

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-095-35787

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

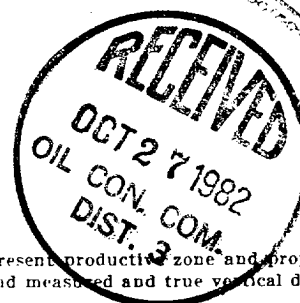
1. TYPE OF WELL DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		8. FARM OR LEASE NAME April Surprise
3. ADDRESS OF OPERATOR P O Box 208, Farmington, NM 87499		9. WELL NO. 4
4. LOCATION OF WELL (Report location clearly and in accordance with instructions on back of form) At surface 1710' FSL - 830' FWL At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT Basin Dakota
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 5 mi NW of Nageezi		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA L Sec. 19 T24N R9W
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 830'	16. NO. OF ACRES IN LEASE 1721.01	12. COUNTY OR PARISH San Juan
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1/2 mile	19. PROPOSED DEPTH 6350'	13. STATE NM
21. ELEVATIONS (Show whether LF, RT, GR, etc.) 6915' GL; 6927' RKB		17. NO. OF ACRES ASSIGNED TO THIS WELL S ±320
22. APPROX. DATE WORK WILL START 10-30-82		20. ROTARY OR CABLE TOOLS Rotary

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#	220'	135 sx class "B"
7-7/8"	4-1/2"	11.6 & 10.5#	6350'	1900 cu.ft. total slurry

Plan to drill with spud mud to approx. 220' to set surface casing and cement to surface. Will then drill with water-mud-gel mixture to test the Basin Dakota Formation. Plan to run IES & CDL logs and, if the well appears productive, will run 4 1/2" casing, cementing in two stages. Will then selectively perforate, possibly frac, and clean out and complete 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.

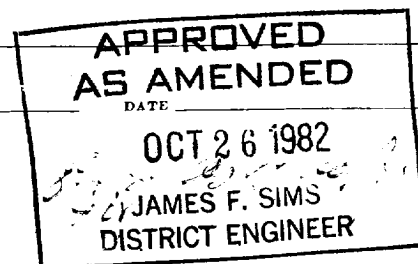
24. SIGNED Jerry McHugh TITLE Landman DATE 10-13-82

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:



NMDC

Attention: Surveyors, please use correct spelling of the location

DUGAN PRODUCTION COMPANY				
Well Letter	Section	Township	Range	County
L	19	24 North	9 West	San Juan

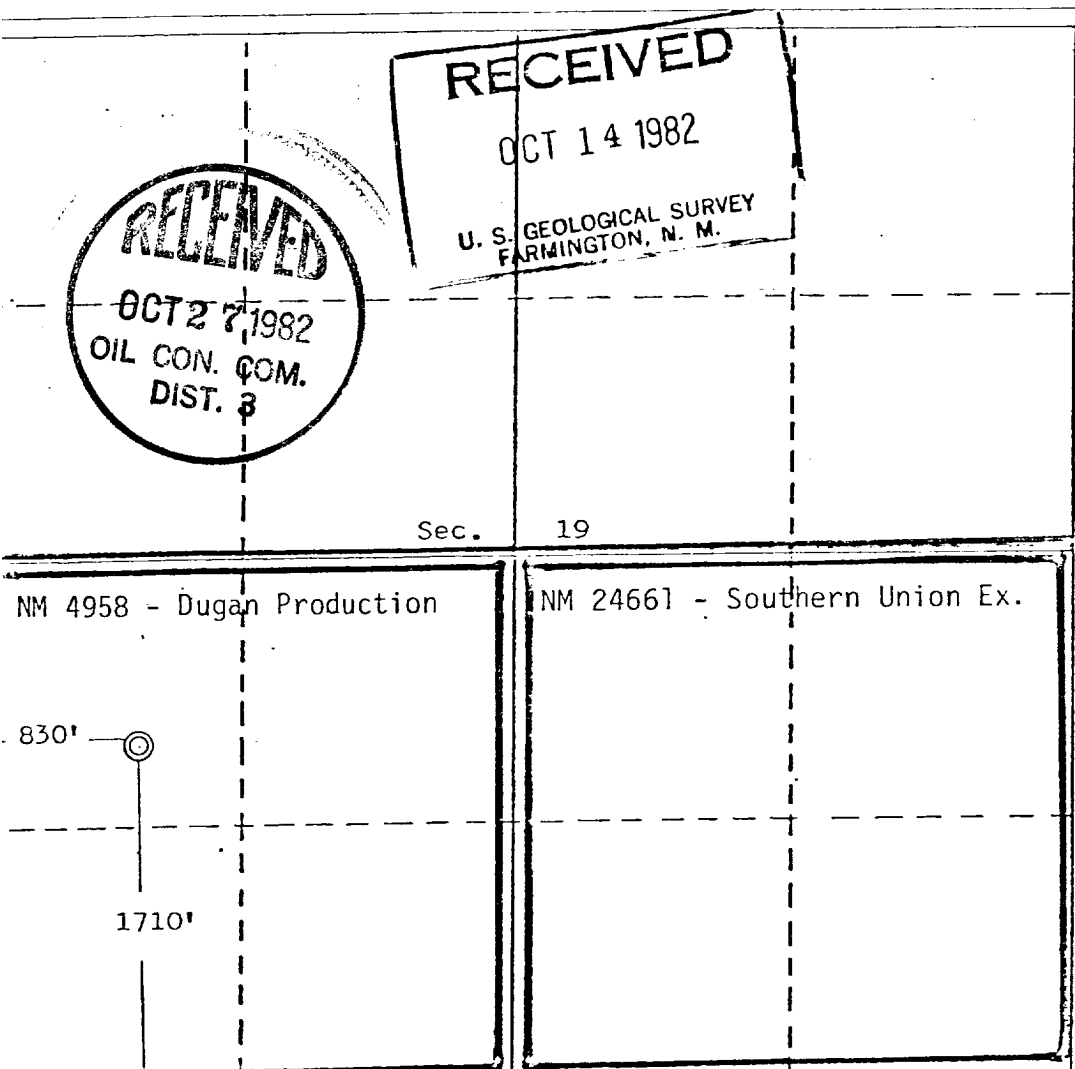
Actual Footage Location of Well:				
1710	feet from the	South	line and	830
feet from the	West	line		
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:	
6915	Dakota	Basin Dakota	5 320 Acres	

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 communization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communization

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 communization, 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.	
Name	Jerry McHugh
Position	Landman
Company	Dugan Production Corp.
Date	10-13-82
Date Surveyed	October 5, 1982
Registered Professional Engineer and/or Land Surveyor	
Edgar L. Risenhoover	
Certificate No. 5979	
Edgar L. Risenhoover, L.S.	