

dugan production corp.

OIL CONSERVATION DIVISION  
RECEIVED  
'90 AUG 14 AM 8 37

August 13, 1990

Mr. Jim Morrow  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Dear Mr. Morrow:

As per our phone call on August 13, 1990, I have enclosed a copy of Dugan Production's letter to offsetting operators notifying them of our application for administrative approval of an unorthodox location for our Blazer #2 (1190' FSL - 1500' FEL - Sec. 11, T30N, R14W).

Please contact me if you need additional information concerning our application.

Sincerely,

*Kurt Fagrelus*

Kurt Fagrelus

enc.



# dugan production corp.

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. 11-T30N-R14W  
      San Juan County, NM

Gentlemen:

Dugan Production Corp. (Dugan) is making application to the New Mexico Oil Conservation Division (NMOC) 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 NMOC, 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 NMOC 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, reading "Richard Corcoran".

Richard Corcoran  
Land Manager

RC/mm

Enclosures

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

TO: 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

WAIVER

\_\_\_\_\_ HEREBY WAIVES ANY  
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX  
LOCATION.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

OFFSET OPERATORS OR OWNERS  
DUGAN PRODUCTION CORP.'S BLAZER #2 WELL

✓  
Jerome P. McHugh  
650 S. Cherry, Suite 1225  
Denver, CO 80222

El Paso Natural Gas Company  
P. O. Box 4990  
Farmington, NM 87499-4990

Southland Royalty Company  
801 Cherry  
Fort Worth, TX 76102

Meridian Oil Company  
P. O. Box 4289  
Farmington, NM 87499-4289

Gregory Merrion  
P. O. Box 4289  
Farmington, NM 87499-4289

R. L. Bayless  
P. O. Box 168  
Farmington, NM 87499-0168

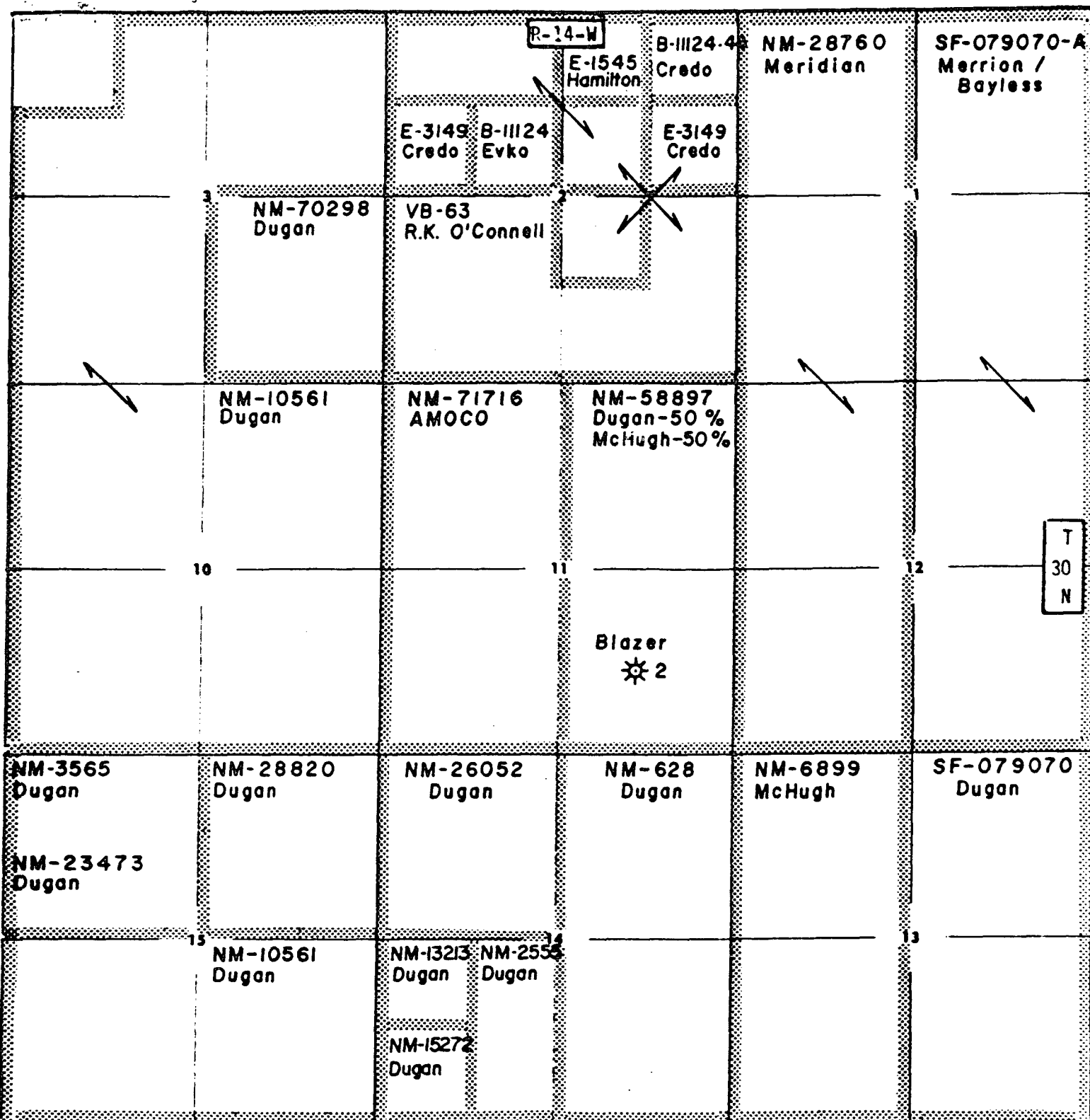
✓  
Credo Petroleum Corp.  
1860 Lincoln St., Suite 1000  
Denver, CO 80295

