

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, ~~PLUG BACK~~ OR ADD A ZONE

| | | |
|--|--|-------------------------------------|
| ¹ Operator Name and Address. Dugan Production Corp. P. O. Box 420, Farmington, NM 87499-0420 | | ² OGRID Number 006515 |
| ³ API Number 30 - 045 - 29681 | | |
| ⁴ Property Code 003850 | ⁵ Property Name State Corn | ⁶ Well No. 91 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| M | 16 | 32N | 12W | | 790 | South | 790 | 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 |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| ⁹ Proposed Pool 1 Basin Fruitland Coal - 71629 | | | | | ¹⁰ 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 5962' (est) |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 2250' | ¹⁸ Formation Fruitland | 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' | 60 sx (71 cu.ft) | surface |
| 6-1/4" | 4-1/2" | 10.5# | 2250' | 200 sx (358 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.

Plan to drill a 9-7/8" 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 the Fruitland Coal formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2", 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

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

Signature:

Printed name: Sherman E. Dugan

Title: Vice-President

Date: September 18, 1998

Phone: (505) 325-1821

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval:

Attached ☐

DEPUTY OIL & GAS INSPECTOR, DIST. #3

SEP 22 1998

Expiration Date:

SEP 22 1999

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

| | | | |
|------------------------------|---|----------------------|-------------------------------------|
| * API Number 30 045 29681 | | * Pool Code 71629 | * Pool Name Basin Fruitland Coal |
| * Property Code 003850 | * Property Name State Com | | * Well Number 91 |
| * OGRID No. 006515 | * Operator Name Dugan Production Corporation | | * Elevation 5962' estimated |

10 Surface Location

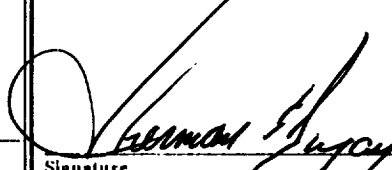


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11 Bottom Hole Location If Different From Surface

| 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 320 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. To be communitized |
|---------------------------|--------------------|-----------------------|------------------------------------|

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 style="text-align: center;">RECEIVED SEP 21 1998 OIL CON. DIV. DIST. 3</div> | | | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <div style="text-align: right;"> Signature Sherman E. Dugan Printed Name Vice-President Title September 18, 1998 Date</div> | |
| | | | | 18 SURVEYOR CERTIFICATION 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. September 1, 1998 Date of Survey Signature and Seal of Surveyor: <div style="text-align: center;"> Certificate Number</div> | |
| Section 16 | | Dugan Production B-11571 | | | |
| Cross Timbers E-4426 | | Dugan Production LG-0038-1 | | | |
| <div style="text-align: center;">790'  790'</div> | | | | | |