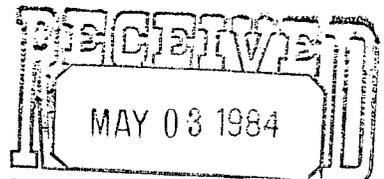




dugan production corp.



CONSERVATION DIVISION  
SANTA FE

May 1, 1984

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

NSL-1818  
RULE 104FI  
RELEASE IMMEDIATELY

RE: Request for Approval of Unorthodox Well Location  
Dugan Production Corp.'s Fabulous Feb No. 1  
Bisti Lower Gallup Field  
790' FNL - 1120' FWL, *N/2 NW/4 OF*  
Sec. 31, T-24N, R-9W, NMPPM  
San Juan County, NM

Dear Mr. Ramey:

We are writing to request administrative approval for an unorthodox location for the captioned well with regard to our plans to complete the Gallup formation.

The Fabulous Feb No. 1 was spudded on 3-30-84, as a Dakota test at a standard location for the Dakota. This well is currently shut in, awaiting completion, with 5½" casing cemented at 6065'. With reference to the attached topographic map (Fig. No. 1), it can be seen that at a location that would also be standard for the Gallup, the surface slope would have required a significant amount of dirt work to build a location and thus, the location was moved 130' to the east in order to accomodate making the drilling location. As a result of this move, we are 200' from the quarter-quarter section line. Upon evaluating open hole logs, the Dakota development at this location is poorer than anticipated and thus, upon testing the Dakota, we also plan to perforate and test the Gallup at approximately 4490-5090', which necessitates this request for unorthodox location with respect to the Gallup completion. The subject well does not crowd the exterior boundary and the move necessitating this request was toward the center of the 80 acre proration unit.

With reference to Fig. No. 2, we have indicated the ownership of all acreage immediately adjacent to the 80 acre production unit for the Fabulous Feb No. 1 and as indicated, all leasehold interests are held by Dugan Production Corp. Also for your reference, we have attached a copy of a general well location map (Fig. No. 3), from which it can be seen that the subject well is offset to the north by Dugan Production Corp.'s July Jubilee No. 2, which is completed in the Dakota. There are no other offsets as the Fabulous Feb No. 1 is a southern extension to current development in this area. Also attached for your information is a copy of the sundry notice on which we are indicating our intentions to complete the Gallup in addition to the Basin Dakota. Should production be established in both formations, we would plan to request permission for downhole commingling.

Joe D. Ramey, NMOCD  
Fabulous Feb No. 1 Unorthodox Location  
Page 2

May 1, 1984

In view of the fact that Dugan Production is the leaseholder of all offsetting acreage, we request your approval of this application as soon as possible so that we may proceed with our completion operations on this well.

Should you have any questions regarding this request, please feel free to contact me.

