

1 Cramer Oil
1 Chorney
1 Norcen
1 Union PacificUNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR

P.O. Box 420, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface660' FNL & 1980' FWL
At proposed prod. zone

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

approx. 9-1/2 miles southwest of Blanco Trading Post

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

660'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. DPC's proposed

2970' from

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80-09

19. PROPOSED DEPTH

4670'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) F10 Jo #1
6575' GL DRILLING OPERATIONS AUTHORIZED ARE22. APPROX. DATE WORK WILL START*
ASAP23. SUBJECT TO COMPLIANCE WITH ATTACHED
PROPOSED CASING AND CEMENTING PROGRAM
GENERAL REQUIREMENTS

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------------|
| 12-1/4" | 8-5/8" | 24# | 200' | 159 cf circ. to surface |
| 7-7/8" | 4-1/2" | 10.5# | 4670' | 1474 cf circ. to surface |

Plan to drill a 12-1/4" hole and set 200' of 8-5/8" OD, 24#, J-55 surface casing; then plan to drill a 7-7/8" hole to total depth with gel-water-mud program to test Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

RECEIVED

JUN 24 1989

GEOLOGICAL DIV.

DIST. 3

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.

SIGNATURE

(This space for Federal or State office use)

Vice President/
Geologist

TITLE

DATE

7-14-89

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

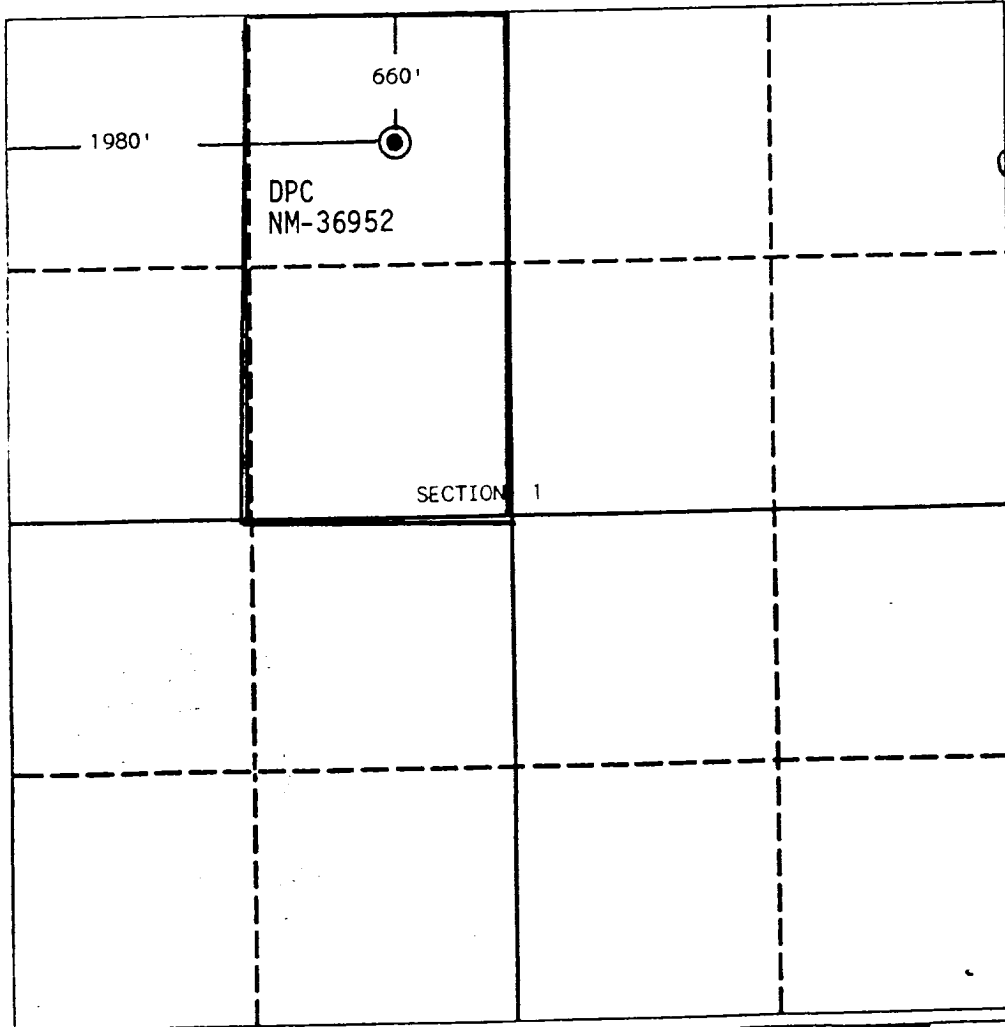
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|---|--------------|-------------------------------|---------------------------------|-------------------------|-----------------------------------|
| Operator Dugan Production Corporation | | | Lease Flo-Jo | | Well No. #2 |
| Unit Letter C | Section 1 | Township 23 North | Range 11 West | County NMPM San Juan | |
| Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line | | | | | |
| Ground level Elev. 6575 | | Producing Formation Gallup | Pool South Bisti Gallup Ext. | | Dedicated Acreage: 80-09 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

