dugan production corp.

May 31, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

RE: Administrative Approval to Downhole Commingle
Dugan Production Corp's Mexico Federal M #1
Unit K, Sec. 12, T31N, R13W
Basin Dakota and Blanco Mesa Verde Pools
San Juan County, NM

OIL CON. DIV.
DIST. 3

Dear Mr. LeMay:

Attached please find our application for administrative approval to downhole commingle the Basin Dakota and Blanco Mesa Verde pools in Dugan Production's Mexico Federal M #1 (Form C-107-A, C-102s for each zone, production decline curves and a map showing all offsetting operators).

A copy of this application is being submitted to all offset operators by certified mail.

Sincerely,

Gary Brink
Petroleum Engineer

GB/cg

cc: NMOCD, Aztec
Bureau of Land Management, Farmington
Offsetting Operators (Meridian Oil, Snyder Oil & Pro Management)

709 E. MURRAY DR. • P. O. BOX 420 • FARMINGTON, N.M. 87499-0420 • PHONE: (505) 325-1821 • FAX# (505) 327-4613

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
X Administrative ___Hearing

EXISTING WELLBORE
X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Dugan Production Corp. P.O. Box 420 Farmington, NM 87499
Operator Address

Mexico Federal M #1 K 12 T31N R13W San Juan
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 006515 Property Code 003766 API NO. 30 045 10897 Spacing Unit Lease Types: (check 1 or more) Federal X, State ___, (and/or) Fee ___

The following facts are submitted in support of downhole commingling:	Upper Zone Blanco MV	Intermediate Zone	Lower Zone Basin Dakota
1. Pool Name and Pool Code	72319		71599
2. Top and Bottom of Pay Section (Perforations)	4435-4532		6580-6800
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 616	a.	a. 956
	b. (Original) 1027	b.	b. 1940
6. Oil Gravity (°API) or Gas BTU Content	1198 BTU		1208 BTU
7. Producing or Shut-In?	producing		producing
Production Marginal? (yes or no)	no		yes
* If Shut-In, give date and oil/gas/	Date: 10/05		

RECEIVED
JUN - 3 1996
OIL CON. DIV.
DIST. 3

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
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30 045 10897	71599	Basin Dakota

[4] Property Code	[5] Property Name	[6] Well Number
003766	Mexico Federal M	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
006515	Dugan Production Corp.	

[10] Surface Location

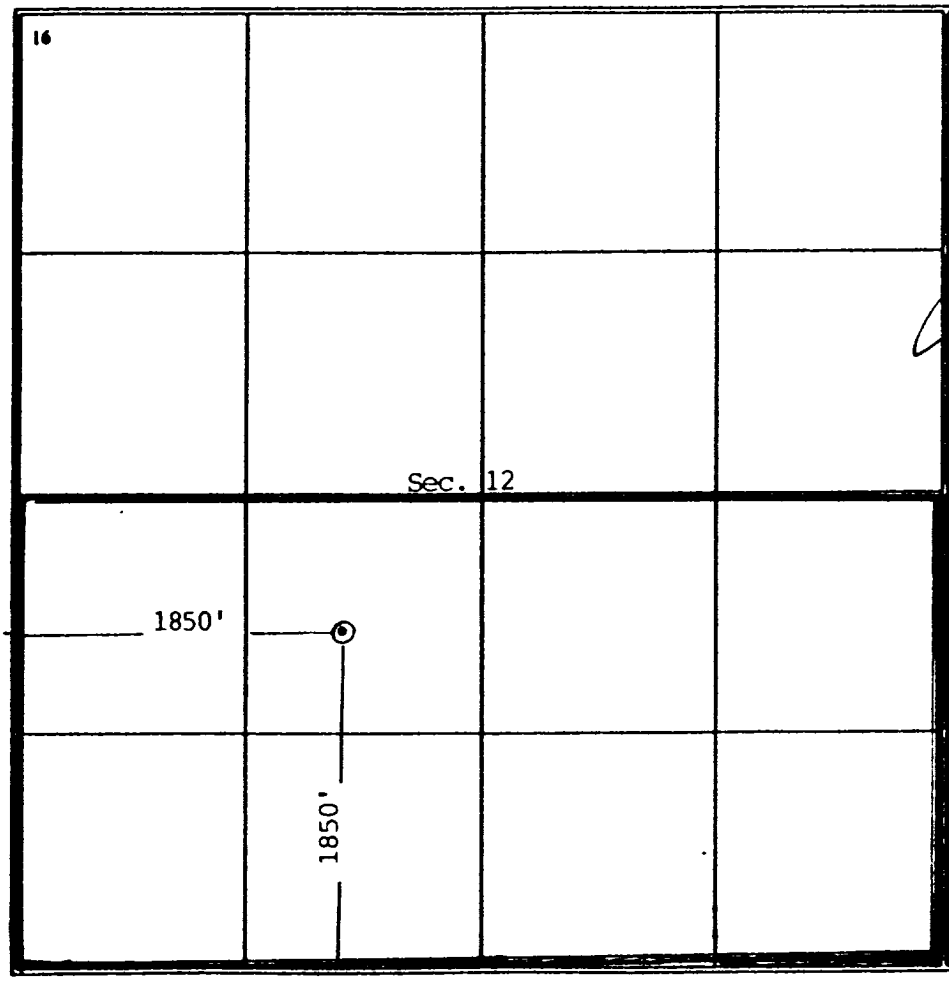
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	12	31N	13W		1850	South	1850	West	San Juan