Sincerely,

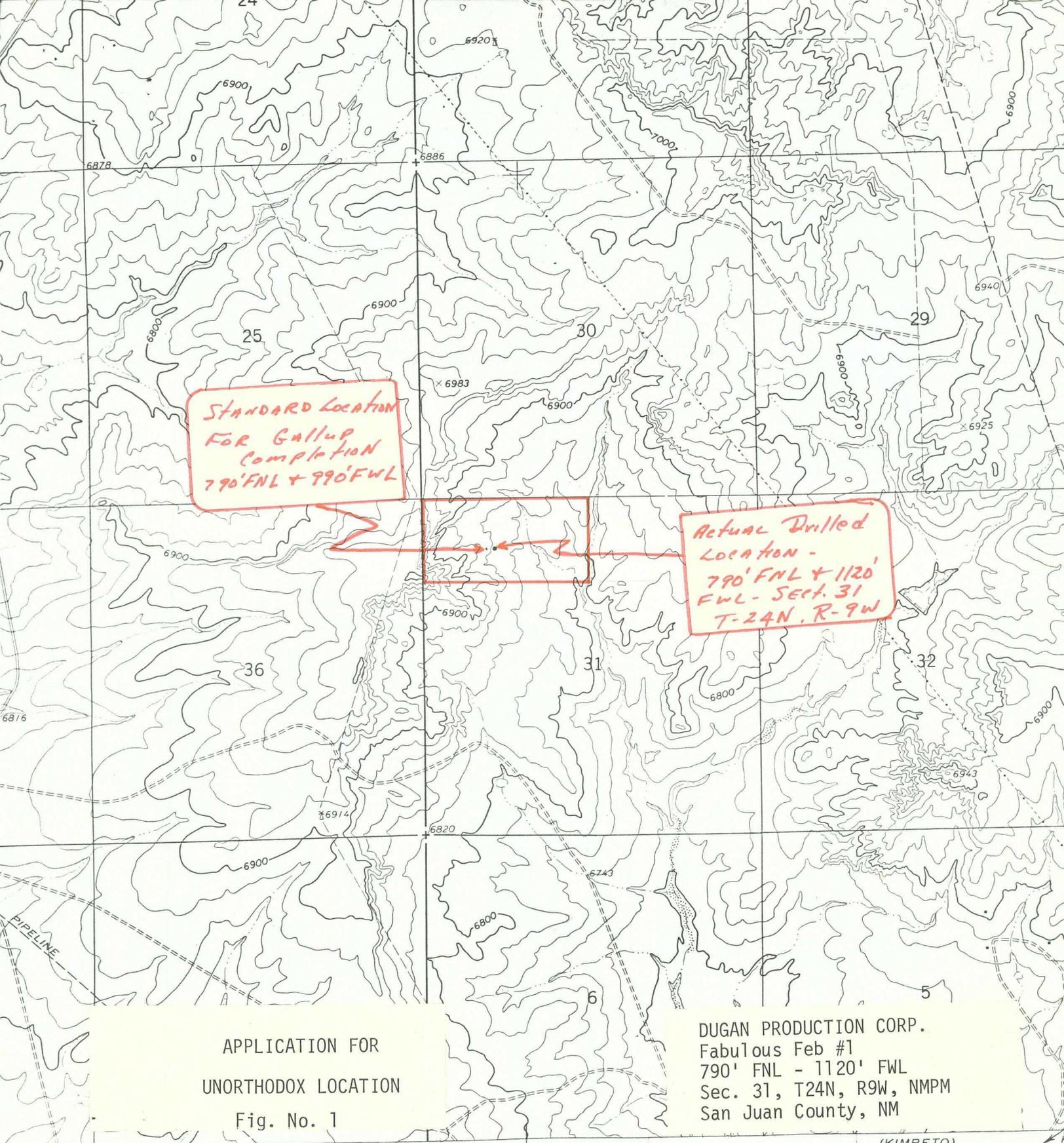
*John D. Roe*

John D. Roe  
Petroleum Engineer

fp

Attachments

*cc: Frank Chavez*



STANDARD LOCATION  
FOR Gallup  
Completion  
790' FNL + 990' FWL

Actual Drilled  
Location -  
790' FNL + 1120'  
FWL - Sect. 31  
T-24N, R-9W

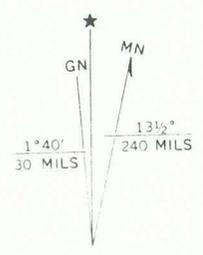
APPLICATION FOR  
UNORTHODOX LOCATION  
Fig. No. 1

DUGAN PRODUCTION CORP.  
Fabulous Feb #1  
790' FNL - 1120' FWL  
Sec. 31, T24N, R9W, NMPM  
San Juan County, NM

7 MI.  
The Geological Survey  
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merican datum  
o coordinate system,  
icator grid ticks.

