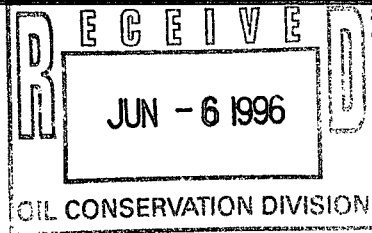


dugan production corp.

June 5, 1996



Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

**Subject: Administrative Approval of Unorthodox Location
Dugan Production Corp.
Irish #2
790' FSL & 790' FEL, Sec. 11, T26N, R13W, NMPM
San Juan County, NM
Basin Fruitland Coal**

Dear Mr. Stogner:

Dugan Production Corp. requests administrative approval for an unorthodox location for its Irish No. 2 well under the provisions of NMOCD Order No. R-8768.

The subject well is currently completed in the Pictured Cliffs formation and it is nonproductive. It is intended to abandon the Pictured Cliffs zone and recomplete in the Basin Fruitland Coal.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing dedicated acreage, a well location map and a map showing all offsetting operators.

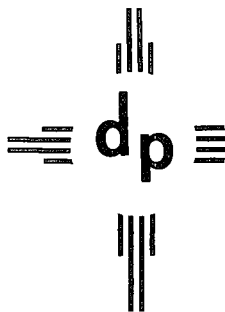
Sincerely,

A handwritten signature in dark ink, appearing to read "Gary W. Brink".

Gary W. Brink

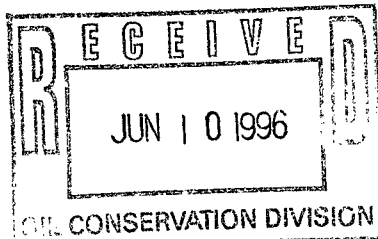
GWB/cg

cc: New Mexico Oil Conservation Division, Aztec
Bureau of Land Management, Farmington
Offset Operators



dugan production corp.

June 5, 1996



Certified Mail

Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, NM 87401-2634

**SIGN & RETURN
THIS COPY**
to NMOC - Santa Fe

**Subject: Administrative Approval of Unorthodox Location
Dugan Production Corp.
Irish #2
790' FSL & 790' FEL, Sec. 11, T26N, R13W, NMPM
San Juan County, NM**

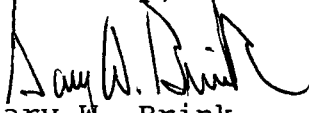
Gentlemen:

Dugan Production Corp. has filed with the New Mexico Oil Conservation Division (NMOC) an Application for Administrative Approval for an Unorthodox Location for its Irish #2 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOC in Santa Fe, NM, one copy to our office, and retain one copy for your files. Self-addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,


Gary W. Brink

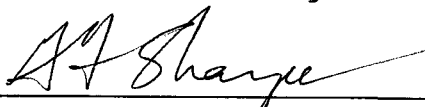
GWB/cg

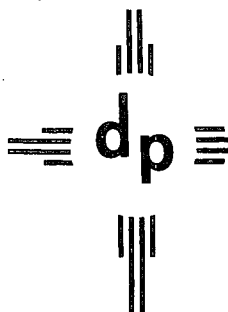
=====

WAIVER

Merrion Oil & Gas Corp. hereby waives objection to the above referenced Application for Unorthodox Location for Dugan Production Corp's Irish #2 well.

Date: 6-6-96

By: 



dugan production corp.

RECEIVED

JUN 07 1996

WHITING PETROLEUM CORP.
LAND DEPT.

Certified Mail

June 5, 1996

Whiting Petroleum Corp.
1700 Broadway, Suite 2300
Denver, CO 80290-2301

SIGN & RETURN
THIS COPY
to NMOC-D-Santa Fe

Subject: Administrative Approval of Unorthodox Location
Dugan Production Corp.
Irish #2
790' FSL & 790' FEL, Sec. 11, T26N, R13W, NMPM
San Juan County, NM

Gentlemen:

Dugan Production Corp. has filed with the New Mexico Oil Conservation Division (NMOC) an Application for Administrative Approval for an Unorthodox Location for its Irish #2 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOC in Santa Fe, NM, one copy to our office, and retain one copy for your files. Self-addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Gary W. Brink

GWB/cg

=====

WAIVER

Whiting Petroleum Corp. hereby waives objection to the above referenced Application for Unorthodox Location for Dugan Production Corp's Irish #2 well.

