

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

5. LEASE DESIGNATION AND SERIAL NO.

NM 12086

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Pompay

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Basin Dakota

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

Sec. 4, T 30N, R 14W, NMPM

12. COUNTY OR PARISH 13. STATE

San Juan

NM

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

1000' FNL & 1510' FWL

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)

190

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

75' from DPC's

19. PROPOSED DEPTH

5965'

20. ROTARY OR CABLE TOOLS

Rotary

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

G.L. 5630'

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START*

ASAP

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

23.

GENERAL REQUIREMENTS, IMPLEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	160 cu. ft. circ. to surface
7-7/8"	4-1/2"	10.5#	5965'	1536 cu. ft. circ. to surface

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 & 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

Sherman E. Dugan
Sherman E. Dugan

TITLE

Geologist

DATE 8-8-88

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 for Acreage Consolidation
EB

*See Instructions On Reverse Side

NM000

APPROVED
AS AMENDED
AUG 18 1988
[Signature]
AREA MANAGER

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

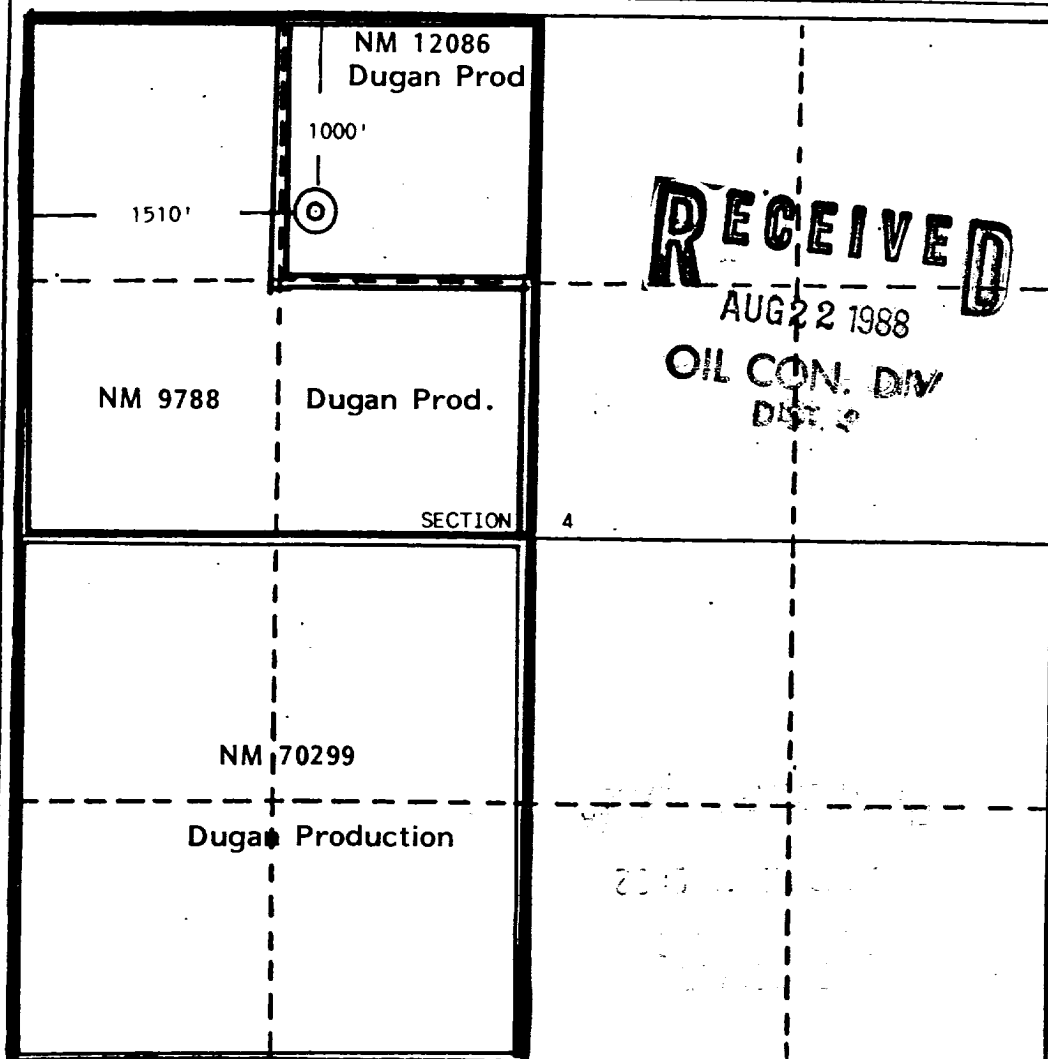
Operator Dugan Production Corporation			Lease Pompay			Well No. 1		
Unit Letter C	Section 4	Township 30 North	Range 14 West	County San Juan				
Actual Footage Location of Well: 1000 feet from the North line and 1510 feet from the West line								
Ground Level Elev. 5630	Producing Formation Dakota		Pool Basin Dakota			Dedicated Acreage; 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 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.

