side

DATE

AS APPROVED
Robert Moore
AREA MANAGER

OIL CONSERVATION DIVISION

NEW MEXICO
OIL AND GAS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

Dugan Production Corporation			Lease Gibraltar		Well No. 1
Section G	Section 9	Township 30 North	Range 14 West	County San Juan	

Actual Footage Location of Well:

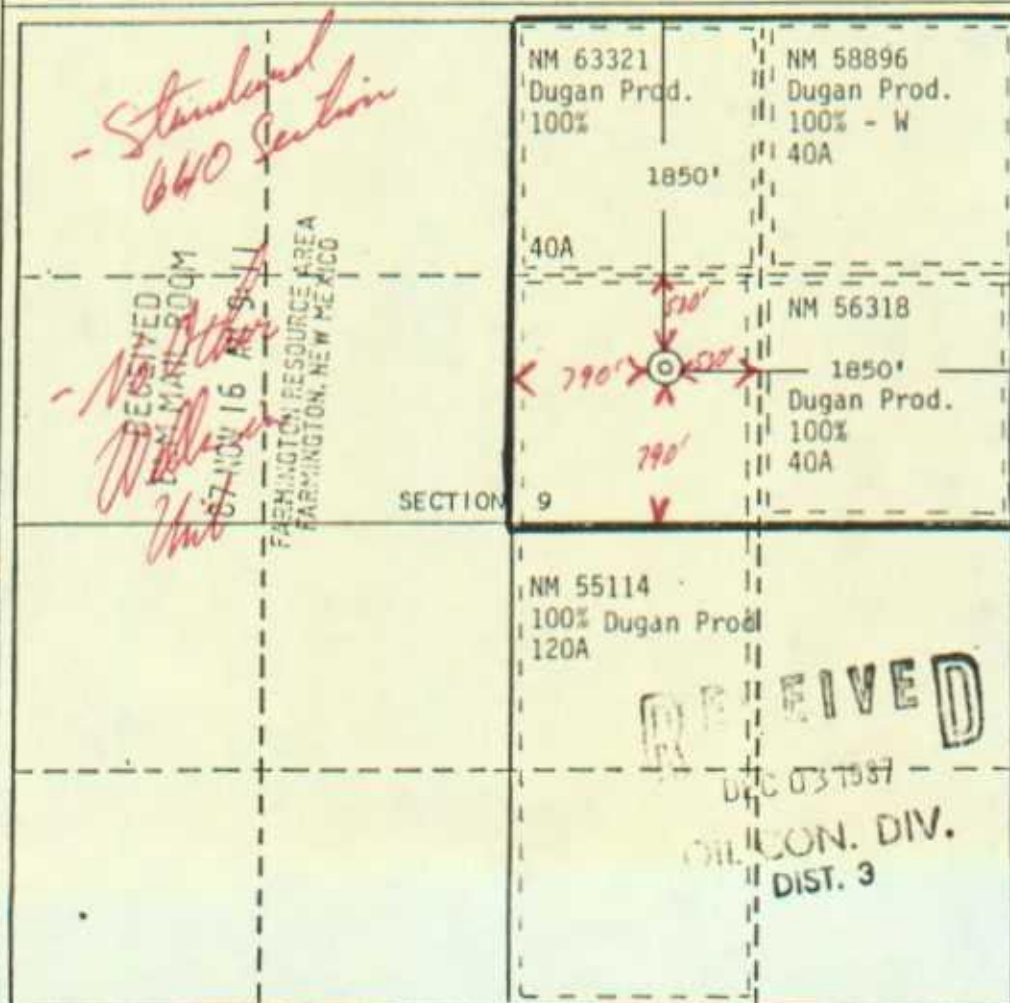
1850	feet from the	North	line and	1850	feet from the	East	line
Ground Level Elev. 5596	Producing Formation Fruitland/PC		Pool Wildcat- WC		Dedicated Acreage: 160/160		Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Will be Communitized

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

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



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs
Position

Geologist

Company
Dugan Production Corp.

Date
11-10-87



Date Surveyed
October 28, 1987

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.