

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

NM-0206995

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Perf Com #90

9. APT Well No.

30-045-30172

10. FIELD AND POOL, OR WILDCAT

Basin Fruitland Coal

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

Sec. 35-T30N-R14W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

Oil ☐

Gas ☐

Well ☐

Well ☒

Other

SINGLE ☐

MULTIPLE ☐

ZONE ☒

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

790' FSL & 1800' FWL

At proposed prod. zone

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

Approx. 2 mi NW of Intersection of Hwy #170 & SJCoRd #6480

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

790'

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

16. NO. OF ACRES IN LEASE

1,008.52

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320 W 33.45

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

Approx 300'

19. PROPOSED DEPTH

1220'

20. ROTARY OR CABLE TOOLS

Rotary

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

GL 5495'

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#	1220'	125 sx (204 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.

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 3/3/2000

(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 /s/ Charlie Beecham Title

Date

*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.

District I
PO Box 1980, 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

API Number 30-045-30172		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 25687	Property Name PERF COM		Well Number #90
OGRID No. 006515	Operator Name Dugan Production Corporation		Elevation 5495'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
	35	30N	14W	N	790	South	1800	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County

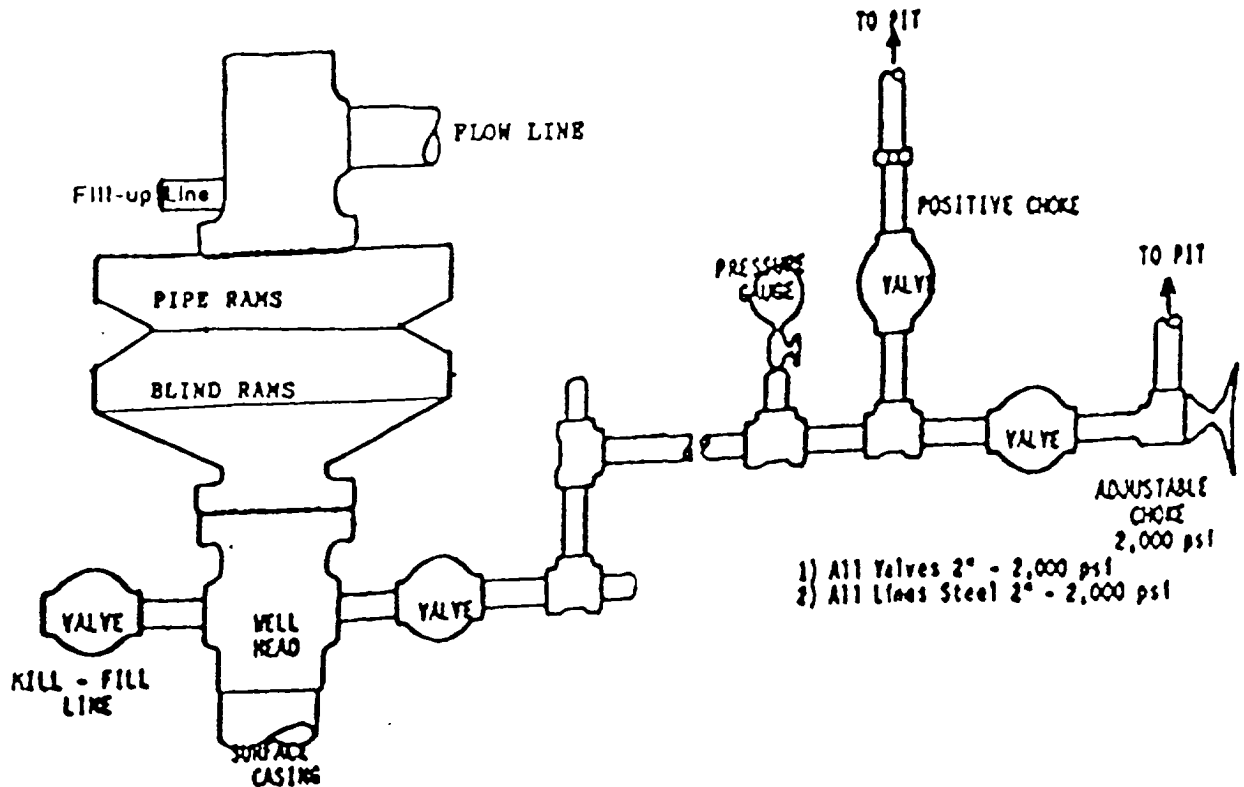
Dedicated Acres 331.47	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 NM-0206995 (160.00 ac.) DPC-100%			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
Section 35			Signature Sherman E. Dugan	
			Printed Name Vice-President	
			Title March 3, 2000	
			Date	
			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.	
			November 10, 1999	
			Date of Survey	
			Signature and Seal of the Surveyor:	
			Certificate Number	

B.O.P. WITH CHOKE MANIFOLD

DUGAN PRODUCTION CORP.

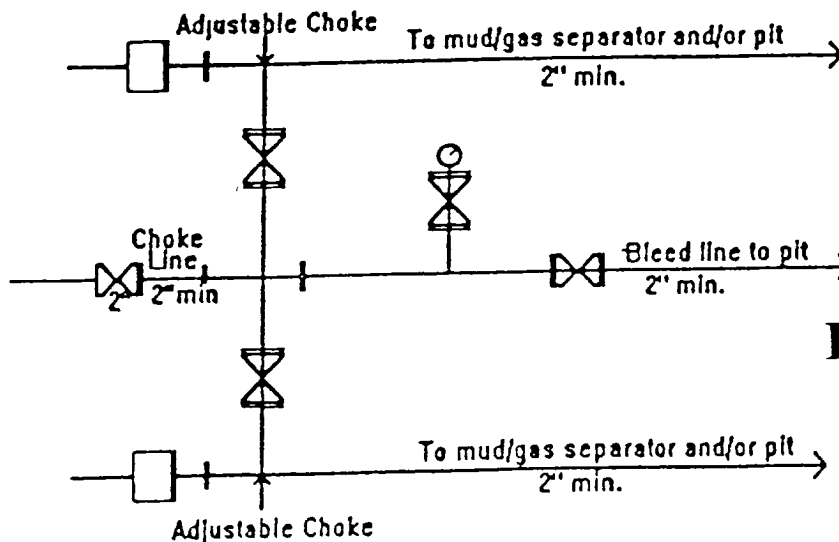


BOP and Related Equipment will include for a 2000 psi system:

2000 PSI DOUBLE RAM BLOWOUT PREVENTER

- 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.



Perf Com #90
Exhibit "D"

