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 IY
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

APPL	ICAT J	ON FO	OR PERMIT	TO DRILI	RE-ENTI	ER, DI	<u>eepei</u>	N, PLUGBAC	K. OF	RAD	D A ZONE	
Operator Nam Dugan	PPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE or Name and Address gan Production Corp. 9 East Murray Drive, Farmington, New Mexico 87401 3API Number 30-30-045-3400											
	ast Mu	rray I		New Mexico				30-045- 34001				
Property 3	6074		³ Property Name Sp	D				⁶ Well No	<u>1</u>			
			-	⁷ S	urface Locat	Location						
UL or lot no.				Lot Idn Feet from the 1300		Nonth/Sc 1101	South line rth	Feet from the 1300	East/Wes West	: 1	County San Juan	
			⁸ Proposed P	Bottom Hole	e Location If	f Differ	rent Fr	om Surface				
UL or lot noi	Section	Township		Lot Idn Feet from the		North/Sc	South line	Feet from the	East/Wes	st line	County	
⁹ Proposed Poo	A 1					¹⁰ Proposed Pool 2						
			Dril	ling Pit Loc	cation and O	and Other Information						
UL or lot no.				Lot Idn	Feet from the 1300	North/South line north		Feet from the 1300	East/Wes West		County San Juan	
Depth to ground water	+100'			Distance from near fresh water well	arest +1000 '		Distance from nearest surface water	+200'	,	L		
Work Type Co	ode	12 V	Well Type Code S	¹³ Cabl	ole/Rotary R		14 Lease	Type Code	15 Gr	15 Ground Level Elevation GL-6522		
16 Multiple NO		17 p	Proposed Depth 4,380		mation Mesaverde	"de Patterson			²⁰ Spud Date ASAP			
			21]		Casing and Ce							
Hole S		C	Casing Size	Casing weight		Setting De			Sacks of Cement Estima			
12-1			3-5/8"	24#		200'		125-c1		5	Surface	
7-7	'/8"	5	5-1/2"	15.5#		4380'		1150-c1	f	5	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. 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 Mesaverde (Menefee and Point Lookout) will be completed for salt water disposal. The interval will be acidized and fracture stimulated.												
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						OIL CONSERVATION DIVISION						
constructed according to NMOCD guidelines \(\bigcircle{\Omega} \), a general permit \(\bigcircle{\Omega} \), or an (attached) alternative OCD-approved plan \(\bigcircle{\Omega} \).						Approved by:						
Signature: Kurt Fagnelin						la de						
Printed name: Kurt Fagrelius						Title: CEPUTY SIL & GAS INSPECTOR, DIST. 4"						
Title: Geology						Approval Date: OCT 1 3 2006 Expiration Date: OCT 1 3 2007						
E-mail Addres	;s: kfaç	<u>jreliu</u>	is@duganprod	om								
Date: 10-12-2006 Phone: 505-325-1821						Conditions of Approval: Ubbain an GWD order from NMOUN Attached Santa Fe prior to injection.						

file pit permit

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rip 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

			WELL	LUCA I.	LON AND A	CHEAGE DEDI	LUAI	LUN PL	.A I			
					Code Pool Name							
30-04	∞		96160 SW				D; MESAVERDE					
'Property Code				Property Name						*Well Number		
36074				SPANDEX SWD							1	
'OGRID			*Operator Name							*Elevation		
006515		DUGAN PRODUCTION CORPORATION								6522		
¹⁰ Surface Location												
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet	Feet from the East/We		st line	County	
D	16	25N	10W		1300	NORTH	1300		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/W		it line	County		
12 Dedicated Acres	<u> </u>				¹³ Joint or Infill	¹⁴ Consolidation Code	²⁵ Order	Na.			<u> </u>	
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 1319.67		131	9.67		263		" OPERATOR CERTIFICATION					
								I hereby certify that the information				

contained herein is true and complete to the best of my knowledge and belief Lur Signature 1300 <u>Kurt Fagrelius</u> 2640. Printed Name LAT: 36.40469 N LONG: 107.90644 W DATUM: NAD1983 Geology Title October 12, 2006 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 15, 2006 Signature and Seal of Professional Surveyor SEON C. EDWARDS EN MEXICO 8 POTESSION AND ESSION AN FICH 2634.721 2632.08 Centificate Number 15269



