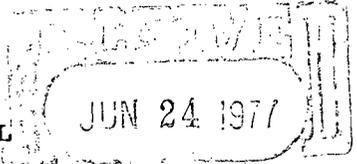


NSL-866

104 F

Done July 14



APPLICATION FOR ADMINISTRATIVE APPROVAL

OF UNORTHODOX LOCATION

OIL CONSERVATION COMM.  
June 1977

Applicants:

Dugan Production Corp. (Operator)  
Box 234  
Farmington, NM 87401

Leases:

- a) USA SF 078897
- b) USA SF 078897-A

Lease Dates:

- a) July 1, 1947
- b) July 1, 1947

Lease Terms:

- a) 5 years
- b) 5 years

Lands Described in Leases:

- a) Township 26 North, Range 11 West, NMPM  
Section 7: W/2 SW/4  
Containing 80 acres, more or less  
San Juan County, New Mexico
- b) Township 26 North, Range 11 West, NMPM  
Section 7: E/2 SW/4  
Containing 80 acres, more or less  
San Juan County, New Mexico

Name of Well:

Western Federal #7 Well

Dedicated Acreage:

*Pictured Cliffs Formation*

Township 26 North, Range 11 West, NMPM  
Section 7: SW/4  
Containing 160 acres, more or less  
San Juan County, New Mexico

Proposed Unorthodox Location:

Township 26 North, Range 11 West, NMPM  
Section 7: 650' FSL - 650' FWL  
San Juan County, New Mexico

Reason for Unorthodox Location:

Topographical conditions based on request by officials of the Navajo Indian Irrigation Project to locate the well in such a manner so as to not interfere with the sprinkler systems of the project.

New Mexico Oil Conservation  
Commission Rule Authorizing  
Application:

Rule 104 ~~(D)~~ ~~(H)~~ (F)

Offsetting Leases and Operators:

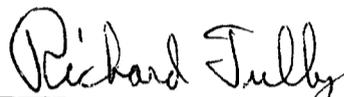
- A. USA SF 078897  
Township 26 North, Range 11 West, NMPM  
Section 7: E/2 NW/4, E/2 NE/4, W/2 SE/4  
Section 18: E/2 NE/4  
San Juan County, New Mexico

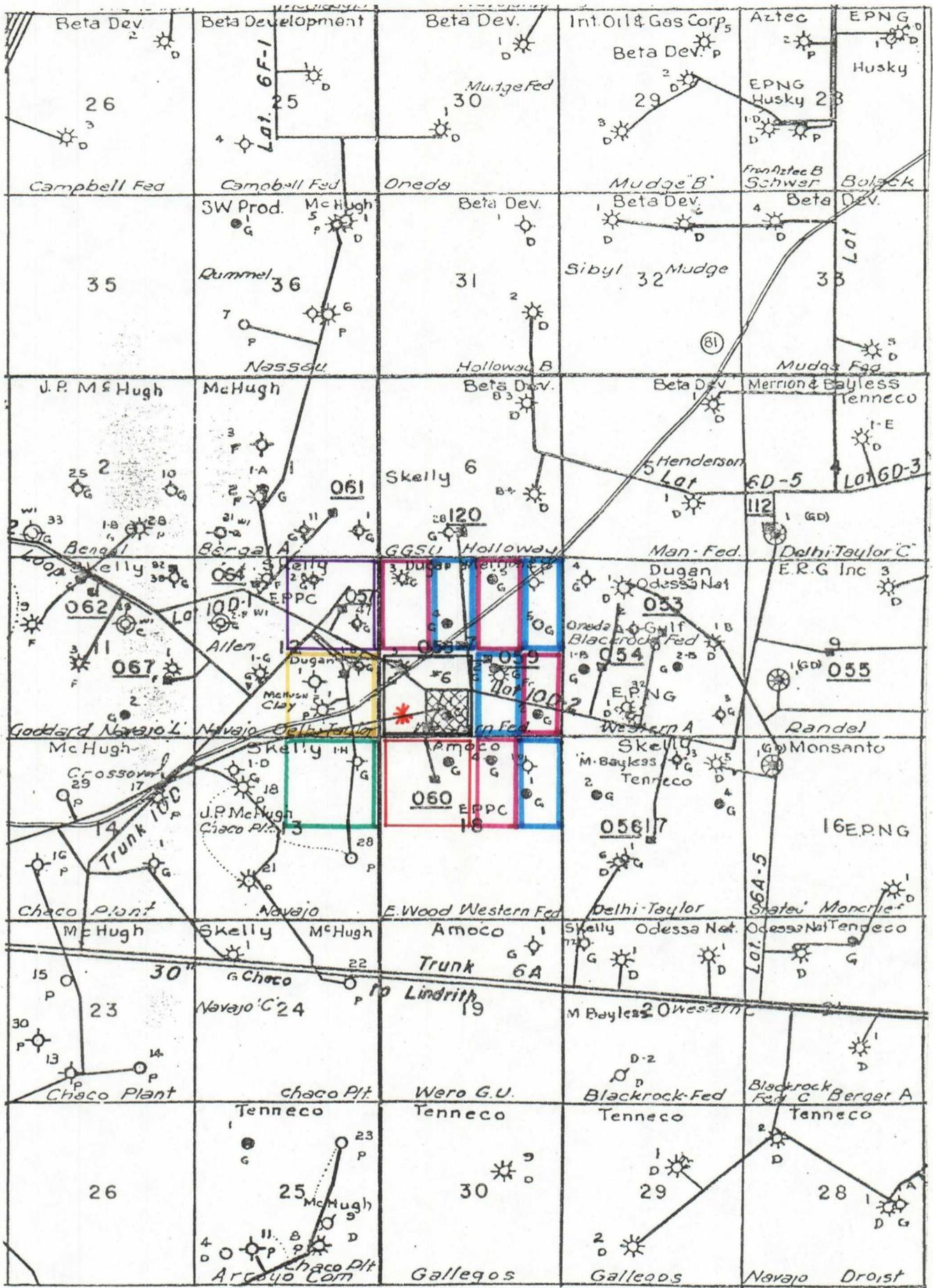
Dugan Production Corp.  
Box 234  
Farmington, NM 87401

