

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

Oil ☒
WellGas ☐
Well ☒ OtherSINGLE ☐
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 400' FSL & 330' REL FUL

At proposed prod. zone

same

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

5 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)

16. NO. OF ACRES IN LEASE

1840

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

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

19. PROPOSED DEPTH

5400' -

20. ROTARY OR CABLE TOOLS

Rotary

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

5512' 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
12 1/4"	9-5/8"	36#	200'	100 cu ft circ. to surface -
8-3/4"	7"	20#	4000'	900 cu ft circ. to surface -
6 1/4"	4 1/2"	10.5#	4000'-5400' -	290 cu ft circ. liner top

2001 MAR -7 PM 1:25

This action is subject to the
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

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 3/2/2001

(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/ Lee Otteni

Title

Date

MAY - 2

*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.

NMOCD

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 APT Number 30 045 30586		2 Pool Code 96357		3 Pool Name Gamblers Mesa Gallup	
4 Property Code 3865		5 Property Name Turks Toast			6 Well Number 6
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 5512'



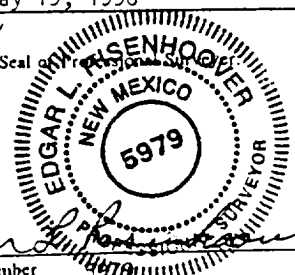
10 Surface Location

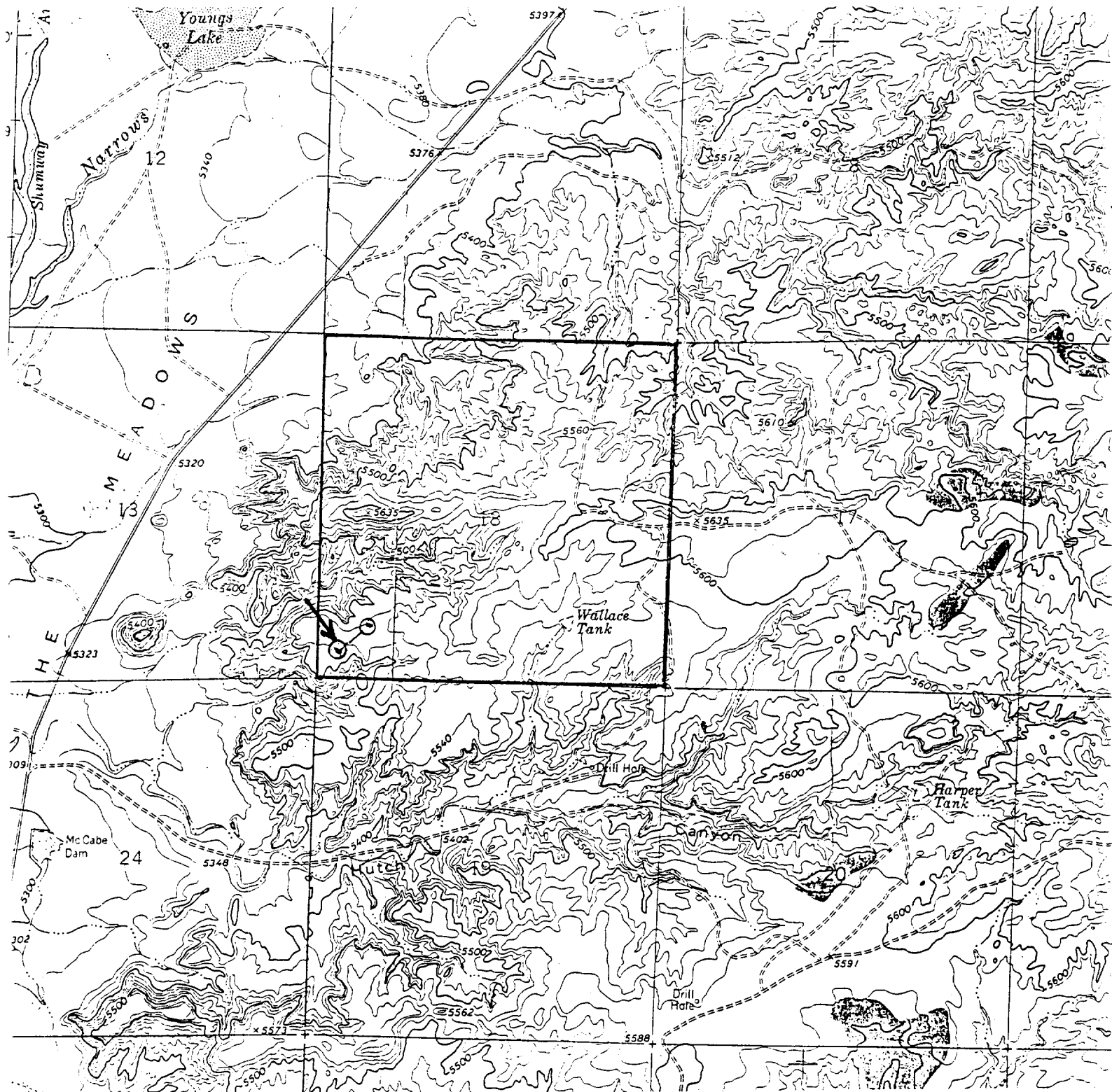
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	18	30N	14W		400	South	330	West	San Juan

