

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 29, 1988

Dugan Production Corporation
P.O. Box 5820
Farmington, NM 87499-5820

Attention: John D. Roe
Petroleum Engineer

ADMINISTRATIVE ORDER NSP-1540

Dear Mr. Roe:

Reference is made to your application for an 80-acre non-standard oil proration unit consisting of the following acreage in the Undesignated Bisti Lower Gallup Oil Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 32: E/2 NW/4

It is my understanding that this unit is to be dedicated to your March On Well No. 1 to be located at a standard oil well location 1720 feet from the North line and 1910 feet from the West line (Unit F) of said Section 32.

By authority granted me under the provisions of Rule 4 of the "Special Rules and Regulations for the Bisti Lower Gallup Oil Pool" as promulgated by Division Order No. R-1069-b, as amended, the above non-standard oil proration unit is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
State Land Office - Santa Fe
NM Oil and Gas Engineering Committee - Hobbs