- B. USA SF 078897-A  
Township 26 North, Range 11 West, NMPM  
Section 7: W/2 NW/4, W/2 NE/4, E/2 SE/4  
Section 18: W/2 NE/4  
San Juan County, New Mexico
- Depco, Inc.  
1025 Petroleum Club Building  
Denver, CO 80202
- Husky Oil Ltd.  
600 South Cherry Street  
Denver, CO 80222
- J. Gregory Merrion  
Box 1541  
Farmington, NM 87401
- Robert L. Bayless  
Box 1541  
Farmington, NM 87401
- Atom, Inc.  
Box 1109  
Farmington, NM 87401
- C. Navajo Allotted N00-5390  
Township 26 North, Range 11 West, NMPM  
Section 18: Lots 1, 2, E/2 NW/4  
San Juan County, New Mexico
- Kirby Exploration Company  
Box 1745  
Houston, TX 77001
- Aquitaine Corporation  
1900 Transco Tower  
2700 South Post Oak Road  
Houston, TX 77056
- Natural Gas Pipeline Company of America  
Box 283  
Houston, TX 77001
- D. Unleased Navajo Indian Acreage  
Township 26 North, Range 12 West, NMPM  
Section 13: NE/4  
San Juan County, New Mexico
- E. Navajo Allotted 14-20-0603-1488  
Township 26 North, Range 12 West, NMPM  
Section 12: SE/4  
San Juan County, New Mexico
- Jerome P. McHugh  
600 South Cherry Street  
Suite 1225  
Denver, CO 80222
- F. Unleased Acreage (Withdrawn by BIA)  
Township 26 North, Range 12 West, NMPM  
Section 12: NE/4  
San Juan County, New Mexico

CERTIFICATE OF MAILING

I certify that I mailed a copy of this Application by certified mail to all operators of leases offsetting the dedicated acreage for the Western Federal #7 Well, to the Supervisor of District III of the New Mexico Oil Conservation Commission, and to the Acting Project Manager of the Navajo Indian Irrigation Project on this 24<sup>th</sup> day of June, 1977.

