

#### STATE OF NEW MEXICO.

#### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

#### **OIL CONSERVATION DIVISION**

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

July 7, 1997

Dugan Production Corporation P.O. Box 420 Farmington, New Mexico 87499-0420 Attention: Gary W. Brink DECEIVED N Jul 1 4 1997

OIL COM. DIV.

Administrative Order NSL-3826

Dear Ms. Staley:

Reference is made to your application dated June 11, 1997 for a non-standard Basin-Fruitland coal gas well location for your existing Com Well No. 1 (API No. 30-045-08722), which was drilled in 1961 and completed in the Basin-Dakota Pool at a standard gas well location 1750 feet from the South line and 1820 feet from the East line (Unit J) of Section 2, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Dakota interval has been plugged off and said well was recompleted up-hole into the Basin-Fruitland Coal (Gas) Pool, which pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool", as promulgated by Division Order No. R-8768, as amended, is also unorthodox. Further, Lots 1 and 2, the S/2 NE/4, and the SE/4 (the E/2 equivalent) of said Section 2 is to be dedicated to the well to form a standard 316.65-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely.

William J. LeM

Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec

New Mexico State Land Office - Santa Fe



# dugan production corp.



June 11, 1997

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

Subject:

Administrative Approval of Unorthodox Location

Dugan Production Corp.

Com #1

1750' FSL & 1820' FEL, Sec. 2, T29N, R14W, NMPM

San Juan County, NM Basin Fruitland Coal DEGETWED
JUN 1 2 1887

OIL CON. DIV

Dear Mr. Stogner:

Dugan Production Corp. requests administrative approval for an unorthodox location for its Com #1 well under the provisions of NMOCD Order No. R-8768.

The subject well was originally drilled as a Basin Dakota well. It was later plugged back to a Basin Fruitland Coal in order to test the potential of the Coal formation in the area.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing dedicated acreage, a well location map and a map showing all offsetting operators.

Sincerely,

Gary W. Brink

GWB/cg

cc: New Mexico Oil Conservation Division, Aztec Bureau of Land Management, Farmington

Offset Operators

# Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

### OIL CONSERVATION DIVISION

P.O. Box 2088

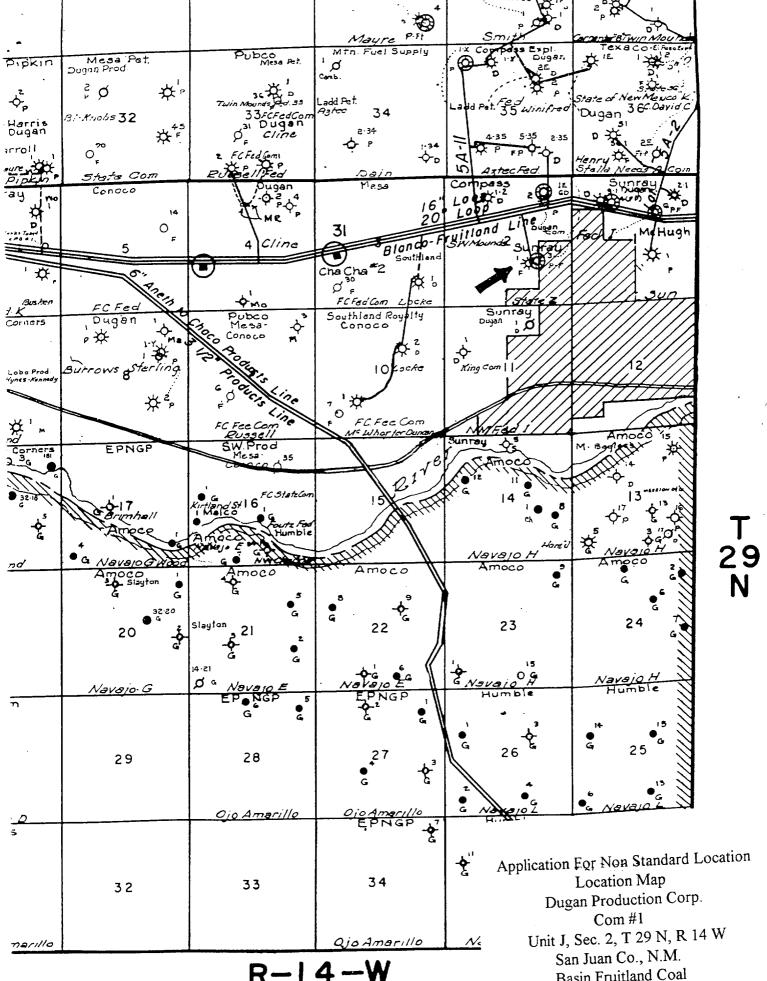
Santa Fe, New Mexico 87504-2088

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Ariesia, NM 88210

## WELL LOCATION AND ACREAGE DEDICATION PLAT

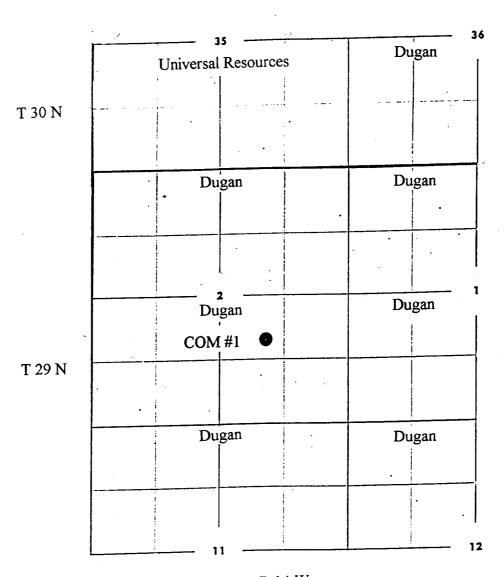
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DUGAN PRODUCTION CORP.				Range County					
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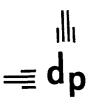
R-14-W

