

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

20-045-23209

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐
SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Dugan Production Corp.

3. ADDRESS OF OPERATOR
Box 234, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 790' FSL - 800' FEL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
2 miles northwest of Farmington, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 790'

16. NO. OF ACRES IN LEASE 483.88
17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx 3 mi
19. PROPOSED DEPTH 1400'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5542' GR

22. APPROX. DATE WORK WILL START* 9-18-78

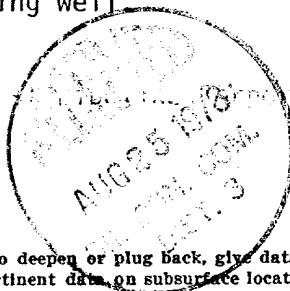
23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 7-7/8 | 5-1/2 | 14# | 40 | 10 sx |
| 5" | 2-7/8" | 6.4# | 1400' | 100 sx |

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

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

NMERB: Gas not dedicated.



RECEIVED

AUG 24 1978

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. 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 Richard Tully TITLE Landman DATE 8-23-78
Richard Tully
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

uh Frank

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

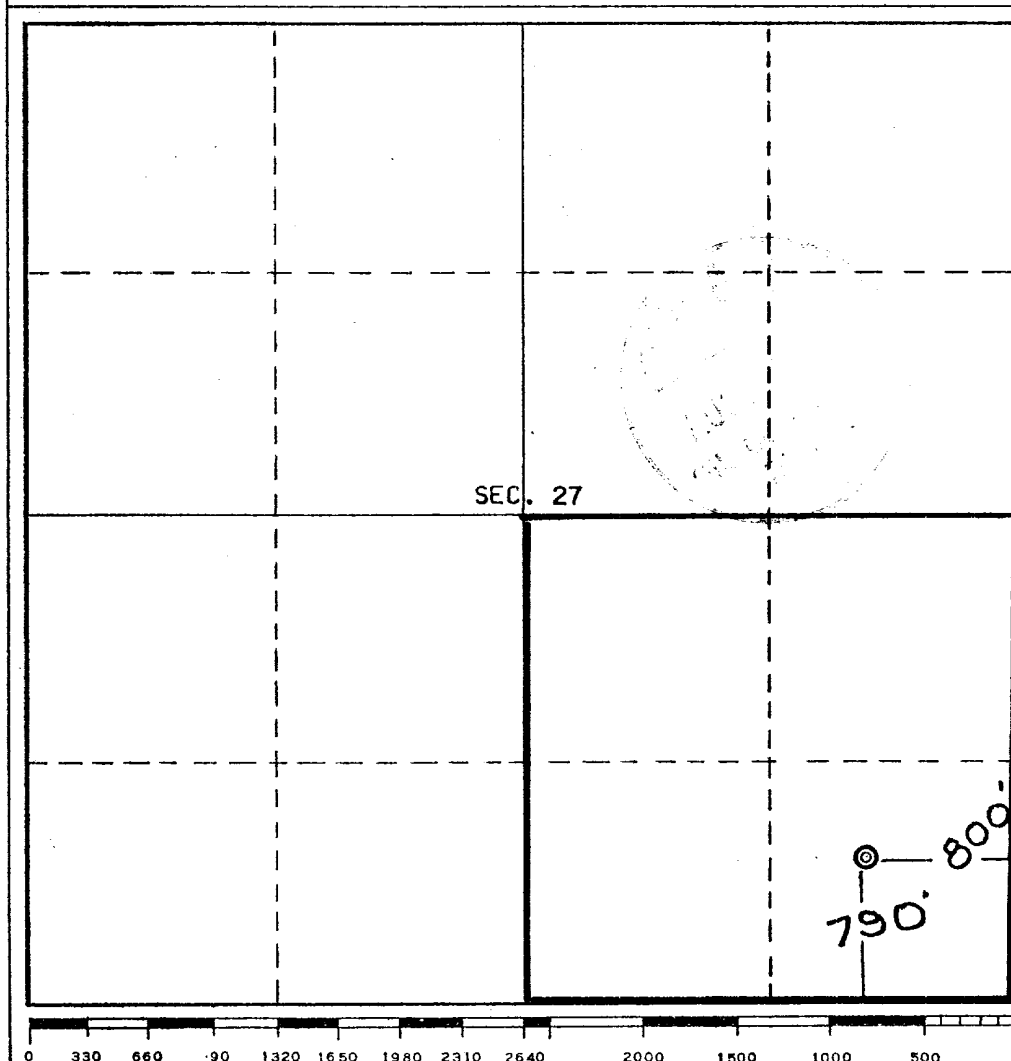
| | | | | | |
|--|--|-----------------------------|----------------------------|--|----------------------|
| Operator Dugan Production Corporation | | | Lease Mayre | | Well No. 4 |
| Unit Letter 0 | Section 27 | Township 30 North | Range 14 West | County San Juan | |
| Actual Footage Location of Well: 790 feet from the South line and 800 feet from the East line | | | | | |
| Ground Level Elev. 5542 | Producing Formation Fruitland - PC | | Pool Harper Hill | Dedicated Acreage: 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Richard Tully

Name
Richard Tully

Position
Landman

Company
Dugan Production Corp.

Date
8-23-78

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 are true and correct to the best of my knowledge and belief.

REGISTERED LAND SURVEYOR
NEW MEXICO
E. V. ECHOHAWK
Reg. No. 3602

Date Surveyed
July 13, 1978

Registered Professional Engineer and/or Land Surveyor
E. V. Echohawk

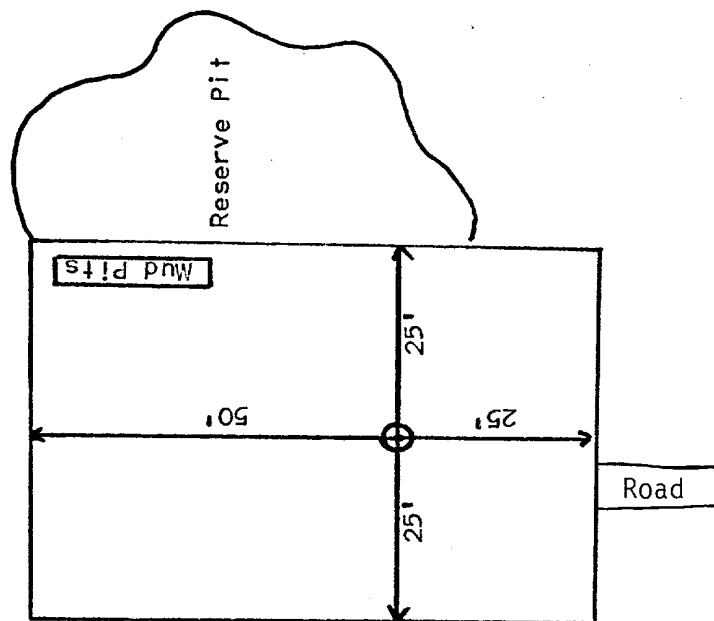
Certificate No. **3602**
E.V. Echohawk LS

Dugan Production Corp.

Mayre #4

Proposed Location Layout

N



DEVELOPMENT PLAN

Dugan Production Corp.

