



# dugan production corp.

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CERTIFIED  
RETURN RECEIPT REQUESTED

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.

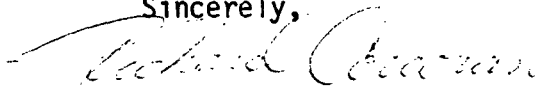
As provided for in the rules of the above mentioned Order, we are giving notice to you as either the operator or owner (or Trustee) of the offsetting acreage, of our application.

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

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Corcoran", written over a horizontal line.

Richard Corcoran  
Landman

RC/dh

Enc.

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

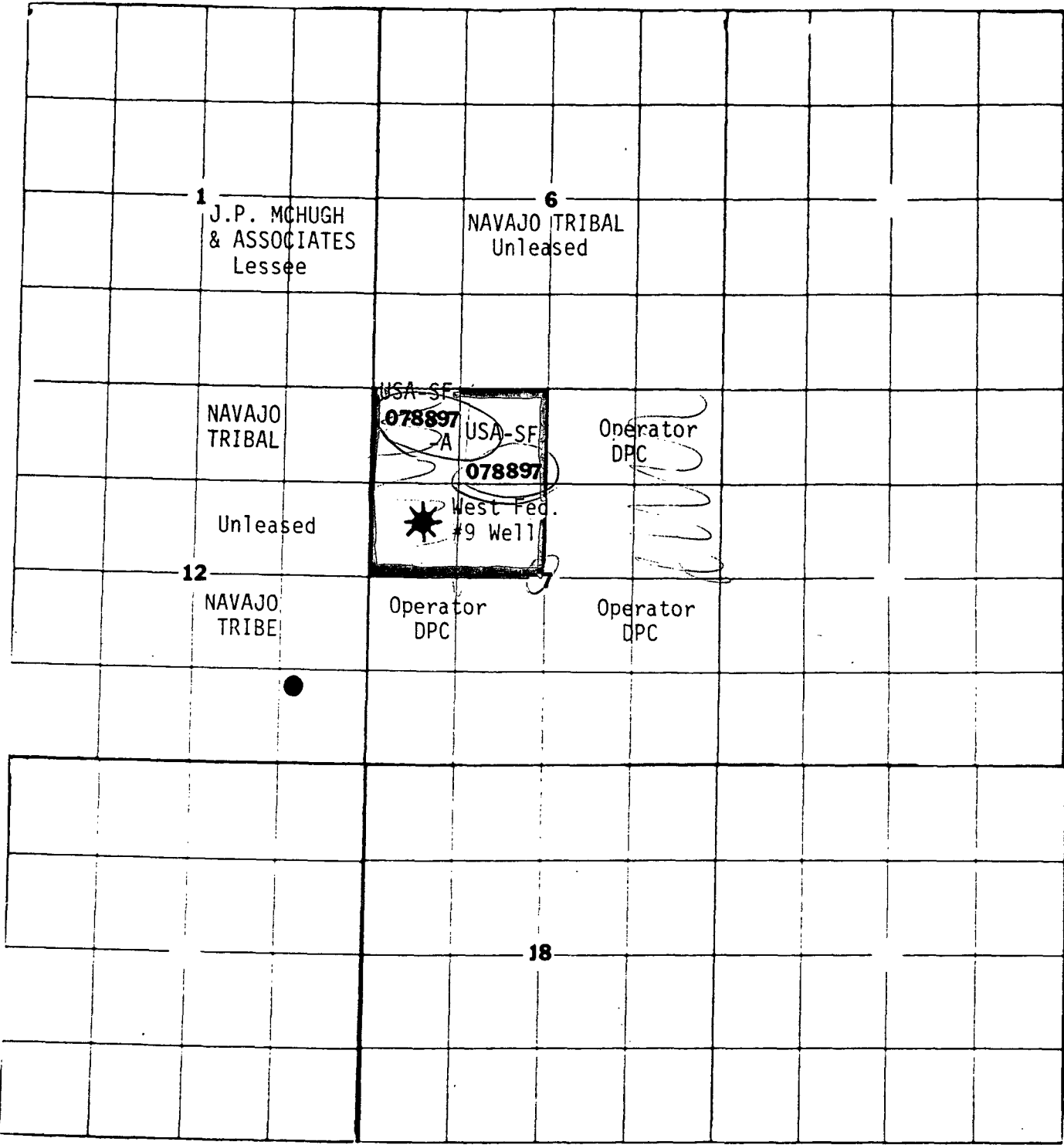
J. P. McHugh & Associates  
650 South Cherry Street, #1225  
Denver, CO 80222

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

R12 W

R11 W

T  
2  
6  
N



*Sent City to Carmie Bunch 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.

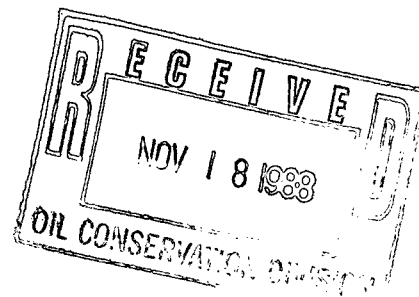
Should you have questions regarding our application, please feel free to contact me at the letterhead address.

Respectfully,

Richard Corcoran  
Landman

RC/dh

Enc.



November 29, 1988

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

Attn: Mr. William LeMay

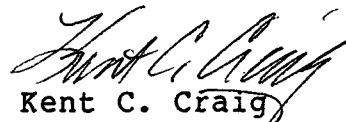
Re: Dugan's Application for  
Non-Standard Spacing Unit  
NW/4-Sec. 7-26N-11W  
San Juan Co., New Mexico

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.

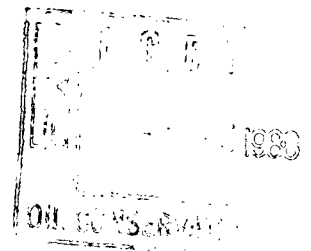
Very truly yours,

  
Kent C. Craig

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



|                        |     |
|------------------------|-----|
| NO. OF COPIES RECEIVED | 4   |
| DISTRIBUTION           |     |
| SANTA FE               | 1   |
| FILE                   |     |
| U.S.G.S.               |     |
| LAND OFFICE            |     |
| TRANSPORTER            | OIL |
|                        | GAS |
| OPERATOR               |     |
| PRORATION OFFICE       |     |

**NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS**

Form C-104  
Supersedes Old C-104 and C-110  
Effective 1-1-65

API 30-045-23504

**I. OPERATOR**

Operator: Dugan Production Corp.

