

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

30-045-27739

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.

LG-8804

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:

OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name

Muppet

8. Well No.

2

9. Pool name or Wildcat

Undesignated Gallup *Big Lower EXT*

4. Well Location

Unit Letter F : 1650 Feet From The North Line and 2310 Feet From The West Line

Section 2 Township 24N Range 11W NMPM San Juan County

10. Proposed Depth

5230'

11. Formation

Gallup

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

6750' GR

14. Kind & Status Plug. Bond

statewide bond

15. Drilling Contractor

4 Corners Drilling

16. Approx. Date Work will start

ASAP

17.

PROPOSED CASING AND CEMENT PROGRAM

40

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8-5/8"	24#	200'	159 cu. ft.	surface
7-7/8"	4-1/2"	10.5#	5230'	1666 cu. ft. (878 s)	surface

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

RECEIVED
APR 17 1990
OIL CON. DIV
DIST. 3

APPROVAL EXPIRES 10-17-90
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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.

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

SIGNATURE Sherman E. Dugan TITLE Vice President DATE 4-16-90

TYPE OR PRINT NAME Sherman E. Dugan TELEPHONE NO. 325-1821

(This space for State Use)

APPROVED BY Ernie Busch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE APR 17 1990

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED
OFFICE OF THE
ATTORNEY GENERAL
STATE OF CALIFORNIA
SAN FRANCISCO
JAN 10 1960

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WELL LOCATION AND ACREAGE DEDICATION PLAT

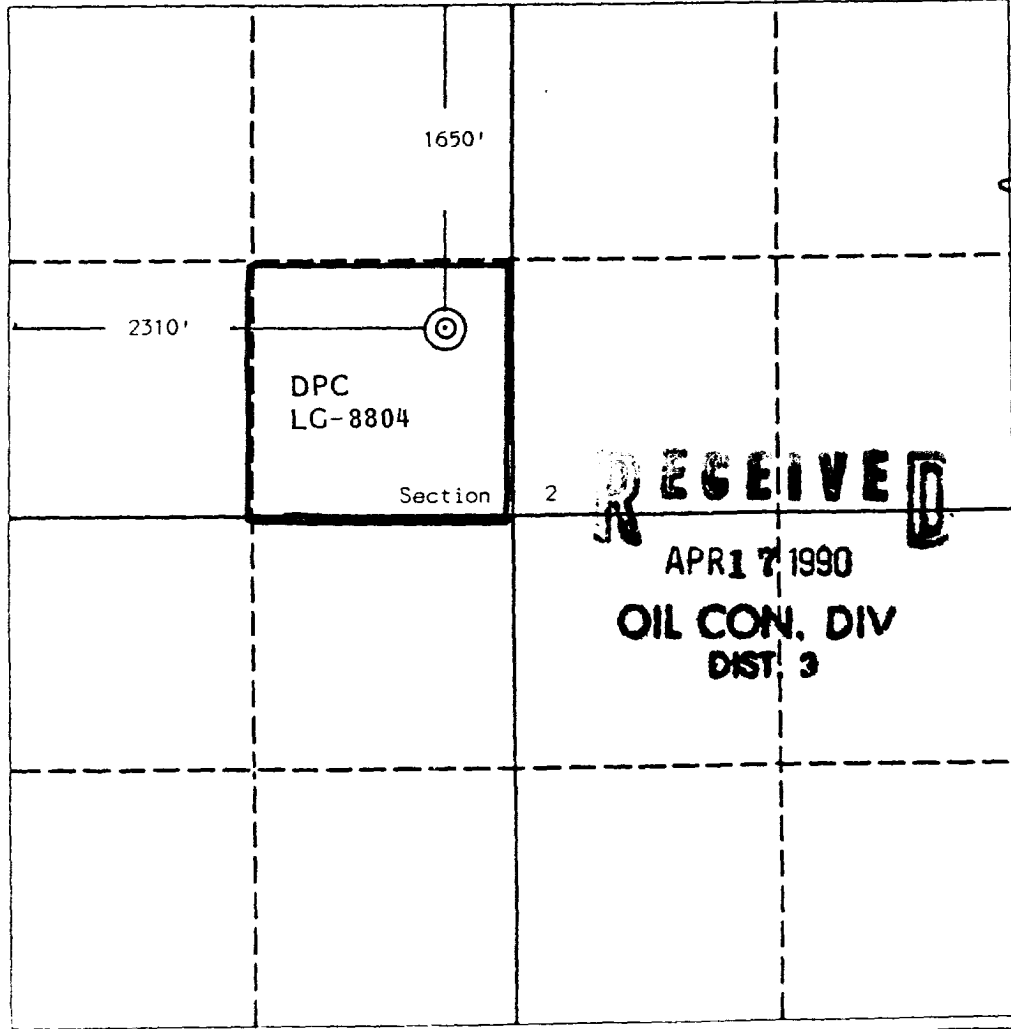
All Distances must be from the outer boundaries of the section

Operator Dugan Production Corporation			Lease Muppet		Well No. 2
Unit Letter F	Section 2	Township 24 North	Range 11 West	County NMPM San Juan	

Actual Footage Location of Well:
 1650 feet from the North line and 2310 feet from the West line

Ground level Elev. 6750	Producing Formation Gallup	Pool Undesignated Gallup	Dedicated Acreage: 40 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



RECEIVED
 APR 17 1990
 OIL CON. DIV
 DIST. 3

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

Signature: *Sherman E. Dugan*
 Printed Name: Sherman E. Dugan
 Position: Vice President
 Company: Dugan Production Corp.
 Date: 4-16-90

SURVEYOR CERTIFICATION
 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: March 1, 1990

Signature & Seal of Professional Surveyor
Edgar L. Risenhoover
 EDGAR L. RISENHOOVER
 NEW MEXICO
 5979
 REGISTERED LAND SURVEYOR

2012
MAY 1 1966
VIC MOD JO
C. 1966