



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

September 18, 1989

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

Attention: Richard Corcoran

Administrative Order NSP-1584(L)

Dear Mr. Corcoran:

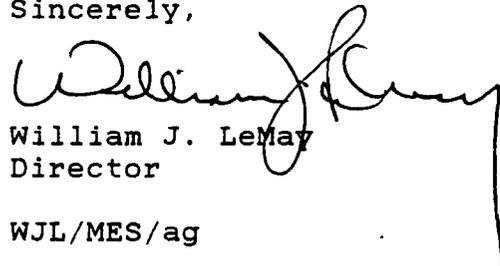
Reference is made to your applications of March 1 and August 28, 1989, for a 160-acre non-standard gas proration unit consisting of the following acreage in the Basin Fruitland Coal Gas Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 10: SE/4

It is my understanding that this unit is to be dedicated to your Elwood P. Dowd Well No. 1 which is presently producing from the Pictured Cliffs formation which is located at an unorthodox coal gas well location 1190 feet from the South line and 790 feet from the East line (Unit P) of said Section 10, hereby approved under provisions of Rule 8 of the Special Rules and Regulations for the Basin Fruitland Coal-Gas Pool as promulgated by Division Order No. R-8768.

Also, by authority granted me under the provisions of Rules of said Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM Oil and Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington