

Dugan production corp.

May 21, 1996

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco St.  
Santa Fe, NM 87505

**Re: Application for Administrative Approval of  
Unorthodox Location for Dugan Production Corp's Blanco Wash #1  
1550' FSL & 1490' FEL (NW/4 SE/4)  
Unit J, Section 2, T24N, R9W  
San Juan County, New Mexico  
Whitewash Mesa Verde Oil Pool**

Dear Mr. Stogner:

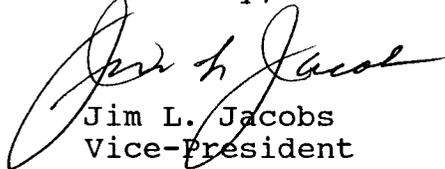
Dugan Production Corp. hereby requests approval for an unorthodox location for the referenced well. Copies of the well location plat (NMOCD Form C-102), topographic map, production map, and a map showing offsetting operators are attached for your reference.

The subject well was originally completed as a marginal producer in the White Wash Mancos/Dakota pool. To improve production from this wellbore, a retrievable bridge plug was set above the Gallup perforations, the Mesa Verde was perforated and tested.

The unorthodox location is necessary due to re-entry of a pre-existing White Wash Mancos/Dakota completion.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe with a Waiver of Objection.

Sincerely,



Jim L. Jacobs  
Vice-President

KF/cg

attachs.

cc: Mr. Ernie Busch, NMOCD Aztec  
BLM, Farmington  
Offset Operators (Bureau of Indian Affairs, Navajo Allotted)

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

<sup>1</sup> APT Number 30 045 22473		<sup>2</sup> Pool Code 96552		<sup>3</sup> Pool Name White Wash Mesa Verde (Oil)	
<sup>4</sup> Property Code 003596		<sup>5</sup> Property Name Blanco Wash			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 006515		<sup>8</sup> Operator Name Dugan Production Corp.			<sup>9</sup> Elevation 6588' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	2	24N	9W		1550	South	1490	East	San Juan

<sup>11</sup> Bottom Hole Location If Different From Surface

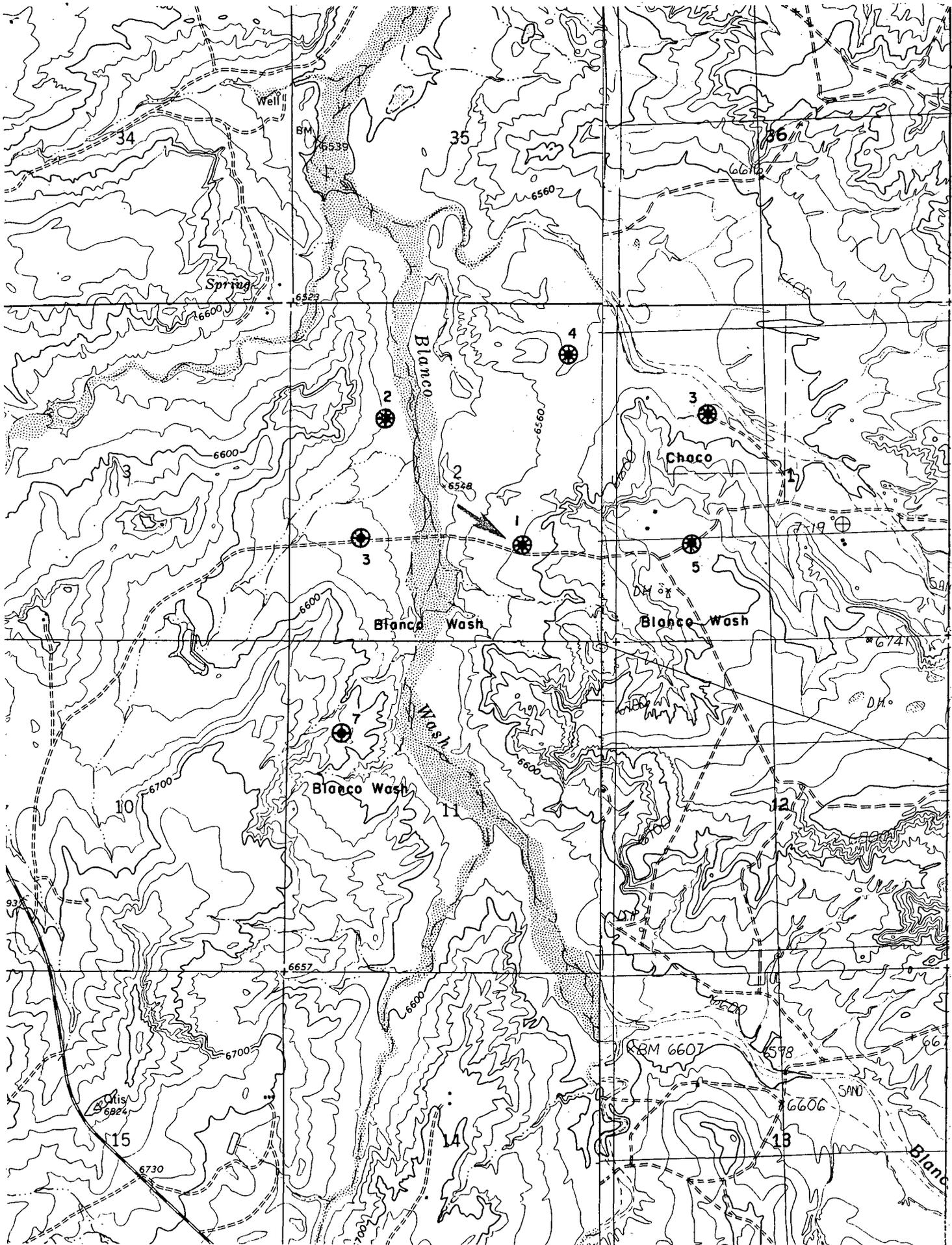
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. Application for Unorthodox Location filed
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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

