

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 23742		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR DUGAN PRODUCTION CORP. 6515			7. UNIT AGREEMENT NAME		
3. ADDRESS AND TELEPHONE NO. P.O. Box 420, Farmington, NM 87499			8. FARM OR LEASE NAME, WELL NO. Mo Valley #90 23053		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1055' FWL & 790' FWL At proposed prod. zone 5			9. API WELL NO. 30-045-29549		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 1 1/2 mi. S of Blanco Trading Post, NM			10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal 71629		
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 295'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit M		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 465' from DPC Big Bird #1			12. COUNTY OR PARISH San Juan		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6755' (est) GR			13. STATE NM		
16. NO. OF ACRES IN LEASE 80			17. NO. OF ACRES ASSIGNED TO THIS WELL 5/320		
19. PROPOSED DEPTH 1875'			20. ROTARY OR CABLE TOOLS Rotary		
22. APPROX. DATE WORK WILL START* ASAP					

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT*
9-7/8"	7"	20#	120'	50 sx (59 cu.ft.) circ. to surf.
6-1/4"	4 1/2"	10.5#	1875'	210 sx (378 cu.ft.) circ. to surf.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

Plan to drill a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing;
then plan to drill a 6-1/4" hole to total depth with gel-water-mud program to
test the Fruitland Coal formation. Plan to run IES and CDL logs. If determined
productive, will run 4 1/2", 10.5#, J-55 casing, selectively perforate, frac,
clean out after frac and complete well.

RECEIVED
MAR 6 1998

BLM DIV.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Vice-President DATE 2/4/98
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE MAR 05 1998

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Duane W. Spencer TITLE _____ DATE MAR - 3 1998

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NUMON

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-29549		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 23053		5 Property Name Mo Valley			6 Well Number 90
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6755' Estimated

10 Surface Location

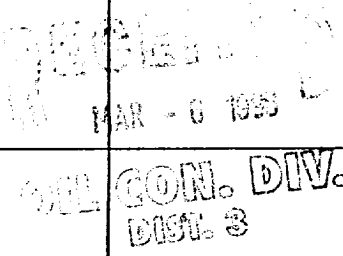
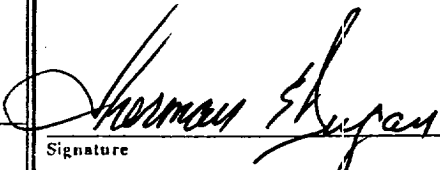
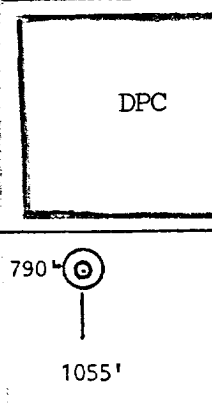
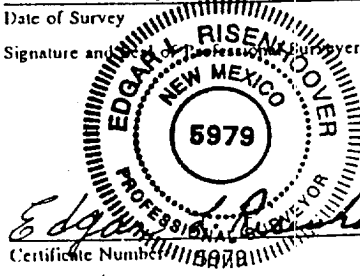
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	24N	9W	M	1055	South	790	West	San Juan

