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LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. V-1509

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name	
2. Name of Operator DUGAN PRODUCTION CORP.		8. Farm or Lease Name Mary Lou	
3. Address of Operator P O Box 208, Farmington, NM 87499		9. Well No. 1	
4. Location of Well UNIT LETTER <u>A</u> LOCATED <u>800</u> FEET FROM THE <u>North</u> LINE AND <u>800</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>32</u> TWP. <u>24N</u> RGE. <u>10W</u> NMPM		10. Field and Pool, or Wildcat Undes. Gallup	
		12. County San Juan	
		19. Proposed Depth 5000'	
		19A. Formation Gallup	
		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) 6592' GL		21A. Kind & Status Plug. Bond State Wide	
		21B. Drilling Contractor 4 Corners Drilling	
		22. Approx. Date Work will start rig availability	

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	200'	150 cf	surface
7-7/8"	4-1/2"	10.5#	5000'	1680 cf	surface

Plan to drill a 12-1/4" hole and set 200' of 8-5/8" OD, 24#, K-55 surface casing; then plan to drill a 7-7/8" hole to total depth with gel-water-mud program to test the Gallup formation. Plan to run IES and CDL logs. If deemed productive, will run 4 1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

BOP will be used during drilling and completing well.

APPROVAL EXPIRES 1-13-86
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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DIST. 3

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Sherman E. Dugan Sherman E. Dugan Title Geologist Date 7-9-85

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT #3 DATE JUL 12 1985

CONDITIONS OF APPROVAL, IF ANY:

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

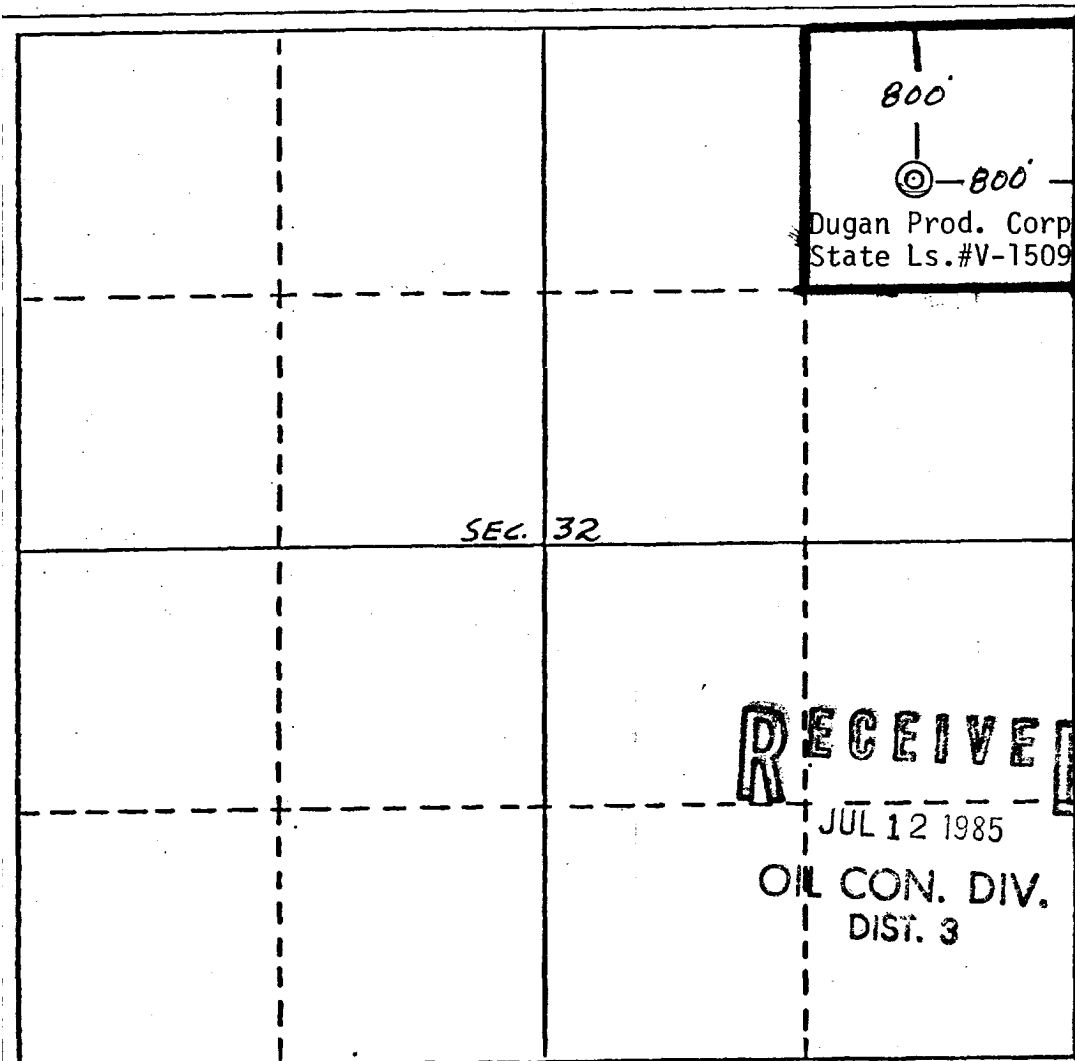
Operator Dugan Production Corporation			Lease Mary Lou		Well No. 1
Unit Letter A	Section 32	Township 24 North	Range 10 West	County San Juan	
Actual Footage Location of Well: 800 feet from the North line and 800 feet from the East line					
Ground Level Elev. 6592	Producing Formation Gallup	Pool Undesignated Gallup	Dedicated Acreage: 40 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 Division.



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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
7-9-85

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
June 28, 1985

Registered Professional Engineer and/or Land Surveyor

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

