

50 YEARS



1935 - 1985

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



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 11, 1986

Dugan Production Corp.
P. O. Box 208
Farmington, New Mexico 87499-0208

Attention: Sherman E. Dugan

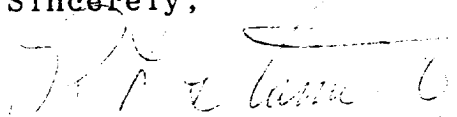
Administrative Order NSL-2255

Gentlemen:

Reference is made to your application for a non-standard location for your Divide No. 2 well to be located 990 feet from the South line and 1200 feet from the East line of Section 35, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico. The E/2 of said Section 35 shall be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,


R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington

RECEIVED
APR 18 1986
OIL CON. DIV.
DIST. 3



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 4-3-86

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

Gentlemen:

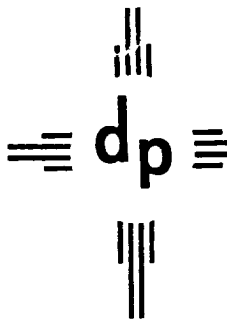
I have examined the application dated 3-14-86
for the Dugan Prod. Co. Divide #2 P-35-26N-20
Operator Lease and Well No. Unit, etc.

and my recommendations are as follows:

Approve

Yours truly,

Earl Buck



dugan production corp.

March 11, 1986

Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

Re: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Divide #2, 990' FSL & 1200' FEL, Sec. 35, T26N, R2W, NMPM
Rio Arriba County, NM - Mancos Test

Dear Mr. Chavez:

We hereby request approval of an unorthodox location for the subject well. Copies of the well location plat, topographic map, a map showing offsetting operators and a production map are attached for your reference.

The unorthodox location is necessary due to topographic conditions; steep sandstone bluffs with narrow dendritic drainage.

A copy of this application is being submitted to all offsetting operators by certified mail with a request that they furnish your office with a waiver of objection.

We request your approval of this location under the provisions of NMOCD Rule 104-F.

Sincerely,

Sherman E. Dugan
Geologist

cg
cc: Michael W. Murphy
Southland Royalty
Mallon Oil
R.K. O'Connell

RECEIVED
MAR 14 1986
OIL CON. DIV./
DIST. 3

WAIVER

_____ hereby waives objection to the above application for unorthodox location.

Date

By:

All distances must be from the outer boundaries of the Section.

