

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

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address Dugan Production Corp. 709 E. Murray Dr., Farmington, NM 87401		OGRID Number 006515
Property Code 10429	Property Name Bisti State	API Number 30-045-32981
Proposed Pool 1 Basin Fruitland Coal		Proposed Pool 2

Surface Location

UL or lot no. H	Section 2	Township 25N	Range 13W	Lot Idn	Feet from the 1100	North/South line South	Feet from the 1650	East/West line East	County San Juan
--------------------	--------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	--------------------

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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 6263'
Multiple S	Proposed Depth 1375'	Formation Fruitland Coal	Contractor Unknown	Spud Date ASAP
Depth to Groundwater 1225'		Distance from nearest fresh water well 4-mi.		Distance from nearest surface water 2,400'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mls thick Clay <input type="checkbox"/> Pit Volume: 100 bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

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#	1375.	210 cf	Surface

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 reserve pit will be lined with an impervious material (12-mls.th) and be abandoned as per NMOCD guidelines, following completion of the well.

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 ☐.

Printed name: Kurt Fagrelus  
Title: Geologist  
E-mail Address: kfagrelus@duganproduction.com  
Date: 02/08.05 Phone: 505-325-1821

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #2

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-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 <b>30045-32981</b>		*Pool Code <b>71629</b>	*Pool Name <b>BASIN FRUITLAND COAL</b>
*Property Code <b>16429</b>	*Property Name <b>BISTI STATE</b>		*Well Number <b>90S</b>
*GRID No. <b>006515</b>	*Operator Name <b>DUGAN PRODUCTION CORPORATION</b>		*Elevation <b>6263'</b>

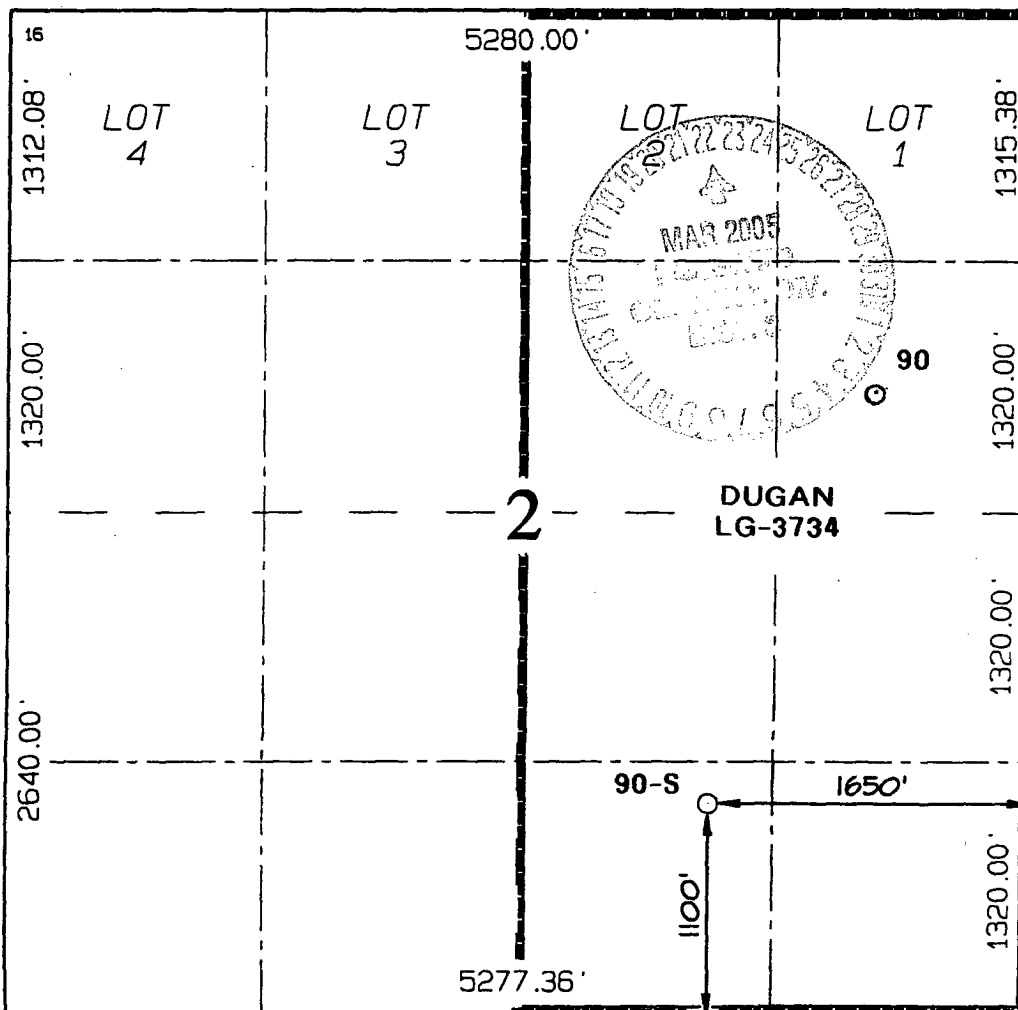
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	2	25N	13W		1100	SOUTH	1650	EAST	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 <b>319.67 Acres - (E/2)</b>					13 Joint or Infill	14 Consolidation Code	15 Order No.		

