



# dugan production corp.

RECEIVED  
NEW MEXICO OIL CONSERVATION DIVISION  
MAY 8 1996

May 1, 1996

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

**Re: Application for Administrative Approval of an 80-acre  
Non-Standard Proration Unit for Dugan Production Corp's  
April Surprise #7  
1050' FNL & 1520' FEL (NW/4 NE/4)  
Spacing Unit W/2 NE/4 Section 31, T24N, R9W  
Bisti Lower Gallup Pool  
San Juan County, New Mexico**

Dear Mr. Stogner:

As stated in our application for a non-standard proration unit for the April Surprise #7 dated April 17th, 1996, all operators within 2,640 feet of our proposed recompletion were notified of this application by certified mail. Attached is a copy of the certified mail return receipts for your records.

Sincerely,

Cheri Gunn

cg

attach.

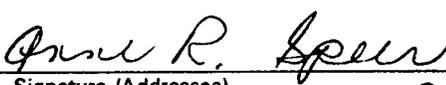
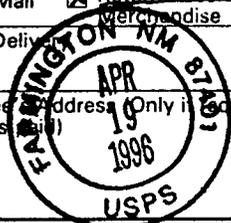
CERTIFIED MAIL RETURN RECEIPTS - Notice to Offsetting Operators of Dugan Production's Application for Non-Standard Proration Unit for April Surprise #7 1050' FNL & 1520' FEL Sec. 31, T24N; R9W San Juan County, NM

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Amoco Production Corp. P.O. Box 800 Denver, CO 80201		4a. Article Number Z 175 053 586	
5. Signature (Addressee)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 	
PS Form 3811, December 1991 *U.S. GPO: 1993-352-714		8. Addressee's Address (Only if requested and fee is paid)	

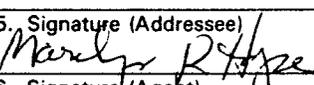
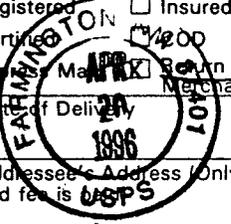
Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: W.R. SPEER PO BOX 255 FARMINGTON, NM 87499		4a. Article Number Z 175 053 587	
5. Signature (Addressee)  ANNE R. SPEER		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 	
PS Form 3811, December 1991 *U.S. GPO: 1993-352-714		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: REDWOLF PRODUCTION INC. 902 SAN JUAN BLVD. FARMINGTON, NM 87401		4a. Article Number Z 175 053 588	
5. Signature (Addressee)  Nancy R. Hyde		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 	
PS Form 3811, December 1991 *U.S. GPO: 1993-352-714		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

**Mike Stogner**

---

**From:** Ernie Busch  
**To:** Mike Stogner  
**Subject:** DUGAN PROD CORP(NSP)  
**Date:** Wednesday, May 08, 1996 10:17AM  
**Priority:** High

APRIL SURPRISE #7  
1050' FNL; 1520' FEL  
B-31-24N-09W  
RECOMMEND: APPROVAL

*WSP-1760(L)*



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501-2088  
(505) 827-5800

June 2, 1986

MEMORANDUM NO. 4-86

TO: ALL OPERATORS AND INTERESTED PARTIES

FROM: R. L. STAMETS, DIRECTOR 

SUBJECT: CLARIFICATION OF ADMINISTRATIVE APPROVAL PROCESSES IN CERTAIN  
POOLS WITH SPECIAL RULES

Division Rule 1 provides in part that: "Special rules, regulations and orders have been and will be issued when requested and shall prevail as against General Rules, Regulations and Orders if in conflict therewith. However, whenever these General Rules do not conflict with special rules heretofore or hereafter adopted, these General Rules shall apply."

Over the years, many special pool rules have been written. Many of these contained special rules providing for administrative exceptions to such matters as location requirements or spacing unit size while others did not. One prevailing opinion is that the intent of those special rules without administrative exception provisions was to preclude such exceptions. The counter opinion is that when read with Rule 1, if nothing is said, then the administrative exception provisions in the General Rules shall apply.

