

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



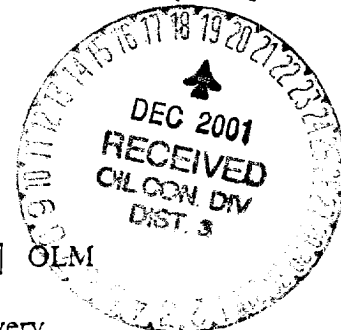
## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_



- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

- [4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

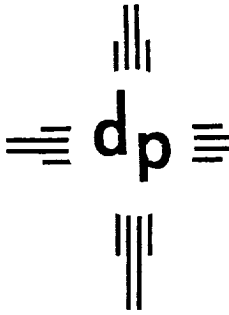
Kurt Fagrelius  
Print or Type Name

Kurt Fagrelius  
Signature

Geologist  
Title

11/19/01  
Date

\_\_\_\_\_  
e-mail Address



# dugan production corp.

November 19, 2001

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505



Re: Application for Administrative Approval of  
Unorthodox Location for Dugan Production Corp.'s Pan American Federal #2  
545' FNL & 1215' FWL (NW/4 NW/4)  
Unit D, Section 24, T30N, R14W  
San Juan County, New Mexico  
Harper Hill Fruitland Sand Pictured Cliffs Pool

Dear Mr. Stogner:

Dugan Production hereby requests approval for an unorthodox location for the referenced well. Attached for your reference are the following exhibits:

1. Well location and acreage dedication plat (NMOCD Form C-102)
2. Topographic map
3. Offsetting operator map

The unorthodox location is necessary due to topographic conditions.

By certified mail, a copy of this application and request for administrative approval has been sent to all Fruitland Coal offsetting operators and the Bureau of Land Management.

Please contact me if you have any questions or need additional information.

Sincerely,

Kurt H. Fagrelus

Attachments

*No  
Permit  
1-9*

District I  
 PO Box 1989, Hobbs, NM 88241-1989

District II  
 PO Drawer CO, 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 Depart

Form 10  
 Revised February, 2001  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30 045	'Pool Code 78160	'Pool Name HARPER HILL FRUITLAND SAND PICTURED CLIFFS
'Property Code	'Property Name PAN AMERICAN FEDERAL	'Well Number 2
'GRID No. 006515	'Operator Name DUGAN PRODUCTION CORPORATION	'Elevation 5877'

<sup>10</sup> Surface Location

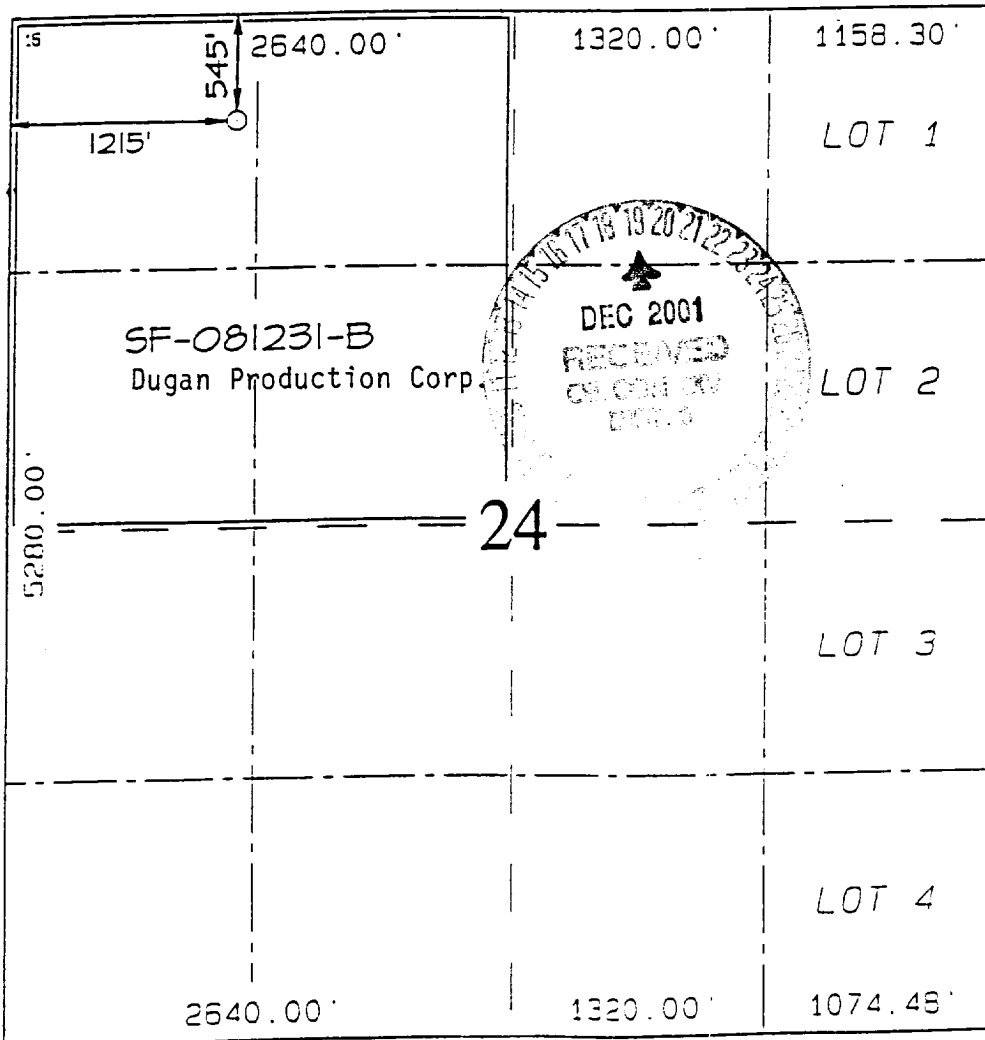
U. or lot no.	Section	Township	Range	Lot (in)	Feet from the	North/South line	Feet from the	East/West line	County
0	24	30N	14W		545	NORTH	1215	WEST	SAN JUAN

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

U. or lot no.	Section	Township	Range	Lot (in)	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160 Acres (NW/4)	<sup>13</sup> Unit or Entail	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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



<sup>17</sup> OPERATOR CERTIFICATION:  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Kurt Fagrelus*  
 Signature

Kurt Fagrelus  
 Printed Name

Geologist  
 Title

November 19, 2001  
 Date

<sup>18</sup> 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.

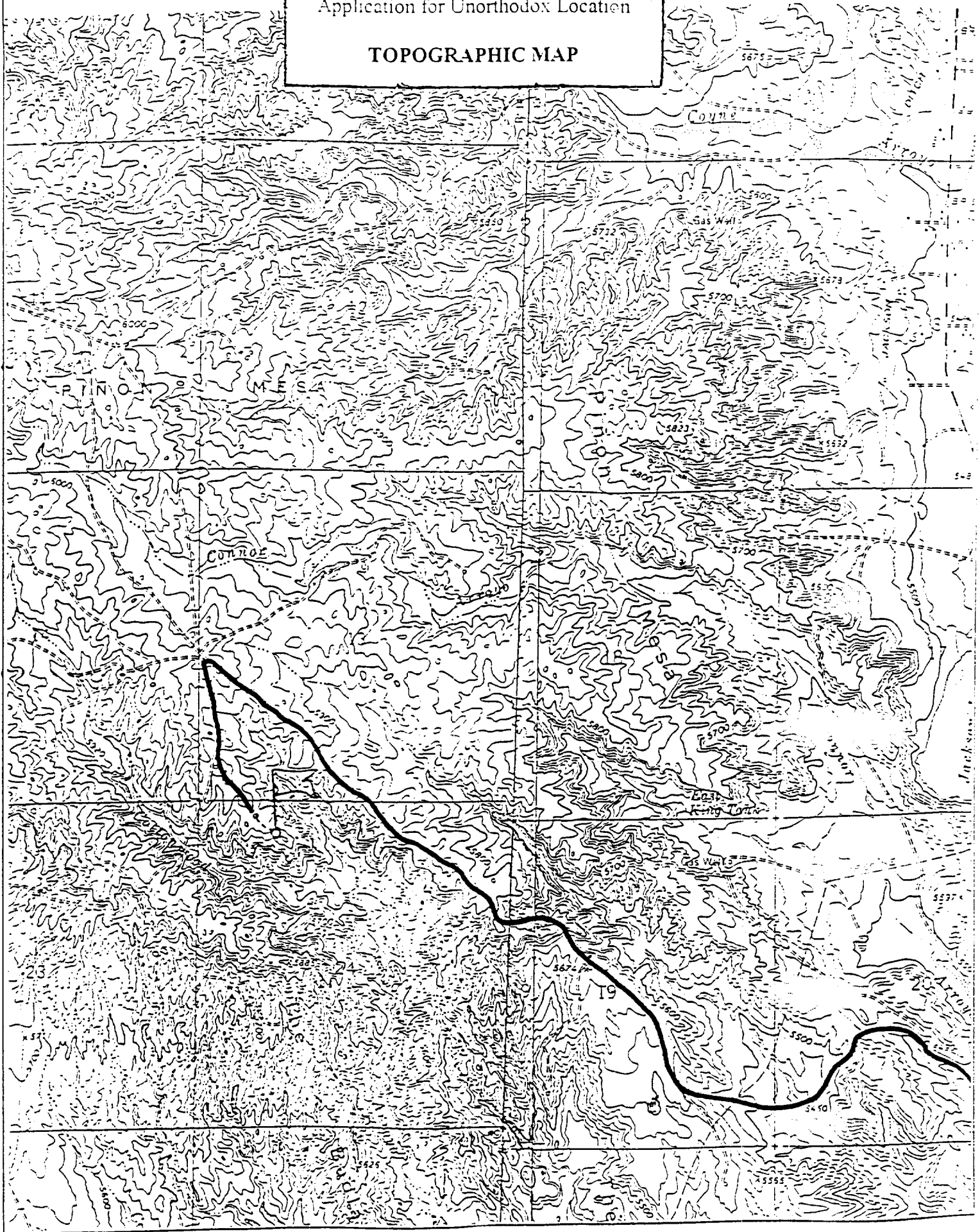
Survey Date: NOVEMBER 10, 2001