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Jim L. Jacobs
Printed Name

Vice-President
Title

5/31/96
Date

[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.

April 6, 1961
Date of Survey

Signature and Seal of Professional Surveyor:
Original surveyed & signed by James P. Leese

1463
Certificate Number

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
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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[4] Property Code	[5] Property Name	[6] Well Number
003766	Mexico Federal M	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
006515	Dugan Production Corp.	

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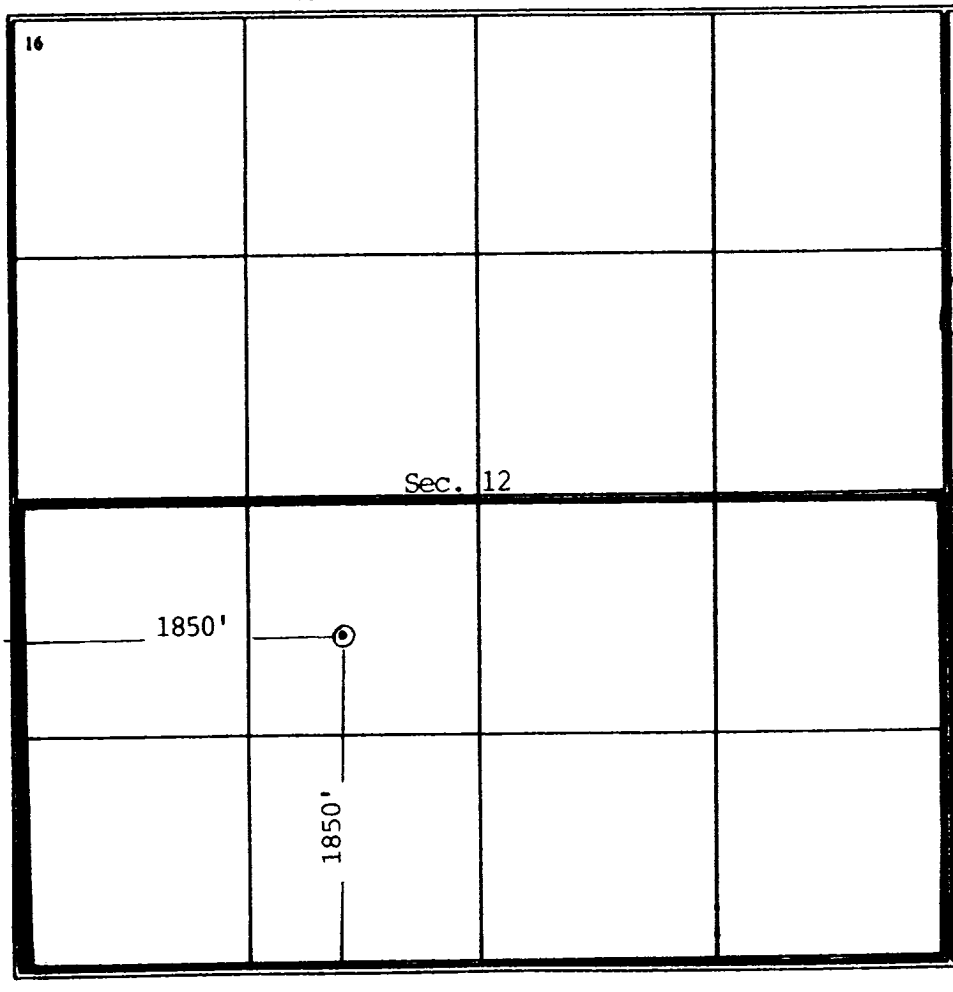