16	Sec. 2	Nav. Alltd. 14-20-0603- 1404	1490'	1550'	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
					Signature <i>Jim L. Jacobs</i> Printed Name Jim L. Jacobs Title Vice President Date 5/17/96
					<b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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. March 16, 1977 Date of Survey Signature and Seal of Professional Surveyer: Surveyed by E.V. Echohawk, L.S. (see original plat) 3602 Certificate Number

R-9-W

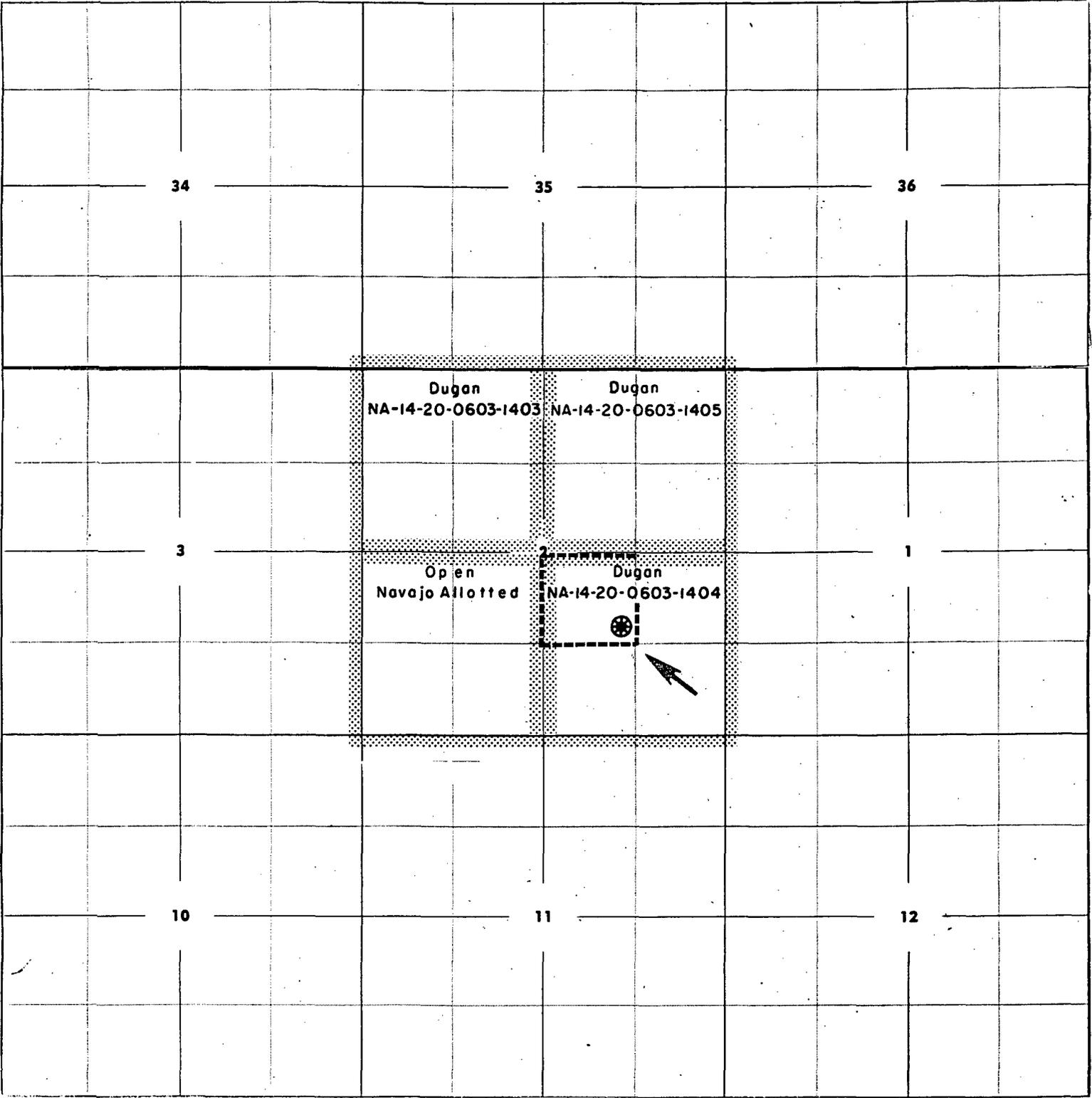


T 25 N  
T 24 N

Application for Administrative Approval of Unorthodox Location  
 Dugan Production Corp's Blanco Wash #1  
 1550' FSL & 1490' FEL, Unit J, Sec. 2, T24N, R9W, San Juan County, NM  
 Topographic Map



R-9-W



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1550' FSL & 1490' FEL, Unit J, Sec. 2, T24N, R9W  
Whitewash Mesa Verde Oil Pool, San Juan County, NM  
Offsetting Operators Map