

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

NM 100302

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Menry Chase Com #90* 23617

9. API WELL NO.

30 045-29650

10. FIELD AND POOL, OR WILDCAT

Basin Fruitland Coal 7/629

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREAUnit N
Sec. 10, T24N, R9W

12. COUNTY OR PARISH 13. STATE

San Juan NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

W/320

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*
ASAP

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

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b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

DUGAN PRODUCTION CORP.

6515

3. ADDRESS AND TELEPHONE NO.

P.O. Box 420, Farmington, NM 87499

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

At surface 790' FSL & 1850' FWL (SE/4 SW/4)

At proposed prod. zone

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

Approx. 3 miles SE of Blanco Trading Post, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

790'

16. NO. OF ACRES IN LEASE

560

18. DISTANCE FROM PROPOSED LOCATION* approx. 3460' from
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. DPC John Adams #1

19. PROPOSED DEPTH

1800'

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

6708' GR (est)

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# | 1800' | 160 sx (288 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.

*Notice of staking submitted as M.C. Chase #90

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. Gay TITLE Vice President DATE June 17, 1998
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

JUL 10 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

TITLE

DATE

7/10/98

*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.

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

38 AUG 20 PM 12:59

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 APT Number 30-045-29650 | | 2 Pool Code 71629 | | 3 Pool Name Basin Fruitland Coal | |
| 4 Property Code 23617 | | 5 Property Name Merry Chase | | | 6 Well Number 90 |
| 7 OGRID No. 006515 | | 8 Operator Name Dugan Production Corporation | | | 9 Elevation 6708' Estimated |

10 Surface Location

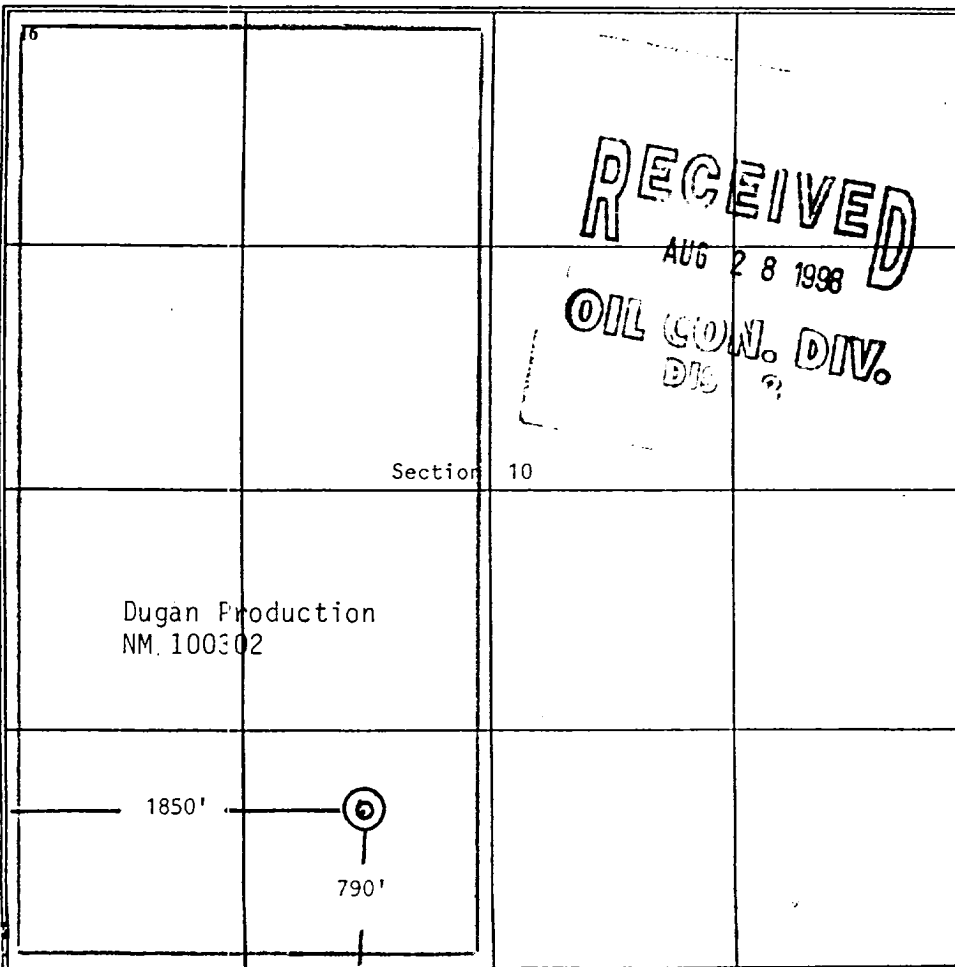
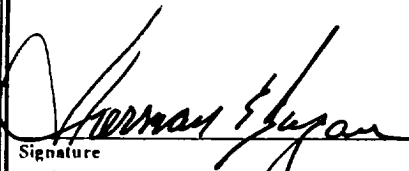
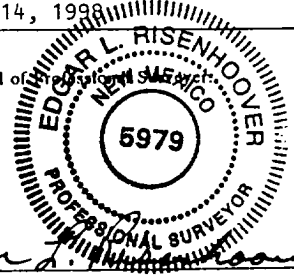
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| | 10 | 24N | 9W | N | 790 | South | 1850 | 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 320 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|---------------------------|--------------------|-----------------------|--------------|

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

| | | | | | |
|---|--|--|--|---|--|
|  | | | | 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 August 19, 1998 Date | |
| | | | | 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. May 14, 1998 Date of Survey Signature and Seal of  Certificate Number 5979 | |