

(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

1.a. TYPE OF WORK

DRILL ☒DEEPEN ☐

5. LEASE DESIGNATION AND SERIAL NO.

NM-19163

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Turk's Toast #9

9. API Well No.

30-045-30731

10. FIELD AND POOL, OR WILDCAT

Twin Mounds FR Sand PC

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREAUnit P  
Sec. 18, T30N, R14W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

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) 325-1825

LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 915' FSL &amp; 665' FEL (SE/4 SE/4)

At proposed prod. zone

same

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

6 miles north of Kirtland, New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

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

915'

16. NO. OF ACRES IN LEASE

1840

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160 (SE/4)

18. DISTANCE FROM PROPOSED LOCATION\*

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

1800'

19. PROPOSED DEPTH

1180'

20. ROTARY OR CABLE TOOLS

Rotary

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

5575' 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
8-3/4"	7"	20#	120'	70 cu ft - circ to surface
6 1/4"	4 1/2"	10.5#	1180'	180 cu ft - circ to surface

A water based gel-mud will be used to drill surface and production casing hole. Standard 2,000 psi BOP will be used to drill production hole. The Pictured Cliffs Sandstone will be completed from approximately 1050'-1060'. The interval will be fractured.

This action is subject to technical and  
procedural review pursuant to 43 CFR 3125.3  
and appeal pursuant to 43 CFR 3105.4.

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 Kurt Fagrellus Title Geologist Date 7/11/2001  
Kurt Fagrellus

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_

APPROVAL DATE 10/15/01

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/ V.R. Balderaz Title \_\_\_\_\_

Date

OCT - 5 2001

\*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.

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer CD, 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

*API Number 30 045 <b>30731</b>		*Pool Code 86620	*Pool Name Twin Mounds Fruitland Sand Pictured Cliffs
*Property Code <b>3865</b>	*Property Name TURKS TOAST		*Well Number 9
*OGRIID No. 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 5575'

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
P	18	30N	14W		915	SOUTH	665	EAST	SAN JUAN

#### <sup>11</sup> Bottom Hole Location If Different From Surface

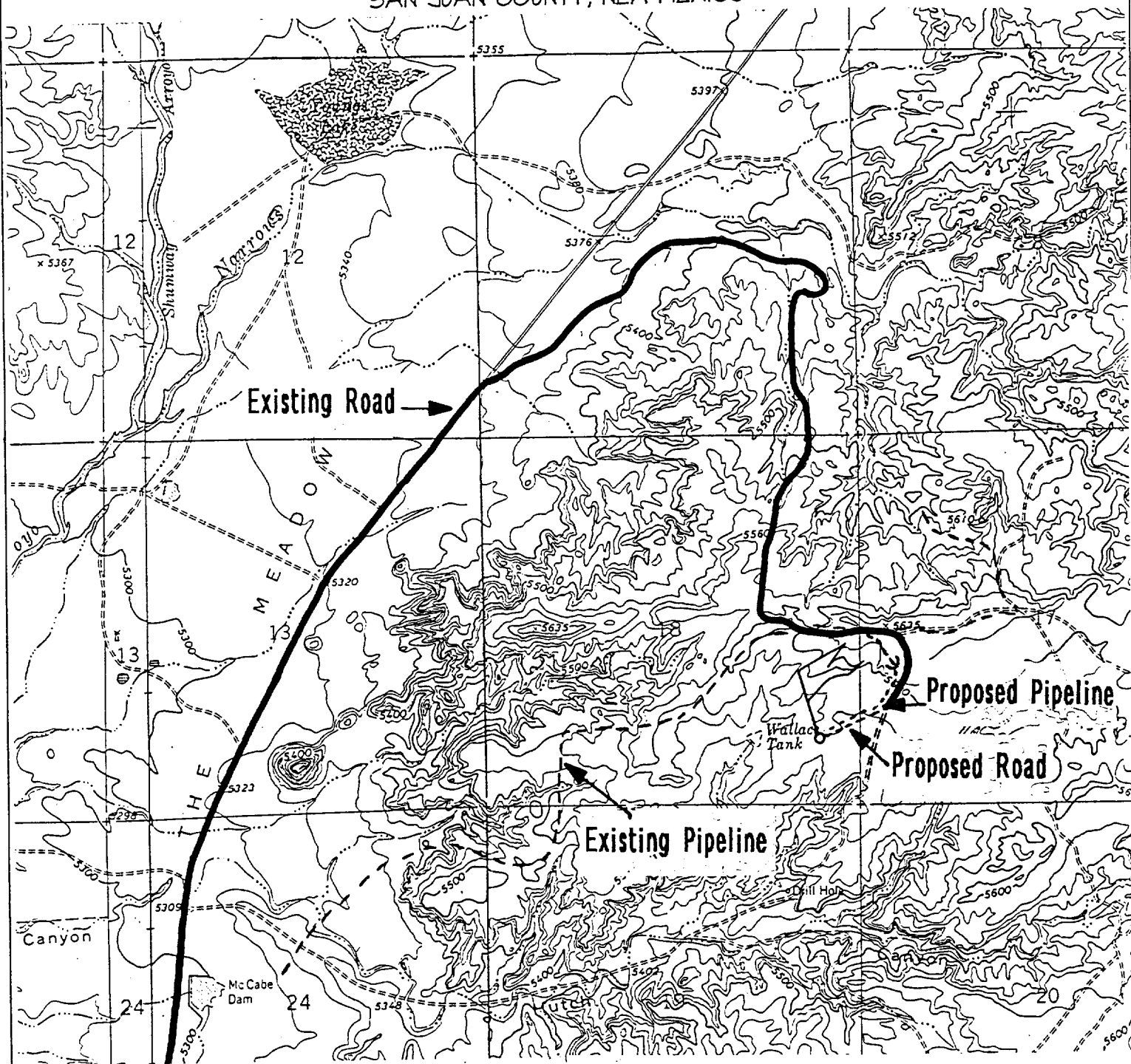
UL or lot no.	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 160 ACRES (SE/4)					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		

