

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

30-045-28623

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

2. TYPE OF WELL

OIL ☒GAS ☐OTHER ☐SINGLE ☒MULTIPLE ☐

3. NAME OF OPERATOR

DUGAN PRODUCTION CORP.

4. ADDRESS OF OPERATOR

P.O. Box 420, Farmington, NM 87499

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

At surface

1980' FNL & 1650' FWL
At proposed prod. zone

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

approx. 9 1/4 miles SE of Carson Trading Post, NM

7. DISTANCE FROM PROPOSED

8. LOCATION TO NEAREST

9. PROPERTY OR LEASE LINE, FT

10. (Also to nearest dril. unit line, if any)

660'

11. DISTANCE FROM PROPOSED LOCATION* approx. 5700'

12. TO NEAREST WELL, DRILLING, COMPLETED,

13. OR APPLIED FOR, ON THIS LEASE, FT. from Herry Mons. #1

14. ELEVATIONS (Show whether DF, RT, GR, etc.)

6643' GL /

procedural review pursuant to 43 CFR 3165.3
and approval pursuant to 43 CFR 3165.4

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	159 c.f. circ. to surface
7-7/8"	4-1/2"	10.5#	5075'	1618 c.f. 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 the Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing with stage tool, selectively perforate, frac, clean out after frac and complete well.

RECEIVED

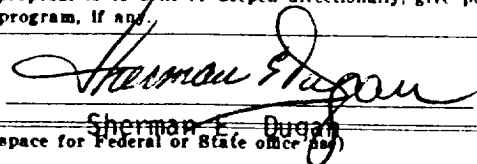
OCT 30 1991

OIL CON. 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.

SIGNED


Sherman E. Dugan

TITLE

Vice-President

DATE

9-25-91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NMCDD

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Dugan Production Corporation			Lease Herry Monster		Well No. 3
Unit Letter 8F	Section 11	Township 24 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1980 feet from the North line and 1650 feet from the West line					
Ground level Elev. 6643	Producing Formation Gallup		Pool Undesignated Gallup		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or ballpoint marks on the plat below.

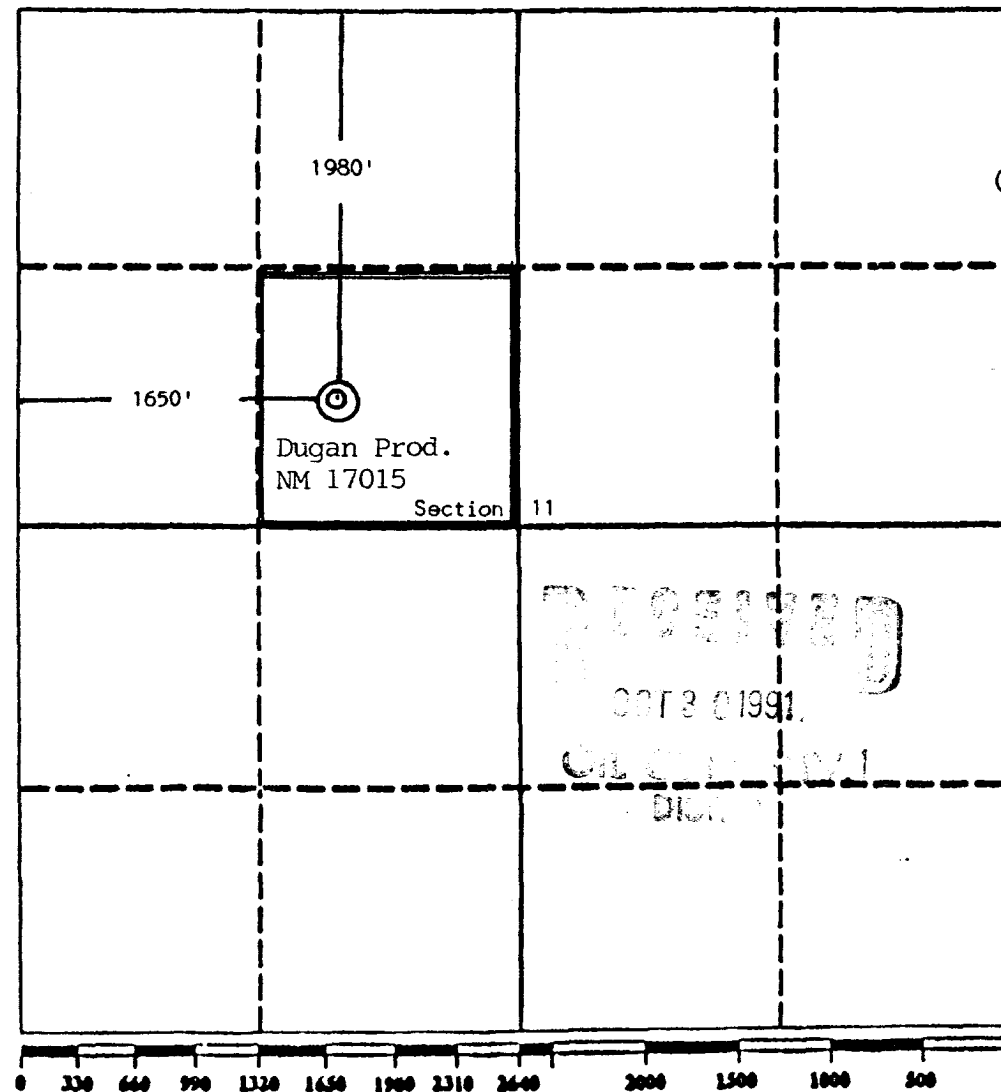
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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, force-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

Printed Name

Sherman E. Dugan

Position

Vice-President

Company

Dugan Prod. Corp.

