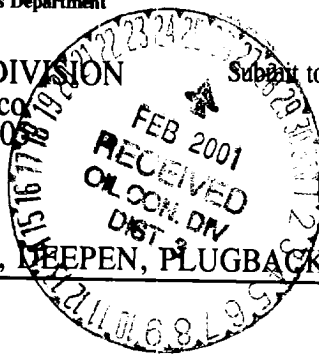


District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

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 3852	³ Property Name Stella Needs a Com	⁵ API Number 30 - 045 - 30574 ⁶ Well No. 2

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
D	36	30N	14W		1300	North	990	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
Harper Hill Future Sandstone PC 78160 Twin Mounds Fruitland PC - 86620					⁹ Proposed Pool 2				

¹¹ Work Type Code N -	¹² Well Type Code G -	¹³ Cable/Rotary R	¹⁴ Lease Type Code S -	¹⁵ Ground Level Elevation 5547' -
¹⁶ Multiple No -	¹⁷ Proposed Depth 1330' -	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#	1330'-	250 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. A standard 2,000 psi BOP will be used to drill production casing hole. The Pictured Cliffs Sandstone will be completed from approximately 1205' to 1215'. The interval will be fractured.

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

Signature:

Kurt Fagrelus

Printed name: Kurt Fagrelus

Title: Geologist

Date: February 23, 2001

Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. 23

Approval Date:

FEB 26 2001

Expiration Date:

FEB 26 2002

Conditions of Approval :

Attached ☐

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 045 30574	² Pool Code 98160 86620	³ Pool Name Harper Hill Ewin Mounds Fruitland PC
⁴ Property Code 3552	⁵ Property Name STELLA NEEDS A COM	⁶ Well Number 2
⁷ OGRID No. 006515	⁸ Operator Name DUGAN PRODUCTION CORPORATION	⁹ Elevation 5547 -

¹⁰ Surface Location

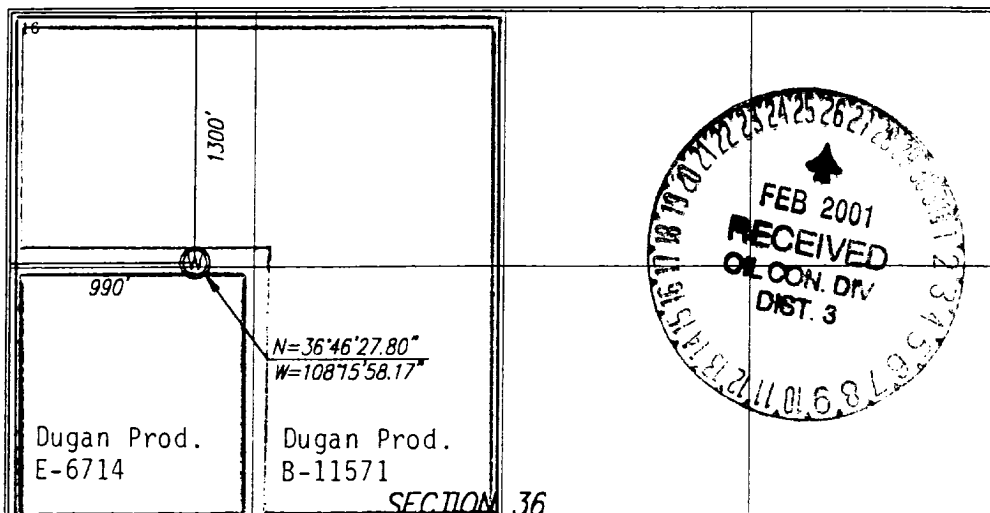
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	30N	14W		1300	NORTH	990	WEST	SAN JUAN

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 NW	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

	<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 Fagrelus</i> Signature Kurt Fagrelus Printed Name Geologist Title February 23, 2001 Date</p>
	<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 20, 2001 Date of Survey Signature EDGAR L. RISENHOVER NEW MEXICO PROFESSIONAL SURVEYOR 5979 Certificate Number</p>