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



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

Geology

Title

February 5, 2005

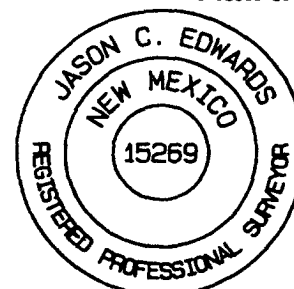
Date

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.

Date of Survey: MAY 18, 2004

Signature and Seal of Professional Surveyor



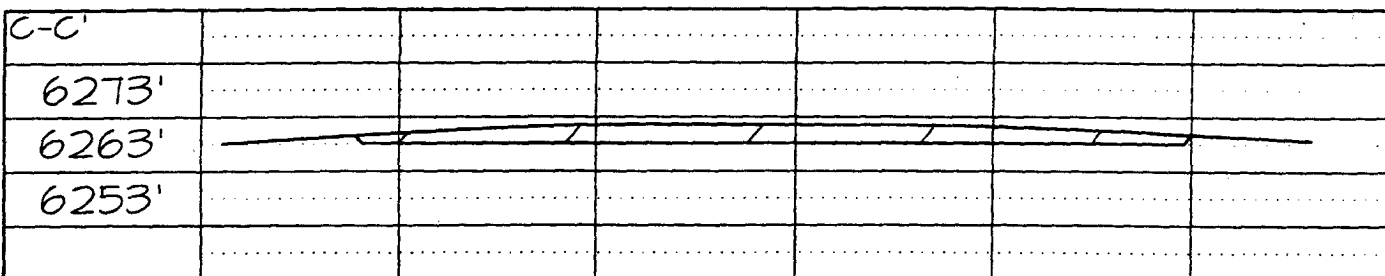
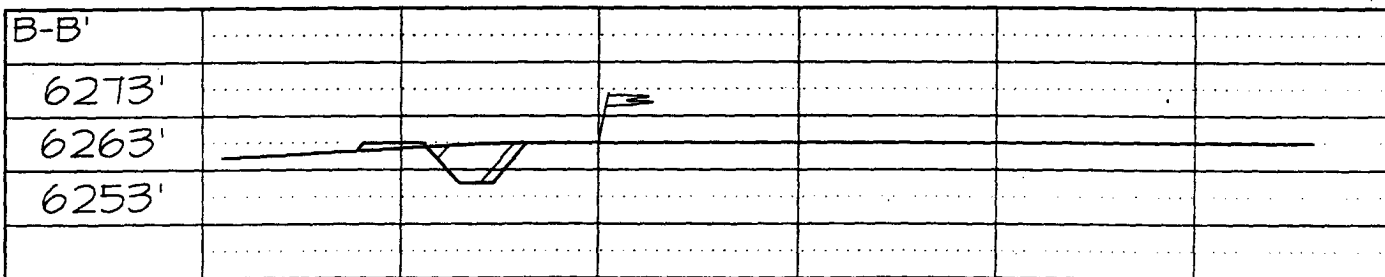
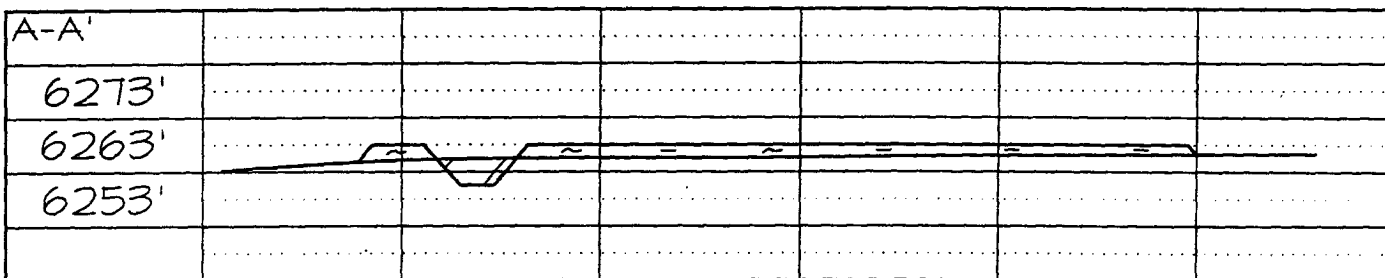