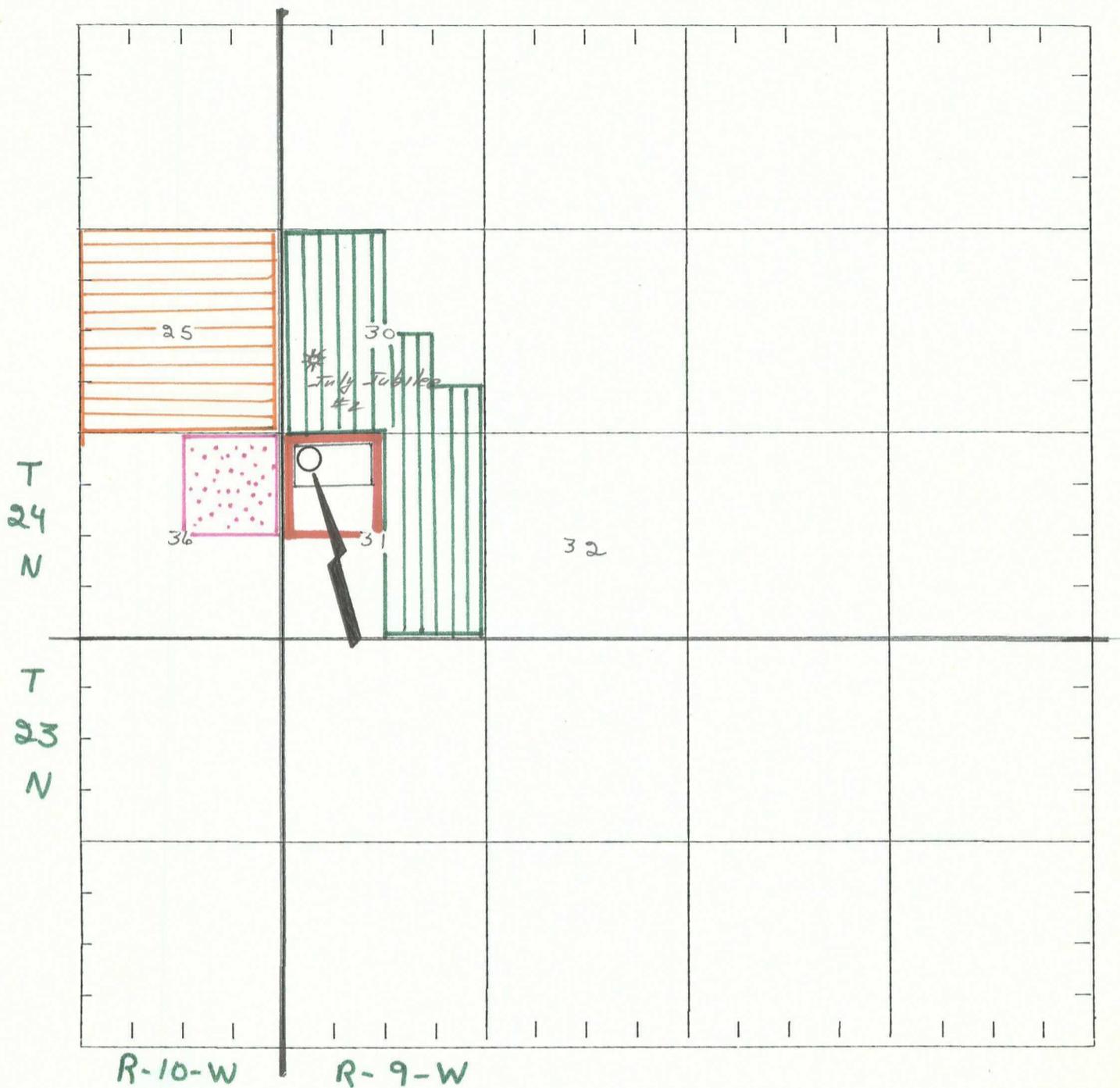
243 244 R. 10 W. 245 R. 9 W. 50' 246

(KIMBETO)  
4456 III NE  
SCALE 1:24000



CONTOUR INTERVAL 20 FEET  
DATUM IS MEAN SEA LEVEL

UTM GRID AND 1966 MAGNETIC NORTH  
DECLINATION AT CENTER OF SHEET



Township 24 North, Range 10 West, NMPM

- ✓ Sec. 25: All Dugan Production Corp. (NM 5991)
- ✓ Sec. 36: NE/4 Dugan Production Corp. (New Mexico State Lease LG-9804)

