District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101 March 4, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

APPLICATION FOR PERMIT TO DRILL, RE-								ENTI	ER, D	EEPEI	N. PLUGBAO	1	A	MENDED REPORT	
Operator Nan	Operator Name and Address Dugan Production Corporati								<u> </u>	E (OGRID Number		006515		
				East Muri				401						497	
Property Code	2441	って	7	Property Name Kir	ng Com	m ·						°W	Vell No.	3	
		<u></u>					Surface	Locat	tion_			<u></u>			
UL or lot no.	Section 11	Town 29	nship N	Range 14W	Lot I		Feet fro		North/S	South line rth	Feet from the 1975		ast/West line East	County San Juan	
L				8 Proposed	Botton	n Hol		tion If					Lust	Juli Oudh	
UL or lot no.	Section	Tow	nship	Range	Lot Id	(dn		Feet from the		South line	Feet from the	Ea	ast/West line	County	
⁹ Proposed Poo	^{al I} Har	rper	Hi	ll Fruitla	and S	and	P.C.		10 Propo	osed Pool 2	2				
				Dri	illing Pi	it Loc	cation 2	and O	ther In	format	ion			1	
UL or lot no.	Section 11	1	vaship 9N	Range	Lot I	Idn	1	irom the		South line	Feet from the	1	ast/West line	County	
B Depth to	1255'		3N	14W	Distance	from ne		90	No1		1975 Distance from nearest	East		San Juan an Juan Rive	
ground water 11 Work Type Co		 -	12 We	ell Type Code	fresh wat		ble/Rotary		Uli Cili Cili I E S surface water					an Juan Ryve	
	N			G	!	l		R			Р		549	95'	
¹⁶ Multiple)	1	17 Prop	oposed Depth 1255	. !		itlanc	d P.(: Sai	"Contract	տա ith Drillir	na	²⁰ Spud Date	ASAP	
					Propos							ــــــــــــــــــــــــــــــــــــــ		10/1 ₁	
Hole Si				sing Size	Casing	g weight		t Setting Depth			Sacks of Cer			Estimated TOC	
	7/8"			711		0#	!	<u> </u>	120	· 	70-s			Surface	
6-1	1/4"	 	4	-1/2"	1(0.5#	;	<u> </u>	1255	<i>i</i> .	120-\$	<u> </u>		Surface	
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Describe the b A wate Standa and Pi	²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. A water based gel-mud will be used to drill surface and production casing hole. Standard 2,000 psi BOP will be used to drill production hole. The Fruitland Sand and Pictured Cliffs Sand will be completed from approximately 1075'-1125'.											hole.			
of my knowled	¹³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines, a general permit, or							OIL CONSERVATION DIVISION							
	an (attached) alternative OCD-approved plan .							Approv	ved by:	1			,		
Signature:										K	Effek	<u>//</u>			
Printed name:									With	##J T 13			t, bist. (8		
Title:	Title: Geologist								Approvation Date UG - 4 2005						
E-mail Addre fagrelius@duganproduction.com															
Date:								Conditions of Approval:							
August 2, 2004 505-325-1821								Attached							

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico Energy, Minerals & Natural Resources Department

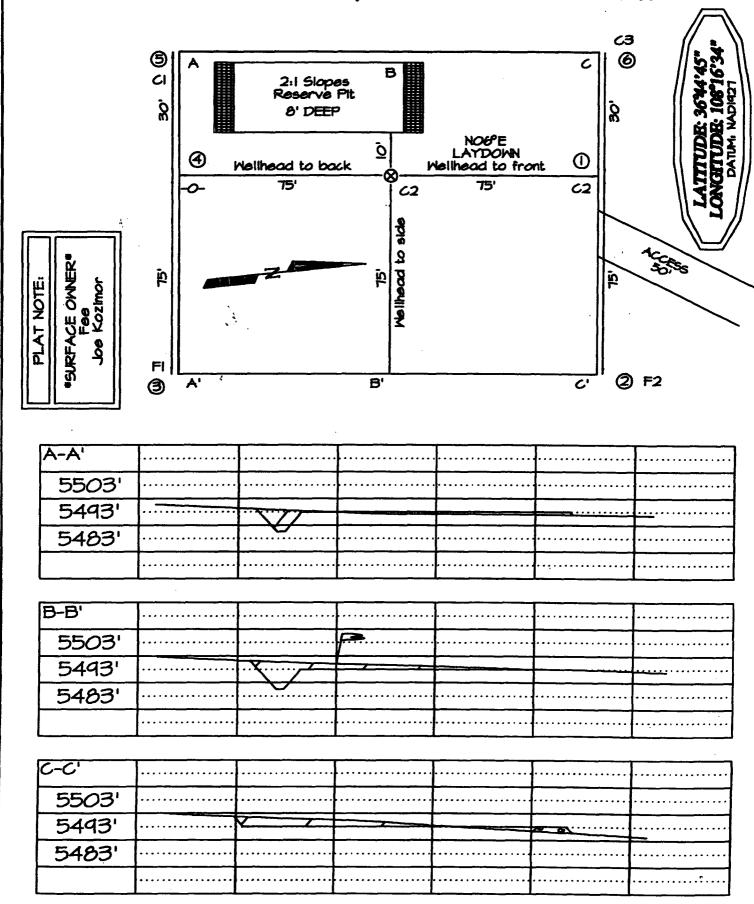
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-10 Revised February 21, 199 Instructions on bac to Appropriate District Offic