Date

9-25-91

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.

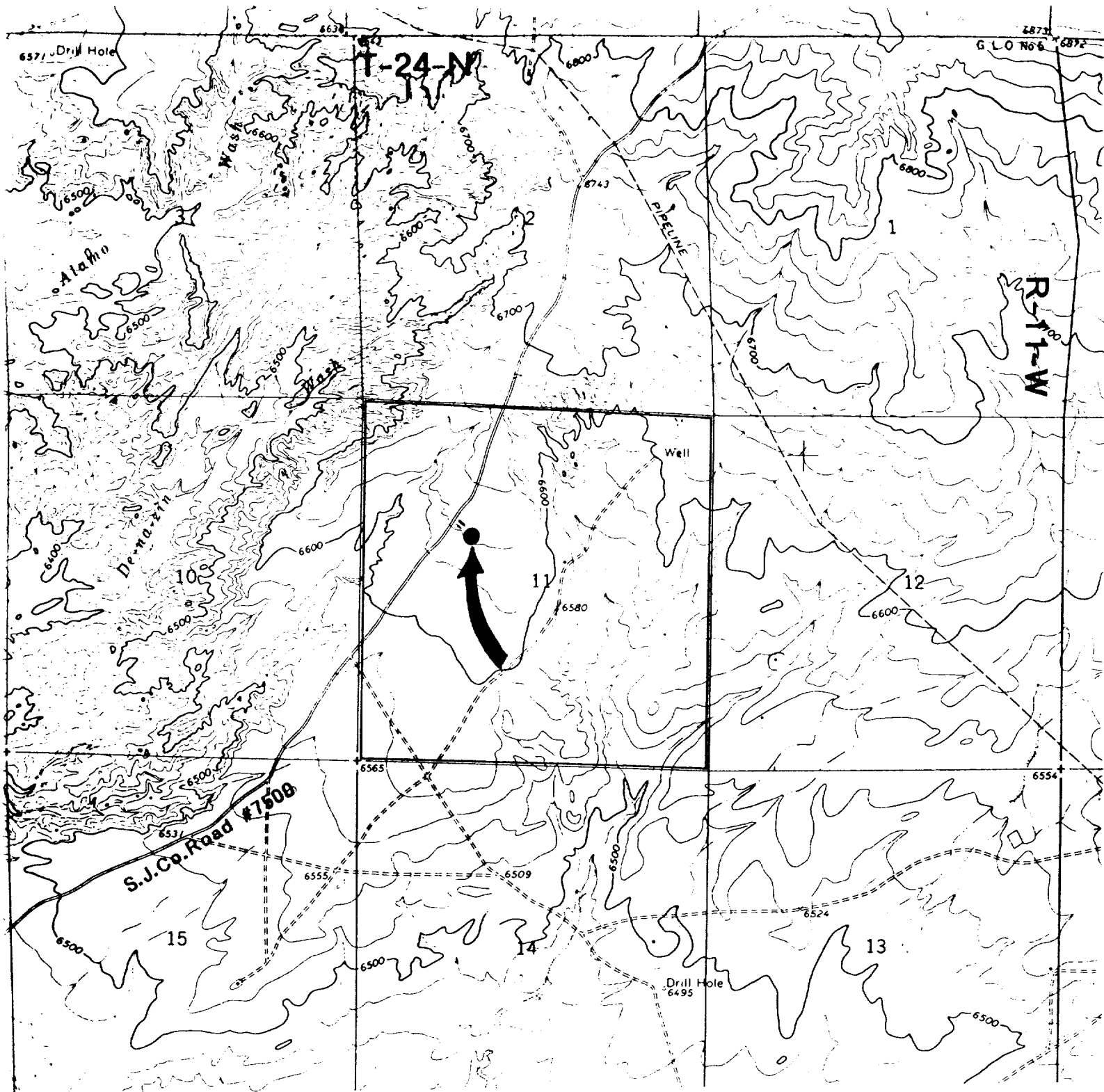
Date Surveyed

August 26, 1991

Signature & Seal of
Professional Surveyor

Certificate No. 5979

Edgar L. Risenhoover, P.S.



Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.
approx. 9¼ miles SE of Carson 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 20' Maximum grades N/A

Drainage design as required

Cuts & Fills see diagram

Surfacing material none

↳ Turnouts

↳ Waterbars

▢ Culverts

▣ Gates

≡ Cattleguards

▤ Fence cuts

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

No New Access Road Required