

dugan production corp.

RECEIVED

MAY 05 2003

OIL CONSERVATION  
DIVISION

May 1, 2003

Ms. Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Dugan's Application dated 4-11-03 requesting  
Exception to well location requirements  
Rule 2(b) Associated Oil & Gas Pools  
Dugan Production Corp.'s Davis Federal No. 1E (API No. 30-045-30714)  
Unit J, Section 24, T-26N, R-11W  
Gallegos Gallup Associated Pool  
San Juan County, New Mexico

Dear Ms. Wrotenbery,

To assist in your consideration of the subject application, attached are copies of the "return receipts" which reflect that all offset operators did receive a copy of Dugan's application.

In addition, two of the operators (ConocoPhillips & Energen Resources) have returned waivers and copies are attached for your consideration. To date we have had no objection or response from Burlington or Four Star.

Should there be questions or additional information needed, please let me know.

Sincerely,

John D. Roe  
Engineering Department

JDR/tmf

attachments

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Energy Resources  
Attn: Bill Conover  
2198 Bloomfield Highway  
Farmington, NM 87401

## COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7002 2410 0001 0133 8532

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Star Oil & Gas Company  
Attn: Fuel Department  
PO Box 845896  
Dallas, TX 75284-5896

## COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7002 2410 0001 0133 8501

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burlington Resources Oil & Gas Co.  
Attn: Fuel Department  
P.O. Box 4289  
Farmington, NM 87499-4289

## COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7002 2410 0001 0133 8518

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips  
Attn: Fuel Department  
600 North Main Highway  
Houston, TX 77079-1175

## COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

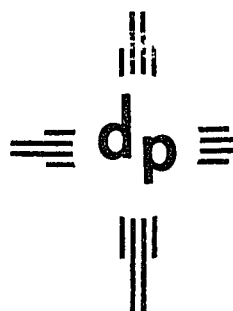
(Transfer from service label)

7002 2410 0001 0133 8525

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0835



dugan production corp.

SIGN & RETURN  
THIS COPY

April 11, 2003

Burlington Resources Oil & Gas Company, LP  
Attn: Land Department  
P. O. Box 4289  
Farmington, NM 87499-4289

Energen Resources Corp.  
Attn: Rich Corcoran  
2198 Bloomfield Highway  
Farmington, NM 87401

ConocoPhillips  
Attn: Land Department  
600 North Dairy Ashford  
Houston, TX 77079-1175

Four Star Oil & Gas Company  
Attn: Land Department  
P. O. Box 845896  
Dallas, TX 75284-5896



Re: Application for unorthodox location  
Dugan Production's Davis Federal No. 1E  
Unit J, Section 24, T-26N, R-11W  
Gallegos Gallup Associated Pool  
San Juan County, New Mexico

Dear Offset Operator:

Attached for your information and review is a copy of Dugan Production's application to the New Mexico Oil Conservation Division requesting an exception to Rule 2(b) of the pool rules for associated oil and gas pools which has set back requirements of 790' from section lines and 330' from quarter-quarter section lines. The subject well was permitted as a Basin Dakota infill well at an orthodox location (1620' FSL & 1610' FEL) for the Dakota and is currently being drilled. Dugan Production now desires to also complete the Gallup formation and is requesting an exception to the associated pool rules for the proposed Gallegos Gallup completion which is 30' too close to the south line and 40' too close to the east line of the NWSE quarter-quarter section line. The wellbore does satisfy the 790' setback requirement.

Should you have no objection to our requested unorthodox location, we would appreciate your signing and returning to Dugan the waiver at the bottom of this letter. Should you have questions or need additional information, please let me know.

Sincerely,

John D. Roe  
Engineering Manager

JDR/tmf

**ConocoPhillips Company**

(Name of Operator) has received a copy of Dugan Production Corp.'s application dated 4-11-03 requesting approval for an unorthodox location of the proposed Gallegos Gallup completion in Dugan's Davis Federal No. 1E well and has no objection to the granting of the requested unorthodox location.

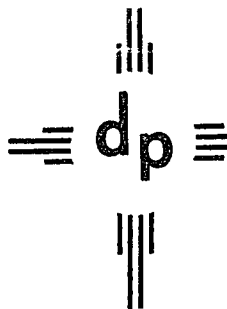
Signed by:

Jim Ball  
Senior Landman  
San Juan/Rockies

Date:

4/22/03

Printed Name:



dugan production corp.

SIGN & RETURN  
THIS COPY

April 11, 2003

Burlington Resources Oil & Gas Company, LP  
Attn: Land Department  
P. O. Box 4289  
Farmington, NM 87499-4289

Energen Resources Corp.  
Attn: Rich Corcoran  
2198 Bloomfield Highway  
Farmington, NM 87401

ConocoPhillips  
Attn: Land Department  
600 North Dairy Ashford  
Houston, TX 77079-1175

Four Star Oil & Gas Company  
Attn: Land Department  
P. O. Box 845896  
Dallas, TX 75284-5896

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Sincerely,

John D. Roe  
Engineering Manager

JDR/tmf

ENERGEN RESOURCES (Name of Operator) has received a copy of Dugan Production Corp.'s application dated 4-11-03 requesting approval for an unorthodox location of the proposed Gallegos Gallup completion in Dugan's Davis Federal No. 1E well and has no objection to the granting of the requested unorthodox location.

Signed by:

Date:

4-15-03

Printed Name:

RICHARD CORCORAN