Address: Box 208, Farmington, NM 87401

Reason(s) for filing (Check proper box) Other (Please explain)

New Well ☒ Change in Transporter of: Oil ☐ Dry Gas ☐

Recompletion ☐ Casinghead Gas ☐ Condensate ☐

Change in Ownership ☐

If change of ownership give name and address of previous owner \_\_\_\_\_

**II. DESCRIPTION OF WELL AND LEASE**

|                                      |                           |   |   |                                |
|--------------------------------------|---------------------------|---|---|--------------------------------|
| Lease Name<br><u>Western Federal</u> | Well No.<br><u>9</u>      | Pool Name, including Formation<br><u>South Gallegos Fruitland</u> | Kind of Lease<br><u>State, Federal or Fee Fed</u> | Lease No.<br><u>SF 078897A</u> |
| Location                             |                           |   |   |                                |
| Unit Letter<br><u>E</u>              | <u>1820</u> Feet From The | <u>North</u> Line and   | <u>820</u> Feet From The                          | <u>West</u>                    |
| Line of Section<br><u>7</u>          | Township<br><u>26N</u>    | Range<br><u>11W</u>   | <u>NMPM, San Juan</u> County                      |                                |

**III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS**

|  |  |
|--|--|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>                    | Address (Give address to which approved copy of this form is to be sent) |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |
| <u>El Paso Natural Gas Co.</u>   | <u>Box 990, Farmington, NM 87401</u>                                     |
| If well produces oil or liquids, give location of tanks.   | Is gas actually connected? When  |
|  | <u>No</u>  |

If this production is commingling with that from any other lease or pool, give commingling order number: \_\_\_\_\_

**IV. COMPLETION DATA**

|   |   |  |  |                                   |                                 |                                    |                                      |                                       |
|---|---|--|--|-----------------------------------|---------------------------------|------------------------------------|--------------------------------------|---------------------------------------|
| Designate Type of Completion - (X)                    | Oil Well <input type="checkbox"/>               | Gas Well <input checked="" type="checkbox"/> | New Well <input checked="" type="checkbox"/> | Workover <input type="checkbox"/> | Deepen <input type="checkbox"/> | Plug Back <input type="checkbox"/> | Same Res'v. <input type="checkbox"/> | Diff. Res'v. <input type="checkbox"/> |
| Date Spudded<br><u>7-16-79</u>                        | Date Compl. Ready to Prod.<br><u>8-9-79</u>     | Total Depth<br><u>1480'</u>                  | P.B.T.D.<br><u>1422'</u>                     |                                   |                                 |                                    |                                      |                                       |
| Elevations (DF, RKB, RT, GR, etc.)<br><u>6054' GR</u> | Name of Producing Formation<br><u>Fruitland</u> | Top Oil/Gas Pay<br><u>1126</u>               | Tubing Depth<br><u>1260'</u>                 |                                   |                                 |                                    |                                      |                                       |
| Perforations<br><u>1278-1282      1126-1131</u>       |   | Depth Casing Shoe                            |  |                                   |                                 |                                    |                                      |                                       |
| <b>TUBING, CASING, AND CEMENTING RECORD</b>           |   |  |  |                                   |                                 |                                    |                                      |                                       |
| HOLE SIZE<br><u>7-7/8"</u>                            | CASING & TUBING SIZE<br><u>5-1/2"</u>           | DEPTH SET<br><u>30'</u>                      | SACKS CEMENT<br><u>6 SX</u>                  |                                   |                                 |                                    |                                      |                                       |
| <u>4-3/4"</u>   | <u>2-7/8"</u>                                   | <u>1472'</u>                                 | <u>100 SX</u>                                |                                   |                                 |                                    |                                      |                                       |
|   | <u>1-1/4"</u>                                   | <u>1260'</u>                                 |  |                                   |                                 |                                    |                                      |                                       |

**V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL**

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

|                                 |                 |   |            |
|---------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tanks | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
|                                 |                 |   |            |
| Length of Test                  | Tubing Pressure | Casing Pressure                               | Choke Size |
|                                 |                 |   |            |
| Actual Prod. During Test        | Oil-Bbls.       | Water-Bbls.                                   | Gas-MCF    |
|                                 |                 |   |            |

**GAS WELL**

|  |  |  |   |
|--|--|--|---|
| Actual Prod. Test-MCF/D<br><u>136</u>                    | Length of Test<br><u>3 hrs</u>             | Bbls. Condensate/MCF<br><u>---</u>         | Gravity of Condensate<br><u>OIL CON. COM. DIST. 3</u> |
| Testing Method (pilot, back pr.)<br><u>Back pressure</u> | Tubing Pressure (shut-in)<br><u>266 SI</u> | Casing Pressure (shut-in)<br><u>266 SI</u> | Choke Size<br><u>5/8"</u>                             |

**VI. CERTIFICATE OF COMPLIANCE**

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Thomas A. Dugan (Signature)  
Petroleum Engineer

(Title)  
8-16-79  
(Date)

**OIL CONSERVATION COMMISSION**APPROVED AUG 21 1979

BY: AK Boudrie  
TITLE: SUPERVISOR DISTRICT # 1

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 1111.  
All sections of this form must be filled out completely for allowable on new and recompleted wells.  
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.  
Separate Forms C-104 must be filed for each pool in multiply completed wells.

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

NOTICE OF GAS CONNECTION

DATE September 27, 1980

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

GAS FROM Dugan Production Corp.  
OperatorWestern Federal #9  
Well Name93-223-01  
Meter Code27043-01  
Site CodeE  
Well Unit7-26-11  
S-T-RSouth Gallegos Fruitland  
PoolEl Paso Natural Gas Company  
Name of PurchaserWAS MADE ON 9-9-80,  
DateFIRST DELIVERY 9-9-80  
DateAOF 136CHOKE 126RECEIVED  
OCT 07 1980  
OIL CON. COM. DIVISION  
SANTAFEEl Paso Natural Gas Company

Purchaser

Original Signed by  
Charles A. Thomas

Representative

Assistant Chief Dispatcher

Title

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

File





**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

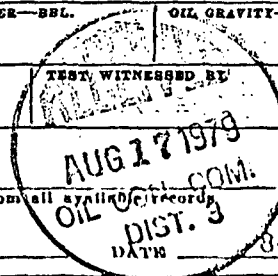
(See other instructions on reverse side)

