



# dugan production corp.

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APR 5 1978

Oil Conservation Commission

April 3, 1978

*Application of Jerome P. McHugh*

*NSK-935  
NSK 104(F)  
4-25-78*

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

Re: Application for Administrative Approval of Unorthodox Location  
Jerome P. McHugh--Bengal B #3 Well  
San Juan County, New Mexico

Dear Mr. Ramey:

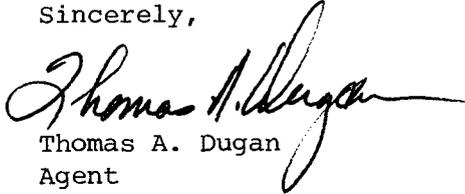
Enclosed are the following items regarding the Application for Administrative Approval of Unorthodox Location by Jerome P. McHugh for the Bengal B #3 Well which is to be located in Section 2, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

1. Three copies of the Application for Administrative Approval of Unorthodox Location for the Bengal B #3 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the NE/4 of Section 2, Township 26 North, Range 12 West, NMPM (Bengal B #3 Well). This plat also shows all the wells completed on these leases.
3. The original and 2 copies of a letter dated March 29, 1978 from J. Y. Christiansen, Project Engineer of the Navajo Indian Irrigation Project stating that this well as located in the requested Application will not interfere with cultivation and the operation of the sprinkler systems 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 District Engineer of the U.S. Geological Survey in Farmington, New Mexico have been notified of the Application by certified mail.

Joe D. Ramey, Secretary-Director  
New Mexico Oil Conservation Commission  
Page 2  
April 3, 1978

If you need further information or assistance, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Thomas A. Dugan". The signature is written in black ink and is positioned above the typed name and title.

Thomas A. Dugan  
Agent

vs

Enclosures

xc: Jerome P. McHugh  
Suite 1225  
600 South Cherry Street  
Denver, CO 80222

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APPLICATION FOR ADMINISTRATIVE APPROVAL  
OF UNORTHODOX LOCATION

Applicant: Jerome P. McHugh  
Suite 1225, 600 South Cherry Street  
Denver, CO 80222

Lease: USA NM 16471

Lease Date: September 1, 1972

Lease Term: 5 Years

Lands Described in Lease: Township 26 North, Range 12 West, NMPM  
Section 2: Lots 1, 2, 3, 4, S/2 N/2,  
S/2 (All)  
Containing 638.36 acres, more or less  
San Juan County, New Mexico

Name of Well: Bengal B #3 Well

Projected Formation: Pictured Cliffs formation

Dedicated Acreage: Township 26 North, Range 12 West, NMPM  
Section 2: Lots 1, 2, S/2 NE/4 (NE/4)  
Containing 159.23 acres, more or less  
San Juan County, New Mexico

Proposed Unorthodox Location: Township 26 North, Range 12 West, NMPM  
Section 2: 1250' FNL--190' FEL  
San Juan County, New Mexico

Reason for Unorthodox Location: Interference with cultivation and sprink-  
ler systems of Navajo Indian Irrigation  
Project

New Mexico Oil Conservation Com-  
mission Authorizing Application: Rule 104(D) (II) (F)--Topographical condi-  
tions

Offsetting Leases and Operators:

A. USA NM 16470  
Township 26 North, Range 12 West, NMPM  
Section 1: W/2  
San Juan County, New Mexico

Jerome P. McHugh  
Suite 1225, 600 South Cherry Street  
Denver, CO 80222

B. USA NM 16471  
Township 26 North, Range 12 West, NMPM  
Section 2: Lots 3, 4, S/2 NW/4, S/2  
San Juan County, New Mexico

Jerome P. McHugh  
Suite 1225, 600 South Cherry Street  
Denver, CO 80222

Richard Tully  
Dugan Production Corp.  
Box 234  
Farmington, NM 87401

- C. Unleased Navajo Indian Acreage  
Township 27 North, Range 12 West, NMPM  
Section 35: SE/4  
San Juan County, New Mexico

Phil McGrath, District Engineer  
U.S. Geological Survey  
Box 959  
Farmington, NM 87401

- D. Unleased Federal Acreage  
Township 27 North, Range 12 West, NMPM  
Section 35: SW/4  
San Juan County, New Mexico

