

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-78

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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

30095-25396

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
E1-1200-1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. Unit Agreement Name
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. Farm or Lease Name Farming D Com
2. Name of Operator DUGAN PRODUCTION CORP.			9. Well No. 1R
3. Address of Operator P O Box 208, Farmington, NM 87401			10. Field and Pool, or Wildcat Blanco Pictured Cliffs
4. Location of Well UNIT LETTER <u>K</u> LOCATED <u>1725</u> FEET FROM THE <u>South</u> LINE AND <u>1850</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>2</u> TWP. <u>27 N</u> RGE. <u>9 W</u> NMPM			12. County San Juan
19. Proposed Depth 2475'		19A. Formation Pictured Cliffs	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 6210' GL	21A. Kind & Status Plug. Bond State wide	21B. Drilling Contractor Morrow	22. Approx. Date Work will start 5-20-82

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
8-3/4"	7"	20#	100'	50 cu.ft.	surface
5"	2-7/8"	6.5#	2475'	300 cu.ft.	surface

Plan to drill well with minimum mud, using slim hole technique to test the Pictured Cliffs Formation. Plan to set 2-7/8" tubing for casing thru the formation, selectively perforate, frac, clean out after frac, run 1 1/4" tubing, and complete well.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES November 18, 1982

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.

Signed Thomas A. Dugan Title Petroleum Engineer Date 5-18-82

(This space for State Use)

APPROVED BY John T. Day TITLE SUPERVISOR DISTRICT # 3 DATE MAY 18 1982

CONDITIONS OF APPROVAL, IF ANY:

30Y required

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

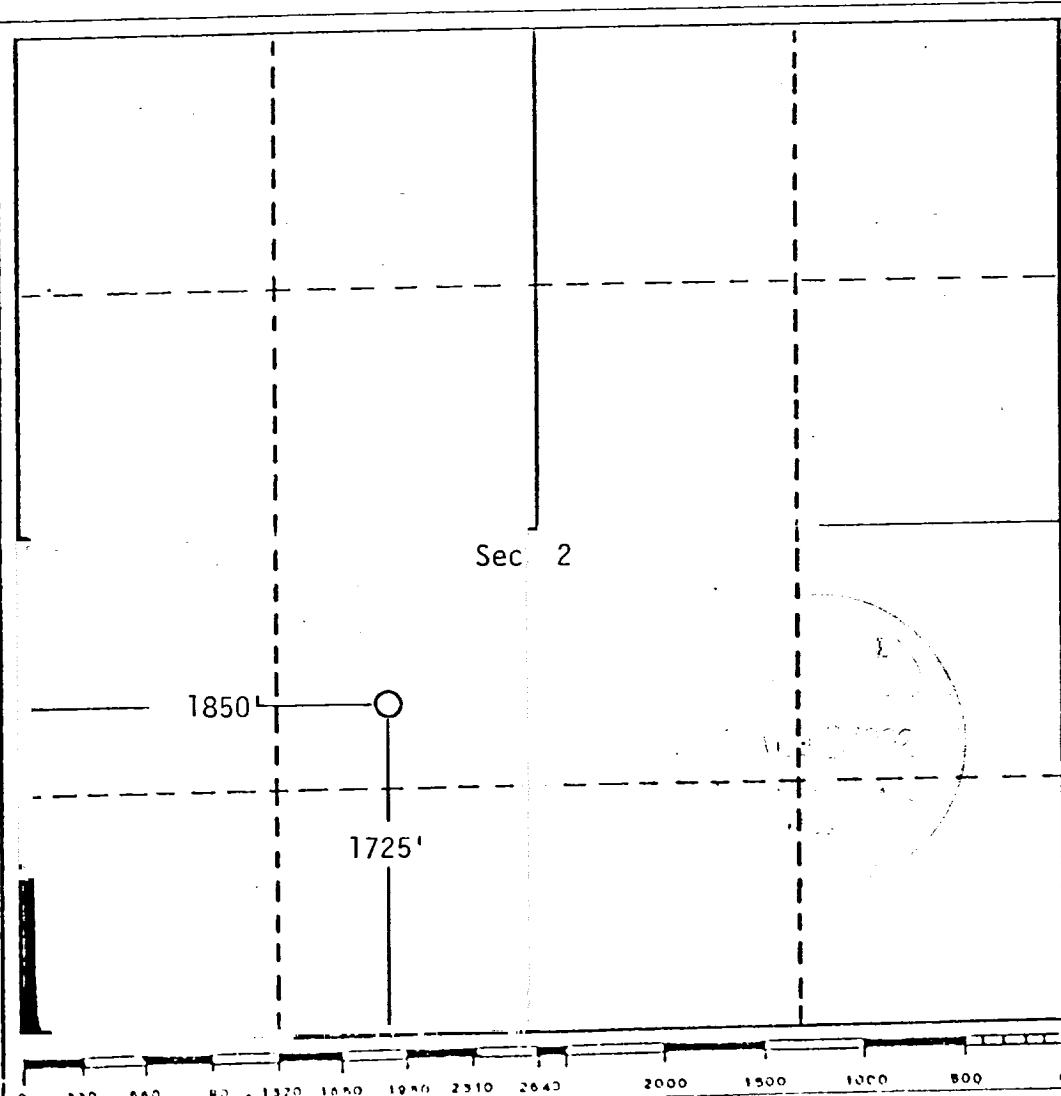
Operator DUGAN PRODUCTION CORP.		Lease Farming D Com		Well No. 1R
Unit Letter K	Section 2	Township 27 North	Range 9 West	County San Juan
Actual Footage Location of Well: 1725 feet from the South line and 1850 feet from the West line				
Ground Level Elev. 6210	Producing Formation Pictured Cliffs	Pool Su. Blanco	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Division.



CERTIFICATION
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
Name <i>Jerry McHugh</i>
Position Well Site Coordinator
Company Dugan Production Corp.
Date 5-18-82
<i>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.</i>
Date Surveyed 5-12-82
Registered Professional Engineer and/or Land Surveyor <i>Thomas A. Dugan</i>
Certificate No. NM 2373 PE/LS