  
Richard Tully

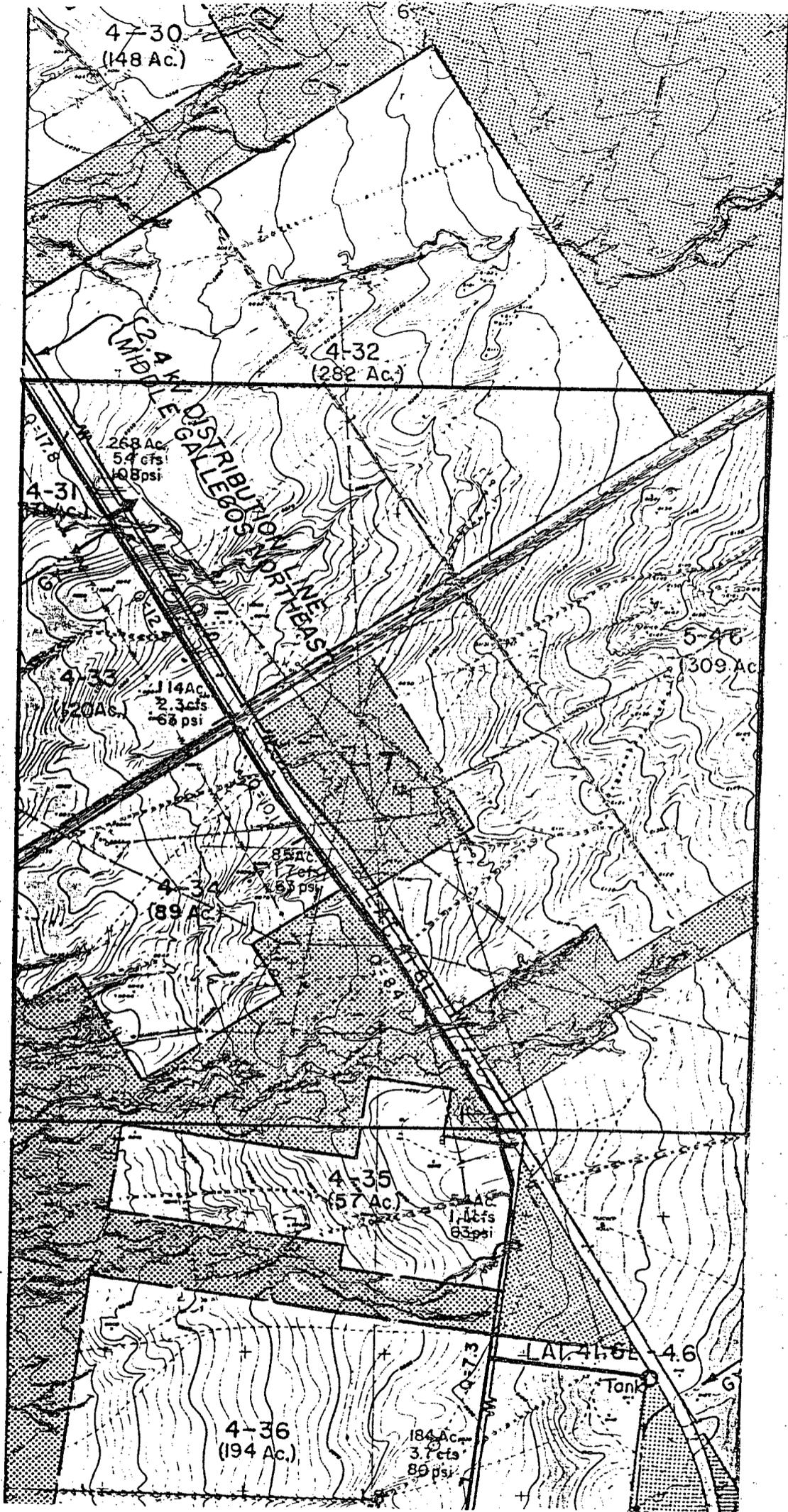


APPLICATION FOR ADMINISTRATIVE  
 APPROVAL OF UNORTHODOX LOCATION  
 WESTERN FEDERAL #7 WELL

\* PROPOSED LOCATION

OFFSETTING LEASES

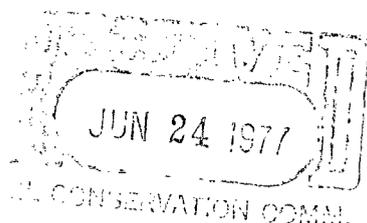
- USA SF 078897
- Unleased Navajo Indian Acreage
- USA SF 078897-A
- Navajo Allotted 14-20-0603-1488
- Navajo Allotted N00-5390
- Unleased Acreage



