

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|---|
| ¹ Operator Name and Address. Dugan Production Corp. P. O. Box 420, Farmington, NM 87499-0420 | | ² OGRID Number 006515 |
| ⁴ Property Code 3589 | ⁵ Property Name Bi-Knobs | ³ API Number 30-045-30558 |
| | | ⁶ Well No. 2R |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C | 32 | 30N | 14W | | 1160 | North | 1650 | West | San Juan |

⁸ Proposed 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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|--|-------------------------------|
| ⁹ Proposed Pool 1 Twin Mounds Fruitland PC - 86620 | ¹⁰ Proposed Pool 2 |
|--|-------------------------------|

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|-----------------------------------|---------------------------------------|--|--|--|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 5392 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 1000' | ¹⁸ Formation Pictured Cliffs | ¹⁹ Contractor Wayne Smith Drilling | ²⁰ Spud Date ASAP |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 9-7/8" | 7" | 20# | 120' | 71 cu.ft | surface |
| 6-1/4" | 4-1/2" | 10.5# | 1000' | 200 cu ft | surface |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

A water based gel mud will be used to drill surface and production casing holes. Standard 2,000 psi BOP will be used to drill production casing hole. The Pictured Cliffs formation will be completed from approximately 870' to 880'. The interval will be fractured. The Bi-Knobs #2 will be plugged before completion of this well.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *John Alexander*

Printed name: John Alexander

Title: Vice-President

Date: February 12, 2001

Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: DEPUTY OIL & GAS INSPECTOR

Approval Date: FEB 12 2001

Expiration Date: FEB 12 2002

Conditions of Approval :

Attached ☐

HOLD ON FOR Bi-Knobs #2 well (30-045-26255) to be brought into compliance

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
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State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30 045 30558 | ² Pool Code 86620 | ³ Pool Name Twin Mounds Fruitland PC |
| ⁴ Property Code 3589 | ⁵ Property Name Bi-Knobs | ⁶ Well Number 2 R |
| ⁷ OGRID No. 006515 | ⁸ Operator Name Dugan Production Corporation | ⁹ Elevation 5392 ~ |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C | 32 | 30N | 14W | | 1160 | North | 1650 | 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 160 | 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

| | |
|--|--|
| <div><p>¹⁶</p><p>Dugan Prod. LG-3045</p><p>Section 32</p></div> | <div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><i>Kurt H. Fagrelius</i> Signature Kurt H. Fagrelius Printed Name Geologist Title February 12, 2001 Date</p></div> |
| | <div><p>¹⁸ SURVEYOR CERTIFICATION</p><p>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.</p><p>February 10, 2001 Date of Survey Signature and Seal of Professional Surveyor <i>Edgar</i> Certificate Number 59</p></div> |
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