

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"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 16589		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTED OR TRIBE NAME		
2. NAME OF OPERATOR Dugan Production Corp.			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR Box 234, Farmington, NM 87401			8. FARM OR LEASE NAME Mountain		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 940' FSL - 790' FWL At proposed prod. zone			9. WELL NO. 7		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7 miles northeast of Nageezi, New Mexico			10. FIELD AND POOL, OR WILDCAT Wildcat		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 790'			11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA Sec 9, T24N, R8W		
16. NO. OF ACRES IN LEASE 1480			12. COUNTY OR PARISH San Juan		
17. NO. OF ACRES ASSIGNED TO THIS WELL 160			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. Approx 1 1/2 mile			19. PROPOSED DEPTH 2000'		
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START* 6-25-77		
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 6955' GR					

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	20#	60'	30 sx
5"	2-7/8"	6.4#	2000'	100 sx

Plan to drill well using mud as circulating medium to test Pictured Cliffs formation. If productive, plan to set 2-7/8" tubing for casing, selectively perforate, frac, clean out after frac, run 1-1/4" tubing, and complete well.

Do not plan to use a blowout preventer while drilling. Will use master valve and stripper head while completing well.

NMERB Requirement: Gas dedicated to Northwest Pipeline Corporation.

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 Thomas A. Dugan TITLE Petroleum Engineer DATE 3-30-77
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

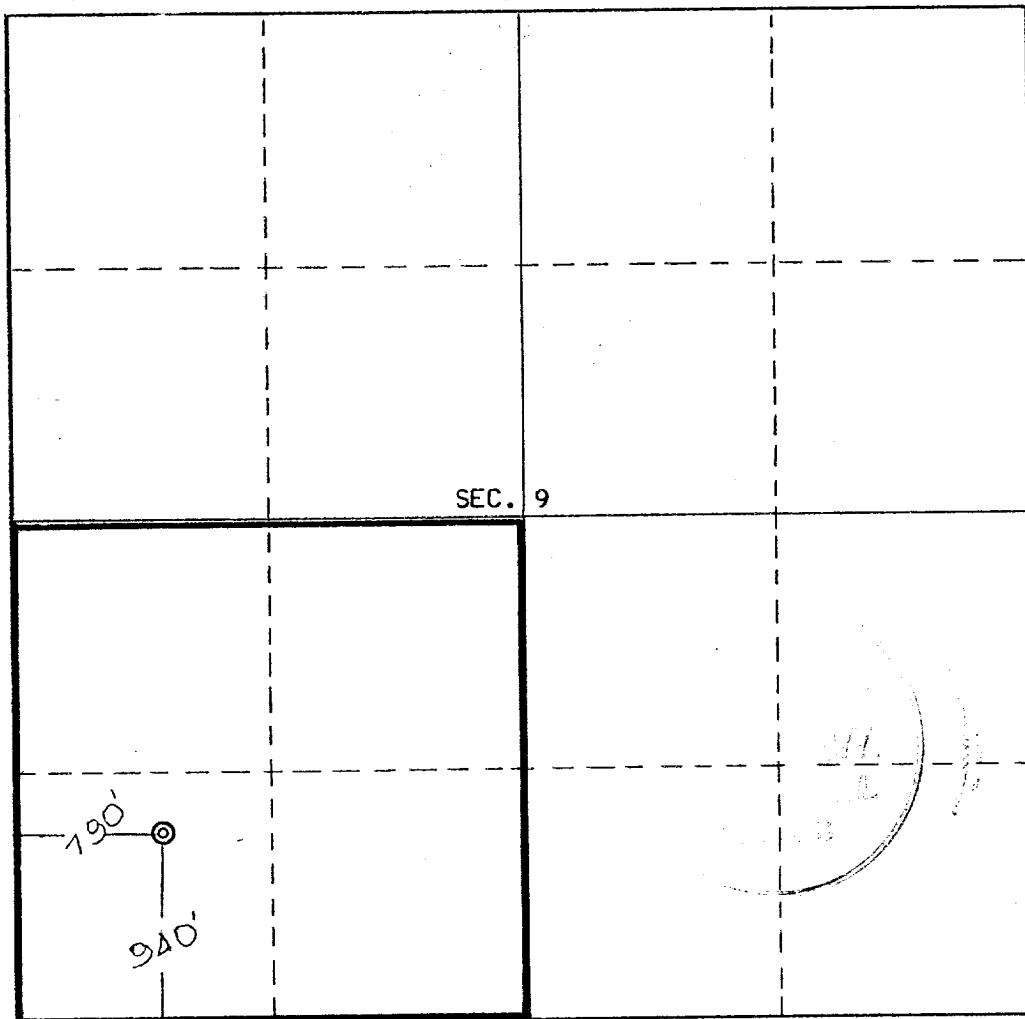
Operator Dugan Production Corporation			Lease Mountain		Well No. 7
Unit Letter M	Section 9	Township 24 North	Range 8 West	County San Juan	
Actual Footage Location of Well: 940 feet from the South line and 790 feet from the West line					
Ground Level Elev. 6955'	Producing Formation Pictured Cliffs		Pool Potwin EXT	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Commission.



CERTIFICATION

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

Thomas A. Dugan

Name

Thomas A. Dugan

Position

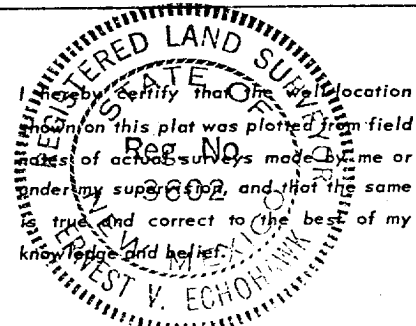
Petroleum Engineer

Company

Dugan Production Corp.

Date

3-30-77



Date Surveyed

March 20, 1977

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS

