

# 30-045-73149 NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson Governor Joanna Prukop Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

February 25, 2003

Office of the Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, DC 20426 Attn: Marilyn Rand

RE: Dugan Production Corporation Emerald City No. 1 Holly No. 1

Ms. Rand:

Enclosed are your copies of the approved NGPA applications for the above applicant.

Sincerely,

? Valdes

Kathy Valdes

Enclosures

	TF-D3-005         [NM-6]           Form C-132
State of N	
Energy, Minerals, and Natu Oil Conserva 1220 South St. Santa Fe, New	ral Resources Department tion Division Francis Drive
APPLICATION FOR NGPA WELL	CATEGORY DETERMINATION
FOR DIVISION         USE ONLY:         APPROPRIATE FILING FEE ENCLOSED? YES         DATE COMPLETE APPLICATION FILED         February 25, 2003         DATE DETERMINATION MADE         WAS APPLICATION CONTESTED?         YES         NAME (S) OF INTERVENOR (S), IF ANY:	FILING FEE Effective October 1, 1986 a non-refundable filing fee of \$25.00 per category for each application is mandatory (Rule 2, Order No. R-5878-B-3)
1. Name of Operator:	6. County:
Dugan Production Corp. 2. Address of Operator:	San Juan 7. API No: 30- <u>045-73149</u>
P, O, Box 420 Farmington, NM 87499-0420	8. Indicate Type of Lease: State X Fee
3. Location of Well: Unit Letter <u>L</u> Footage: 1850' FSL & 990' FWL	9. State Oil & Gas Lease No.: Well located on LG-1035-3
Sec. <u>16</u> Twp. <u>24N</u> Rng. <u>9W</u> 4. Lease Name: Holly	10. Unit Agreement Name: State Communitization Agreement
5. Well No:	11. Pool or Formation: Basin Dakota Gas Pool (#71599)
Check the appropriate box for category sought and info	ormation submitted. Enter
Required information on lines 1 and 2, below. 1 Category sought NGPA Section No. 107 A1	<ul> <li>occluded natural gas from coal seam</li> <li>natural gas from a designated tight formation</li> </ul>
I HEREBY CERTIFY THAT THE INFORMATION CON THE BEST OF MY KNOWLEDGE AND BELIEF.	
John D. Roe, Jr.	John D. Roe, Jr. SIGNATURE OF APPLICANT
NAME OF APPLICANT (Type or Print)	SIGNATURE OF APPLICANT
TITLE: Engineering Manager	DATE: 01-29-03
FOR DIVISION	USE ONLY
APPROVED: The information contained herein includes all of the inf	DISAPPROVED:
Subpart C of Part 270 of the FERC regulations.	
EXAMINER:	Man

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## A. THE NGPA WELL CATEGORY DETERMINATION IS BEING SOUGHT FOR A WELL PRODUCING:

- A1 \_\_\_\_\_ occluded natural gas from coal seams.
- A2 \_\_\_\_ natural gas from Devonian shale.
- A3  $\overline{X}$  natural gas from a designated tight formation. NM6

# **B. FOR ALL APPLICATIONS FOR DETERMINATION PROVIDE THE FOLLOWING:**

- Holly #1 1. Well Name and No.\*
- 2. Completed in (Name of Reservoir) \* Dakota
- Basin Dakota Prorated Gas Pool 3. Field \*
- San Juan 4. County \*
- New Mexico. 5. State \*
- 6. API Well No. (14 digits maximum. If not assigned, leave blank.)

30 045 25149

9. Measured Depth of the Completed Interval (in feet) BASE 6452' TOP 6431'

## C. APPLICANT'S MAILING ADDRESS AND THE IDENTITY OF THE PERSON WHO IS RESPONSIBLE FOR APPLICATION:

- Dugan Production Corp. 1. Applicant's Name \*
- P. O. Box 420 2. Street \*
- Farmington 3. City \*

8. Signature

- New Mexico 5. Zip Code 87499-0420 4. State\*
- 6. Name of Person Responsible \* John D. Roe, Jr.
- 7. Title of Such Person \* Engineering Manager
  - - John D. Roe, Jr. and Phone No. ( 505) 325 - 1821
  - SIGNIFIES THAT LINE ENTRY MAY CONTAIN UP TO 35 LETTERS AND/OR NUMBERS.

FERC Form-121 (1/2000) Federal Energy Regulatory Commission Washington D.C. Form Approved OMB No. 1902-0038 (Expires: 9/30/2003)

## **APPLICATION FOR DETERMINATION**

#### **GENERAL INSTRUCTIONS**

1. Purpose: This form is to be used to provide basic data on each application for a well category determination that is filed with a Jurisdictional Agency to qualify the natural gas produced from such well as (a) occluded natural gas produced from coal seams, under section 107(c)(3) of the Natural Gas Policy Act of 1978 [15 U.S.C. 3301] (NGPA), (b) natural gas produced from Devonian shale, under section 107(c)(4) of the NGPA, or (c) natural gas produced from a designated tight formation, under section 107(c)(5) of the NGPA, in order to substantiate the eligibility of such natural gas for a tax credit under Section 29 of the Internal Revenue Code. The Commission will use this data, together with the other information contained in the Jurisdictional Agency's notice of determination, to evaluate whether substantial evidence exists to support the determination.

2. Who must submit: Anyone who files an application with a Jurisdictional Agency identified under Section 270.401 of the Commission's Regulations for a well category determination.

3. What and where to submit: The original of this form, and all of the information required by Section 270.302, 270.303, 270.304, or 270.306 of the Commission's Regulations must be filed with the Jurisdictional Agency. The Jurisdictional Agency making a determination must file the original of this form, with all of the other information required under the applicable Commission Regulations, with the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. 20426. Applicants should retain one copy of each completed form for their files for 4 years.

4. These are mandatory filing requirements.

5. The data on this form are not considered confidential and will not be treated as such.

6. Where to send comments on the public reporting burden: The public reporting burden for this collection of information is estimated to average 0.25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. 20426 (Attention: Mr. Michael Miller, CI-1) and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington D.C. 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). Persons subject to providing this information will not be penalized for failing to respond to these collections of information unless the collection of information displays a valid OMB control number.

Statement by John D. Roe, Jr. Application for Section 107 Tight Formation Gas Determination Dugan Production Corp.'s Holly No. 1 (API No. 30-045-25149) Basin Dakota Prorated Gas Pool NWSW Section 16, T24N, R9W San Juan County, New Mexico

I make the following statement under oath. Natural gas produced from Dugan's Holly No. 1 is being produced from a designated tight formation through a well, the surface drilling of which began after December 31, 1979, but before January 1, 1993. In addition, I have no knowledge of any information which is inconsistent with this application.

hun D. Roce, gr.

John D. Roe, Jr., P. E. January 9, 2002

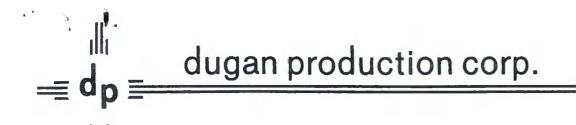
STATE OF NEW MEXICO ) ) ss. COUNTY OF SAN JUAN )

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The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of <u>January</u>, 2003 by John D. Roe, Jr., Engineering Manager of Dugan Production Corp., a New Mexico corporation, on behalf of said corporation.

Cynthia Sweetland Notary Public

My Commission Expires 08/11/04



January 9, 2003

Ms. Arlene Salazar Bureau of Land Management 435 Montano Road, N.E. Albuquerque, NM 87107-4535

Re: NGPA Category Determination (107TF) Dugan Production's Holly #1 (API No. 30-045-25149) Basin Dakota Prorated Gas Pool NWSW Sec. 16, T24N, R9W San Juan County, New Mexico

Dear Ms. Salazar,

Enclosed for your consideration is Dugan's application, requesting a Section 107, tight formation, NGPA category determination for the Dakota completion in the captioned well. This well is also completed in the Bisti Lower Gallup Oil Pool from 5265'-5572' and NMOCD Order R-7143 dated 11-30-82, authorized production from the Gallup and Dakota completions to be commingled down hole. As provided by NMOCD Order R-7143, 5% of the oil and 20% of the gas production is allocated to the Dakota completion. The Gallup formation at this location has not been designated as a tight sand formation.

Enclosed are the following items:

- a. Completed FERC Form 121
- b. Copy of all well completion reports for the Dakota completion.
- c. Copy of the well location plat (NMOCD Form C-102), which presents the surface location for the Holly #1, along with the S/2 320 acre spacing unit for the Basin Dakota completion. This location is within the tight sand area designated by NM6.
- d. Copy of the Induction Electric Log over the Dakota interval.
- e. My statement regarding spud date of the subject well.

Should you have questions or need additional information, please let me know.

Sincerely,

John D. Roe

John D. Roe Engineering Manager

JDR/tmf

Enclosures

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DUGAN PRODUCTION (							
Address							<u> </u>
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_ease Name		Basin Dako			Kind of Lease State, Federal or Fee	State	LG-1035
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Operator DUGAN PRODUCTION COPR.	<u></u>		Digit	4
P.O. Box 208, Farmington, NM Reason(s) for filing (Check proper box) New Well Change in Transp Recompletion OII Change in Ownership V Casinghead C If change of ownership give name		Other (Please Gas Effec	explain) tive date 12-13-86	
nd address of previous owner		·		
Lease Name Well No. Pool No.	sti Lower C		Kind of Lease State, Federal or Fee State	Loose No. LG 1035
Location L 1850 Unit Letter From The	South	990	Feet From The West	
Line of Section 16 Township 24N	Range 94		San Juan	County
III. DESIGNATION OF TRANSPORTER OF OIL AN Name of Authorized Transporter of OII Condensation Giant Refining, Inc. (No Change)	•	Box 256, Farm	o which approved copy of this form is ington, NM 87499 o which approved copy of this form is	
If well produces oil or liquide,	wp.   Rge. 24N   9W	P.O. Box 208, Is gas actually connected	Farmington, NM 8749	
give location of tanks.		YES give commingling order	the second se	
NOTE: Complete Parts IV and V on reverse side if n	ecessary.			
VI. CERTIFICATE OF COMPLIANCE	n Division have	OIL C	ONSERVATION DIVISION	1987

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been complied with and that the information given is true and complete to the best of my knowledge and belief.

Bud

Production Superintendent

3-18-87

(Title)

(Date)

OIL CONSERVATION DIVISION						
APPROVED	<u>MAR 270 1987</u>					
APPROVED	En LIQUI					
BY						
TITE	SUPERVISOR DISTRICT # 3					

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or despend well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I. II. III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.

