

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Dugan Production Corp.

3. ADDRESS OF OPERATOR

P O Box 208, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1550' FNL - 1850' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

13 miles south of "44" Store

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

1550'

16. NO. OF ACRES IN LEASE

1968

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160.70

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

1450'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6785' GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-1/2"	7"	26#	85'	21 sx
4-3/4"	2-7/8"	6.5#	1450'	75 sx 65-35 Poz w/ 2% gel + 1# Floseal 50 sx C.B. 4# Floseal

Plan to drill w/ mud using slim hole technique to test P.C. and Upper Chacra Formations.

If productive, plan to set 2-7/8" csg through formation, selectively perforate, frac, clean out after frac, and run tbg.

Plan to use Regan Blowout Preventers. Install BOP after setting surface pipe and pressure test to 1000 psi after drilling out from under surface pipe. The Regan BOP will control up to 3000 psi working pressure.

NMIRB Requirement: Gas not dedicated.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO INSPECTION WITH ATTACHED
"FEDERAL WELL PERMITS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present 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

Jerome P. McHugh Jr.

TITLE

Landman

DATE

11-12-80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

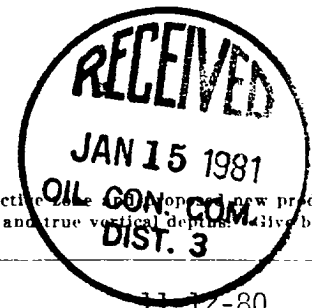
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

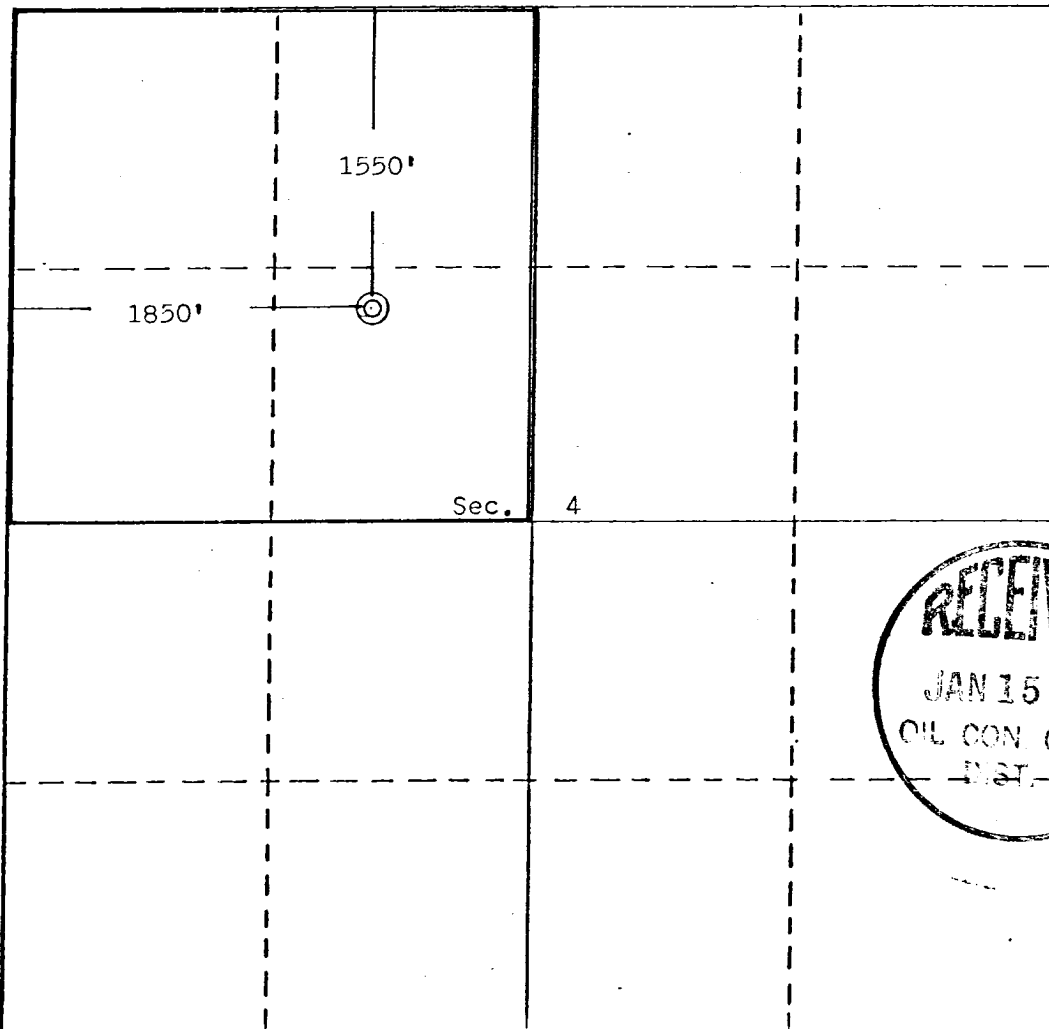
Operator Dugan Production Corporation			Lease Billie		Well No. 3
Unit Letter F	Section 4	Township 21 North	Range 8 West	County San Juan	
Actual Footage Location of Well: 1550 feet from the North line and 1850 feet from the West line					
Ground Level Elev. 6785	Producing Formation <i>Chen</i>	Pool <i>Chen</i>		Dedicated Acreage: 168.70 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Division.



CERTIFICATION

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

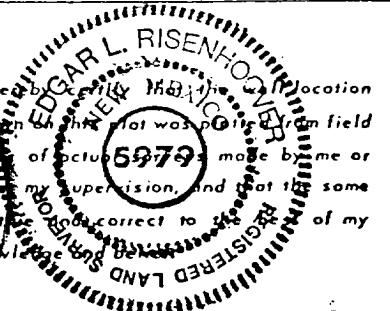
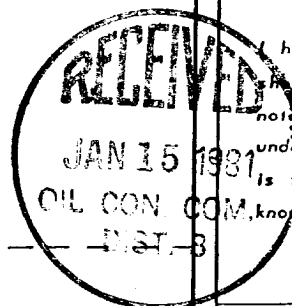
Jerome P. McHugh Jr.
Name

Jerome P. McHugh Jr.

Position
Landman

Company
Dugan Production Corp.

Date
11-11-80



Date Surveyed
November 10, 1980

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5989

Edgar L. Risenhoover, L.S.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0