Bure

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG \***

|  |                 |  |  |   |               |
|--|-----------------|--|--|---|---------------|
| 1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____  |                 |  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>SF 078897A                   |               |
| b. TYPE OF COMPLETION:<br>NEW <input checked="" type="checkbox"/> WORK WELL <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____ |                 |  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME                                |               |
| 2. NAME OF OPERATOR<br>Dugan Production Corp.  |                 |  |  | 7. UNIT AGREEMENT NAME  |               |
| 3. ADDRESS OF OPERATOR<br>Box 208, Farmington, NM 87401  |                 |  |  | 8. FARM OR LEASE NAME<br>Western Federal                            |               |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*<br>At surface 1820' FNL - 820' FWL<br>At top prod. interval reported below<br>At total depth                                  |                 |  |  | 9. WELL NO.<br>9  |               |
| 14. PERMIT NO. _____ DATE ISSUED _____   |                 |  |  | 10. FIELD AND POOL, OR WILDCAT<br>South Gallegos Fruitland          |               |
| 15. DATE SPUDDED 7-16-79   |                 |  |  | 11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA<br>Sec 7 T26N R11W |               |
| 16. DATE T.D. REACHED 7-20-79  |                 |  |  | 12. COUNTY OR PARISH<br>San Juan                                    |               |
| 17. DATE COMPL. (Ready to prod.) 8-9-79  |                 |  |  | 13. STATE<br>NM   |               |
| 18. ELEVATIONS (OF, RES., ST., GR, ETC.)* 6054' GR   |                 |  |  | 19. ELEV. CASINGHEAD  |               |
| 20. TOTAL DEPTH, MD & TVD 1480'  |                 | 21. PLUG, BACK T.D., MD & TVD 1422'                                  |  | 22. IF MULTIPLE COMPL., HOW MANY*<br>Single - Gas                   |               |
| 23. INTERVALS DRILLED BY _____   |                 |  |  | 24. ROTARY TOOLS 0-TD   |               |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*<br>1278-1282 Fruitland 1126-1131   |                 |  |  | 25. WAS DIRECTIONAL SURVEY MADE<br>No                               |               |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN<br>Welex IES and Blue Jet gamma ray correlation & collar log  |                 |  |  | 27. WAS WELL CORED<br>No  |               |
| 28. CASING RECORD (Report all strings set in well)   |                 |  |  |   |               |
| CASING SIZE  | WEIGHT, LB./FT. | DEPTH SET (MD)   | HOLE SIZE                                      | CEMENTING RECORD  | AMOUNT PULLED |
| 5-1/2"   | 14#             | 30'  | 7-7/8"   | 6 sx  | -----         |
| 2-7/8"   | 6.4#            | 1472' GR   | 4-3/4"   | 100 sx  | -----         |
| 29. LINER RECORD   |                 |  |  |   |               |
| SIZE   | TOP (MD)        | BOTTOM (MD)  | BACKS CEMENT*                                  | SCREEN (MD)   |               |
|  |                 |  |  |   |               |
| 30. TUBING RECORD  |                 |  |  |   |               |
| SIZE   | DEPTH SET (MD)  | PACKER SET (MD)  |  |   |               |
| 1-1/4"   | 1260' GR        |  |  |   |               |
| 31. PERFORATION RECORD (Interval, size and number)   |                 |  | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. |   |               |
| 1278-1282  |                 |  | DEPTH INTERVAL (MD)                            |   |               |
| 1126-1131  |                 |  | AMOUNT AND KIND OF MATERIAL USED               |   |               |
|  |                 |  | See Sundry Notice                              |   |               |
|  |                 |  | 8-13-79 for detailed info                      |   |               |
| 33.* PRODUCTION  |                 |  |  |   |               |
| DATE FIRST PRODUCTION  |                 | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) |  | WELL STATUS (Producing or shut-in)                                  |               |
|  |                 | flowing  |  | SI  |               |
| DATE OF TEST   | HOURS TESTED    | CHOKE SIZE   | PROD'N. FOR TEST PERIOD                        | OIL—BSL.  | GAS—MCF.      |
| 8-16-79  | 3 hrs           | 5/8"   | →  |   | 136 AOF       |
| FLOW. TUBING PRESS.  | CASING PRESSURE | CALCULATED 24-HOUR RATE  | OIL—BSL.                                       | GAS—MCF.  | WATER—BSL.    |
| 266 SI   | 266 SI          | →  |  | 136 AOF   |               |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)   |                 |  |  |   |               |
| 35. LIST OF ATTACHMENTS  |                 |  |  |   |               |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.   |                 |  |  |   |               |
| SIGNED <u>Thomas A. Dugan</u>  |                 | TITLE <u>Petroleum Engineer</u>                                      |  |   |               |

\*(See instructions and Spaces for Additional Data on Reverse Side)



*acreage correction*

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-4-65

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

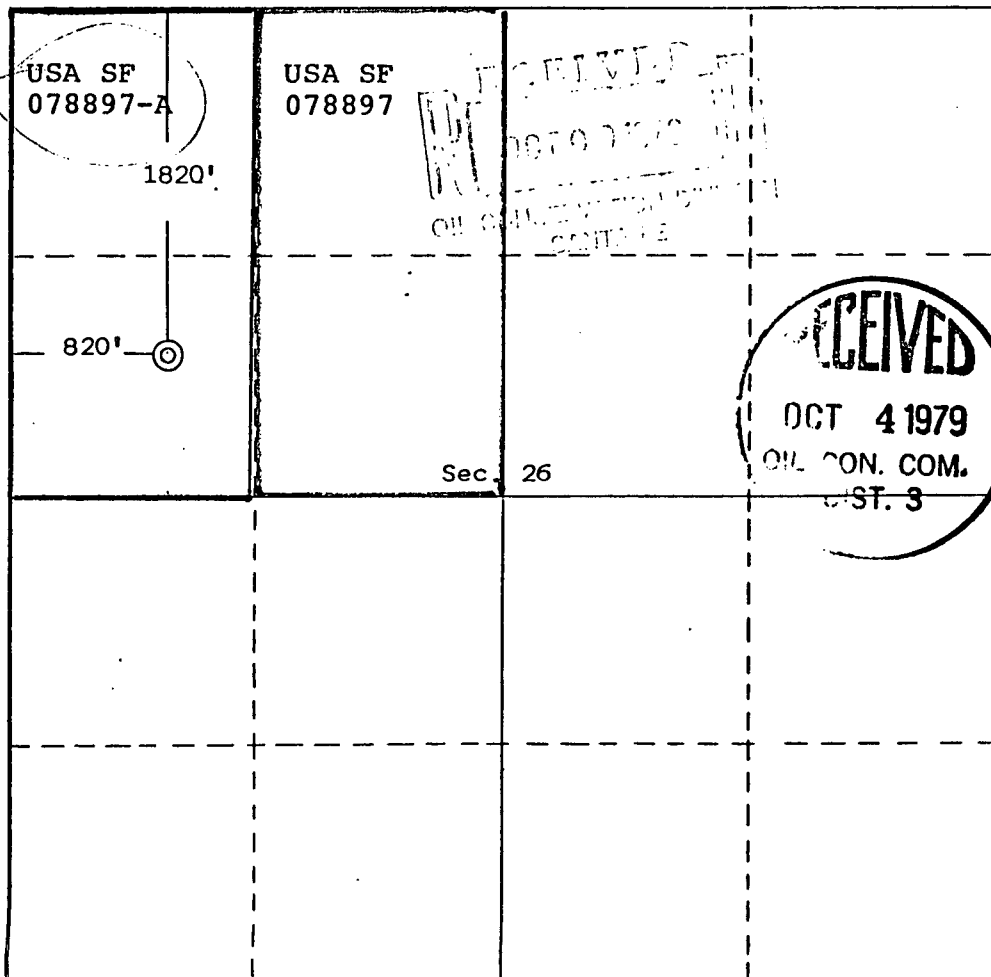
|   |   |                             |                                 |                           |   |
|---|---|-----------------------------|---------------------------------|---------------------------|---|
| Operator<br><b>Dugan Production Corporation</b>   |   |                             | Lease<br><b>Western Federal</b> |                           | Well No.<br><b>#9</b>                     |
| Unit Letter<br><b>E</b>   | Section<br><b>7</b>                     | Township<br><b>26 North</b> | Range<br><b>11 West</b>         | County<br><b>San Juan</b> |   |
| Actual Footage Location of Well:<br><b>1820</b> feet from the <b>North</b> line and <b>820</b> feet from the <b>West</b> line |   |                             |                                 |                           |   |
| Ground Level Elev.<br><b>6054</b>   | Producing Formation<br><b>Fruitland</b> |                             | Pool<br><b>South Gallegos</b>   |                           | Dedicated Acreage:<br><b>158.57</b> Acres |

