

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

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Dugan Production Corp. 709 East Murray Drive, Farmington, NM 87401 505-325-1821		<sup>2</sup> OGRID Number 006515
<sup>3</sup> Property Code 16428		<sup>4</sup> API Number 30 - 045-32980
<sup>5</sup> Property Name Bisti State Com		<sup>6</sup> Well No. 1-S

**7 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	25N	13W		1500	south	1500	west	San Juan Co.

**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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<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal

<sup>10</sup> Proposed Pool 2

**Drilling Pit Location and Other Information**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	25N	13W		1500	south	1500	west	San Juan Co.
Depth to ground water + 200'				Distance from nearest fresh water well +1-mile			Distance from nearest surface water 3,600'		
<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 S		<sup>15</sup> Ground Level Elevation GL-6259'	
<sup>16</sup> Multiple S		<sup>17</sup> Proposed Depth 1410'		<sup>18</sup> Formation Fruitland Coal		<sup>19</sup> Contractor Unknown		<sup>20</sup> Spud Date ASAP	

**21 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 cf	Surface
6-1/4"	4-1/2"	10.5#	1,410'	215 cf	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 hole. Standard 2,000 psi BOP will be used to drill production hole. The Fruitland Coal will be completed. The interval will be fractured. Pits will be lined.

<sup>23</sup> 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 as (attached) alternative OCD-approved plan ☐.  
Pits constructed and abandoned as per OCD.

Signature:

Printed name: Kurt Fagrelus

Title: Geologist

E-mail Address: kfagrelus@duganproduction.com

Date: 3/18/2005

Phone: 505-325-1821

**OIL CONSERVATION DIVISION**

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. 40

Approval Date: MAR 22 2005

Expiration Date: MAR 22 2006

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-10  
Revised February 21, 199  
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 <b>30-045-32980</b>		*Pool Code <b>71629</b>	*Pool Name <b>BASIN FRUITLAND COAL</b>
*Property Code <b>16428</b>	*Property Name <b>BISTI STATE COM</b>		*Well Number <b>1S</b>
*GRID No. <b>006515</b>	*Operator Name <b>DUGAN PRODUCTION CORPORATION</b>		*Elevation <b>6269'</b>

<sup>10</sup> Surface Location

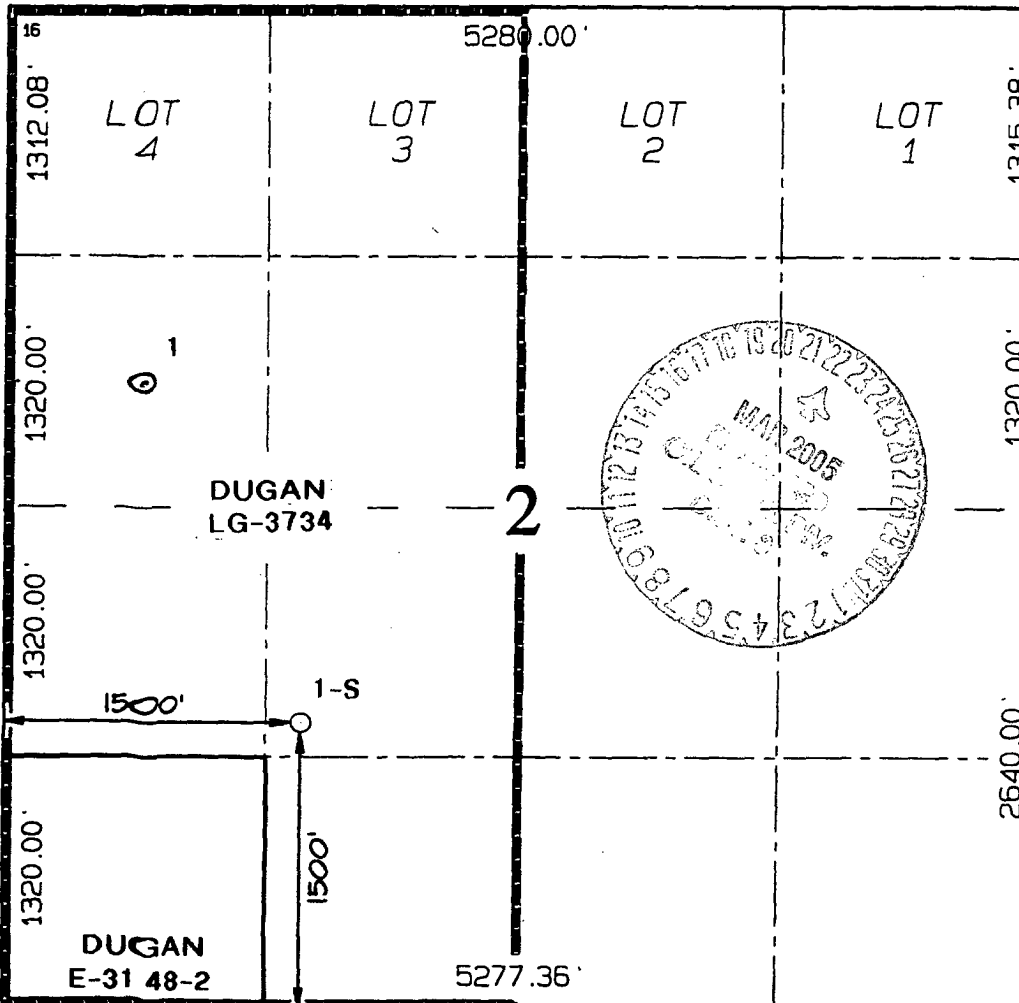
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	25N	13W		1500	SOUTH	1500	WEST	SAN JUAN

<sup>11</sup> 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>12</sup> Dedicated Acres <b>319.57 Acres - (W/2)</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> 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  
Geology

Title  
February 5, 2005

Date

<sup>18</sup> 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: MARCH 26, 2004

Signature and Seal of Professional Surveyor

*Jason C. Edwards*

Certificate Number 15269

