

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
8111 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address. Dugan Production Corp. P. O. Box 420, Farmington, NM 87499-0420		<sup>2</sup> OGRID Number 006515
<sup>4</sup> Property Code. 27849	<sup>5</sup> Property Name McDaniel B	<sup>3</sup> API Number 30-045-30606
		<sup>6</sup> Well No. 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	29N	11W		850	South	820	West	San Juan

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Fulcher Kutz Pictured Cliffs - 77200					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 5550'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 1810'	<sup>18</sup> Formation Pictured Cliffs	<sup>19</sup> Contractor Wayne Smith Drilling	<sup>20</sup> Spud Date ASAP

<sup>21</sup> 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'	70 cu.ft	surface —
6-1/4"	4-1/2"	10.5#	1810' —	275 cu ft	surface —

<sup>22</sup> 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.

A water based gel mud will be used to drill surface and production casing holes. A standard 2,000 psi BOP will be used to drill production casing hole. The Pictured Cliffs interval will be completed from approximately 1680' to 1700'. The interval will be fractured.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kurt Fagrelus*

Printed name: Kurt Fagrelus

Title: Geologist

Date: March 20, 2001

Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: *[Signature]*

Approval Date: MAR 21 2001

Expiration Date: MAR 21 2002

Conditions of Approval :

Attached ☐

Br will send a sundry cancelling the permit to drill the McDaniel IR, in the same 40 ac. tract. Dugan has taken over as operator and will drill this location

BR has the McDaniel  
30-045-29938  
IR Permitted in this

UL, but they are not  
going to drill it -

Dugan will now operate

I have requested a  
Sundry withdrawing.

BR's Apd \_\_\_\_\_

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30 045 30606		*Pool Code 77200	*Pool Name Fulcher Kutz Pictured Cliffs
*Property Code 27849	*Property Name McDANIEL B		*Well Number 2
*GRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 5550 -

### 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
M	17	29N	11W		850	SOUTH	820	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

*Dedicated Acres 160	*Joint or Infill	*Consolidation Code	*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		17 OPERATOR CERTIFICATION	
		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
		Signature Kurt Fagrelus Printed Name Kurt Fagrelus Title Geologist Date March 20, 2001	
SECTION 17		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.	
		MARCH 10, 2001 Date of Survey Signature and Seal of Professional Surveyor EDGAR L. HSENHOOFER NEW MEXICO 5979 PROFESSIONAL SURVEYOR Certificate Number N.M. PLS #5979	