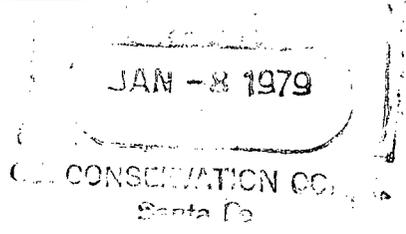


dp

dugan production corp.

1008

January 4, 1979



NSL
Rule 104 (F)
1-28-79

Lynn Teschendorf
General Counsel
New Mexico Oil Conservation Division
Box 2088
Santa Fe, N.M. 87501

RE: Application for Administrative Approval of Unorthodox Location of the Blanco Wash #7 Well in San Juan County, New Mexico

Dear Lynn:

Enclosed are the following items regarding the Application for Administrative Approval of the Unorthodox Location of the Blanco Wash #7 Well which is located in the SW/4 NW/4 of Section 11, Township 24 North, Range 9 West, N.M.P.M., San Juan County, New Mexico:

1450 N
860 W

1. Three copies of the Application for Administrative Approval of the Unorthodox Location for the Blanco Wash #7 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the SW/4 NW/4 of Section 11, Township 24 North, Range 9 West, N.M.P.M. This plat also shows all of the wells completed on these leases.
3. Three copies of a Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well, the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and the U. S. Geological Survey have been notified of the Application by certified mail.

~~Blanco Wash~~
White Wash
Manco-Dakota
Oil Pool

If you need further information or assistance, please advise.

Sincerely,

Rich

Richard T. C. Tully
Attorney for Applicant

RTCT/sak

Enclosures

*Pool for White Wash
Manco-Dakota oil
plat - reason*

*filed as Dakota gas
recmp as oil*

APPLICATION FOR ADMINISTRATIVE APPROVAL

OF UNORTHODOX LOCATION

Applicant:

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

Lease:

Blanco Wash #7 Lease
Navajo Allotted Contract No. 14-20-0603-1408

Lease Date:

September 5, 1968
Effective Date: December 19, 1968

Lease Term:

Ten years

Lands Described in Lease
Dedicated to the Well:

Township 24 North, Range 9 West, N.M.P.M.
Section 11: SW/4 NW/4
Containing 40 acres, more or less
San Juan County, New Mexico

Name of Well:

Blanco Wash #7 Well

Proposed Unorthodox Location:

Township 24 North, Range 9 West, N.M.P.M.
Section 11: 1450' FNL-860' FWL
(Unit Letter E)
San Juan County, New Mexico

Reason for Unorthodox Location:

See Attached Exhibits "A", "B", and "C"

New Mexico Oil Conservation
Division Rule Authorizing Application:

Rule 104(F)

Offsetting Leases and Operators:

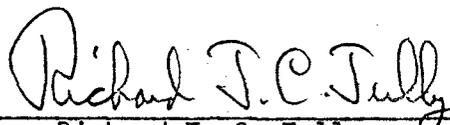
- A. Blanco Wash #7 Lease
Navajo Allotted Contract No. 14-20-0603-1408
Township 24 North, Range 9 West, N.M.P.M.
Section 11: N/2 NW/4, SE/4 NW/4
San Juan County, New Mexico
(Same Lease)
- Dugan Production Corp.
P. O. Box 234
Farmington, N.M. 87401
- B. Dugan Production Corp.
Navajo Allotted Contract No. N00-C-14-20-5541
Township 24 North, Range 9 West, N.M.P.M.
Section 11: N/2 SW/4
San Juan County, New Mexico
- Dugan Production Corp.
P. O. Box 234
Farmington, N.M. 87401
- C. USA SF 078859
Township 24 North, Range 9 West, N.M.P.M.
Section 10: E/2 NE/4
San Juan County, New Mexico
- Keith Bennett, Senior Landman
Continental Oil Company
1755 Glenarm Place
Denver, Colorado 80202
- James K. Jones
Manager, Oil and Gas
Reynolds Mining Corporation
Richmond, VA 23261