Hobbs P.O. Box 1980	Artesi P-O-Dra	wer DD	Aztec 1000 Rio Brazos
Hobbs, NM 88240	Artesia,		Aztec, NM 87410
	MAG MAG		
NOTICE OF GAS WELL -	CONNECTION	/ RECONNECTIO	N / DISCONNECTION
This is to notify the O	il Conservatio	on Division of	the following:
Connection	First Delive		
	FILST Dell've	Date	Initial Potential
Reconnection $\chi$	First Delive		
		Date	Initial Potential
Disconnection			
for dolivory of gra from	e the DU	GAN PRODUCTION	CORP
for delivery of gas from		Operator	
		Holly	
		Lease	
94-413-55	1	L ·	
Meter Code Site Code	Well No.	Unit Letter Bisti Lower	
		Poo	
was made on <u>12-13-86</u>			
date	<b>e</b> r		
AOF			
	I	DUGAN PRODUCTIO	N CORP.
Choke		Transpor	ter
		not Creant	tion Superintendent
OCD use only		Crane - Produc presentative	المحافظات السنة الأرب المكال بوائة بسبر حيين بالموادعات والي الدابو والك بويت والمعالمين
County		(Please type	
Land Type			
Liq. Transporter		Representativ	e Signature
			MECEIVEM
			K U
Submit in duplicate to t	he appropriat	e district of	fice MAR 2 0 1987
	616		OIL CON. DIV

	.  .	
2-NMOCD, Aztec 1-File OIL C	ONSERVATION DIVISION	· · · · · · · · · · · · · · · · · · ·
		· · · · · · · · · · · · · · · · · · ·
Hobbs P.O. Box 1980 Hobbs, NM 88240	Artesia P.O. Drawer DD Artesia, NM 88210	<b>Aztec</b> 1000 Rio Brazos Aztec, NM 87410
	Constant and the spin of a second and a second seco	
NOTICE OF GAS WELL - CO	NNECTION / RECONNECTION	/ DISCONNECTION
This is to notify the Oil Co	nservation Division of	he following:
Connection Fir	st Delivery Date	Initial Potential
<b>Reconnection</b> $\chi$ Fir	st Delivery <u>12-13-86</u> Date	Initial Potential
Disconnection		
for delivery of gas from the		CORP.
	Operator	
	Holly	
	Lease	IC DAN ON
94-853-55 Meter Code Site Code	Well No. Unit Letter	16-24N-9W 
Meter code Site code	Basin Dakota	5 1 10
	Pool	
was made on $\frac{12-13-86}{date}$ .		
AOF		
	DUGAN PRODUCTION	CORP.
Choke	Transport	er
	Bud Crane	Cunaufatandant
OCD use only	Bud Crane - Product Representative N	ion Superintendent
County	(Please type o	
Land Type		
Liq. Transporter	Representative	Signature
Submit in duplicate to the a	ppropriate district off	RECEIVED MAR2 0 1987
SHE		OIL CON. DIV. DIST. 3

## EL PASO NATURAL GAS COMPANY POST OFFICE BOX 990 FARMINGTON, NEW MEXICO



1

NOTICE OF DISCONNECT

DATE \_\_\_\_\_FEBRUARY 5, 1987

## THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT A DISCONNECT ON

DUGAN PRODUCTION	HOLLY #1 CM				
Operator	Well Name				
03-481-01		36425-01		Ĺ	
Meter Code			GALLUP	Well Unit	
10-24-9	. <del>(2</del>	BASIN	<b>ДАКОТА</b>		
S-T-R			Pool		
FI PASO NATURAL GAS		WAS MADE ON	DECEMBER	12, 1986	
Name of Purchas	er			Date	
DUE TO DISCONN	ECT FROM OUR	GATHERING SYSTEM	TO TURN OVE	R TO DUGAN PRODUCTIO	
	e)	1			

XC: OPERATOR OIL CONSERVATION COMMISSION - (2) PRODUCTION CONTROL - El Paso LEASE DEVELOPMENT - El Paso CONTRACT ADMINISTRATION - El Paso

045 (FR

EL PASO NATURAL Purchaser Representative Clerk, Technical Support Title RECEIVED FEB 2 0 1987 OIL CON. DIV. DIST. 3

GAS - CO

TATE OF NEW MEXICO 3 - NMOCD 1 - Holly 1	- Amax 1 - Amoco 1 - File 1 - TR
AND MINERALS DEPARTMENT OF CONSERVATION DIVI	SION 1-1- / Fora C-103
	SION 1- Koch Pora C-103 Revised 19-1-78
SANTA FE, NEW MEXICO 87	
TATE SANTA PE, NEW MEXICO OF	Sa. Indicate Type of Lease
E	State XX Fee
.6.5.	5. State Oll '6 Gas Lease No.
NO OFFICE	LG-1035
EMATOR	
DEPORTS ON WELLS	
SUNDRY NOTICES AND REPORTS ON WELLS	T RESCRIVOIR.
SUNDERY NUTICES AND THE OFFICE OF FLUG BACK TO A DEFENSE BO NOT USE THIS FORM FOR PROPOSALS TO GAILL OF TO GEFEN OF FLUG BACK TO A DEFENSE USE "APPLICATION FOR FERMIT (FORM C-101) FOR SUCH PROPOSALS.)	7. Unit Agreement Name
WELL XX OTHER-	8. Farm or Lease tiame
: Costator	Holly
Dugan Production Corp.	9. Well No.
PO Box 208, Farmington, NM 87401	#1
PUBOX 200, raniningcon, int of tot	10. Field and Pool, or Wildcart
a of well Couth	Bisti Lower GA/Basin DK
a of well L 1850 FEET FROM THE South LINE AND	190: PEET PROM DISCI LOWER ON DUSIN DUS
West 16 TOWNSHIP 24 N RANGE	9. W
15. Elevation (Show whether DF, RT, GR, etc.	) 12. County
TTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTT	San Juan Allillin
6 882' GL 6894' KB	
Check Appropriate Box To Indicate Nature of Noti	ce, Report or Uther Data
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
NOTICE OF INTENTION TO:	
REMEDIAL WORK	ALTERING CASING
REMEDIAL WORK	
EASING 1231 OT	o CEMENT JOB
ALTER CASING	ommingling
	including estimated date of starting any proposed
The Froposed or Completed Operations (Clearly state all pertinent details, and give per	then bares, the barris
SEE RULE 1103.	
and the second	
Under the authority of NMOCD Order $\#R-714$	13. production from the
Gallup and Dakota formations is now commit	aled in the well bore
Gallup and Dakota formations is now commit	igrea in one net
as follows:	
·	+ CADEL DVR (2-3/8")
12-1-82 Pulled bridge plug and reset tubing	J. at 0420 KKD (2-070 7
	•
•	
	BEAFINES
• • • •	
	OCT - 4 1983
	OIL CON. DIV:
	VDNST. 3
	( @??@!!. J
the second se	and belief.
reby ceftify that the information above is true and complete to the best of my knowledge	·
	10° / 00
Geold Geold	Dgist 0-4-83
Jim L. Jacobs TITLE Geole	Jgist
Jim L. Jacobs TITLE Geold	<u>ogist</u> <u>10-4-83</u> OCT <u>4</u> <u>1983</u>
Jim L. Jacobs TITLE Geold	OCT 4 - 1983

#### STATE OF NEW MEXICO STATE LAND OFFICE ACTIVE COMMUNITIZATIONS

COMMUNITIZATION NAME:

**OPERATOR:** 

DATE APPROVED;

EFFECTIVE DATE:

COUNTY :

TOTAL ACREAGE:

STATE ACREAGE;

DEDICATED TO:

INSTITUTION:

TERM OF COMMUNITIZATION:

WELL LOCATION:

Dugan Production Corp.-Holly Com Well No. 1

Dugan Production Corporation

July 14, 1983

November 1, 1981

San Juan County,

320.00

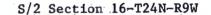
320.00

DAKOTA FORMATION

Common Schools

One year and so long as

NW/4SW/4 (L)



	-	
-0-		 1

SEC.	TWP.	RGE.	SUBDIVISION	LEASE NO.	LESSEE	ACREAGE
16	24N	9W	NW/4SE/4	B-10889-23	Amax Petroleum Corp. & Koch Ind. Inc.	40.00
16	24N	9W	SW/4SW/4, SE/4SE/4	E-6644-18	, Valex Petroleum Inc.	80.00
16	24N	9W	NE/4SE/4,SW/4SE/4,	1420 - Ale 11		
			E/2SW/4,NW/4SW/4	LG-1035-3	Holly Energy Inc.	320.00

## EL PASO NATURAL GAS COMPANY POST OFFICE BOX 990 FARMINGTON, NEW MEXICO



#### NOTICE OF GAS CONNECTION

DATE September 9, 1982

## THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT CONNECTION FOR PURCHASE OF

GAS FROM <u>Dugan Production Corp.</u> Operator		Holly #1 Well Name		
94-413-01		L Well Unit	<u>16-24-9</u> S-T-R	
Meter Code Site Code Bisti Bourer Gallup Pool		El Paso Natural Gas Company Name of Purchaser		
WAS MADE ON _	August 17, 1982, Date	FIRST DELIVERY	August 18, 1982 Date	

AOF \_\_\_\_81

CHOKE 79



El Paso Natural Gas Company

Purchaser

Representative

Chief Division Dispatcher Title



Farmington cc: Operator Oil Conservation Commission - 2 Production Control Proxation - El Paso Contract Administration File

	han die een <b>meerstelen</b> e bieren en ten	t elle tradiciones d'a tradicional de presentences	and an in 1997 and all the state of the cardinal transmission and and and a cardinal	a and a second production of the second s
	STATE OF NEW MEXICO RGY AND MINERALS DEPARTMENT DISTRIBUTION SENTA FE FILE U.S.G.S. LAND OFFICE TRANSPORTER OFFINATOR PROBATION OFFICE Operator DUGAN PRODUCT Address	5 NMOCD 1 Amax OIL CONSERVA P.O.BO SANTA FE, NEW REQUEST FOR AUTHORIZATION TO TRANSP TION CORP. Farmington, NM 87401	Amoco 1 Kock 1 G TION DIVISION 1 E MEXICO 87501 ALLOWABLE DORT OIL AND NATURAL GAS OIL O Other (Please explain) D Notification of	iant Form C-104 Revised 10-1-78 ECENED 2 2 1982 DV. COM.
	If change of ownership give name			
	and address of previous owner		-	
I. 	DESCRIPTION OF WELL AND I Lease Name Holly	Well No. Pool Name, Including Fo 1 Bisti Lower Go		Lease No. Lor Fee State LG-1035
	Location	I DISCI LOWEI U	arrup Side, redeta	
	Unit Letter ;18	50 Feet From The South Line	and Feet From 7	n•West
	Line of Section 16 Tow	mship 24N Range	9W , <sub>NMPM,</sub> San	Juan County
1.	DESIGNATION OF TRANSPORT	ER OF OIL AND NATURAL GA	S	
	Name of Authorized Transporter of Off Giant Refini	or Condensate	Address (Give address to which approv	ed copy of this form is to be sent)
	Name of Authorized Transporter of Cas	Inghead Gas or Dry Gas	Address (Give address to which approv	ved copy of this form is to be sent)
	El Paso Natu	ral Gas Co. (No change)	Is gas actually connected? Whe	211
	If well produces oil or liquids, give location of tanks.	L 16 24N 9W	Yes	8-18-82
v.	If this production is commingled wit COMPLETION DATA	h that from any other lease or pool, i		Plug Back Same Res'v. Dill. Res'v.
	Designate Type of Completio	n = (X) Oil Well Gas Well	New Well Workover Deepen	Plug Back Same Res'v. Diff. Res'v.
	Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
	Elevations (D) 3, RT, GR, etc.j	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth
	Perforations		S. TA	Depth Casing Shoe
-	Perioranona	L.V.L.		
	HOLE SIZE	SEAT	CEMENTING RECORD	SACKS CEMENT
		NOV OF	UIVISIUI VI	
		CASING ATUBING SEA 11	FE	
	THE AND DEOLICET FO	×		and must be equal to or exceed top allow-
¥	TEST DATA AND REQUEST FO	able for this de	pth or be for full 24 hours) Froducing Method (Flow, pump, gas li	
	Date First New Oil Run To Tanks			Choke Size
	Length of Test	Tubing Pie - we	Casing Pressure	
	Actual Prod. During Test	Oll-Bbla.	Water-Bbls.	Gas-MCF 26 9
	L	L	1	
	GAS WELL Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
	Testing Method (pitol, back pr.)	Tubing Pressure (shut-in)	Cosing Pressure (Shut-in)	Choke Size
	leating Method (piro), but proj			
7.	CERTIFICATE OF COMPLIANCE	CE	OIL CONSERVA	1982
	I hereby certify that the rules and r	egulations of the Oil Conservation	APPROVED SEP 24	1902
	Division have been complied with above is true and complete to the	best of my knowledge and belief.	BY SLA	STRICT JE A
	011			
	A.A. Aus	nu	I an and the second for allos	compliance with RULE 1104. wable for a newly drilled or despend
	Thomas A. Dugan (Sin		well, this form must be accompany tests taken on the well in acco	rdance with RULE 111.
	Petroleum Engineer	ile)	able on new and recompleted w	ast be filled out completely for allow- ells,
	9-20-82	nie)	Fill out only Sections I. I well name or number, or transpor	I, III, and VI for changes of owner, ten or other such change of condition.
			Separate Forms C-104 mus	it be filed for each pool in multiply

Separate Forms C-104 must be filed for each pool in multiply

5 NMOCD,	Fmn 1 Amax 1 Amoco	- ingen - arano	File
		1 EPNG	
NO. OF COPIES RECEIVED			
DISTRIBUTION		NSERVATION COMMISSION	Form C-104
SANTA FE		OR ALLOWABLE	Supersedes Old C-104 and C-110 Effective 1-1-65
FILE U.S.G.S.		AND SPORT OIL AND NATURAL GA	c · · · · ·
	AUTHORIZATION TO TRAN	SPORT OIL AND WATURAL OA	3
TRANSPORTER GAS		A 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -	ORFA
OPERATOR	27.A		OFFIN
PRORATION OFFICE			/ MLGLIVIA
DUGAN PRODUCTION	ORP III	1201242	Allon
Address	S BY		AUG 1 7 1982
P O Box 208, Farm	ington, NM 87401	EP 15 1982 JUJ	OIL CON. COM.
Reason(s) for filing (Check proper box)	Change in Transporter of: OIL CON Oil XX Dry Gas	Other (Please explain)	DIST. 3
New Well	Change in Transporter of: OIL CON	VSERVATION DIVISION	
Recompletion XX	Oil XX Dry Gas	SANTA FE	
Change in Ownership	Casinghead Gas Condens		
	A start ( ) and (	an and an	
If change of ownership give name and address of previous owner			
II. DESCRIPTION OF WELL AND LE	Well No. Pool Name, Including For	mation Kind of Lease	Lease No.
Lease Name Holly	1 Bisti Lower Ga		Fee Fee
Location L 1850	Feet From The South	and 990 Feet From Th	West
Unit Letter;	Feet From TheLine		
Line of Section 16 Towns	ahip 24N Range	9W , NMPM, San	Juan County
Line of Section 10 Towns	inp		
II. DESIGNATION OF TRANSPORTE	R OF OIL AND NATURAL GAS	S	
Name of Authorized Transporter of Oil	XX or Condensate	Address (othe sources to anten aft	
Giant Refining, I	nc.	P O Box 256, Farmingto	n, NM 87401
Name of Authorized Transporter of Casin	ghead Gas or Dry Gas	Address (Give address to which approve	
El Paso Natural G	as Co. (No change)	P O Box 990, Farmington	
To mall meduces oil or liquids.	Unit Sec. Twp. Rge.	Is gas actually connected? When	
give location of tanks.	L 16 24N 9W	No	
If this production is commingled with	that from any other lease or pool, a	give commingling order number:	
V. COMPLETION DATA	Oil Well Gas Well	New Well Workover Deepen	Plug Back Same Res'v. Diff. Res'v.
Designate Type of Completion			**
	- (A) XX Date Compl. Ready to Prod.	Total Depth	P.B.T.D. 6445
Date Spudded 8-31-81	Gallup 8-5-82	6500' (no change)	**Bridge plug 5877'
	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth
Elevations (DF, RKB, RT, GR, etc.) 6882' GL; 6894' RKB	Gallup	5265'	5578' RKB
Perforations			Depth Casing Shoe
5265-5572, 65 ho	es		<u>6500' RKB</u>
	TUBING, CASING, AND	CEMENTING RECORD	
HOLESIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
	8-5/8"	190' no change	T
	4-1/2"	6500' no change	
	23/8	5578	
			the state of the second con allows
V. TEST DATA AND REQUEST FO	RALLOWABLE (Test must be a	fter recovery of total volume of load oll t pth or be for full 24 hours)	and must be equal to or exceed top allow-
OIL WELL	the second se	Producing Method (Flow, pump, gas lif	t, etc.)
Date First New Oil Run To Tanks	Date of Test	flowing	
7-29-82.	8-13-82 Tubing Pressure	Casing Pressure	Choke Size
Length of Test 24 hrs	40 flowing	790 SI	3/4"
	Oll-Bbls.	Water-Bbls.	Gas - MCF
Actual Prod. During Test	28 5	-0-	268
20			
So S			Construct Condensate
GAS WELL Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
			Choke Size
Testing Method (pitot, back pr.)	Tubing Pressure (Shut-in )	Casing Pressure (Shut-in)	
		1	
VI. CERTIFICATE OF COMPLIANO	CE **Dakota Fmn temporar	IJY OIL CONSERT	1982
			, 19
mission to commindle it	LWELL DUNE MIL CHERNWEICH	APPROVED	
I hereby certify that the tales and r Commission have been complied w above is true and complete to the	with and that the information given best of my knowledge and belief.	BY	TIL
above is true and complete to the	near of million and an and and		
		TITLE	
$\gamma        $		This form is to be filed in	compliance with RULE 1104.
X.I. Muan			wable for a newly drilled or deepene anied by a tabulation of the deviation reference with RULE 111.
Thomas A. Dugan (Signa	ature)		
Petroleum Engineen		All sections of this form mi	ust be filled out completely for allow
(Ti	tle)	able on new and recompleted w	TT and VT for changes of owner
8-16-82		Fill out only Sections I, I well name or number, or transport	ter, or other such change of condition
(D)	ate)	1	

12								
	5 N	10CD 1 An	nax 1 Amo	co 1 Koo	h TR	1 MW		C-105
STATE OF NEV	A MEXICO						Revis	sed 10-1-78
RGY MO MULERAL	S DEPARTMENT	OIL	CONSERV	ATION D	IVISION	la de p	Sa. Indicate 1	Type of Louise
ENST PORUTION				OX 2088			State .	1'++ (X)
BANTA FE		SA	NTA FC. NE	W MEXICO	8750 L		5. Linte OH-6	Gun Leune Ho,
Fill					UNEDODT			· · · · · · · · · · · · · · · · · · ·
U.S. D.S.	W	CLU COMPLE	TION OR RU	COMPLETIO	NREPORT	AND LUG		
OPPRATOR					and the second s		IIIIII	
TYPE OF HELL					101	TR .	7. Unit Agine	ment fourte.
	01L		0 0AV		- LOFT		B. Furm or Le	agae Nume
TYPE OF COMPLE	TION	PLUG	PIET. I		/ KLU			
VELL OVE	a DECPE		DIFF.	A OTHER	1	0 4000	Holly Well No.	
DUGAN PRODUC	TION CORP.					L 6 1982	h	
drens of Operator						N. COM	10. I'leld und	Pool, or Wildcat
P 0 Box 208	, Farmingto	n,NM 8740	1		DI	ST. 3	Bisti Lo	wer Gallup
cation of Well		·····			1		<u>IIIIII</u>	SHHHHHH
		1050	· · · ·	.+b	990			<i>HHHHHHH</i>
LETTER	LOCATED	1850	BOM THE SOL	ITTI LINE AND	990	PELY PROM	12. County	THHHHH;
West	16	24N	9W		HHHH	IIIIIII	San Juan	
LINE OF	stc. T	WP. 86	C., NM			$\mathbf{C}$		lev. Cashinghead
Date Spudded	1	eached 17. Date				6894' RKB	1	882'
8-31-81 Total Depth		1-81  Gallu Bock T.D.	22. If Mult	Iple Compl., Ho	w 23, Inter	vals , Hotan	Contraction of the local division of the loc	, Cable Tools
6500'		6465'	Many	**	Drill	TD		
Producing Interval(s	1		n, Name				25	Was Directional Survey
								No
5265-5572',	Garrup			-	· · · · · · · · · · · · · · · · · · ·			
Type Electric and C							27, Wa	s Well Cored NO
Same as ori	ginal compl							
			SING RECORD (R			ENTING RECO		AMOUNT PULLED
CASING SIZE	WEIGHT LB.			2-1/4"	135 sx c			
8-5/8"	24	19	Name and Address of the Owner o	2-1/4 7-7/8"		in 2 stag	PS	
4-1/2"	10.5			-110	17.00 01			
	-			•				
		INER RECORD			30,	T	UBING RECO	RD
SIZE	TOP	BOTTOM	SACKS CEMEN	T SCREEN	5121		PTHSET	PACKER-SET
None					2-3	/8" 5	578' RKB	Bridge plug
							CENENT CON	5877' **
Perforation Record	(Interval, size and	(number)		32.		FRACTURE,		MATERIAL USED
5265-70, 52	78-86, 5394	-5408, 5430	-42,		EE72			2; 168,000# 20-4p
5498-5506 a		Total	f 65 holles	5265-	5572			rac foam; 36
		目目時日	Gillion I Contraction	-1		gal Aqu		
		III .	0 8 1AA	8				
		A	មួយ អូន ខេត្ត	DOUCTUON				
First Production	Produ	flowing CON	wing, gas lift, pu	mping - Size ar	id type pump)			(Prod. or Shu-in)
7-29-8	2	flowigg cor	SERVATION EF				lan and a second	51
of Test	Hours Tested	Chole Size	Test Period	OH - 851.	Gas - M			Gas - Oll Hallo
8-13-82	24	3/4"	Test Period	28			0-	9571
Tubing Press.	Casing Presaw	Calculated 2- Hour Hate	4- 011 - Bbl.	Gas - 1		Walet - Ubl.	41	aravity - API (Corr.)
40 psi	790 SI		28		268	-0-		
Disposition of Cas							Dugan	
Vented d	uring test;	to be sold			1 1 1		and the second se	ant incomination
				abandoned	- bridge	plug set;	plan to	ask permission
to commingl	<u>e in well/t</u>	ore in the	tuture.	time and enable	Formatic	OIL LODS SO	me as or	iginally reported
I hereby certify sha	the information a	BOWN ON BUTA SID	a of true porm 14	erme men ermilige				
/	X.A. Wel	yan		Petroleum	Engineer		8.	-13-82
	//// TL	amal A Duc	12h +1+10	reuruiteum	LING MCCI		BATP O	

#### INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or despined well, it shall be accompanied by one copy of all electrical and addreadingly lays an on the well and a narmary of all special tents condicted, factuating drift stem tents. All depths reported shall be measured depths. In the case of directionally drilled wells, two vertical depths shall also be reported. For multiple completions, thems. In this particle for each zone. The test is to be filed in quintuplicate except onstate land, where six copies are required. See Rule 1105.

