



# dugan production corp.

August 13, 1979

RECEIVED  
AUG 15 1979

OIL CONSERVATION DIVISION  
SANTA FE

*NSL - 1064  
Rule 3 R1670-V  
9-4-79*

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

Re: Application For Administrative Approval  
of Unorthodox Location of the Pan Am Fed #1E  
Well in San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the Application for Administrative Approval of the Unorthodox Location of the Pan Am Fed #1E Well which will be located in the W/2 of Section 24, Township 30 North, Range 14 West, N.M.P.M., San Juan County, New Mexico.

*500' FNL  
800' FNL*

1. Three copies of the Application for Administrative Approval of the Unorthodox Location for the Pan Am Fed #1E Well.
2. Three copies of a plat showing the ownership of all leases offsetting the W/2 of Section 24, Township 30 North, Range 14 West, N.M.P.M. This plat also shows all of the wells completed on these leases.
3. Three copies of a Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well have been notified of the Application by certified mail, and the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and the U. S. Geological Survey have been notified of the Application by regular mail.

If you need further information or assistance, please advise.

Sincerely,

*Richard T. C. Tully*

Richard T. C. Tully  
Attorney for Applicant

*Basin Pool  
Dakota*

RTCT/cs

Enclosures

Joe D. Ramey  
New Mexico Oil Conservation Division  
August 13, 1979  
Page Two

DISTRIBUTION:

Al R. Kendrick  
Supervisor, District III  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, N.M. 87410

B. F. Pracko  
Division Landman  
Amoco Production Company  
Security Life Bldg.  
Denver, CO 80202

District Engineer  
U. S. Geological Survey  
Box 959  
Farmington, N.M. 87401

L. A. Dodd  
Division Landman  
Exxon Company, U. S. A.  
Box 120  
Denver, CO 80201

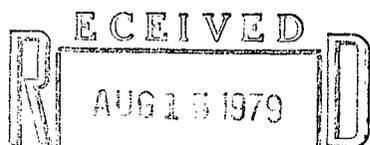
Roger G. Nelson  
Manager - Land - Rocky Mountains  
Ladd Petroleum Corp.  
830 Denver Club Bldg.  
Denver, CO 80202

Curt C. Parsons  
District Engineer  
Southland Royalty Company  
Drawer 570  
Farmington, N.M. 87401

J. F. Gavlick  
Division Landman  
Tenneco Oil Company  
720 South Colorado Blvd.  
Penthouse  
Denver, CO 80222

R. E. Pittam  
Staff Landman  
Mountain Fuel Supply Company  
Box 11368  
Salt Lake City, UT 84139

APPLICATION FOR ADMINISTRATIVE APPROVAL  
OF UNORTHODOX LOCATION



Applicant:

Dugan Production Corp. (Operator)  
P. O. Box 208  
Farmington, N.M. 87401

Lease:

USA SF 081231-B

Lease Date:

September 1, 1951

Lease Term:

Five Years

Lands Described in Lease  
Dedicated to the Well:

Township 30 North, Range 14 West, N.M.P.M.  
Section 24: W/2  
Containing 320 acres, more or less  
San Juan County, New Mexico

Name of Well:

Pan Am Fed #1E Well

Proposed Unorthodox Location:

Township 30 North, Range 14 West, N.M.P.M.  
Section 24: 500' FNL - 800' FWL  
(Unit Letter D)  
San Juan County, New Mexico

Reason for Unorthodox Location:

Topographical conditions as further described  
on Exhibit "A" to this Application.

New Mexico Oil Conservation Division  
Rule Authorizing Application:

Rule 104(D)(II)(F)

Offsetting Leases and Operators:

A. USA NM 0207001  
Township 30 North, Range 14 West, N.M.P.M.  
Section 24: E/2  
Section 25: NE/4  
San Juan County, New Mexico

L. A. Dodd, Division Landman  
Exxon Company, U. S. A.  
Box 120  
Denver, CO 80201

Roger G. Nelson  
Manager - Land - Rocky Mountains  
Ladd Petroleum Corp.  
830 Denver Club Bldg.  
Denver, CO 80202

B. USA SF 079070  
Township 30 North, Range 14 West, N.M.P.M.  
Section 13: E/2  
San Juan County, New Mexico

L. A. Dodd, Division Landman  
Exxon Company, U. S. A.  
Box 120  
Denver, CO 80201

C. USA NM 6899  
Township 30 North, Range 14 West, N.M.P.M.  
Section 13: W/2  
San Juan County, New Mexico

Curt C. Parsons, District Engineer  
Southland Royalty Company  
Drawer 570  
Farmington, N.M. 87401

- D. USA NM 628 (Molly Pitcher Lease)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 14: E/2  
San Juan County, New Mexico
- Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401
- E. USA NM 2555, NM 15272, and NM 13213  
(Mucho Deal F/A)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 14: SW/4 (NM 2555-E/2 SW/4;  
NM 15272 - SW/4 SW/4; NM 13213 - NW/4 SW/4)  
San Juan County, New Mexico
- Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401
- J. F. Gavlick, Division Landman  
Tenneco Oil Company  
720 South Colorado Blvd.  
Penthouse  
Denver, CO 80222
- R. E. Pittam, Staff Landman  
Mountain Fuel Supply Company  
Box 11368  
Salt Lake City, UT 84139
- F. USA NM 26357  
Township 30 North, Range 14 West, N.M.P.M.  
Section 23: A11  
San Juan County, New Mexico
- J. F. Gavlick, Division Landman  
Tenneco Oil Company  
720 South Colorado Blvd.  
Penthouse  
Denver, CO 80222
- R. E. Pittam, Staff Landman  
Mountain Fuel Supply Company  
Box 11368  
Salt Lake City, UT 84139
- G. USA NM 0206994 (Carpenter and Horace Smith  
Lease)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 25: N/2 NW/4, SE/4 NW/4, N/2 SW/4  
Section 26: N/2 SE/4  
San Juan County, New Mexico
- Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401
- B. F. Pracko, Division Landman  
Amoco Production Company  
Security Life Bldg.  
Denver, CO 80202
- H. USA NM 33050 (Jacobs Lease)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 26: NE/4  
San Juan County, New Mexico
- Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401
- I. Winifred Lease (Fee)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 26: S/2 SE/4  
San Juan County, New Mexico

Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401

- J. USA NM 28761 (Nail Lease)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 25: SW/4 NW/4  
San Juan County, New Mexico

Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401

- K. USA NM 23072 (Hammer Lease)  
Township 30 North, Range 14 West, N.M.P.M.  
Section 25: S/2 SW/4  
San Juan County, New Mexico

Dugan Production Corp.  
Box 208  
Farmington, N.M. 87401

EXHIBIT "A"  
to Application for Unorthodox  
Location of Pan Am Fed #1E Well

DESCRIPTION OF TOPOGRAPHICAL CONDITIONS

The Pan Am Fed #1E Well is an infill well which will be located in the NW/4NW/4 (Unit Letter D) of Section 24, T-30-N, R-14-W, N.M.P.M., San Juan County, New Mexico. The W/2 of Section 24 has been previously dedicated to the Pan Am Fed #1 Well. The Pan Am Fed #1 Well is located in the SE/4SW/4 (Unit Letter N) of this same section.

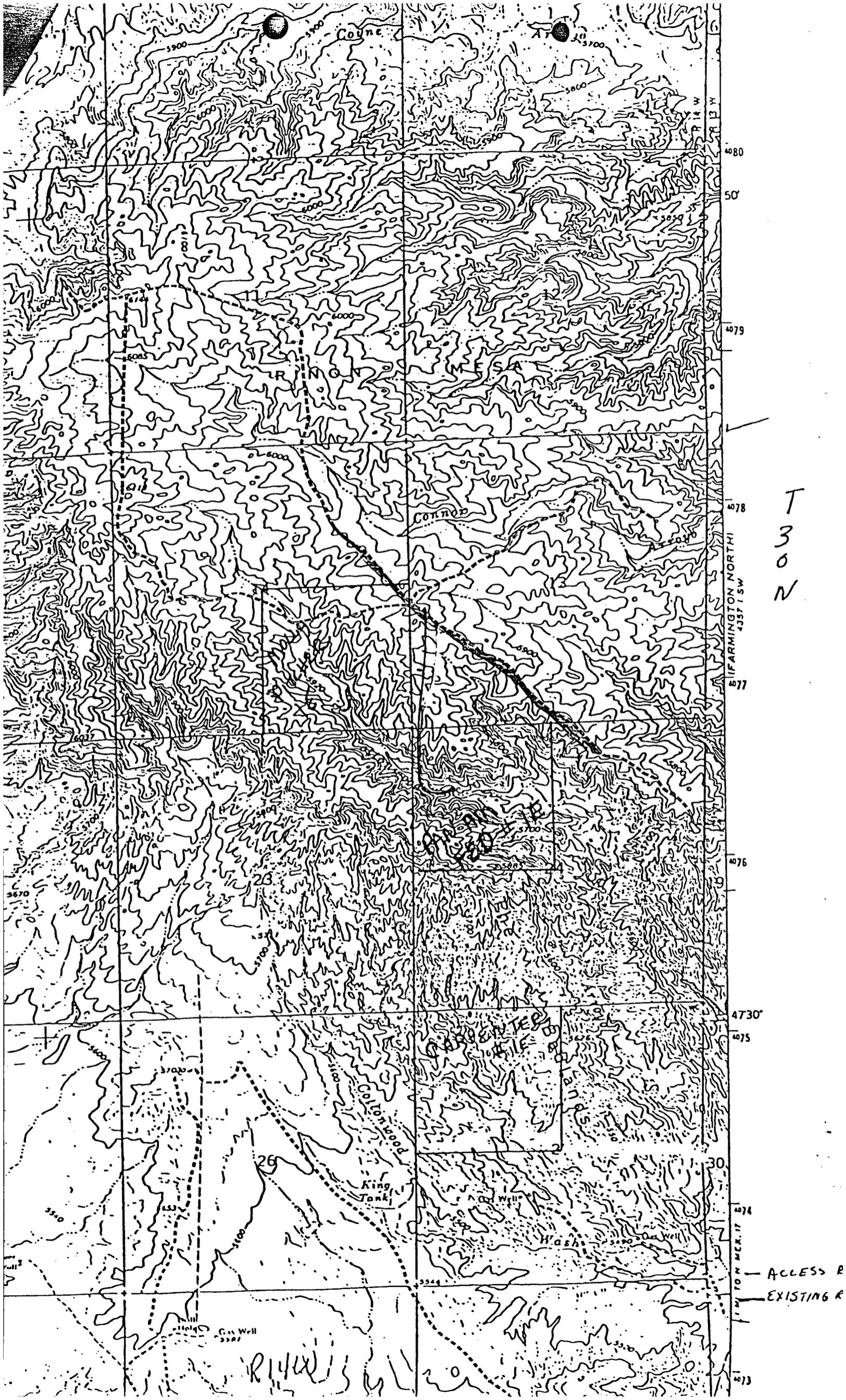
Dugan Production Corp. originally staked the location for the Pan Am Fed #1E Well at the following description:

T-30-N, R-14-W, N.M.P.M.  
Section 24: 790' FNL-1040' FWL  
(Unit Letter D)  
San Juan County, New Mexico

However, the original location was not approved by the Bureau of Land Management, and this agency requested a change in the well's location. The proposed location as stated in this Application is acceptable to the BLM, but is unorthodox under the rules and regulations of the New Mexico Oil Conservation Division.

Enclosed is a copy of a topography map showing the proposed location of the Pan Am Fed #1E Well. This map shows the steep canyon walls and the location of small mesas in the area of the well. There are very few good locations for a Dakota well in this quarter section, and even the majority of the good locations would be unorthodox under the NMOCD Rules and Regulations.

It is respectfully submitted the Application for Unorthodox Location be approved because of the lack of good orthodox locations for this well, and because the BLM and the Applicant have agreed upon a suitable substitute for the original well location in an area with severe topographical conditions.



COYNE

MESA

COTTONWOOD

King Tank

Gas Well

4080

50'

4079

4078

51 FARMINGTON NORTH  
43571 SW

4076

4730'

4075

30

4074

4073

T  
3  
0  
N

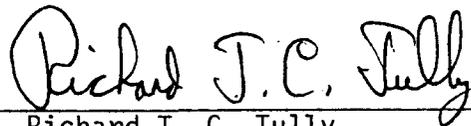
ACCESS R  
EXISTING R

R144



CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location of the Pan Am Fed #1E Well by certified mail to all operators of leases offsetting the dedicated acreage for the Pan Am Fed #1E Well; and to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and to the U. S. Geological Survey by regular mail on this 14th day of August, 1979.



---

Richard T. C. Tully  
Attorney for Applicant

WAIVER OF OBJECTION AND CONSENT  
TO THE UNORTHODOX LOCATION  
OF THE PAN AM FED #1E WELL

The undersigned, as an operator of a lease offsetting the W/2 of Section 24, Township 30 North, Range 14 West, N.M.P.M., San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Pan Am Fed #1E 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 Pan Am Fed #1E Well as stated in the above mentioned Application.

DATED this 17<sup>th</sup> day of August, 1979.

Southland Royalty Company

COMPANY NAME

BY:

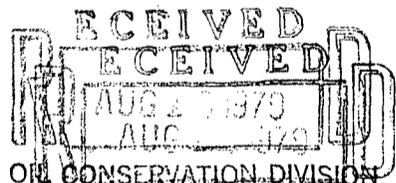
C. C. Parsons

TITLE:

District Engineer

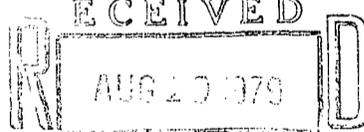
ADDRESS:

Farmington



OIL CONSERVATION DIVISION

SANTA FE



OIL CONSERVATION DIVISION  
SANTA FE

Send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, N.M. 87501, and return one executed copy to the Applicant. The remaining copy is for your files.

WAIVER OF OBJECTION AND CONSENT  
TO THE UNORTHODOX LOCATION  
OF THE PAN AM FED #1E WELL

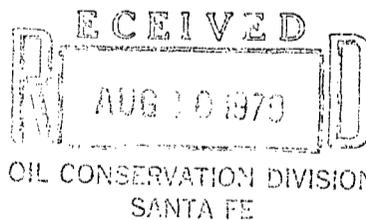
The undersigned, as an operator of a lease offsetting the W/2 of Section 24, Township 30 North, Range 14 West, N.M.P.M., San Juan County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Pan Am Fed #1E Well.

The undersigned states that it waives any objection that it may have to this unorthodox location, and voluntarily consents to the location of the Pan Am Fed #1E Well as stated in the above mentioned Application.

DATED this 16<sup>th</sup> day of August, 1979.

Ladd Petroleum Corporation  
COMPANY NAME

BY: G.B. Mayfield for J.E. Stein  
TITLE: Manager of Operations  
ADDRESS: 830 Denver Club Bldg.  
Denver, Colorado 80202



Send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, N.M. 87501, and return one executed copy to the Applicant. The remaining copy is for your files.

**Tenneco Oil**  
A Tenneco Company

Penthouse  
720 South Colorado Blvd.  
Denver, Colorado 80222  
(303) 758-7130



August 28, 1979

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, N. M. 87501

Attention: Joe D. Ramey  
Division Director

Re: Application for Administrative  
Approval of Unorthodox Location  
for Pan Am Fed 1E Well in  
San Juan County, New Mexico

Gentlemen:

This is to advise you that Tenneco has no objection to the  
drilling of the captioned well on the unorthodox location noted.

Yours very truly,

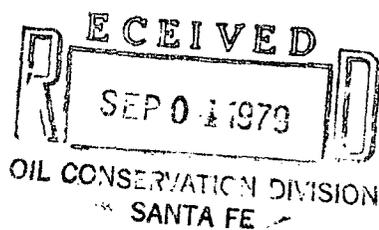
TENNECO OIL COMPANY

A handwritten signature in cursive script, appearing to read "J. M. Lacey".

J. M. Lacey  
Division Production Manager

JML:RJG:sh

cc: Dugan Production Corp.  
709 Bloomfield Road  
P.O. Box 234  
Farmington, New Mexico 87401  
Attention: Richard T. C. Tully



WAIVER OF OBJECTION AND CONSENT  
TO THE UNORTHODOX LOCATION  
OF THE PAN AM FED #1E WELL

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The undersigned states that it waives any objection that it may have to this unorthodox location, and voluntarily consents to the location of the Pan Am Fed #1E Well as stated in the above mentioned Application.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ August \_\_\_\_\_, 1979.

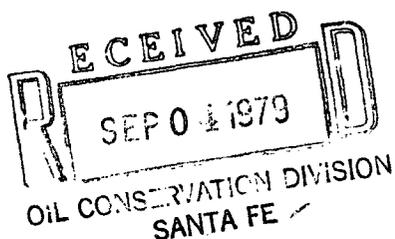
Tenneco Oil Company  
\_\_\_\_\_  
COMPANY NAME

BY: \_\_\_\_\_  
*[Signature]*

TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_



Send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, N.M. 87501, and return one executed copy to the Applicant. The remaining copy is for your files.

OIL CONSERVATION COMMISSION  
AZTEC DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

RECEIVED DATE 8-14-79  
AUG 18 1979  
OIL CONSERVATION DIVISION  
SANTA FE

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

Gentlemen:

I have examined the application dated 8/1/79  
for the Dugan Production Corp. Pan Am Fed. #1 E 24-30N-14W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

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

Yours very truly,

A. R. Kendrick  
A. R. Kendrick