

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NOG-9601-1299

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARMOR LEASE NAME, WELL NO.
Galway #90

9. AP WELL NO.
30.045 29434

10. FIELD AND POOL, OR WILDCAT
Basin Fruitland Coal 71629

11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA
Unit B,
Sec. 13, T26N, R13W

12. COUNTY OR PARISH 13. STATE
San Juan NM

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE SORE MULTIPLE SORE

2. NAME OF OPERATOR
DUGAN PRODUCTION CORP. 6515

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
1140' FNL & 1930' FEL (NW/4 NE/4)
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
approx. 1.3 miles northwest of El Paso Natural Gas Chaco Plant

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
710'

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/320

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1600' from DPC's Dome Navaajo 12-26-13 #1

19. PROPOSED DEPTH
1250'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DP, RT, GR, etc.)
6003' GL (est)

22. APPROX. DATE WORK WILL START*
DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	DRILLING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	50 sx (59 cu ft.) circ. to surf.
6-1/4"	4 1/2"	10.5#	1250'	135 sx (225 cu ft.) circ. to surf.

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 the Fruitland Coal 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.

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OTO FARMINGTON, NM

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 bleed-off program, if any.

SIGNED Sherman E. Dugan TITLE Vice President DATE 7-17-96
(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 entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

AS/ Duane W. Spencer

APPROVED BY OK TITLE _____ DATE FEB 12 1997

*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 Bravo Rd., Altec, 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

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Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN, NM

* APT Number 30 045 29434		* Pool Code 71629	* Pool Name Basin Fruitland Coal
* Property Code	* Property Name Galway		* Well Number 90
* OGRID No. 006515	* Operator Name Dugan Production Corporation		* Elevation 6003' Estimated

10 Surface Location

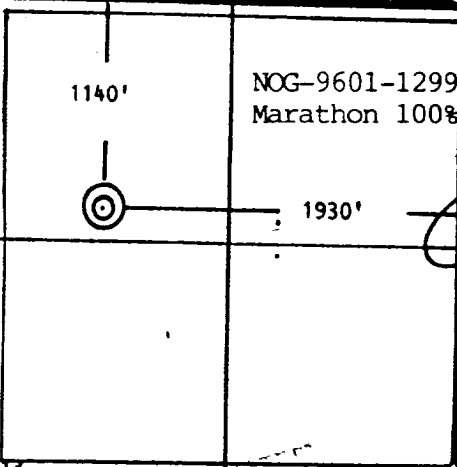
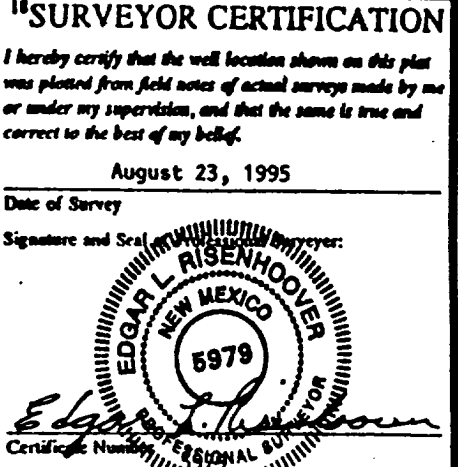
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	13	26N	13W		1140	North	1930	East	San Juan

11 Bottom Hole Location If Different From Surface

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

* Dedicated Acres 320	* Joint or Infill	* Consolidation Code	* Order No. Will be communitized
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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

6 C-14-20-7478 Dugan Prod. 85.96% JK Edwards 14.04%	1140' 	NOG-9601-1299 Marathon 100%	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
			Signature: <u>Sherman E. Dugan</u> Printed Name: Sherman E. Dugan Title: Vice-President Date: 7/17/96
			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.
			Date of Survey: August 23, 1995 Signature and Seal: 

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