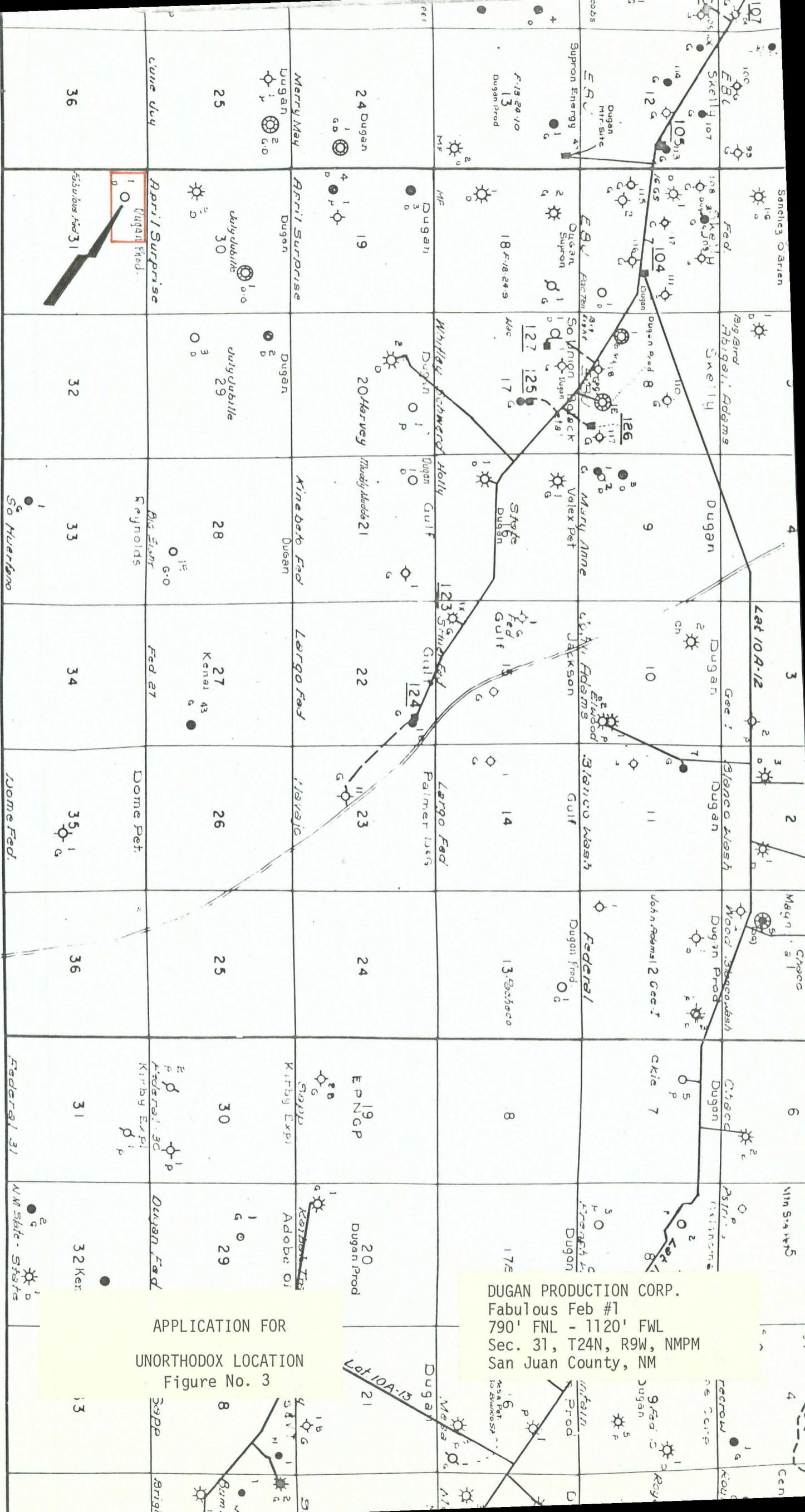
Township 24 North, Range 9 West, NMPM

- ✓ Sec. 30: W/2, S/2 SE/4 } Dugan Production Corp. (NM 4958)
- ✓ Sec. 31: E/2 }
- ✓ Sec. 31: S/2 NW/4 Dugan Production Corp. (NM 51000)