Submit to Appropriate District Offic State Lease - 4 Cobie Fee Lease - 3 Cobie

AMENDED REPORT

11 Bottom Hole Location If Different From Surface U. or lot no. Section Towards Renge Lot Idn Feet from the North/South live Feet from the Emit/Heet live County 160.0 Acres - (NE/4) **Joint or Infill **Convolution Code **Grown Ne. 160.0 Acres - (NE/4) NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 16 2590.50 2588.52 17 OPERATOR CERTIFICATION INTILE Management of the part of the information contesting region is true and complete contesting region in the part of the information contesting region is true and complete with the contesting region in the part of th	WELL LOCATION AND ACREAGE DEDICATION PLAT												
Companies Comp	30-045	32192						Pool Name					
DUGAN PRODUCTION CORPORATION 5495 **OBJECTION SECTION SECTION SECTION SECTION SUPPLY SECTION SECTION SUPPLY SECTION SE	Property Code		<u> </u>		· · · · · ·								
U. or list no. Section 1 Series 14 Series 17 Series 19 NORTH 1975 EAST SAN JUA 1975								1					
B 11 29N 14W 790 NORTH 1975 EAST SAN JUA 11 Bottom Hole Location If Different From Surface (A. or lot ro. Section Township Revol Lot for Feet from the NorthySouth line Feet from the East/Next line County 160.0 Acres - (NE/4) NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED ON A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 15 2590.50 2588.52 1975 OPERATOR CERTIFICATION INTERESTS HAVE BEEN CONSOLIDATED ON A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 16 AUG 2004 DPC - FEE 1975 OPERATOR CERTIFICATION INTERESTS HAVE BEEN CONSOLIDATED ON A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 16 AUG 2004 DPC - FEE 1975 OPERATOR CERTIFICATION INTERESTS HAVE BEEN CONSOLIDATED ON THE DIVISION 18 SURVEYOR CERTIFICATION INTEREST HAVE BEEN CONSOLIDATED ON THE DIVISION 1976 OPERATOR CERTIFICATION INTEREST HAVE BEEN CONSOLIDATED ON THE DIVISION OF THE DIVI													
Use of District. Section Towards force Unit Ion Feet from the North-South Line Feet from the Edet/Mest line County Desicated Acree 160.0 Acres (NE/4)	!	Lot Idn		the		, Fe							
Dedicated Acres 160.0 Acres** (NE/4) **Busin or Infill** Correction Until ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 15 2590.50 **DEPT.** (Proceedings) of the plant of the information contained herein is true and complete to the best of my involvinging and belief or the best of my involvinging and belief to the best of my involvinging and belief to the best of my involvinging and belief and the same Geologist Title August 2, 2004 Determine The plant was planted from fail and the same and that the same is true and correct to the best of my belief. Determine the plant was planted from fail and the same and the same and that the same is true and correct to the best of my belief. Determine the plant was planted from fail and the same and correct to the best of my belief. Determine and Seal of Professional Surveyor and Seal of Professio										асе		·	
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 15 2590.50 2588.52 17 OPERATOR CERTIFICATION INTERESTS HAVE BEEN CONSOLIDATED ON A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 16 2590.50 1975 1970 1970 1970 1975 1970	UL or lot no. Section	ot no. Section Township Range t			Feet from t	the	North/South line		Feet from the East/We		st line	County	
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 2590.50 2588.52 POPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Kurt Fagrelius Printed Name Geologist Title August 2, 2004 Date B SURVEYOR CERTIFICATION I hereby certify that the well incention can be contained and that the same is true and correct to the best of my belief. Date of Survey: JULY 12, 2004 Signature and Seal of Professional Surveyor C EDMA MEX. D APPESSION APPESSI	Dedicated Acres	O Acres	<u> </u>	/4)	¹³ Joint or Inf	¹⁴ Consolidation Cdde	⁵⁵ Orde	Inden No.					
2590.50 2588.52 TO OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my terminated period belief AUG 2004 DPC - FEE DPC - SF-078110 Dete Survey: OPERATOR CERTIFICATION I hereby certify that the will incention some of actual surveys made by ee or under any supervision and that the same is true and section of actual surveys made by ee or under any supervision and that the same is true and section of actual surveys made by each or under the same is true. Date of Survey: ULLY 12, 2004 Signature and Seal of Professional Surveyor C. Edward MEX. MEX	NO ALLOWABLE	WILL BE	ASSIGNE	D TO TH	IS COMPLI	ETIO	N UNTIL ALL I	NTE	RESTS HAV	E BEEN	CONSC	LIDATED	
OPERATOR CERTIFICATIO I hereby certify that the incomplete to the best of my knowledge and belief OPERATOR CERTIFICATIO I hereby certify that the incomplete to the best of my knowledge and belief Signature Kurt Fagrelius Printed Name Geologist Title August 2, 2004 Date SURVEYOR CERTIFICATION I hereby certify that the well location about on this plate was plotted from failed rotes of actual surveys nade by me or under any supervision and that the same is true and correct to the best of my belief. Date of Survey: JULY 12, 2004 Signature and Seal of Professional Surveyor OC. EDING MEX. SIGNATURE MEX. Signature AUG 2006 AUG 2007 AUG 2007 Date of Survey: JULY 12, 2004 Signature and Seal of Professional Surveyor 15269 B. 15269 B. 15269 B. 15269 B. 15269 B. 15269 B. 15269	OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION												
UASON C. EDWARDS	6 <u>107</u>	AUG 200	07 6 100	LOT 3 LOT 2	DPC -		-078110	2641	I hereby contained to the bury Signature Printed I Title Date 18 SURVE I hereby contents of a my supervisand correct Date of Signature a	Ku Name Ge Au YOR Entify the horizontal state of my Ku Name Ge Au YOR Continue the box sind, and it to the box sind survey and Seal of Continue the survey and Seal of Continue the su	rt Factorial strategy and strat	prelius FICATION Complete and belief grelius FICATION Complete and belief Grelius FICATION Complete and belief Complete and be	

DUGAN PRODUCTION CORPORATION KING COM #3 790' FNL & 1975' FEL, SECTION 11, T29N, R14W, NMPM SAN JUAN COUNTY, NEW MEXICO ELEVATION: 5495'



Note: Contractor should call One—Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction