

November 11, 1988

- TO: Offsetting Operators or Owners (See attached list)
- RE: Application for Administrative Approval Non-Standard 160 Acre Spacing Unit Western Federal #9 Well T26N, R11W Section 7: NW/4 San Juan County, NM

Gentlemen:

Dugan Production Corp., (Dugan) is making application to the New Mexico Oil Conservation Division, (NMOCD) for administrative approval of a non-standard spacing unit, for the captioned well, consisting of the NW/4 of Section 7, T26N, R11W, to comply with the rules of Order No. R-8768.

Dugan completed the referenced well on August 9, 1979, in the South Gallegos Pool, spaced 160 acres. The well was drilled on USA lease Number SF - 078897-A and communitized with USA lease SF - 078897 covering the NW/4 of said Section 7. Dugan was designated operator under Communitization Agreement SCR-323 approved effective 10/1/79.

The NMOCD under case No. 9420, Order NO. R-8768, established the Basin-Fruitland Coal Gas Pool providing for 320 acre spacing for wells producing from Fruitland Coal seams, effective November 1, 1988.

As provided for in the rules of the above mentioned Order, we are giving notice to you as either the operator or owner (or Trustee) of the offsetting acreage, of our application.

We are enclosing a copy of our letter of application and location plat for your reference. Any operator or owner that objects to the administrative granting of the subject non-standard spacing unit should provide notice to the NMOCD within 20 days of our making application. We would also appreciate any such party to also notify Dugan. Offsetting Operators or Owners November 11, 1988 Page 2 of 2

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Should you need additional information regarding our application, please feel free to contact me.

Sincerely, John Courses

Richard Corcoran Landman

RC/dh

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Enc.

Navajo Tribal Council P.O. Box 2010 Window Rock, Arizona 86515 Attn: Akhtar Azaman, Director Navajo Tribal Minerals Dept.

J. P. McHugh & Associates 650 South Cherry Street, #1225 Denver, CO 80222

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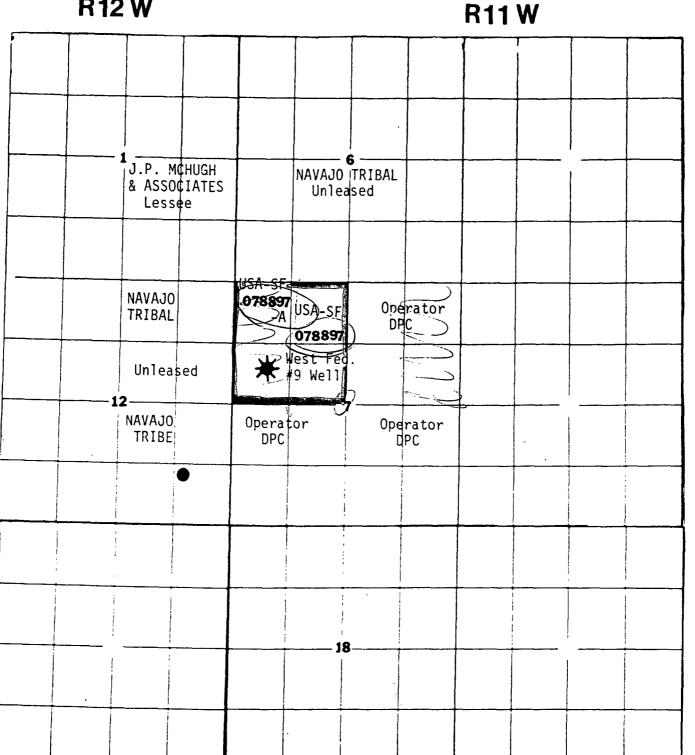
Bureau of Land Management Farmington Resources and Tribal Leases 1235 La Plata Highway Farmington, NM

WESTERN FEDERAL #9 WELL

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Sent loby to Earnie Buch 11/30

dugan production corp.

CERTIFIED RETURN RECEIPT REQUESTED

November 16, 1988

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87504-2088

RE: Administrative Approval 160 Acre Spacing Unit Western Federal #9 Well T26N, R11W Section 7: NW/4 San Juan County, NM

Gentlemen:

Dugan Production Corp., hereby requests administrative approval for a 160 acre non-standard spacing unit consisting of the NW/4 of Section 7, T26N, R11W, under the rules of Order No. R-8768.

By certified mail, return receipt requested, we have provided all operators or owners offsetting the subject non-standard spacing unit with a copy of this letter application. A copy of the offset operator or owner notice along with a list of names and addresses of all operators notified is attached for your information. Upon receiving the "return receipts", we will provide you with a copy for your records.

Should you have questions regarding our application, please feel free to contact me at the letterhead address.

Respect fully,

Richard Corcoran Landman

RC/dh

Enc.

ON CONSE

709 EAST MURRAY DRIVE • P. O. BOX 5820 • FARMINGTON, NEW MEXICO 87499-5820 • PHONE: (505) 325-1821

November 29, 1988

New Mexico Oil Conservation Division 310 Old Santa Fe Trail Room 206 Santa Fe, New Mexico 87503

Attn: Mr. William LeMay

Re: Dugan's Application for Non-Standard Spacing Unit NW/4-Sec. 7-26N-11W San Juan Co., New Mexico

Gentlemen:

Reference is made to an application filed by Dugan Production Company for administrative approval of a non-standard spacing unit covering the NW/4 of Section 7-26N-11W.

Please be advised that Jerome P. McHugh, an offsetting leasehold owner, has no objection to Dugan's request for administrative approval of a non-standard spacing unit covering the NW/4-Section 7-26N-11W.

Very truly yours,

Kent C. Craigy

KCC:ls

cc: Mr. Rich Corcoran Dugan Production Corp.

Jerome P. McHugh & Associates Operating Affiliate: Nassau Resources, Inc. 650 South Cherry, Suite 1225 Denver, Colorado 80222 (303) 321-2111



	4-NMOCD 1-E1 Paso	L-File	States - Alter	· · · · · · · · · · · · · · · · · · ·
	HO, OF COPIES RECEIVED 14	1		
	DISTRIBUTION		CONSERVATION COMMISSION	1.
	SANTA FE		FOR ALLOWABLE	Form C-104 Supersedes Old C-104 and C-110
	FILE /	l	AND	Effective 1-1-65
	LAND OFFICE	AUTHORIZATION TO TRA	ANSPORT OIL AND NATURAL (SAS C
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•	Operator	···		······································
	Dugan Production Con Address	·p.		
	Box 208, Farmington	, NM 87401		
	Reason(s) for filing (Check proper box.	,	Other (Please explain)	
`	New Well X	Change in Transporter of:		JEDE
	Recompletion	Oil Dry Go Casinghead Gas Conde		
				The fit
	If change of ownership give name and address of previous owner	·		
			DIL CC VS. T	177 CT DIVISION
	DESCRIPTION OF WELL AND	Well No. Pool Name, Including F	CA	Lease No.
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	Unit Letter;	COFeet From TheLtr	e and OZU Feet From '	rheWest
	Line of Section 7 Tow	mahip 26N Range	11W _{, NMPM} , San Jua	D County
				······································
111	Name of Authorized Transporter of Oil	TER OF OIL AND NATURAL GA	Address (Give address to which approv	red copy of this form is to be sent!
	Name of Authorized Transporter of Cas		Address (Give address to which approv	
	El Paso Natural Gas	Unit Sec. Twp. Rgs.	Box 990, Farmington, N	
	If well produces oil or liquids, give location of tanks.	i i i i i	No	·••
	If this production is commingled with	th that from any other lease or pool,	give commingling order number:	
IV	COMPLETION DATA	Oil Well Gas Well	New Wel: Workover Deepen	Plug Back Same Res'v. Diff. Res'v.
	Designate Type of Completio		x	
	Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
	7-16-79	8-9-79	1480'	1422'
	Elevations (DF, RKB, RT, GR, etc.) 6054' GR	Name of Producing Formation Fruitland	Top 01/3as Pay 1126	Tubing Depth 1260'
	Perforations			Depth Casing Shoe
	1278-1282 1126	-1131		
			CEMENTING RECORD	
	HOLE SIZE	CASING & TUBING SIZE	<u>DEPTH SET</u> 30'	6 SX
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		1-1/4"	1260'	
			<u> </u>	i
v	 TEST DATA AND REQUEST F(OIL WELL 	DR ALLOWABLE (Test must be a able for this de	fter recovery of total volume of load all pth or be for juli 24 hours?	and must be equal to or exceed top allow-
	Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lij	t, etc.)
	Length of Test	Tubing Pressure	Casing Pressure	Choke Size
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	Actual Prod. During Test	Oil-Bble.	Water - Bbls.	Gas-MOP
	I <u></u>	L	J	L KANGASI SALAS
	GAS WELL			AUG 1 7 1979
	Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravery of Condenarie COM.
	136 Testing Method (pitot, back pr.)	3 hrs	Caning Pressure (Shut-in)	Choke Ske DIST. 3
•	Back pressure	266. SI	266.51	5/8
VI.	CERTIFICATE OF COMPLIANO			TION COMMISSION
			AUG 2 118	79
	I hereby certify that the rules and r Commission have been complied w	egulations of the Oil Conservation	APPROVED HOU C I	
	above is true and complete to the	best of my knowledge and belief.	BY	and and
			TITLE SUPERVISOR DISTR	ET # 1
	2 Maria	7	This form is to be filed in c	compliance with RULE 1104.
	_ N.A. heur	n	If this is a request for allow	able for a newly drilled or deepened
1		eum Engineer	tests taken on the well in accor	
1			All sections of this form mu able on new and recompleted we	at be filled out completely for allow- lis.
	·	8-16-79	Fitt out only Sections I. II	. III, and VI for changes of owner, en or other such change of condition.
	(Da	tej	well name or number, or transport	t be filed for each pool in multiply

