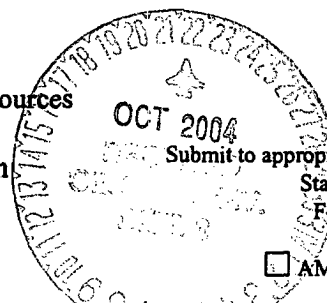


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
March 4, 2004



☐ AMENDED REPORT

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

¹ Operator Name and Address Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401		² OGRID Number 006515
		³ API Number 30 - 045-32631
⁴ Property Code 3850	⁵ Property Name State Com	⁶ Well No. 2B

7 Surface Location

UL or lot no. D	Section 16	Township 32N	Range 12W	Lot Idn	Feet from the 1120	North/South line North	Feet from the 905	East/West line West	County San Juan
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8 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
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⁹ Proposed Pool 1
Blanco Mesaverde

¹⁰ Proposed Pool 2

Drilling Pit Location and Other Information

UL or lot no. D	Section 16	Township 32N	Range 12W	Lot Idn	Feet from the 1120	North/South line North	Feet from the 905	East/West line West	County San Juan
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Depth to ground water Greater than 350 feet. Distance from nearest fresh water well Approx. 2-miles. Distance from nearest surface water 2,300' to ephemeral strm.

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6082'
¹⁶ Multiple S	¹⁷ Proposed Depth 4170'	¹⁸ Formation Mesaverde	¹⁹ Contractor Unknown	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	200'	125 Cu.Ft.	Surface
7-7/8"	4-1/2"	10.5#	4170'	1425 Cu.Ft.	Surface

²² 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. Plan to drill 12-1/4" hole and set 200' of 8-5/8" surface casing. Then plan to drill 7-7/8" hole to total depth using standard 2,000 psi BOP and gel water to test Mesaverde. Plan to run IES and CDL logs, if determined productive will run 4-1/2" casing, perforate, frac and complete well.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.
Pits will be lined and abandoned as per OCD guidelines.
Signature: Kurt Fagrelus

Printed name: Kurt Fagrelus

Title: Geologist

E-mail Address: kfagrelus@duganproduction.com

Date: Oct. 20, 2004

Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

District I
PO Box 1980, 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

*API Number 30-045-32631		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 3850	*Property Name STATE COM		*Well Number 2B
*OGRID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 6082'

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
D	16	32N	12W		1120	NORTH	905	WEST	SAN JUAN

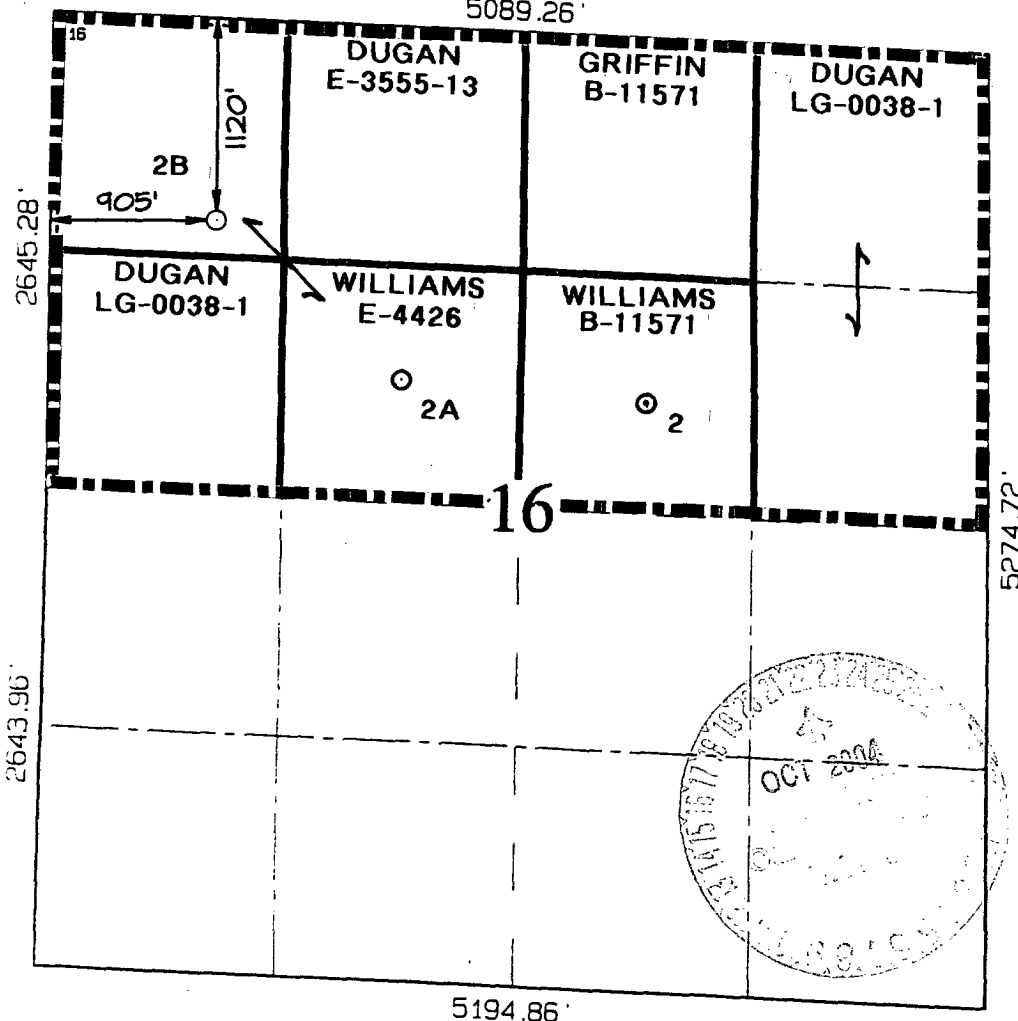
¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 320.0 Acres - (N/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

