

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"/>				3. LEASE DESIGNATION AND SERIAL NO. NM 23744	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 208, Farmington, NM 87499				8. FARM OR LEASE NAME Olympic	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 1980' FWL At proposed prod. zone				9. WELL NO. 3	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* approx. 8 miles SW of Blanco Trading Post, NM				10. FIELD AND POOL, OR WILDCAT South Bisti Gallup	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA. K Sec. 3, T23N, R10W, NMPM	
16. NO. OF ACRES IN LEASE 320-639.56				12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL 80				13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx. 1867' from Olympic #4				20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6684' GL; 6696' RKB				22. APPROX. DATE WORK WILL START* ASAP	
23. DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS AND CEMENTING PROGRAM" This section is subject to technical and procedural review pursuant to 42 CFR 3000.0 and special permit to 42 CFR 3100.0.					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		
12-1/4"	8-5/8"	24#	200'	159 cf circ. to surface	
7-7/8"	4-1/2"	10.5#	4830'	1531 cf 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 Gallup formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

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 Geologist DATE 9-29-87  
(This space for Federal or State office use)

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

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

NMOCF

\*See Instructions On Reverse Side

for Robert Moore

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

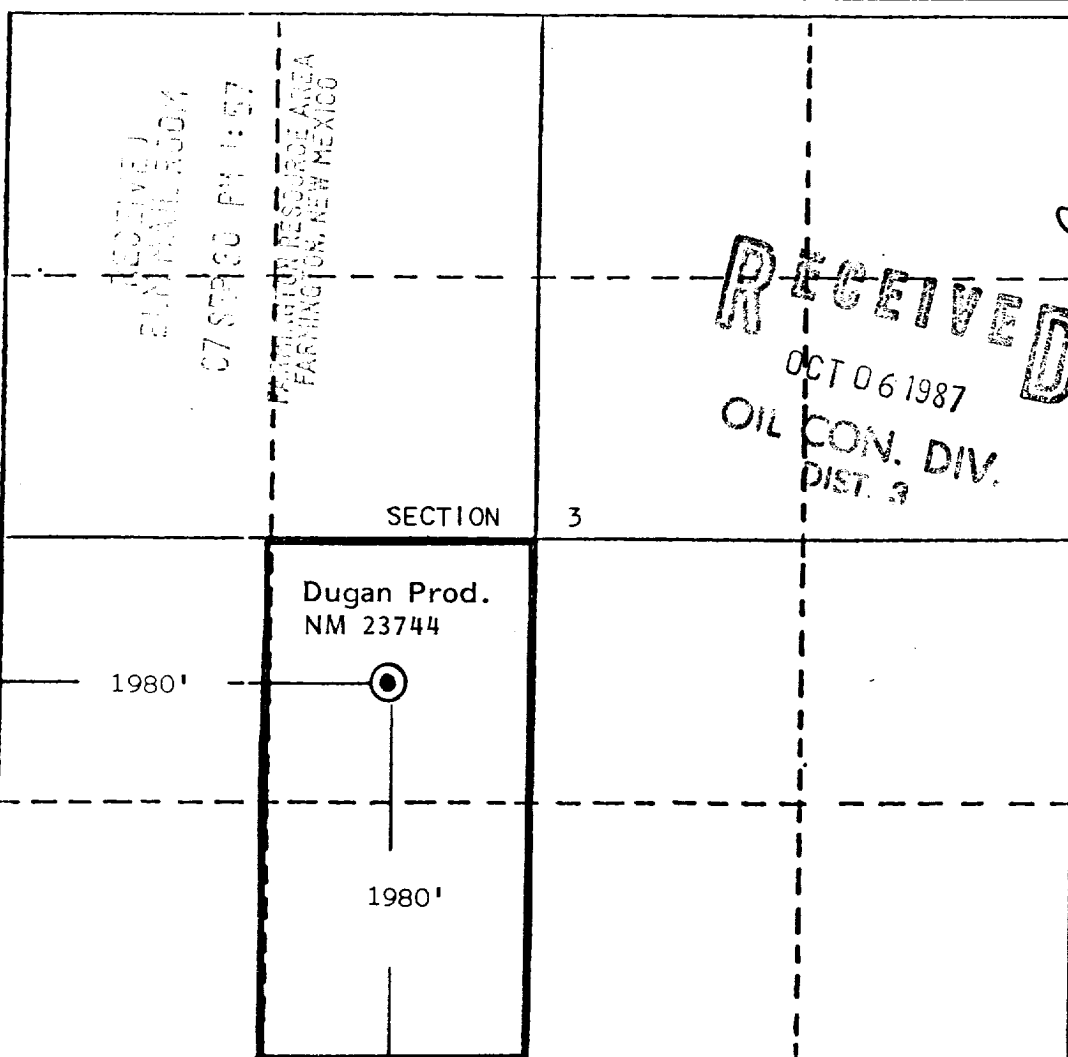
Operator Dugan Production Corporation		Lease Olympic		Well No. 3
Unit Letter K	Section 3	Township 23 North	Range 10 West	County San Juan
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line				
Ground Level Elev. 6684	Producing Formation Gallup	Pool South Bisti Gallup	Dedicated Acreage: 80 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.

