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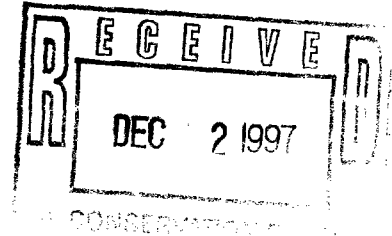
*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

December 12, 1997

HAND DELIVERED

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



Re: AMENDED APPLICATION
*OCD Case 11899--Application of Dugan Production Corp.
for two non-standard gas spacing and a proration units,
Rio Arriba County, New Mexico.*

Dear Mr. Stogner:

In review this application I note that the notice for this case only describes one of the two non-standard gas spacing and proration units. Accordingly, I request that the case be continued to the January 8, 1998 hearing and readvertised as follows:

Case 11899: Application of Dugan Production Corp. for two non-standard gas spacing and proration units, Rio Arriba County, New Mexico. Applicant seeks approval of two non-standard gas proration and spacing units in the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool, one to consist of the SE/4 of Section 14 Township 26 North, Range 7 West to be dedicated to its Mona Lisa Well No. 2 to be drilled at a standard location 1620 feet from the South line and 1850 feet from the East line (Unit J) of said Section 14 and the other to be operated by Caulkins Oil Company and to consist of the SW/4 of said Section 14. Said units are located approximately 17-1/2 miles northeast of Blanco Trading Post, New Mexico.

Very truly yours,

W. Thomas Kellahin

cfx: William F. Carr, Esq.
Attorney for Caulkins Oil Company
cfx: Dugan Production Corp.
Attn: David Poage