

OIL CONSERVATION COMMISSION
Carter DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 4-24-78

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL ✓ _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 4-20-78
for the Dugan Prod. Corp. Chaco #3 F-1-24N-94
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

If you can approve this without a hearing
okay. It was staked prior to the
area being determined as an oil
area.

Yours very truly,

Al Kendrick

|||
= dp =

dugan production corp.

|||

April 20, 1978

Joe D. Ramey
Secretary-Director
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, NM 87501

Re: Application for Administrative Approval of Unorthodox Location
Chaco #3 Well
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the Application for Administrative Approval of Unorthodox Location for the Chaco #3 Well which is located in Section 1, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico.

1. Three copies of the Application for Administrative Approval of Unorthodox Location for the Chaco #3 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the dedicated acreage for which the unorthodox location is sought as well as all wells completed on these leases.
3. Three copies of a Certificate of Mailing for the Application stating that all operators of leases offsetting the dedicated acreage for this well have been notified of this Application by Certified Mail.

If you need further information or assistance, please advise.

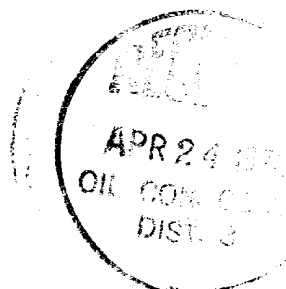
Sincerely,

Richard Tully

Richard Tully
General Counsel

vs

Enclosures



APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION

Applicant: Dugan Production Corp.
Box 234
Farmington, NM 87401

Lease: USA NM 2337

Lease Date: June 1, 1967

Lease Term: Ten years

Land Described in Lease: Township 24 North, Range 8 West, NMPM
Section 6: Lots 1, 2, 3, 4, 5, 6,
S/2 NE/4, SE/4 NW/4,
NE/4 SW/4, SE/4
Section 7: N/2 NE/4
Township 24 North, Range 9 West, NMPM
Section 1: Lots 1, 2, 3, 4, S/2
N/2
Containing 962.11 acres, more or less
San Juan County, New Mexico

Name of Well: Chaco #3 Well

Original Dedicated Acreage and
Formation: Township 24 North, Range 9 West, NMPM
Section 1: W/2
Containing 319.88 acres, more or less
San Juan County, New Mexico
(The above federal lease was to be
communitized with Navajo Allotted Lease
14-20-0603-1402 in order to dedicate
the W/2 of Section 1.)
Wildcat Basin Dakota formation

Proposed Dedicated Acreage and
Formation: Township 24 North, Range 9 West, NMPM
Section 1: SE/4 NW/4
Containing 40 acres, more or less
San Juan County, New Mexico
San Juan Undesignated Greenhorn--Mancos
--Gallup formation

Proposed Unorthodox Location: Township 24 North, Range 9 West, NMPM
Section 1: 1700' FNL--1450' FWL
San Juan County, New Mexico

Reason for Unorthodox Location: Recompletion of well previously drilled
to another horizon

This application is pursuant to
New Mexico Oil Conservation Commis-
sion Rule 104(D) (II) (F).

Offsetting Leases and Operators: A. USA NM 2337 (Same Lease)
Township 24 North, Range 9 West, NMPM
Section 1: Lots 1, 2, 3, 4, S/2
NE/4, SW/4 NW/4
San Juan County, New Mexico
Operator: Dugan Production Corp.
Box 234
Farmington, NM 87401

B. Navajo Allotted Contract No.
14-20-0603-1402
Township 24 North, Range 9 West, NMPM
Section 1: SW/4
San Juan County, New Mexico
Operator: Dugan Production Corp.
Box 234
Farmington, NM 87401

