



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 8, 1996

Dugan Production Corporation
P.O. Box 420
Farmington, New Mexico 87499-0420
Attention: Jim L. Jacobs

Administrative Order NSL-3691

Dear Mr. Jacobs:

Reference is made to your applications dated May 21 and June 10, 1996 for a non-standard oil well location within the White Wash Mancos-Dakota Oil Pool for your existing Blanco Wash Well No. 1 (API No. 30-045-22473), located 1550 feet from the South line and 1490 feet from the East line (Unit J) of Section 2, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style and is positioned above the typed name and title.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington