

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN   
 b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER \_\_\_\_\_  
 SINGLE BORE  MULTIPLE BORE

2. NAME OF OPERATOR  
 DUGAN PRODUCTION CORP. 6515

3. ADDRESS AND TELEPHONE NO.  
 P.O. Box 420, Farmington, NM 87499 325-1821

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface  
 385' FNL & 2085' FWL (NE/4 NW/4)  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 approx. 3 miles NW of Nageezi Trading Post

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 385'  
 16. NO. OF ACRES IN LEASE 440

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETE OR APPLIED FOR, ON THIS LEASE, FT. approx. 4130' from DPC's Ohwada #1  
 19. PROPOSED DEPTH 5300'

21. ELEVATIONS (Show whether DE, RT, or GL) 6957' (est) GL  
 22. APPROX. DATE WORK WILL START\* ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM  
 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL SPECIFICATIONS"

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
12-1/4"	8-5/8"	24#	200'	159 cf circ. to surface
7-7/8"	4-1/2"	10.5#	5300'	1693 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 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  
MAY - 9 1994  
OIL CON. DIV.  
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 4/25/94  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would authorize the applicant to conduct operations thereon.  
 CONDITIONS OF APPROVAL, IF ANY:  
 APPROVED BY [Signature] TITLE NMOC DISTRICT MANAGER  
 DATE MAY 05 1994

\*See Instructions On Reverse Side

District I  
 PO Box 1900, Hobbs, NM 88241-1900  
 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

RECEIVED  
 APR 2 1994  
 DIST. 3

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 AFI Number		2 Pool Code 05890		3 Pool Name Bisti Lower Gallup EXT	
4 Property Code		5 Property Name Ohwada			6 Well Number 2
7 OGRID No. 006515		8 Operator Name Dugan Production Corp.			9 Elevation 6957' Est. GL

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
C	33	24N	9W		385	North	2085	West	

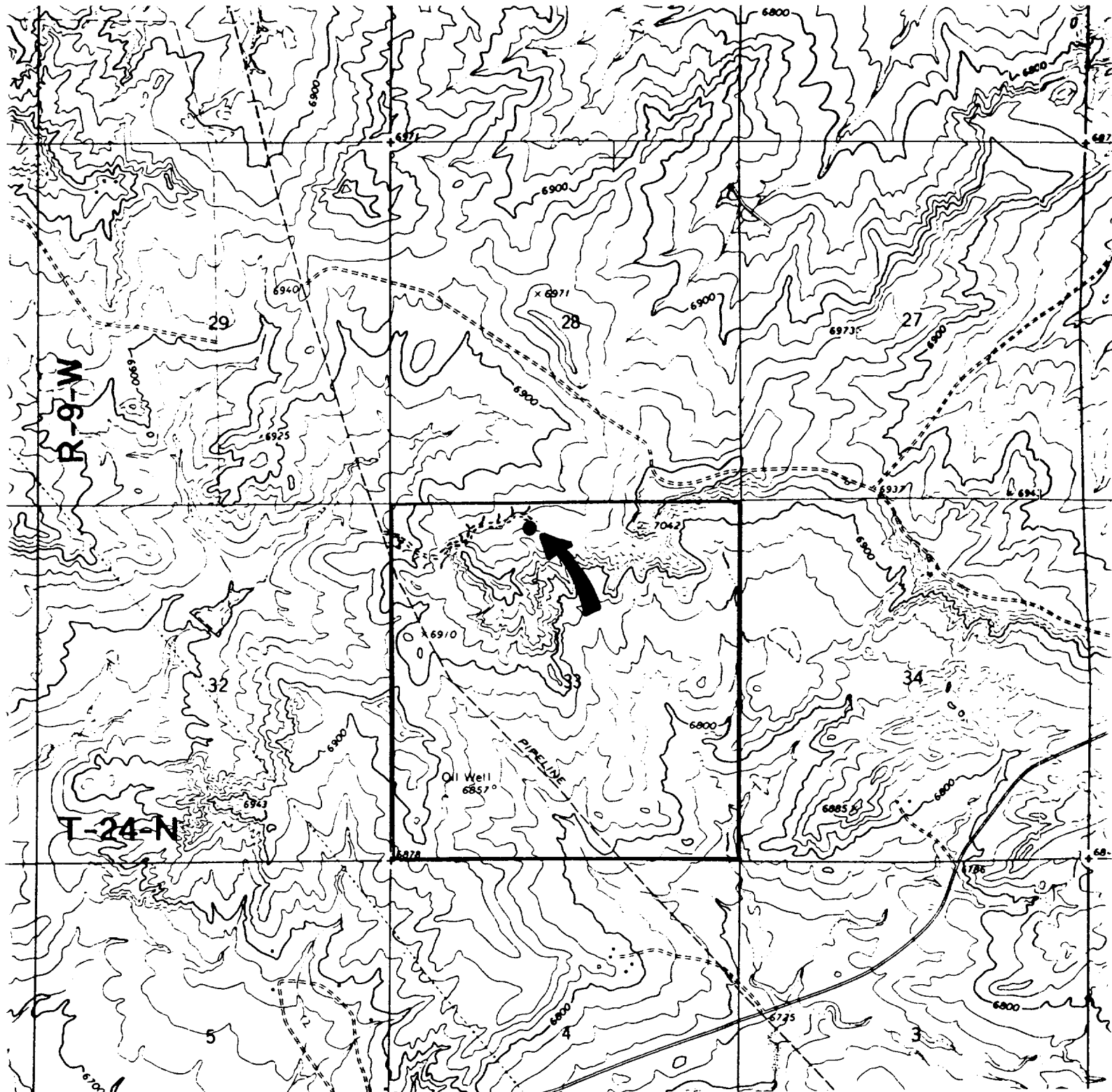
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres N/80	13 Joint or Infill	14 Consolidation Code	15 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

16 2085' 385' Dugan Prod. NM 90843 Sec. 33		RECEIVED MAY - 9 1994 OIL CON. DIV. DIST. 3	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Sherman E. Dugan Printed Name Vice-President Title 4/25/94 Date
			18 SURVEYOR CERTIFICATION <i>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.</i> MARCH 15, 1994 Date of Survey EDGAR L. RISENBERGER Signature and Seal of Professional Engineer  Certificate No. 5979



Dugan Production Corp. - Ohwada #2

Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.  
 approx. 3 miles NW of Nageezi Trading Post

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map Blanco Trading Post, NM 1966

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 5%

Drainage design as required

Cuts & Fills see diagram

Surfacing material none

- Turnouts
- Culverts
- Gates
- Cattleguards
- Fence cuts
- Waterbars

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