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

☐ Yes ☐ No If answer is "yes," type of consolidation Plan to communitize

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

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



CERTIFICATION

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

*Richard Tully*

|  |
|--|
| Name<br><b>Richard Tully</b>             |
| Position<br><b>Landman</b>               |
| Company<br><b>Dugan Production Corp.</b> |
| Date<br><b>10-3-79</b>                   |

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

|  |
|--|
| Date Surveyed<br><b>April 17, 1979</b>   |
| Registered Professional Engineer and/or Land Surveyor<br><i>Edgar L. Risenhoover</i> |
| Certificate No. <b>5979</b>  |
| <b>Edgar L. Risenhoover, L.S.</b>  |

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE\*  
(Other instructions on re-  
verse side)Form approved.  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SF 078897A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Western Federal

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

South Gallegos PC

11. SEC., T., R., M., OR BLK. AND  
SUBST OR AREA

Sec. 7. T26N R11W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

Dugan Production Corp.

3. ADDRESS OF OPERATOR

Box 234, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface

1820' FNL - 820' FWL

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6054' GR

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

## NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

## SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

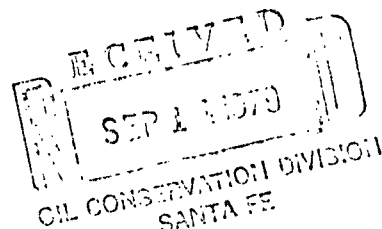
ABANDONMENT\*

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

8-04-79

Moved in and rigged up FWS swabbing unit. Acidized well w/Allied Services pump truck w/250 gals 15% HCl reg acid. Initial TP 400 psi @ 1-1/2 B/M. Dropped 9 ball sealers 100 psi increase when balls hit perfs. Used 2 gals tretolite liquid soap ahead of acid. Swabbed well down. No indication of fluid entry.



18. I hereby certify that the foregoing is true and correct

SIGNED

JIM L. JACOBS

TITLE Geologist

DATE 8-13-79

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|  |  |   |
|--|--|---|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>SF 078897A                   |
| 2. NAME OF OPERATOR<br>Dugan Production Corp.  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME                                |
| 3. ADDRESS OF OPERATOR<br>Box 234, Farmington, NM 87401  |  | 7. UNIT AGREEMENT NAME  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br>See also space 17 below.)<br>At surface 1820' FNL - 820' FWL |  | 8. FARM OR LEASE NAME<br>Western-Federal                            |
| 14. PERMIT NO.   |  | 9. WELL NO.<br>9  |
| 15. ELEVATIONS (Show whether DF, ST, CR, etc.)<br>6054' GR   |  | 10. FIELD AND POOL, OR WILDCAT<br>South Gallegos PC                 |
|  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 7 T26N R11W |
|  |  | 12. COUNTY OR PARISH<br>San Juan                                    |
|  |  | 13. STATE<br>NM   |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data:

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>          |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input checked="" type="checkbox"/>  | ALTERING CASING <input type="checkbox"/>         |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input checked="" type="checkbox"/>   | ABANDONMENT* <input checked="" type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) tbg   |  |
| (Other)                                      |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

8-7-79 Moved in FWS swabbing unit. Rigged up and ran 35 jts 1-1/4" 2.4# EUE 8R Cond "B" tbg. TE 1176.41' w/Baker Model "C" invertable packer w/bull plug on btm set @ 1175' GR. First joint above perfs is torch slotted. Ran packer in set down position w/all weight of tbg string. Allied Services acidized perfs 1131-1136 w/250 gals 15% HCl reg. acid. BD pressure 1400 psi treated @ 750 psi @ 1-1/2 B/M.

8-9-79 Foam fraced perfs 1136-1131 and 1278-1282' w/70 quality foam by Western Co. and Newsco. Used total of 131 bbls wtr, 30,000# 10-20 sand, 33 gals adafoam and 174,500 SCF of Nitrogen. Minimum TP 1800 psi, Max 2100 psi, Ave. TP 2000 psi. Dropped 8 ball sealers after 17,500# sand in formation. No ball action. Average IR 4.5 wtr. ISDP 1300 psi, 10 min stdg pressure 1200 psi. Left well SI 45 minutes. Opened to atmosphere through 3/4" choke. Well unloaded considerable sand - making estimated 350-400 MCF after 6 hours w/moderate spray of wtr.

RECEIVED  
SEP 13 1979  
OIL CONSERVATION DIST.  
SANTA FE

18. I hereby certify that the foregoing is true and correct

SIGNED

Jim L. Jacobs

TITLE

Geologist

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

nmcc

DATE

8-13-79

DATE

SEP 7 1979

OIL CON. COM.

\*See Instructions on Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

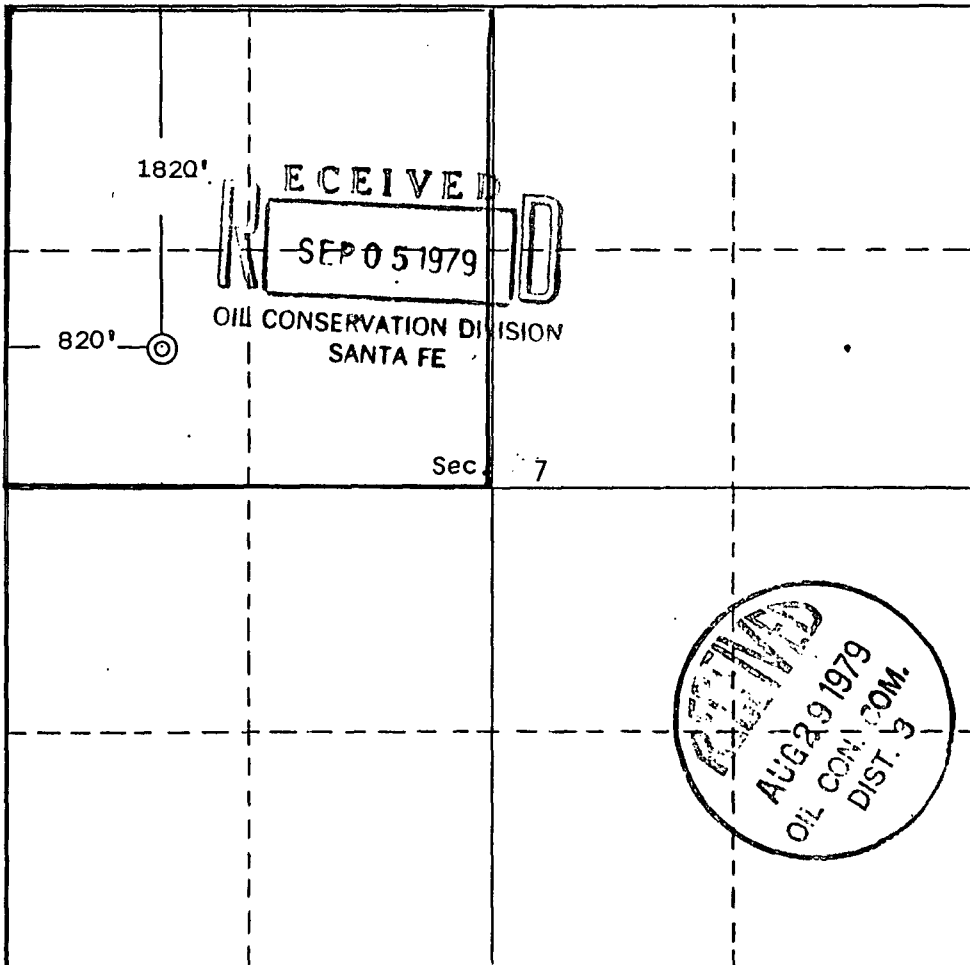
|   |   |   |  |                           |                       |
|---|---|---|--|---------------------------|-----------------------|
| Operator<br><b>Dugan Production Corporation</b> |   |   | Lease<br><b>Western Federal</b>        |                           | Well No.<br><b>#9</b> |
| Unit Letter<br><b>E</b>                         | Section<br><b>7</b>                     | Township<br><b>26 North</b>               | Range<br><b>11 West</b>                | County<br><b>San Juan</b> |                       |
| Actual Footage Location of Well:                |   |   |  |                           |                       |
| <b>1820</b> feet from the <b>North</b> line and |   | <b>820</b> feet from the <b>West</b> line |  |                           |                       |
| Ground Level Elev.<br><b>6054</b>               | Producing Formation<br><b>Fruitland</b> | Pool<br><b>South Gallegos</b>             | Dedicated Acreage:<br><b>160</b> Acres |                           |                       |