10 A.

1 00 mpleted wells. ī

Form 23-119 (Rev. 4-73)

EL PASO NATURAL GAS COMPANY POST OFFICE BOX 990 FARMINGTON, NEW MEXICO

NOTICE OF GAS CONNECTION

DATE September 23, 1980

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THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT CONNECTION FOR PURCHASE OF

GAS FROM <u>Dugan Production Corp.</u> Operator		Federal #9 I Name				
93-223-01 27043-01	E	7-26-11				
Meter Code Site Code	Well Unit	S-T-R				
South Gallegos Fruitland	El Paso Hatural Gas Company					
Pool	Name of Purchaser					
WAS MADE ON9-9-80,	FIRST DELIVERY	9-9-80				
Date		Date				
AOF 136						
CHOKE 126 DCT 0 7 1980	4					
C.L.CC SLATE	El Paso	Natural Gas Company				
	• Purchaser	Orifinal Cigned by Charles A, Thomas				
	Representat	ive				

Assistant Chief Dispatcher Title

OIL DIST

cc: Operator **Farmington** Oil Conservation Commission - 2 Proration - El Paso

File

		UNITE	O STATES	Sec		. 1	Bun	R en
	DEPAR		OF THE IN CAL SURVE		t struc	other in- tions on (se side)	SF 078	NATION AND BERIAL
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2-7/8"	6.4#		<u> </u>	1-3/4"	<u></u>	<u>10_sx</u>		
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W MEXICO OIL CONSERVATION COMM N WELL LOCATION AND ACREAGE DEDICATION PLAT

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Je Sonth Supersides C-128 Ellective 1-1-65

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	uction Corpor		L		
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	· +			Date Survey April	17, 1979 Professional Engineer

Form 9-331 (May 1963)	rmington) 1-Merr UNITED ST EPARTMENT OF T GEOLOGICAL	ATES SU HE INTERIOR	BMIT IN TRIPLICAT	5. LEASE DESIGNATION AND SERIAL NO. SF 078897A
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Box 234, Fa	armington, NM 874	101	uizamente •	9 10. FIELD AND POOS, OR WILDCAT
See also spuce 17 below.)	20' FNL ₁ - 820' FWL			South Gallegos PC 11. BBC, T. B. M. OR BLK, AND BURYBY OR ARBA Sec. 7. T26N R11W -
14. PERMIT NO.	15. ELEVATIONS	(Show whether Dr. st. cs. et	_) 054' GR	12. COUNTY ON PARISH 13. STATE San Juan NM
	Check Appropriate Box		Notice, Report, or	· · · · · · · · · · · · · · · · · · ·
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APPROVED BY CONDITIONS OF APPRO	DVAL, IF ANY:		U. ^{ç.,}	DATE

NMAL

*See Instructions on Reverse Side

4-USGS (F Form 9-331 (May 1963)	armington) 1-Merrion & UNITED STATES DEPARTMENT OF THE I	5 .	SUBMIT IN TRIPLICATE	i)e Form approved. Budget Boreau. No. 42-R1424. 5. LEASE DESIGNATION AND SERIAL NO.
1.	GEOLOGICAL SUR		-	SF 078897A
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(Do not use this f	orm for proposals to drill or to deepen Use "APPLICATION FOR PERMIT-"			
	OTHER			7. UNIT AGREEMENT NAME COMESA
WELL WELL 2 2. NAME OF OPERATOR	Å OTHER			8. PARM OR LEASE NAME
Dugan Pro	duction Corp.			Western Federal
3. ADDRESS OF OPERATOR	Formington NM 07401			9. WELL NO.
4. LOCATION OF WELL (Re	Farmington, NM 87401 port location clearly and in accordance	with any State r	equirements.*	10. FIELD AND POOL, OR WILDCAT
See also spuce 17 belov At surface	«.) 820' FNL° - 820' FWL			South Gallegos PC
				11. SEC., T., B., M., OR BLE. AND SURVET OR AREA
				Sec 7 T26N R11W =
14. PERMIT NO.	15. ELEVATIONS (Show v	whether DF, ST. GR,	etc.)	12. COUNTY OR PARISH 13. STATE
			6054' GR	San Juan NM
16.	Check Appropriate Box To Inc	licate Nature	of Notice, Report, or	Other Data:
.4 NC	TICE OF INTENTION TO:	1	SUBSE	UBNT REPORT OF
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REPAIR WELL (Uther)	CHANGE PLANS	-	(Other) (Note: Report result	s of multiple completion on Well pletion Report and Log form.)
17. DESCRIBE PROPOSED OR proposed work. If nent to this work.) *	COMPLETED OPERATIONS (Clearly state all well is directionally drilled, give subsur	l pertinent detail face locations an	s, and give pertinent dates	s, including estimated date of starting any cal depths for all markers and sones perti-
IN SEP 2 STIT	Moved in FWS swabbing 2.4# EUE 8R Cond "B" t invertable packer w/bu joint above perfs is t position w/all weight perfs 1131-1136 w/250 psi treated @ 750 psi Foam fraced perfs 1136 Western Co. and Nowsco sand, 33 gals adafoam 1800 psi, Max 2100 psi after 17,500# sand in 4.5 wtr. ISDP 1300 ps SI 45 minutes. Opened unloaded considerable 66 hours w/moderate spr	bg. TE 1 ill plug of orch slot gals 15% H 0 1-1/2 B -1131 and b. Used to and 174,50 , Ave. TP formation i, 10 min to atmos	176.41' w/Baker btm set @ 1175 ted. Ran packer ring. Allied Se (Cl reg. acid. /M. 1278-1282' w/70 otal of 131 bbls 00 SCF of Nitrog 2000 psi. Drop No ball actions stdg pressure 1 ohere through 3/ cing estimated 3	Model "C" GR. First in set down rvices acidized BD pressure 1400 vulity foam by wtr, 30,000# 10-20 en. Minimum TP ped 8 ball sealers n. Average IR 200 psi. Left well 4" choke. Well 50-400 MCF after
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18. I bereby certify that t	he foregolog is true and correct			
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W MEXICO OIL CONSERVATION COMM N WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form C-102 Supersedes C-128 Effective 1-1-65