D. USA NM 9520
Township 24 North, Range 9 West, N.M.P.M.
Section 10: NE/4 SE/4
San Juan County, New Mexico

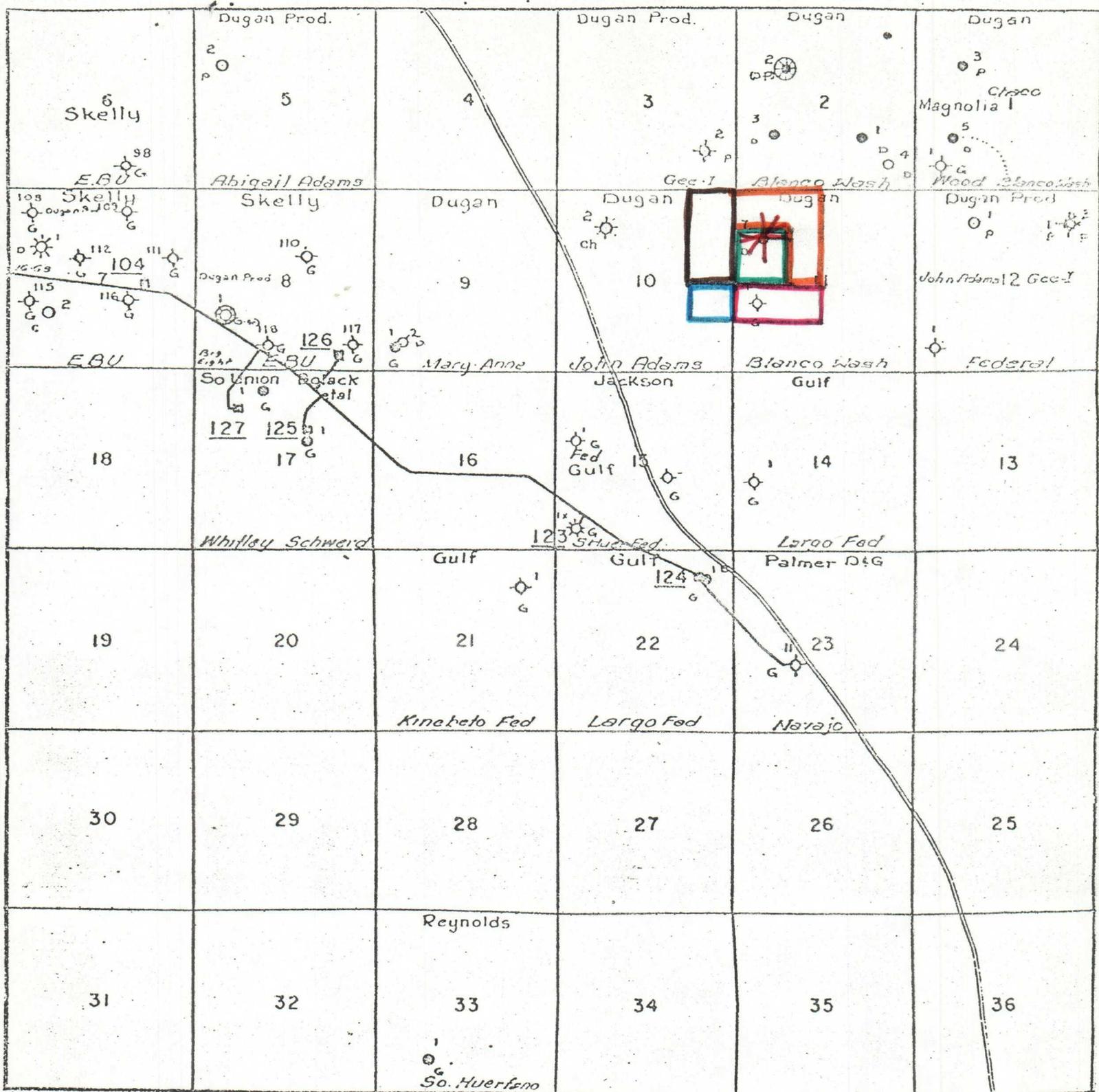
M. J. Harvey, Jr.
P. O. Box 12705
Dallas, TX 75225

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location of the Blanco Wash #7 Well by certified mail to all operators of leases offsetting the dedicated acreage for the Blanco Wash #7 Well, to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and to the U. S. Geological Survey on this 4th day of January, 1979.



Richard T. C. Tully
Attorney for Applicant



T-24-N, R-9-W

APPLICATION FOR UNORTHODOX LOCATION

BLANCO WASH #7 WELL

T-24-N, R-9-W, N.M.P.M.

Section 11: 1450' FNL-860' FWL

(Unit Letter E)

San Juan County, New Mexico

-  Well Location
-  Dedicated Acreage

Offsetting Leases and Operators

-  Blanco Wash #7 Lease
- Navajo Allotted Contract No. 14-20-0603-1408 (Same Lease)
- Dugan Production Corp.

-  Navajo Allotted Contract No. N00-C-14-20-5541
- Dugan Production Corp.

