

6 BLM 1 File
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

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"/>				5. LEASE DESIGNATION AND SERIAL NO. NM 16765	
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"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P O Box 208, Farmington, NM 87499				8. FARM OR LEASE NAME Nice	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FSL - 890' FEL At proposed prod. zone				9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR VILLAGE 6 miles NW of Kirtland, NM				10. FIELD AND POOL, OR WILDCAT Basin Dakota	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 890'				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 7, T30N, R14W, NMPM	
16. NO. OF ACRES IN LEASE 600				12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320				13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx. 1/2 mile				20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DE, RT, GR, etc.) 5448' GL				22. APPROX. DATE WORK WILL START* ASAP	
23. PROPOSED DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" 160 cf circulated to surface 1405 cf circulated to surface					
24. 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.					

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#	200'
7-7/8"	4-1/2"	10.5#	5850'

Plan to drill a 12-1/4" hole and set 200' of 8-5/8" OD, 24#; J-55 surface casing; then plan to drill a 7-7/8" hole to total depth with gel-water-mud program to test Dakota formation. Plan to run IES and CDL logs. If deemed productive, will run 4 1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

GAS IS NOT DEDICATED.

RECEIVED
AUG 1 - 1985
OIL CON. DIV. I
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. 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 Sherman E. Dugan TITLE Geologist DATE 7-16-85
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:ok
6/6
Resolution for consolidation

*See Instructions On Reverse Side

N25000

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

Operator Dugan Production Corporation		Lease Nice		Well No. 1
Unit Letter P	Section 7	Township 30 North	Range 14 West	County San Juan
Actual Footage Location of Wells 990 feet from the South line and 890 feet from the East line				
Ground Level Elev. 5448	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acres 320 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 Will be communitized

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.

RECEIVED
JUL 18 1985
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

SEC. 7

Dugan Production Fee

Dugan Prod.
Ls. # NM 16765.
890

990

CERTIFICATION

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

Sherman E. Dugan

Name
Sherman E. Dugan

Position
Geologist

Company
Dugan Production Corp.

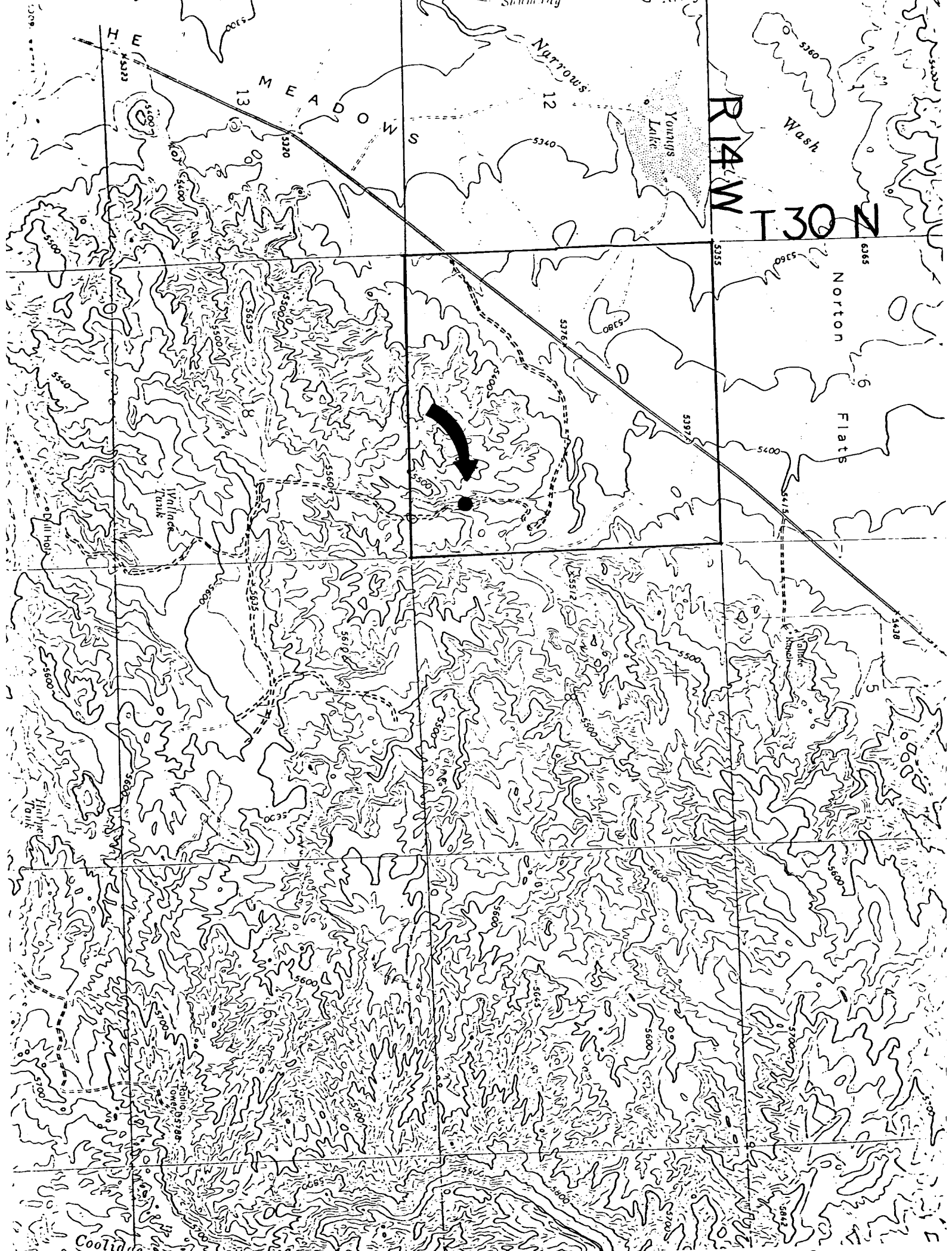
Date
7-16-85

I 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 correct to the best of my knowledge.

Date Surveyed
July 3, 1985

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, L. S.



DUGAN PRODUCTION CORP. - Nice #1
Existing Roads ===== Exhibit E

Distance from nearest town or reference pt.
6 miles NW of Kirtland, NM

Type of surface dirt

Conditions good

Other _____

DUGAN PRODUCTION CORP. - Nice #1
Planned Access Road(s) Exhibit E

Width _____ Maximum grades _____

Drainage design _____

Cuts & Fills _____

Surfacing material _____

- ~ Turnouts
- ▤ Culverts
- ▨ Gates
- ≡ Cattleguards
- /// Fence cuts

NO ACCESS ROAD
REQUIRED