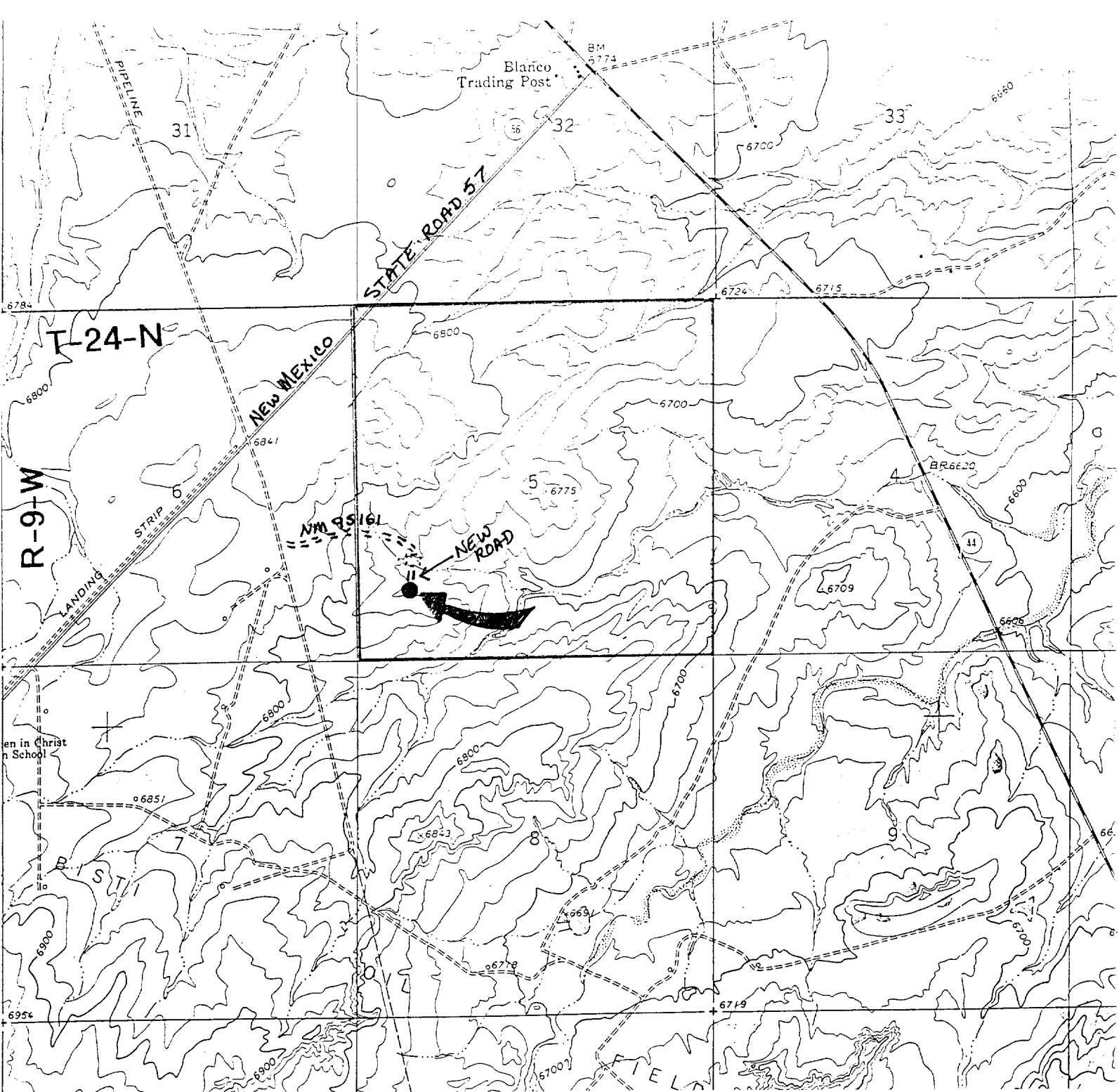
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 5/320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 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 Vice-President Title 2/4/98 Date	
				Section 5	
		DPC NM 16759		NM 63319	
NM 23742		DPC		NM 30854 DPC	
				18 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 belief. January 22, 1998 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	



Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.

Approx 1½ mi S of Blanco Trading Post

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map Blanco

Trading Post, NM Dugan Production Corp.
Mo Valley #90

Planned Access Road(s)

Exhibit E

Width 20 Maximum grades 1%

Drainage design as required

Cuts & Fills as required

Surfacing material none

☒ Turnouts

☐ Culverts

☒ Gates

☐ Cattleguards

☒ Fence cuts

☒ Waterbars

☒ Access Road &
Pipeline

Access road(s) ☒ do/do not cross ☒ Fed/Ind land.