R. K. O'Connell  
P. O. Box 2003  
Casper, WY 82602

EVKO  
4710 Cabrillo St.  
San Francisco, CA 94121

R. L. Hamilton  
1375 S UCSF 3rd & Parness  
San Francisco, CA 94143

Amoco Production Co.  
P. O. Box 800  
Denver, CO 80201



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. '90 AUG 22 AM 8:52

August 21, 1990

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

RE: Application of Dugan Production Corp. for  
Administrative Approval of Unorthodox Location  
dated July 31, 1990  
Blazer #2, 1190' FSL & 1500' FEL  
Sec. 11-T30N-R14W, NMPM  
Basin Fruitland Coal Gas Pool  
San Juan County, NM

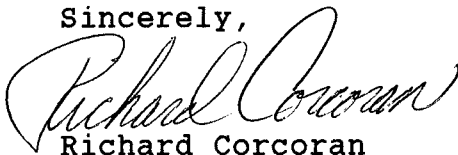
Gentlemen:

Attached for your file is a copy of the U. S. Postal return receipts that were attached to our July 31, 1990 notice to all operators/owners offsetting the location proposed for the captioned well.

Having received a receipt for each operator noticed, it is our belief that we have met the notice requirements of the special pool rules for the Basin Fruitland Coal Gas Pool.

Should you need additional information or have questions, please feel free to contact the undersigned.

Sincerely,



Richard Corcoran  
Land Manager

RC/mm

Enclosure

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
Gregory Merriom  
P.O. Box 4289  
Farmington, NM 87499-4289

4. Article Number  
P 551 201 898

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
8.2.90

8. Addressee's Address (ONLY if requested and fee paid)

Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
Amoco Production Company  
P.O. Box 800  
Denver, Colorado 80201

4. Article Number  
P 551 201 892

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to:  
Meridian Oil Company  
P.O. Box 4289  
Farmington, NM 87499-4289

4. Article Number  
P 551 201 899

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
8.2.90

8. Addressee's Address (ONLY if requested and fee paid)

Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
EVCO  
4710 Cabrillo Street  
San Francisco CA 94121

4. Article Number  
P 551 201 894

Type of Service:  
☐ Registered ☐ Insured  
☐ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X *[Signature]*

6. Signature — Agent  
X

7. Date of Delivery  
AUG 3 1990

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to:  
K. O'Connell  
P.O. Box 2003  
Aspen, WY 82602

4. Article Number  
P 551 201 895

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X *[Signature]*

6. Signature — Agent

7. Date of Delivery  
8/6/90

8. Addressee's Address (ONLY if requested and fee paid)

Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
Jerome P. McHugh  
650 S. Cherry, Suite 1225  
Denver, CO 80222

4. Article Number  
P 551 201 901

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

Article Addressed to:  
Colorado Petroleum Corp.  
30 Lincoln St., Suite 1000  
Denver, Colorado 80295

4. Article Number  
P 551 201 896

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
8.3.90

8. Addressee's Address (ONLY if requested and fee paid)

Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
R. L. Bayless  
P.O. Box 168  
Farmington, NM 87499-0168

4. Article Number  
P 551 201 897

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
8.2.90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT



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1. ☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
R. L. Hamilton  
1375 S. UCSF 3rd & Parness  
San Francisco, CA 94143

4. Article Number  
P 551 201 893

Type of Service:  
☐ Registered ☐ Insured  
☐ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X *Harmon Spencer*

6. Signature — Agent  
X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
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1. ☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
Southland Royalty Company  
801 Cherry  
Fort Worth, Texas 76102

4. Article Number  
P 551 201 902

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *C. Bowen*

7. Date of Delivery  
8-6-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT

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1. ☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
El Paso Natural Gas Company  
P.O. Box 4990  
Farmington, NM 87499-4990

4. Article Number  
P 551 201 900

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *Lamas*

7. Date of Delivery  
8-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 MM DOMESTIC RETURN RECEIPT



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

BY CAPRUTHERS  
GOVERNOR

1000 RIO HAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-0170

OIL CONSERVATION DIVISION  
RECEIVED

Date: 8-21-90

'90 AUG 22 AM 10 12

*Attn: Jim Morrow*

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Re: Proposed HC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL X \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 8-2-90  
for the Angus Production Corp. Blaze #2  
Operator Lease & Well No.

T-11-30N-14W and my recommendations are as follows:  
Unit, S-T-R

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

Yours truly,

James B. Smith