Form 3160-5 (June 1990)

Conditions of approval, if any:

UNITED STATES DEPARTMENT OF THE INTERIOR BURGALLOS LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

BUREAU OF LAND MANAGEMENT Expires: March 31,1993 5. Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NM-26052 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Allotted or Tribe Name Use "APPLICATION FOR PERMIT -" for such proposals SUBMIT IN TRIPLICATE 7. If Unit or CA, Agreement Designation 1. Type of Well Gas SMR1154 Weli Well 8. Well Name and No. 2. Name of Operator Dugan Production Corp. Mucho Deal CDP 9. API Weil No. 3. Address and Telephone No. P.O. Box 420 . Farmington, NM 87499 (505) 325 - 1821 Multiple - see below 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Basin Dakota/ Harper Hill FrSd/PC Multiple - see below 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 Notice of Intent Abandonment Change of Plans Recompletion **New Construction** Non-Routine Fracturing П Plugging Back Subsequent Report Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection X Other Dispose Water Surface commingling (Note: Report results of multiple comp 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.)* In the attached application dated 8/25/00, Dugan Production Corp. has propsed to convert the existing gas sales meter for Dugan's Mucho Deal No. 1 to a central delivery sales meter for Dugan's Mucho Deal No. 1 and No. 14 wells. This will require the surface commingling of gas from the Harper Hill Fruitland Sand/PC and Basin Dakota gas pools. Pertinent data for the wells and CDP sales meter is: Well/Meter API No. Location Lease or CA No. Mucho Deal No. 1 30-045-22570 SENW-14-30N-14W NM-CA #SMR1154 Mucho Deal No. 14 SENW-14-30N-14W NM-26052 30-045-30179 **CDP Sales Meter** SENW-14-30N-14W NM-26052 none 14. I hereby certify that the foregoing is true and correct John D. Roe Engineering Manager Date 8/25/2000 (This space for Federal or State office use) Approved by

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.