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 40		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>16</div> <div>Section 18</div> <div>Dugan Prod. NM-19163</div> <div>330' 400'</div>				<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div></div> <div>Signature</div> <div>John Alexander</div> <div>Printed Name</div> <div>Vice-President</div> <div>Title</div> <div>March 2, 2001</div> <div>Date</div>	
				<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>May 19, 1998</div> <div>Date of Survey</div> <div></div> <div>Signature and Seal</div> <div></div> <div>Certificate Number</div>	
				<div>MAY 2001</div> <div>RECEIVED</div> <div>OIL CONSERVATION DIVISION</div>	



Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.
5 mi. north of Kirtland, NM

Type of surface dirt

Conditions good

Other _____

Reference map: USGS map

Youngs Lake

DUGAN PRODUCTION CORP. - TURK'S TOAST #6

Planned Access Road(s)

Exhibit E

Width 20' Maximum grades _____

Drainage design as required

Cuts & Fills as required

Surfacing material none

☒ Turnouts

☐ Culverts

☒ Gates

☒ Cattleguards

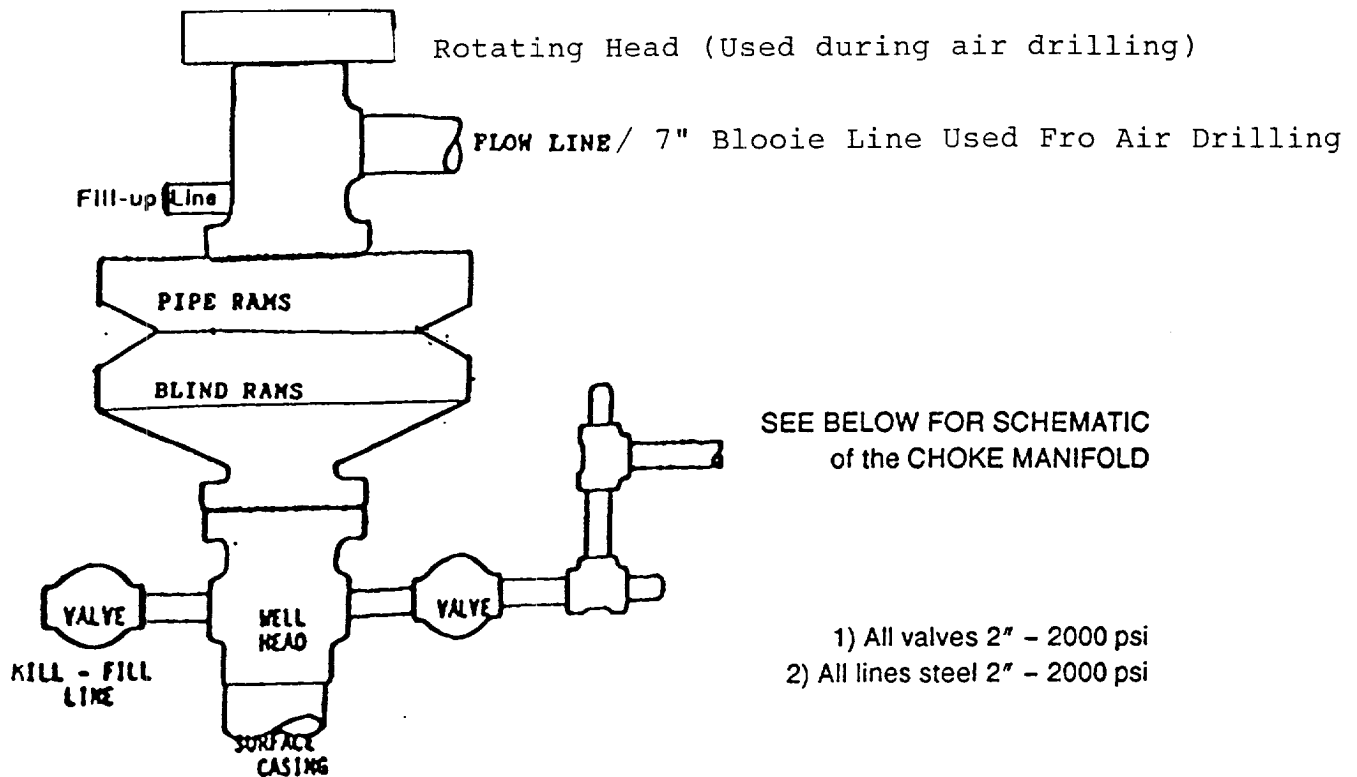
☒ Fence cuts

☒ Waterbars

☒ Access Road & Pipeline

Access road(s) ☒ do/do not cross Fed/Ind land.

B.O.P. WITH CHOKE MANIFOLD FOR A TYPICAL GALLUP WELL



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

2000 psi double rem 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

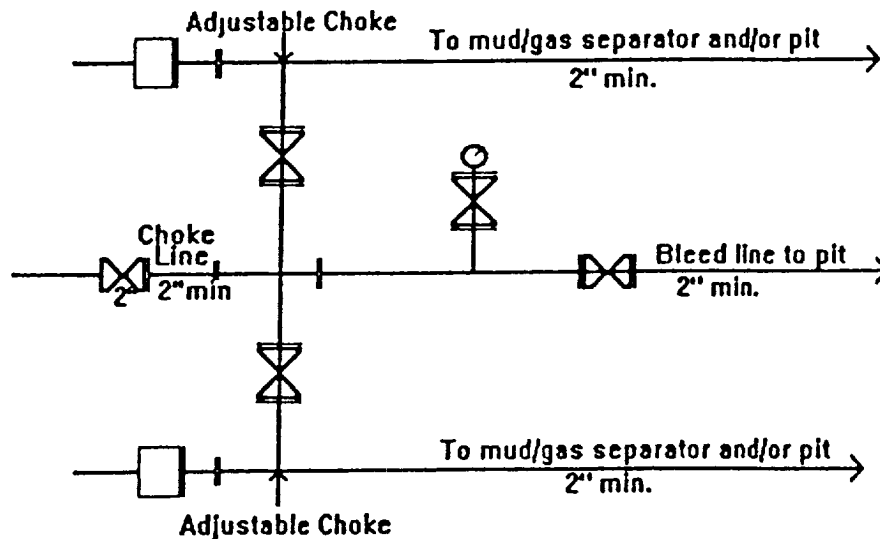
Pressure gauge one choke manifold

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.

Schematic of Choke Manifold



2M Choke Manifold Equipment - Configuration May Vary

For additional information, See Exhibit B

DUGAN PRODUCTION CORP.
TURK'S TOAST #6
EXHIBIT D