ALL OFFSETTING ACREAGE OWNED BY DUGAN  
 NO WAITING PERIOD NECESSARY. JPP

APPLICATION FOR  
 UNORTHODOX LOCATION  
 Figure No. 2

DUGAN PRODUCTION CORP.  
 Fabulous Feb #1  
 790' FNL - 1120' FWL  
 Sec. 31, T24N, R9W, NMPM  
 San Juan County, NM

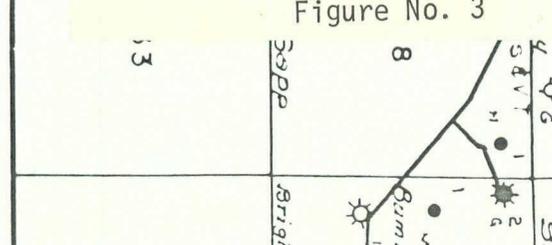


DUGAN PRODUCTION CORP.  
 Fabulous Feb #1  
 790' FNL - 1120' FWL  
 Sec. 31, T24N, R9W, NMPM  
 San Juan County, NM

APPLICATION FOR  
 UNORTHODOX LOCATION  
 Figure No. 3

R-9-W

R-8-W



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil Gallup gas Dakota  
 well  well  other

2. NAME OF OPERATOR  
DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR  
P O Box 208, Farmington, NM 87499

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
 AT SURFACE: 790' FNL - 1120' FWL  
 AT TOP PROD. INTERVAL:  
 AT TOTAL DEPTH:

5. LEASE  
NM 51000

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Fabulous Feb

9. WELL NO.  
1

10. FIELD OR WILDCAT NAME  
Basin Dakota & Bisti Lower Gallup

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 31, T24N, R9W, NMPM

12. COUNTY OR PARISH | 13. STATE  
San Juan | NM

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)  
6855' GL; 6867' RKB

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:		SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF	<input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>	<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>	<input type="checkbox"/>
(other) Intention to test additional zone	<input checked="" type="checkbox"/>	

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Upon evaluating open holes logs, the Dakota development is poorer than anticipated. Upon testing the Dakota, we plan to perforate, stimulate and test the Gallup interval, approximately 4490 to 5090'. Request for approval of unorthodox location submitted to NMOCD. Should potential be indicated in both zones, we plan to request authorization from NMOCD for downhole commingling.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Jim L. Jacobs TITLE Geologist DATE 5-1-84

