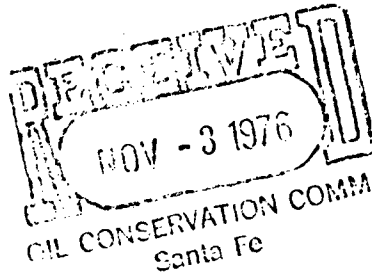


dugan production corp.

November 1, 1976



Joe D. Ramey
Secretary-Director
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, NM 87501

NSL-807

Due Nov 23

Tonkin #3R

Re: Applications for Administrative
Approval of Unorthodox Locations
Tonkin #2R and #3R Wells
San Juan County, New Mexico

1700' FNL & 2000' FWL 13-27N-12W

West Kutz - Pictured Cliffs Pool

Dear Mr. Ramey:

Enclosed are the following items regarding the applications for administrative approval of unorthodox locations for the Tonkin #2R and Tonkin #3R Wells which are to be located in Section 13, Township 27 North, Range 12 West, NMPM, San Juan County, New Mexico.

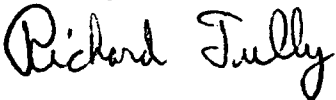
1. Three copies of the Application for Administrative Approval of Unorthodox Location for the Tonkin #2R Well.
2. Three copies of the Application for Administrative Approval of Unorthodox Location for the Tonkin #3R Well.
3. Three copies of a plat showing the ownership of all leases offsetting the SE/4 of Section 13, Township 27 North, Range 12 West, NMPM (Tonkin #2R Well), and three copies of a plat for the NW/4 of Section 13, Township 27 North, Range 12 West, NMPM (Tonkin #3R Well). These plats also show all the wells completed on these leases.
4. The original and five copies of a letter dated October 26, 1976 from the Acting Project Manager of the Navajo Indian Irrigation Project stating the wells as located in these Applications will not interfere with the sprinkler systems of this project.

Joe D. Ramey
November 1, 1976
Page 2

5. Three copies of a Certificate of Mailing for each of the Applications stating that all operators of leases offsetting the dedicated acreage for these two wells and the Supervisor of District III of the New Mexico Oil Conservation Commission have been notified of the Applications by certified mail.

If you need further information or material, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Richard Tully".

Richard Tully
General Counsel

cb

Enclosures

RECEIVED
NOV - 3 1948

APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION

Applicant: Dugan Production Corp.
Box 234
Farmington, NM 87401

Lease: USA SF 079115 *W. Kutz - PC*

Lease Date: April 1, 1948

Lease Term: 5 Years

Lands Described in Lease: Township 27 North, Range 12 West, NMPM
Section 13: All
Containing 640 acres, more or less
San Juan County, New Mexico

Name of Well: Tonkin #3R Well

Dedicated Acreage: Township 27 North, Range 12 West, NMPM
Section 13: NW/4
Containing 160 acres, more or less
San Juan County, New Mexico

Proposed Unorthodox Location: Township 27 North, Range 12 West, NMPM
Section 13: 1700' FNL - 2000' FWL
San Juan County, New Mexico

Reason for Unorthodox Location: Topographical conditions

New Mexico Oil Conservation Commission Authorizing Application: Rule 104(D) (II) (F)

Offsetting Leases and Operators: A. USA SF 079115
Township 27 North, Range 12 West, NMPM
Section 13: NE/4, S/2
San Juan County, New Mexico

