SUBMIT IN TRIPLICATE\*

(Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

30-648-23505

## UNITED STATES DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR						5. LEASE DESIGNATION	AND SERIAL NO.	
GEOLOGICAL SURVEY						NM 16471		
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						6. IF INDIAN, ALLOTTE	E OR TRIBE NAME	
1a. TYPE OF WORK  DR	ILL 🛭	DEEPEN [		PL	UG BAC	к 🗆	7. UNIT AGREEMENT I	NAME
	VELL OTHER		SING:		MULTIPL ZONE	• 🗆	8. FARM OR LEASE NA	ME
2. NAME OF OPERATOR	· · · · · · · · · · · · · · · · · · ·						Bengal 🙈	5
Jerome P. Mo	Hugh		_				9. WELL NO.	
3. ADDRESS OF OPERATOR							<b>\$</b> -4	
Box 234, Far	mington, NM 87	401					10. FIELD AND POOL,	4
At surface	deport location clearly and		th any Stat	e requireme	ents.*)			<u>s<sup>e</sup>PC Fruitl</u> and
9	990' FSL - 790'	FWL					11. SEC., T., R., M., OR AND SURVEY OR A	BLK. REA
At proposed prod. so	ne						Section 2 T26	N R12W
14. DISTANCE IN MILES	AND DIRECTION FROM NEAR	EST TOWN OR POS	T OFFICE*				12. COUNTY OR PARISE	
20 miles sou	uth of Bloomfiel	d					San Juan	l NM
15. DISTANCE FROM PROP LOCATION TO NEARES	10. DISTANCE FROM PROPOSED®  LOCATION TO NEAREST						OF ACRES ASSIGNED	<del></del>
PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		638.36'				160		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED,			1			20. ROT	ARY OR CABLE TOOLS	
OR APPLIED FOR, ON THIS LEASE, PT. approx. 3/4 mi.			1600'				Rotary	
21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)						22. APPROX. DATE W	
5948' GR							525-	/9 
23.	P	ROPOSED CASH	NG AND C	EMENTING	PROGRA	M		
SILE OF HOLE	BIZE OF CASING	WEIGHT PER P	00T	BETTING 1	DEPTH		QUANTITY OF CEMENT	
7-7/8"	5-1/2"	14#		40 '			10 sx	
4-3/4"	2-7/8"	6.4	#	1600		100 sx		
, -	·		1		ļ			
	I	I	1					•

Plan to drill well using mud as circulating medium to test Pictured Cliffs formation. If productive, plan to set 2-7/8" tbg for csg, selectively perforate, frac, clean out after frac, run 1-1/4" tbg and complete well.

Do not plan to use a blowout preventer while dirlling. Will use master valve and stripper head while completing well.

		·	ggg.
NMERB: Gas not dedicated.	779	P <sub>e</sub>	
N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deep one. If proposal is to drill or deepen directionally, give pertinent		ent productive sone and pro- measured and true vertical d	posed new productive epths. Give blowout
4.	District locations and I		5 2 70
Richard Tully  (This space for Federal or State office use)	Agent Agent	DATE	5-3-79
PERMIT NO.	APPROVAL DATE		
	LE	DATE	
conditions of approval, if any:  LEGAL	moc	• • • •	

\*See Instructions On Reverse Side

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

		An distances index be no	0.1. 00.1.		<del></del>
Operator			.ease Rer	$\beta$	Well No
Jerome P. McHugh Unit Letter Section Township			Range		
Unit Letter  M	Section 2	26 North	12 West	County San Juan	
Actual Footage Loc		1	<del></del>		
990 .	1001 11011 1110	outh line and		t from the West	line
Ground Level Elev. 5948	Producing Form		‱i Sou <u>th Galleg</u>		dicated Acreage:  160 Acres
1 Outline th				r hachure marks on the p	olat below.
2. If more th interest ar	an one lease is nd royalty).	dedicated to the well,	outline each and ide	ntify the ownership there	eof (both as to working
	ommunitization, u	initization, force-pooling	g. etc?		
this form i No allowat	f necessary.) ble will be assigne	ed to the well until all i	interests have been o	consolidated (by communication interests, has been ap	nitization, unitization,
	1		!	c	ERTIFICATION
		Sec. 2		Name  Richard Position Agent Company Jerome F	P. McHugh
790 <b>'</b> @				Date Surveyed  April 1  Registered Pro and/or Land Su	fessional Engineer arveyor
				1 1 1	
0 330 660	90 1320 1680 191	0 2310 2640 2000	1500 1000 1	o <u>o Edgar L.</u>	Risenhoover, L.S.

## DEVELOPMENT PLAN

	Dugan Production Corp.
	Bengal B-4
1.	Existing roads and existing wells are shown on attached plat.
2.	planned access from existing road approximately 200' to new location. Will leave natural grass and small vegetation on roadway. Will remove large brush or trees from road. Do not plan to make road grade or bar ditches. Will bottom-out any arroyo we cross and not install culverts.
3.	Location of well: 990' FSL - 790' FWL
	Section 2 T27N R12W
	San Juan County, NM
4.	No additional well(s) planned on this lease at this time.
5.	Separator and flow line will be located within 50' of wellhead.
6.	Water will be secured from Chaco Plant .
7.	Waste materials will be buried on location or in reserve pit.
8.	No permanent camp is planned; trailer house will be used on location while drilling.
9.	Do not plan to build airstrip.
10.	See attached plat for proposed location layout.
11.	A general description of the topography, soil characteristics, geologic features, flora and fauna; other surface-use activities and surface ownership of involved lands, proximity of water, occupied dwellings, archeological, historical or cultural sites can be found in the archeologist's report.
12.	Geologic name of surface formation: Recent Blow sand
13.	Estimated tops of important geologic markers: Fruitland 1174'
	Pictured Cliffs 1315'
14.	Estimated depths of anticipated water, oil, gas, or other mineral bearing formations which are expected to be encountered;  gas - Fruitland - 1250'  Pictured Cliffs - 1340' We do not anticipate to encounter any abnormal pressures or temperatures or any
15.	We do not anticipate to encounter any abnormal pressures or temperatures or any potential hazards such as those associated with hydrogen sulfide.
16.	Will clean up location, fill and level pits, level ruts in road, reseed location and road with Seed Mixture #2 and paint equipment with Sagebrush Gray.
17.	Operator's Representative:
	Richard Tully Box 234 Farmington, NM 87401
18.	Certification: The following statement must be signed by the lessee's or operator's field representative who is identified in Item #17 of the Plan:
	I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this Plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by  Dugan Production Corp.  and its contractors and subcontractors in conformity with this Plan and
	the terms and conditions under which it is approved.
	Date: 5-3-79  Richard Tully