Dugan Production Corporation Western Federal #9 Dut Latter Tematic Tematic San Juen Actual Restan Tematic B20 test team the Tematic Description of Walt Proof team the North B20 test team the West Description of Walt Proof team the North B20 test team the West 10 action of team the Proof team team the North B20 test team the Mest team team 10 actine the acreage dedicated to the subject well by colored pencil of hackure marks on the plat below. 1 Interest can royality). 3. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royality). If answer is "no;" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). No If answer is "no;" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). No If answer is "no;" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). No If answer is "no;" stription of the well, sould and the stription of the back of the stription. 13201 E CEIVE			All distances must be fro	m the outer boundaries of	the Section.	
Unit Later Section Threadob Reserver County San Juen Actual Footigen Leveline of Weith The and the section of Weith 26 Nor th 11 West San Juen Actual Footigen Leveline of Weith Footigen Leveline of Weith B20 test team the West Image: San Juen Actual Footigen Leveline The member Profession of Weith Footigen Leveline The accuage: Dedicated Accuage: Image: San Juen 6054 Fruit Cland South 6a Hegos 160 Acces 1. Outline the acreage dedicated to the subject well by colored pancil or hacbure marks on the plat below. 1 Image: San Juen 1. Outline the acreage dedicated to the well, autine each and identify the ownership thereof (both as to working interest and royalty). 1 If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, initization, force-pooling, etc? If answer is "no?" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No If answer is "reserved by the Commission. No allowable will be assigned to the well util all interests have been consolidated. (Use communitization, antization, force-pooling, or therewise) or unil a non-standard unit, eliminating such interests, has been approved by the Commission. B201 E C E I V E	Operator				-	Well No.
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forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis- sion. CERTIFICATION I hereby certify that the information con- tained herein is true and complete to the best of whowledge and beild SEP 0 5 1979 OILI CONSERVATION DIVISION SANTA FE Sec. 7 Sec. 7 Sec. 7 Sec. 7 Company Date Sec. 7 Company Company Date Sec. 7 Company Company Date Sec. 7 Company Date Sec. 7 Company Company Date Sec. 7 Company	this form i	f necessary.)		• 	·	
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undei my supervision, and the the same is true and correct to the bost of my knowledge only a during the surveyed April 17, 1979 Registered Professional Engineer and/or Land Surveyor Certricate No. 5979		OILL CONSERV	TION DIVISION		rained her best of my Name Richa Position Landm Company Dugan Date	rein is true and complete to the knowledge and belief Aul July rd. Tully an Production Corp. 8-28-79
					Date Survey April 1 Registered 1 and/or Land	Supervision, and the the same not correct to the bost of my Sond Biliston and Son of my own add and a son of the second son of the source of the second source of the second June of the second source of the second June of the second source o
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Form 9-331	IINITED STATES	ayless 1- Atom Inc 1- SUBMIT IN TRIPLICAT (Other Instructions on ERIOR verse side)	rg. Form approved.
	SEOLOGICAL SURVE	Y	SF 078897A = = = :
	ICES AND REPOR nais to drill or to deepen or ATION FOR PERMIT-" for	IS ON WELLS plug back to a different reservoir.	6. IF INDIAN, ALLOTTEX OR TABLE NAXE
1. OIL CAS WELL WELL OTHER			7. UNIT AGREENENT NAME 4222
2. NAME OF OPERATOR		1	8. FARM OR LEADS MAME
Dugan Production 3. ADDRESS OF OPERATOR	Corp.	·	Western Federal
Box 234, Farmingt			9 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
4. LOCATION OF WELL (Report location of See also space 17 below.) At surface 1820' FNL	- 820' FWL	a sy State requirements.*	10. PIELD AND FOOL, ON WILDCAT South Gallegos PC 11. BBC, T. B. M. OR BLK. AND BORVEY OR ANDA SEC. 7. T26N R11W
14. PERMIT NO.	15. ELEVATIONS (Show wheth	ber DP. BT. OR. etc.) 6054' GR	12. COUNTY OR PARISH 13. STATS San Juan NM-
16. Check A		ite Nature of Notice, Report, o	
TEST WATER SEUT-OFF	PULL OB ALTER CASING Multiple complete Abandon [®] Change plans	WATER BHUT-OFF PRACTURE TRBATMENT SHOOTING OR ACIDIZING (Other) (Note : Report resi	ABANDONMENT [®]
nent to this work.)• 8-10-79 Moved in and rigge EUE tbg. TE 1263. Left tbg open to a	05' set @ 1260' GF	unit. Ran 38 jts 1-1/ R. Landed tbg and nipp Shut in.	4" OD 2.4#J-55 10R
		•	한 도둑 () 위 도둑 () 위 도둑 () 위 도둑 () 도둑 () 위 도둑 () 도둑 ()
, ()	STATA PE	OIL COH. DINT
13. I hereby certify therethe pressing the signed	true and correct	Petroleum Engineer	DATE 8-14-79
Thomas_A.Dug	a/h		
(This space for Federal or State off APPROVED BY CONDITIONS OF APPROVAL, IF A		1	DATE
CONDITIONS OF APPROVAL, IF A		1)1 1 × C C	· -

*See Instructions on Reverse Side

4-USGS (Farmingt	on) 1-Merrion & Bay	less 1- Atom Inc 1-F	ile /
Form 9-331 (May 1003)	UNITED STATES	SUBMIT IN TRIPLICATE (Other_Instructions on r	Budget Bureau. No. 42-R1424.
ULPAR I	MENT OF THE INTER	RIUR verse side)	6. LEASE DESIGNATION AND SERIAL NO.
	GEOLOGICAL SURVEY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
	TICES AND REPORTS		
(Do not use this form for prop Use "APPLIC	onals to drill or to deepen or plug CATION FOR PERMIT—" for such	g back to a different reservoir. proposais.)	
1.			7. UNIT AGREEMENT NAME
OIL GAS WELL WELL OTHER			
2. NAME OF OFERATOR	Cours		8. FARM OR LEASE NAME
Dugan Production	Lorp.		Western Federal
Box 234, Farming	ton_NM 87401		0
4. LOCATION OF WELL (Report location		ny State requirements.*	10. FIELD AND POOL, OR WILDCAT .
See also space 17 below.) At surface 1820' FNI	L - 820' FWL		South Gallegos PC
1020 11			11. SBC., T., R., M., OR BLK. AND SURVET OR AREA
			Sec 7 T26N R11W -
14. PERMIT NO.	16. ELEVATIONS (Show whether	DF. FT. OR. etc.)	12. COUNTE OR PARISH 13. STATE-
		6054' GR	San Juan NM
16. Chack A			
Cileck A		Nature of Notice, Report, or	
,, NOTICE OF INTE	OT NOITNA	8088¤	QUANT REPORT OF :
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREAT	MULTIPLE COMPLETE	FRACTURE TREATMENT	ALTUBING CASING
RHUOT OR ACIDIZE	ABANDON*	SHOOTING OR ACIDIZING [perf
(Other)		(NOTE : Report result	s of multiple completion on Well pletion Report and Log form.)
17. DESCRIBE PROPOSED OR COMPLETED OF	PERATIONS (Clearly state all pertin	ent details, and give pertinent date	s, including estimated date of starting any
proposed work. It well is direct nent to this work.) •	tionally drilled, give subsurface los	cations and measured and true verti-	cal depths for all markers and sones perti-
			이 이 이 아프는 이 꼭 승규랑을 했다.
7-28-79 Moved			이 아이 제로 말로 나온다. 사람들 같이
	in and rigged up FW	S swabbing unit. Blu	le Jet rigged up and
Swabbe	and a scorrelation	and collar log. PBI o 1000'. Perf w/2 2-	D 1422'.
foot 1	1278 - 1282 (8 holes)	and $1126-1131$ (10 ho)	1/8" glass jets per
down.	Very slight show a	as with no indication	es/. Swadded well
			or rula entry.
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		UL 31 1913	BLACK HAR T
		SUL 31 1913	AUGSLEVE
		SUL 1919	AUGZIERD OIL CCR. 511
. /)	N.S. CO. O. C. SHAREY	AUGR 1103
13. I hereby certify that the foregoing	As true and correct	n e. 6. 0. 1. 1913	
18. I hereby certify that the foregoing		U.S. C. O. C. Sharry U.S. C. O. C. Sharry Petroleum Engineer	
SIGNED H. A. Dug	Jan	U.S. C. O. C. Starry U.S. C. O. C. Starry Petroleum Engineer	DIST
SIGNED	Jan	U.S. C. O. C. BUNKY U.S. C. O. C. BUNKY Petroleum Engineer	DIST. 3
SIGNED H. A. Dug	Incertise)	U.S. C. O. C. BUNKY U.S. C. O. C. BUNKY Petroleum Engineer	DI37.5

I.

*See Instructions on Reverse Side

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dugan production corp.

August 16, 1979

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

Re: Dugan Production Corp. Western Federal #9 1820' FNL - 820' FWL Section 7 T26N R11W San Juan County, NM

Gentlemen:

This is to certify that deviation tests were run on the captioned well and the following is a true report of those tests:

1/2⁰ @ 1400'

Sincerely, /

Thomas A. Dugan President

State of New Mexico) ss County of San Juan)



•• 2

, 19⁷⁹. Subscribed and sworn to before me this 16 day of Cie

My commission expires November 5, 1982

@ .	OFFHCIAL NEAL
1	HOTARY PUBLIC - NEW MERCO
E HOTME	BOND FLED WITH SECRETARY OF STATE
My Commissi	on Expires 100, 5,198,2

Notary Public

3-NMOCD 1-Merrion and Bayless 1-Atom, Inc. 1-El Paso 1-File NEW MEXICO OIL CONSERVATION COMMISSION MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Tve	e Test			·····		*****			·	Test Date	<u> </u>	, <u> </u>			
	X] Initia	1	[] Annual			Spec	cial		6-79				
Dugan Production Corp.				ection											
Poo So	uth Gal	legos	Frui	tland	Form		ruitlan	 nd				Unit			
Сол	pletion Date	-	······	Cotal Depth	<u>_</u>	<u> </u>	Plug Back	TD	Ī	Elevation		Farm o	Lease No	ime	
-	9-79	14/4		1480'			1422'			6054'	GR		stern	Feder	al
	. Size 7/8 ¹¹	wı. 6.4#	ŀ	d	Set At 1472'		Perforation From 11		т	1282		Well No 9	•		
Thg	. Sizo	Wi.		d	Set At		Perforation	n 6:				Unit	Sec.	Twp.	Rge.
1-	1/4"	2.4#	Innhagi	- G.G. or G.C	1260'		From Op	en End		•		E	7	26N	_11W
	ngle - (renneda	- 0.0. or 0.0				Packer Se	n Al			County	Juan		
	lucing Thru	<u> </u>	Reserv	oir Temp. *F	Mean A	nnual	Temp. *F	Baro, Pre	88	Pa		State	ouun		
	tbg			()									Mexico		
	L	H		.62 est	% CO 2	2	% N 2	ľ	% H ₂ S	Pro	161	Meter	Hun	Taps	
	·		FL	OW DATA	i				ING	DATA	C/	ASING	DATA		uration
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SI	Size		2124	p.s.l.g.	hw		•F	p. s.i .		•F	p.s.		• F		Flow
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		·		·····	RAT	E O	FFLOW	CALCUL	ATI	ONS	L	k		l	
	Coeffi	cient			Pre	68ur0	Flow	Temp.		Gravity		Super	F	Rate of F	low
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4. 5.									•	· · · · · ·		<u> </u>			
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Арр	roved By Co	mmissio	n:	Conduct	ed By: H	a11		Calculate	d By: Ja	acobs		Checke	i By:		
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Form Q-122 Revised 9-1-65

4-USGS (Farmin Form 2-331	ngton) 1-Merrion & Bay UNITED STATES	yless 1- Atom Inc 1-Fi SUBMIT IN TRIFLICATE•	e Form approved
(May 1963)	ARTMENT OF THE INTE GEOLOGICAL SURVEY	(Other Instructions on as	Budget Bureay No. 42-R1424. 5. LEASE DESIGNATION AND BERIAL NO. SF 078897A
	NOTICES AND REPORTS proposals to drill or to deepen or plu PLICATION FOR PERMIT—" for such		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
I. OIL GAS WELL WELL X OTI	IER		7. UNIT AGREENENT NAME
2. NAME OF OFERATOR Dugan Producti	ion Corp.		8. FARM OR LEASE NAME Western Federal
BOX 234, Farmi BOX 234, Farmi L. LOCATION OF WELL (Report loca	ington, NM 87401 itlog clearly and in accordance with a	oy State requirements.*	9. WELL NO. 9. 10. FIELD AND POOL, OR WILDCAT
See also space 17 below.) At surface 1820'	FNL - 820' FWL		South Gallegos PC 11. BEC. T. B., M., OR BLK. AND BURVET OR AREA Sec 7. T26N R11W
14. PERMIT NO.	15. ELEVATIONS (Show whether	DF. RT. GR. etc.) 6054' GR	12. COUNTY OR PARISE 13. STATE
	k Appropriate Box To Indicate	Nature of Notice, Report, or O	
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF FRACTURE TREATMENT SHOUTING OR ACIDIZING (Other) <u>CSG</u> (NOTE: Report results	ALTERING WELL ALTERING CASINO ABANDONMENT* of multiple completion on Well etion Report and Log form.)
7. DESCRIBE PROPOSED OR COMPLET proposed work. If well is o nent to this work.) *	ED OFERATIONS (Clearly state all pertin directionally drilled, give subsurface lo	ent details, and give pertipent dates, scations and measured and true vertical	including estimated date of starting any 1 depths for all markers and zones perti-
Rigg csg. sx 6 sx c w/15 pipe to 1	ed up and ran 49 jts 2 TE 1472.77' set 0 14 5-35 plus 12% gel and lass "B" w/4% gel and 0 gals mud flush. Goo OK while cementing.	wn drill pipe. Ran IE 2-7/8" OD 6.4# 10R NEUE 72' GR. Cemented by H 1/4# flo cele per sx f 1/4# flo cele per sx. d circulation througho Bumped plug w/1800 psi 8 5:15 p.m. 7-21-79.	new tbg for OWCO w/50 ollowed by 50 Pre-flushed hole ut job. Reciprocated . Bled back pressure
		RECEIV	ED
	AUG-2:079	JUL 25 197	RVEY JUE 3 1 1979 OIL CON. COM.
S. I hereby certify that the fores	TITLE	Petroleum Engineer	DIST. 3
(This space for Federal or Sta	te office use)		DATE
CONDITIONS OF APPROVAL.	IF ANY :		

*See Instructions on Reverse Side

Form 9-331 (May 1963)	UNITED STA		TRIPLICATE•	orm approved. udget Burean No. 47-R1424.
DE		1E INIERIUR verse alde)	5, LEASE D	ESIGNATION AND BEBIAL NO.
	GEOLOGICAL			78897A N. ALLOTTEE OR TRIBE NAME
SUNDR) (Do not use this form Use	(NOTICES AND R for proposals to drill or to d "APPLICATION FOR PERMI	REPORTS ON WELLS leepen or plug back to a different re T—" for such proposals.)		
1. OIL CAS	OTHER		7. UNIT AO	REEMENT NAME
2. NAME OF OPERATOR				LEASE NAME
Dugan Produ	ction Corp.	`• <u></u>	9. WELL N	<u>ern Federal</u>
	rmington, NM 8740	01	9 1	
		dance with any State requirements.*		ND POOL, OR WILDCAT
it surface	0' FNL - 820' FWL			h Gallegos PC
			SURV	7 T26N R11W
14. PERMIT NO.	15. ELEVATIONS (S	Show whether DP, RT, GR, etc.) 6054' GR		OR PARISH 13. STATE
16.	heck Appropriate Box T	o Indicate Nature of Notice,	Report, or Other Data	
	B OF INTENTION TO :		SUBSEQUENT REPORT	o# :
TEST WATER SHUT-OFF	PULL OR ALTER CASE	NO WATER SHOT-		
FRACTURE TREAT	MULTIPLE COMPLETE		ATMENT	LTERING CASING
SILUOT OR ACIDIZE	ABANDON®	SHOOTING OR		BANDONMENT"
REPAIR WELL	CHANGE PLANS	(NOTE:	and Surface CSG Report results of multiple of	completion on Well
(Other)			on or Recompletion Report	
17. DESCRIDE PROPOSED OR COM proposed work. If well nent to this work.) •	PLETED OPERATIONS (Clearly st is directionally drilled, give	ate all pertitent details, and give possibustrace locations and measured a	rtinent dates, including est nd true vertical depths for	Imated date of starting any all markers and zones perti-
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proposed work. If well nent to this work.)* 7-16-79 M 7	is directionally drilled, give Noved in and rigge 7-16-79. Drlg to Cemented w/6 sx.	d up Morrow Drlg Co. 30'. Set 29.97' of 5	Spudded 7-7/8" -1/2" surface pi	all markers and zones perti-
proposed work. If well hent to this work.)* 7-16-79 M 7	is directionally drilled, give Noved in and rigge 7-16-79. Drlg to Cemented w/6 sx.	subsurface locations and measured a	Spudded 7-7/8" -1/2" surface pi	all markers and zones perti-
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*See Instructions on Reverse Side

DEVELOPMENT PLAN

Dugan Production Corp.

Western Federal #9

1. Existing roads and existing wells are shown on attached plat.

Planned access from existing road approximately <u>0'</u> to new location. Will leave natural grass and small vegetation on roadway. Will remove large brush or trees from road. Do not plan to make road grade or bar ditches. Will to new location. Will 2. bottom-out any arroyo we cross and not install culverts.

1820' FNL - 820'FWL 3. Location of well:

Section 7 T26N R11W

San Juan, New Mexico

NO additional well(s) planned on this lease at this time. 4.

Separator and flow line will be located within 50' of wellhead. 5.

Water will be secured from 6. El Paso Chaco Plant or Bisti Water Flood

Waste materials will be buried on location or in reserve pit. 7.

No permanent camp is planned; trailer house will be used on location while drilling. 8.

Do not plan to build airstrip. 9.

10. See attached plat for proposed location layout.

A general description of the topography, soil characteristics, geologic features, 11. flora and fauna; other surface-use activities and surface ownership of involved lands, proximity of water, occupied dwellings, archeological, historical or cultural sites can be found in the archeologist's report.

12. Geologic name of surface formation: <u>Undifferentiated Tertiary</u> Oio Alamo! 200 1 13. Estimated tops of important geologic

markers:	Kirtland	450'	
	Fruitland	1100'	
	Pictured Cliffs	1380'	

14. Estimated depths of anticipated water, oil, gas, or other mineral bearing formations which are expected to be encountered; water 200' ---- Ojo Alamo gas

gas - 1400'----Pictured Cliffs

15. We do not anticipate to encounter any abnormal pressures or temperatures or any potential hazards such as those associated with hydrogen sulfide.

16. Will clean up location, fill and level pits, level ruts in road, reseed location and road with Seed Mixture #2 and paint equipment with _______ Sandstone Brown

17. Operator's Representative:

Richard Tully Box 234

Farmington, NM 87401

18. Certification: The following statement must be signed by the lessee's or operator's field representative who is identified in Item #17 of the Plan:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this Plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Dugan Production Corp.

and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Richard Tully

te:	5-3-79

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NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

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Poim C-102 Supersedes C-128 Effective 1-1-65

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· .		All distances must be	from the outer bound	aries of the Sectio	n .		
Operator		• •	Leose	Federal		Well No.	#9
Unit Letter	uction Corpor	ation Township	· 	County		L	#9
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1820	feet from the	North line and	820	feet from the	West	line	
Ground Level Elev.	Producing For	mation	Pool			Dedicated Acreage:	
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39,40			MA' CON. 3		Date Surveyed	, 1979	• ?
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6-USGS (Farmingto Form 9-831 C (May 1963)	on) 1-Merrion	and Bayles	s 1-	SUBMIT IN TR	······	• Form approved. Budget Bureau No. 42-R1425.
		ED STATES		(Other Instruction reverse si	tions on de)	30-045-23504
DEPARTMENT OF THE INTERIOR						5. LEASE DEBIGNATION AND BEBIAL NO.
	GEOLOGICAL SURVEY					
APPLICATION	APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					6. IF INDIAN, ALLOTTER OR TRIBE NAME
1a. TYPE OF WORK DRI b. TYPE OF WELL	DRILL DEEPEN DEEPEN PLUG BACK					7. UNIT AGREEMENT NAME
OIL OIL WELL W	WELL WELL X OTHER ZONE L ZONE					
2. NAME OF OPERATOR		• ·•.			1	Western Federal
Dugan Product	Dugan Production Corp.					
Box 234. Far	mington, NM 87	401				#9 10. FIELD AND POOL, OB WILDCAT
At surface	mington, NM 87 eport location clearly and		th any f	State requirements.*)		Wildcat PC
E At proposed prod. son	1820' FNL - 820 •	' FWL				11. SEC., T., R., M., OR BLK. And Buryet or Area
14. DISTANCE IN MILES	ND DIBECTION FROM NEAL	REAT TOWN OR FOR	-	•		Sec 7 T26N R11W
:	th of Farmingto			-		San Juan NM
15. DISTANCE FROM PROPO LOCATION TO NEAREST	BED®	· · · · · · · · · · · · · · · · · · ·	16. NO	D. OF ACRES IN LEASE		F ACRES ASSIGNED
Also to nearest drig	SNE, FT. g. unit line, if any)	1170'		398.75		160
18. DISTANCE FROM PROP TO NEAREST WELL, D	RILLING, COMPLETED,		19. PI	OPOSED DEPTH		Rotary
OR APPLIED FOR, ON THE 21. ELEVATIONS (Show who		840'	<u> </u>	1550'	1	1 22. APPROX. DATE WORK WILL START
6054' GR						5-25-79
23.	F	ROPOSED CASH	NG ANI	D CEMENTING PROGRA	м	
SIZE OF HOLE	BIZE OF CABING	WEIGHT PER P	00T	SETTING DEPTH		QUANTITY OF CEMENT
7-7/8"	5-1/2"	14#		40'		10 sx
<u> </u>		6.4#	a	1550'		100 sx
If productiv	e, plan to set	2-7/8" tub	ing f	ng medium to tes for casing, sele bing and complet	ectivel	ured Cliffs formation. y perforate,
Do not plan _ and stripper	to use a blowou head while com	It prevente ipleting we CEILVEI	11.	•	Vill us	e master valve
	not dedicated.	NSTRUCTION SANITA FE	DIVISI	oli Marka	•	MAY 21929 NAY CON. 014 DIST. 3
	drill or deepen directions	highoper in co acci		ling once! Buic onton on he		active sone and proposed new productive l and true vertical depths. Give blowout
BIGNED RICH	and Jully	TI	ru r	Landman		5-3-79
(This space for Fede	ral or State office use)					······································
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*See Instructions On Reverse Side

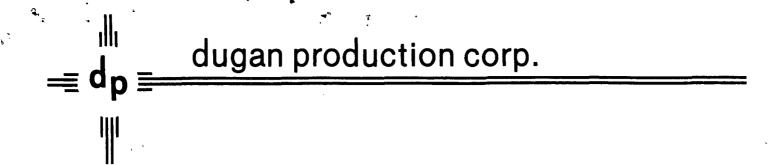
CASE NO. 9420 Order No. R-8768 Page -10-

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid parties were notified by registered or certified mail of his intent to form such non-standard unit. The Division Director may approve the application if no such party has entered an objection to the formation of such non-standard unit within 30 days after the Division Director has received the application.

<u>RULE 7</u>. The first well drilled or recompleted on every standard or non-standard unit in the Basin-Fruitland Coal Gas Pool shall be located in the NE/4 or SW/4 of a single governmental section and shall be located no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to any quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

RULE 8. The Division Director may grant an exception to the requirements of Rule (7) without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions, the recompletion of a well previously drilled to a deeper horizon, provided, said well was drilled at an orthodox or approved unorthodox location for such original horizon, or the drilling of an intentionally deviated horizontal wellbore. All operators or owners of undrilled tracts offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all parties described above or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

<u>RULE 9(A)</u>. The Division Director shall have the authority to administratively approve an intentionally deviated well in the Basin-Fruitland Coal Gas Pool for the purpose of penetrating the coalbed seams by means of a wellbore drilled horizontally, provided the following conditions are complied with:



December 1, 1988

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87504-2088

Application of Dugan Production Corp. for RE: Administrative Approval of Non-Standard Spacing Unit dated November 16, 1988 Basin Fruitland Coal Gas Pool San Juan County, NM

Gentlemen:

Attached for your file is a copy of the U.S. Postal return receipts that were attached to our November 16, 1988 notice to all operators/owners offsetting the location proposed for the following wells in San Juan County, New Mexico:

Knauff #1 Well	T28N, R10W, Section 31: NW/4
Western Federal #7	T26N, R11W, Section 7: SW/4
Petroleum Inc. Wells	T28N, R15W, Sections 25, 26, 35, 36
Hana #1 Well	T29N, R11W, Section 18: NE/4
western Federal #9	T26N, R11W, Section 7: NW/4

Having received a receipt for each operator noticed, it is our belief that we have met the notice requirements of the special pool rules for the Basin Fruitland Coal Gas Pool.

Should you need additional information or have questions, please feel free to contact the undersigned.

Sincerely

Richard Corcoran Landman

RC/dh

Attach.

