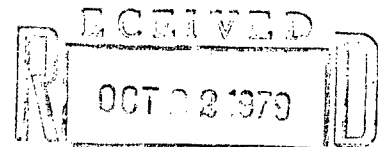


dugan production corp.

NSL-1093

October 18, 1979



OIL CONSERVATION DIVISION
SANTA FE

Joe D. Ramey
Division Director
New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Re: Application for Administrative
Approval of Unorthodox Location
of the KR #10 Well

T-27-N, R-13-W, N.M.P.M.
Section 19: 2000' FSL - 1850' FEL
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the Application for Administrative Approval of the Unorthodox Location of the KR #10 Well which is located in the SE/4 of Section 19, Township 27 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

1. Three copies of the Application for Administrative Approval of the Unorthodox Location for the KR #10 Well.
2. Three copies of a plat showing the ownership of all leases offsetting the SE/4 of Section 19, Township 27 North, Range 13 West, N.M.P.M. This plat also shows all of the wells completed on these leases.
3. Three copies of a letter from an official of the Navajo Indian Irrigation Project requesting the location of this well so as not to interfere with the sprinkler systems of the Project.

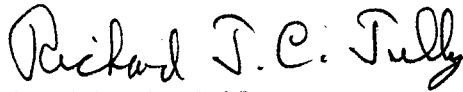
NSL-1093
Rule 104 F
Immediate
Send letter that says
Please show the pool
or formation name
on any request
for approval of
non-standard
locations

Joe D. Ramey
October 18, 1979
Page Two

4. Three copies of a Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well, the Supervisor of the District III Office of the New Mexico Oil Conservation Division, the U.S. Geological Survey, and the Project Manager of the Navajo Indian Irrigation Project have been notified of the Application by certified mail.

If you need further information or assistance, please advise.

Sincerely,



Richard T. C. Tully
Attorney for Applicant

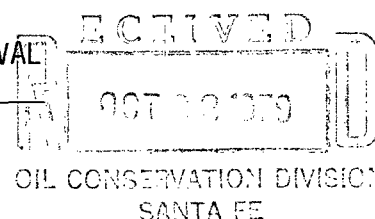
RTCT:eb

Enclosures

cc: Al R. Kendrick
Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

District Engineer
U.S. Geological Survey
P.O. Box 959
Farmington, New Mexico 87401

APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION



Applicant: Dugan Production Corp.
P.O. Box 208
Farmington, New Mexico 87401

Lease: USA NM 11580

Lease Date: May 1, 1970

Lease Term: Ten Years

Lands Described in Lease
Dedicated to the Well: Township 27 North, Range 13 West, N.M.P.M.
Section 19: SE/4

Containing 160 acres, more or less
San Juan County, New Mexico

Name of Well: KR #10

Proposed Unorthodox Location: Township 27 North, Range 13 West, N.M.P.M.
Section 19: 2000' FSL - 1850' FEL

(Unit Letter J)
San Juan County, New Mexico

Reason for Unorthodox Location: Topographical conditions based on request
by officials of the Navajo Indian Irriga-
tion Project to locate the well in such a
manner so as to not interfere with the
sprinkler systems of the Project.

New Mexico Oil Conservation
Division Rule Authorizing
Application: Rule 104(D) (II)(F)

Offsetting Leases and Operators:

A. USA NM 11580

Township 27 North, Range 13 West, N.M.P.M.

Section 19: NE/4, SW/4

Section 20: W/2

Section 29: NW/4

San Juan County, New Mexico
(Same Lease)

Dugan Production Corp.
P.O. Box 208
Farmington, New Mexico 87401

B. USA NM 33040 (Faith Lease)

Township 27 North, Range 13 West, N.M.P.M.

Section 19: NW/4

San Juan County, New Mexico

Dugan Production Corp.
P.O. Box 208
Farmington, New Mexico 87401

C. USA NM 0499348 (FAF Lease)

Township 27 North, Range 13 West, N.M.P.M.

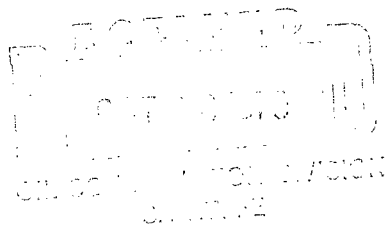
Section 30: N/2

San Juan County, New Mexico

Dugan Production Corp.
P.O. Box 208
Farmington, New Mexico 87401

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location of the KR #10 Well to all operators of leases offsetting the dedicated acreage for the KR #10 Well by certified mail, and to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, to the U.S. Geological Survey, and to the Project Manager of the Navajo Indian Irrigation Project on this 18th day of October, 1979.



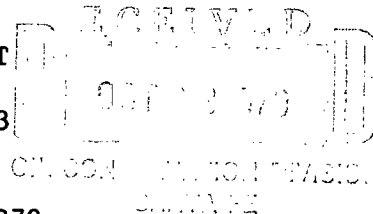
Richard T. C. Tully

Richard T. C. Tully
Attorney for Applicant



UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS
NAVAJO INDIAN IRRIGATION PROJECT
3539 East 30th Street
Northwest Energy Bldg., Room 103
Farmington, New Mexico 87401



October 18, 1979

Mr. Joe D. Ramey, Division Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Dugan Production Corporation, Farmington, has contacted our office regarding location of a gas well, KR # 10, Section 19, T. 27N., R11W., NMPM.