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

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

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

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



**CERTIFICATION**

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

*Richard Tully*

Name  
**Richard Tully**

Position  
**Landman**

Company  
**Dugan Production Corp.**

Date  
**8-28-79**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**April 17, 1979**

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoover*

Certificate No. **5979**

**Edgar L. Risenhoover, L.S.**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEYSUBMIT IN TRIPPLICATE\*  
(Other instructions on re-  
verse side)Form approved  
Budget Bureau No. 42-R1424

## SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|   |  |   |
|---|--|---|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER   |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>SF 078897A                       |
| 2. NAME OF OPERATOR<br>Dugan Production Corp.   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME                                    |
| 3. ADDRESS OF OPERATOR<br>Box 234, Farmington, NM 87401   |  | 7. UNIT AGREEMENT NAME  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br>See also space 17 below.)<br>At surface<br>1820' FNL - 820' FWL |  | 8. FARM OR LEASE NAME<br>Western Federal                                |
| 14. PERMIT NO.  |  | 9. WELL NO.<br>9  |
| 15. ELEVATIONS (Show whether OP, BT, GR, etc.)<br>6054' GR  |  | 10. FIELD AND POOL, OR WILDCAT<br>South Gallegos PC                     |
|   |  | 11. SEC., T., R. M., OR BLK. AND<br>SURVEY OR AREA<br>Sec. 7, T26N R11W |
|   |  | 12. COUNTY OR PARISH<br>San Juan  |
|   |  | 13. STATE<br>NM   |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: |                          | SUBSEQUENT REPORT OF: |                                     |
|-------------------------|--------------------------|-----------------------|-------------------------------------|
| TEST WATER SHUT-OFF     | <input type="checkbox"/> | WATER SHUT-OFF        | <input type="checkbox"/>            |
| FRACTURE TREAT          | <input type="checkbox"/> | FRACTURE TREATMENT    | <input type="checkbox"/>            |
| SHOOT OR ACIDIZE        | <input type="checkbox"/> | SHOOTING OR ACIDIZING | <input type="checkbox"/>            |
| REPAIR WELL             | <input type="checkbox"/> | (Other) <u>tbq</u>    | <input type="checkbox"/>            |
| (Other)                 | <input type="checkbox"/> |                       | <input type="checkbox"/>            |
| FULL OR ALTER CASING    | <input type="checkbox"/> | REPAIRING WELL        | <input type="checkbox"/>            |
| MULTIPLE COMPLETE       | <input type="checkbox"/> | ALTERING CASING       | <input type="checkbox"/>            |
| ABANDON*                | <input type="checkbox"/> | ABANDONMENT*          | <input checked="" type="checkbox"/> |
| CHANGE PLANS            | <input type="checkbox"/> |                       | <input type="checkbox"/>            |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

8-10-79

Moved in and rigged up FWS swabbing unit. Ran 38 jts 1-1/4" OD 2.4# J-55 10R EUE tbq. TE 1263.05' set @ 1260' GR. Landed tbq and nipped up wellhead. Left tbq open to atmosphere 3 hours. Shut in.

RECEIVED  
OIL & GAS DIVISION  
SANTA FEAUG 21 1979  
OIL COR. DIV.  
DIST.

19. I hereby certify that the foregoing is true and correct

SIGNED

Thomas A. Dugan

TITLE

Petroleum Engineer

DATE

8-14-79

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)Form approved.  
Budget Bureau No. 42-R1424.

## SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|  |  |   |
|--|--|---|
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| 2. NAME OF OPERATOR<br>Dugan Production Corp.  |  | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME                            |
| 3. ADDRESS OF OPERATOR<br>Box 234, Farmington, NM 87401  |  | 7. UNIT AGREEMENT NAME  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br>See also space 17 below.)<br>At surface 1820' FNL - 820' FWL |  | 8. FARM OR LEASE NAME<br>Western Federal                        |
| 14. PERMIT NO.   |  | 9. WELL NO.<br>9  |
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|  |  | 11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA<br>Sec 7 T26N R11W |
|  |  | 12. COUNTY OR PARISH<br>San Juan                                |
|  |  | 13. STATE<br>NM   |

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data:

| NOTICE OF INTENTION TO: |                          | SUBSEQUENT REPORT OF: |                                     |
|-------------------------|--------------------------|-----------------------|-------------------------------------|
| TEST WATER SHUT-OFF     | <input type="checkbox"/> | WATER SHUT-OFF        | <input type="checkbox"/>            |
| FRACTURE TREAT          | <input type="checkbox"/> | FRACTURE TREATMENT    | <input type="checkbox"/>            |
| SHOOT OR ACIDIZE        | <input type="checkbox"/> | SHOOTING OR ACIDIZING | <input type="checkbox"/>            |
| REPAIR WELL             | <input type="checkbox"/> | (Other)               | <input type="checkbox"/>            |
| (Other)                 | <input type="checkbox"/> | (Other)               | <input type="checkbox"/>            |
| PULL OR ALTER CASING    | <input type="checkbox"/> | REPAIRING WELL        | <input type="checkbox"/>            |
| MULTIPLE COMPLETE       | <input type="checkbox"/> | ALTERING CASING       | <input type="checkbox"/>            |
| ABANDON*                | <input type="checkbox"/> | ABANDONMENT*          | <input checked="" type="checkbox"/> |
| CHANGE PLANS            | <input type="checkbox"/> |                       |                                     |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

7-28-79

Moved in and rigged up FWS swabbing unit. Blue Jet rigged up and ran gamma ray correlation and collar log. PBD 1422'. Swabbed 2-7/8" csg down to 1000'. Perf w/2 2-1/8" glass jets per foot 1278-1282 (8 holes) and 1126-1131 (10 holes). Swabbed well down. Very slight show gas with no indication of fluid entry.