5089.26'



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Kurt Fagrelus
Signature

Kurt Fagrelus

Printed Name
Geologist

Title
Oct. 20, 2004

Date

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.

Survey Date: SEPTEMBER 30, 2004

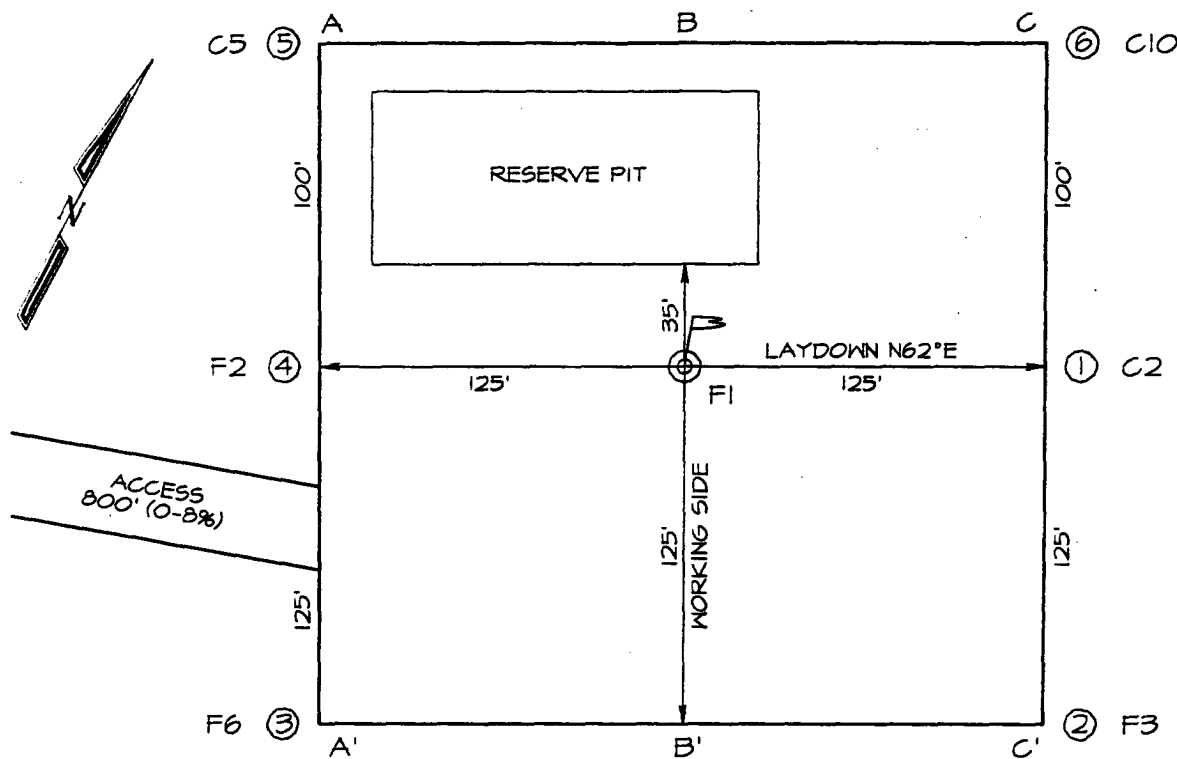
Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

DUGAN PRODUCTION CORPORATION STATE COM #2B
1120' FNL, 905' FWL, SECTION 16, T32N, R12W, NMPM
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6082'

LATITUDE: 36°59'25"
LONGITUDE: 108°06'21"
 DATUM: NAD1927



PLAT NOTE:

SURFACE OWNER
 State of New Mexico

