

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.

NM-16765

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Nice

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Wildcat

Eruitland/Pictured Cliffs

11. SEC. T., R., M., OR BLE.
AND SURVEY OR AREA

Sec. 4, T30N, R14W, NMPM

12. COUNTY OR PARISH

San Juan

13. STATE

NM

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

P.O. Box 5820, Farmington, NM 87499-5820

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

830' FNL & 1615' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

approx. 6 miles North of Kirtland, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

295'

16. NO. OF ACRES IN LEASE

600

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.

75' from DPC's

19. PROPOSED DEPTH

proposed Nice #2

1155'

20. ROTARY OR CABLE TOOLS

Rotary

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

5683' GL

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

22. APPROX. DATE WORK WILL START*

After completion of
Nice #2

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
9-3/4"	7"	20#	±90'	40 cu.ft. circ. to surface
6-1/4"	4-1/2"	10.5#	1155'	197 cu.ft. circ. to surface

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

Plan to drill a 9-3/4" hole and set ±90' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6-1/4" hole to total depth with gel-water-mud program to test Eruitland/Pictured Cliffs formations. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

RECEIVED

AUG 22 1988

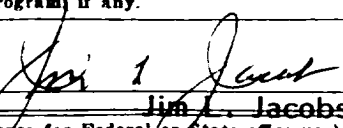
OIL CON. DIV.)

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. 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



TITLE

Geologist

DATE 8-11-88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED

AS APPROVED

AUG 18 1988

AREA MANAGER

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

HOLD C-104 for Acreage Consolidation

*See Instructions On Reverse Side
BMOCC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2024
SANTA FE, NEW MEXICO 87501

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

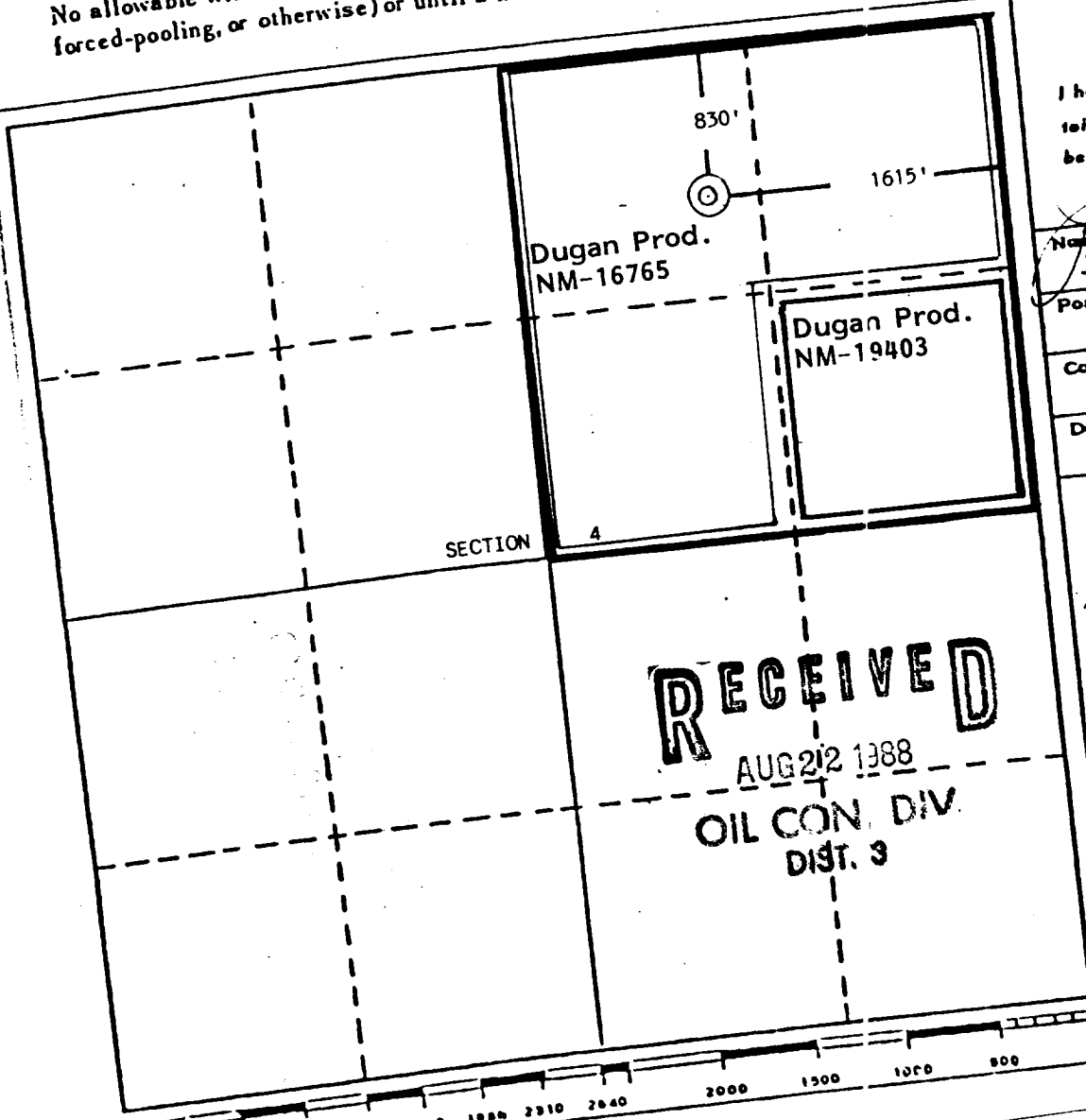
Operator Dugan Production Corporation		Lease Nice		Well No. 3	
Unit Letter B	Section 4	Township 30 North	Range 14 West	County San Juan	
Actual Footage Location of Well: 830 feet from the North line and 1615 feet from the East line		Dedicated Acreage: 160 Acres			
Ground Level Elev. 5683	Producing Formation Wildcat				

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 To 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, force-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 best of my knowledge and belief.

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corporation

Date
8-11-88



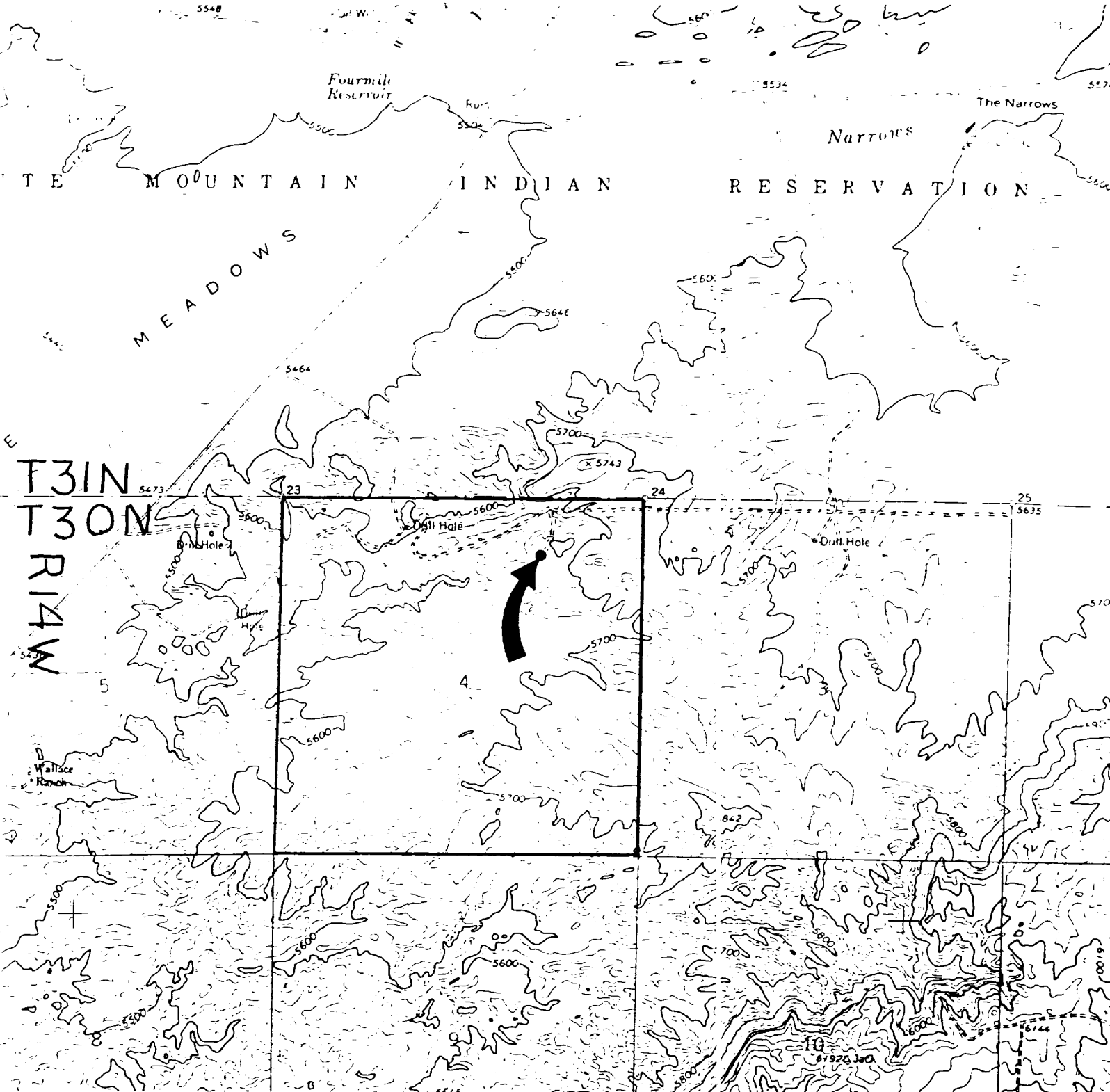
Date Surveyed
July 18, 1988

Registered Professional Engineer and/or Land Surveyor
Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, I

RECEIVED
AUG 22 1988
OIL CON. DIV.
DIST. 3



Existing Roads

Vicinity of nearest town or reference pt.
Approx. 6 miles North of Kirtland, NM

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map Young's Lake

N3645-W10815/7.5, 1963, photorevised 1979

DUGAN PRODUCTION CORP. - Nice #3

Exhibit E

Planned Access Road(s)

Width _____ Maximum grades _____

Drainage design _____ None required _____

Cuts & Fills _____

Surfacing material _____

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

**NO ACCESS ROAD
REQUIRED**

Access road(s) do/do not cross Fed/Ind land

DUGAN PRODUCTION CORP. - Nice #3