

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
BLM

30-045-28510

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 420, Farmington, NM 87499

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

1660' FNL & 1040' FWL
At proposed prod. zone

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

approx. 6 miles North of Kirtland, NM

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

340'

16. NO. OF ACRES IN LEASE

1397.16

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 proposed Atlantis #1

19. PROPOSED DEPTH

1225'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) This action is subject to technical and procedural review pursuant to 43 CFR 3185.3 and appeal pursuant to 43 CFR 3185.4
5743' GL

22. APPROX. DATE WORK WILL START*
after completion of Atlantis #1

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	GENERAL QUANTITY OF CEMENT
9-3/4"	7"	20#	±90'	40 cu ft. circ. to surface
6-1/4"	4-1/2"	10.5#	1225'	208 cu ft. circ. to surface

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 Fruitland/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
FEB 08 1991
OIL CON. DIV.
DST-3

Note: Original APD rescinded. Resubmitted for reapproval with additional BOP & cementing information attached.

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: *Shelton E. Dugan* TITLE: Vice President/Geologist DATE: 1-21-91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 For CR
(3)

*See Instructions On Reverse Side

APPROVED
AS AMENDED
FEB 01 1991
AREA MANAGER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

Operator Dugan Production Corporation		Lease Atlantis BLM		Well No. 3
Unit Letter E	Section 3	Township 30 North	Range 14 West	County San Juan
Actual Footage Location of Wells: 1660 feet from the North line and 1040 feet from the West line				
Ground Level Elev. 5743	Producing Formation SAND Fruitland/Pictured Cliffs	Pool Wildcat	Dedicated Acres 160	

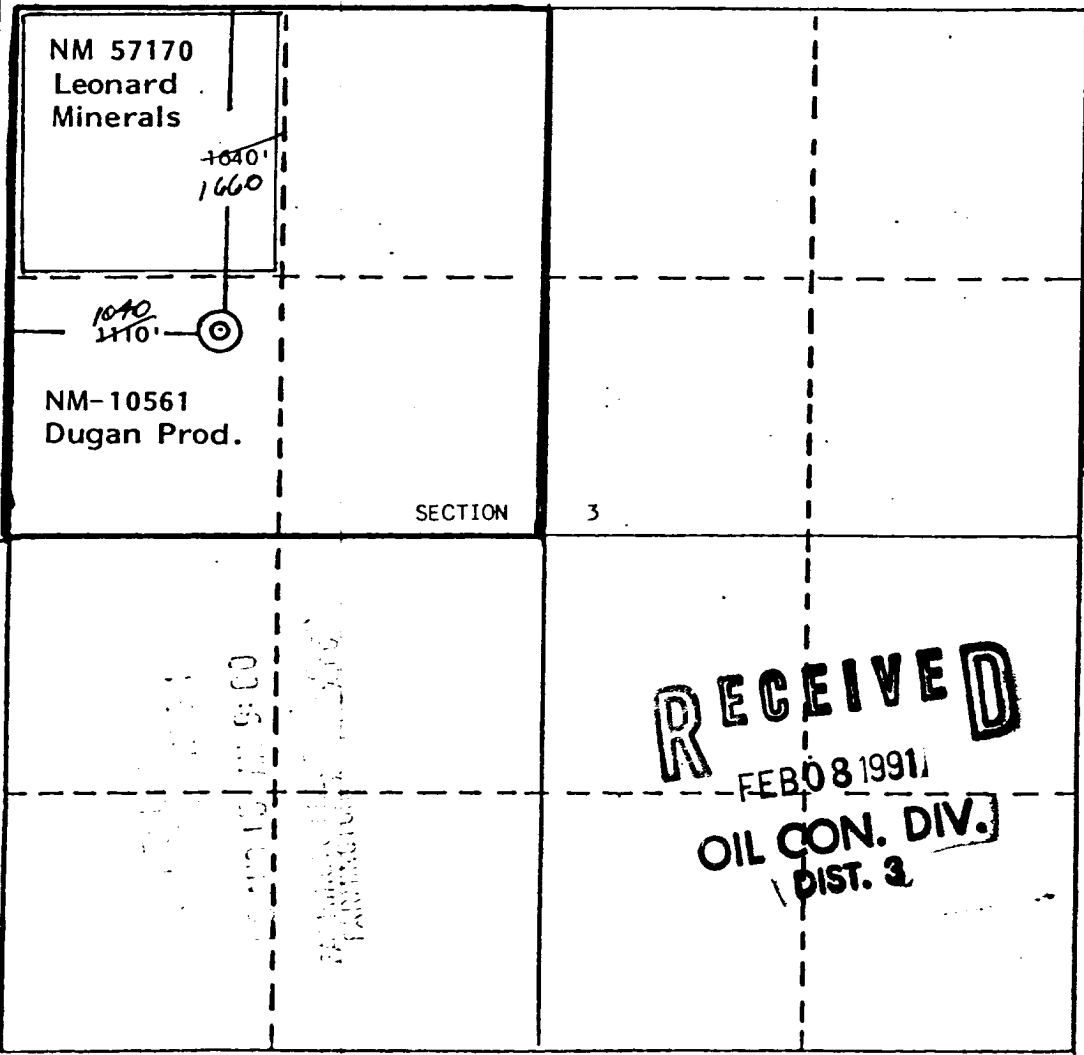
019 FARMINGTON, N.M.

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 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, 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.

Jim L. Jacobs
Name
Jim L. Jacobs

Position
Geologist

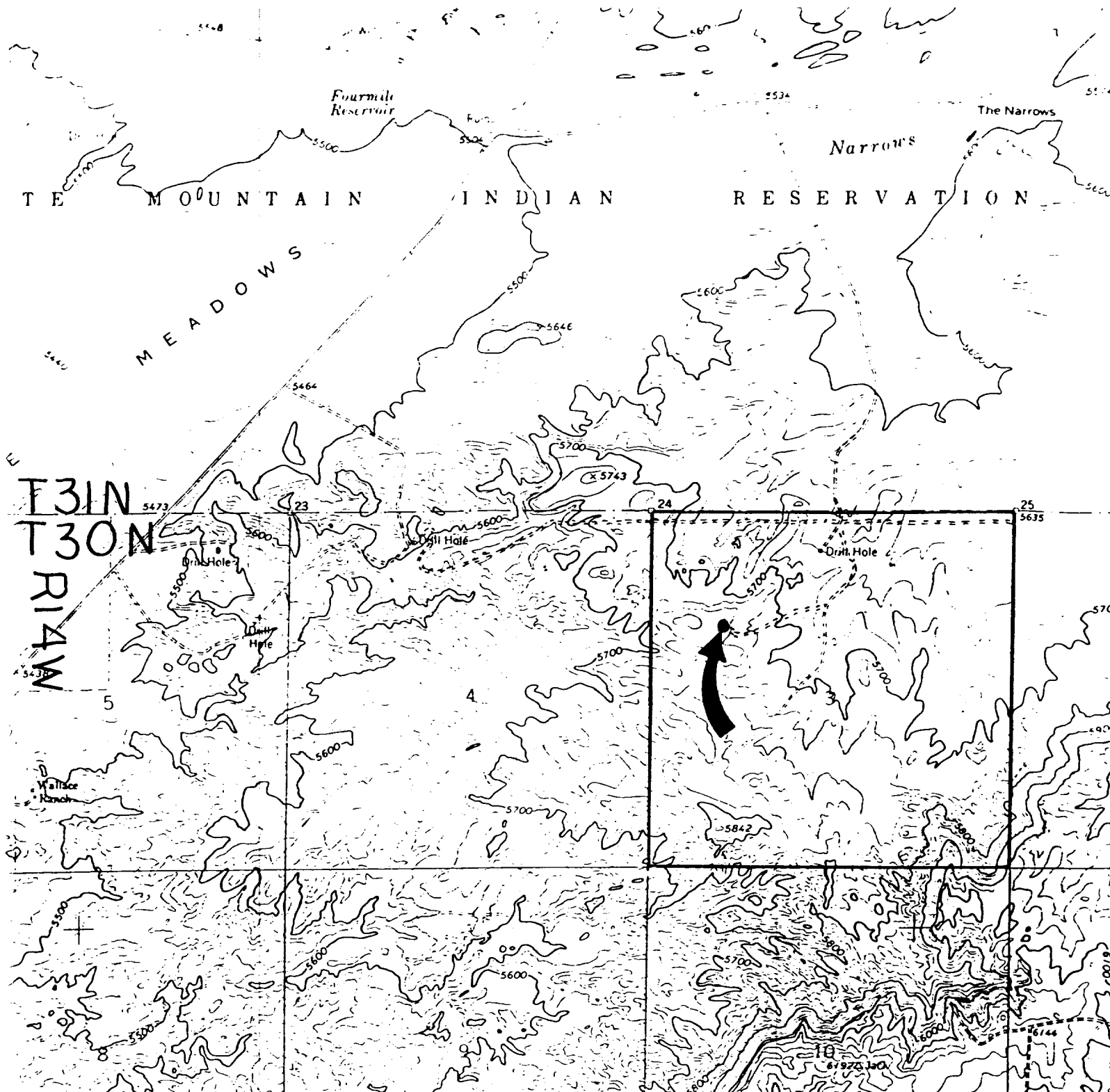
Company
Dugan Production Corp.

Date
8-11-88

Date Surveyed
July 18, 1988

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

Certificate No. 5979



Existing Roads Exhibit E

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

Planned Access Road(s) Exhibit E

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.