31-145-27463 6 BLM 1 File Cramer (947) 1963) SUBMIT IN TRIPLICATE. Form approved. Budget Bureau No. 42-R1425 BIM -Alb. BIA-Window Rock UNITED STATES (Other instructions on reverse side) 1 Alan Nez DEPARTMENT OF THE INTERIOR J. LEASE DESIGNATION AND SERIAL NO. 1 Union Pacific **GEOLOGICAL SURVEY** NM 36952 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 1a. TIPE OF WORK DRILL X 7. UNIT AGREMENT NAME DEEPEN PLUG BACK [ b. TIPE OF WELL WELL X MULTIPLE ZONE 8. PARM OR LEASE NAME OTHE 2. NAME OF OPERATOR F10-J0= DUGAN PRODUCTION CORP. 9. WELL NO. 3. ADDRESS OF OPERATOR 1 : : P.O. Box 420, Farmington, NM 87499 10. PIBLD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with South-Bisti Gallup Ext. 660' FNL & 330' FEL SEC., T., R., M., OR BLE. AND SURVEY OR AREA SEP1 51989 At proposed prod. zone Sec.1,T23N, R11W,NMPM CON DIV 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFI 12. COUNTY OR PARISH | 13. STATE approx. 9½ miles southwest of Blanco Trading Post; NM San Juan NM 15. DISTANCE FROM PROPOSED\*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED 330' 640 80.00 18. DISTANCE FROM PEOPOSED LOCATION\* 2970 from TO MEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. Proposed DPC Flo 19. PROPOSED DEPTH 20. ROTART OR CABLE TOOLS 4670 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START\* 65551 GL This action is subject to technical and **ASAP** Procedural review pursuant to Harpostograsing and Cementing Program Ling U-FRATIONS AUTHORIZED ARE appeal pursuant to 43 CFR 3185.4 SIZE OF HOLE COMPHANCE WITH ATTACHED SETTING DEPTH 159 Cf Circ. to surface 12-1/4" 8-5/8" 24# 200 4670' 1474 cf circ. to surface <u>7-7/8"</u> 4-1/2" 10.5#

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-mudprogram 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 DESCRIPT PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout

Vice Preside Geologist	ent/ PATE 7-11-89
	AS AMENDED
APPROVAL DATE	SEP 2 1000
NMOCD	MAREA MANAGER
	Geologist  APPROVAL DATE

\*See Instructions On Reverse Side

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

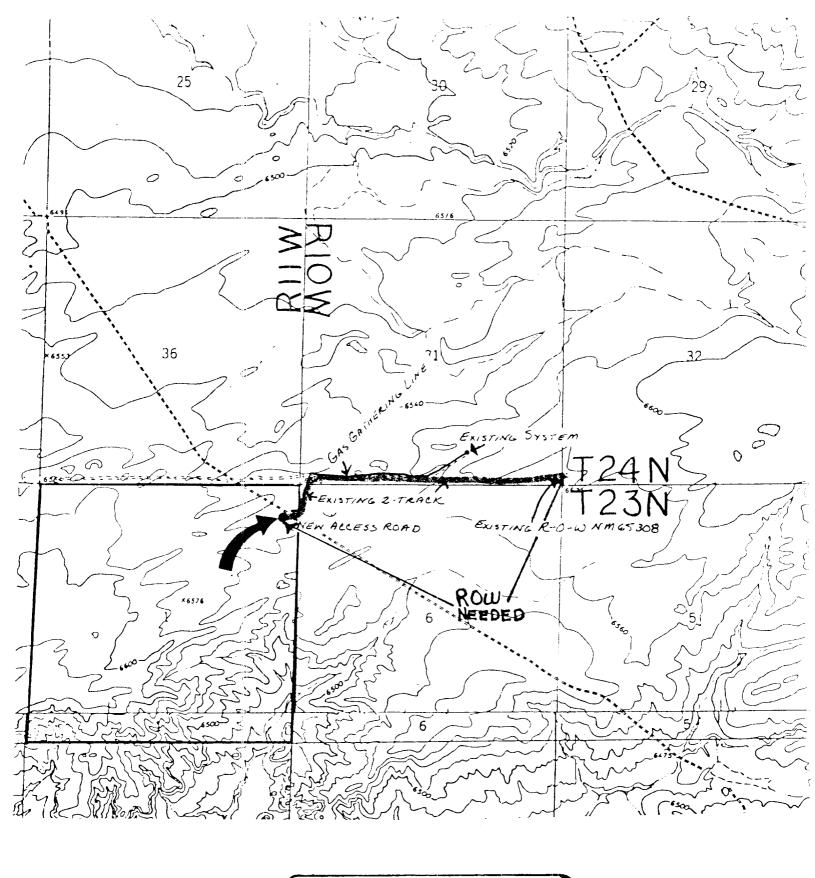
<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

## WELL LOCATION AND ACREAGE DEDICATION PLAT

erator		~~·············	Julia Nos IIIus ( De	from the outer boundard			(Wall No
	Ddo						Well No.
Dugan nk Letter	Production C			Flo-J	10	Y	1
A .	Section 1	Township	23 North	Range		County	
tual Footage Loca	1		23 NOFTH	11 West	NMPM	Sa	in Juan
660 ound level Elev.	feet from the	North ag Formation	line and	Pool	feet from t	he East	line
	Gall	-		South Bisti	Callum Eu+		Dedicated Acreage:
6555		_ '		cil or hachure marks on th			80.62 Acres
3. If more unitization of the un	than one lease of dif- ion, force-pooling, etc Yes is "no" list the owner if neccessary.	Terent ownership c.? No If and tract descr	p is dedicated to the answer is "yes" typ riptions which have	actually been consolidated	all owners been consolid	dated by com	munitization,
No allowa	ble will be assigned t	to the well until minating such in	all interests have be terest, has been app	een consolidated (by commoroved by the Division,	unitization, unitization,	forced-poolin	g, or otherwise)
		SECTIO	DN 1	DPC Ls.#	0 0 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	in hereby mained/hereis of my known in the Name I ce- Pressupany I gan Product in the I ce- 11-89	Dugan
·					on act sup cor bel.  Del.  Sin	this plat we trial surveys pervison, and crect to the lief.	that the well location sins plotted from field note made by me or under that the same is true best of my knowledge  June 20, 1989
				     	<u> </u>	EO	(272) Land
				     	· Ce	EOO EOO	(3973) Johnson



Dugan Production Corp's Flo Jo #1 <u>EXHIBIT R</u>

T23N, R11W - Sec. 1 NE NE/4
T23N, R10W - Sec. 6 NW NW NW/4
T24N, R10W - Sec. 31 S/2 S/2
Parallels southern section line 31
Length = 150' new; 5600 upgraded