DUGAN PRODUCTION CORPORATION SPANDEX SWD #1 PROPOSED PIPELINE SURVEY LOCATED IN THE NW/4 NW/4 SECTION 16, T25N, R10W. NMPM SAN JUAN COUNTY, NEW MEXICO FOUND FOUND FOUND 1932 GLO 1932 GLO 1932 GLO BRASS CAP BRASS CAP BRASS CAP REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES RACKED ON SEPTEMBER IS, 2006 FROM A REFERENCE STATION POSITIONED IN NW/4 SW/4 OF SECTION IO, 125N, RIOM N89°56'W 2639.34' (RECORD) 589°32'W 2633.40' (RECORD) a 9 10 8 a 589°36'29"W 2631.24' (MEASURED) N89°52'31"W 2639.76' (MEASURED) 17 16 15 16 16 0001=" 2000 BEARING (MEASURED, TIE FROM NW CORNER SECTION 16 S47°18'12"E 1493.18' (RECORD) BEGIN SURVEY • STA 0+00 DUGAN SPANDEX COM #905 WELLFLAG IOIO' FNL, IIOO' FWL, SECTION 16, T25N, RIOW R ш BASIS SCAL 505°54'30"E 76.24 2634.43 2640.66 TRACKED ON SER A REFERENCE 9 NW4 SW4 OF 9 PII 0+76.3 50°43'50"LT EXIT PROPOSED WELLPAD PROPOSED ROAD (15' LT) (MEASURED) NO°02'19"E . NO°01'W 26 SRAPHIC (RECORD) 556*43'28"F 197.87" PROPOSED ROAD: X-ING STA 1+12.9 P12 2+14.2 41*54'16"RT ENTER PROPOSED WELLPAD PROPOSED ROAD (15' RT) O 5280.04 5280.00 FOUND 514*49'12"E 109.48" 1932 GLO 16 (END-OF-SURVEY # STA 3+83.6 DUGAN PRODUCTION SPANDEX SWD #1 WELLFLAG 1300' FNL, 1300' FWL, SECTION 16, T25N, RIOM BRASS CAP 10°02'E SED TO CALL TION OF ANY PIPELINES OR THE PROJECT NO.04'54 TIE TO NORTH 1/4 CORNER OF SECTION 16 N45°57'08"E 1865.62' (RECORD BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OF CABLES IN THE AREA OF THE PROJEC 2640.00 30°0N 16 17 16 16 15 589°49'03"W 2635.29' (MEASURED) 589°51'W 2632.08' (RECORD) 21 20 21 589°46'W 2634.72' (RECORD) FOUND FOUND EDWARDS JASON 1932 GLO 1932 GLO C. BRASS CAP BRASS CAP MEXICO SEW. ~ SURFACE OWNERSHIP ~ State of New Mexico Land REGISTER 15269 F 0+00 TO 3+83.6 383.6 FT / 23.2 RODS A OFESSION 87499 Land Surveyor: Jason C. Edwards ă I. Jason C. Edwards, a registered Professional Surveyor DRAWN BY. DUGAN PRODUCTION P.O. BOX #420 FARMINGTON, NM 87 Mailing Address: Post Office Box 6612 Farmington, NM 87499 CHECKED under the laws of the State of New Mexico, hereby .420 .420 .1 NM certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements **Business Address:** of the standards for easement surveys and is true and For FILENAME: 251016D6 111 East Pinon Street Farmington, NM 87402 (505) 325-2654 (Office) correct to the best of my knowledge and belief. Prepared (505) 326-5650 (Pax) Date: October 6, 2006 SURVEYS, INC.

Jason C. Edwards New Mexico LS #15269