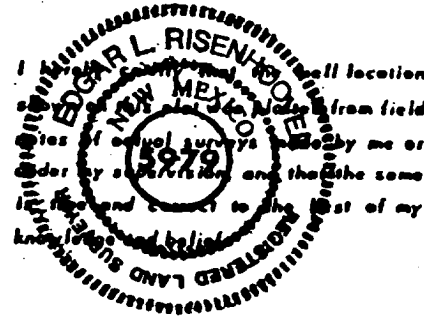


CERTIFICATION

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

Sherman E. Dugan

Name
Sherman E. Dugan
Position
Geologist
Company
Dugan Production Corp.
Date
8-8-88



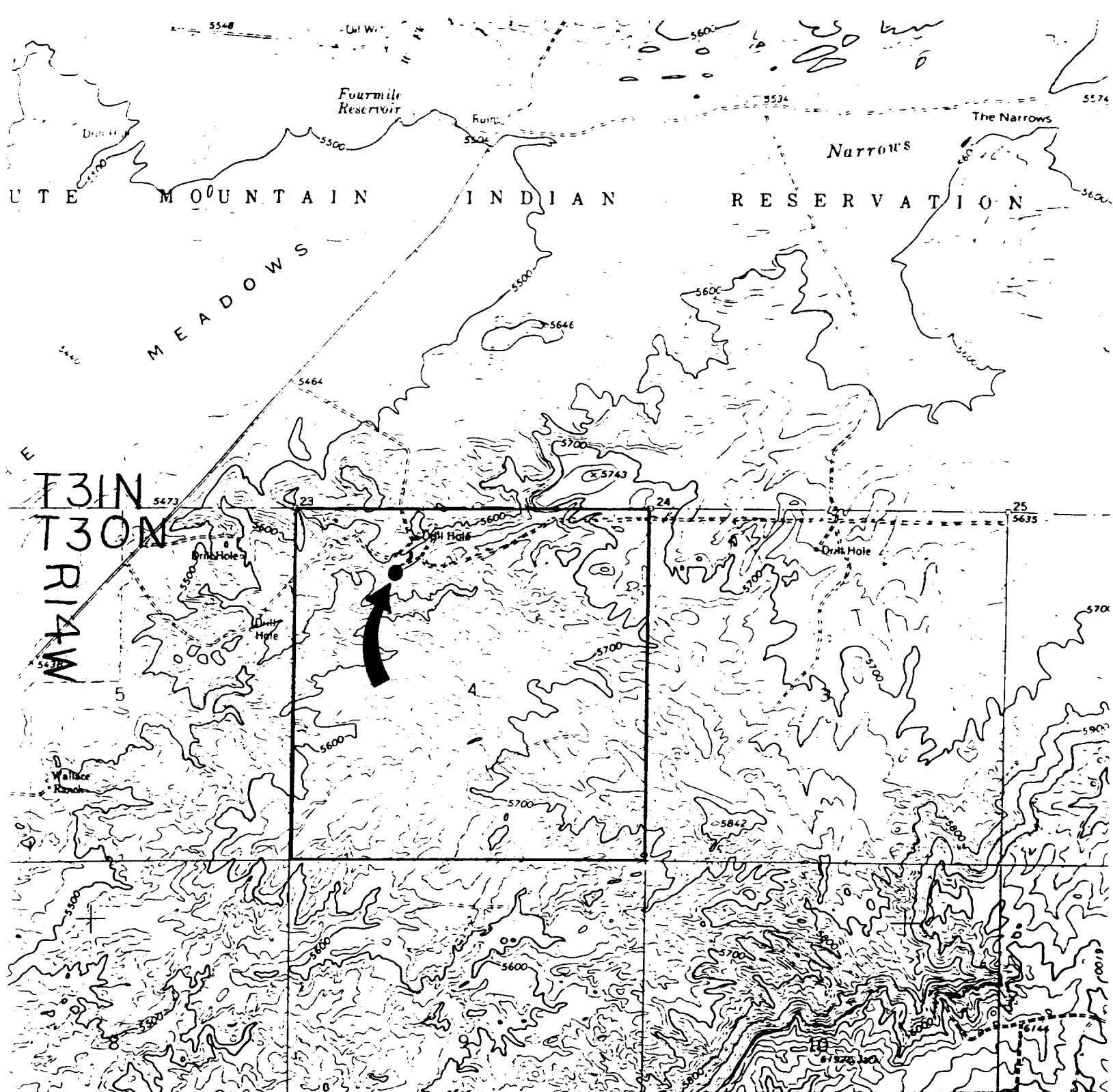
Date Surveyed
July 18, 1988

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, L.S.



DUGAN PRODUCTION CORP. - Pompay #1
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

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

Width 20' Maximum grades 2%

Drainage design as required

Cuts & Fills see diagram

Surfacing material

- Turnouts
- Culverts
- Gates
- Cattleguards
- Fence cuts
- Waterbars

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