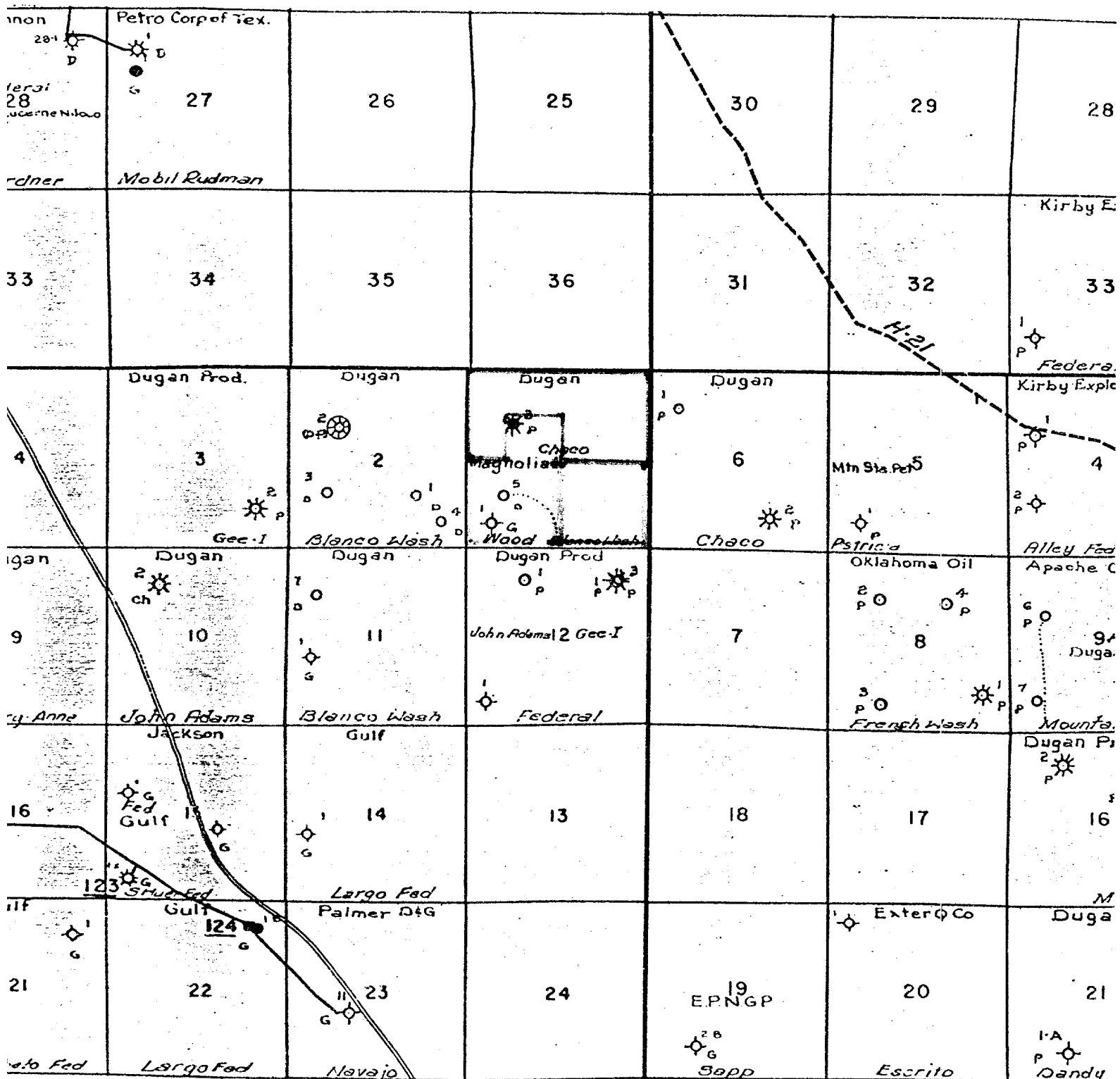
C. Fee Leases
Township 24 North, Range 9 West, NMPM
Section 1: SE/4
San Juan County, New Mexico
Operators: Dugan Production Corp.
Box 234
Farmington, NM 87401

J. V. Fritts
Box 868
Roswell, NM 88201

Hanesco, Inc.
Box 182
Roswell, NM 88201

Howard C. Brown
4604 N. W. 59th Terr.
Oklahoma City, OK 73122

Application for Administrative Approval
of Unorthodox Location
Chaco #3 Well
San Juan County, New Mexico

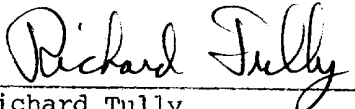


CERTIFICATE OF MAILING

I hereby certify that I mailed a true copy of the Application for Administrative Approval of Unorthodox Location for the Chaco #3 Well by certified mail to each of the offsetting operators and the Supervisor of the District III Office of the New Mexico Oil Conservation Commission on April 21, 1978.

DUGAN PRODUCTION CORP.

By: _____



Richard Tully
General Counsel

Box 234

Farmington, NM 87401