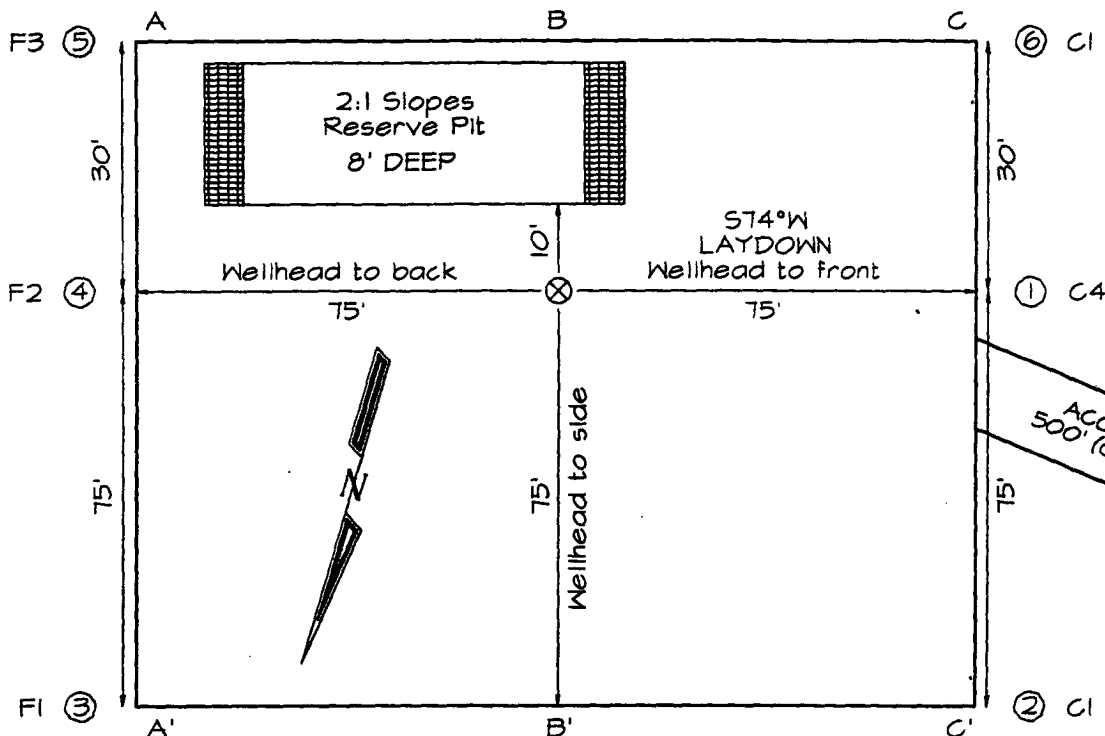
*Jason C. Edwards*  
Certificate Number 15269

**DUGAN PRODUCTION CORPORATION BISTI STATE #90S**  
**1100' FSL & 1650' FEL, SECTION 2, T25N, R13W, NMPM**  
**SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6263'**

**LATITUDE: 36°25'34"**  
**LONGITUDE: 108°11'04"**  
 DATUM: NAD1927

PLAT NOTE:

\*SURFACE OWNER\*  
 Navajo Tribal Trust



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction