

Submit to Appropriate District Office
 State Lease - 4 copies
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State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

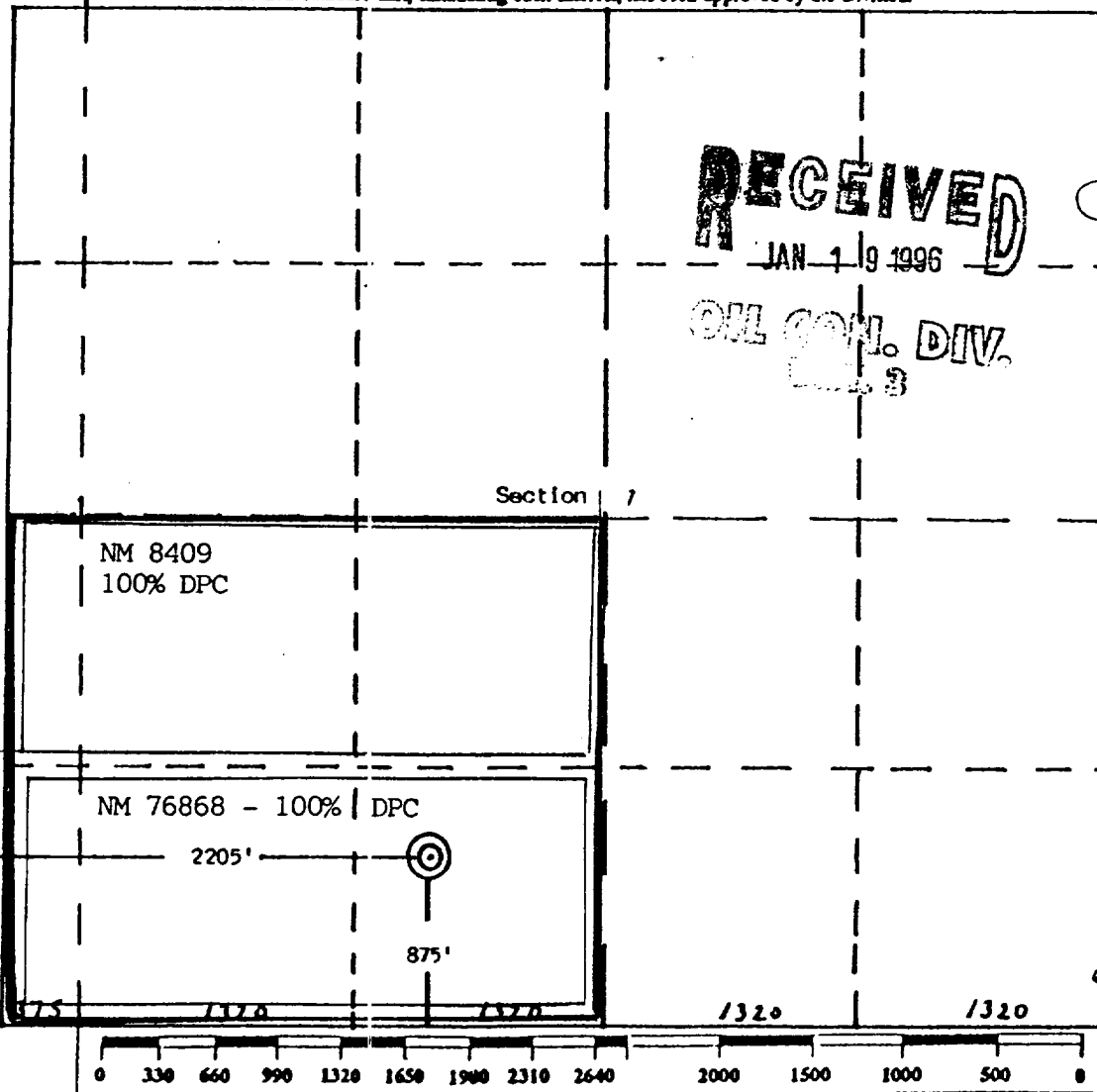
All Distances must be from the outer boundaries of the section

Operator Dugan Production Corporation			Lease Frijole			Well No. 1		
Unit Letter N	Section 7	Township 27 North	Range 13 West	County NMMN		San Juan		

Actual Footage Location of Well:
 875 feet from the South line and 2205 feet from the West line

Ground level Elev. 6225 Est.	Producing Formation Pictured Cliffs	Pool WAW FR Sand PC	Dedicated Acreage: 182.5 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation CA #NMMN 95700, effective 6/28/94
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) approved 1/9/96
 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 interest, has been approved by the Division.



RECEIVED
 JAN 19 1996
 OIL CON. DIV.
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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: Sherman E. Dugan
 Position: Vice-President
 Company: Dugan Production Corp.
 Date: 1/17/96

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 knowledge and belief.

Date Surveyed: February 21, 1994

Signature & Seal of Professional Surveyor:
Edgar L. Risenhoover
 Edgar L. Risenhoover
 3979
 5979
 Registered Professional Surveyor
 State of New Mexico