

'90 AUG 5 AM 8 53

## dugan production corp.

July 31, 1990

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of  
Unorthodox Location for Dugan Production Corp.  
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM  
San Juan County, New Mexico - Basin Fruitland Field

Dear Mr. LeMay:

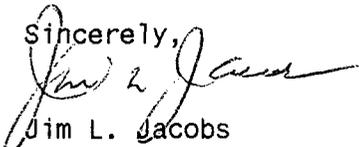
We hereby request approval for an unorthodox location for the subject well. Copies of the well location plat, topographic map, a production map and a map showing offsetting operators are attached for your reference.

The unorthodox location is necessary in order to salvage the well bore of an unsuccessful Pictured Cliffs test. Originally, the Blazer #2 was drilled to test the Pictured Cliffs Sandstone. The test was unsuccessful, the zone was abandoned and a Fruitland Coal completion was made.

A copy of this application is being submitted to all offsetting operators by certified mail with a request that they furnish your office with a waiver of objection.

We request your approval of this location under the provisions of NMOCD Order No. R-8768, Rule #8.

Sincerely,



Jim L. Jacobs  
Vice President

JLJ/mmm

Enclosures

cc: Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410

Offset Operators or Owners

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT E**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

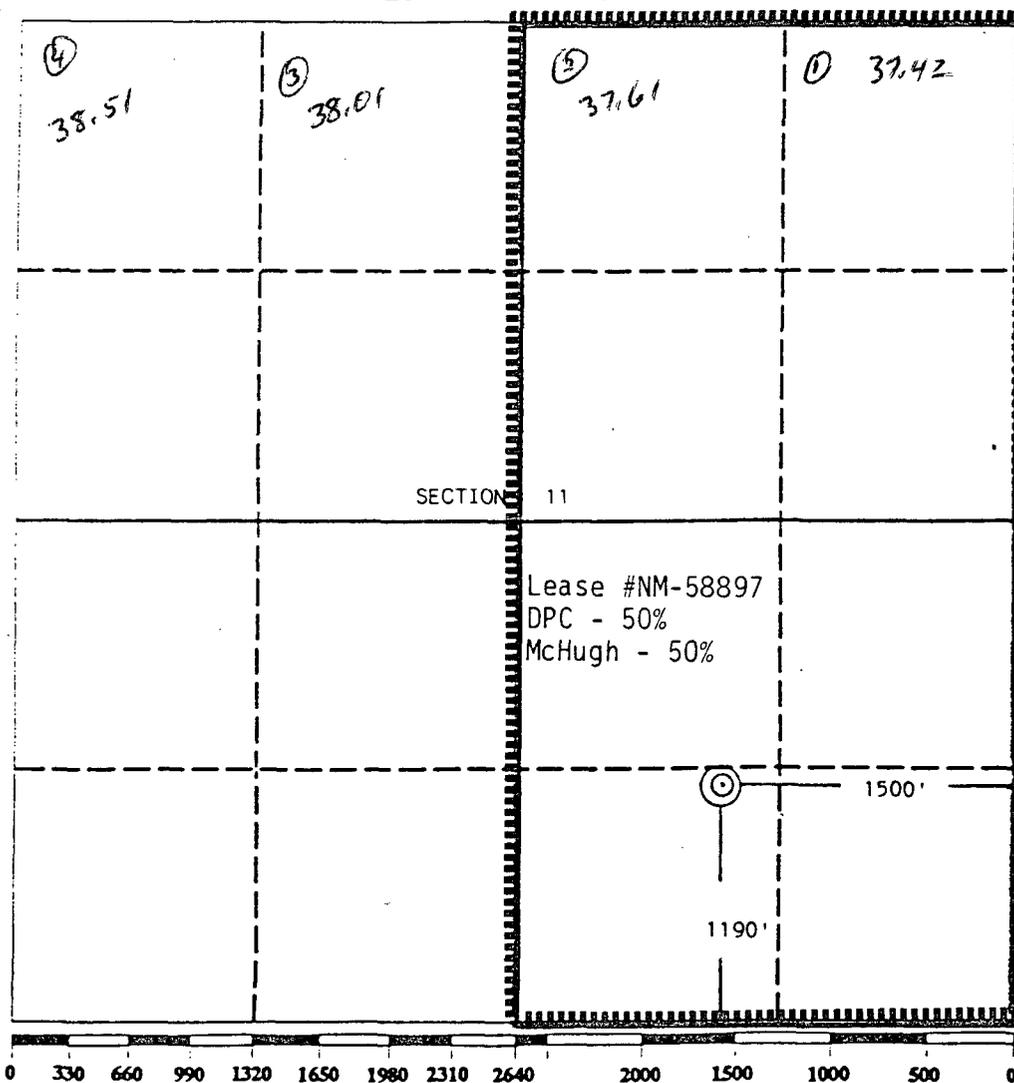
Operator Dugan Production Corporation			Lease Blazer			Well No. 2		
Unit Letter 0	Section 11	Township 30 North	Range 14 West	County NMPM		San Juan		