Basin Fruitland Coal

Application For Non Standard Location
Offset Operators
Dugan Production Corp.
Com #1
Unit J, Sec. 2, T 29 N, R 14 W
San Juan Co., N.M.
Basin Fruitland Coal



R 14 W



# dugan production corp.



June 11, 1997

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1750' FSL & 1820' FEL, Sec. 2, T29N, R14W, NMPM

San Juan County, NM Basin Fruitland Coal

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New Mexico Oil Conservation Division, Aztec cc: Bureau of Land Management, Farmington

Offset Operators

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## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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P.O. Box 2088
Santa Fe, New Mexico 87504-2088

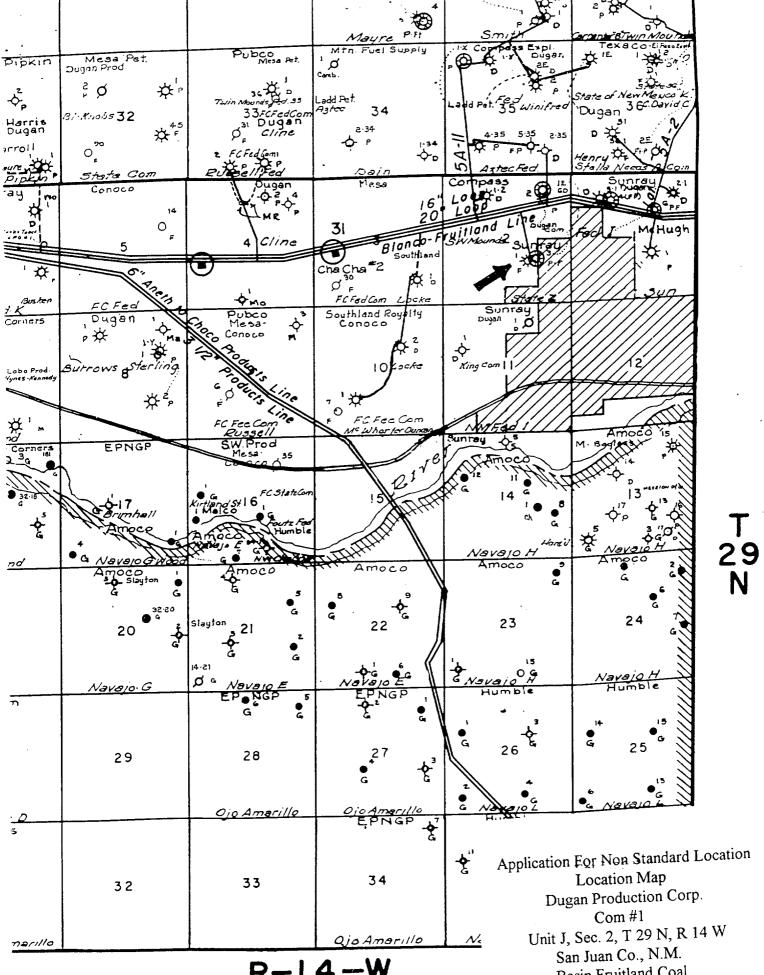
DISTRICT II P.O. Drawer DD, Arlesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410

### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

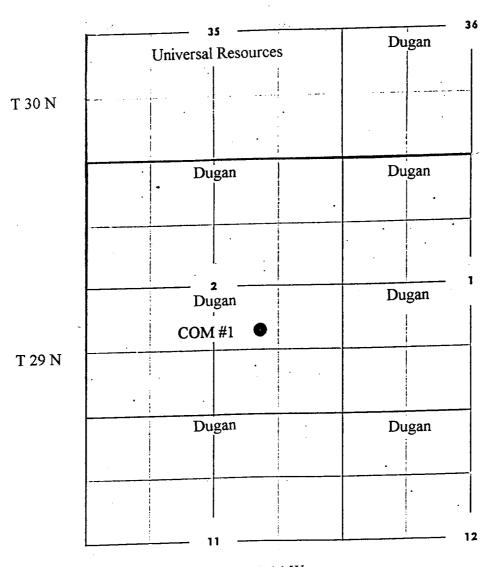
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DUGAN PRODUCTION CORP.	Com	_	1			
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5516' Fruitland Coal			uitland Coa			316.65 Acres
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2. If more than one lease is dedicated to the well,						
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	40 A	1750'	SF-078110		Original signed survey plat by James P. Leese is on file.	
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0 330 660 990 1320 1650 1980 2310 26	40 A Fee Lse	Pr. 1750'	SF-078110		Signature & S Professional S Original plat by is on fi	eal of Surveyor Signed sur James P. Le le.



R-14-W

Basin Fruitland Coal

Application For Non Standard Location
Offset Operators
Dugan Production Corp.
Com #1
Unit J, Sec. 2, T 29 N, R 14 W
San Juan Co., N.M.
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R 14 W