

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

31-345-26802

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 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1850' FNL & 790' FEL

At proposed prod. zone

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

approx. 1 mile SE of Blanco Trading Post, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 790'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160.76/160.76

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

1850'

20. ROTARY OR CABLE TOOLS

Rotary

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

6685' GL TO surface

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	GENERAL REQUIREMENTS OF CEMENT
8-3/4"	7"	23#	90'	27 cubic feet circ. to surface
5-1/8"	2-7/8"	6.5#	1850'	349 cubic feet circ. to surface

Plan to drill with as little mud as possible, using the slim-hole technique to test the Fruitland/Pictured Cliffs formation. Plan to run IES log and if the well appears productive, will set 2-7/8" casing, cemented to surface. Will selectively perforate, possibly frac and clean out after frac.

Gas is not dedicated.

RECEIVED
AUG 14 1987
OIL CON. DIV.
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. 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

Sherman E. Dugan

TITLE

Geologist

DATE

7-21-87

(This space for Federal or State office use)

APPROVED
AS AMENDED

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

AUG 13 1987

/s/ J. Stan McKee

AREA MANAGER

*See Instructions On Reverse Side

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

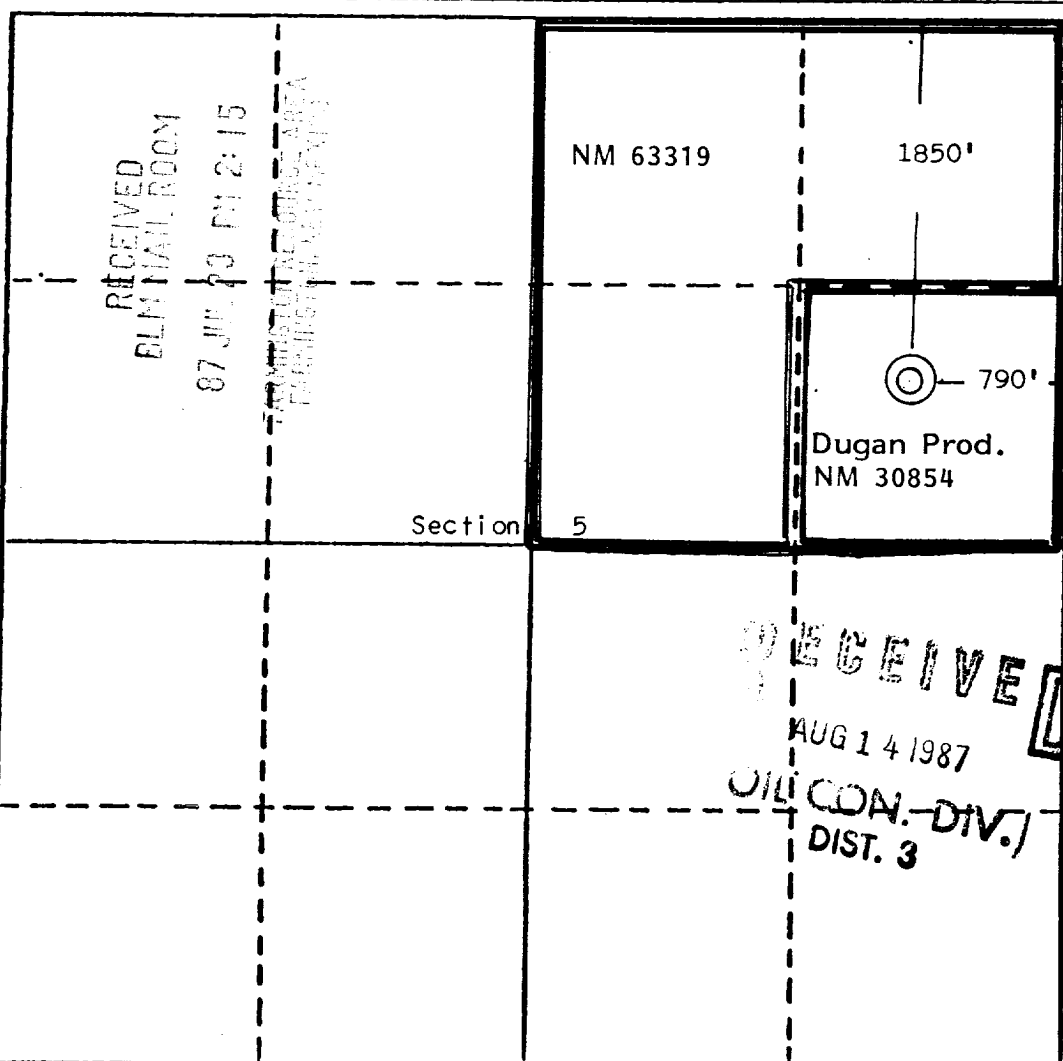
Operator Dugan Production Corporation		Lease Phillips		Well No. 1
Unit Letter H	Section 5	Township 24 North	Range 9 West	County San Juan
Actual Footage Location of Well: 1850 feet from the North line and 790 feet from the East line				
Ground Level Elev. 6685	Producing Formation Fruitland/Pictured Cliffs	Pool W.C. FRTLNB Wildcat PC.		Dedicated Acreage: 160 ⁰⁰ 160 ⁷⁶ 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 Communitization

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

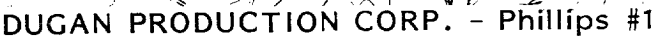
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Sherman E. Dugan
Position
Geologist
Company
Dugan Production Corp.
Date
7-21-87

I have surveyed the location shown on this plat was plotted from field notes of actual survey 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
July 10, 1987
Registered Professional Engineer and/or Land Surveyor

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



Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.
approx. 1 mile to Blanco Trading Post

Type of surface dirt

Conditions good

Other

Reference map: USGS map Blanco Trading
Post, 1966

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 2%


Drainage design as required

Cuts & Fills see diagram

Surfacing material none required

⇒ Turnouts

Culverts

 Gates

Cattleguards

/// Fence cuts

Access road(s) do/do not cross Fed/Ind land.
Application has been made for off-lease