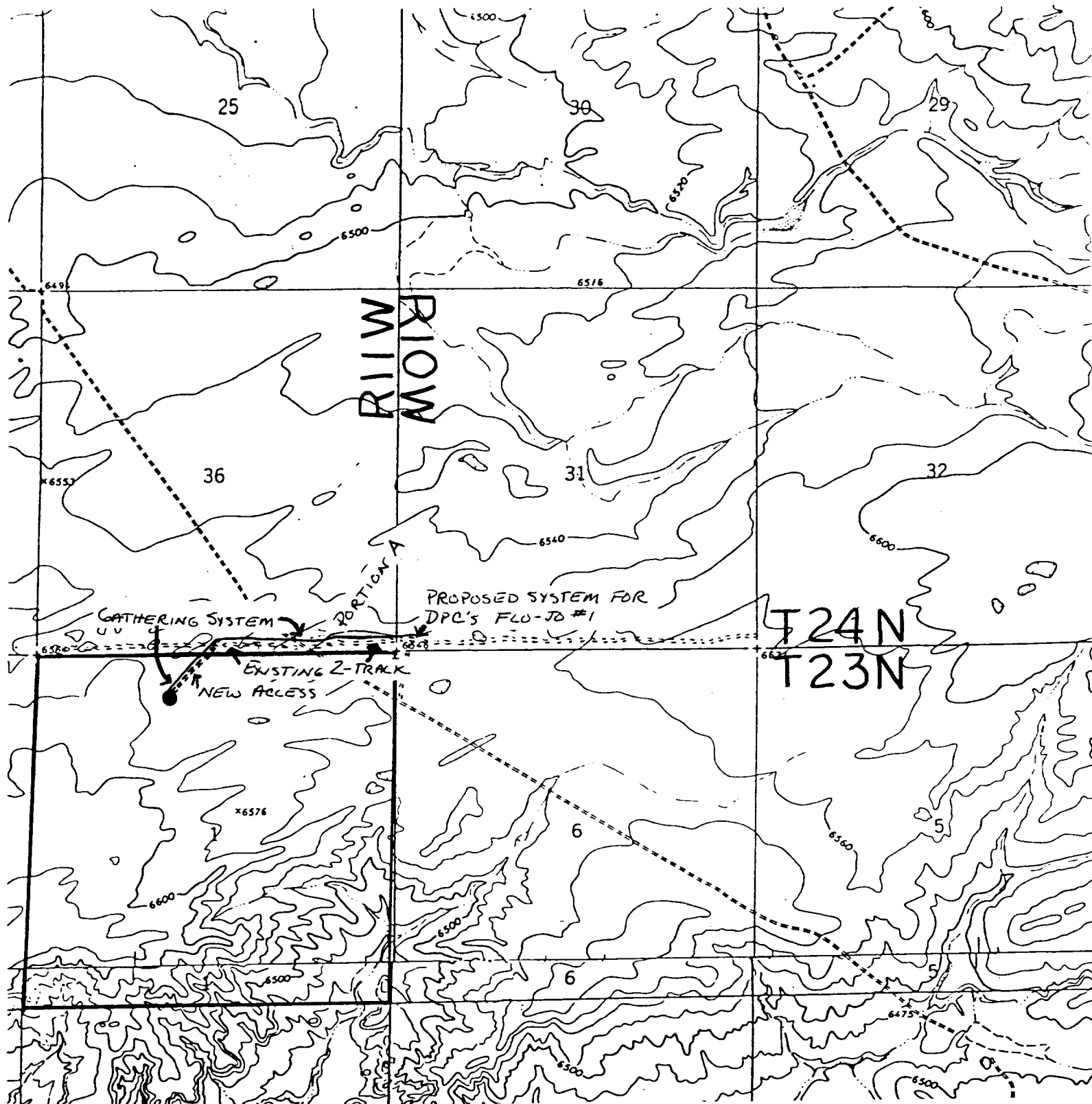
Signature
Sherman E. Dugan
Printed Name
Sherman E. Dugan
Position
Vice-President
Company
Dugan Production Corp.
Date
7-14-89

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 knowledge and belief.

Date Surveyed
June 20, 1989

Signature & Seal of
Professional Surveyor
Edgar L. Risenhoover
NEW MEXICO
15979
Certification No. 15979
Edgar L. Risenhoover



DUGAN PRODUCTION CORP. - Flo Jo #2

Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.
approx. 9.5 miles southwest of Blanco

Trading Post

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map: Huerfano Trading
Post SW 1966: Pueblo Bonito NW 1966

Planned Access Road(s)

Exhibit E

Width 25' Maximum grades 3%

Drainage design as required

Cuts & Fills see Cut & Fill Diagram

Surfacing material none required

Turnouts

Waterbars

Culverts

Gates

Cattleguards

Fence cuts

planned gasline
& access road

Access road(s) do do not cross (Fed) Ind land