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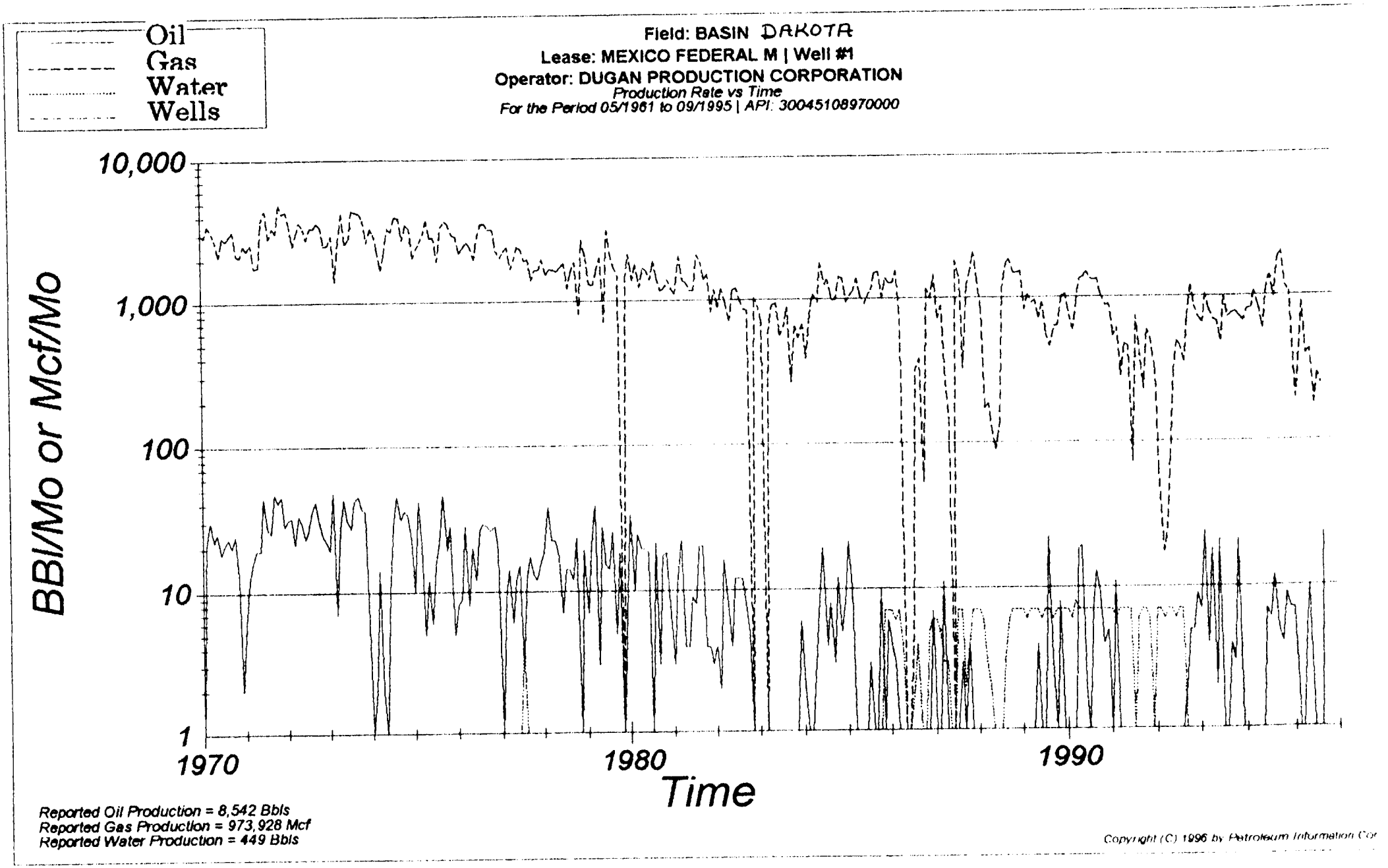
Oil
Gas
Water
Wells
Field: BASIN DAKOTA
Lease: MEXICO FEDERAL M | Well #1
Operator: DUGAN PRODUCTION CORPORATION
Production Rate vs Time
For the Period 05/1961 to 09/1995 | API: 30045108970000
10,000
1,000
100
10
1
BBl/Mo or Mcf/Mo
1970
1980
1990
Time
Reported Oil Production = 8,542 Bbls
Reported Gas Production = 973,928 Mcf
Reported Water Production = 449 Bbls
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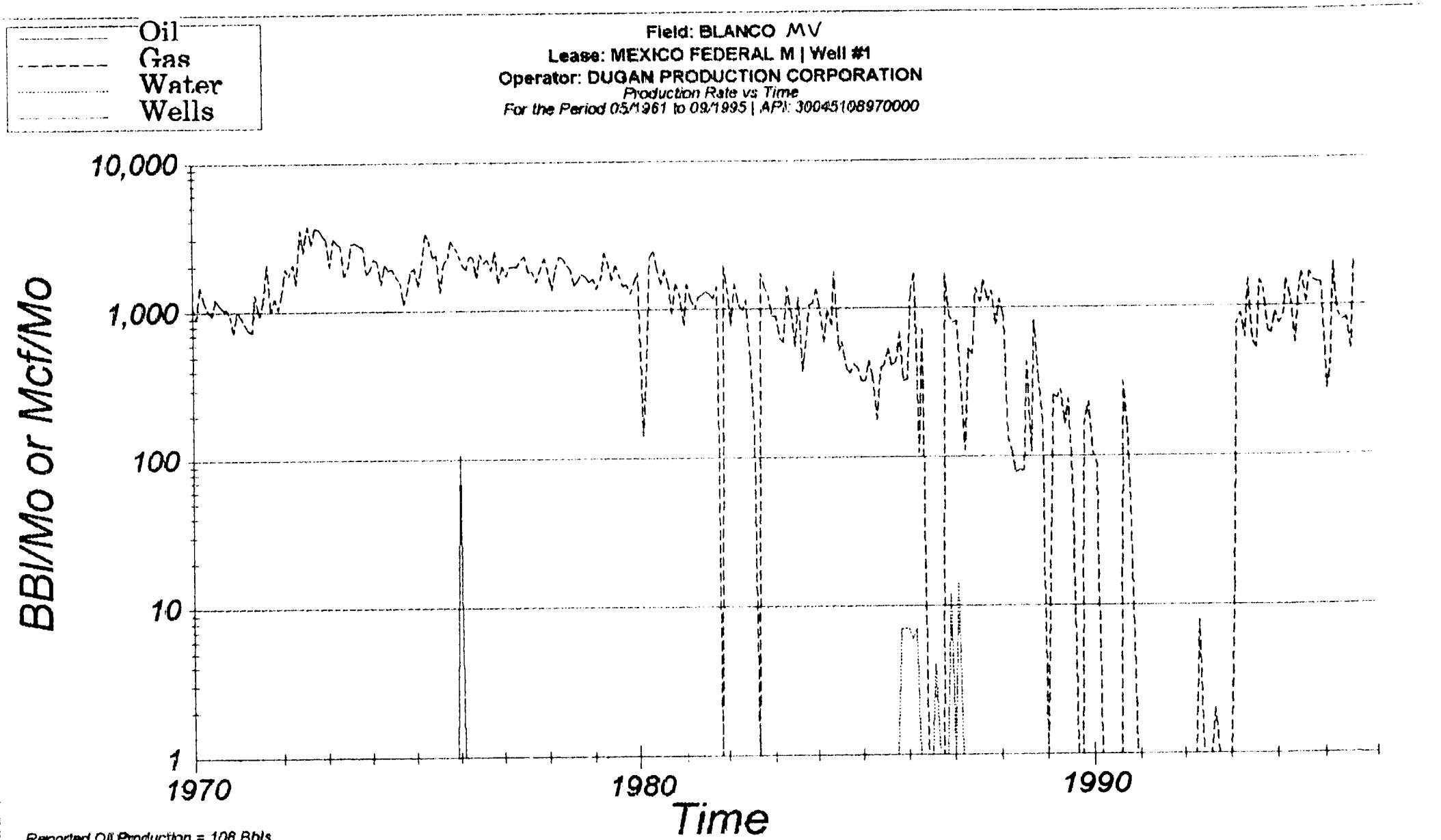

Reported Oil Production = 108 Bbls
Reported Gas Production = 565,049 Mcf
Reported Water Production = 65 Bbls

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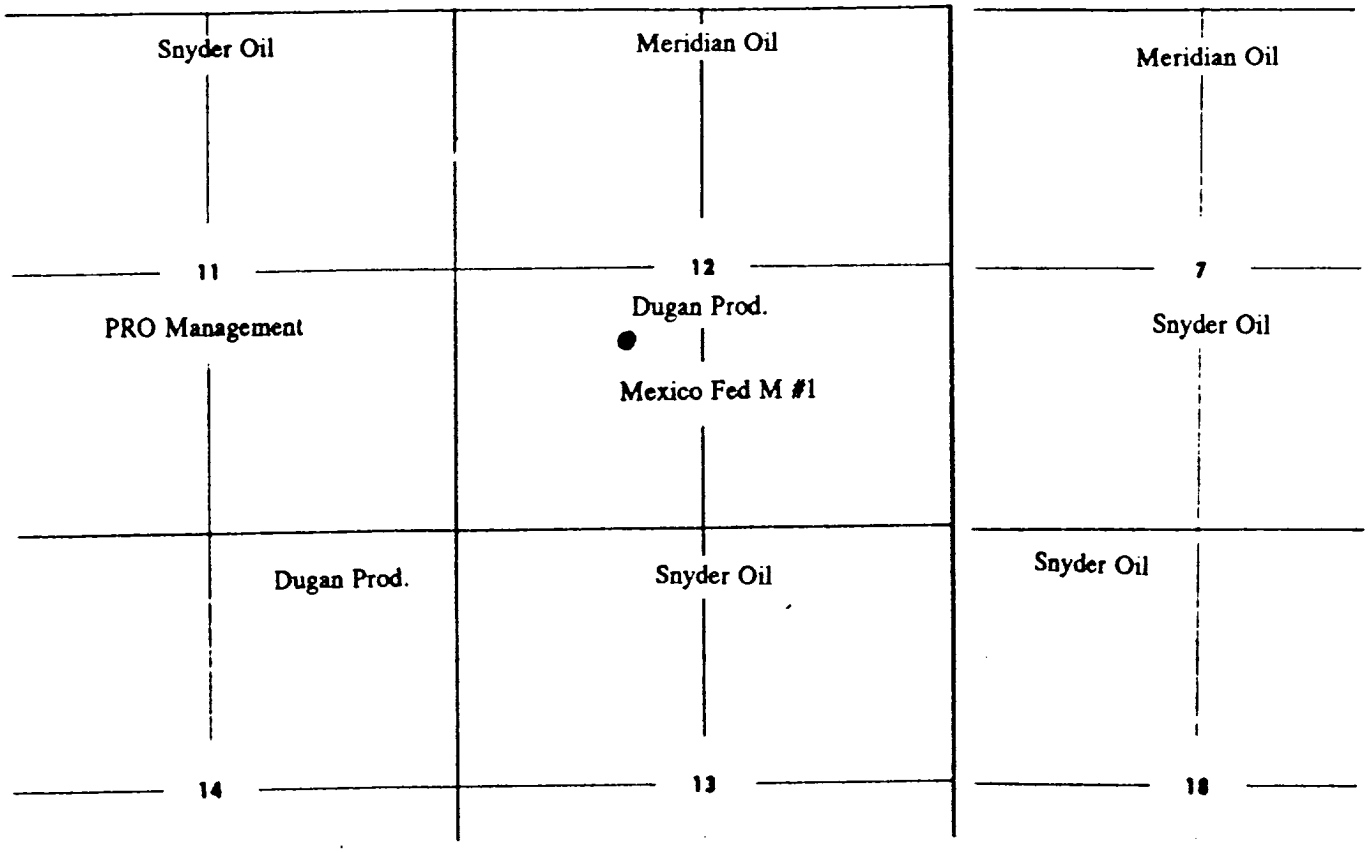
Application To Downhole Commingle

Offset Operators
Dugan Production Corp.
Mexico Federal M #1
Unit K, Sec. 12, T 31 N, R 13 W
San Juan Co., N.M.
Blanco MV / Basin Dk Formations