

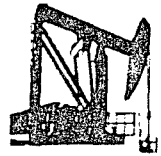


TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

December 17, 1985

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Dugan Production Corporation
P. O. Box 208
Farmington, New Mexico 87499-0208

Attention: Sherman E. Dugan

Administrative Order NSL-2206

Gentlemen:

Reference is made to your application for a non-standard location for your KR No. 14 well to be located 330 feet from the North line and 400 feet from the East line of Section 29, Township 27 North, Range 13 West, NMPM, Gallegos-Gallup Pool, San Juan County, New Mexico. The E/2 NE/4 of said Section 29 shall be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,

R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington