

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 99002		
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. Mona Lisa #2 21582		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1620' FSL & 1850' FEL At proposed prod. zone			9. API WELL NO. 30-039-25745		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 17.5 mi. NE of Blanco Trading Post, NM			10. FIELD AND POOL, OR WILDCAT Basin Dakota 71599		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 790'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit J Sec. 14, T26N, R7W		
16. NO. OF ACRES IN LEASE 160			12. COUNTY OR PARISH Rio Arriba		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. FROM P&Ad Adobe#1 approx. 1022'			20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) Est. 6121' GR			22. APPROX. DATE WORK WILL START* ASAP		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	320'	199 cf circ. to surface
7-7/8"	4-1/2"	10.5#	6965'	2212 cf circ. to surface

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 12-1/4" hole and set 320' 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 the Dakota 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
OCT - 3 1997
OIL CON. DIV.
DIST. 3

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 09/03/97
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE SEP 30 1997

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 SEP 30 1997

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.

NMOCD

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 APT Number 30-039-25745		2 Pool Code 71599		3 Pool Name Basin Dakota		
4 Property Code 21582		5 Property Name Mona Lisa			6 Well Number 2	
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6121' 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
	14	26N	7W	J	1620	South	1850	East	Rio Arriba

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

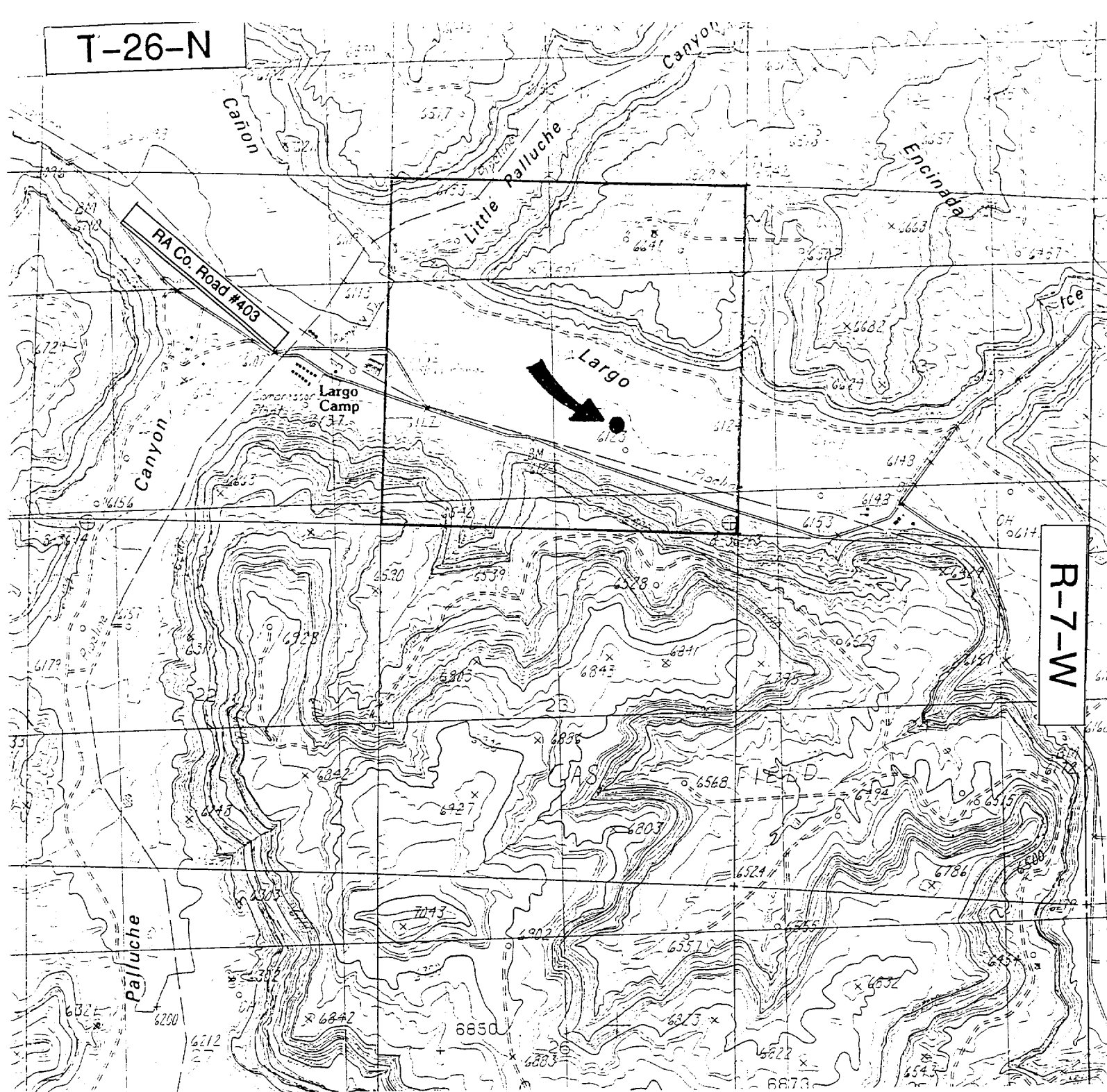
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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 <u>Sherman E. Dugan</u> Printed Name <u>Sherman E. Dugan</u> Title <u>Vice-President</u> Date <u>September 3, 1997</u>	
Section 14		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. August 26, 1997 Date of Survey Signature and Seal of <u>Edgar L. Risenhoover</u> Certificate Number 5979	
Caulkins Oil NM 03381	Dugan Prod. NM 99002	1850' 1620'	

T-26-N

R-7-W



Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.
Approx. 26 mi. SE Blanco, NM

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map

Smouse Mesa, NM

Dugan Production Corp.
Mona Lisa #2

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.