

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

1450' FSL & 910' FEL

At proposed prod. zone

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

Approx. 1 1/2 mi W of Intersection Hwy #170, & SJCoRd #6480

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

910'

(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

100 172.49

18. DISTANCE FROM PROPOSED LOCATION*

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

Approx 500'
from P&A'd
well

19. PROPOSED DEPTH

1245'

20. ROTARY OR CABLE TOOLS

Rotary

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

GL 5515'

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#	1245'	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 Sand/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.

This permit is for the proposed program and proposed well. It is not a guarantee of production and does not constitute an offer of oil or gas.

GENERAL INSTRUCTIONS: THE APPLICANT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY STATE AND FEDERAL PERMITS AND FOR OBTAINING ALL NECESSARY ATTACHED PERMITS.

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

Thomas H. Hays

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

Team Lead, Petroleum Management

Date

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*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.

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-045-30177	' Pool Code 78160	' Pool Name Harper Hill Fruitland Sand/PC
' Property Code 25879	' Property Name Jiggs	' Well Number 2
' OGRID No. 006515	' Operator Name Dugan Production Corporation	' Elevation 5515

¹⁰ Surface Location

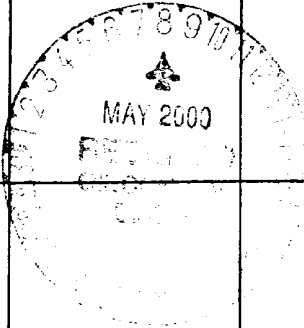
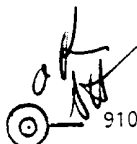
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	35	30N	14W	1	1450	South	910	East	San Juan

" 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
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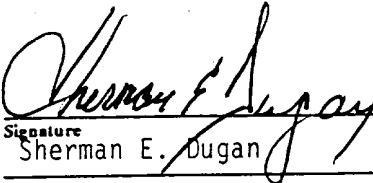
¹² Dedicated Acres 172.49	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			
	Section 35		
		NM-0206995 DPC-100%	 910'
		46.12a	1450' 46.37a

17 OPERATOR CERTIFICATION

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



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.

February 8, 2000

Date of Survey

Signature and Seal of Professional Surveyor:





Edgar L. Hoover License #5979

Certificate Number

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

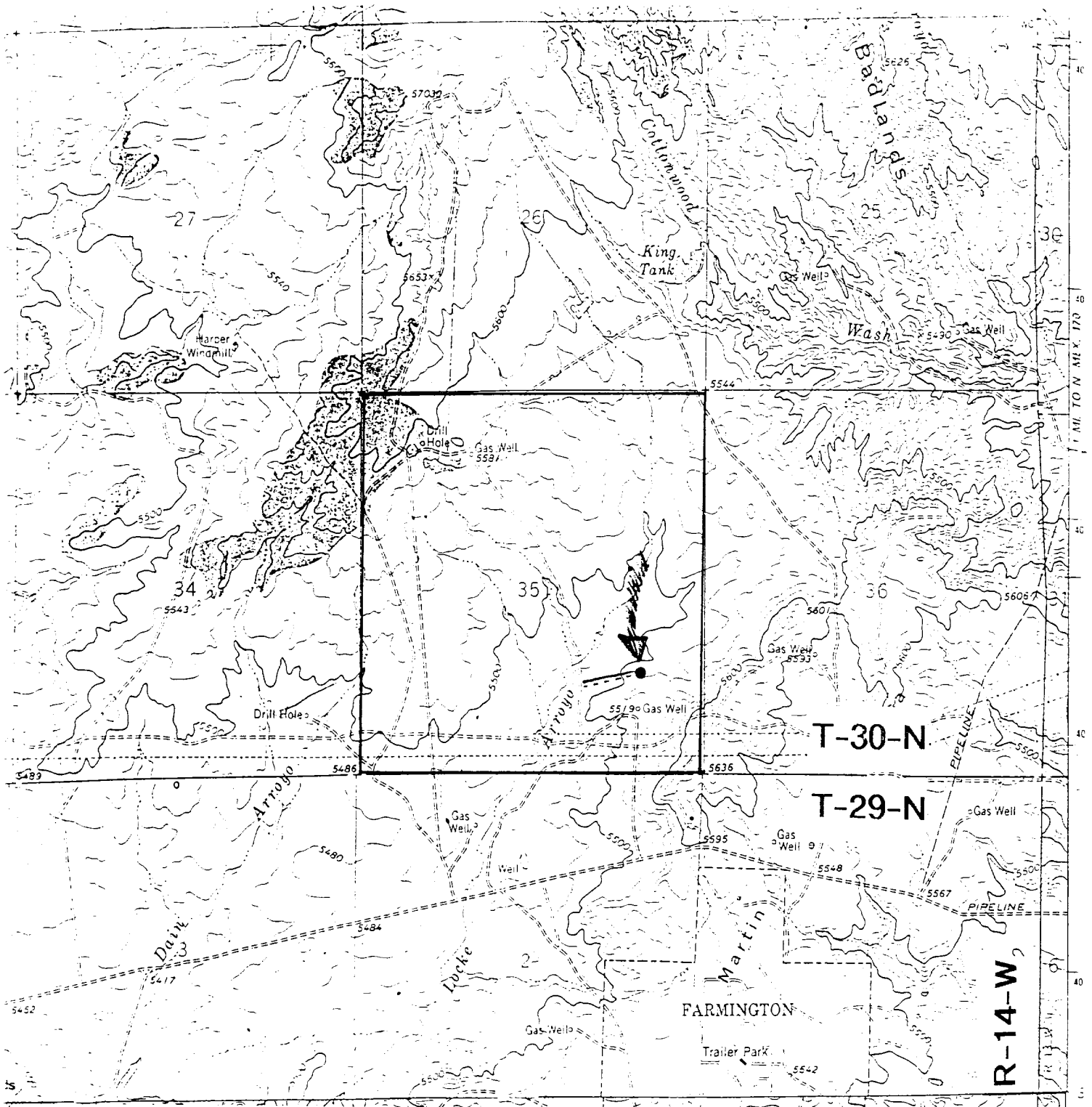
Fill-up line above the uppermost preventer

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 310 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

Jiggs #2

Exhibit E

Vicinity of nearest town or reference pt.
Approx 1 1/2 mi W of Circle S store on Hwy 170
and Co. Rd. 6480

Type of surface dirt

Conditions good

Other

Reference map: USGS map, Youngs Lake, NM

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 2%

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.
DUGAN PRODUCTION CORP.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

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 (Footage, Sec., T., R., M., or Survey Description)

1450' FSL & 910' FEL (NESE)
Unit I, Sec. 35-T30N-R14W

5. Lease Designation and Serial No.

NM-0206995

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jiggs #2

9. API Well No.

30-045-30177

10. Field and Pool, or Exploratory Area

Harper Hill FrSd/PC

11. County or Parish, State

San Juan Co., NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other

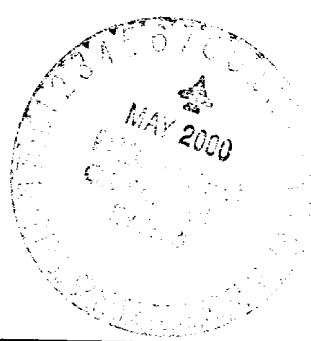
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Change APD

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Notice to correct acreage assigned to this well from 160 to 172.49 acres



14. I hereby certify that the foregoing is true and correct

Signed

Sherman E. Dugan

Title

Vice-President

Date

3/14/2000

(This space for Federal or State office use)

ACCEPTED FOR RECORD

Approved by

Title

Date

MAY 04 2000

Conditions of approval, if any:

FARMINGTON FIELD OFFICE
BY

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.