

UNITED STATES  
DEPARTMENT OF THE INTERIOR

## GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		1. LEASE DESIGNATION AND SERIAL NO. NM 17009	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		2. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		3. FARM OR LEASE NAME Absolut	
3. ADDRESS OF OPERATOR P.O. Box 420, Farmington, NM 87499		4. WELL NO. 1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 670' FNL & 1830' FWL At proposed prod. zone		5. FIELD AND POOL, OR WILDCAT Counselors Gallup/Dakota	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 1 mile NE of Counselors, NM		6. SEC. T. R. M. OR BLK. AND SURVEY OR AREA Sec. 23, T23N, R6W, NMPM	
10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 670'		7. COUNTY OR PARISH Sandoval	
16. NO. OF ACRES IN LEASE 2560		8. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx. 4200' from Gulf Federal		9. NO. OF ACRES ASSIGNED TO THIS WELL 160	
19. PROPOSED DEPTH 5650'		10. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) #1-24 6885' GL		22. APPROX. DATE WORK WILL START ASAP	
23. DRILLING AND CEMENTING PROGRAM and appeal pursuant to PROPOSED DRILLING AND CEMENTING PROGRAM			
SIZE OF HOLE 12-1/4" 7-7/8"	SIZE OF CASING 8-5/8" 4-1/2"	WEIGHT PER FOOT 24# 10.5#	SETTING DEPTH 200' 5650'
QUANTITY OF CEMENT 159 c.f. circ. to surface 1813 c.f. circ. to surface			

Plan to drill a 12-1/4" hole and set 200' of 8-5/8" OD, 24#, J-55 surface casing; then plan to drill a 7-7/8" hole to total depth with gel-water-mud program to test the Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing with stage tool, selectively perforate, frac, clean out after frac and complete well.

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OIL CON. DIV./  
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Sherman E. Dugan TITLE Vice-President DATE 8-23-91  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

APPROVED  
AS AMENDED

OCT 27 1991  
AREA MANAGER

NMOOD

\*See Instructions On Reverse Side

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JAN 13 1957  
U.S. AIR FORCE  
OFFICE OF THE  
JUDGE ADVOCATE  
GENERAL

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# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

## DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

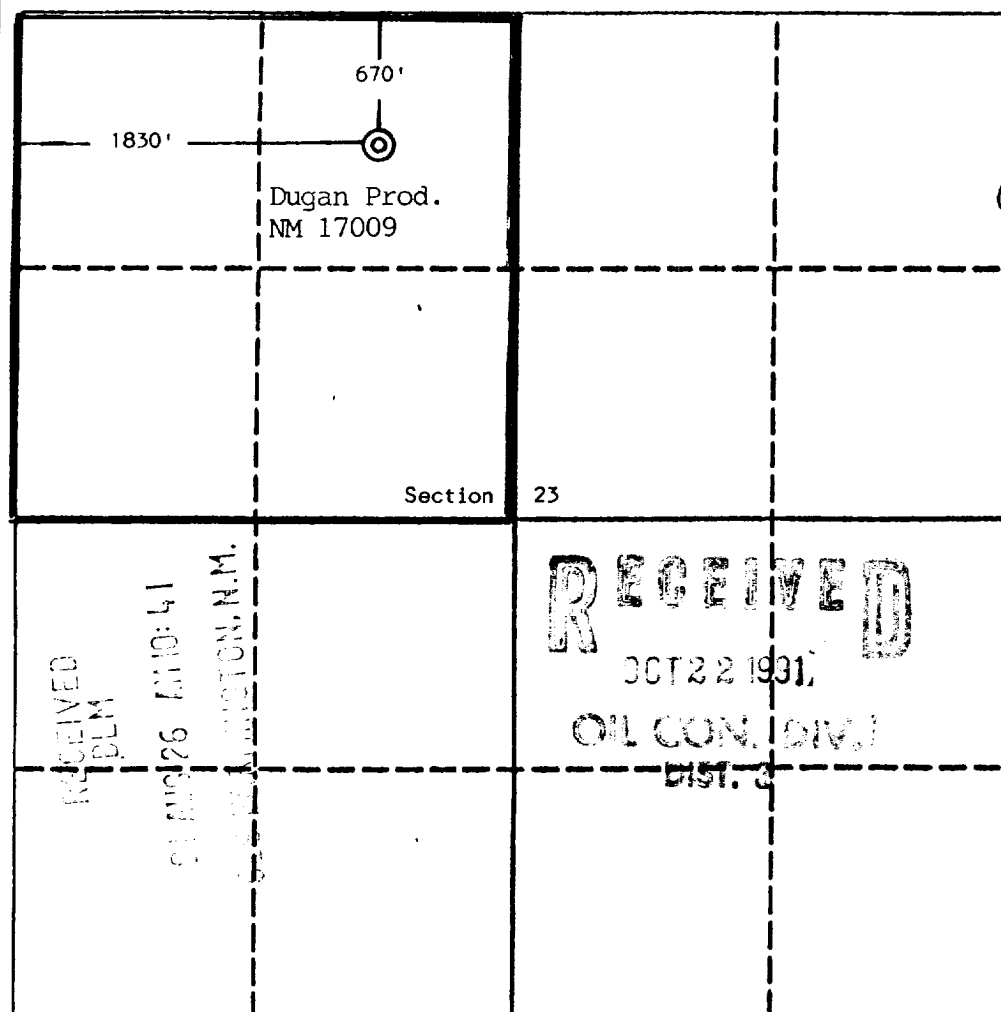
Operator Dugan Production Corporation			Lease Absolut		Well No. 1
Unit Letter C	Section 23	Township 23 North	Range 6 West	County Sandoval	