, from	1				
, fron		مد و دور و دور و دور و دور و			
de da	ta on rate	t of water inf	IMP. low and elevation to which wa	No. 5, from No. 6, from TANT WATER SANDS r rose in bole. 	
	,		OIL O	GAS SANDS OR ZONES	
Penn Cisco	(Bough C	C)		T. Penn "A" '	r
Wolfe	amp		T	T. Chinle	Г
Aho			T. Bone Springs	T. Wingate	Г
Drink	ard		T. Delaware Sand	T. Entrada	Г
Bline	bry		T. Gr. Wash	Т. Morrison Т. Todilio	Тт
Padd	ock		T, Ellenburger	T. Dakota *	Т
San A	nares		T. McKee	Base Greenhorn	T. Granite
Grayt	urg		T. Montoya	T. Gallup *	T. Ignacio Qtzte
Quee	n		T. Silurian	T. Mancos	T. Elbert
7 Riv	ers		T. Devonien	T. Menefee	T. Madison
Yates			T_Miss	T. Cliff House '	T. Leadville
Soit -		-	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
n - 1 -			T. Sirawn	T. Kirtland-Fruitland	T. Penn. "C"
Salt_			Canyon	T. Ojo Alamo T. Kirtland T.	T. Penn. "B"

E

intervention       intervention         interventinterventinterevention       intervention	MINERALS DEPARTMENT	- MILLONSERVATI	ON DIVISION	71-12 1	Fore C-103
Image: Subject of the second secon		P. O. BUA 4	0.09	1 Poch	Revised 10-1-78
Survey	A FE	SANTA FE, NEW M	EXICO 87501	Sa Indicate Ty	pe of Lease
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SUPERVISOR DISTRICT # 3 .AUG 1 9 1982	7. a norman I nollias A.	Dugun Hitt			
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#### OIL CONSERVATION DIV 10N P. O. BOX 2088

SANTA FE, NEW MEXICO 87901 VERGY AND MINERALS DEPARTMENT All distances must be from the outer howidaries of the Section Well No, Leose 1 inter Holly Dugan Production Corporation County Range Township Section Letter San Juan 9 West 24 North 15 ŀ. al Footage Location of Well: West 990 line feet from the South line and 1850 feet from the Dedicated Acreage: Pool Producing Formation 80 Bisti Lower Gallup and Level Elev. Acres Gallup 5882 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? If answer is "yes," type of consolidation \_ No No 1 Yes If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION I hereby certify that the information concomplete to the toined herein is true my kng Lleda hest of Nane Thomas A. Di DIVISION OIL CONSERVATION Position Petroleum Engineer SANTA FE Company Dugan Production Corp. Date 8-2-82 IN L. RISENATOR In location Sec. 15 SARL sally MEY 1 heiz -11 The shownler 01 597 under 9901 ofmy 5 Ie -Nego Zon Bastickasa Sin N CONVI DENE knov Date Surveyed August 1, 1981 1350' Registered Professional Engineer and/or Land Surveyor cate No. Cerlik Edgar L. Risenhoover, L.S. ----

VER RINERALS DEPARTMENT OF CONSERVATION DIVISION	Revised 10-1-78
P. O. BOX 2088	Revised 19-1-78
SANTA FE, NEW MEXICO 87501	Sa. Indicate Type of Lease
3.6.5.	State XX
IND OFFICE	5. State Oll 6 Gas Lease No.
*ERATOR	LG-1035
SUNDRY NOTICES AND REPORTS ON WELLS	
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Dugan Production Corp.	Holly
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P O Box 208, Farmington, NM 87401	#]
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NMOCD STATE OF NEW MEXICO ENERGY AND MINERAL DEPARTMENT

1 File 1 EPNG 1 Holly 1 Amax 1 Amoco 1 Koch OIL CONSERVATION DIVISION P. O. DOX 2088

Form C-172 Revised 10-1-78

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

SANTA FE, NEW MEXICO 87501

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IES, CDL, G		CA	SING RECORD (Rep	ort all strings	set in well)				
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#### INSTRUCTIONS

This form in to be filed with the oppropriate District Office of the Division not fater from 20 days after the completion of any newly-diffed or despend well. It shall be as sequented by one carry of all electrical and it from fixity lays ration the well cash a successly of all previous depths shall desced, factuating drift atom tents. All depths reported shall be negated depths, in the cash of dreates the filed wells, to a vertical depths shall disc be reported, for exclusive completions, from an through 14 shall be reported for each ways. The form is to be filed in guidapplicite exception along land, where six copies are regated, ben fully 1155.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GLOGRAPHICAL SECTION OF STATE

	Southeas	tern New Me	-2100			Northwester	m Nev	v Mexico	
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			·				63.	Penn. "C"	
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7 Rivers		. T. Devoni	on	I. Nen	cree	10011		Elbert	
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STATE OF NEW MEXICO						
VERGY AND MINERALS DEPARTM	ENT 5 NMOCD	1 Holly	1 Amax 1 Amo	осо 1 Ко	ch Form C-	
ACREE MAD IMPAGINGE ECHARTIN		CONSERVA	TION DIVISIO	DN 1 Fi	le Kevised	10-1-78
DISTRIBUTION		P. O. BO		l In	land \	
BANTAFE	CA		MEXICO 87501	1 EPI		•
FILE	DA DA		MEXICO 07501			
U.B.G.B.						
LAND OFFICE		REQUEST FOR	R ALLOWABLE		1. 1	
TRANSPORTER			ND			
OAB	AUTHORIZA		PORT OIL AND NATU	RAL GAS		
PROMATION OFFICE	rio monizi i					
Operator						
DUGAN PRODU	JCTION CORP.					
Address	<u></u>		······································			
P 0 Box 208	3, Farmington, NM	87401		and the second	21型/组合的 [1] [1] [2] [2] [2] [2] [2] [2] [2] [2] [2] [2	
Reason(s) for filing (Check pro			Other (Pleas	e éxolain)	NTT PARTY AND A	
VV)	Change in Tra	necontes of			- 1002 MIL	( I
New Well		Dry Ga		MAI MAI	1 3 1932	)
Recompletion	OII	<u> </u>	) 	M J		(c)
Change in Ownership	Casinghead Ga				THE REAL PROPERTY OF THE REAL	
If change of ownership give r				OLL CONS-	SANTA FE	
and address of previous own					5000	
I. DESCRIPTION OF WELL	AND LEASE					
Lease Name	Well No. Poo	I Name, Including F	ormation	Kind of Lease	SHOTE	Lease No.
Holly	I B	asin Dakota		State, Federal	or Fee	-Fee 1035
Location						
L	1850 Feet From Th	South Lin	990	Feet From T	West	
Unit Letter;	rearriom in					
16	24N	Range	9W , NMPN	San Ju	uan	County
Line of Section	Township L TI	Hunge	, rom 1			
			<b>C</b>			
I. DESIGNATION OF TRAN	SPORTER OF OIL AN	<u>D NATURAL GA</u> nsate XX	Address (Give address	to which approv	ed copy of this form is	to be sent)
Name of Authorized Transporte						
Inland Corp.			P O Box 1528, Address (Give address	raminyu	UII, NEI 07401	to be centil
Name of Authorized Transporte		or Dry Gas				to be senty
El Paso Natural G	as Co.		P O Box 990,		and the second se	
If well produces oil or liquids,	Unit Sec.	Twp. Rge.	Is gas actually connect	whe	n,	
give location of tanks.	L 16	24N 9W	No	 		
	· · · · · · · · · · · · · · · · · · ·	has lesse or pool	give commingling orde	r number:		
If this production is comming	led with that from any of	her lease of pool,	Erre comminging and			
V. COMPLETION DATA	Oil We	ell Gas Well	New Well Workover	Deepen	Plug Back Same R	es'v. Diff. Res'v.
Designate Type of Cor	npletion - (X)	L XX	XX	T		
	Date Compl. Heady	v to Prod.	Total Depth		P.B.T.D.	
Date Spudded 8-31-81	11-20-8		6500' RKB		6465'	
			Top Oil/Gas Pay		Tubing Depth	
Elevations (DF 3, RT, GR,		Formation				OVD
6882' GL	Dakota		6431'		6440' Depth Casing Shoe	KKB
Perforations						
6431-52, 8 holes		1	·		6500' RKB	
	TUBI	ING, CASING, ANI	D CEMENTING RECO	RD		······
HOLESIZE	CASING &	TUBING SIZE	DEPTH S	ET	SACKS CE	
12-1/4"	8-5/8	3"	190'		<u>  135 sx clas</u>	s B
7-7/8"	4-1/2		6500' RK	3	1768 cf in	2 stages
1-110						
	1				· · · · · · · · · · · · · · · · · · ·	
					and must be equal to a	r exceed top allow-
V. TEST DATA AND REQUI	EST FOR ALLOWABLI	the (Test must be a oble for this de	ifter recovery of total vol epth or be for full 24 hour	une of toda off ( 's)	min umer na admining of	
OIL WELL	Day (Tast	4010 70 1111 4	Producing Method (Flo		(1, etc.)	
Date First New Oil Run To To	nks Date of Test		i i i i i i i i i i i i i i i i i i i			
			Casing Pressure		Choke Size	
Length of Test	Tubing Pressure				Nº 1	
			Martin Parla		Gas-MCF	
Actual Prod. During Test	Oil-Bbls.		Water - Bble.			Actor
					L VEC	3 1981
					0/1/~~	• 1981
GAS WELL						EOM /
Actual Prod. Test-MCF/D	Length of Test		Bbls. Condensate/MM	51	Grevit of Content	3.
81 CAOF	3 hr	s				*
Testing Method (pitot, back pr	J Tubing Pressure (	shut-ia)	Cosing Pressure (Sbu	t-18)	Choke Size	
one point back p	r. <u>1182</u>	psi	1185	<u>psi</u>	10912 HOS.	45 × 5 ×
A. CERTIFICATE OF COM			OIL C	CONSERVAT	NONVISION	
IL CENTIFICATE OF COM				NEU "		
		Oil Casessia	APPROVED	A		_, 19
I hereby certify that the rule Division have been compli-	a and regulations of the	ormation given	71	7 (H.	1	
Division have been complete above is true and complete	to the best of my know	wledge and belief.	BY	-1	X	
/	//			PERVISOR DISTRI	NOI 177 3	
	7		TITLE			
	11100		This form is	to be filed in	compliance with RU	LE 1104.
	MMI			auget for allos	wable for a newly dr	illed or deepened
	(Signation) Thomas	A. Dugan	I ship form the	at he accompe	inled by a teoplation	I OF FUR GALLETTE
Detunit Frank		ni bugun	tosts taken on the	CAN'S A BUCCO	rdance with MULE	plately for allow-
Petroleum Engine	er (Thile)		All sections of able on new and r	ecompleted w	elia.	
	17		II man in a star	D. Mann T. T	1 III and VI for cl	nanges of owner,
12-20-81	(Deta)	and the second	well name or numb	or transport	ter or other when end	High of contraction
	(Date)		Separate For	ms C-104 mus	t be filed for each	pool in multiply
			U Constantin			

Separate Forms C-104 must be filed for each pool in multiply

STATE OF NEW WEATON A STATE OF NEW AND A STATE OF NEW WEATON DIVISION	1 - TR
ERGY AND TAINERALS DEPARTMENT	Form C-103 Revised 19-1-78
DISTRIBUTION SANTA FE NEW MEXICO 87501	Sa. Indicate Type of Lease
SANTAVE SANTAVE	State XX Fee
U.S.G.S.	5. State Oll & Gas Lease No.
DETATOR	LG-1035
LEADER NO REPORTS ON WELLS	
SUNDRY NOTICES AND REPORTS ON WELLS BO NOT USE THIS FORM FOR PROPOSALS TO DAILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT FORM C-1011 FOR SUCH PROPOSALS.]	7. Unit Agreement Nume
USC VAPELICATION	
GIL GAS XX QTHER-	8. Farm or Lease tiame
Dugan Production Corp.	Holly 9. Well No.
	#1
P O Box 208, Farmington, NM 87401	10. Field and Pool, or Wildcat
ecation of well L 1850' FEET FROM THE South LINE AND 990 FEET FR	Basin Dakota
West LINE, SECTION 16 24 N RANCE 9W	~ <i>OIIIIIIIIIIII</i>
THE LINE, SECTION IS. Elevation (Show whether DF, RT, GR, etc.)	12. County
6894' KB	San Juan
Willing and the second of Notice Report or	Other Data
Check Appropriate Dox TO Indicate Automatic SUBSEQUE	NT REPORT OF:
_	ALTERING CASING
REMEDIAL WORK	PLUG AND ABANDONMENT
CASING TEST AND CEMENT JOB	
LL OR ALTER CASING	
Describe Fraposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, includ	ling estimated date of starting any proposed
work) SEE RULE 1103.	
See reverse for report of $4\frac{1}{2}$ " casing and cement.	
CORRECTED REPORT	
CORRECTED REPORT Replaces sundry of 9-22-81	
	THE ISA AND A
	CIPINED I
	Andread 1991
	-025 por
	SEP 25 1981 SEP 25 COM.
	SEP 25 1901. OIL CON. COM. OIL DIST. 3
the bushy metily that the niprmation above is true and complete to the best of my knowledge and belief.	
1. I arrespondent and the Engineer	9-23-81
3. I hereby require the information above is true and complete to the best of my knowledge and belief.	9-23-81
J.A. Wugan Thomas A. Dugan <u>The Petroleum Engineer</u>	9-23-81
1. I arrespondent and the Engineer	

AUDITIONS OF APPROVAL, IF ANYS

# 9-22-81 Ran 163 jts. 4½" OD, 10.5#, K-55, 8 Rd, ST&C csg. T.E. 6506.40' set at 6500' RKB.

- In the

- . .

Ē.

Cemented first stage w/ 10 bbls mud flush followed by 250 sx class "B" 4% gel and 1# flocele per sk followed by 150 sx class "B" neat w/ 1# flocele per sk. Good circ. throughoug job, reciprocated casing while cementing. Maximum cementing pressure, 1000 psi. Bumped plug w/ 2350 psi. Float held OK. Total cement slurry first stage 565 cu.ft.

Dropped opening bomb. Opened stage tool at 4470'. Circulated with rig pump three hours.

Cemented second stage w/ 10 bbls mud flush followed by 400 sx 65-35 plus 12% gel and ¼# flocele per sk followed by 100 sx class "B" 4% gel w/ ¼# flocele per sk. Total cement slurry 1203 cu.ft.

Good returns throughout job. Circ. trace of cement to surface. Maximum cementing pressure 1100 psi. Closed stage tool w/ 2200 psi. Held OK. Job complete at 1:10 p.m. 9-21-81.

Nippled down BOP. Set 4½ csg. slips. Cut off csg. Released rig at 2:15 p.m. 9-21-81.

ERGY NOLMINERALS DEPARTMENT	DIVISION	1 – TR
P. O. BOX 2088	1- Koch	Form C-103 Revised 10-1-78
SANTA FE SANTA FE, NEW MEXIC	O 87501	
FILE		Type of Lease
U.S.G.S.		Oil & Gas Lease No.
DETATOR		G-1035
SUNDRY NOTICES AND REPORTS ON WELLS	IFFERENT RESERVOIR.	Agreement Name
iame of Cpermor	e.Farm Holly	or Lease liame
Dugan Production Corp.	9. Well	
POBox 208, Farmington, NM 87401	#1	ld and Pool, or Wildcat
Deation of Aell L 1850 FEET FROM THE South LINE A		Dakota
West LINE, SECTION 16 24 N RAN	ICE 9 WNMPM.	
TITTE Show whether DF. RT. C	<i>GR</i> , etc.) 12. Cou	inty AIIIIIII
68882/ GL 6894'		luan AIIIIIIII
Check Appropriate Box To Indicate Nature of	f Notice, Report or Other Data SUBSEQUENT REPO	a RT OF:
NOTICE OF INTENTION TO:		
SFORM REMEDIAL WORK	L WORK	ALTERING CASING
COMMEN	CE DRILLING OPHS.	PLUG AND ABANDONMENT
CASING 1 CASING 1	completion	X
OT HE		
0THER	the section of the se	d date of starting any proposed
Describe Froposed or Completed Operations (Clearly state all pertinent details, and g	ive pertinent dates, including estimates	
work) SEE RULE 1103.		
9-30-81 Perforate Dakota 6431, 33, 35, 37	, 46, 48, 50, 52.	
10-1-81 Acidize w/ 250 gal. 15% HCL.		
SEE REVERSE FOR DETAILS OF FRAC 1	0-3-81 and 11 TBG. 10-5	-81.
		and the second
		944 74 54
	1	
		ANT TO MORE
		UUI IS INN
		OIL CUN, CONT
		DIST 3
		•
. I hereby certify that the information above is true and complete to the best of my know	wledge and belief.	
and the second sec		10 7 01
Jim L. Jacobs Geolog	list DAT	10-7-81
		OCT 7 - 1981
DEPUTY OF	L& GAS INSPECTOR, DIST . STO	
PROVED BY Muple (1100 2 TITLE		

UNDITIONS OF APPROVAL, IF ANY

DUGAN PRODUCTION CORP. Holly #1 Page 4

Rig up Western Co. Fraced well as follows: 10-3-81 6,000 gal Mini Max III-30 w/ 2% oil phase - pad 3,000 gal Mini Max III-30 w/ 2% oil phase w/ 1/2 # 20-40 sand 3,000 gal Mini Max III-30 w/ 2% oil phase w/ 1# 20-40 sand 6,000 gal Mini Max III-30 w/ 2% oil phase w/ 11# 20-40 sand 6,000 gal Mini Max III-30 w/ 2% oil phase w/ 2# 20-40 sand 6,000 gal Mini Max III-30 w/ 2% oil phase w/ 3# 20-40 sand 4.308 gal fresh water flush 15 min 200 psi ISDP 2600 spi Max press 3500 psi, Min press 3200 Ave treating press 3250 at 18 BPM 32 gal x-c... 25# B-5 breaker Totals: 30,000 gal Mini Max III-30 42,000# 20-40 sand 33 gal CL-9 600 gal diesel 32 gal Aquaflow: Opened well up. Flowing back small amount of water. Went in 10-5-81 hole w/ tbg. Tagged up at 6465'. Landed tbg. as follows: 201 jts. 11 OD, 2.9#, V-55, 10 Rd, EUE tbg. T.E. 6432.49' set at 6440' RKB w/ cross pin on bottom 9.8 for swab stop.

۰.

6.5.

Rig up swab. Swabbed well down to 2400'. Shut in.

10-6-81 Csg. press "O" psi. Fluid level 1100' down from surface. Swabbed down to 3300'. Fluid is gas cut. Show of gas increasing.

ERGY AND MINERALS DEPART	IL CONSLICTATION -	1 - TR Form C-103 Revised 19-1-78
DISTRIBUTION SANTA FE	SANTA FE, NEW MEXICO 87501	Sa. Indicate Type of Lease
FILE           U.S.G.S.           LAND OFFICE           OPERATOR		State XX Fee S. State Oil & Gas Lease No. LG-1035
	DRY NOTICES AND REPORTS ON WELLS PROPOSALS TO DAILL ON TO DEEPEN ON PLUE BACK TO A DIFFERENT RESERVOIR. ANTION FOR PERMIT	7. Unit Agreement Name
	0THER-	8. Farm or Lease Liame
ame of Caerator Dugan Proc	luction Corp.	Holly 9. Well No.
P 0 Box 20	08, Farmington, NM 87401	#1 10. Field and Pool, or Wildcat
UNIT LETTER	1850' PEET FROM THE South LINE AND 990 PEET PR	
West LINE, SE	16 24 N RANGE 9 W NMP	
11111111111111	15. Elevation (Show whether DF, RT, GR, etc.) 68882' GL 6894' KB	San Juan
	Report or Contracte Nature of Notice, Report or C	Other Data NT REPORT OF:
APORARILY ABANDON	PLUG AND ABANDON REMEDIAL WORK COMMENCE DRILLING OPHS.	ALTERING CASING
QTH CA		ing estimated date of starting any proposed
Describe Proposed or Completed work) SEE RULE 1103.	i Operations (Clearly state all pertinent details, and give pertinent dates, includ	
9-1-81	Moved in and rigged up Morrow Drlg. Rig. Spudded 12¼" hole at 1:00 p.m. 8-31-81. Drilled S.D.O.N. Prep to finish surface hole and run 8-	to 170' and 5/8" casing.
9-2-81	Finished drilling 12¼" hole to 192' G.L. Ran 5 O.D., 24#, K-55, 8 Rd, ST&C csg. T.E. 190' set	jts. 8-5/8" at 190' G.L.
	Cemented w/ 135 sx class "B". Cement circulated 12:30 p.m. 9-1-81. Released Morrow rig. Waitin Rig #5.	. P.O.B. at g on Four Corners
	• • • • • • • • • • • • • • • • • • •	
· · · · ·	ation above is true and complete to the beat of my knowledge and bellef.	
. I hereby certify that the inform.	Petroleum Engineer	BATE 9-2-81
INTO THI	SUPERVISOR DISTRICT # 3	SEP 3 - 1981
mores an Jrouh )	Tang TITLE	

UNDITIONS OF APPROVAL, IF ANY:

	6 - NMOCD		1 - Fi	le 1	- TR	10 arilla
STATE OF NEW MEXICI TERGY AND MIRLHALS DEPAR		CONSERVATIO	N DIVISION		50-04 Form C-101	5-25149
WHEN AND MIND FOR STATIS		P. O. UOX 201		,	Revised 10-	
DISTRIBUTION	SAN		Type of Lense			
SANTA FE		RI	S. Strite Oil & Gris Louine flo.			
FILE			9 10 AM '81	ļ	LG-1	
LAND OFFICE		SEP 2	9 10 HM 0.			
OPERATOR						HHHHHH
APPLICATION	V FOR PERMIT TO	DRILL, DEEPENAT	The Loo of the loop		7. Unit Agre	enietit Ramo
Type of Work						
Type of Well		DEEPEN			8. Furm or L	enne Nume
	07 II C R		ZONCXX	20HE	Holly	
Hanie of Operator					9, Well No.	
DUGAN PRODU	ICTION CORP.				#]	d Pool, or Wildcut
Address of Operator	Exeminator N	M 87401				Dakota
	8, Farmington, N		Sou	+ h	11/177	MIMMININ,
Location of Well UNIT LETTE	Loc	ATED 1850	ET FROM THE	thinv	()/////	AHHHHHH
990 <sup>1</sup>	West un	e or sec. 16		9W NAPA	$\overline{UUUU}$	MMMM
	inninnin i	TITITITITI (T	<u>IIIIIIIIIII</u>		12. County	
				HHH	San Jua	in a statistica in the statist
					HHHH	illillillilli
	ITTTTTTTTT		E. Froposed Depth	19A. Formation	<u></u>	26. History or C.T.
illillillillitti.			6250'	Dakot	a	Rotary
. Lizvations (Show whether Dr.	KI, etc.)   21A, Kind	6 Status Hlug. Band 21	B. Drilling Contractor		1	. Date Work will stort
6882' GL	,,		our Corners D	rlg		ASAP
		ROPOSED CASING AND	CENENT PROGRAM			
	r					EST. TOP
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPT	175 sx	CEMENT	circ. to top
12-1/4"	8-5/8"	<u>    24#                                </u>	6300'	1400 cu		
7-7/8"	4-1/2"	10.3π				
		1	1	t		
			0051 and some	.+ 0 ⊑ /0"	cuinface	
Plan to drill a l	2 <sup>‡</sup> " hole w/ spuc	1 mud to approx	225° and celler	10 0-5/0 10 10 TD	to	
casing to surface test the Basin Da	L-++ form + 100	$-\omega_1 + c_1 - c_2 - c_3$	Int CDL TOUS.			
will run 4½" cas	ing to TD selec	-tively perforat	e, frac, clear	n out afte	en	
frac and complete	well.	cively points				
That and complete	ind the			/	20EIN	
CAC NOT DEDICATE		ADP	ROVAL VALID	10		LU \
GAS NOT DEDICATE		POR 2	COMMENCED,	1	BBBBB	1981
ALENTOT		A month I IN			AUG17	COM
SFP	0.4 1981	4	2-17-82		CON.	0- /
		EXPIRES -			OIL DIST	, ». /
CIL LUNDE	ANTA FE					
3			R PLUG BÁCK, GIVE DATA		ODUCTIVE 10H	CANO PROPOSED NEW PRODUC
ABOVE SPACE DESCRIBE PE	TOPOSED PROGRAMI IF					
sereby certify that the informati	grabora le true and con	plate to the best of my kr	www.edge and bellef.			
Derome	Mittight	Landman	n		Date8-	14-81
and Proventing		1 Jule				And the Party of Contract of Contract, State of Contract, State
U.	rome P. Methigh	A second and the second second	A REAL POINT OF A PARTY OF A			
(This space for	rome P. Methigh	y Line on the second second			. 1	1 7 1981
ITAis space for F. 17	<u>rome P. Metlugt</u> Siace yee)	ROPERVI	ISOR DISTRICT # 3		AL	JG 17 1981
PROVED BY Frul J.	Chang		ISOR DISTRICT # 3		DATE AL	IG 171981
This space for PROVED BY Stand, SHOITIONS OF APPROVAL, II	Chang	TITLE	ISOR DISTRICT # 3		DATE AL	IG 171981

