

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

|                        |     |
|------------------------|-----|
| NO. OF COPIES RECEIVED |     |
| DISTRIBUTION           |     |
| SANTA FE               |     |
| FILE                   |     |
| U.S.G.A.               |     |
| LAND OFFICE            |     |
| TRANSPORTER            | OIL |
|                        | GAS |
| OPERATOR               |     |
| PRODUCTION OFFICE      |     |

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501Form C-104  
Revised 10-01-78  
Format 06-01-83  
Page 1RECEIVED  
AUG 03 1987  
OIL CON. DIV.  
DIST. 3REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator  
**DUGAN PRODUCTION CORP.**

Address  
**P.O. Box 208, Farmington, NM 87499**

Reason(s) for filing (Check proper box)

|                                              |                                         |                                     |
|----------------------------------------------|-----------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> New Well | Change in Transporter of:               |                                     |
| <input type="checkbox"/> Recompletion        | <input type="checkbox"/> Oil            | <input type="checkbox"/> Dry Gas    |
| <input type="checkbox"/> Change in Ownership | <input type="checkbox"/> Casinghead Gas | <input type="checkbox"/> Condensate |

Other (Please explain)

If change of ownership give name  
and address of previous owner

## II. DESCRIPTION OF WELL AND LEASE

|                                 |                        |                                                             |                                                          |                              |
|---------------------------------|------------------------|-------------------------------------------------------------|----------------------------------------------------------|------------------------------|
| Lease Name<br><b>Gold Medal</b> | Well No.<br><b>4</b>   | Pool Name, including Formation<br><b>South Bisti Gallup</b> | Kind of Lease<br>State, Federal or Fee<br><b>Federal</b> | Lease No.<br><b>NM 22044</b> |
| Location                        |                        |                                                             |                                                          |                              |
| Unit Letter<br><b>M</b>         | <b>660</b>             | Feet From The<br><b>South</b>                               | <b>810</b>                                               | Feet From The<br><b>West</b> |
| Line of Section<br><b>33</b>    | Township<br><b>24N</b> | Range<br><b>10W</b>                                         | <b>San Juan</b> County                                   |                              |

## III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

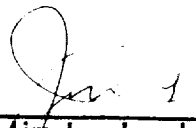
|                                                                                                                                                           |                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/><br><b>The Mancos Corp.</b>               | Address (Give address to which approved copy of this form is to be sent)<br><b>P.O. Box 1320, Farmington, NM 87499</b> |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/><br><b>Dugan Production Corp.</b> | Address (Give address to which approved copy of this form is to be sent)<br><b>P.O. Box 208, Farmington, NM 87499</b>  |
| If well produces oil or liquids, give location of tanks.                                                                                                  | Unit Sec. Twp. Rge. Is gas actually connected? When                                                                    |
| <b>K 33 24N 10W</b>                                                                                                                                       | <b>No</b>                                                                                                              |

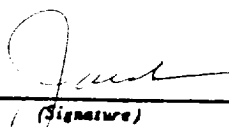
If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

## VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

  
**Jim L. Jacobs**  
Geologist  
7-30-87  
(Date)

  
(Signature)  
(Title)

OIL CONSERVATION DIVISION  
AUG - 3 1987

APPROVED \_\_\_\_\_, 19\_\_\_\_

BY **Original Signed by FRANK T. CHAVEZ**

TITLE \_\_\_\_\_ SUPERVISOR DISTRICT 3

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.

Form C-104  
 Revised 10-25-78  
 Form C-104-2  
 Page 2  
 AUG 03 1987  
 CON. DIV.  
 DIST. 2

#### IV. COMPLETION DATA

| Designate Type of Completion - (X)                        |                                       | Oil Well | Gas Well                 | New Well | Workover                   | Deepen | Plug Back | Same Sec'y. | Diff. Sec'y. |
|-----------------------------------------------------------|---------------------------------------|----------|--------------------------|----------|----------------------------|--------|-----------|-------------|--------------|
|                                                           |                                       | XX       |                          | XX       |                            |        |           |             |              |
| Date Spudded<br>4-20-87                                   | Date Compl. Ready to Prod.<br>7-25-87 |          | Total Depth<br>4800'     |          | P.B.T.D.<br>4761'          |        |           |             |              |
| Elevations (DF, RKB, RT, CR, etc.,<br>6620' GL; 6632' RKB | Name of Producing Formation<br>Gallup |          | Top Oil/Gas Pay<br>4435' |          | Tubing Depth<br>4671'      |        |           |             |              |
| Perforations<br>4435' - 4688' Gallup                      |                                       |          |                          |          | Depth Casing Shoe<br>4800' |        |           |             |              |

#### TUBING, CASING, AND CEMENTING RECORD

| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT        |
|-----------|----------------------|-----------|---------------------|
| 12-1/4"   | 8-5/8" OD            | 222' RKB  | 206 cf              |
| 7-7/8"    | 4-1/2" OD            | 4800' RKB | 1552 cf in 2 stages |
|           | 2-3/8"               | 4671'     |                     |

#### V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed test allowable for this depth or be for full 24 hours)

|                                                    |                          |                                                           |                      |
|----------------------------------------------------|--------------------------|-----------------------------------------------------------|----------------------|
| Date First New Oil Run To Tanks<br>7-25-87         | Date of Test<br>7-29-87  | Producing Method (Flow, pump, gas lift, etc.)<br>Swabbing |                      |
| Length of Test<br>9 hrs                            | Tubing Pressure<br>- 0 - | Casing Pressure<br>150                                    | Choke Size<br>---    |
| Actual Prod. During Test<br>22 BO, *85 BLW, 16 MCF | Oil - Bbls.<br>59 BOPD   | Water - Bbls.<br>*227 BLWPD                               | Gas - MCF<br>43 MCFD |

#### AS WELL

\*Note: Water is frac fluid.

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MCF      | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-In) | Casing Pressure (Shut-In) | Choke Size            |