

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

SEP 2006

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**

<sup>1</sup> Operator Name and Address Dugan Production Corp. 709 East Murray Drive, Farmington, New Mexico 87401		<sup>2</sup> OGRID Number 006515
		<sup>3</sup> API Number 30 - 33927
<sup>4</sup> Property Code 35980	<sup>5</sup> Property Name Sponge Bob SWD	<sup>6</sup> Well No. 1

**<sup>7</sup> Surface Location**

UL or lot no. K	Section 36	Township 30N	Range 14W	Lot Idn	Feet from the 2300	North/South line South	Feet from the 1810	East/West line west	County San Juan
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	--------------------

**<sup>8</sup> 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

<sup>9</sup> Proposed Pool 1 SWD moving salt water	Entrada Salt Water Disposal Well	<sup>10</sup> Proposed Pool 2
---	----------------------------------	-------------------------------

**Drilling Pit Location and Other Information**

UL or lot no. K	Section 36	Township 30N	Range 14W	Lot Idn	Feet from the 2300	North/South line South	Feet from the 1810	East/West line West	County San Juan
Depth to ground water +100'				Distance from nearest fresh water well +1,000'			Distance from nearest surface water +200'		
<sup>11</sup> Work Type Code N		<sup>12</sup> Well Type Code S		<sup>13</sup> Cable/Rotary R		<sup>14</sup> Lease Type Code S		<sup>15</sup> Ground Level Elevation 5608'	
<sup>16</sup> Multiple N		<sup>17</sup> Proposed Depth 7425'		<sup>18</sup> Formation Entrada Ss.		<sup>19</sup> Contractor Patterson UTI		<sup>20</sup> Spud Date 9-15-2006	

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36#	360'	180 sks	Surface
8-3/4"	5-1/2"	15.5# & 17#	7425'	3250 sks	Surface

<sup>22</sup> 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 holes. Standard 2,000 psi BOP will be used to drill production hole. The Entrada Ss. will be completed for salt water disposal from approximately 7085' - 7220'.

<sup>23</sup> 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 ☐.

Signature: *Kurt Fagrelis*

Printed name: Kurt Fagrelis

Title: Geology

E-mail Address: kfagrelis@duganproduction.com

Date: Sept. 6, 2006

Phone: 505-325-1821

**OIL CONSERVATION DIVISION**

Approved by:

*[Signature]*

Title: DEPUTY OIL & GAS INSPECTOR, DIST. 8

Approval Date: SEP 06 2006

Expiration Date: SEP 06 2007

Conditions of Approval:

Attached ☐

*SWD order*

8

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

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33927		*Pool Code 96162	*Pool Name SWD Morris Bluff ENTRADA SWD
*Property Code 35980	*Property Name SPONGE BOB SWD		*Well Number 1
*OGRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 5608'

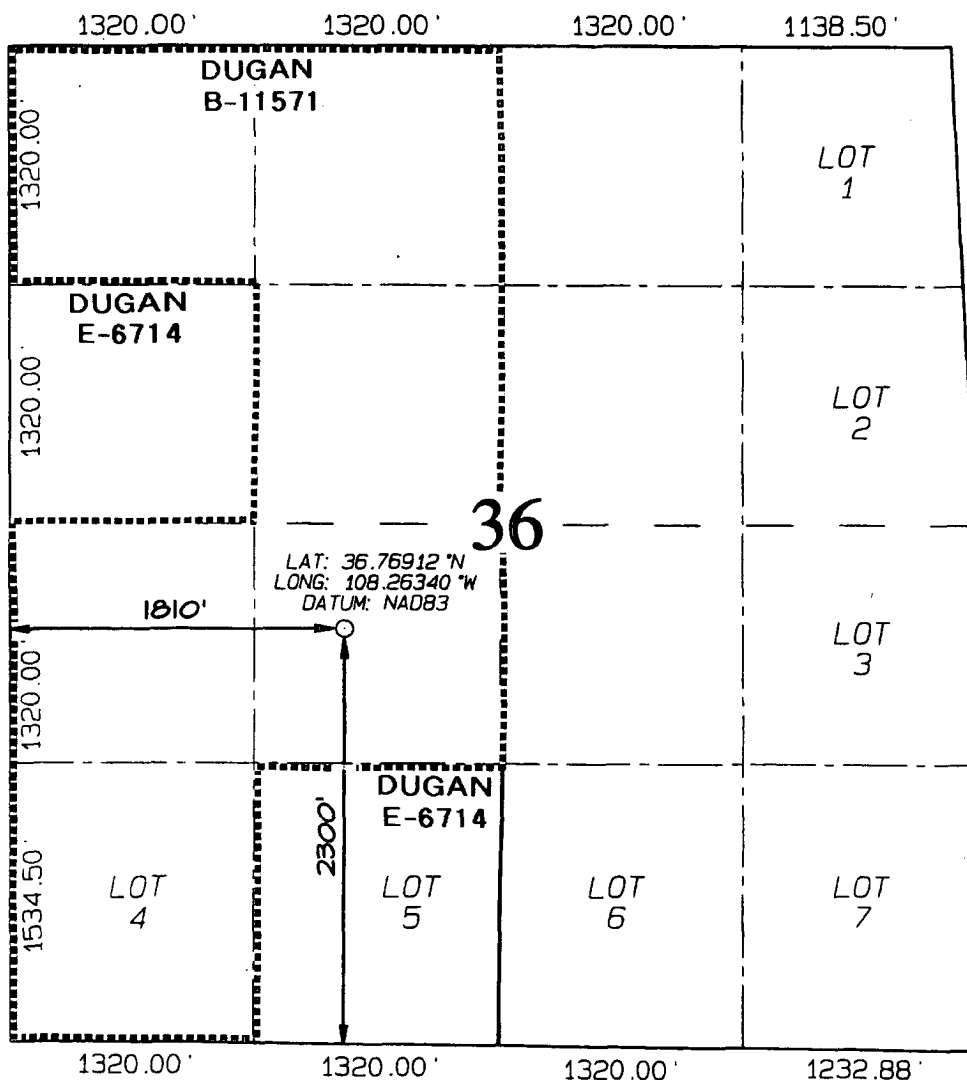
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
K	36	30N	14W		2300	SOUTH	1810	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres Not Applicable	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------



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

<sup>17</sup> OPERATOR CERTIFICATION

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

*Kurt Fagrelus*  
Signature

Kurt Fagrelus

Printed Name

Geology

Title

Sept. 6, 2006

Date

<sup>18</sup> 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 6, 2006

Signature and Seal of Professional Surveyor



*JASON C. EDWARDS*  
Certificate Number 15269

DUGAN PRODUCTION CORPORATION SPONGE BOB SMD #1

2300' FSL & 1810' FWL, SECTION 36, T30N, R14W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