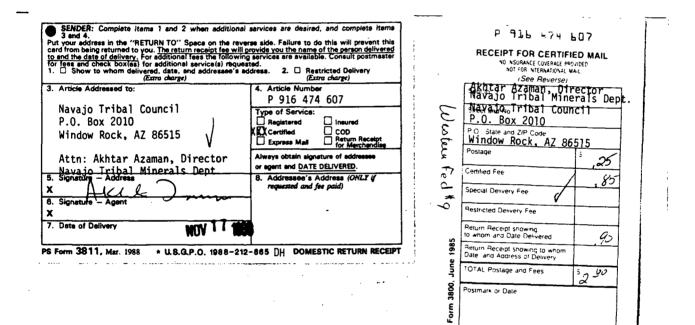
709 EAST MURRAY DRIVE • P. O. BOX 5820 • FARMINGTON, NEW MEXICO 87499-5820 • PHONE: (505) 325-1821

Western Federal #9 Well T26N, R11W Section 7: NW/4 San Juan County, NM

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Offset Operators/Owners:

Navajo Tribal Council J. P. McHugh & Associate BLM - Tribal Leases



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SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this and from being resurned to you. The return receipt fee will provide you the name of the person delivered to and the dette of delivery. For codditional fees the following services are evelable. Consult postmatter for fees and check box (se) for additional service(a), requested. P 916 474 604 RECEIPT FOR CERTIFIED MAIL Show to whom delivered, data, and addresses's addr 2. C Restricted Deliv NO INSURANCE COVERAGE FROM DEL NOT FOR INTERNATIONAL MAL 3. Article Addressed to: P 916 474 604 .See Reverse Mr. William J. LeMay, Director NM Oil Conservation Division Sent to Mr. William J. LeMay, Dir. NM oil Conservation Division Type of Service: Registered 5 Land No. P.O. Box 2088 Cartified P.O. Box 2088 Santa Fe, NM_87504-2088 Santa Fe, NM 87504-2088 7. Always obtain signature of addre agent and DATE DELIVERED Postage 8. Addresses's Address (ONLY & regulated and fee peld) 0 45 5.5 nature - Add **ii**) ___ Centified Fee X 1.30 85 6. Signature 4 Acent Special Delivery Fee X . 7. Date of Delivery Restricted Delivery Fee 11-18+89 Form 3811, Feb. 1986 e Seturn Receipt showing to whom and Date Delivered DOMESTIC RETURN RECEIPT 90 DH 1985 Return Receipt showing to whom Date, and Address of Delivery June 220 "OTAL Postage and Fees 3800. Postmark or Date Form 11/16/88 ŝ P 916 474 605 SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Feilure to do this will prevent this card from being returned to you. The <u>return receipt fee will provide you the name of the person</u> <u>delivered to and the date of delivery</u>. For additional fees the following services are evaluable. Consult postmeter for fees and check box(es) for additional service(s) requested. 1. □ Show to whom delivered, date, and addressee's address. 1. □ Show to whom delivered, date, and addressee's address. 1. □ Show to whom delivered, date, and addressee's address. 1. □ Show to whom delivered. RECEIPT FOR CERTIFIED MAIL NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MA (See Reverse) Sent to Bureau of Land Management Farmington Resources & Tribal 3. Article Addressed to: Article Number P 916 474 605 lestern EeggesNo 1235 La Plata Highway Bureau of Land Management Type of Service: Farmington, NM 87499 8 749 Farmington Resources & Tribal D Registered D Insured XXXCertified Leases ^oostage a' Da 1235 La Plata Highway つら Always obtain signature of addresse Farmington, NM 87499 Candled Fee # XIS 8740 or agent and <u>DATE DELIVERED</u>. 5 Special Delivery Fee ١. 8. Addresses's Address (ONLY If 5 Signature - Addresse requested and fee paid) х Restricted Delivery Fee 8. Sia Peturn Receipt showing to whom and Date Derivered 1 X 90 1985 Return Receipt showing to whom Date, and Address of Delivery 7 June 200 * U.S.G.P.C. 1987-178-268 DOMESTIC RETURN RECEIPT ")"AL Postage and Fees PS Form 3811, Mar. 1987 DH 3800. Postmark or Date Form 11/16/88 S SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 ■ and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. <u>The return receipt fee will provide you the name of the person</u> <u>delivered to and the date of delivery</u>. For additional fees the following services are available. Consult permeater for fees and check box/(se) for additional service() requested. 1. Show to whom delivered, dame, and addresses's address. 2. Retricted Delivery <u>t(Extra charge)t</u> <u>t(Extra charge)t</u> P 916 474 606 RECEIPT FOR CERTIFIED MAIL NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL WAL See Reverser 3. Article Addressed to: 4 Article Number J. P. McHugh & Associates P 916 474 606 Jerome P. McHugh & Associates Street and No Type of Service: 650 South Cherry Street, #1225 Registered #1225 650 S. Cherry St D Insured PO State and 21P Code Denver, CO 80222 XIX Certified Express Mail 0 000 Denver, CO 80222 eatury Postage Always obtain signature of address 25 or egent and DATE DELIVERED. Certified Fee 5. Signature - Addressee 85 8. Addressee's Address (ONLY if requested and fee paid) X Special Delivery Fee 1 6. Signature - Agent 2 х Pestricted Demery Fee 67.18 n. ы . 7. Date of Deliver 0 Return Receipt showing to whom and Date Delivered .D 1985 PS Form 3811, Mar. 1987 Beturn Receipt showing to whum Date, and Audress of Derivery + U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT DH June "OTAL Postage and Fees 200 3800 Posimark or Date Form 11/16/88

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W.F. #



APPROVAL--CE

Pursuant to the authority vester and secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the Deputy Minerals Managers, Oil & Gas, Minerals Management Service, I do hereby:

- A. Approve the attached communitization agreement covering Lots 1 and 2, E¹/₂NW¹/₄ (NW¹/₄) section 7, T. 26 N., R. 11 W., N.M.P.M., San Juan County, New Mexico, as to dry gas and associated liquid hydrocarbons producible from the Fruitland formation.
- B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:	AUG 1 3 1982	FOR Deputy Minerals Janager, Oil and Gas Minerals Management Service
		FOR Deputy Minerals Manager, Oil and Gas
		// Minerals Management Service
Effective:	October 1, 1979	
Contract No.:	SCR-323	Ť

FILED OR REDORDED BOOK 9-38 PAGE SAN JUAN COUNTY. NE 11 946.18 0'CLOCK COUNTY GLERK DEPI 8452 2

COMMUNITIZATION AGREEMENT

333-A

Contract No. <u>SCR-323</u>

THIS AGREEMENT entered into as of the <u>lst</u> day of <u>October</u>, 19 79, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto",

WITNESSETH:

WHEREAS, the act of February 25, 1920 (41 Stat. 437) as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 North, Range 11 West, N.M.P.M. Section 7: Lots 1,2, E/2 NW/4 San Juan County, New Mexico

Containing 158.57 acres, more or less, and this agreement shall extend to and include only the Fruitland formation underlying said lands and the dry gas and associated liquid hydrocarbons, herein referred to as "communitized substances", producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Area Oil and Gas Supervisor.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

- 2 -

, 19<u>79</u> upon 10. This agreement is effective October 1 execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long thereafter as communitized substances are, or can be, produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

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11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

Attest: Assistant (Secretary	DUGAN PRODUCTION CORP. BR: Manual A. Dugan, President
Attest:	ATOM, INC.
Secretary	BY: Hugh J. Mitchell, President
Attest:	DEPCO, INC.
Secretary	BY: President
J. Gregory Merrion	Robert L. Bayless
Attest:	HUSKY OIL COMPANY
- 3 -	ву:

10. This agreement is effective October 1 , 1979 upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long thereafter as communitized substances are, or can be, produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

333-4

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

Attest:	DUGAN PRODUCTION CORP.
Assistant Secretary	BY: Thomas A. Dugan, President
Attest: Aina d. Dullume Secretary	ATOM, INC. BY: C
Attest:	DEPCO, INC.
Secretary	BY: President
J. Gregory Merrion	Robert L. Bayless
Attest:	HUSKY OIL COMPANY
- 3 -	BY:

, 19<u>79</u> upon 10. This agreement is effective October 1 execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long thereafter as communitized substances are, or can be, produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

333.6

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Attest:	DUGAN PRODUCTION CORP.
Assistant Secretary	BY: Thomas A. Dugan, President
Attest:	ATOM, INC.
Secretary	BY: Hugh J. Mitchell, President
Attest: Michael D. Shepard	DEPCO, INC. BY: K. G. Ranum, Vice President
J. Gregory Merrion	Robert L. Bayless
Attest:	HUSKY OIL COMPANY
- 3 -	ВҮ:

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333.F

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Assistant Secretary	BY: Thomas A. Dugan, President
Attest;	ATOM, INC.
Secretary	BY: Hugh J. Mitchell, President
Attest:	DEPCO, INC.
Secretary	BY: President
J. Gregory Merrian	Robert L. Bayless
Attest: / 3 -	HUSKY OIL COMPANY
Canvakaw.	Dranidant

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333.G

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Assistant Secretary	BY: Thomas A. Dugan, President
Attest:	ATOM, INC.
Secretary	BY: Hugh J. Mitchell, President
Attest:	DEPCO, INC.
Secretary	BY: President
J. Gregory Merrion	Robert L. Bayless
Attest: $PO = 3 -$	HUSKY OIL COMPANY

333.2

STATE OF) ss.

