

SUBMIT IN TRIPLICATE*

(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.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

790' FNL - 790' FWL

At proposed prod. zone

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

10 miles North of Lybrook, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

790'

18. DISTANCE FROM PROPOSED LOCATION*

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

3/4 mile

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

N 341.14

19. PROPOSED DEPTH

7350'

20. ROTARY OR CABLE TOOLS

Rotary

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

7165' GL

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
12 1/4"	8-5/8"	24#	200'	135 sx to surface
7-7/8"	4 1/2"	11.6 & 10.5#	7350'	1675 cu.ft. to surface

Plan to drill with spud mud to 200', set surface casing, then drill to total depth using gel-mud-water mixture in order to test the Dakota Formation. Plan to run IES and CDL logs and, if the well appears productive, will set 4 1/2" casing, selectively perforate, frac, clean out after frac, and complete the well using 1 1/2" tubing.

GAS NOT DEDICATED.

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

Jerome P. McHugh Jr.

Jr.

TITLE Well Site Coordinator

DATE

3-23-82

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

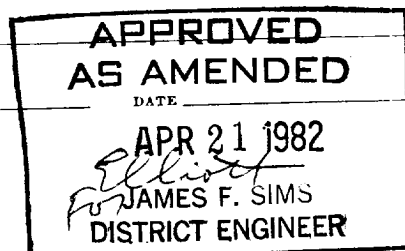
APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

write name
OK

NMOCC



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

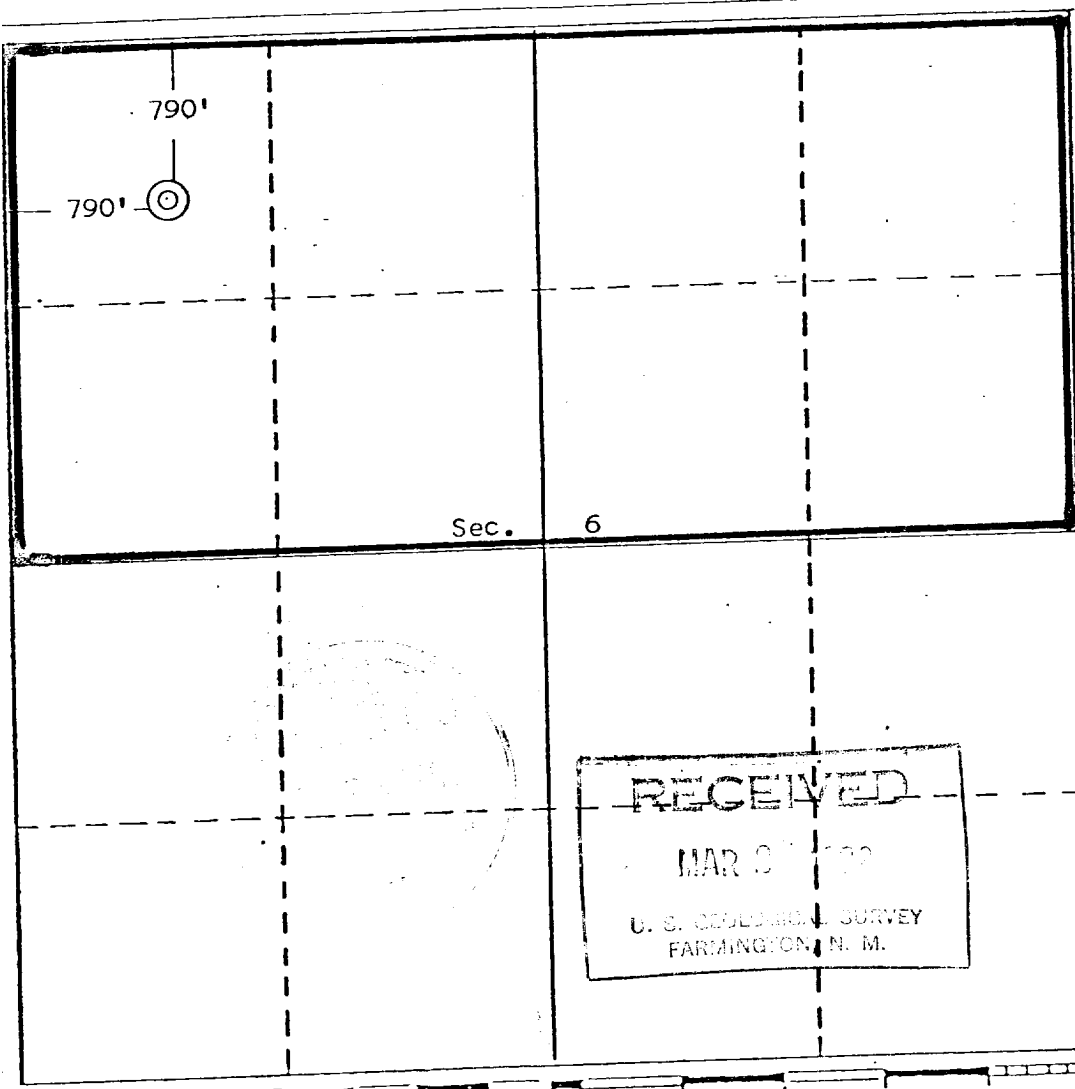
Operator Dugan Production Corporation		Lease Grand Gulch		Well No. 2
Section D	Section 6	Township 24 North	Range 7 West	County Rio Arriba
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the West line				
Ground Level Elev. 7165	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: N 34.04 320 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
Well Site Coordinator