*Sherman E. Dugan*

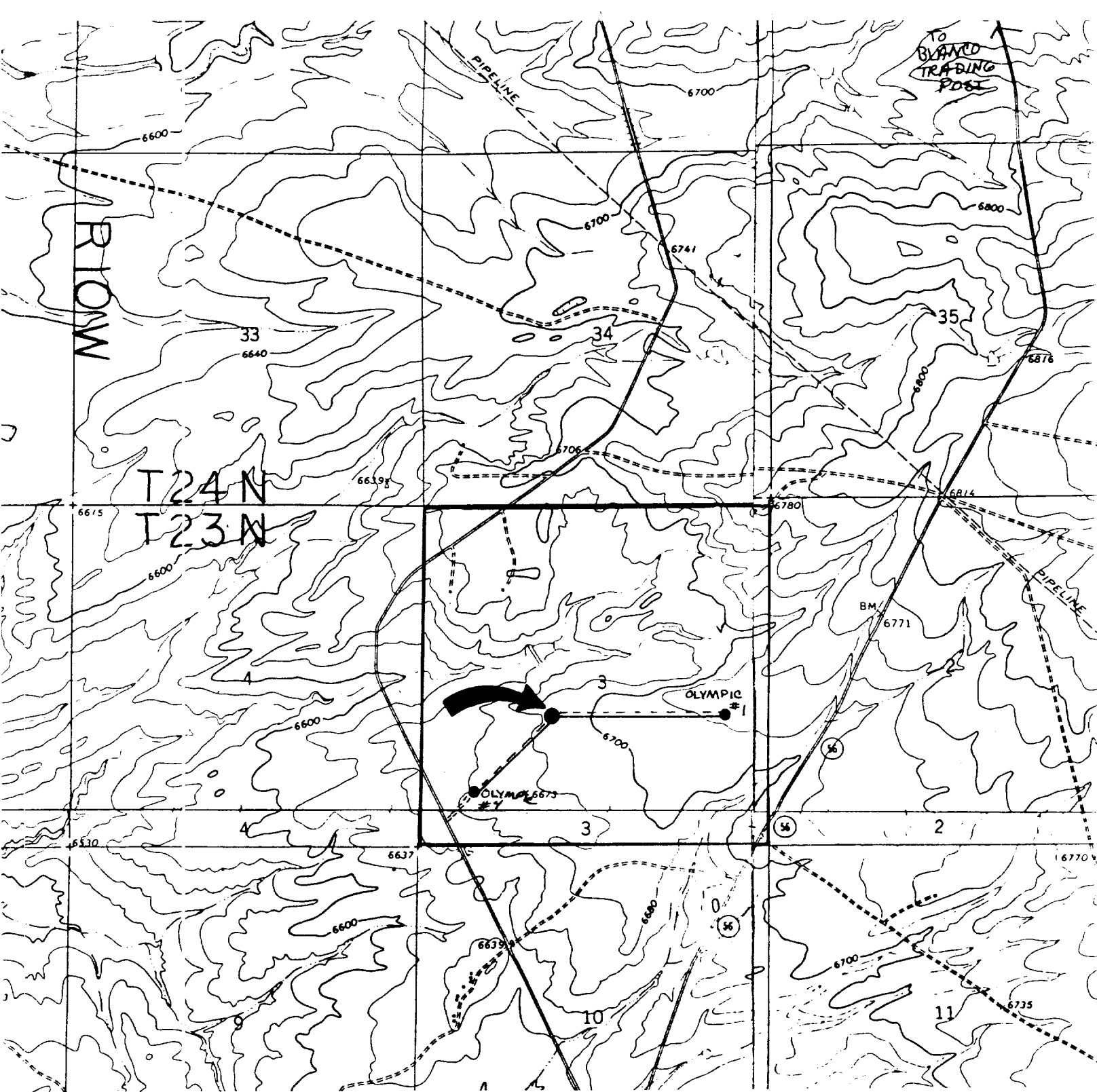
Name  
Sherman E. Dugan  
Position  
Geologist  
Company  
Dugan Production Corp.

Date  
9-29-87

I, EDGAR L. RISENHOVER, a Registered Professional Engineer and Land Surveyor in the State of New Mexico, do 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  
September 16, 1987  
Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979  
Edgar L. Risenhoover, L.S.



DUGAN PRODUCTION CORP. - Olympic #3  
Existing Roads Exhibit E

Vicinity of nearest town or reference pt.  
8 miles SW of Blanco Trading Post, NM

Type of surface dirt

Conditions good

Owner

Reference map: USGS map: Huerfano Trading  
Post SW 1966 and Pueblo Bonito NW 1966  
(Section series)

DUGAN PRODUCTION CORP. - Olympic #3  
Planned Access Road(s) Exhibit E

Width 20' Maximum grades 1%

Drainage design as required

Cuts & Fills See Cut & Fill Diagram

Surfacing material None

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Access road(s) do/do not cross Fed/Ind land.

----- Road parallel to fluids gathering line