

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|  |   |   |
|--|---|---|
| <sup>1</sup> Operator name and Address<br>Dugan Production Corp.<br>P. O. Box 420<br>Farmington, NM 87499-0420 (505)325-1821 |   | <sup>2</sup> OGRID Number<br>006515       |
|  |   | <sup>3</sup> Reason for Filing Code<br>NW |
| <sup>4</sup> API Number<br>30 - 045-30732  | <sup>5</sup> Pool Name<br>Twin Mounds Fruitland Sand PC | <sup>6</sup> Pool Code<br>86620           |
| <sup>7</sup> Property Code<br>028961   | <sup>8</sup> Property Name<br>Riviera Com               | <sup>9</sup> Well Number<br>2             |

II. <sup>10</sup> Surface Location

|                    |               |                 |              |         |                        |                           |                       |                        |                    |
|--------------------|---------------|-----------------|--------------|---------|------------------------|---------------------------|-----------------------|------------------------|--------------------|
| UL or lot no.<br>E | Section<br>18 | Township<br>30N | Range<br>14W | Lot.Idn | Feet from the<br>1350' | North/South Line<br>North | Feet from the<br>660' | East/West line<br>West | County<br>San Juan |
|--------------------|---------------|-----------------|--------------|---------|------------------------|---------------------------|-----------------------|------------------------|--------------------|

<sup>11</sup> Bottom Hole Location

|                        |                                     |                                   |                                   |                                    |                                     |                           |                       |                        |                    |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|---------------------------|-----------------------|------------------------|--------------------|
| UL or lot no.<br>E     | Section<br>18                       | Township<br>30N                   | Range<br>14W                      | Lot Idn                            | Feet from the<br>1350'              | North/South line<br>North | Feet from the<br>660' | East/West line<br>West | County<br>San Juan |
| <sup>12</sup> Lse Code | <sup>13</sup> Producing Method Code | <sup>14</sup> Gas Connection Date | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |                           |                       |                        |                    |

III. Oil and Gas Transporters

|                                 |   |                   |                   |   |
|---------------------------------|---|-------------------|-------------------|---|
| <sup>18</sup> Transporter OGRID | <sup>19</sup> Transporter Name and Address                      | <sup>20</sup> POD | <sup>21</sup> O/G | <sup>22</sup> POD ULSTR Location and Description              |
| 151618                          | El Paso Field Services<br>614 Reilly Ave., Farmington, NM 87401 | 2813279           | G                 | Dugan's Turk's Toast CDP gas meter<br>located at: H-6-29N-14W |
|                                 |   |                   |                   |   |
|                                 |   |                   |                   |   |
|                                 |   |                   |                   |   |
|                                 |   |                   |                   |   |

DEC 2001

IV. Produced Water

|                              |  |
|------------------------------|--|
| <sup>23</sup> POD<br>2831013 | <sup>24</sup> POD ULSTR Location and Description |
|------------------------------|--|

V. Well Completion Data

|                                     |  |                                 |  |   |                          |
|-------------------------------------|--|---------------------------------|--|---|--------------------------|
| <sup>25</sup> Spud Date<br>11/15/01 | <sup>26</sup> Ready Date<br>12/05/01     | <sup>27</sup> TD<br>930'        | <sup>28</sup> PBTD<br>872'               | <sup>29</sup> Perforations<br>640'-797' | <sup>30</sup> DHC, DC,MC |
| <sup>31</sup> Hole Size<br>8-3/4"   | <sup>32</sup> Casing & Tubing Size<br>7" | <sup>33</sup> Depth Set<br>120' | <sup>34</sup> Sacks Cement<br>50 sacks   |   |                          |
| 6-1/4"                              | 4 1/2"                                   | 928'                            | 50 sx. 2% Lodense w/ 1/4# celloflake/sx. |   |                          |
|                                     | 2-3/8"                                   | 1820'                           | Tail w/ 50 sx. Class "B" neat            |   |                          |

VI. Well Test Data

TOTAL: 150 sx.

|                                   |  |                                     |                                     |                                  |                                    |
|-----------------------------------|--|-------------------------------------|-------------------------------------|----------------------------------|------------------------------------|
| <sup>35</sup> Date New Oil<br>N/A | <sup>36</sup> Gas Delivery Date<br>N/A | <sup>37</sup> Test Date<br>12/20/01 | <sup>38</sup> Test Length<br>24 hrs | <sup>39</sup> Tbg. Pressure<br>5 | <sup>40</sup> Csg. Pressure<br>100 |
| <sup>41</sup> Choke Size<br>3/4"  | <sup>42</sup> Oil<br>0                 | <sup>43</sup> Water<br>100          | <sup>44</sup> Gas<br>25             | <sup>45</sup> AOF<br>N/A         | <sup>46</sup> Test Method<br>F     |

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.  
Signature: *Terry Kochis*

Printed name: Terry Kochis

Title: Engineer

Date: December 21, 2001

Phone: (505)325-1821

OIL CONSERVATION DIVISION  
Approved by: *[Signature]*  
Title: *[Signature]*  
Approval Date: FEB - 5 2002

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

New Mexico Oil Conservation Division

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IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED  
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT

Report all gas volumes at 15.025 PSIA at 60°.  
Report all oil volumes to the nearest whole barrel.