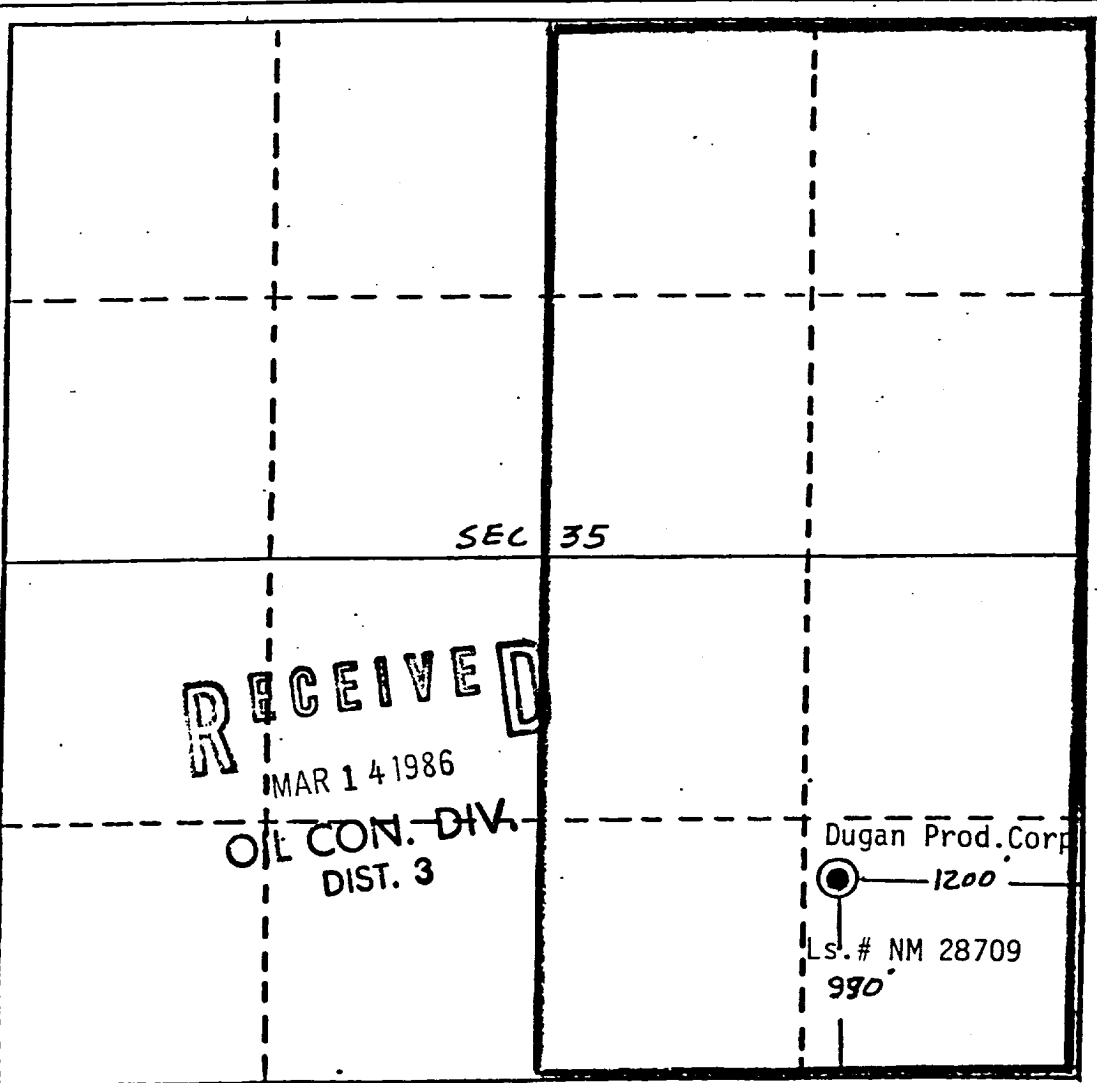
Operator Dugan Production Corporation		Lease Divide		Well No. 2
Unit Letter P	Section 35	Township 26 North	Range 2 West	County Rio Arriba
Actual Footage Location of Wells: 990 feet from the South line and 1200 feet from the East line				
Ground Level Elev. 7700	Producing Formation Mancos	Pool Gavilan Mancos	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Sherman E. Dugan

Name Sherman E. Dugan

Position Geologist

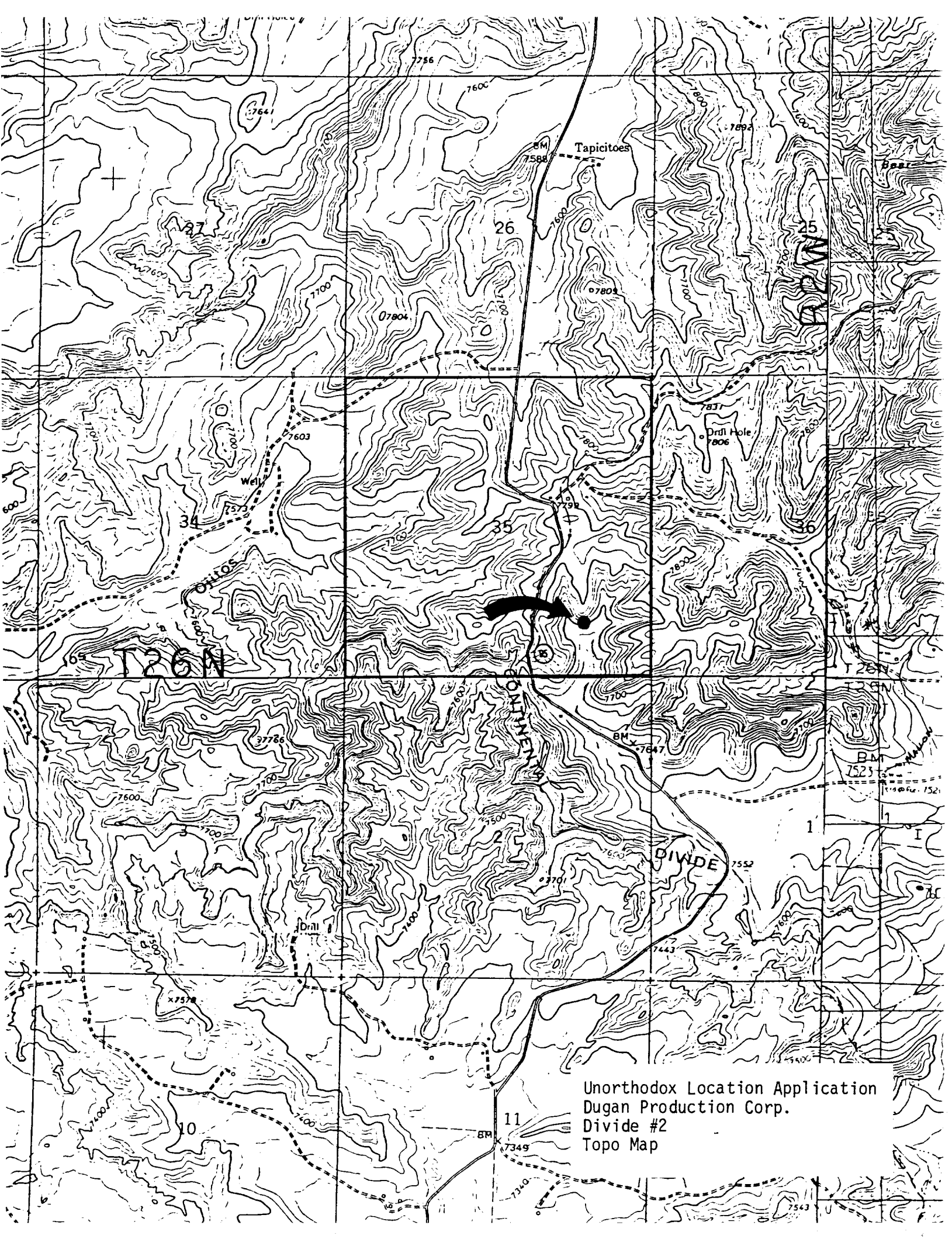
Company Dugan Production Corp.

Date 2-10-86



Date Surveyed September 9, 1985
Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, L.S.



Unorthodox Location Application
Dugan Production Corp.
Divide #2
Topo Map

Tapicitoes

Drill Hole

DIVIDE

T26N

R26W

11

10

26

25

07804

07803

Well

837

37786

BM 7647

BM 7523

Drill

x7578

BM 7349

7543

756

7600

7644

7892

BM 7588

7600

7100

7600

7100

7603

7600

7600

34

35

36

OLLOS

36

28

BM 7647

BM 7523

DIVIDE

Drill

x7578

BM 7349

7543

756

7600

7644

7892

BM 7588

7600

7100

7600

7100

7603

7600

7600

34

35

36

OLLOS

36

28

BM 7647

BM 7523

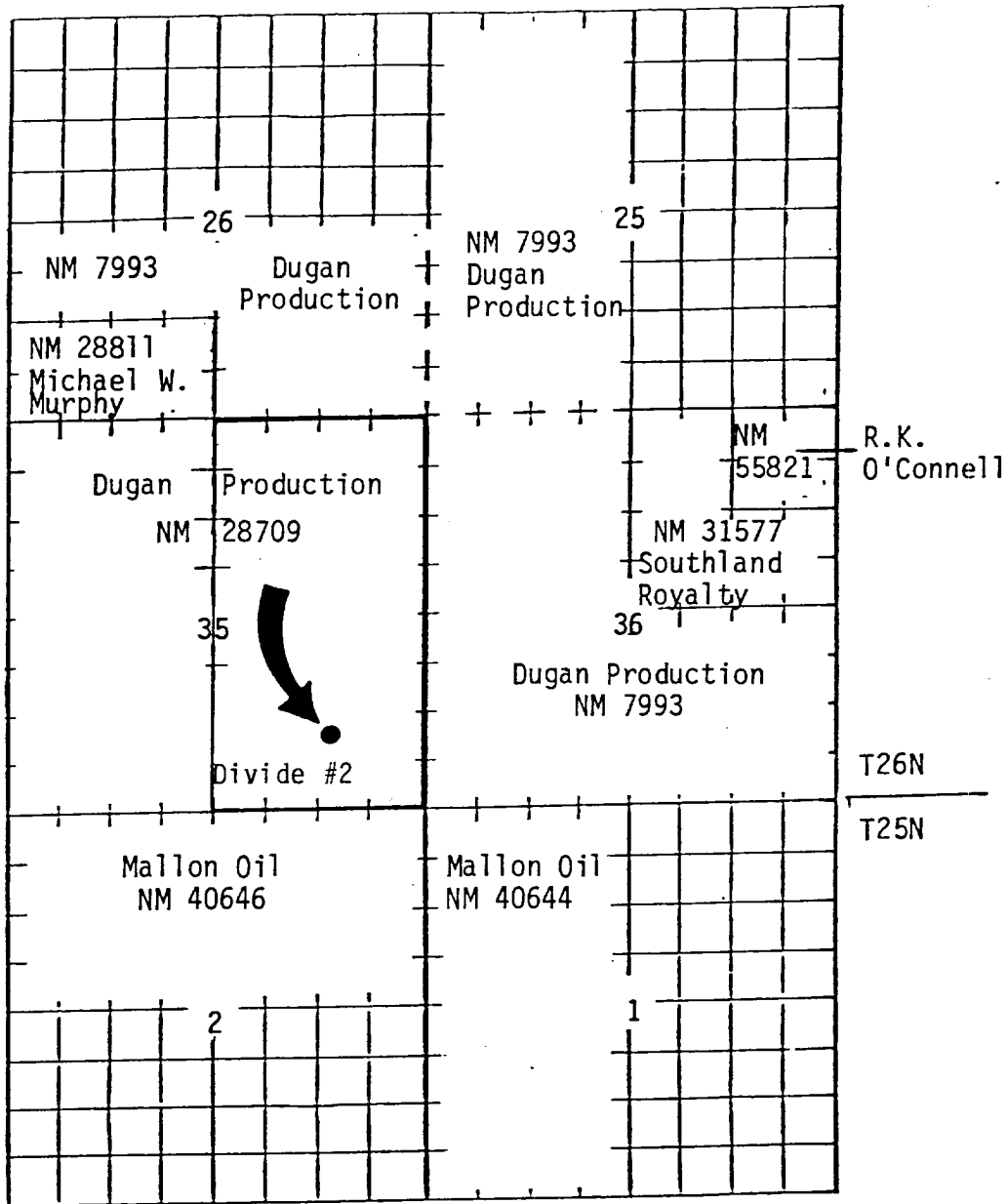
DIVIDE

Drill

x7578

BM 7349

7543



R-2-W

UNORTHODOX LOCATION APPLICATION
 Dugan Production Corp.
 Divide #2

990' FSL & 1200' FEL, Sec. 35, T26N, R2W, NMPM
 Rio Arriba County

Map of Off-Setting Operators
 320 Acre Proration Unit