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>15</div> <div>5301.78'</div> <div>5280.00'</div> <div>5300.46'</div> <div>665'</div> <div>915'</div> <div>18</div> <div>Dugan Prod. NM-19163</div> <div>RECEIVED OILCON. DIV EXCT. 3 OCT-2001</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><i>Kurt Fagrelus</i></div> <div>Signature</div> <div>Kurt Fagrelus</div> <div>Printed Name</div> <div>Geologist</div> <div>Title</div> <div>July 11, 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>JUNE 15, 2001</div> <div>Date of Survey</div> <div>Signature and Seal of <i>NEALE G. EDWARDS</i></div> <div>NEALE G. EDWARDS NEW MEXICO 6857</div> <div>Certificate No. 6857</div>

# DUGAN PRODUCTION CORPORATION TURKS TOAST #9

915' FSL & 665' FEL, SECTION 18, T30N, R14W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO



## Existing Roads

Exhibit E

Vicinity of nearest town or reference pt.  
6 miles north of Kirtland, NM

Type of surface dirt

Conditions good

Other \_\_\_\_\_

Reference map: USGS map Youngs Lake, NM.

DUGAN PRODUCTION CORP. - TURK'S TOAST #9

## Planned Access Road(s)

Exhibit E

Width 20' Maximum grades 1%

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.

**EXHIBIT B**  
**OPERATIONS PLAN**  
*Turk's Toast #9*

**APPROXIMATE FORMATION TOPS:**

Kirtland	surface
Fruitland	670'
Pictured Cliffs	1050'
<b>Total Depth</b>	<b>1180'</b>

**LOGGING PROGRAM:** Run cased hole CNL-CDL

Catch samples every 10 feet from 600 feet to total depth.

**CASING PROGRAM:**

Hole <u>Size</u>	Casing <u>Size</u>	Wt./ft.	Setting <u>Depth</u>	Grade and <u>Condition</u>
8-3/4"	7"	20#	±120'	J-55-new
6-1/4"	4-1/2"	10.5#	±1180'	J-55-new

Plan to drill a 8-3/4" 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 Fruitland Sand/Pictured Cliffs Sandstone Formation. 4 1/2", 10.5# J-55 casing will be run and cemented. Cased hole CNL-CDL log will be run. Productive zone will be perforated and fractured. After frac the well will be cleaned out and production equipment will be installed.

**CEMENTING PROGRAM:** All volumes are contingent upon Caliper logs.

Surface: Cement with 70 cu.ft. Class "B" neat. Circulate to surface

Production Stage - Cement with 115 cu.ft. 2% Lodense with 1/4# celloflake/sx followed by 65 cu.ft. Class "B" with 1/4# celloflake/sx.  
Total cement slurry for production stage is 180 cu.ft.  
Circulate to surface.

An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement. An adequate number of casing centralizers will be run through usable water zones to ensure that casing is centralized through these zones. The adequate number of centralizers will be determined based on API standards. Centralizers to impart a swirling action around the casing will be used just below and into the base of the lowest usable water zone. These devices will assist mud displacement, increase cement bonding potential and create an effective hydraulic seal. A chronological log will be kept which records the pump rate, pump pressure, slurry density, and slurry volume for the 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:

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

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