Signature and Seal of Professional Surveyor

*JASON C. EDWARDS*  
 Certificate Number 15269

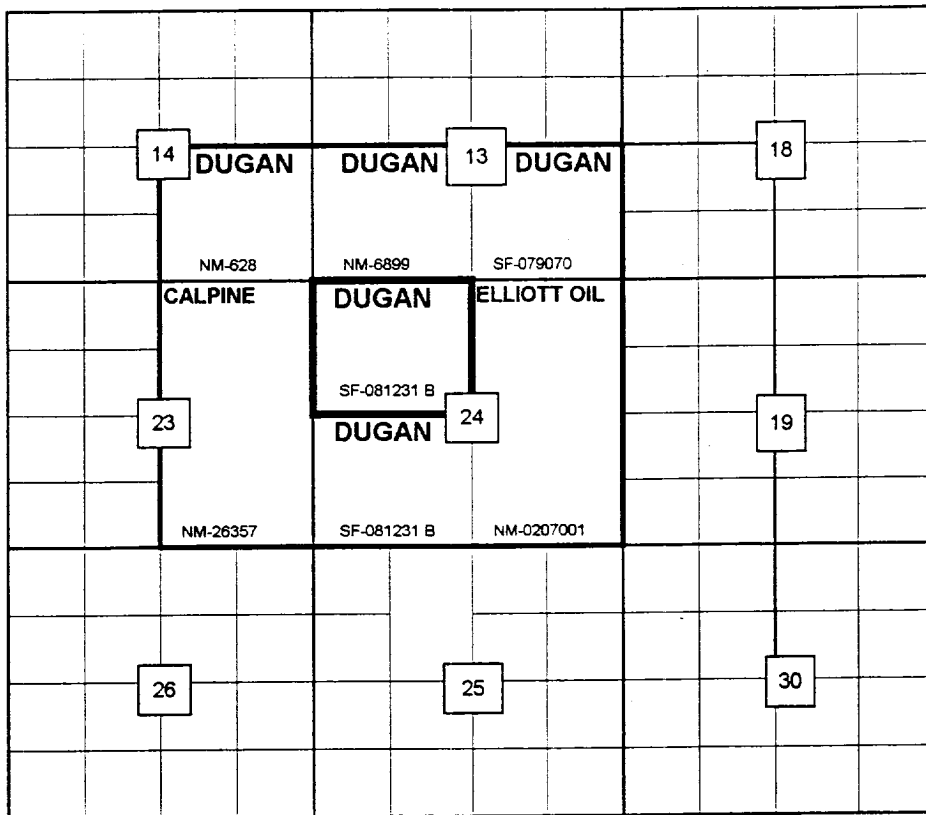
Dugan Production Corp.  
Pan American Federal #2  
Application for Unorthodox Location

**TOPOGRAPHIC MAP**



R 14 W

R 13 W



T  
30  
N

Dugan Production Corp.  
Application for Unorthodox Proration Unit  
OFFSETTING OPERATORS AND MINERAL OWNERS MAP  
FRUITLAND SAND/PICTURED CLIFFS WELLS  
All Offsetting Operators Are Working Interest Owners

OFFSET OPERATOR AND MINERAL OWNER NOTIFICATION LIST

Calpine Natural Gas Company  
1000 Louisiana St. # 800  
Houston, TX 77002

Elliott Oil Company  
P.O. Box 1355  
Roswell, NM 88202-1355