Company
Dugan Production Corp.

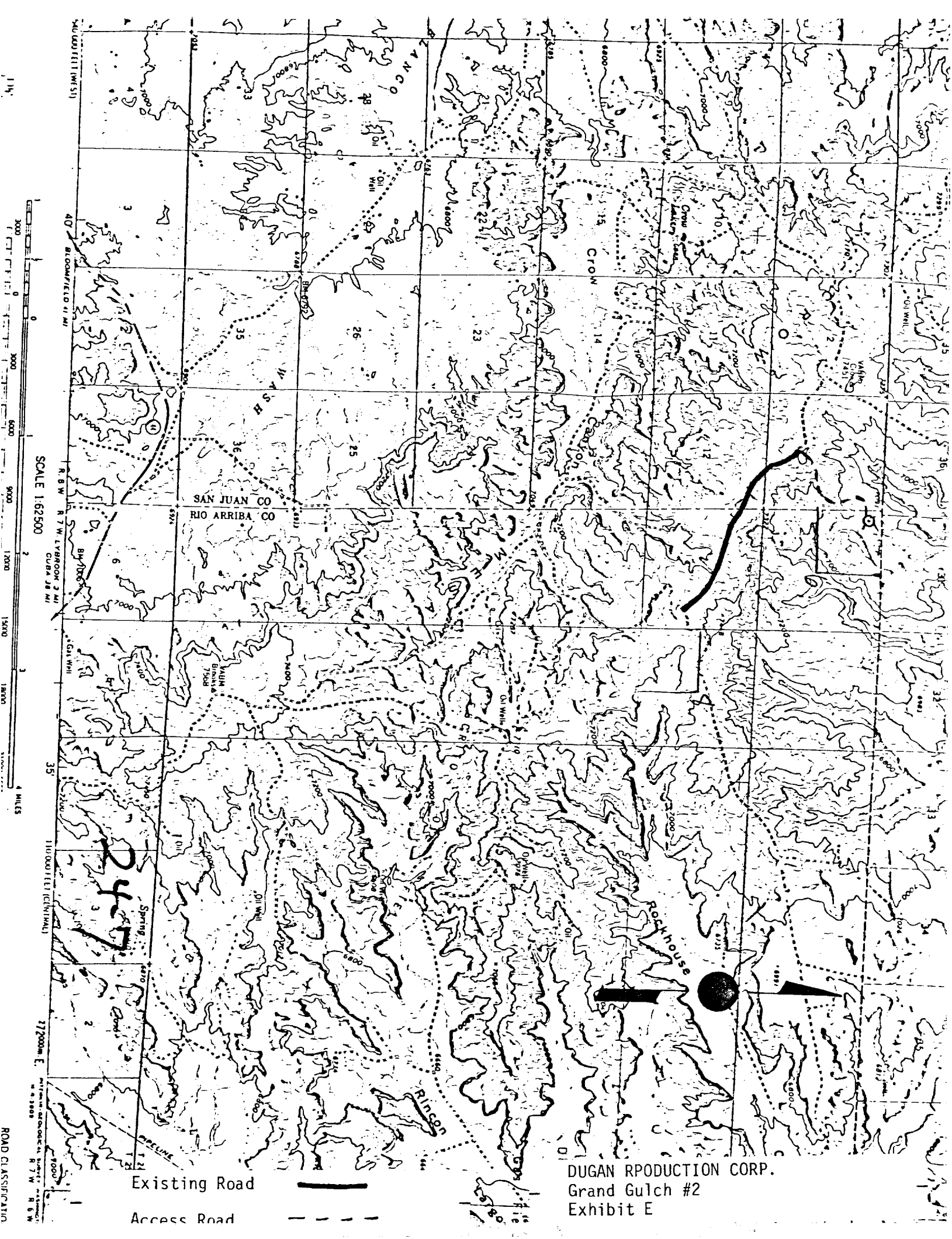
Date
3-23-82

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
March 4, 1982

Registered Professional Engineer and/or Land Surveyor

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



Existing Road

Access Road

DUGAN RPRODUCTION CORP.
Grand Gulch #2
Exhibit E