

dugan production corp.

April 20, 1978

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

Re: Application for Administrative Approval of Unorthodox Location  
Chaco #3 Well  
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the Application for Administrative Approval of Unorthodox Location for the Chaco #3 Well which is located in Section 1, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico.

1. Three copies of the Application for Administrative Approval of Unorthodox Location for the Chaco #3 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the dedicated acreage for which the unorthodox location is sought as well as all wells completed on these leases.
3. Three copies of a Certificate of Mailing for the Application stating that all operators of leases offsetting the dedicated acreage for this well have been notified of this Application by Certified Mail.

If you need further information or assistance, please advise.

Sincerely,

*Richard Tully*  
Richard Tully  
General Counsel

vs

Enclosures

*Dugan Production Co.  
Chaco #3 1700 FNL 1450 FWL  
Undesignated Greenhorn-Mancos-  
Gallup Oil Pool  
Dedicate SE/NW 1-24N-9W*

*NSL-944  
Rule 104F  
5-14-78*

NSL

2 8 1973

APPLICATION FOR ADMINISTRATIVE APPROVAL  
OF UNORTHODOX LOCATION

Applicant:

Dugan Production Corp.  
Box 234  
Farmington, NM 87401

Lease:

USA NM 2337

Lease Date:

June 1, 1967

Lease Term:

Ten years

Land Described in Lease:

Township 24 North, Range 8 West, NMPM  
Section 6: Lots 1, 2, 3, 4, 5, 6,  
S/2 NE/4, SE/4 NW/4,  
NE/4 SW/4, SE/4  
Section 7: N/2 NE/4

Township 24 North, Range 9 West, NMPM  
Section 1: Lots 1, 2, 3, 4, S/2  
N/2

Containing 962.11 acres, more or less  
San Juan County, New Mexico

Name of Well:

Chaco #3 Well

Original Dedicated Acreage and  
Formation:

Township 24 North, Range 9 West, NMPM  
Section 1: W/2  
Containing 319.88 acres, more or less  
San Juan County, New Mexico  
(The above federal lease was to be  
communitized with Navajo Allotted Lease  
14-20-0603-1402 in order to dedicate  
the W/2 of Section 1.)  
Wildcat Basin Dakota formation

Proposed Dedicated Acreage and  
Formation:

Township 24 North, Range 9 West, NMPM  
Section 1: SE/4 NW/4  
Containing 40 acres, more or less  
San Juan County, New Mexico  
San Juan Undesignated Greenhorn--Mancos  
--Gallup formation

Proposed Unorthodox Location:

Township 24 North, Range 9 West, NMPM  
Section 1: 1700' FNL--1450' FWL  
San Juan County, New Mexico

Reason for Unorthodox Location:

Recompletion of well previously drilled  
to another horizon

This application is pursuant to  
New Mexico Oil Conservation Commis-  
sion Rule 104(D) (II) (F).

Offsetting Leases and Operators:

A. USA NM 2337 (Same Lease)  
Township 24 North, Range 9 West, NMPM  
Section 1: Lots 1, 2, 3, 4, S/2  
NE/4, SW/4 NW/4  
San Juan County, New Mexico  
Operator: Dugan Production Corp.  
Box 234  
Farmington, NM 87401

Hole  
drilled  
to  
Do not

B. Navajo Allotted Contract No.  
14-20-0603-1402  
Township 24 North, Range 9 West, NMPM  
Section 1: SW/4  
San Juan County, New Mexico  
Operator: Dugan Production Corp.  
Box 234  
Farmington, NM 87401

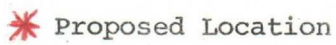
C. Fee Leases  
Township 24 North, Range 9 West, NMPM  
Section 1: SE/4  
San Juan County, New Mexico  
Operators: Dugan Production Corp.  
Box 234  
Farmington, NM 87401

J. V. Fritts  
Box 868  
Roswell, NM 88201

Hanesco, Inc.  
Box 182  
Roswell, NM 88201

Howard C. Brown  
4604 N. W. 59th Terr.  
Oklahoma City, OK 73122

San Juan County, New Mexico



USA NM 2337

## Free Leases

CERTIFICATE OF MAILING

I hereby certify that I mailed a true copy of the Application for Administrative Approval of Unorthodox Location for the Chaco #3 Well by certified mail to each of the offsetting operators and the Supervisor of the District III Office of the New Mexico Oil Conservation Commission on April 21, 1978.

DUGAN PRODUCTION CORP.

By: \_\_\_\_\_

*Richard Tully*

Richard Tully  
General Counsel

Box 234  
Farmington, NM 87401

OIL CONSERVATION COMMISSION  
Carter DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE 4-24-78

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL ✓ \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 4-20-78  
for the Dugan Prod. Corp. Chaco #3 F-1-24N-941  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

If you can approve this without a hearing  
okay. It was staked prior to the  
area being determined as an oil  
area.

Yours very truly,

Al Kendrick