### Actual Footage Location of Well:

670 feet from the North line and 1830 feet from the West line

Ground level Elev. 6885	Producing Formation Gallup-Dakota	Pool Counselors Gallup/Dakota Ext.	Dedicated Acreage: 160 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

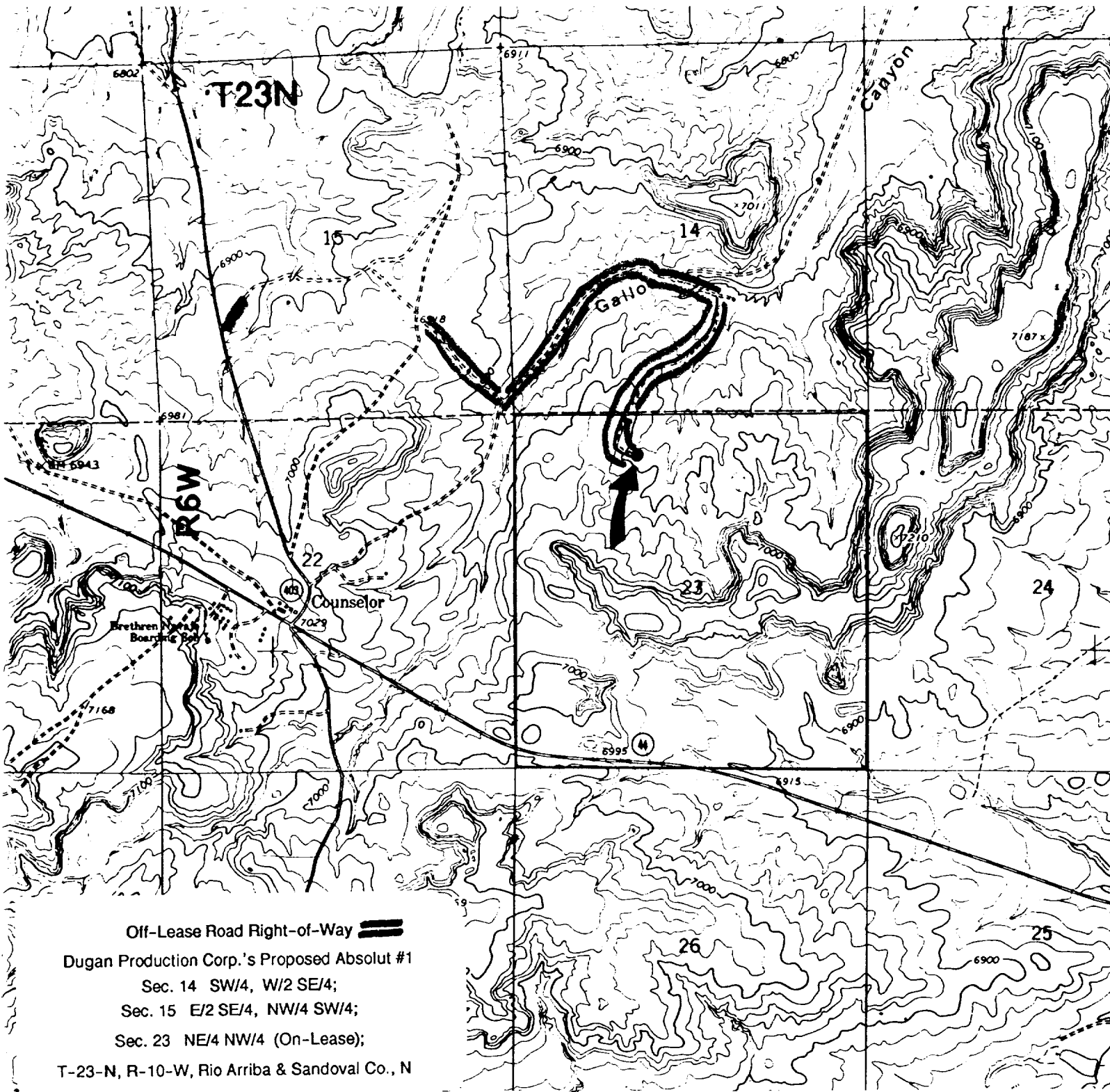
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Sherman E. Dugan*  
Printed Name: Sherman E. Dugan  
Position: Vice-President  
Company: Dugan Production Corp.  
Date: 8-23-91

### 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 knowledge and belief.

Date Surveyed: July 26, 1991  
Signature & Seal of Professional Surveyor: *Edgar L. Richardson*  
Certificate No.: 5979  
Edgar L. Richardson, P.S.



Off-Lease Road Right-of-Way **==**

Dugan Production Corp.'s Proposed Absolut #1

Sec. 14 SW/4, W/2 SE/4;

Sec. 15 E/2 SE/4, NW/4 SW/4;

Sec. 23 NE/4 NW/4 (On-Lease);

T-23-N, R-10-W, Rio Arriba & Sandoval Co., N

### Existing Roads

### Exhibit E

Vicinity of nearest town or reference pt.  
approx. 1 mile NE of Counselors Trading Post

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map Counselor, N.Mex.

### Planned Access Road(s)

### Exhibit E

Width 20' Maximum grades 8%

Drainage design as required

Cuts & Fills see diagram

Surfacing material none

☒ Turnouts

☒ Culverts

☒ Gates

☒ Cattleguards

☒ Fence cuts

☒ Waterbars

☒ road & pipeline

Access road(s) ☒ do ☐ do not cross ☒ Fed ☐ Ind land.  
DUGAN PRODUCTION CORP. - Absolut #1