APPLICATION FOR ADMINISTRATIVE  
 APPROVAL OF UNORTHODOX LOCATION  
 WESTERN FEDERAL #7 WELL

 PROPOSED LOCATION

APPLICATION FOR ADMINISTRATIVE APPROVAL  
OF UNORTHODOX LOCATION



Applicants: Dugan Production Corp. (Operator)  
Box 234  
Farmington, NM 87401

Leases: a) USA SF 078897  
b) USA SF 078897-A

Lease Dates: a) July 1, 1947  
b) July 1, 1947

Lease Terms: a) 5 years  
b) 5 years

Lands Described in Leases: a) Township 26 North, Range 11 West, NMPM  
Section 7: W/2 SW/4  
Containing 80 acres, more or less  
San Juan County, New Mexico  
b) Township 26 North, Range 11 West, NMPM  
Section 7: E/2 SW/4  
Containing 80 acres, more or less  
San Juan County, New Mexico

Name of Well: Western Federal #7 Well

Dedicated Acreage: Township 26 North, Range 11 West, NMPM  
Section 7: SW/4  
Containing 160 acres, more or less  
San Juan County, New Mexico

Proposed Unorthodox Location: Township 26 North, Range 11 West, NMPM  
Section 7: 650' FSL - 650' FWL  
San Juan County, New Mexico

Reason for Unorthodox Location: Topographical conditions based on request  
by officials of the Navajo Indian Irriga-  
tion Project to locate the well in such  
a manner so as to not interfere with the  
sprinkler systems of the project.

New Mexico Oil Conservation  
Commission Rule Authorizing  
Application: Rule 104(D) (II) (F)

Offsetting Leases and Operators: A. USA SF 078897  
Township 26 North, Range 11 West, NMPM  
Section 7: E/2 NW/4, E/2 NE/4, W/2 SE/4  
Section 18: E/2 NE/4  
San Juan County, New Mexico  
  
Dugan Production Corp.  
Box 234  
Farmington, NM 87401

- B. USA SF 078897-A  
Township 26 North, Range 11 West, NMPM  
Section 7: W/2 NW/4, W/2 NE/4, E/2 SE/4  
Section 18: W/2 NE/4  
San Juan County, New Mexico
- Depco, Inc.  
1025 Petroleum Club Building  
Denver, CO 80202
- Husky Oil Ltd.  
600 South Cherry Street  
Denver, CO 80222
- J. Gregory Merrion  
Box 1541  
Farmington, NM 87401
- Robert L. Bayless  
Box 1541  
Farmington, NM 87401
- Atom, Inc.  
Box 1109  
Farmington, NM 87401
- C. Navajo Allotted N00-5390  
Township 26 North, Range 11 West, NMPM  
Section 18: Lots 1, 2, E/2 NW/4  
San Juan County, New Mexico
- Kirby Exploration Company  
Box 1745  
Houston, TX 77001
- Aquitaine Corporation  
1900 Transco Tower  
2700 South Post Oak Road  
Houston, TX 77056
- Natural Gas Pipeline Company of America  
Box 283  
Houston, TX 77001
- D. Unleased Navajo Indian Acreage  
Township 26 North, Range 12 West, NMPM  
Section 13: NE/4  
San Juan County, New Mexico
- E. Navajo Allotted 14-20-0603-1488  
Township 26 North, Range 12 West, NMPM  
Section 12: SE/4  
San Juan County, New Mexico
- Jerome P. McHugh  
600 South Cherry Street  
Suite 1225  
Denver, CO 80222
- F. Unleased Acreage (Withdrawn by BIA)  
Township 26 North, Range 12 West, NMPM  
Section 12: NE/4  
San Juan County, New Mexico

CERTIFICATE OF MAILING

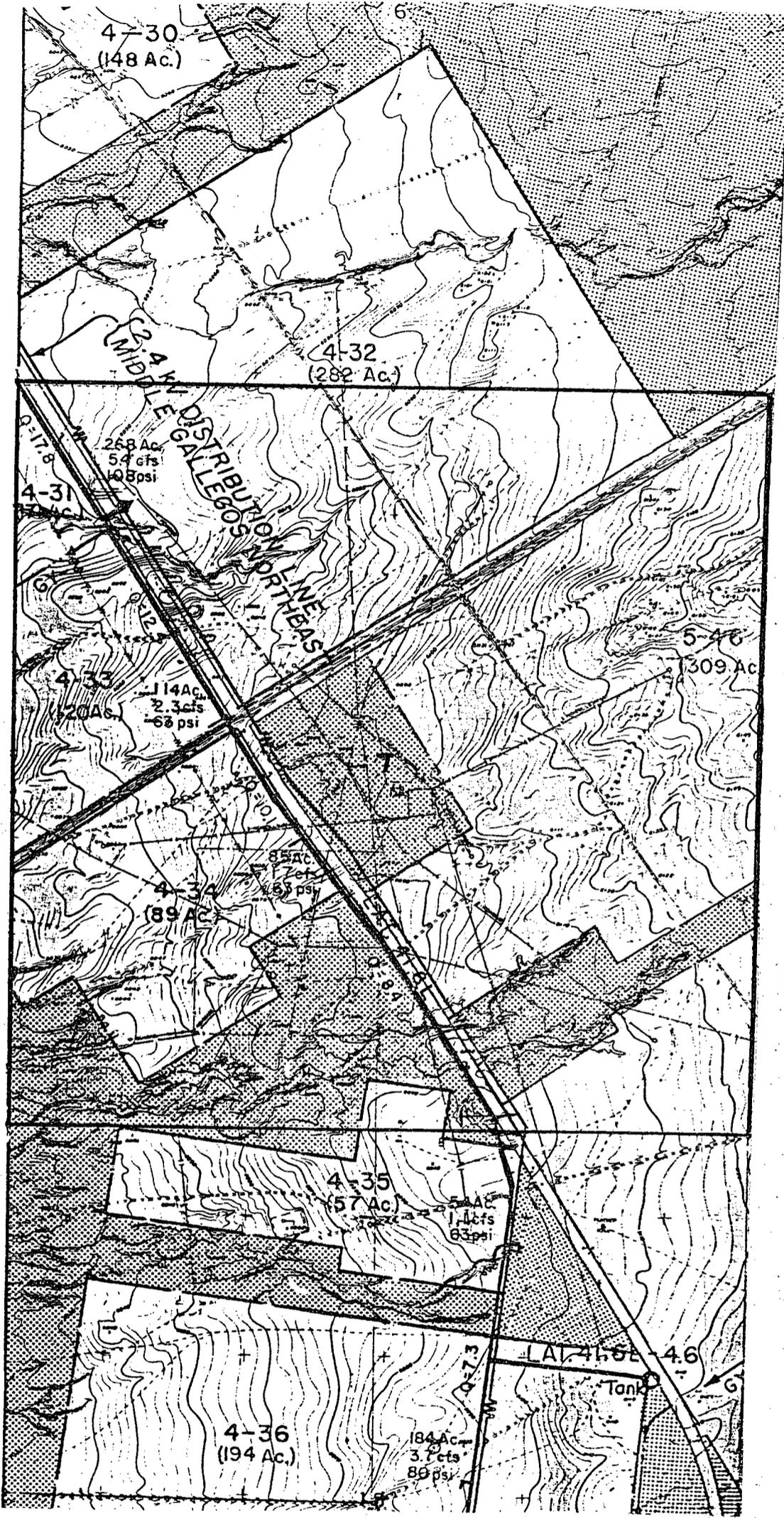
I certify that I mailed a copy of this Application by certified mail to all operators of leases offsetting the dedicated acreage for the Western Federal #7 Well, to the Supervisor of District III of the New Mexico Oil Conservation Commission, and to the Acting Project Manager of the Navajo Indian Irrigation Project on this 24<sup>th</sup> day of June, 1977.

*Richard Tully*

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Richard Tully





APPLICATION FOR ADMINISTRATIVE  
 APPROVAL OF UNORTHODOX LOCATION  
 WESTERN FEDERAL #7 WELL

 PROPOSED LOCATION

OIL CONSERVATION COMMISSION  
Albuquerque DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO



DATE June 28, 1977

- Proposed MC \_\_\_\_\_
- Proposed DHC \_\_\_\_\_
- Proposed NSL  \_\_\_\_\_
- Proposed SWD \_\_\_\_\_
- Proposed WFX \_\_\_\_\_
- Proposed PMX \_\_\_\_\_

*Jim Kopterna*

Gentlemen:

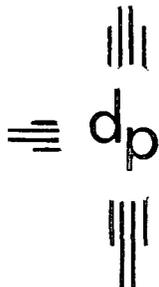
I have examined the application dated June 24 1977  
for the Dugan Prod. Corp. Western Federal #7 M-7-26N-11W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

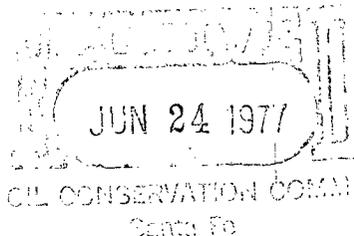
Yours very truly,

*AR Kendrick*



# dugan production corp.

June 24, 1977



Joe D. Ramey  
Secretary-Director  
New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, NM 87501

Re: Application for Administrative  
Approval of Unorthodox Location  
Western Federal #7 Well  
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the application for administrative approval of unorthodox location for the Western Federal #7 Well which will be located in Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico.