Dugan Production Corp.
Box 234
Farmington, NM 87401

B. USA SF 079116
Township 27 North, Range 12 West, NMPM
Section 11: SE/4
Section 12: S/2
San Juan County, New Mexico

K. G. Ranum, Division Landman
Depco, Inc.
1025 Petroleum Club Building
Denver, CO 80202

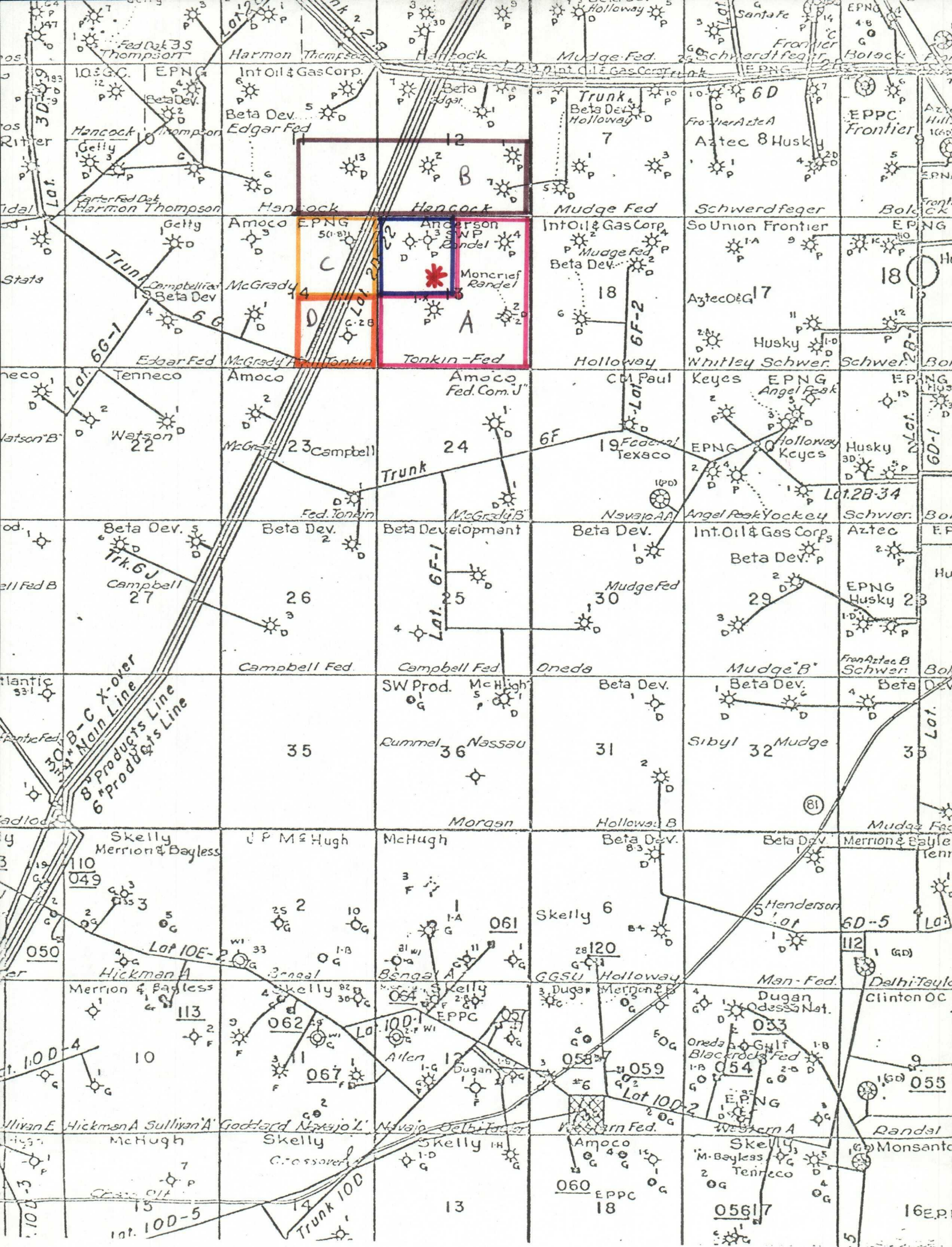
Clayton Rystrom, Manager of Land
Husky Oil Ltd.
600 South Cherry Street
Denver, CO 80222



- C. USA NM 048568
Township 27 North, Range 12 West, NMPM
Section 14: NE/4
San Juan County, New Mexico

T. S. Yancey, Division Landman
Amoco Production Co.
Security Life Building
Denver, CO 80202

- D. USA NM 035634
Township 27 North, Range 12 West, NMPM
Section 14: SE/4
San Juan County, New Mexico

T. S. Yancey, Division Landman
Amoco Production Co.
Security Life Building
Denver, CO 80202



-  Proposed Location
-  A. USA SF 079115
-  B. USA SF 079116
-  C. USA NM 048568
-  D. USA NM 035634

DUGAN PRODUCTION CORP.

APPLICATION FOR ADMINISTRATIVE
APPROVAL OF UNORTHODOX LOCATION

Tonkin #3R Well

1700' FNL - 2000' FWL
Section 13, T27N, R12W, NMPM
San Juan County, New Mexico

CERTIFICATE OF MAILING

I hereby certify that I mailed a copy of the Application for Administrative Approval of Unorthodox Location for the Tonkin #3R Well by certified mail to each of the offsetting operators and the Supervisor of District III of the New Mexico Oil Conservation Commission on November 1, 1976.

DUGAN PRODUCTION CORP.

By: Richard Tully
Richard Tully
General Counsel



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

RESOURCES
Irrigation (NIIP)

BUREAU OF INDIAN AFFAIRS
NAVAJO INDIAN IRRIGATION PROJECT
P. O. Box 2157
Farmington, New Mexico 87401

October 26, 1976

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil and Gas Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

The Navajo Indian Irrigation Project is now being developed in San Juan County generally south of Farmington, New Mexico.

Much of the Navajo Indian Irrigation Project area is on lands covered by Federal Oil and Gas Leases. In some areas it will be necessary for us to request unorthodox well locations in order to prevent the location of oil or gas wells within the cultivated areas of the Project where they will interfere with the movement of mechanical-move sprinkler irrigation systems. In other instances, where all of the land within a section is to be cultivated, the well locations should be such that they will cause the least possible amount of interference with the cultivation and movement of the sprinkler systems.

Your assistance in approving the locations of oil and gas wells within the Navajo Indian Irrigation Project as noted above will be greatly appreciated.

The following locations proposed by Dugan Production Corporation will place the wells outside the area proposed for cultivation as a part of the Navajo Indian Irrigation Project:

Tonkin No. 2-R Section 13, T. 27 N., R. 12 W.
2000' FSL, 790' F EL

Tonkin No. 3-R Section 13, T. 27 N., R. 12 W.
1700' FNL, 2000' FWL

Sincerely yours,

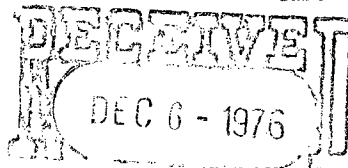
Acting Project Manager

OIL CONSERVATION COMMISSION
Antes DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 12-1-76

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



OIL CONSERVATION COMM.
Santa Fe

Gentlemen:

I have examined the application dated 11-1-76
for the Dugan Production Corp Toupin #3R F-13-27N-12W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours very truly,

AR Kendrick