Actual Footage Location of Well:								
1190 feet from the South line and			1500 feet from the East line					
Ground level Elev. 6045	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres			

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

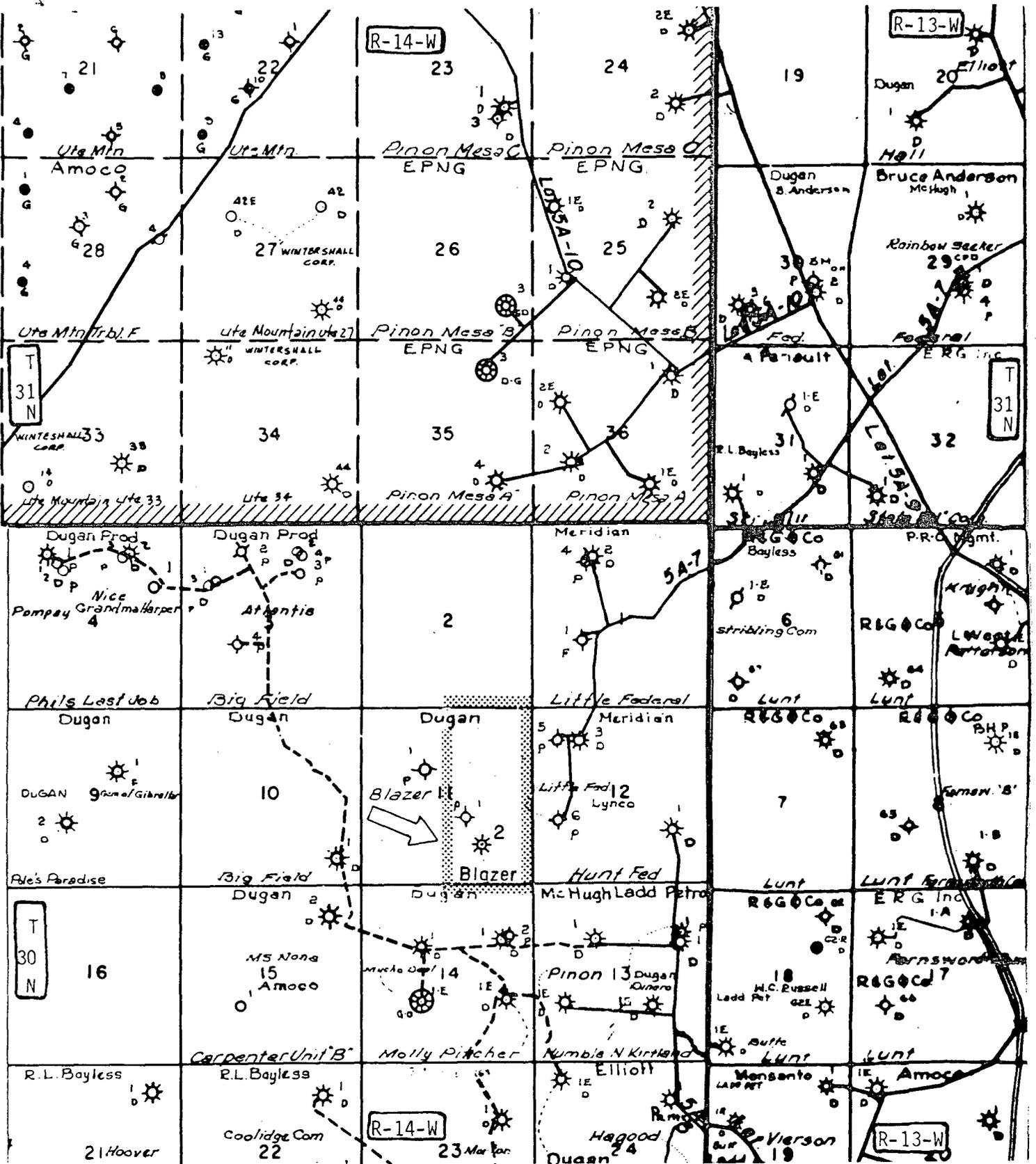
Signature: *Jim L. Jacobs*  
 Printed Name: Jim L. Jacobs  
 Position: Geologist  
 Company: DUGAN PRODUCTION CORP.  
 Date: 6-15-90

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

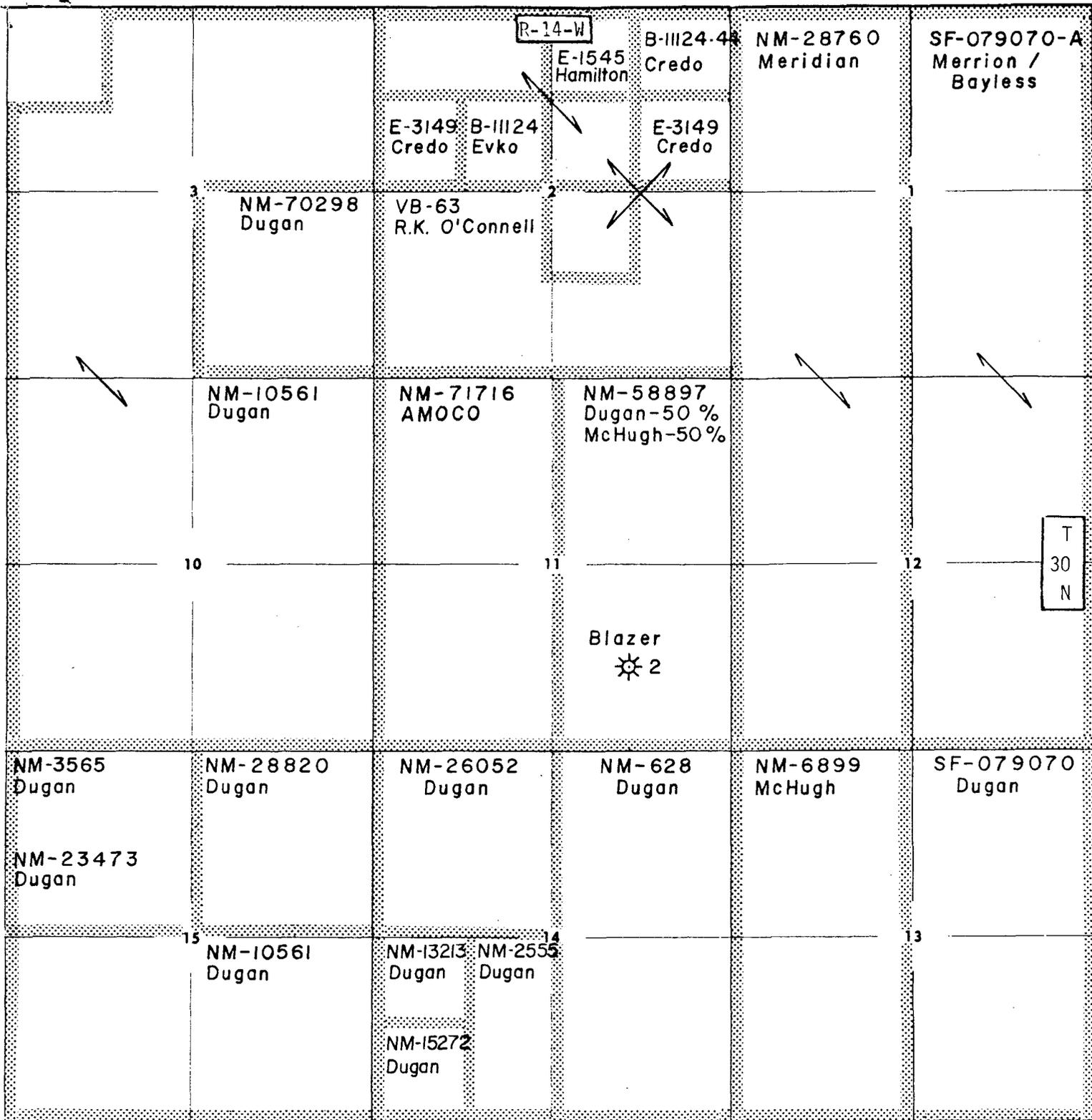
Date Surveyed: March 3, 1989  
 Signature & Seal of Professional Surveyor: *Edgar L. Risenhoover*  
 Certification No. 5979  
 Edgar L. Risenhoover, L.S.  
 REGISTERED LAND SURVEYOR - NEW MEXICO