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

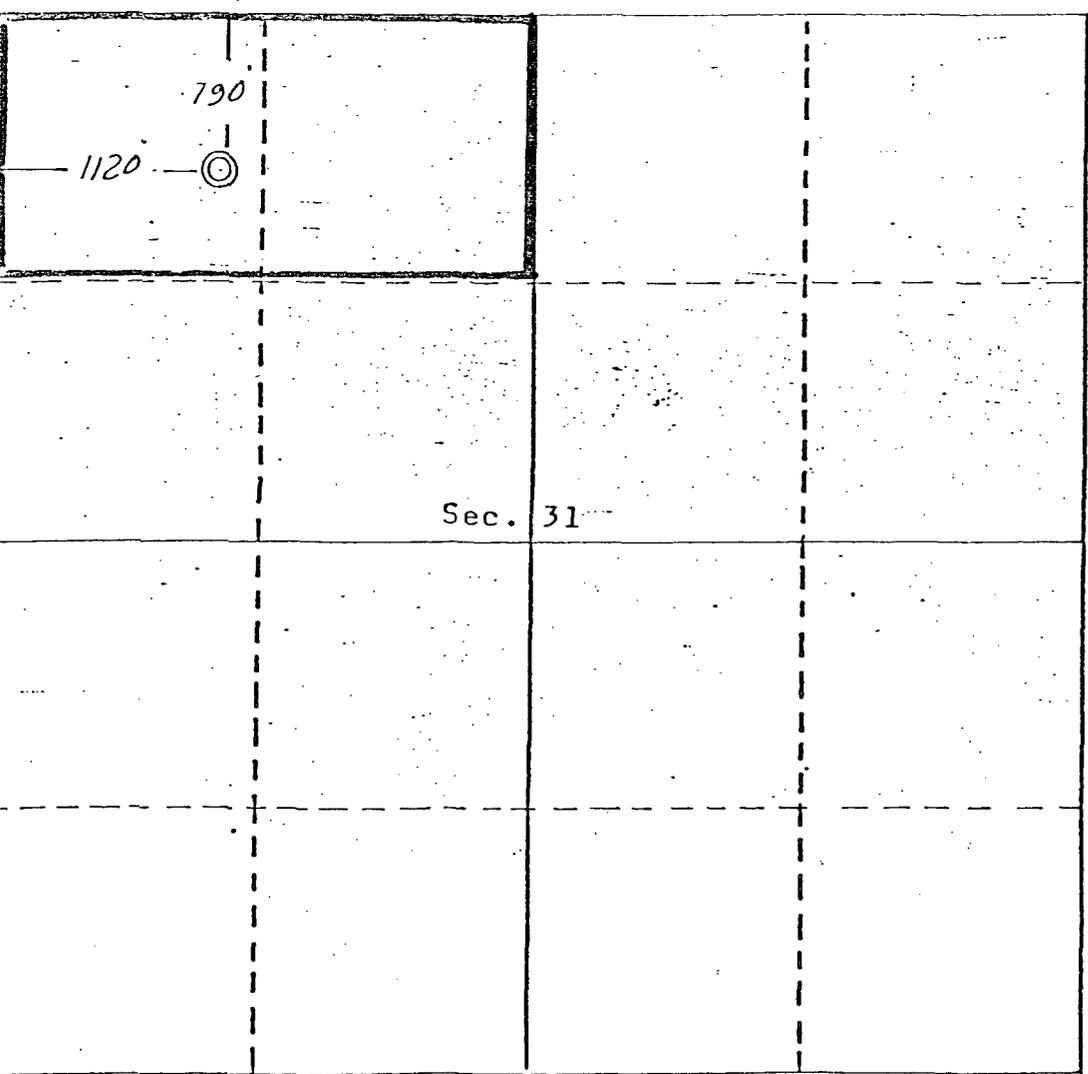
Operator Dugan Production Corporation		Lease Fabulous Feb			Well No. 1
Unit Letter D	Section 31	Township 24 North	Range 9 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 1120 feet from the West line					
Ground Level Elev. 6855	Producing Formation Gallup	Pool Bisti Lower Gallup	Dedicated Acreage: 80.0 Acres		

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?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

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 contained herein is true and complete to the best of my knowledge and belief.

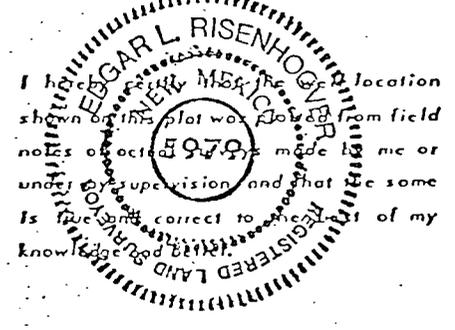
*Jim L. Jacobs*  
Name

Jim L. Jacobs  
Position

Geologist

Dugan Production Corp.  
Company

4-18-84  
Date



February 6, 1984  
Date Surveyed

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979

Edgar L. Risenhoover, L.S.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

FILE  
NSL-1818

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501

DATE 5-14-84

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

RECEIVED  
MAY 17 1984  
OIL CONSERVATION DIVISION  
SANTA FE

Gentlemen:

I have examined the application dated 5-1-84

for the Dugan Production Corp. Fabulous Fe 6 #1 D-31-24N-9W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approved  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

Eva Busch