

OIL CONSERVATION COMMISSION
Albuquerque DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE July 17, 1979

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

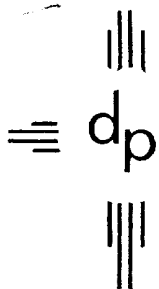
I have examined the application dated July 5, 1979
for the Dugan Prod. Co. Bill E. #1 L-8-24N-9W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours very truly,

AR Kendrick



dugan production corp.

July 5, 1979

Joe D. Ramey
Division Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, N.M. 87501

RE: Application for Administrative Approval of
Unorthodox Location of the Big Eight #1
Well in San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following instruments pertaining to the Application for Administrative Approval of the Unorthodox Location of the Big Eight #1 Well which is located in the N/2 SW/4 of Section 8, Township 24 North, Range 9 West, N.M.P.M., San Juan County, New Mexico:

1. Three originally executed copies of the Application for the Big Eight #1 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the N/2 SW/4 of Section 8, Township 24 North, Range 9 West, N.M.P.M. These plats also show all of the wells completed on these leases.
3. Three originally executed copies of a Certificate of Mailing stating that all the operators of leases offsetting the dedicated acreage for this well have been notified of the Application by certified mail, and the Supervisor of the District III Office of the New Mexico Oil Conservation Division and the U. S. Geological Survey have been notified by regular mail.

Please advise if you need further information or assistance.

Sincerely,

Richard T. C. Tully
General Counsel

RTCT/sak
Enclosures



Joe D. Ramey
New Mexico Oil Conservation Division
July 5, 1979
Page Two

DISTRIBUTION:

Al R. Kendrick
Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, N.M. 87410

District Engineer
U. S. Geological Survey
P. O. Box 959
Farmington, N.M. 87401

B. F. Pracko
Division Landman
Amoco Production Company
Security Life Building
Denver, CO 80202

H. B. Rainbolt
Division Manager
Texaco, Inc.
P. O. Box 2100
Denver, CO 80201

M. K. Mendenhall
Division Landman
Cotton Petroleum Corp.
717 17th St., Suite 2200
Denver, CO 80264

APPLICATION FOR ADMINISTRATIVE
APPROVAL OF UNORTHODOX LOCATION

Applicant: Dugan Production Corp.
P. O. Box 234
Farmington, N.M. 87401

Lease: Big Eight Lease
USA NM 25540

Lease Date: July 1, 1975

Lease Term: Five years

Lessor: United States of America

Original Lessee: Dugan Production Corp.

Lands Described in Lease
Dedicated to the Well: Township 24 North, Range 9 West, N.M.P.M.
Section 8: N/2 SW/4
Containing 80 acres, more or less
San Juan County, New Mexico