APPLICATION FOR  
UNORTHODOX LOCATION  
PRODUCTION MAP

DUGAN PRODUCTION CORP.  
BLAZER #2  
1190' FSL - 1500' FEL  
Sec. 11, T30N, R14W, NMPM  
SAN JUAN CO., NM



APPLICATION FOR  
UNORTHODOX LOCATION  
OFFSETTING OPERATORS

DUGAN PRODUCTION CORP.  
BLAZER #2  
1190' FSL - 1500' FEL  
Sec. 11, T30N, R14W, NMPM  
SAN JUAN CO., NM



# dugan production corp.

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July 31, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: Offsetting Operators or Owners  
(See attached list)

RE: Application for Administrative Approval  
Unorthodox Location  
Blazer #2 Well  
1190' FSL - 1500' FEL - Sec. 1-T30N-R14W  
San Juan County, NM

Gentlemen:

Dugan Production Corp. (Dugan) is making application to the New Mexico Oil Conservation Division (NMOCD) for administrative approval of an unorthodox location for the captioned well to comply with the rules of Order No. R-8768.

Dugan completed the referenced well on May 18, 1990 as an unsuccessful wildcat Pictured Cliffs well spaced 160 acres at what was a standard location in the SE/4 of Section 11. The zone was abandoned and a Fruitland coal completion was made. The NMOCD, under Order R-8768 with an effective date of November 1, 1988, established the Basin-Fruitland Coal Gas Pool providing for 320 acre spacing and locations to be in either the NE/4 or SW/4 of a single government section for wells producing from Fruitland Coal seams. In order to comply with order #R-8768, Dugan Production Corp. is seeking a variance for what is now an unorthodox location for the captioned well.

As provided for in the rules of the above mentioned Order, we are giving you notice as either the operator or owner (or Trustee) of the offsetting acreage of our application.

The well was drilled on USA lease number NM-58897 covering the E/2 of said Section 11, the operating rights of which are under Agreement to Dugan. We are enclosing a copy of our letter of application, location plat and ownership map for your reference. Any operator or owner that objects to the administrative granting of the subject unorthodox location should provide notice to the NMOCD within 20 days of our making application. We would appreciate any such party also notifying Dugan.

Offsetting Owners  
Page 2  
July 31, 1990

If you do not have any objection to this application, please sign and return a copy of the attached waiver to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 and return one executed copy to our office. Stamped envelopes are enclosed for your convenience.

Should you need additional information regarding our application, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Richard Corcoran". The signature is written in black ink and is positioned to the left of the typed name.

Richard Corcoran  
Land Manager

RC/mmm

Enclosures

cc: Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088