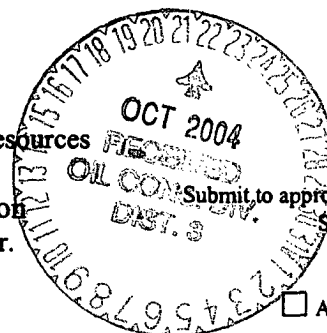


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-101
March 4, 2004

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401		² OGRID Number 006515
		³ API Number 30 - 045-32458
⁴ Property Code 3850	⁵ Property Name State Com	⁶ Well No. 2C

7 Surface Location

UL or lot no. B	Section 16	Township 32N	Range 12W	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County San Juan
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8 Proposed 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
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⁹ Proposed Pool 1 Blanco Mesaverde	¹⁰ Proposed Pool 2
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Drilling Pit Location and Other Information

UL or lot no. B	Section 16	Township 32N	Range 12W	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County San Juan
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Depth to ground water Greater than 250 feet	Distance from nearest fresh water well Approx. 2-miles.	Distance from nearest surface water 700' to ephemeral str.
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¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6045
¹⁶ Multiple S	¹⁷ Proposed Depth 4710	¹⁸ Formation Mesaverde	¹⁹ Contractor Unknown	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	200'	125 cu.ft.	Surface
7-7/8"	4-1/2"	10.5#	4710'	1610 cu.ft.	Surface

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. Plan to drill 12-1/4" hole and set 200' of 8-5/8" surface casing. Then plan to drill 7-7/8" hole to total depth using standard 2,000 psi BOP and gel water to test Mesaverde. Plan to run IES and CDL logs, if determined productive will run 4-1/2" casing, perforate, frac and complete well.

²³ 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 an (attached) alternative OCD-approved plan ☐.
Pits will be lined and abandoned as per OCD guidelines.
Signature: *Kurt Fagrelus*

Printed name: Kurt Fagrelus

Title: Geologist

E-mail Address: kfagrelus@duganproduction.com

Date: Oct. 20, 2004

Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by:

Title: *DEPUTY OIL & GAS INSPECTOR, DIST. 3*

Approval Date: OCT 22 2004

Expiration Date: OCT 22 2005

Conditions of Approval:

Attached ☐

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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32458		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 3850	*Property Name STATE COM		*Well Number 2C
*OGRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 6045'

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
B	16	32N	12W		660	NORTH	1980	EAST	SAN JUAN

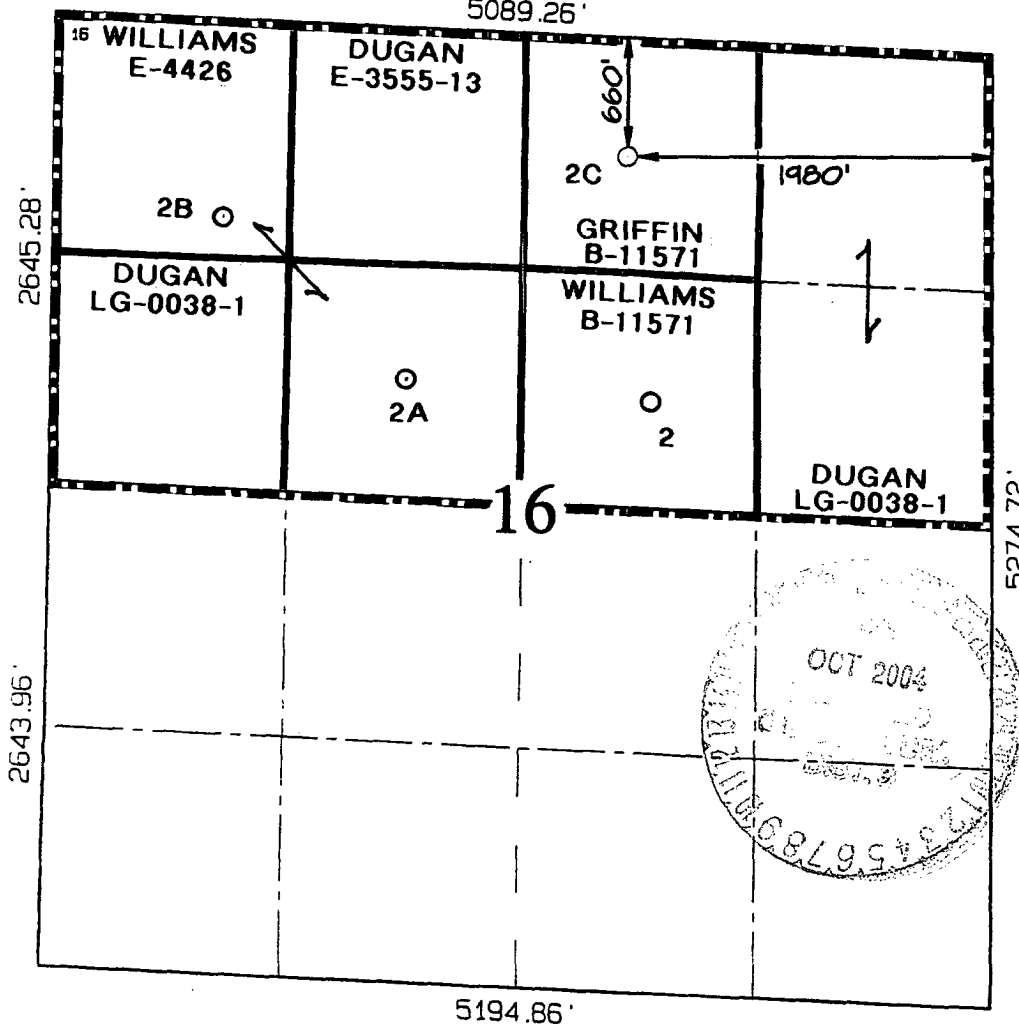
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres	320.0 Acres - (N/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

5089.26



17 OPERATOR CERTIFICATION

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

Kurt Fagrelis
Signature Kurt Fagrelis

Printed Name	Geologist
Title	Oct. 20, 2004
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.

Survey Date: SEPTEMBER 30, 2004

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

DUGAN PRODUCTION CORPORATION STATE COM #2C
660' FNL, 1980' FEL, SECTION 16, T32N, R12W, NMPM
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6045'

LATITUDE: 36°59'29"
LONGITUDE: 108°05'54"
 DATUM: NAD1927

PLAT NOTE:

SURFACE OWNER
 State of New Mexico