NERGY AND MINERALS DEPARTMEN Pugan Production Corpor It Letter Section L 15 Itual Footage Location of Well: 1850 feet from the	All distances must be fe	E. NEW MEXICO om the outer boundaries Lease Holly Range 9 West	County	ECENTED Woll No. 1
Dugan Production Corpor L Section L 15 Lual Footage Location of Well:	ration Township	Holly Range	County	ECENTED 1
Dugan Production Corpor L Section L 15 Lual Footage Location of Well:	Township	Rang •	County	EUEINA I
L Letter Section L 15 Jual Footage Location of Well:	Township			A BM OL
L 15	24 North	9 West		9 10 AM '81
1.000			Sanfreua	OFFICE
1850 feet from the	South the and	990	cet from the STA	REAL NIME
		Pool	St St	Dedicated Acreage:
5982 Dakota	a	Basin Dak		320 Acres
1. Outline the acreage dedica	ated to the subject we	Il by colored pencil	or hachure marks	on the plat below.
<ol> <li>If more than one lease is interest and royalty).</li> <li>If more than one lease of d</li> </ol>	dedicated to the well different ownership is a	, outline each and i dedicated to the wel	dentify the owners	hip thereof (both as to working
If answer is "no," list the this form if necessary.)	owners and tract desc	f consolidation	consolidated (by	solidated. (Use reverse side o communitization, unitization been approved by the Divisio
	Sec. 15 SEP D.4 1981 SEP D.4 1981 DIL CONSERVATION UN- SANTA FE	ALG1719 OILICON. COL DIST. 3	All	CERTIFICATION ereby certify that the Information con ned herein is true and complete to th at of my knowledge and belief. More P. McHugh Jr. ton ndman

	6 - NMOCE	)	1 – Fi	le l	- TR	
STATE OF NEW MEXIC VERGY AND MINERALS DEPAR		CONSERVATIO	ON DIVISION	~	30 -04 101 - 101	5-25149
		P. O. BOX 20			Revised 10-	
DISTRIBUTION	SAP	NTA FE, NEW ME	XICO 87501		SA, Indicote	Type at Loupo
SANTA FE						Gas Loase Ho.
U.S.G.S.					CG-10	1. P
LAND OFFICE					innn	TITTITITITI
APPLICATIO	N FOR PERMIT TO	DRILL, DEEPEN, O	OR PLUG BACK		HIIH	
Type of Work					7. Unit Agree	nient Hame
DRILL XXX		DEEPEN	PLUG	ВАСК	8. Furm or Le	
Type of Well					Holly	one name
	OTHER		ZONEXX M	ZONE	9, Viell No.	
ame of Operator	ICTION CORP.				#1	
ddress of Operator		<u></u>				Pool, or Wildcat
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### ) OIL CONSERVATION DIV TON 8

Form C-102 Revised 10-1-78

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# OIL CONSERVATION DIV ON

SANTA FE, NEW MEXICO 8750

Form C-102 Revised 10-1-78

Edgar L. Risenhoover, L.S.

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# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 7252 Order No. R-6726

APPLICATION OF FOUR CORNERS GAS PRODUCERS ASSOCIATION FOR DESIGNATION OF A TIGHT FORMATION, SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO.

# ORDER OF THE DIVISION

## BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>l6th</u> day of July, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

## FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Four Corners Gas Producers Association, requests that the Division in accordance with Section 107 of the Natural Gas Policy Act, and 18 C.F.R. §271.703 recommend to the Federal Energy Regulatory Commission that the Dakota formation underlying the following lands situated in San Juan and Rio Arriba Counties, New Mexico, hereinafter referred to as the Dakota formation, be designated as a tight formation in said Federal Energy Regulatory Commission's regulations:

> TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Sections 5 through 8: All Sections 17 through 20: All Sections 29 through 32: All TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM Sections 1 through 36: All

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> TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM Sections 1 through 36: All TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM Sections 1 through 36: All TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM Sections 5 through 8: All Sections 17 through 20: All Sections 29 through 32: A11 TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM Sections 1 through 36: All TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM Sections 1 through 3: All Sections 10 through 15: A11 Sections 22 through 27: All Sections 31 through 36: A11 TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM Sections 8 through 10: A11. Sections 14 through 17: A11 Sections 20 through 23: A11

Sections 26 through 36: All

Containing a total of 135,040 acres, more or less.

(3) That the Dakota formation underlies all of the above described lands; that the formation consists of barrier beach deposits about 40 to 60 feet thick, composed of fine grained, quartz-rich sandstones characterized by an increase in grain size upward and low angle crossbedding; that the top of such formation is found at an average depth of 6350 feet below the surface of the area set out in Finding No. (2) above; and that the thickness of such formation is from 200 to 350 feet within said area.

(4) That the type section for the Dakota formation for the proposed tight formation designation is found at a depth of from approximately 6048 feet to 6338 feet on the Induction Electrical log dated February 17, 1975, from the Universal Resources Grigsby Federal Well No. 4 located in Unit L of Section 8, Township 25 North, Range 10 West, San Juan and Rio Arriba Counties, New Mexico.

(5) That the following described wells produce natural

-3-Case No. 7252 Order No. R-6726

gas from the Dakota formation within the proposed area: Dugan Production Company, M.F. No. 1 NW/4 SW/4, Section 18, Township 24 North, Range 9 West Dugan Production Company, April NW/4 SW/4, Section 30, Surprise No. 2 Township 24 North, Range 9 West Kay Kimball, Liberman No. 1 SE/4 SE/4, Section 5, Township 25 North, Range 7 West Merrion & Bayless, Stephenson No. 1 SW/4 NE/4, Section 17, Township 25 North, Range 8 West Merrion & Bayless, South Huerfano SW/4 SW/4, Section 35, No. 1 (Previously the Pilgram No. 1) Township 25 North, Range 8 West NW/4 NW/4, Section 1, Township 25 North, Range El Paso Natural Gas Company, Nageezi No. 4 9 West El Paso Natural Gas Company, Nageezi NE/4 SE/4, Section 1, No. 2 Township 25 North, Range 9 West El Paso Natural Gas Company, Nageezi S₩/4 NW/4, Section 12, No. 5 Township 25 North, Range 9 West El Paso Natural Gas Company, Nageezi NE/4 NE/4, Section 13, No. 3 Township 25 North, Range 9 West El Paso Natural Gas Company, Hostein NW/4 SW/4, Section 26, Yazza No. 1 Township 25 North, Range 9 West Petroleum Corporation of Texas, NW/4 NW/4, Section 27, Mobil Rudman No. 1 Township 25 North, Range 9 West Universal Resources, Grigsby NW/4 NW/4, Section 8, Federal No. 3 Township 25 North, Range 10 West

-4-Case No. 7252 Order No. R-6726

Universal Resources, Grigsby Federal No. 4

NW/4 SW/4, Section 8, Township 25 North, Range 10 West

(6) That the Dakota formation underlying the above described lands has been penetrated by several other wells, none of which produce natural gas in commercial quantities from the Dakota formation.

(7) That the evidence presented in this case demonstrated that no well formerly or currently completed in the Dakota formation within the proposed area exhibited permeability, gas productivity, or crude oil productivity in excess of the following parameters:

- (a) average in situ gas permeability throughout the pay section of 0.1 millidarcy; and
- (b) stabilized production rates, without stimulation, against atmospheric pressure, as found in the table set out in 18 C.F.R. §271.703(c)(2)(B) of the regulations; and
- (c) production of more than five barrels of crude oil per day.

(8) That based on analysis of available data from existing wells within the proposed area and utilizing generally and customarily accepted petroleum engineering techniques and measurements:

- (a) The estimated average <u>in situ</u> gas permeability throughout the pay section of the Dakota formation is expected to be 0.1 millidarcy or less; and
- (b) The stabilized production rate, against atmospheric pressure, of wells completed for production in the Dakota formation, without stimulation, is not expected to exceed production levels determined by reference to well depth, as found in the table set out in 18 C.F.R. §271.703(c)(2)(B) of the regulations; and
- (c) No well drilled into the formation is expected to produce, without stimulation, more than five barrels of crude oil per day.

-5-Case No. 7252 Order No. R-6726

(9) That within the proposed area there is a recognized aquifer being the Ojo Alamo, found at depths of from 500 feet to 1100 feet or approximately 5200 feet above the Dakota formation.

(10) That existing State of New Mexico and Federal Regulations relating to casing and cementing of wells will assure that development of the Dakota formation will not adversely affect said aquifers.

(11) That the portion of the Dakota formation described herein is currently authorized for development by infill drilling as defined in 18 C.F.R. §271.703(b)(6) of the regulations.

(12) That no infill drilling has occurred within the area proposed for tight formation designation.

(13) That while the Dakota formation has been extensively drilled and infill drilled to the North of the proposed area development therein has been minimal.

(14) That development of the proposed tight formation area has been inhibited by the poorer quality of the Dakota pay and the poorer prospect of commercial production therein.

(15) That that portion of the Dakota formation proposed for tight formation designation cannot be reasonably developed absent the incentive price established in 18 C.F.R. §271.703(a).

(16) That the Dakota formation within the proposed area should be recommended to the Federal Energy Regulatory Commission for designation as a tight formation.

IT IS THEREFORE ORDERED:

(1) That it be and hereby is recommended to the Federal Energy Regulatory Commission pursuant to Section 107 of the Natural Gas Policy Act of 1978, and 18 C.F.R. §271.703 of the regulations that the Dakota formation underlying the following described lands in San Juan and Rio Arriba Counties, New Mexico, be designated as a tight formation:

> TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Sections 5 through 8: All Sections 17 through 20: All Sections 29 through 32: All TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM Sections 1 through 36: All

-6-Case No. 7252 Order No. R-6726

> TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM Sections 1 through 36: All TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM Sections 1 through 36: All TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM Sections 5 through 8: All Sections 17 through 20: All Sections 29 through 32: All TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM Sections 1 through 36: All TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM Sections 1 through 3: All Sections 10 through 15: A11 Sections 22 through 27: A11 Sections 31 through 36: A11 TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM Sections 8 through 10: A11 Sections 14 through 17: A11

Sections 20 through 23: All Sections 26 through 36: All

Containing a total of 135,040 acres, more or less.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY Director

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#### 17 CFR Part 240

[Release No. 34-18300]

# Requirements for Broker-Dealer Filing and Reporting

#### AGENCY: Securities and Exchange Commission. ACTION: Final rule.

SUMMARY: The Commission is eliminating the requirement imposed on broker-dealers to file Schedules II and III of Form X-17A-5, the Financial and **Operational Combined Uniform Single** ("FOCUS") Report. The two Schedules were designed to capture certain financial data which the Commission will be able to obtain, in less detail, from sources other than the Schedules. Broker-dealers' reporting requirementes will therefore be reduced. However, Schedule I which contains operational information needed for regulatory purposes will be retained in its present form.

DATE: December 9, 1981.

FOR FURTHER INFORMATION CONTACT: William J. Atkinson, Directorate of Economic and Policy Analysis, Securities and Exchange Commission, Washington, D.C. 20549 (202) 523–5493; or James G. Moody, Division of Market Regulation, Securities and Exchange Commission, Washington, D.C. 20549 (202) 272–2370.

SUPPLEMENTARY INFORMATION: Rule 17a–10 (17 CFR 240.17a–10) requires broker-dealers to file Schedules I, II and III of Form X–17A–5.<sup>1</sup>

1. Schedule I of Form X-17A-5 is a calendar year unconsolidated report, designed to measure certain financial and operational characteristics of a registered broker-dealer, which must be filed by all registrants as a supplement to the regular fourth quarter Part II or IIA<sup>2</sup> of Form X-17A-5 within seventeen business days after the end of the quarter. Schedule I will continue to be required in its present form.

2. Schedule II of Form X-17A-5 requires the listing of annual revenue, expense and net income items (reflecting the aggregate of all such items during the calendar year) and certain balance sheet items (as of the end of the calendar year) and must be filed by all registrants except those exempt from the filing requirements of paragraphs (a)(i), (ii) and (iii) with the fourth quarter Part II or IIA within seventeen business days after the end of the fourth calendar quarter. Schedule II is eliminated with the publication or this Release.

3. Schedule III of Form X-17A-5 requires detailed information pertaining to realized gains (losses) in securities trading accounts, profit (loss) from underwriting and selling groups, income from other selected securities activities and short and long positions in firm securities, commodities, joint and capital accounts, and must be filed on a calendar year basis as a supplement to the fourth quarter Part II within sixty calendar days of the end of the fourth calendar quarter by any broker-dealer which files Part II of Form X-17A-5 and has annual gross revenue related to the securities business of \$10 million or more for the calendar year. Schedule III is eliminated with the publication of this Release.

## Statutory Basis and Competitive Considerations

Pursuant to the Securities Exchange Act of 1934 and particularly sections 15(c)(3), 17 and 23 thereof, 15 U.S.C. 780(c)(3), 78q and 78w, the Commission is amending § 240.17a-10 of Title 17 of the Code of Federal Regulations as set forth below. There are no burdens imposed on competition by the amendments. Pursuant to section 4(b)(B) of the Administrative Procedure Act (5 U.S.C. 553(b)(B)), the Commission finds that notice and opportunity for comment are unnecessary because the amendments provide relief to brokerdealers without impairing any protections to investors. Pursuant to section 4(c) of the Administrative Procedure Act (5 U.S.C. 553(d)), the Commission has determined to make the amendments effective immediately upon publication in the Federal Register since they relieve restrictions that are currently imposed by the provisions hereby being amended.

#### **Regulatory Flexibility Act Consideration**

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.), imposes new procedural steps applicable to agency rulemaking which has "a significant economic impact on a substantial number of small entities," The Act, however, is not applicable to rules for which the agency does not publish a general notice of proposed rulemaking, and therefore does not apply to this rule.

#### Amendment

In accordance with the foregoing, 17 CFR Part 240 is amended as follows:

#### PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

1. By removing paragraphs (a)(3) and (e) of § 240.17a-10 and revising paragraphs (a)(1) and (a)(2) to read as follows:

# § 240.17a-10 Report on revenue and expenses.

(a)(1) Every broker or dealer exempted from the filing requirements of paragraph (a) of § 240.17a-5 shall, not later than 17 business days after the close of each calendar year, file the Facing Page, a Statement of Income (Loss) and balance sheet from Part IIA of Form X-17A-5 (§ 249.617 of this chapter) and Schedule I of Form X-17A-5 (§ 249.617 of this chapter) for such calendar year.

(2) Every broker or dealer subject to the filing requirements of paragraph (a) of § 240.17a-5 shall submit Schedule I of Form X-17A-5 (§ 249.617 of this chapter) with its Form X-17A-5 (§ 249.617 of this chapter) for the calendar quarter ending December 31 of each year.

By the Commission. George A. Fitzsimmons, Secretary. December 3, 1981. [FR Doc. 81-35235 Filed 12-8-81; 8:45 am] -BILLING CODE 8010-01-M

#### DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

#### 18 CFR Part 271

[Docket No. RM79-76 (New Mexico-6); Order No. 195]

High-Cost Gas Produced From Tight Formations; New Mexico

AGENCY: Federal Energy Regulatory Commission, DOE.

# ACTION: Final rule.

Issued: December 3, 1981. SUMMARY: The Federal Energy Regulatory Commission is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determines that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation

<sup>&</sup>lt;sup>1</sup> The Commission adopted the FOCUS Report as of January 1, 1976. See Securities Exchange Act Release No. 11935 (December 17, 1975) 40 FR 59706 (December 30, 1075).

<sup>&</sup>lt;sup>2</sup> Purl II of Form X-17A-5 is a comprehensive quarterly report which must be filed by every broker-dealer who clears transactions or carries customer accounts. Part IIA is a less detailed quarterly report which must be filed by brokerdealers who do not clear transactions or carry customer accounts.

designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This rule established procedures for jurisdictional agencies to submit to the Commission recommendations of areas for designation as tight formations. This final order adopts the recommendation of the State of New Mexico Oil Conservation Commission-that the Dakota Formation be designated as a tight formation under § 271.703(d). EFFECTIVE DATE: This rule is effective December 3, 1981.

FOR FURTHER INFORMATION CONTACT: Leslie Lawner, (202) 357–8307, or Victor Zabel, (202) 357–8616.

#### SUPPLEMENTARY INFORMATION:

The Commission hereby amends § 271.703(d) of its regulations to include the Dakota Formation in New Mexico'as a designated tight formation eligible for incentive pricing under § 271.703. The amendment was proposed in a Notice of Proposed Rulemaking by the Director, OPPR, issued September 22, 1981 (46 FR 49466, September 28, 1981)' based on a recommendation by the New Mexico Oil Conservation Commission (New Mexico) In accordance with § 271.703(c) that the Dakota Formation be designated as a tight formation.

Evidence submitted by New Mexico supports the assertion that the Dakota Formation meets the guidelines contained in § 271.703(c)(2). One comment was received in response to the Notice of Proposed Rulemaking from Southern California Company (SoCal). SuCal noted that by Order No. R-1670-V, New Mexico authorized infill drilling in the Basin Dakota Gas Pool. Order No. R-1670-C, issued November 4, 1960, consolidated all Dakota gas production in San Juan and Rio Arriba Counties, created the Basin Dakota Gas Pool, and established 320-acres gas proration units. Order No. R-1670-V, issued May 22, 1979, retained the original 320-acre unit spacing, but allowed the drilling of an additional well on each unit. Citing to Commission Order No. 137-A, in Docket No. RM79-76,<sup>2</sup> wherein the Commission excluded from a tight formation designation certain fields in a formation which had been subject to an infill drilling order and had been substantially developed at the time the infill drilling order was issued, SoCal indicated that a similar situtation, requiring exclusion of the infill area, may exist for the recommended Dakota Formation.

The Commission has reviewed SoCal's comments and for the following reasons does not believe that an exclusion of infill areas is required in this case. There are 422 drilling units in the Dakota formation recommended by New Mexico for tight formation designation. Wells have been drilled in 35 of these units, representing 8.3 percent of the available drilling sites. Of the 35 wells drilled, 22 have been abandoned, leaving 13 wells currently producing. All of these Dakota wells are the only wells in their drilling units. There has been been no infill drilling in the area proposed for tight formation designation, and the Commission finds that the area has not been substantially developed, as was the area excluded in Order No. 137. For the reasons stated above, the Commission adopts the New Mexico recommendation.

This amendment shall become effective immediately. The Commission has found that the public interest dictates that new natural gas supplies be developed on an expedited basis, and, therefore, incentive prices should be made available a soon as possible. The need to make incentive prices immediately available establishes good cause to waive the thirty-day publication period.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Natural Gas Policy Act of 1978, 15 U.S.C. 3301–3342; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Title 18, *Code of Federal Regulations*, is amended as set forth below, effective December 3, 1981.

By the Commission. Commissioner Sheldon voted present. Kenneth F. Plumb,

Secretary.

#### PART 271-CEILING PRICES

Section 271.703(d) is amended by adding new subparagraph (60) to read as follows:

#### § 271.703 Tight formations.

(d) Designated tight formations. The following formations are designated as tight formations. A more detailed description of the geographical extent and geological parameters of the designated tight formations is located in the Commission's official file for Docket No. RM79-78, subindexed as indicated, and is also located in the official files of the jurisdictional agency that submitted the recommendation.

(60) The Dakota Formation in New Mexico. RM79-76 (New Mexico-6). (i) Delineation of formation. The Dakota Formation underlies portions of Townships 24 and 25 North, Ranges 7 through 10 West, in San Juan and Rio Arriba Counties, New Mexico. The producing interval of the Basin Dakota Field in the Dakota Formation is defined as beginning at the base of the Greenhorn Limestone, and extending to a point 400 feet below the base of the Greenhorn Limestone.

(ii) Depth. The average depth to the top of the Dakota Formation is 6,350 feet. The Dakota Formation begins at the base of the Greenhorn Limestone and is 200 to 350 feet in gross thickness. IFR Doc. 81-35210 Piled 12-8-81; 8:45 sm] BILLING CODE 6717-01-M

## DEPARTMENT OF DEFENSE

Department of the Army

32 CFR Part 504

[AR 190-06]

Obtaining Information From Financial Institutions

AGENCY: Department of the Army, DOD. ACTION: Final rule.

SUMMARY: This rule establishes policy and procedures governing access to and disclosure of financial records maintained by financial institutions during the conduct of Army investigations or inquiries. It delineates procedures that must be followed by Army law enforcement elements, which are authorized to request such information. Adherance to this rule will ensure that Army law enforcement elements comply with the Right to Financial Privacy Act of 1978.

EFFECTIVE DATE: December 9, 1981.

FOR FURTHER INFORMATION CONTACT: MAJ Thomas W. Anderson, 202–756– 1896.

SUPPLEMENTARY INFORMATION: The Right to Financial Privacy Act of 1978 restricted the government's authority to have access to, or obtain copies of, the information contained in the financial records of any customer from a financial institution unless the financial records are reasonably described and—

(1)The customer authorizes disclosure;

(2) The financial records are disclosed in response to an administrative subpoena or summons;

(3) The financial records are disclosed in response to a search warrant;

(4) The financial records are disclosed in response to a judicial subpoena; or

<sup>&#</sup>x27;No party requested a hearing in this docket and no hearing was held.