Date: 6/26/96

By: John R. Hazlett

John R. Hazlett
Vice President - land

District I
PO Box 2088, 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-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' APT Number 30 045 26093		' Pool Code 71629		' Pool Name Basin Fruitland Coal	
' Property Code 003713		' Property Name Irish			' Well Number 2
' OGRID No. 006515		' Operator Name Dugan Production Corp.			' Elevation 6023' GL

10 Surface Location

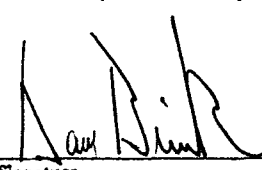
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	11	26N	13W		790	South	790	East	San Juan

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

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No. Will be communitized
---------------------------	--------------------	-----------------------	--------------------------------------

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature: Gary Brink Printed Name: Operations Manager Title: Date: 6/5/96			
Sec 11				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> August 17, 1984 Date of Survey: Signature and Seal of Professional Surveyer: original plat surveyed & signed by Edgar L. Risenhoover, 5979 Certificate Number			
Lease #NM 57580 Southland Royalty		Lease #NM 10757 Dugan Prod. 50% Hawthorn Oil 50%		Lease #NM 10757 Dugan Prod. 50% Hawthorn Oil 50%		Lease #NM 57580 Southland Roy. 790' 790'	

Application for Unorthodox Location

Dugan Production Corp.

Irish #2

Unit P, Sec 11, T26N, R13W, San Juan Co., N.M.

Basin Fruitland Coal

Offset Operator Map

Maralex Resources	Maralex Resources	Whiting Petroleum
10	11 Dugan Irish #2 ☀	12
Dugan	Merrion	Dugan
15	14	13

