

(July 1992)

(Other instructions on
reverse side)

OMB NO. 1004-0136

Expires: February 28, 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

200 MAY 16 PM 1:17

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 881' FSL & 2492' FWL (SE/4 SW/4)

At proposed prod. zone

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

Approx. 0.2 miles north of Kirtland, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

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

881'

16. NO. OF ACRES IN LEASE

483.88

18. DISTANCE FROM PROPOSED LOCATION*

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

approx. 1005'

from
DPC's Mayre #90

19. PROPOSED DEPTH

820'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

323.88

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

5335' 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#	820'	95 sx (143 cu.ft.) circ to surface

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 Cased Hole Neutron log. 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 3165.6
and appeal pursuant to 43 CFR 3165.4.

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

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

John Alexander

Title Vice-President

Date 5/11/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

6/20/00

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

Title

Date

6/25/00

*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.

[Signature]

MAILED

PEA of Mayre #90
30-045-28291

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

1 API Number 30 045 30246		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 003758		5 Property Name Mayre			6 Well Number 90R
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 5335'

10 Surface Location



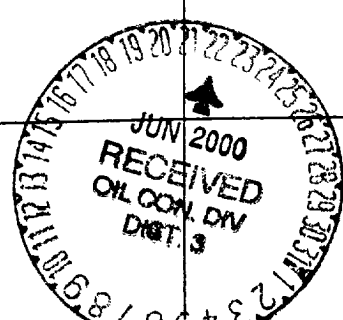
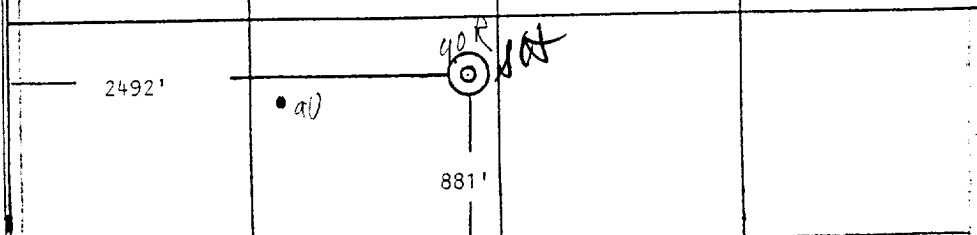
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	30N	14W		881	South	2492	West	San Juan

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 323.88	13 Joint or Infill	14 Consolidation Code	15 Order No.
------------------------------	--------------------	-----------------------	--------------

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 John Alexander Printed Name Vice-president Title May 11, 2000 Date	
Section 31				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. March 27, 2000 Date of Survey Signature and Seal of Surveyor:  Edgar L. Penhoover, PS 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

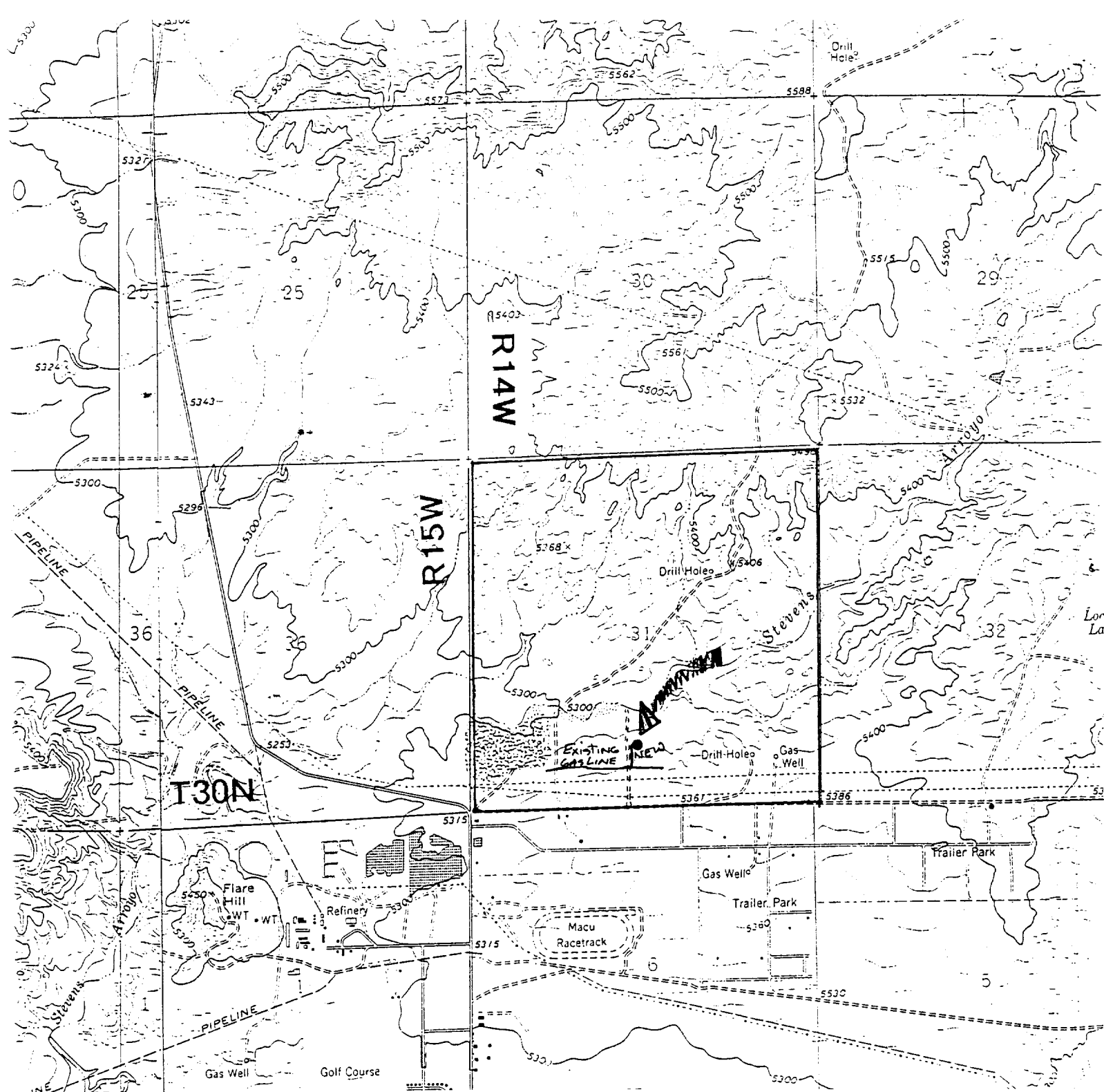
Fill-up line above the uppermost preventer

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 203 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. .2 mi. N of Kirtland, NM

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map Youngs Lake, NM

DUGAN PRODUCTION CORP. - MAYRE #90R

Planned Access Road(s)

Exhibit E

Width _____ Maximum grades _____

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.
No new access required.