-  USA SF 078859
- Continental Oil Company and Reynolds Mining Corporation

-  USA NM 9520
- M. J. Harvey, Jr.



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

JAN 23 1979

02 1 17

8 25 PM

January 22, 1979

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Lynn Teschendorf

Gentlemen:

Application for Administrative Approval of Unorthodox Location - Blanco Wash #7 Well, San Juan County, New Mexico - Dugan Production Corp.

The attached waiver has been executed by Continental Oil Company and is forwarded to you per Dugan's letter request dated January 4, 1979.

Yours very truly,

L. P. Thompson

HAI/jj

enc

cc:

Dugan Production Corp.
ATTN: Richard T. C. Tully
P.O. Box 234
Farmington, NM 87401

JAN 25 1979

WAIVER OF OBJECTION AND
CONSENT TO THE UNORTHODOX
LOCATION OF THE BLANCO WASH #7 WELL

The undersigned, as an operator of a lease offsetting the SW/4 NW/4 of Section 11, Township 24 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Blanco Wash #7 Well.

The undersigned states that it waives any objection that it may have to this unorthodox location and voluntarily consents to the location of the Blanco Wash #7 Well as stated in the above mentioned Application.

DATED this 22nd day of January, 1979.

CONTINENTAL OIL COMPANY

By: 

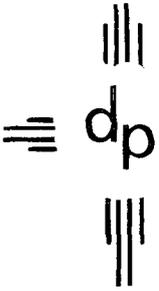
L. P. THOMPSON

Title: Division Manager of Production

Address: P.O. Box 460

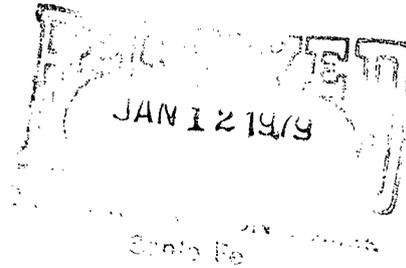
Hobbs, NM 88240

Send one executed copy to the New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and return one executed copy to the Applicant. The remaining copy is for your files.



dugan production corp.

January 10, 1979



Richard L. Stamets
Technical Support Chief
New Mexico Oil Conservation Division
Box 2088
Santa Fe, N.M. 87501

Re: Application for Administrative Approval of Unorthodox Location
of the Blanco Wash #7 Well in San Juan County, New Mexico

Dear Dick:

As mentioned in our telephone conversation on January 9, 1979, our original intent in drilling the Blanco Wash #7 Well was to test the Gallup through the Dakota formations. The well location was orthodox at that time for dedicated acreage of a Dakota gas well.

After drilling to a total depth of 6355' and penetrating the top of the Dakota formation at 6208', we ran an Induction Laterlog and a Compensated Density Log. It was our geologist's opinion that the Dakota formation would not produce in commercial quantities, and the well was thus perforated and completed in the Gallup and Greenhorn formations as an oil well. As you are aware, the production from these two zones is in the newly created Whitewash Mancos Dakota Oil Pool.

After completing the well in this new oil pool our well location was not orthodox as it had previously been for a gas well.

Thus, it is now necessary to make this Application for Unorthodox Location. We have previously sent certain material and information pertaining to this matter, and we trust the additional information contained in this letter will enable you to approve our Application.

Please advise if you need further information or assistance.

Sincerely,

Richard T. C. Tully
Attorney for Applicant

RTCT/sak

FEB 21 1979

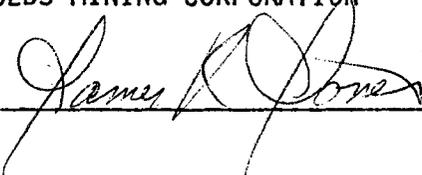
WAIVER OF OBJECTION AND
CONSENT TO THE UNORTHODOX
LOCATION OF THE BLANCO WASH #7 WELL

The undersigned, as an operator of a lease offsetting the SW/4 NW/4 of Section 11, Township 24 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Blanco Wash #7 Well.

The undersigned states that it waives any objection that it may have to this unorthodox location and voluntarily consents to the location of the Blanco Wash #7 Well as stated in the above mentioned Application.

DATED This 29th day of January, 1979.

REYNOLDS MINING CORPORATION

By: 

Title: Manager, Oil and Gas

Address: P. O. Box 27003

Richmond, Virginia 23261

Send one executed copy to the New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, N.M. 87501, and return one executed copy to the Applicant. The remaining copy is for your files.