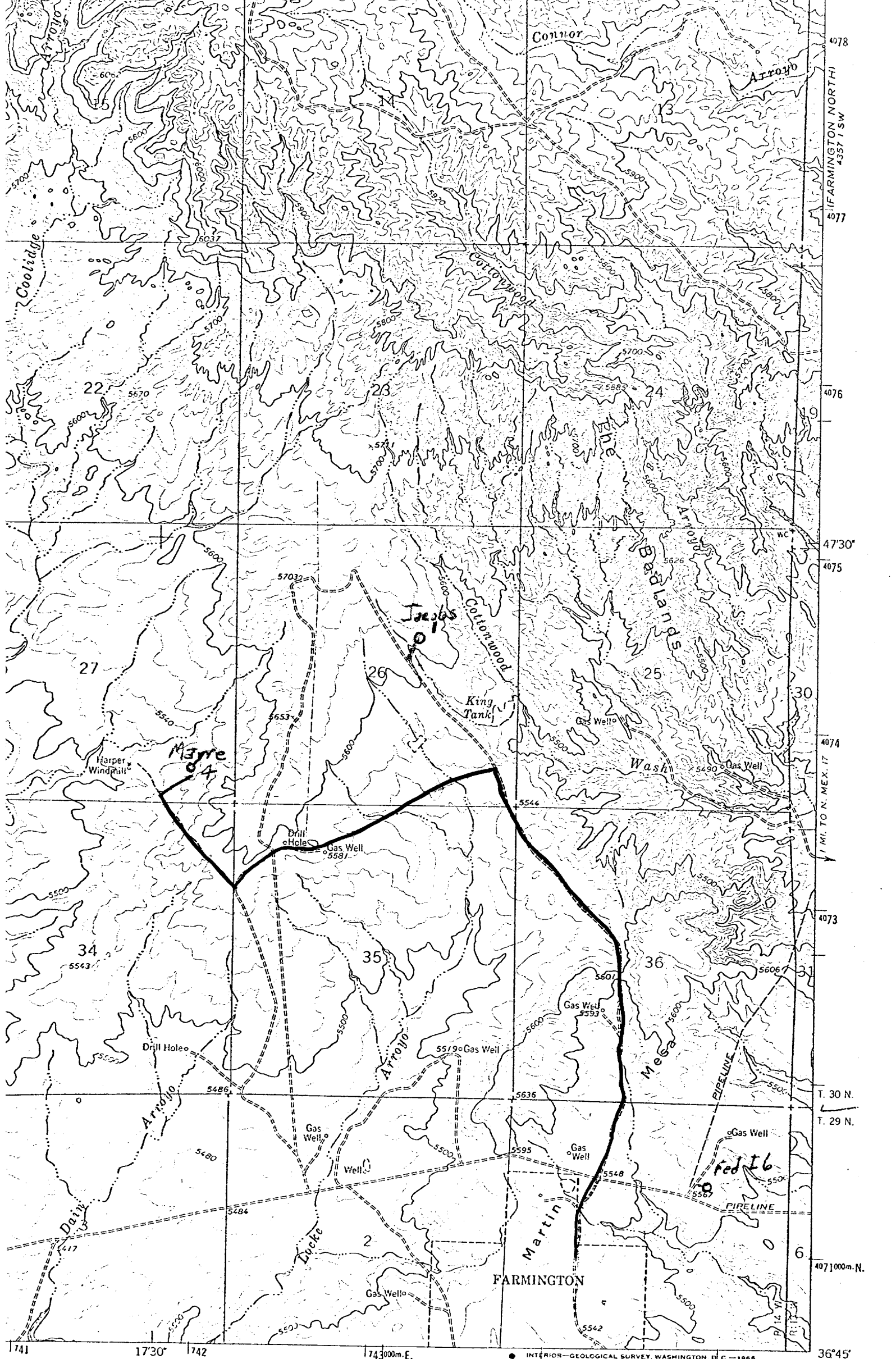
Mayre #4

1. Existing roads and existing wells are shown on attached plat.
2. Planned access from existing road approximately 0 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: 790' FSL - 800' FEL
Section 27 T30N R14W
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 San Juan River.
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: Kirtland
13. Estimated tops of important geologic markers: Kirtland - surface
Fruitland - 638' - gas
Pictured Cliffs 1140' - gas
14. Estimated depths of anticipated water, oil, gas, or other mineral bearing formations which are expected to be encountered:
as above
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 Sandstone Brown.
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: 8-23-78

Richard Tully
Richard Tully
Landman



1 MILE

7000 FEET

KILOMETER

Existing Road

Planned Access Road

ROAD CLASSIFICATION

Medium-duty Light-duty

INTERIOR—GEOLOGICAL SURVEY, WASHINGTON, D. C.—1966

36°45' 108°15'