Notary Public

STATE OF NEWMEXICO,

My commission expires:

STATE OF NEWMEXICO, COUNTY OF Sen Juan, SS.

On this 5.0 day of 6.4	, 19 74, before me personally appeared
Hugh J. Mitchel	to me personally known, who,
being by me duly sworn did say that he	is the president of
ATOM, Inc	, and that the seal affixed
to said instrument is the corporate seal o	f said corporation and that said instrument
was signed and sealed in behalf of said co	rporation by authority of its board of
directors, and said <u>L'agh</u>	Mitchell acknowledged
said instrument to be the free act and dee	d of said corporation.
	Henderson.
	Notary Public

My commission expires:

4-6-80

STATE OF) ss. COUNTY OF)

On this ______day of ______, 19___, before me personally appeared _______J. Gregory Merrion and Robert L. Bayless _______to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that the y executed the same as ______free act and deed.

My commission expires:

STATE OF COLORADO)) ss.

COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 5th day of May, 1982, by K. G. Ranum, Vice President of DEPCO, Inc., a Delaware corporation, on behalf of said corporation.

WITNESS my hand and official seal.

My commission expires: September 16, 1984.

andes

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Notary Public

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1000 Petroleon Building 110 Sixteenth Street Denver, Colorado 80202.

€.

STATE OF New Merrico) 55. COUNTY OF Son Jum

On this $11^{\frac{1}{2}}$ day of October, 1979, before me personally appeared
J. Gregory Merrion and Robert L. Bayless to me known to be the persons
described in and who executed the foregoing instrument, and acknowledged that the y
executed the same as their free act and deed.

Notary Public

333.K

My commission expires: $\overline{9-20-80}$

STATE OF COUNTY OF

) ss.

On this _____ day of ______, 19__, before me personally appeared ______ to me personally known, who, being by me duly sworn did say that _he__ is the ______ president of ______, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _______ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF) ss. COUNTY OF)

My commission expires:

333-2

STATE OF Colorado ; ss.

On this 26th day of October, 1979,	before me pers	onally appeared
C.W. Fink	to me personal	ly known, who,
being by me duly sworn did say thathe is the	Vice	president of
- Husky Oil Company	, and that the	seal affixed
to said instrument is the corporate seal of said corpor	ration and that	said instrument
was signed and sealed in behalf of said corporation by	authority of i	ts board of
directors, and said C. W. Fink	<u>.</u>	acknowledged
said instrument to be the free act and deed of said cor	poration.	

Loretta A. Cornelius Notary Public

Notary Public

My commission expires:

april 18,1982

EXHIBIT "A"

See Well Location and Acreage Dedication Plat for the communitized area of this agreement reproduced below:

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W MEXICO OIL CONSERVATION COMM N WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form C-102 Supersedes C-128 Effective 14-65

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E726 North11 WestSan JuanActual Footage Location of Well:1820foet from theNorthline and820feet from theWestline		_		All dis	ances must be f	rom the o	uter boundaries	of the Sec	tion.	·····		
During the large series of township Township Township Township 11 West San Juan 1200 foot town the North ting and 820 test from the West Township 1320 foot town the North Pool South Gallegos 158.57 6054 Fruitland Pool South Gallegos 158.57 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 1 Image: the acreage dedicated to the well, outline such 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 communitation, unitization, force-pooling, etc? Plan to Communitize. If answer is "no". This the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form face:say. No allowable will be assigned to the well unit all interests have been consolidated (by communitization, force-pooling, or otherwise) or unit a non-standard unit, eliminating such interests, has been approved by the Commission for an other of the device of the communities and to the device of t												
E 7 26 North 11 West San Juan Active Freemage Location of Weit: B20 test from the West test 1820 test from the North two and B20 test from the West test 1820 To de them the North B20 test from the West test To dettered for any test 6054 Fruitbland South Gallegos Dettered for any test 188.57 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hackure 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. (Use reverse side of this form if necessary.) 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, loreed pooling, or otherwic) or until a non-standard unit, eliminating such interests, has been approved by the Commission. USA SF USA SF 078897 18201 Sec 7 B201 Sec 7 B201 Sec 7 B201 Sec 7 B201 Sec	Dugan Prod	ucti	on Corpora	ation		. W	estern Fe	ederal				#9
Actual Parage Learling with: 100 text turns the North income of Pool South Gallegos Detection Arrows: C054 Provilland Pool South Gallegos 158.27 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 1. 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 consolited dated by communitization, force-pooling, etc? Yes No If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form increasers). No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. USA SF USA SF 078897 Sec 7 Sec 7 Sec 7 Sec 7	Unit Letter	Sect	on	Township		Rœ	ige	1	•			
1320 test turn the North time and 820 test turn the West ture 21amed Level Eler. Producting Promotion Prod South Gallegos 158.57 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or bachure 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 royally). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated (but communitization, unitization, force-pooling, etc?)	Ε	1	7	26	5 North	_ 1	1 West	Sa	in Juan			
Description Description Description Description Description Description 6054 Fruitland Pool South Gallegos 158.57 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 1 1 In 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 "rest" type of consolidation Plan to communitize If answer is "no?" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form facecsary.) 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 Commission. USA SF USA SF 078897 No 18897 1820* Sec. 7 I and an Central training and tract descriptions B20* Sec. 7 I and for all production Corp. Description of the strange of the s	Actual Footage Loc	ation o	of Well:									
6054 Fruitland South Gallegos 158.57 Aerrow 1. Outline the arrage dedicated to the subject well by colored pencil of hachure marks on the plat below. 1 If more than one lease is dedicated to the well, outline cach 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 Plan to communitization, unitization, force-pooling, etc? No allowable will be assigned to the well until all interests have 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 Commission USA SP 078897 CERTIFICATION B20' Sec. 7 Noallowable will be assigned to the well, and the production Corp. B20' Sec. 7 Noallowable will be assigned to the well well, and the production Corp. Sec. 7 Noallowable will be assigned to the well, and the production Corp. Noallowable will be assigned to the sec. The production Corp. Sec. 7 Noallowable will be asth	1820	foel	from the N	lorth	line and	820)	feet from t	he Wes	t	line	
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 If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitation, unitization, force-pooling, etc? Yes No If answer is "yes," type of consolidationPlan to COMMUNITIZE	6054		Fruit	land	!		South	Galleg	0S		158.57	Acres
dated by communitization, unitization, force-pooling, etc? . Yes No If answer is "yes," type of consolidation Plan to communitize	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).											
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USA SF 078897-2 1820'							1			CE	RTIFICATION	
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Certificate No. 5979									show notes under is tr know Date Su Apri Registe and/or	in dwithin a protection of actual and survey of a construction of	L979 slonal Engineer	the same
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EXHIBIT "B"

To Communitization Agreement dated October 1, 1979, embracing:

Township 26 North, Range 11 West, N.M.P.M. Section 7: Lots 1, 2, E/2 NW/4 San Juan County, New Mexico

Containing]58.57 acres, more or less

Operator of Communitized Area: Dugan Production Corp.

DESCRIPTION OF LEASES COMMITTED

	Tract No. 1
Lease Serial Number;	USA SF 078897
Lease Date:	July 1, 1947
Lease Term:	Five Years
Lessor:	United States of America
Original Lessee of Record:	Sibyl Oneda Holloway
Present Lessee of Record:	Dugan Production Corp.
Description of Lands Committed:	Township 26 North, Range 11 West, N.M.P.M. Section 7: E/2 NW/4 San Juan County, New Mexico
Number of Acres:	80
Name and Percent ORRI Owners:	See attached Sheet #1
Name and Percent WI Owners:	Dugan Production Corp. 100% P.O. Box 208 Farmington, New Mexico 87401
	Tract No. 2
Lease Serial Number:	USA SF 078897-A (Segregated out of SF 078897 effective November 1, 1957)

Lease Date:

Lease Term:

Lessor:

.