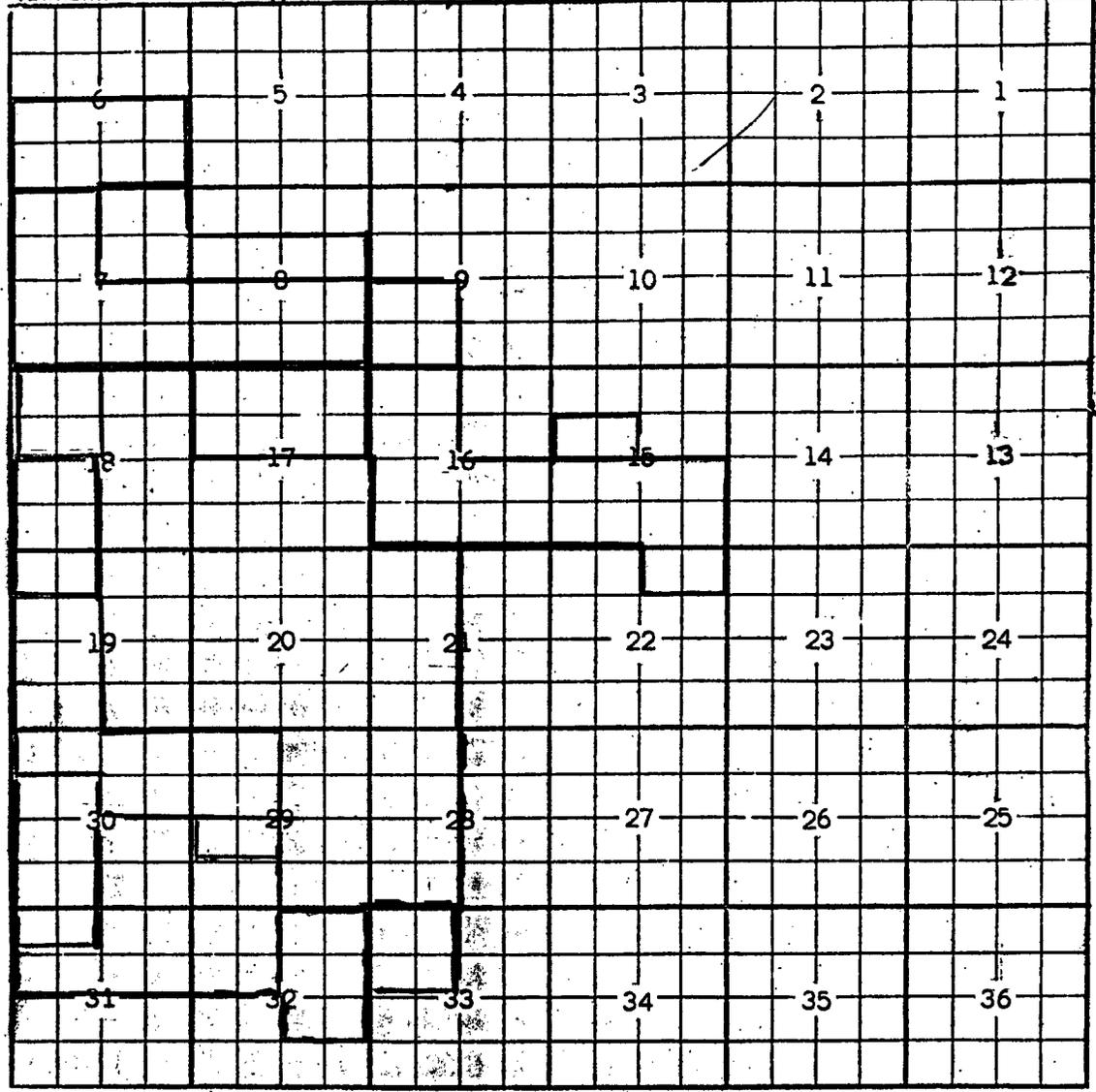
Notice is hereby provided that it is henceforth to be Division policy to utilize the administrative exceptions or approval procedures of the General Rules when special pool rules are silent as to such exceptions. This policy will save both the Division and operators the cost of unnecessary hearings.

Any person who is aware of any pool with special rules which should preclude any of the administrative exceptions or approvals provided in the General Rules should notify this office of such situation at the earliest possible date providing the reasoning for precluding administrative exceptions. Thereafter, we would suspend this policy for such pool and schedule a case to modify such special rules to incorporate the necessary prohibitions.

RLS:dp

County San Juan Pool Bisti-Lower Gallup Oil

TOWNSHIP 24 North RANGE 9 West NEW MEXICO PRINCIPAL MERIDIAN



Ext: NW 1/4 E 1/2 Sec. 7; S 1/2 Sec. 8 (R-1167, 5-1-58) = SW 1/4 Sec. 9;  
N 1/2 Sec. 17 (R-1175, 6-1-58) = S 1/2 Sec. 6 (R-1468, 9-1-59)  
= NE 1/4 Sec. 7; S 1/2 N 1/2 Sec. 8 (R-1558, 1-1-60) = S 1/2 Sec. 15; W 1/2 S 1/4 Sec. 16;  
N 1/2 NW 1/4 Sec. 22 (R-1908, 4-1-61) = S 1/2 NW 1/4 Sec. 15 (R-2364, 12-1-62)

Ext: NW 1/4 Sec. 18 (R-7185, 1-13-83)

Ext: SW 1/4 Sec. 18, N 1/2 NW 1/4 Sec. 19 (R-7277, 5-5-83)

Ext: S 1/2 NW 1/4 and SW 1/4 Sec. 19, NW 1/4 Sec. 29, NE 1/4 and N 1/2 NW 1/4 Sec. 30 (R-7420, 1-9-84)

Ext: N 1/2 SW 1/4 Sec. 29 (R-7764, 1-8-85)

Ext: S 1/2 NW 1/4 and SW 1/4 Sec. 30, N 1/2 NW 1/4 Sec. 31 (R-8417, 3-24-87)

Ext: S 1/2 SW 1/4 sec 29, SE 1/4 sec 30, NE 1/4 and S 1/2 NW 1/4 sec 31, NW 1/4 sec 32,  
(R-8915, 4-24-89) Ext: NE 1/4 and N 1/2 SE 1/4 Sec 32 (R-9362, 12-1-90)

Ext: S 1/2 Sec. 17, E 1/2 Sec. 18, E 1/2 Sec. 19, All Sec. 20, W 1/2 Sec. 21, W 1/2 Sec. 28, E 1/2 Sec. 29  
(R-10178, 8-30-94) Ext: NW 1/4 Sec. 33 (R-10344, 4-24-95)