In order to reduce interference with the sprinkler irrigation systems of the Navajo Indian Irrigation Project we requested the well be at the following location and that no well or production equipment exceed two feet above ground surface elevation.

2000 'FSL - 1850' FEL

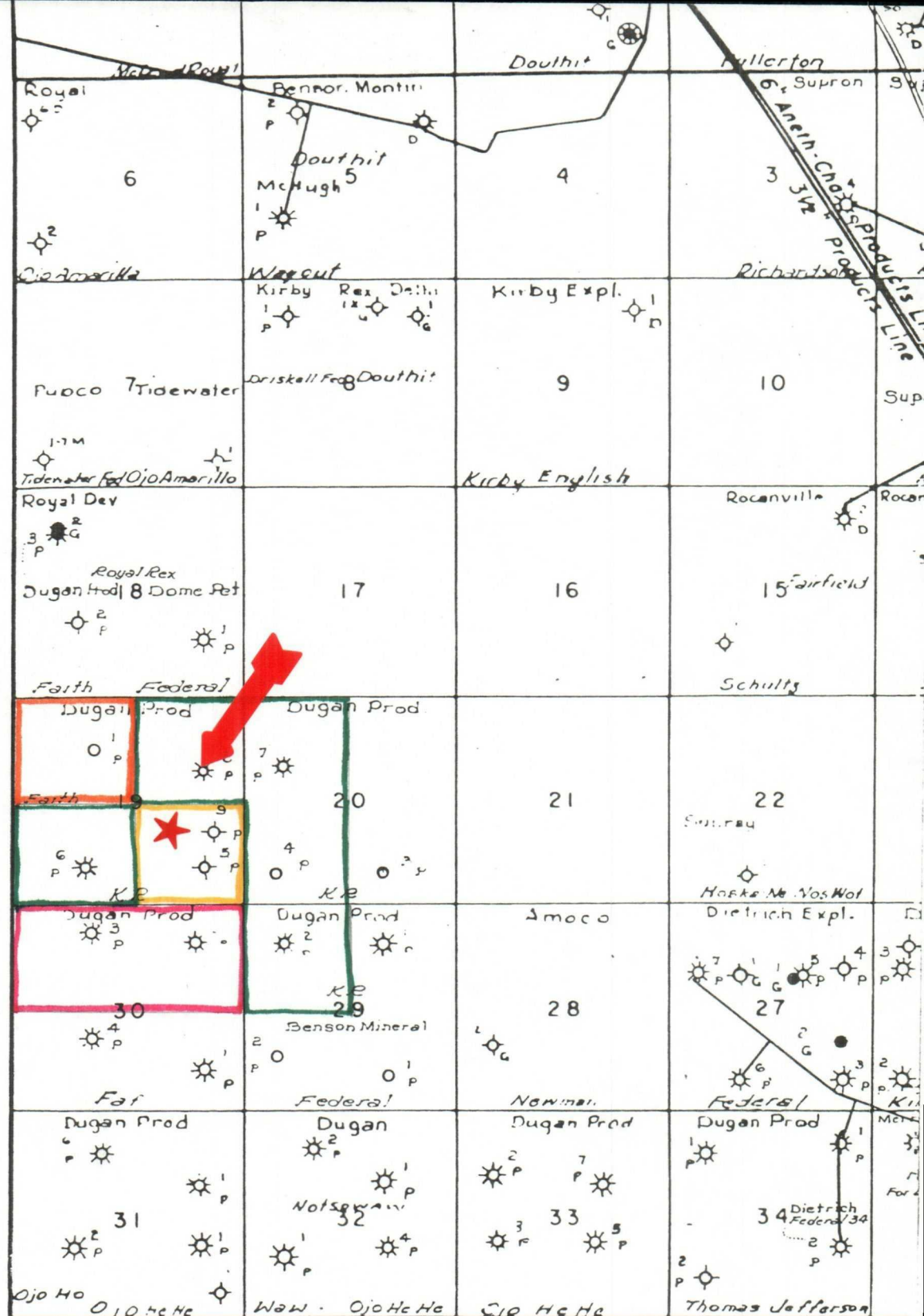
We understand this is at an unorthodox location which requires approval of your office. In order to minimize the long term interference with the Project irrigation systems we request that you approve this location.

Your cooperation will be appreciated.

Sincerely yours,

Albert L. Keller
Project Manager

ALK:ef



APPLICATION FOR UNORTHODOX LOCATION
KR #10 WELL

Section 19: 2000' FSL - 1850' FEL (Unit Letter J)
San Juan County, New Mexico

USA NM 0499348 (FAF Lease)
Dugan Production Corp.

RECEIVED
OCT 22 1979
OIL CONSERVATION DIVISION
SANTA FE

 Dedicated Acreage