1. Three copies of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM. This plat also shows all the wells completed on these leases.
3. Three copies of a plat acquired from the offices of the Navajo Indian Irrigation Project in Farmington, New Mexico showing the location of the well in relation to the farm areas of this project.
4. Three copies of a Certificate of Mailing for the Application stating that all operators of leases offsetting the dedicated acreage for this well, the Supervisor of District III of the New Mexico Oil Conservation Commission, and the Acting Project Manager of the Navajo Indian Irrigation Project have been notified of the Application by certified mail.

If you need further information or material, please advise.

Sincerely,

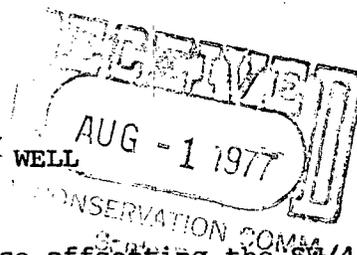
Richard Tully  
Landman

vh

Enclosures

NSL-866

WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL



The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 26<sup>th</sup> day of <sup>July</sup>~~June~~, 1977.

Company: AQUITAINE OIL CORPORATION

By:   
Jean-Paul Blanc

Title: Exploration Vice President  
1900 Transco Tower

Address: 2700 South Post Oak Road  
Houston, Texas 77056

WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL



The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 28th day of June, 1977.

Company: Natural Gas Pipeline Company of America

By: *D. J. McArthur*

Title: Drilling & Production Manager

Address: P. O. Box 283  
Houston, Texas 77001



WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL

The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 28th day of June, 1977.

Company: HUSKY OIL COMPANY

By: *[Signature]*

Title: Attorney-in-Fact

Address: 600 South Cherry Street  
Denver, Colorado 80222

WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL



The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 28 day of June, 1977.

Company: DEPCO Inc

By: CD Crump by [Signature]

Title: Vice President of Production

Address: 1025 Park Club Bldg  
Denver, Colo 80202

WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL



The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 30<sup>th</sup> day of June, 1977.

Company: ATOM, INC

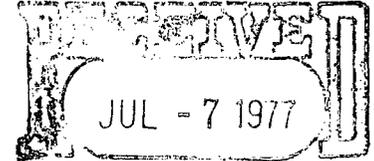
By: [Signature]

Title: President

Address: Box 1109

Farmington, N. M. 87401

WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL



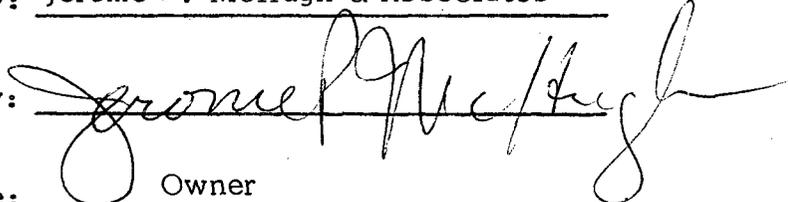
OIL CONSERVATION COMM.  
Santa Fe

The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 5<sup>th</sup> day of ~~June~~<sup>JULY</sup>, 1977.

Company: Jerome P. McHugh & Associates

By: 

Title: Owner

Address: 600 South Cherry Street, Suite 1225  
Denver, Colorado 80222

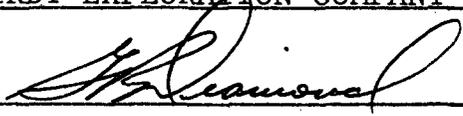
WAIVER OF OBJECTION  
AND CONSENT TO THE UNORTHODOX  
LOCATION OF THE WESTERN FEDERAL #7 WELL

The undersigned, as an operator of a lease offsetting the SW/4 of Section 7, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Western Federal #7 Well.

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

Dated this 6th day of <sup>July</sup>~~June~~, 1977.

Company: KIRBY EXPLORATION COMPANY

By: 

Title: Manager of Land Operations

Address: P. O. Box 1745

Houston, Texas 77001