18. I hereby certify that the foregoing is true and correct

SIGNED

Thomas A. Dugan

TITLE

Petroleum Engineer

DATE

7-30-79

(This space for Federal or State office use)

APPROVED BY

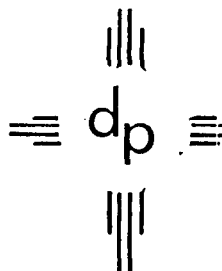
TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

Lynn McC



dugan production corp. ✓

August 16, 1979

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

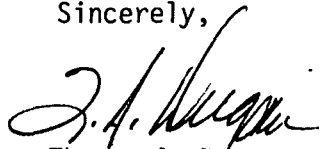
Re: Dugan Production Corp.  
Western Federal #9  
1820' FNL - 820' FWL  
Section 7 T26N R11W  
San Juan County, NM

Gentlemen:

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

1/2° @ 1400'

Sincerely,

  
Thomas A. Dugan  
President

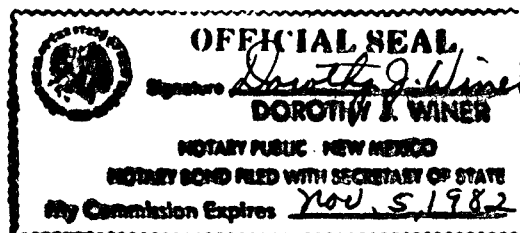


State of New Mexico)  
County of San Juan ) ss

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

Notary Public

My commission expires November 5, 1982





3-NMOCD 1-Merriion 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

Form O-122  
Revised 9-1-65

|   |             |                         |                   |                                    |                    |  |                |
|---|-------------|-------------------------|-------------------|------------------------------------|--------------------|--|----------------|
| Type Test<br><input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special |             |                         |                   |                                    |                    | Test Date<br>8-16-79                                 |                |
| Company<br>Dugan Production Corp.   |             |                         |                   | Connection                         |                    |  |                |
| Pool<br>South Gallegos Fruitland  |             |                         |                   | Formation<br>Fruitland             |                    | Unit   |                |
| Completion Date<br>8-9-79   |             | Total Depth<br>1480'    |                   | Plug Back TD<br>1422'              |                    | Elevation<br>6054' GR                                |                |
| Farm or Lease Name<br>Western Federal   |             |                         |                   | Well No.<br>9                      |                    |  |                |
| Csg. Size<br>2-7/8"   | Wt.<br>6.4# | d                       | Set At<br>1472'   | Perforations:<br>From 1126 To 1282 |                    | Unit Sec. Twp. Rge.<br>E 7 26N 11W                   |                |
| Tbg. Size<br>1-1/4"   | Wt.<br>2.4# | d                       | Set At<br>1260'   | Perforations:<br>From Open End To  |                    |  |                |
| Type Well - Single - Bradenhead - G.G. or G.O. Multiple<br>Single - Gas   |             |                         |                   | Packer Set At                      |                    | County<br>San Juan                                   |                |
| Producing Thru<br>tbg   |             | Reservoir Temp. °F<br>@ |                   | Mean Annual Temp. °F               |                    | Baro. Press. - P <sub>a</sub><br>State<br>New Mexico |                |
| L   | H           | Gg<br>.62 est           | % CO <sub>2</sub> | % N <sub>2</sub>                   | % H <sub>2</sub> S | Prover   | Meter Run Taps |

| FLOW DATA |                  |   |              |                 |                      | TUBING DATA     |                 | CASING DATA |                 | Duration of Flow |          |
|-----------|------------------|---|--------------|-----------------|----------------------|-----------------|-----------------|-------------|-----------------|------------------|----------|
| NO.       | Prover Line Size | X | Orifice Size | Press. p.s.i.g. | Diff. h <sub>w</sub> | Temp. °F        | Press. p.s.i.g. | Temp. °F    | Press. p.s.i.g. |                  | Temp. °F |
| SI        |                  |   |              |                 |                      |                 | 266             |             | 266             |                  | 7 days   |
| 1.        |                  |   |              |                 |                      |                 |                 |             |                 |                  |          |
| 2.        |                  |   |              |                 |                      |                 |                 |             |                 |                  |          |
| 3.        | 5/8" pos choke   |   |              | 3               |                      | 62 <sup>0</sup> |                 |             | 69              |                  | 3 hrs    |
| 4.        |                  |   |              |                 |                      |                 |                 |             |                 |                  |          |
| 5.        |                  |   |              |                 |                      |                 |                 |             |                 |                  |          |

| RATE OF FLOW CALCULATIONS |                       |                  |                         |                                  |                               |   |                      |
|---------------------------|-----------------------|------------------|-------------------------|----------------------------------|-------------------------------|---|----------------------|
| NO.                       | Coefficient (24 Hour) | $\sqrt{h_w P_m}$ | Pressure P <sub>m</sub> | Flow Temp. Factor F <sub>t</sub> | Gravity Factor F <sub>g</sub> | Super Compress. Factor, F <sub>pv</sub> | Rate of Flow Q, Mcfd |
| 1                         |                       |                  |                         |                                  |                               |   |                      |
| 2                         |                       |                  |                         |                                  |                               |   |                      |
| 3                         | 8.5417                |                  | 15                      | .9981                            | .9837                         | 1.000                                   | 126                  |
| 4                         |                       |                  |                         |                                  |                               |   |                      |
| 5                         |                       |                  |                         |                                  |                               |   |                      |

| NO. | P <sub>t</sub> | Temp. °R | T <sub>f</sub> | Z | Gas Liquid Hydrocarbon Ratio _____ Mcf/bbl.      |
|-----|----------------|----------|----------------|---|--|
| 1.  |                |          |                |   | A.P.I. Gravity of Liquid Hydrocarbons _____ Deg. |
| 2.  |                |          |                |   | Specific Gravity Separator Gas _____ XXXXXXXXXX  |
| 3.  |                |          |                |   | Specific Gravity Flowing Fluid _____ XXXXX       |
| 4.  |                |          |                |   | Critical Pressure _____ P.S.I.A. _____ P.S.I.A.  |
| 5.  |                |          |                |   | Critical Temperature _____ R _____ R             |