A request for allowable for a newly drilled or deepened well must  
be accompanied by a tabulation of the deviation tests conducted in  
accordance with Rule 111.

All sections of this form must be filled out for allowable requests on  
new and recompleted wells.

Fill out only sections I, II, III, IV, and the operator certifications for  
changes of operator, property name, well number, transporter, or  
other such changes.

A separate C-104 must be filed for each pool in a multiple  
completion.

Improperly filled out or incomplete forms may be returned to  
operators unapproved.

1. Operator's name and address
2. Operator's OGRID number. If you do not have one it will  
be assigned and filled in by the District office.
3. Reason for filing code from the following table:  
NW New Well  
RC Recompletion  
CH Change of Operator (Include the effective date.)  
AO Add oil/condensate transporter  
CO Change oil/condensate transporter  
AG Add gas transporter  
CG Change gas transporter  
RT Request for test allowable (Include volume  
requested)  
If for any other reason write that reason in this box.
4. The API number of this well
5. The name of the pool for this completion
6. The pool code for this pool
7. The property code for this completion
8. The property name (well name) for this completion
9. The well number for this completion
10. The surface location of this completion NOTE: If the  
United States government survey designates a Lot  
Number for this location use that number in the 'UL or lot  
no.' box. Otherwise use the OCD unit letter.
11. The bottom hole location of this completion
12. Lease code from the following table:  
F Federal  
S State  
P Fee  
J Jicarilla  
N Navajo  
U Ute Mountain Ute  
I Other Indian Tribe
13. The producing method code from the following table:  
F Flowing  
P Pumping or other artificial lift
14. MO/DA/YR that this completion was first connected to a  
gas transporter
15. The permit number from the District approved C-129 for  
this completion
16. MO/DA/YR of the C-129 approval for this completion
17. MO/DA/YR of the expiration of C-129 approval for this  
completion
18. The gas or oil transporter's OGRID number
19. Name and address of the transporter of the product
20. The number assigned to the POD from which this product  
will be transported by this transporter. If this is a new  
well or recompletion and this POD has no number the  
district office will assign a number and write it here.
21. Product code from the following table:  
O Oil  
G Gas
22. The ULSTR location of this POD if it is different from the  
well completion location and a short description of the  
POD (Example: "Battery A", "Jones CPD", etc.)
23. The POD number of the storage from which water is  
moved from this property. If this is a new well or  
recompletion and this POD has no number the district  
office will assign a number and write it here.
24. The ULSTR location of this POD if it is different from the  
well completion location and a short description of the  
POD (Example: "Battery A Water Tank", "Jones CPD  
Water Tank", etc.)
25. MO/DA/YR drilling commenced
26. MO/DA/YR this completion was ready to produce
27. Total vertical depth of the well
28. Plugback vertical depth
29. Top and bottom perforation in this completion or casing  
shoe and TD if openhole
30. Write in 'DHC' if this completion is downhole commingled  
with another completion, 'DC' if this completion is one of  
two non-commingled completions in this well bore, or  
'MC' if there are more than three non-commingled  
completions in this well bore.

31. Inside diameter of the well bore
  32. Outside diameter of the casing and tubing
  33. Depth of casing and tubing. If a casing liner show top  
and bottom.
  34. Number of sacks of cement used per casing string
- If the following test data is for an oil well it must be from a test  
conducted only after the total volume of load oil is recovered.
35. MO/DA/YR that new oil was first produced
  36. MO/DA/YR that gas was first produced into a pipeline
  37. MO/DA/YR that the following test was completed
  38. Length in hours of the test
  39. Flowing tubing pressure - oil wells  
Shut-in tubing pressure - gas wells
  40. Flowing casing pressure - oil wells  
Shut-in casing pressure - gas wells
  41. Diameter of the choke used in the test
  42. Barrels of oil produced during the test
  43. Barrels of water produced during the test
  44. MCF of gas produced during the test
  45. Gas well calculated absolute open flow in MCF/D
  46. The method used to test the well:  
F Flowing  
P Pumping  
S Swabbing  
If other method please write it in.
  47. The signature, printed name, and title of the person  
authorized to make this report, the date this report was  
signed, and the telephone number to call for questions  
about this report
  48. The previous operator's name, the signature, printed  
name, and title of the previous operator's representative  
authorized to verify that the previous operator no longer  
operates this completion, and the date this report was  
signed by that person