

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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SANTA FE	
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U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
E-3555-7

30-0432-2556

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 <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. Farm or Lease Name Seven of Diamonds	
2. Name of Operator Dugan Production Corp.				9. Well No. 15	
3. Address of Operator P. O. Box 208, Farmington, NM 87499				10. Field and Pool, or Wildcat Undesignated P.C.	
4. Location of Well UNIT LETTER I LOCATED 1850 FEET FROM THE South LINE AND 790 FEET FROM THE East LINE OF SEC. 2 TWP. 30N RCE. 13W NMPM				12. County San Juan	
19. Proposed Depth 2100'		19A. Formation Pictured Cliffs		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) 5925' GL		21A. Kind & Status Plug. Bond State-wide		22. Approx. Date Work will start 2-1-83	
21B. Drilling Contractor Morrow Drilling Co.					

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
9-1/4"	7"	20#	90'	35 sx "B"	surface
5-1/8"	2-7/8"	6.5#	2100'	260 cu.ft.	surface

Plan to drill with spud mud to set surface casing. Will then drill with as little mud and gel as possible, using the slim hole technique to test the Pictured Cliff Formation. Will then run IES log and, if the Pictured Cliff or Fruitland Formation appears productive, will run 2-7/8" casing, selectively perforate, frac, clean-out after frac, and complete well.

GAS DEDICATED.

APPROVAL EXT. RES. 2/17/83
UNLESS DRILLING IS COMMENCED.
SPUD LOG MUST BE SUBMITTED
WITHIN 30 DAYS

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OIL CON. DIV.
DIST. 3

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 Jerry McHugh Title Landman Date 1-14-83

(This space for State Use)

SUPERVISOR DISTRICT # 3

JAN 17 1983

APPROVED BY [Signature] TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-79

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

Operator Dugan Production Corporation		Lease Seven of Diamonds		Well No. ER 1J
Well Letter I	Section 2	Township 30 North	Range 13 West	County San Juan

Actual Footage Location of Well:

1850 feet from the South line and 790 feet from the East line

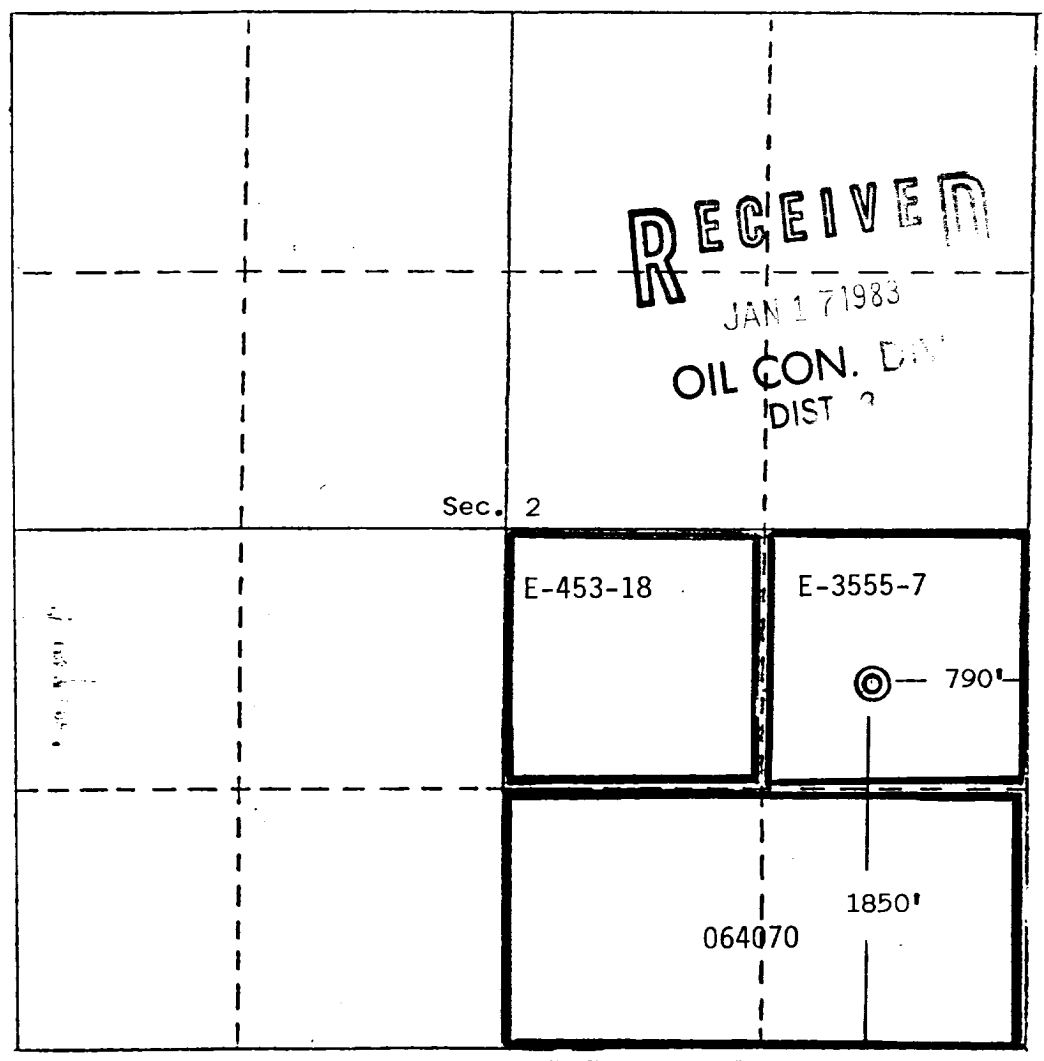
Ground Level Elev. 5925	Producing Formation Pictured Cliffs	Pool Undesignated Pictured Cliffs	Dedicated Acreage: 160 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one 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 Communitization

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

Jerry McHugh

Name: Jerry McHugh
Position: Landman
Company: Dugan Production Corp.
Date: 1-14-83

Date Surveyed: January 12, 1983
Registered Professional Engineer and/or Land Surveyor: *Edgar L. Risenhoover*
Certificate No. 5979
Edgar L. Risenhoover, L.S.

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DIST. 2