Name of Well: Big Eight #1 Well

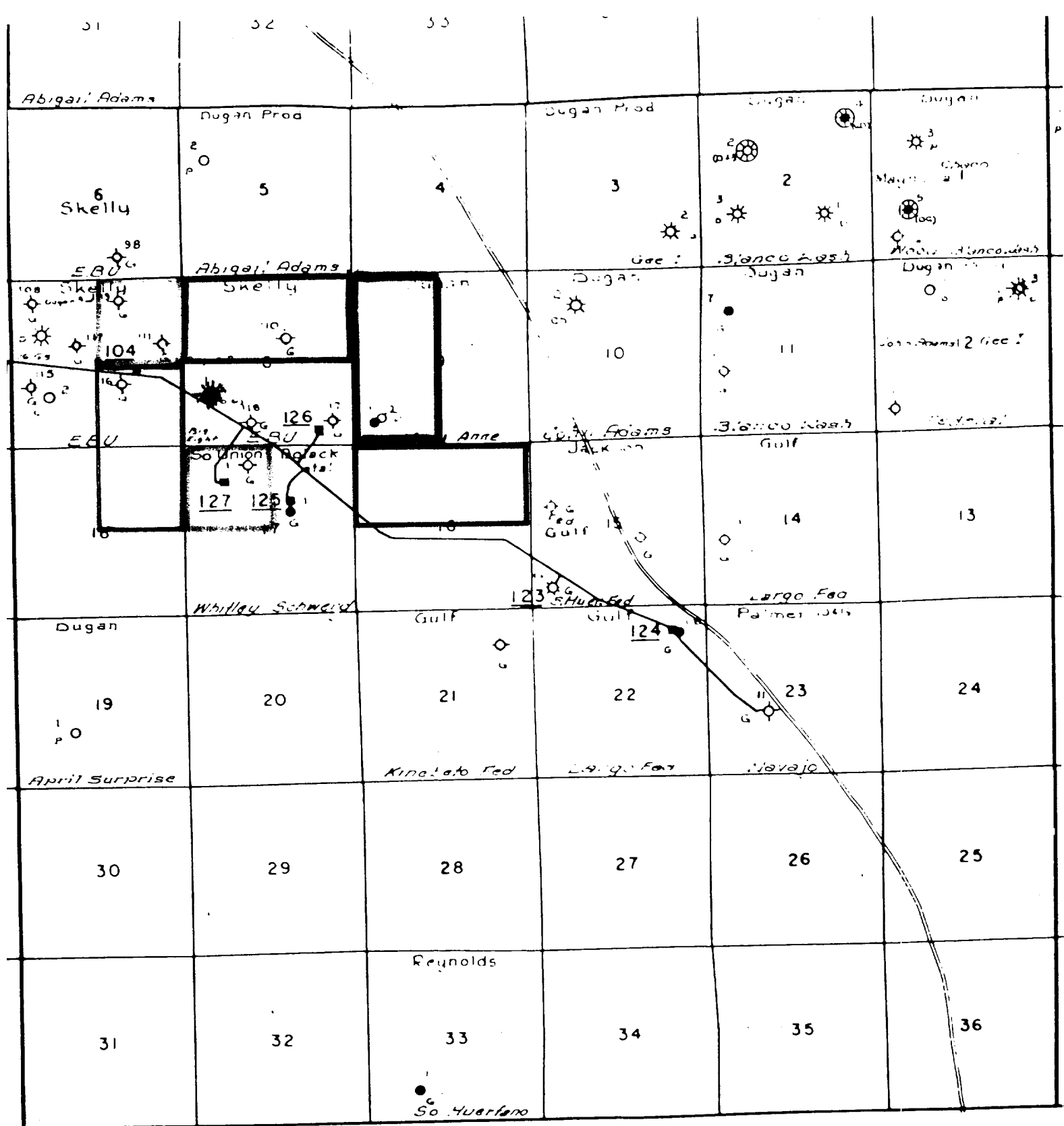
Proposed Unorthodox Location: Township 24 North, Range 9 West, N.M.P.M.
Section 8: 1530' FSL - 840' FWL
(Unit Letter L)
San Juan County, New Mexico

Proposed Producing Formation: Bisti Lower Gallup Pool

New Mexico Oil Conservation
Division Rule Authorizing
Application: Rule 104(F)

Reason for Unorthodox Location: Recompletion of Big Eight #1 Well in Bisti Lower Gallup Pool after the well was previously drilled to the Basin Dakota formation. The location of the well was orthodox for the Basin Dakota Pool. Pursuant to NMOCD Order No. R-5666 dated March 8, 1978 the Applicant is authorized to commingle the Bisti Lower Gallup, Undesignated Greenhorn, and Basin Dakota production within the wellbore of this well.

Offsetting Leases and Operators: SEE SCHEDULE "A"



Township 24 North, Range 9 West, NMPM

Big Eight #1
Well

Offsetting Leases and Operators

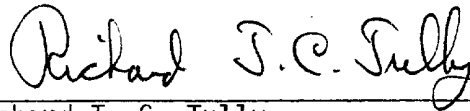
- A. USA NM 25540
Dugan Production Corp.
- B. USA NM 25433
Dugan Production Corp.
- C. USA NM 25441
Texaco, Inc.
- D. USA NM 36473
Cotton Petroleum Corp.

- E. USA NM 25432
Texaco, Inc.
- F. State of NM E-6644-12
Amoco Production Co.
- G. USA NM 10089
Dugan Production Corp.
- Well Location

T-24-N, R-9-W

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location of the Big Eight #1 Well by certified mail to all the operators of leases offsetting the dedicated acreage for the Big Eight #1 Well, and by regular mail to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and to the U. S. Geological Survey on this 5th day of July, 1979.

A handwritten signature in cursive script that reads "Richard T. C. Tully". The signature is written in dark ink and is positioned above a horizontal line.

Richard T. C. Tully
Attorney for Applicant