

District I 1 File
 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-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
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☐ AMENDED REPORT

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

Operator Name and Address. Dugan Production Corp. P.O. Box 420 Farmington, NM 87499		OGRID Number 006515	
Property Code 15564		Property Name Marley	
AFI Number 30-045-29158		Well No. 1	

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	23N	9W		1190	South	1450	West	San Juan

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

Proposed Pool 1 W/C Bisti Chacra EXT 96166	Proposed Pool 2
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Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 6640' (est)
Multiple No	Proposed Depth 1425'	Formation Chacra	Contractor Wayne Smith	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
9-7/8"	7"	20#	120'	45	surface
6-1/4"	2-7/8"	6.5#	1425'	305	surface

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 a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6 1/4" hole to total depth with gel-water-mud program to test Chacra formation. Plan to run IES and CDL logs. If determined productive, will run 2-7/8", 6.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

BOP and related equipment will be for a 2000 psi system.

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

Signature:

Printed name:

Sherman E. Dugan

Title: Vice-President

Date:

8/24/94

Phone:

325-1821

OIL CONSERVATION DIVISION

Approved by:

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

Approval Date:

AUG 26 1994

Expiration Date:

AUG 26 1995

Conditions of Approval:

Attached ☐

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABLED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

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| <p>1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.</p> <p>2 Operator's name and address</p> <p>3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.</p> <p>4 Property code. If this is a new property the OCD will assign the number and fill it in.</p> <p>5 Property name that used to be called 'well name'</p> <p>6 The number of this well on the property.</p> <p>7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.</p> <p>8 The proposed bottom hole location of this well at TD</p> <p>9 and 10 The proposed pool(s) to which this well is being drilled.</p> <p>11 Work type code from the following table:</p> <table border="0"> <tr><td>N</td><td>New well</td></tr> <tr><td>E</td><td>Re-entry</td></tr> <tr><td>D</td><td>Drill deeper</td></tr> <tr><td>P</td><td>Plugback</td></tr> <tr><td>A</td><td>Add a zone</td></tr> </table> <p>12 Well type code from the following table:</p> <table border="0"> <tr><td>O</td><td>Single oil completion</td></tr> <tr><td>G</td><td>Single gas completion</td></tr> <tr><td>M</td><td>Multiple completion</td></tr> <tr><td>I</td><td>Injection well</td></tr> <tr><td>S</td><td>SWD well</td></tr> <tr><td>W</td><td>Water supply well</td></tr> <tr><td>C</td><td>Carbon dioxide well</td></tr> </table> <p>13 Cable or rotary drilling code</p> <table border="0"> <tr><td>C</td><td>Propose to cable tool drill</td></tr> <tr><td>R</td><td>Propose to rotary drill</td></tr> </table> <p>14 Lease type code from the following table:</p> <table border="0"> <tr><td>F</td><td>Federal</td></tr> <tr><td>S</td><td>State</td></tr> <tr><td>P</td><td>Private</td></tr> <tr><td>N</td><td>Navajo</td></tr> <tr><td>J</td><td>Jicarilla</td></tr> <tr><td>U</td><td>Ute</td></tr> <tr><td>I</td><td>Other Indian tribe</td></tr> </table> <p>15 Ground level elevation above sea level</p> <p>16 Intend to mutiple complete? Yes or No</p> <p>17 Proposed total depth of this well</p> | N | New well | E | Re-entry | D | Drill deeper | P | Plugback | A | Add a zone | O | Single oil completion | G | Single gas completion | M | Multiple completion | I | Injection well | S | SWD well | W | Water supply well | C | Carbon dioxide well | C | Propose to cable tool drill | R | Propose to rotary drill | F | Federal | S | State | P | Private | N | Navajo | J | Jicarilla | U | Ute | I | Other Indian tribe | <p>18 Geologic formation at TD</p> <p>19 Name of the intended drilling company if known.</p> <p>20 Anticipated spud date.</p> <p>21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement</p> <p>22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.</p> <p>23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.</p> |
| N | New well | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E | Re-entry | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D | Drill deeper | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P | Plugback | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | Add a zone | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| O | Single oil completion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| G | Single gas completion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| M | Multiple completion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I | Injection well | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S | SWD well | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| W | Water supply well | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C | Carbon dioxide well | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C | Propose to cable tool drill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| R | Propose to rotary drill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F | Federal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S | State | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P | Private | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N | Navajo | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| J | Jicarilla | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U | Ute | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I | Other Indian tribe | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-29158		¹ Pool Code 96166	¹ Pool Name w/c Bisti Chacra ET
⁴ Property Code 15564	⁴ Property Name Marley		⁴ Well Number 1
⁷ OGRID No. 006515	⁷ Operator Name Dugan Production Corporation		⁷ Elevation 6640' Estimated

¹⁰ Surface Location

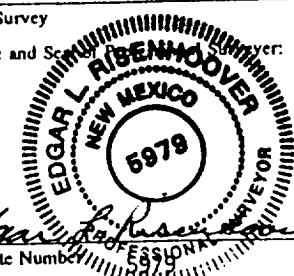
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	23N	9W		1190	South	1450	West	San Juan

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

¹³ Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁴ 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

16				<p>RECEIVED AUG 26 1994 OIL CON. DIV. DIST. 3</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Sherman E. Dugan</i> Signature Sherman E. Dugan Printed Name Vice-President Title 8/24/94 Date</p>
					<p>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.</p> <p>July 12, 1994 Date of Survey</p> <p>Signature and Seal of Surveyor:  Edgar L. Ribenhover Professional Surveyor Certificate Number 5979</p>

Dugan Prod.
VA-1121

1450'

1190'