COUNTY San Juan

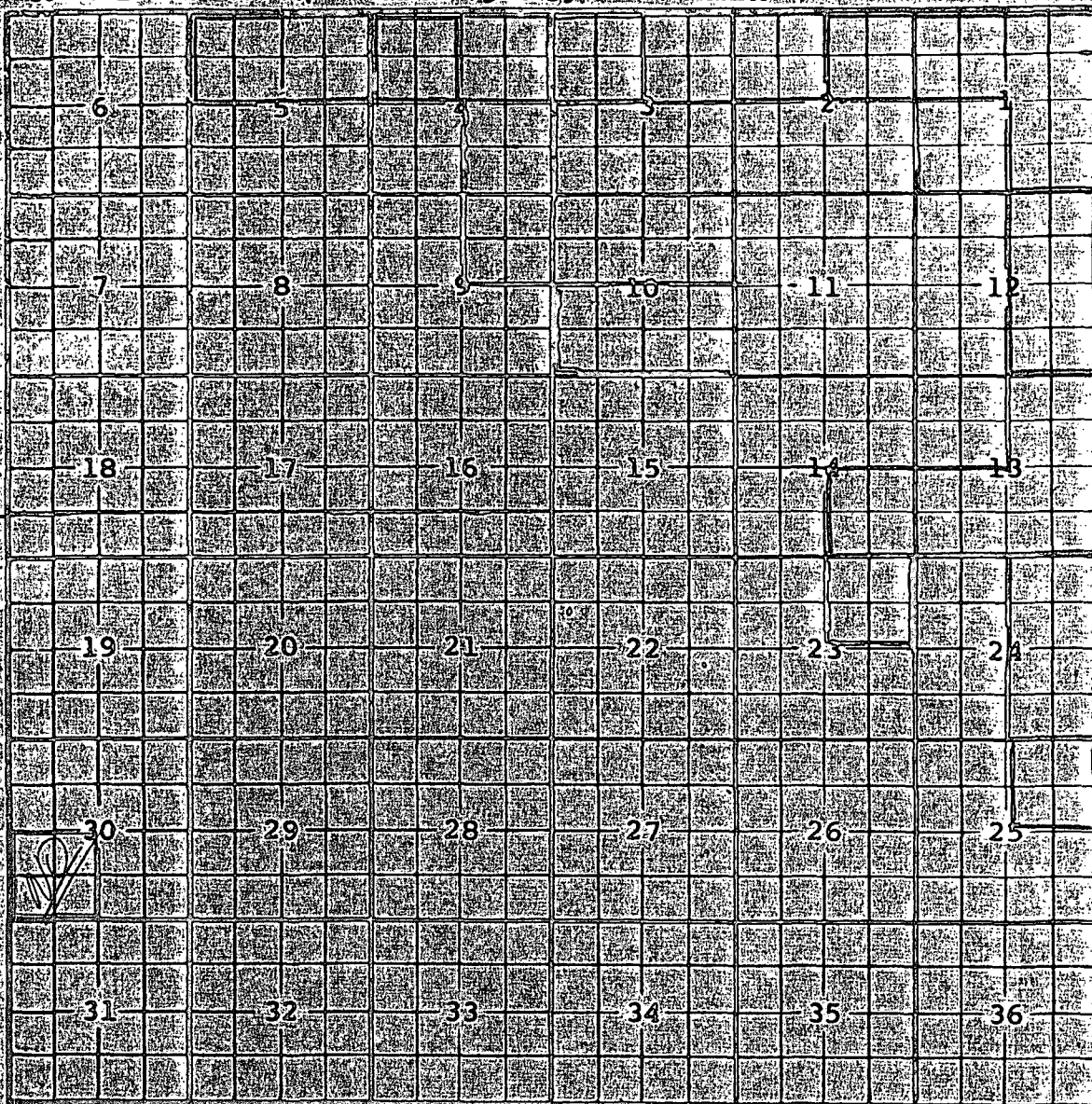
POOL Waw

Fruitland ^{SW} Pictured Cliffs

TOWNSHIP 26 North

RANGE 13 West

NMPM



Ext. NW $\frac{1}{4}$ Sec 4 (R-5339, 2-1-77) Ext. NW $\frac{1}{4}$ Sec 4 and vertical limits extended to include Fruitland formation. Pool redesignated the WAW-Fruitland-Pictured Cliffs Pool. (R-5596, 1-1-78)

Ext. NW $\frac{1}{4}$ Sec 3, N $\frac{1}{2}$ Sec 5 (R-5772, 7-1-78) Ext. N $\frac{1}{2}$ SE $\frac{1}{4}$ Sec 1, NE $\frac{1}{4}$ Secs 2 & 4, E $\frac{1}{2}$ Sec 12 (R-5779, 8-1-78) Ext. SW $\frac{1}{4}$ Sec 1, NW $\frac{1}{4}$ Sec 2, NE $\frac{1}{4}$ Sec 3 (R-6056, 9-1-79) Ext. E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec 13, SE $\frac{1}{4}$ Sec 14 (R-6180, 11-1-79)

Ext. $\frac{3}{4}$ Sec 2, $\frac{3}{4}$ Sec 3, NE $\frac{1}{4}$ Sec 9, N $\frac{1}{2}$ Sec 10 All Sec 11, W $\frac{1}{2}$ Sec 12, NW $\frac{1}{4}$ Sec 13, N $\frac{1}{2}$ Sec 14, E $\frac{1}{2}$ Sec 24 (R-6327, 5-1-80)

SE $\frac{1}{4}$ Sec 4, E $\frac{1}{2}$ Sec 10 (R-6886, 1-22-82) Ext. NE $\frac{1}{4}$ Sec 25 (R-7045, 8-6-82) Ext. NE $\frac{1}{4}$ Sec 23 (R-7495, 4-5-84) REDESIGNATED (R-8769, 10/17/88)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/07/96 15:48:46
OGOMES -EMDR
PAGE NO: 2

Sec : 11 Twp : 26N Rng : 13W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG53SECT

ONGARD
INQUIRE LAND BY SECTION

06/07/96 15:49:51
OGOMES -EMDR
PAGE NO: 1

Sec : 11 Twp : 26N Rng : 13W Section Type : NORMAL

D 40.00 Federal owned A	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned A

M0002: This is the first page

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL CONSERVATION DIVISION
RECEIVED

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Maralex Resources, Inc.

3. Address and Telephone No.

P. O. Box 421, Blanco, NM 87412-0421 (505) 325-5599

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1225' FSL & 1808' FWL
Section 10, T26N, R13W

5. Lease Designation and Serial No.

SF080238A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Gallegos Federal 26-13-10 #2

9. API Well No.

30-045-28883

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

Production Casing

(Note: Report results of multiple completion on Well Completion or
Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Production Casing: TD @ 1561' on 1-03-93

Hole Size: 6 1/4"

Casing: 36 Jts (1548.37') 4 1/4", 10.5#, J-55, 8 RD Casing @
@ 1560.37', Guide Shoe @ 1560', Floor Collar @ 1512',
10 Centralizers @ 1540', 1498', 1414', 1330', 1276',
1162', 1078', 994', 910', & 826'.

Cement: 95 sx Class B w/2% Na-Meta-Silicate & 1/4 pps Flo-Cele
(2.05 Yield/195 cu ft) + 75 sx Class B w/2% CaCl & 1/4
pps Flo-Cele (1.19 Yield/89 cu ft). Circ 7 bbls cement
to surface.

Bump Plug w/1000 psi

Plug Down @ 2:40 AM on 1-03-93

14. I hereby certify that the foregoing is true and correct

Signed Ernie A. Bay

Title Agent

(915) 694-6107

Date 1/12/92

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

JAN 27 1993