Phil McGrath, District Engineer  
U.S. Geological Survey  
Box 959  
Farmington, NM 87401

- E. USA NM 12030  
Township 27 North, Range 12 West, NMPM  
Section 36: SW/4  
San Juan County, New Mexico

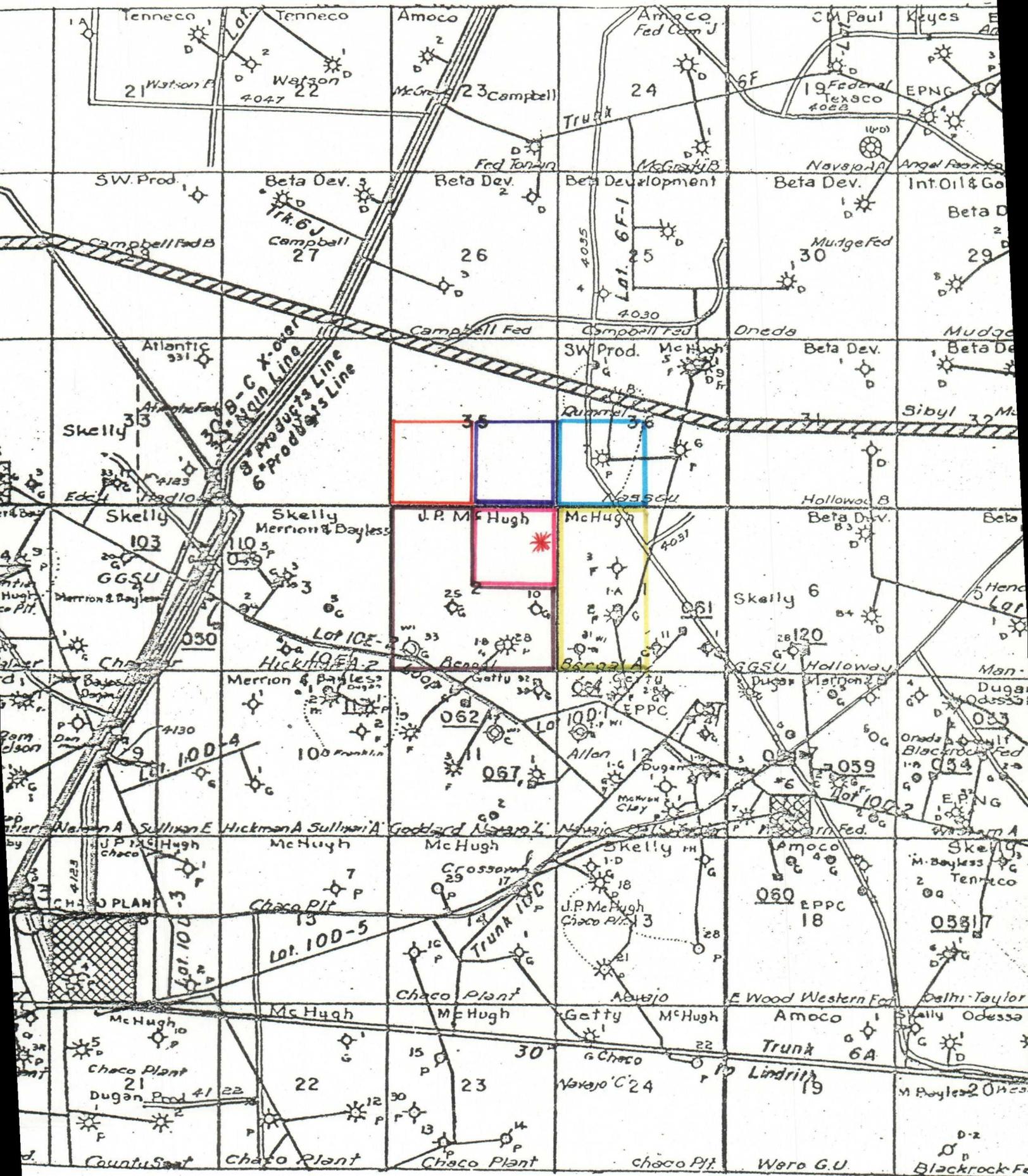
Jerome P. McHugh  
Suite 1225, 600 South Cherry Street  
Denver, CO 80222

Jerome P. McHugh  
 Application for Administrative  
 Approval of Unorthodox Location  
 Bengal B #3 Well  
 San Juan County, New Mexico

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Oil Conservation Commission



Offsetting Leases and Operators

- \* Proposed Location
- A. Unleased Federal Acreage
- B. Unleased Indian Acreage
- C. USA NM 16470.
- D. USA NM 16471
- E. USA NM 12030.
- F. Dedicated Acreage



UNITED STATES  
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS  
NAVAJO INDIAN IRRIGATION PROJECT  
P. O. Box 2157  
Farmington, New Mexico 87401

IN REPLY REFER TO:

RESOURCES  
Irrigation (NIIP)

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March 29, 1978 Oil Conservation Commission

Mr. Joe D. Ramey, Director  
New Mexico Oil and Gas Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Dear Mr. Ramey:

As you are aware, the Navajo Indian Irrigation Project is now under construction in San Juan County, New Mexico.

Much of the Project area is on lands covered by Federal Oil and Gas Leases. In some areas it will be necessary for us to request unorthodox well locations to prevent the installation of wells within cultivated areas or areas proposed for cultivation in the near future where they will interfere with cultivation and the operation of mechanical-move sprinkler irrigation systems. In other instances, where all of the land within a section is to be cultivated, the well locations should be such that they will cause the least possible amount of interference with farming activities.

It is necessary from time-to-time to request the approval of unorthodox oil and gas well locations within the exterior boundaries of the Navajo Indian Irrigation Project, as noted above. Your assistance in approving these locations will be greatly appreciated.

One such well location for which approval is requested is:

McHugh Bengal "B" No. 3  
Section 2, T. 26 N., R. 12 W., N.M.P.M.  
1250' FNL - 190' FEL

If you have any questions concerning this matter, please contact us.

Sincerely yours,

J Y Christiansen  
Project Engineer

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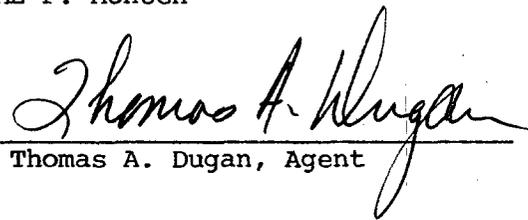
Oil Conservation Commission

CERTIFICATE OF MAILING

I hereby certify that I mailed a copy of the Application for Administrative Approval of Unorthodox Location for the Bengal B #3 Well by certified mail to each of the offsetting operators, the Supervisor of District III of the New Mexico Oil Conservation Commission, and the District Engineer of the U.S. Geological Survey in Farmington, New Mexico on April \_\_\_\_, 1978.

JEROME P. McHUGH

By:

  
Thomas A. Dugan, Agent

WAIVER OF OBJECTION AND CONSENT

TO THE UNORTHODOX LOCATION

OF THE BENGAL B #3 WELL

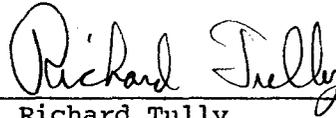
The undersigned, as an operator of a lease offsetting the NE/4 of Section 2, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Bengal B #3 Well.

The undersigned states that it waives any objection that it may have to this Application, and voluntarily consents to the unorthodox location of the Bengal B #3 Well as stated in the above mentioned Application.

Dated this 4<sup>th</sup> day of April, 1978.

DUGAN PRODUCTION CORP.

By: \_\_\_\_\_



Richard Tully

Title: Landman

Address: P.O. Box 234  
Farmington, NM 87401

Please send one executed copy to Joe D. Ramey, Secretary-Director, New Mexico Oil Conservation Commission, P.O. Box 2088, Santa Fe, New Mexico 87501, and return one executed copy to the Applicant. The remaining copy is for your files.



OIL CONSERVATION COMMISSION  
Clyde DISTRICT

APR 10 1978

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE 4-6-78

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL  \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 4-3-78  
for the Jerome P. McHugh Bengal B #3 A-2-26N-12W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

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

Yours very truly,

AK Kaufman