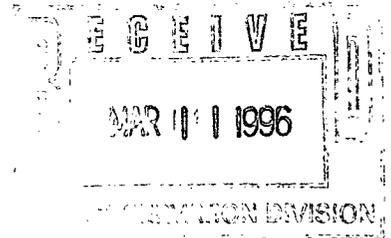


# dugan production corp.

March 7, 1996

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Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, NM 87505

**Subject: Administrative Approval of Unorthodox Location  
Dugan Production Corp.  
Okie #2  
1450' FNL & 1500' FWL, Sec. 8, T24N, R8W, NMPM  
San Juan County, NM  
Basin Fruitland Coal**

Dear Mr. Stogner:

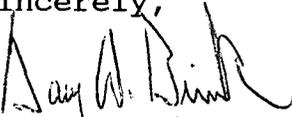
Dugan Production Corp. requests administrative approval for an unorthodox location for its Okie #2 well under the provisions of NMOCD Order No. R-8768.

The subject well is currently completed in the Pictured Cliffs formation and it is nonproductive. It is intended to abandon the Pictured Cliffs zone and recomplete in the Basin Fruitland Coal.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing dedicated acreage, a well location map and a map showing all offsetting operators.

Sincerely,

  
Gary W. Brink

GWB/cg

cc: New Mexico Oil Conservation Division, Aztec  
Bureau of Land Management, Farmington  
Offset Operators

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30 045 22304		<sup>2</sup> Pool Code 71629		<sup>3</sup> Pool Name Basin Fruitland Coal	
<sup>4</sup> Property Code 003793		<sup>5</sup> Property Name Okie			<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 006515		<sup>8</sup> Operator Name Dugan Production Corp.			<sup>9</sup> Elevation 6866' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	8	24N	8W		1450	North	1500	West	San Juan

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

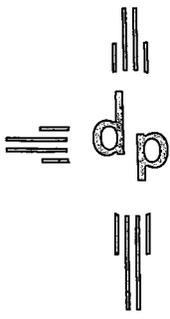
<p>16</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature          Gary Brink          Printed Name          Operations Manager          Title          3/7/96          Date</p>	
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>December 28, 1976          Date of Survey</p> <p>Signature and Seal of Professional Surveyor:          Redraft of original plat-          Original signed by James P. Lease</p> <p>1463          Certificate Number</p>	



	NM-2337 Dugan		Federal (Open)	Federal (Open)	Merrion
		Giant Exp.			
R.K. Lewis -Fee					
T 24 N		Okie 2 ☼	NM-19567 Dugan	Celsius Ener.	Federal (Open)
					NM-16789 Dugan
Navajo Allotted (Open)	NM-85307 Dugan		NM-26047 Dugan		LG-1917 Dugan
			R8W		

APPLICATION FOR  
UNORTHODOX LOCATION  
OFFSETTING OPERATORS

DUGAN PRODUCTION CORP.  
Okie #2  
1450' FNL & 1500' FWL  
Sec. 8, T24N, R8W, NMPM  
San Juan County, NM



# dugan production corp.

NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED

'96 MAR 25 AM 8 52

Certified Mail

March 7, 1996

**SIGN & RETURN  
THIS COPY  
to NMOCD - Santa Fe**

Celsius Energy  
P.O. Box 11070  
Salt Lake City, UT 84147

**Subject: Administrative Approval of Unorthodox Location  
Dugan Production Corp.  
Okie #2  
1450' FNL & 1500' FWL, Sec. 8, T24N, R8W, NMPM  
San Juan County, NM**

Gentlemen:

Dugan Production Corp. has filed with the New Mexico Oil Conservation Division (NMOCD) an Application for Administrative Approval for an Unorthodox Location for its Okie #2 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOCD in Santa Fe, NM, one copy to our office, and retain one copy for your files. Self-addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Gary W. Brink

GWB/cg

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**WAIVER**

Celsius Energy hereby waives objection to the above referenced Application for Unorthodox Location for Dugan Production Corp's Okie #2 well.

Date: 3/21/96

By: [Signature]  
J. R. Jones, General Manager *RTS*

## **Mike Stogner**

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**From:** Ernie Busch  
**To:** Mike Stogner  
**Subject:** DUGAN PROD.CORP.(NSL)  
**Date:** Monday, March 25, 1996 8:54AM  
**Priority:** High

OKIE #2  
F-08-24N-08W  
1450'FNL;1500'FWL  
RECOMMEND: APPROVAL

Sec : 08 Twp : 24N Rng : 08W Section Type : NORMAL

D 40.00  Federal owned	C 40.00  Federal owned	B 40.00  Federal owned	A 40.00  Federal owned
E 40.00  Federal owned	F 40.00  Federal owned	G 40.00  Federal owned	H 40.00  Federal owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV    PF11            PF12