

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEEN ☐

b. TYPE OF WELL

Oil ☐Well ☐Gas ☐Well ☒Other ☐SINGLE ☐ZONE ☒MULTIPLE ☐ZONE ☐

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821

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

At surface 1767' FSL &amp; 280' FWL (NW/4 SW/4) \*

At proposed prod. zone

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

Approx. 1 mile north of Farmington, NM city limit

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

280'

16. NO. OF ACRES IN LEASE

360

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320.36

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

approx. 1520' from

DPC

Carpenter #1

19. PROPOSED DEPTH

1300'

20. ROTARY OR CABLE TOOLS

Rotary

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

5510' GL

22. APPROX. DATE WORK WILL START\*

ASAP

23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADES, SIZES OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	20#	120'	50 sx (59 cu ft) circ to surf
6-1/4"	4-1/2"	10.5#	1300'	130 sx (215 cu ft) circ to surf

Plan to drill a 9-7/8" hole and set 120' 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 the Fruitland Coal formation. 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.

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

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

\* Application being made to NMOCD for unorthodox location.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Vice-President

Date 12/22/99

Sherman E. Dugan

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Approved by

Chip Haraden

Title

Acting Team Lead

Date

1/14/00

\*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ok se

District I  
PO Box 1780, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30 045 30095		1 Pool Code 71629		1 Pool Name Basin Fruitland Coal	
1 Property Code 25260		1 Property Name Carpenter Com			1 Well Number 90
1 OGRID No. 006515		1 Operator Name Dugan Production Corporation			1 Elevation 5510'

10 Surface Location

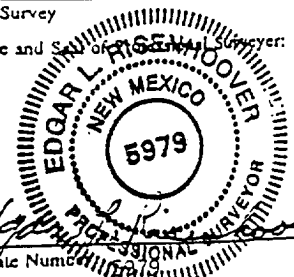
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	25	30N	14W	L	1767	South	280	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320.36	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature: <u>Sherman E. Dugan</u> Printed Name: <u>Sherman E. Dugan</u> Title: <u>Vice-president</u> Date: <u>December 22, 1999</u>	
Dugan Prod. NM-28761	Section 25	18 SURVEYOR CERTIFICATION I hereby 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 true and correct to the best of my belief.  Date of Survey: <u>November 10, 1999</u> Signature and Seal of Professional Surveyor:  Certificate Number: <u>5979</u>	
290'	Dugan Prod. NM-0206994		
1767'	Dugan Prod. NM-23072		

**EXHIBIT B**  
**OPERATIONS PLAN**  
*Carpenter Com #90*

**APPROXIMATE FORMATION TOPS:**

Kirtland                      surface  
 Fruitland                    810'  
 Pictured Cliffs        1175'

**Total Depth**                1300'

**LOGGING PROGRAM:** Run IES & CDL logs.

Catch samples every 10 feet from 1000' to total depth.

**CASING PROGRAM:**

Hole <u>Size</u>	Casing <u>Size</u>	<u>Wt./Ft.</u>	Setting <u>Depth</u>	Grade and <u>Condition</u>
9-7/8"	7"	20#	±120'	J-55
6-1/4"	4-1/2"	10.5#	1300'	J-55

The hole size is not smaller than 1-1/2" larger diameter than the casing O.D. across usable water zones.

Plan to drill a 9-7/8" hole and set 120' 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 Formation. 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.

**CEMENTING PROGRAM:** All volumes are contingent upon Caliper logs.

Surface- Cement with 50 sx (59 cu.ft.) Class "B" neat.  
 Circulate to surface.

Production Stage- Cement with 70 sx (144 cu.ft.) 2% Lodense with 1/4# celloflake/sk followed by 60 sx (71 cu.ft) Class "B" with 1/4# celloflake/sk.  
 Total cement slurry for production stage is 215 cu. ft.  
 Circulate to surface.

An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement. An adequate number of casing centralizers will be run through usable water zones to ensure that casing is centralized through these zones. The adequate number of centralizers will be determined based on API standards. Centralizers to impart a swirling action around the casing will be used just below and into the base of the lowest usable water zone. These devices will assist mud displacement, increase cement bonding potential and create an effective hydraulic seal. A chronological log will be kept which records the pump rate, pump pressure, slurry density, and slurry volume for the

cement job. The log will be sent to the BLM after completion of the job.

**WELLHEAD EQUIPMENT:**

Huber 7" x 4-1/2" casing head, 1000#WP, tested to 2000#

Huber 4-1/2" x 2-7/8" tubing head, 1000# WP, tested to 2000#

BOP and Related Equipment will include for a 2000 psi system:

No abnormal pressures or hazardous zones are anticipated.

Annual preventer, double ram, or 2 rams with one being blind and one being a pipe ram

Kill line (2" minimum)

1 kill line valve (2" minimum)

1 choke line valve

2 chokes

Upper kelly cock valve with handle available

Safety valve and subs to fit all drill string connections in use

Pressure gauge on choke manifold

2" minimum choke line

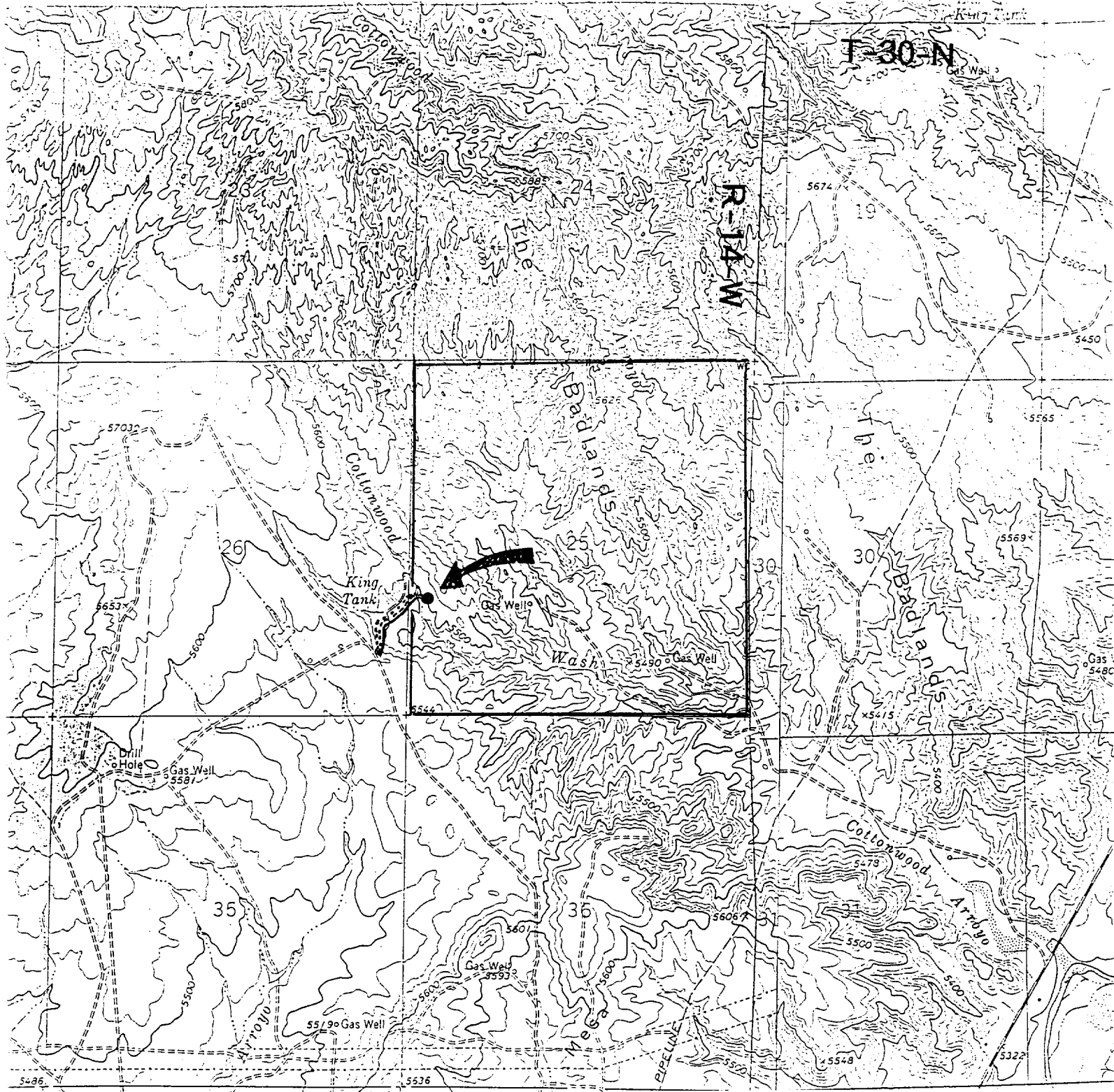
Fill-up line above the uppermost preventer

BOP equipment will be tested as required in Section III A.1 of Onshore Order 2, plus a 30% safety factor.

The anticipated bottom hole pressure for this well is estimated to be approximately 360 psi.

The average mud weight is anticipated to be in the range of 8.6 to 9.5 lb/gal.

Dugan Prod.Corp. Office & Radio Dispatch:	325-1821
Kurt Fagrelus	325-4327
John Alexander 325-6927	Mark Brown 327-3632
Sherman Dugan 327-3121	John Roe 326-1034



# Existing Roads

## Exhibit E

vicinity of nearest town or reference pt.  
 Approx. 1 mile N of Farmington, NM

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map - Youngs Lake, NM

DUGAN PRODUCTION CORP. - CARPENTER COM #90

# Planned Access Road(s)

## Exhibit E

Width 14' Maximum grades 5%

Drainage design as required

Cuts & Fills as required

Surfacing material none

Turnouts

Culverts

Gates

Cattleguards

Fence cuts

Waterbars

Access Road &  
 Pipeline

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