Original Lessee of Record: Present Lessee of Record: United States of America

July 1, 1947

Five Years

Sibyl Oneda Holloway

J. Gregory Merrion, Robert L. Bayless, Atom, Inc., Husky Oil Company, and Depco, Inc.

30%

30%

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EXHIBIT "B" (Cont'd)

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Description of Lands Committed:	Township 26 North, Range 11 West, N.M.P.M Section 7: Lots 1 and 2 San Juan County, New Mexico	<u>.</u>
Number of Acres:	78.57	
Name and Percent ORRI Owners:	See attached Sheet #2	
Name and Percent WI Owners:	J. Gregory Merrion Box 1541 Farmington, New Mexico 87401	
	Robert L. Bayless Box 1541 Farmington, New Mexico 87401	
	New Tre	,

Atom, Inc.		•	40%
Box 1109			
Farmington,	New Mexico	87401	

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	50.45%
2	78.57	49.55%
	158.57	100.00%

SHEET #1

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Overriding Royalty Interest Owners for USA SF 078897	
T.J.Ahern 3701 Kirby Drive, Suite 916 Houston, TX 77006	.33566%
Glenda Earl Ake 2408 Chimney Hill Drive Arlington, TX 76012	.02040%
U. S. Treasury A/C Richard Alexander, Administrator of the Estate of Charles S. Alexander, Deceased Room 3301 New Federal Building 515 Rusk Avenue Houston, TX 77002	.04030%
Hugh G. Alexander, Jr. 2181 Troon Houston, TX 77019	.06118%
Amoco Production Company Box 1953 El Paso, TX 79950	.12237%
Alma B. Anderson 5211 Briar Drive Houston, TX 77056	.09558%
Jerry J. Andrew 408 Longwoods Houston, TX 77024	,, .14544%
Hazel Bracken #1 Westlane Houston, TX 77019	.00714%
Allison A. Henderson 6410-B Auburn Drive Austin, TX 78723 ,	.00714%
Jean R. Reese #5 Mockingbird Circle Houston, TX 77074	.00714%
Robert Beamon 607 Capitol National Bank Building Houston, TX 77002	.14188%
A. B. Bray 6203 Marquita Dallas, TX 75214	.0244 7 %
Lyle E. Carbaugh 2635 Exxon Building Houston, TX 77002	.009 79 %
Alto B. Cervin 4020 Republic National Bank Tower Dallas, TX 75201	.06118%

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Jack L. Coke 3600 First National Bank Building Dallas, TX 75202	.06118%
Robert C. Coke 6616 Hursey Dallas, TX 75205	.06118%
Grace Keller Ware 53 Carolane Trail Houston, TX 77024	.04588%
Harry B. Botts 12426 Kimberley Lane Houston, TX 77024	.01530%
Hortense F. Davant Estate c/o J. E. Davant 1517 West 5th Avenue Corsicana, TX 75110	.06118%
J. P. Davis Box 131 Edna, TX 77957	.04475%
Jeremy S. Davis 204 Esperson Building Houston, TX 77002	.02804%
Waters S. Davis III 4225 Office Parkway, Suite 103 Dallas, TX 75204	.02804% ,,
Elva Kalb Dumas 3711 San Felipe Road, Apt 9H Houston, TX 77027	.12237%
Robert N. Dumble, Jr. aka Norman Dumble 10014 Locke Lane Houston, TX 77042	.02797%
Albert E. Fagan 254 Maple Valley Road Houston, TX 77027	.07954%
M. E. Fagan Route 1 Inez, TX 77968	.02447%
Fondren Oil Company 738 Houston Natural Gas Building Houston, TX 77002	.12237%
Ella Boyce Fox 9109 Villa Park Circle Dallas, TX 75225	.02040
W. H. Frederking 1325 Southwest Tower Houston, TX 77002	.04028%

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Catherine D. Gauss Bank of New York ATTN: Oil & Gas Group 48 Wall Street New York, NY 10015	.02804%
Mary Ruth Graham, only heir and Executrix of the Estate of W. Wilson Graham 5500 West Purdue Avenue Dallas, TX 75209	.06118%
Laura M. R. Gugenheim 9454 Wilshire Boulevard, Suite 405 Beverly Hills, CA 90210	.06118%
J. D. Hancock 4323 Belclaire Dallas, TX 75205	.01111%
Stanley Harris, Jr. Box 755 Chicago, IL 60690	.12237%
William O. Haslbauer 6833 Colfax Drive Dallas, TX 75231	.02039%
Wilbur E. Hess c/o White, Weld & Co. One Allen Center, Suite 3330 Houston, TX 77002	.12084%
Mary Doll Ingram 2727 Revere, Apt 37 Houston, TX 77006	.08391%
First National Bank of Fort Worth, Trustee U/A for Eula May Johnston, #661 Box 2546 Fort Worth, TX 76101	.24082%
Tom E. Johnson Box 1707 Midland, TX 79701	.01836%
Douglas E. Johnston Securities Corporation 2 Houston Center, Suite 3400 Houston, TX 77002	.04028%
V. A. Johnston Family Trust Katherine Prewett and Mary F. Chesser, Trustees Box 925 Ralls, TX 79357	.06020%
Elva Kalb Dumas and George P. Morgan, Trustees U/W/O E. F. Kalb 3711 San Felipe Road, Apt 9H Houston, TX 77027	.06118%

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James J. Johnston 2635 Exxon Building	.14544%
Houston, TX 77002 L. B. Kelly, Trustee U/W/O Laurence Corbett Kelly, Deceased c/o M. P. Fredgant, C.P.A. 12327 Santa Monica Boulevard, #102 Los Angeles, CA 90025	.46717%
William R. Kitchell Box 96 Southwest Harbor, ME 04679	.04167%
Gwinn M. Lewis 10919 Wickwild Houston, TX 77024	.05354%
Pattie B. Lundell 10922 Timberglen Houston, TX 77024	.07475%
Thomas V. McMahan Box 497 Houston, TX 77001	.05354%
Ida Mehr 2225 San Felipe Road, Apt 3 Houston, TX 77019	.02238%
Clyde W. Morgan 7048 Lavendale	.06118%
Dallas, TX 75230 Pearl N. Nordan 711 NBC Building	.06118%
San Antonio, TX 78205 Nordan Trust 711 NBC Building San Antonio, TX 78205	.06118%
L. C. Oldham, Jr. 5651 Willers Way Houston, TX 77056	.02080%
	.06118%
F. S. Oldt 6617 Lakewood Boulevard Dallas, TX 75214	
F. S. Oldt 6617 Lakewood Boulevard Dallas, TX 75214 First Hutchings-Sealy National Bank of Galveston Trustee U/W of Gladys D. Pearson Box 1500	.0305 9 %
F. S. Oldt 6617 Lakewood Boulevard Dallas, TX 75214 First Hutchings-Sealy National Bank of Galveston Trustee U/W of Gladys D. Pearson	.03059% .00765%

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George R. Reese, Jr. #5 Mockingbird Circle	.02141%
Houston, TX 77074 Kathryn Burger Richardson 3236 Candelaria, NE	.00765%
Albuquerque, NM 87107	· · ·
Kathryn Burger Richardson, Life Tenant 3236 Candelaria, NE	.00765%
Albuquerque, NM 87107 Rogers-Gibbard Trust	.06020%
Box 436 Sulphur, OK 73086	
John R. Scott Box 5961 Dallas, TX 75221	.03059%
J. Doyle Smith 2339 Southgate	.00612%
Houston, TX 77025	
Mildred P. Snowden 8866 Norwood Avenue Chestnut Hill, PA 19118	.01836%
Raybourne Thompson 2100 First City National Bank	.11748%
Houston, TX 77002 Union Oil Company of California	.48163%
Box 3100 Midland, TX 79701	
David B. Heyler, Jr., William T. Walker, Jr., and Security Pacific National Bank, Co-Trustees U/W of William T. Walker, Deceased	.19579%
Trust #2-01434-7-E Box 2253, Terminal Annex Los Angeles, CA 90051	
Gladys Watford 2635 Exxon Building Houston, TX 77002	.01530%
James A. Williams	.04283%
Box 20489 Houston, TX 77025	

SHEET #2

Overriding Royalty Interest Owners for USA SF 078897-A

Same as shown on SHEET #1