<sup>&</sup>lt;sup>2</sup> "Order Denying Application for Rehearing of Order No. 137," issued June 17, 1981 (46 FR 32235, June 22, 1981).

# Regulations

all Sections; Township 9 South, Range 100 West, Sections 1 through 4, 9 through 14, 23 through 26, 36; Township 10 South, Ranges 96 through 98 West, all Sections; Township 10 South, Range 99 West, Sections 1 through 18, 22 through 27, 34, 35, 36; Township 11 South, Range 97 West, Sections 1 through 12, 17 through 20; Township 11 South, Range 98 West, Sections 1 through 14, 23, 24; Township 11 South, Range 99 West, Sections 1, 2, 11, 12.

(ii) Depth. The Dakota Formation occurs at an average measured depth of 7,705 feet.

(59) Atoka Formation in Oklahoma. RM79-76 (Oklahoma-1).

(i) Delineation of formation. The Atoka Formation is found in Washita County, Oklahoma, in Township 9 North, Range 14 West, Sections 2 through 11; Township 9 North, Range 15 West, Sections 1 through 3, 11 and 12; Township 10 North, Range 14 West, Section 5 through 8, 17 through 21, and 27 through 35; Township 10 North, Range 15 West, Sections 6 through 30, 33 through 36; Township 10 North, Range 16 West, Sections 1 through 5, 8 through 14, 24 and 25; Township 11 North, Range 16 West, Sections 16, 20 through 22, 27 through 29, and 32 through 35.

(ii) Depth. The Atoka Formation is defined as the uppermost sandstone development in the Atoka Series of the Lower Pennsylvania System which underlies the Cherokee/Red Fork Group and overlies the post-13 Finger Lime shale. The average depth to the Atoka Formation is approximately 14,800 feet.

# (60) The Dakota Formation in New Mexico. RM79-76 (New Mexico-6).

(i) Delineation of formation. The Dakota Formation underlies portions of Townships 24 and 25 North, Ranges 7 through 10 West, in San Juan and Rio Arriba Counties, New Mexico. The producing interval of the Basin Dakota Field in the Dakota Formation is defined as beginning at the base of the Greenhorn Limestone, and extending to a point 400 feet below the base of the Greenhorn Limestone.

(ii) Depth. The average depth to the top of the Dakota Formation is 6,350 feet. The Dakota Formation begins at the base of the Greenhorn Limestone and is 200 to 350 feet in gross thickness.

(61) Sussex Formation in Colorado. RM79-76 (Colorado-16).

(i) Delineation of formation. The Sussex Formation is found in Weld County, Colorado, in Township 4 North, Range 66 West, 6th P.M., Sections 2, 3, and 10, Section 11-N  $\frac{1}{2}$ , Section 15-W  $\frac{1}{2}$ ; Township 5 North, Range 66 West, 6th P.M., Sections 33, 34, and 35.

(ii) Depth. The average depth to the top of the Sussex Formation is 4,400 and 4,500 feet.

(62) Pictured Cliffs Formation in New Mexico. RM79-76 (New Mexico-7).

(i) Delineation of formation. The Pictured Cliffs Formation is found in the San Juan Basin and underlies portions of Townships 30 and 31 North,

¶ 24,173 § 271.703

Federal Energy Guidelines

TIGHT GAS FORMATION DESIGNATION	
FORMATION Dakota	COUNTY (ies) San Juan & Rio Arriba
APPLICANT Four Corners Gas Producers Assoc	CASE NO. 7252 ORDER NO. R-6726
O.C.D. RECOMMENDATIONS: DATE 7/16/81	EXAMINER Richard L. Stamets
<b>REMARKS</b> This portion of the Dakota forma	tion is currently authorized for development
by infill drilling. It was recommended that	t this portion of the Dakota formation cannot
be reasonably developed without the incentiv	ve 107 price. Hearing date: May 6, 1981
F.E.R.C. RECOMMENDATIONS: FEDERAL REGISTER LIST	TING Vol. 46, No. 236, (12/9/81) 60193-94
(New Mexico - 6; ORDER NO. 195) E	FFECTIVE DATE December 3, 1981
REMARKS	
VERTICAL LIMITS: TOPS Average of 6350 feet	
THICKNESS From 200 to 350	feet
REMARKS Formation consists of	barrier beach deposits about 40 to 60 feet
thick, composed of fine graine	d, quartz-rich sandstones characterized by
an increase in grain size upwa	
	ra and tow angle clossbedding.
HORIZONTAL LIMITS:	· · · · ·
TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Section 5 through 8: All	TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM
Sections 17 thorugh 20: All	Sections 1through 3: All
Sections 29 through 32: All	Sections 10 through 15: All Sections 22 through 27: All
	Sections 31 through 36: All
TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM	
Sections 1 through 36: All	TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM
	Sections 8 through 10: All
TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM	Sections 14 through 17: All
Sections 1 through 36: All	Sections 20 through 23: All
	Sections 26 through 36: All
TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM	
Section 1 through 36: All	Containing a total of 135,040 acres, more or less.
TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM	
Sections 5 through 8: All	
Sections 17 though 20: All	
Sections 29 through 32: All	
TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM	
Sections 1 through 36: All	· · · · · · · · · · · · · · · · · · ·
COULTING I CHILOUGH SO: ALL	
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IN REPLY REFER TO

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# United States Department of the Interior

BUREAU OF LAND MANAGEMENT NGPA Processing Center 435 Montaño Road, N.E. Albuquerque, New Mexico 87107 www.nm.blm.gov

1/15/02

NMOCD Attn: Michael Stogner 1220 So. St. Francis Dr. Santa Fe, NM 87505

Michael,

Enclosed are two NGPA applications from Dugan Production Corp. which are located on state land. Please accept the applications for the Emerald City #1 and Holly #1 wells for consideration.

Mr. John Roe is being notified by copy of this letter that these applications have been forwarded to you. Please call me at 505-761-8772 if you have any questions.

Thank you,

Julene Salarger

Arlene Salazar Natural Gas Regulatory Specialist

Enclosures

COPY for Return

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January 9, 2003

s.

Ms. Arlene Salazar Bureau of Land Management 435 Montano Road, N.E. Albuquerque, NM 87107-4535

Re: NGPA Category Determination (107TF) Dugan Production's Holly #1 (API No. 30-045-25149) Basin Dakota Prorated Gas Pool NWSW Sec. 16, T24N, R9W San Juan County, New Mexico

Dear Ms. Salazar,

Enclosed for your consideration is Dugan's application, requesting a Section 107, tight formation, NGPA category determination for the Dakota completion in the captioned well. This well is also completed in the Bisti Lower Gallup Oil Pool from 5265'-5572' and NMOCD Order R-7143 dated 11-30-82, authorized production from the Gallup and Dakota completions to be commingled down hole. As provided by NMOCD Order R-7143, 5% of the oil and 20% of the gas production is allocated to the Dakota completion. The Gallup formation at this location has not been designated as a tight sand formation.

Enclosed are the following items:

- a. Completed FERC Form 121
- b. Copy of all well completion reports for the Dakota completion.
- c. Copy of the well location plat (NMOCD Form C-102), which presents the surface location for the Holly #1, along with the S/2 320 acre spacing unit for the Basin Dakota completion. This location is within the tight sand area designated by NM6.
- d. Copy of the Induction Electric Log over the Dakota interval.
- e. My statement regarding spud date of the subject well.

Should you have questions or need additional information, please let me know.

Sincerely,

John D. Roc

John D. Roe Engineering Manager

JDR/tmf

Enclosures



**Bill Richardson** 

Governor

Joanna Prukop Cabinet Secretary

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# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**January 24, 2003** 

Lori Wrotenbery Director Oil Conservation Division

Dugan Production Corporation Attention: John D. Roe, Jr. P. O. Box 420 Farmington, New Mexico 87499-0420

> **Re:** Applications for Wellhead Category Determination NGPA Section 107 - Tight Formation

Dear Mr. Roe:

Last week (Friday, January 17, 2003) Ms. Arlene Salazar, Natural Gas Regulatory Specialist with the U. S. Bureau of Land Management in Albuquerque, New Mexico, forwarded two NGPA Section 107 – Tight Formation filings (see copy of letter attached) that you submitted to her on January 13, 2003 for Dugan Production Corporation's:

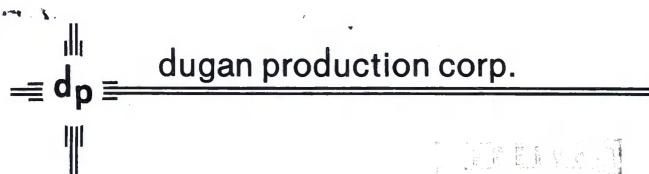
- (1) Holly Well No. 1 (API No. 30-045-23149), located 1850 feet from the South line and 990 feet from the West line (Unit L) of Section 16, Township 24 North, Range 9 West, NMPM, Basin-Dakota Pool (71599), San Juan County, New Mexico; and
- (2) Emerald City Well No. 1 (API No. 30-045-26405), located 1850 feet from the North and West lines (Unit F) of Section 15, Township 31 North, Range 13 West, NMPM, Basin-Dakota Pool (71599), San Juan County, New Mexico.

The Holly Well No. 1 is on a State lease and the Emerald City Well No. 1 is on a fee lease and in accordance with FERC requirements and procedures [Part 270, Subpart B, Section 270.401 (c) (22)] the New Mexico Oil Conservation Division is the appropriate jurisdictional agency for such initial filings. Subsequent to my review, I find that in order to complete both filings, please submit for each: (i) the required \$25.00 filing fee, as provided under Rule 2 of the Division's "Special Rules for Applications for Wellhead Price Ceiling Category Determinations," as promulgated by Division Order No. R-5878-B, as amended (see copy of Division Order attached); and (ii) completed and signed Division Forms C-132 (also attached).

Once received I can submit the completed applications to the FERC in Washington, D.C. for final review. Should you have any questions concerning this matter please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely.

Michael E. Stogner Chief Hearing Officer/Engineer



January 29, 2003

FEB - 3 2003

Mr. Michael Stogner New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application for Wellhead Category Determination NGPA Section 107 Tight Formation Dugan Production's Holly No. 1 (API No. 30-045-23149) State Lease LG-1035-3 San Juan County, New Mexico

Dear Mr. Stogner:

Attached are two copies of form C-132 and the \$25.00 filing fee for the subject well. There are no affidavits of mailing or delivery since Dugan Production Corp. holds 100% of the working interest in this well and there are no other parties to our gas purchase agreement.

Please add this to the application dated 1-9-03 and initially mailed to the Bureau of Land Management and subsequently forwarded to you by the BLM. I apologize for not sending directly to you and appreciate your handling of this application.

Should you have questions or need additional information, please let me know.

Sincerely,

John D. Roc

John D. Roe Engineering Manager

JDR/tmf

enclosures

29/2003	1	Date :	Check

Check #79458 jdr/tmf

Inv No	Date	Description	G/L Account	<u>Amount</u>
	1/29/2003	Application fee for Category Determination NGPA Section 107 Tight Formation Holly No. 1 (30-045-23149)		\$ 25.00
			Check Tota	

FEB - 3 2003

DUG 102 (5/02)

2018-01081

25 00

Twenty-five dollars & no/100's

N-N-M 87499104201 (505)-10

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87504

TO

HE

John Alitande

# #079458# \$107002192\$ 9892010194#