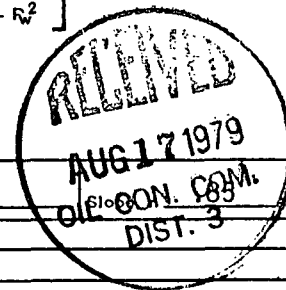
|                    |                                    |  |   |   |
|--------------------|------------------------------------|--|---|---|
| P <sub>c</sub> 278 | P <sub>c</sub> <sup>2</sup> 77,284 | (1) $\frac{P_c^2}{P_c^2 - P_w^2} = 1.0928$ | (2) $\left[ \frac{P_c^2}{P_c^2 - P_w^2} \right]^{.85} = 1.0783$ |   |
| NO                 | P <sub>t</sub> <sup>2</sup>        | P <sub>w</sub>                             | P <sub>w</sub> <sup>2</sup>                                     | P <sub>c</sub> <sup>2</sup> - P <sub>w</sub> <sup>2</sup> |
| 1                  |                                    |  |   |   |
| 2                  |                                    |  |   |   |
| 3                  |                                    | 81   | 6561  | 70723   |
| 4                  |                                    |  |   |   |
| 5                  |                                    |  |   |   |

AOF = Q  $\left[ \frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 136$

Absolute Open Flow 136 Mcfd @ 15.025 Angle of Slope @

Remarks:

|                         |                    |                       |             |
|-------------------------|--------------------|-----------------------|-------------|
| Approved By Commission: | Conducted By: Hall | Calculated By: Jacobs | Checked By: |
|-------------------------|--------------------|-----------------------|-------------|



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEYSUBMIT IN TRIPPLICATE\*  
(Other instructions on re-  
verse side)Form approved  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SF 078897A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Western Federal

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

South Gallegos PC

11. SEC., T., R., M., OR BLK. AND  
SURVEY OR AREA

Sec 7. T26N R11W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6054' GR

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

## NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

## SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) ESG

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

7-21-79

Conditioned hole. Laid down drill pipe. Ran IES log by Welox. Rigged up and ran 49 jts 2-7/8" OD 6.4# 10R NEUE new tbq for csg. TE 1472.77' set @ 1472' GR. Cemented by HOWCO w/50 sx 65-35 plus 12% gel and 1/4# flo cele per sx followed by 50 sx class "B" w/4% gel and 1/4# flo cele per sx. Pre-flushed hole w/150 gals mud flush. Good circulation throughout job. Reciprocated pipe OK while cementing. Bumped plug w/1800 psi. Bled back pressure to 1000 psi. Left SI. POB 5:15 p.m. 7-21-79. Cement did not circulate.

RECEIVED

JUL 25 1979

U. S. GEOLOGICAL SURVEY  
FARMINGTON, N. M.

RECEIVED

AUG-2-1979

DIVISION

RECEIVED

JUL 31 1979

OIL CON. COM.

DIST. 3

7-24-79

18. I hereby certify that the foregoing is true and correct

SIGNED

Thomas A. Dugan

TITLE

Petroleum Engineer

DATE

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

NMOC

UNITED STATES  
DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R1424.

GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|   |  |  |
|---|--|--|
| 1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>SF 078897A                    |
| 2. NAME OF OPERATOR<br>Dugan Production Corp.   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME                                 |
| 3. ADDRESS OF OPERATOR<br>Box 234, Farmington, NM 87401   |  | 7. UNIT AGREEMENT NAME   |
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|   |  | 13. STATE<br>NM  |

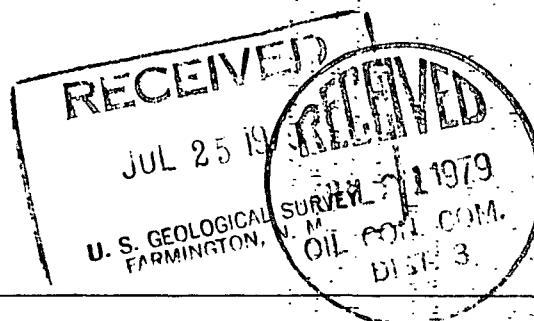
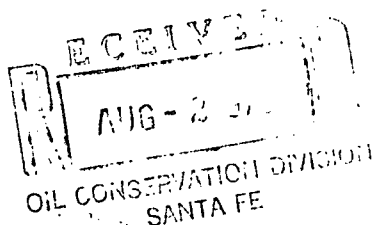
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>          |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/>         |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input checked="" type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) spud and surface csg <input checked="" type="checkbox"/>                                      |  |
| (Other) <input type="checkbox"/>             |   | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

7-16-79 Moved in and rigged up Morrow Drlg Co. Spudded 7-7/8" hole 7-16-79. Drlg to 30'. Set 29.97' of 5-1/2" surface pipe. Cemented w/6 sx.

7-17-79 Re-cemented surface pipe with 2 sx cement. WOC.



18. I hereby certify that the foregoing is true and correct

SIGNED Thomas A. Dugan TITLE Petroleum Engineer DATE 7-24-79

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

DEVELOPMENT PLAN

Dugan Production Corp.

Western Federal #9

1. Existing roads and existing wells are shown on attached plat.
2. Planned access from existing road approximately 0' 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 bottom-out any arroyo we cross and not install culverts.
3. Location of well: 1820' FNL - 820' FWL  
Section 7 T26N R11W  
San Juan, New Mexico
4. No additional well(s) planned on this lease at this time.
5. Separator and flow line will be located within 50' of wellhead.
6. Water will be secured from El Paso Chaco Plant or Bisti Water Flood.
7. Waste materials will be buried on location or in reserve pit.
8. No permanent camp is planned; trailer house will be used on location while drilling.
9. Do not plan to build airstrip.
10. See attached plat for proposed location layout.
11. A general description of the topography, soil characteristics, geologic features, 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: Undifferentiated Tertiary
13. Estimated tops of important geologic markers:

|                 |       |
|-----------------|-------|
| Ojo Alamo       | 200'  |
| 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 - 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.

Date: 5-3-79

Richard Tully  
Richard Tully

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

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

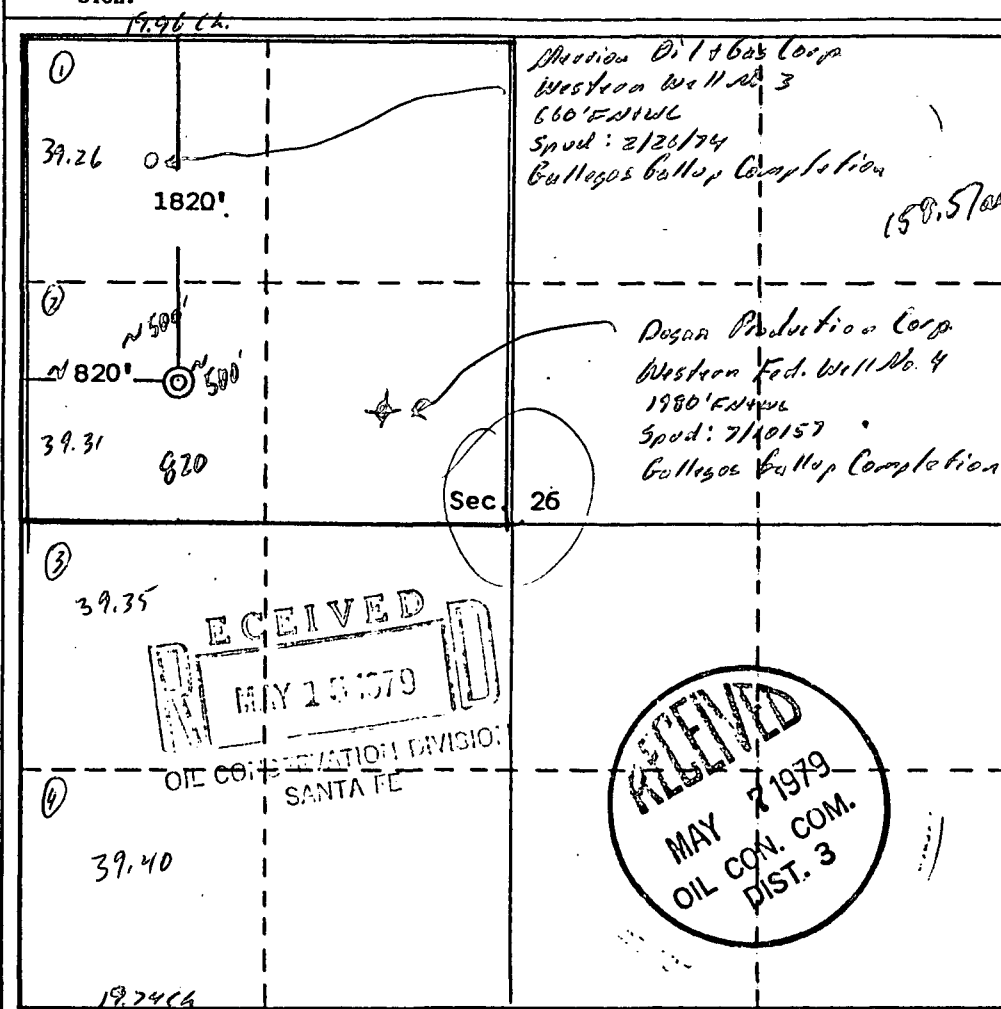
|   |   |   |  |                           |                       |
|---|---|---|--|---------------------------|-----------------------|
| Operator<br><b>Dugan Production Corporation</b> |   |   | Lease<br><b>Western Federal</b>        |                           | Well No.<br><b>#9</b> |
| Unit Letter<br><b>E</b>                         | Section<br><b>7</b>                           | Township<br><b>26 North</b>               | Range<br><b>11 West</b>                | County<br><b>San Juan</b> |                       |
| Actual Footage Location of Well:                |   |   |  |                           |                       |
| <b>1820</b> feet from the <b>North</b> line and |   | <b>820</b> feet from the <b>West</b> line |  |                           |                       |
| Ground Level Elev.<br><b>6054</b>               | Producing Formation<br><b>Pictured Cliffs</b> | Pool<br><b>Wildcat - PC</b>               | Dedicated Acreage:<br><b>160</b> Acres |                           |                       |

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

☒ Yes    ☐ No    If answer is "yes," type of consolidation Plan to communitize SF 078897 and SF 078897 A

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

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



**CERTIFICATION**

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

*Richard Tully*

Name  
**Richard Tully**

Position  
**Landman**

Company  
**Dugan Production Corp.**

Date  
**5-3-79**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**April 17, 1979**

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoover*

Certificate No. **5979**

**Edgar L. Risenhoover, L.S.**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

## 1A. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

## B. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☐MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

Dugan Production Corp.

## 3. ADDRESS OF OPERATOR

Box 234, Farmington, NM 87401

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1820' FNL - 820' FWL

At proposed prod. zone

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

17 miles south of Farmington

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

1170'

## 16. NO. OF ACRES IN LEASE

398.75

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

840'

## 19. PROPOSED DEPTH

1550'

## 20. ROTARY OR CABLE TOOLS

Rotary

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6054' GR

## 22. APPROX. DATE WORK WILL START\*

5-25-79

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 7-7/8"       | 5-1/2"         | 14#             | 40'           | 10 sx              |
| 5"           | 2-7/8"         | 6.4#            | 1550'         | 100 sx             |

Plan to drill well using mud as circulating medium to test Pictured Cliffs formation. If productive, plan to set 2-7/8" tubing for casing, selectively perforate, frac, clean out after frac, run 1-1/4" tubing and complete well.

Do not plan to use a blowout preventer while drilling. Will use master valve and stripper head while completing well.

NMERB: Gas not dedicated.

RECEIVED  
MAY 2 1979  
OIL CONSERVATION DIVISION  
SANTA FE

RECEIVED  
MAY 7 1979  
OIL CON. DIV.  
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

## 24.

SIGNED

Richard Tully  
Richard Tully

TITLE

Landman

DATE

5-3-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

ak Smith

NMOCC

\*See Instructions On Reverse Side

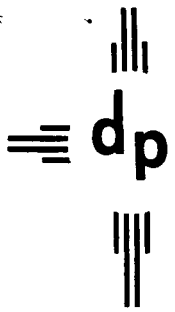
CASE NO. 9420  
Order No. R-8768  
Page -10-

(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.

RULE 7. 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.

RULE 9(A). 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:



# dugan production corp.

December 1, 1988

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

RE: Application of Dugan Production Corp. for  
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.



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

Offset Operators/Owners:

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

● **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. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

|   |  |
|---|--|
| 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address.<br>(Extra charge)  | 2. <input type="checkbox"/> Restricted Delivery<br>(Extra charge)  |
| 3. Article Addressed to:<br><br>Navajo Tribal Council<br>P.O. Box 2010<br>Window Rock, AZ 86515<br><br>Attn: Akhtar Azaman, Director<br>Navajo Tribal Minerals Dept | 4. Article Number<br>P 916 474 607<br><br>Type of Service:<br><input type="checkbox"/> Registered <input type="checkbox"/> Insured<br><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD<br><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise<br><br>Always obtain signature of addressee or agent and DATE DELIVERED. |
| 5. Signature - Addressee<br>X <i>Akhtar Azaman</i>  | 6. Addressee's Address (ONLY if requested and fee paid)  |
| 6. Signature - Agent<br>X   |  |
| 7. Date of Delivery<br>NOV 17 1985  |  |

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DH DOMESTIC RETURN RECEIPT

P 916 474 607

**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

|   |         |
|---|---------|
| Akhtar Azaman, Director<br>Navajo Tribal Minerals Dept.<br>Navajo Tribal Council<br>P.O. Box 2010<br>P.O. State and ZIP Code<br>Window Rock, AZ 86515 |         |
| Postage   | \$ .25  |
| Certified Fee   | \$ .85  |
| Special Delivery Fee  |         |
| Restricted Delivery Fee   |         |
| Return Receipt showing to whom and Date Delivered   | \$ .90  |
| Return Receipt showing to whom Date and Address of Delivery   |         |
| TOTAL Postage and Fees  | \$ 2.90 |
| Postmark or Date  |         |

PS Form 3800, June 1985

● **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. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

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

4. Article Number  
P 916 474 604

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee  
X *William J. LeMay*

6. Signature - Agent  
X

7. Date of Delivery  
11-18-88

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986 DH DOMESTIC RETURN RECEIPT

P 916 474 604  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to Mr. William J. LeMay, Dir.  
NM Oil Conservation Division  
Street and No.  
P.O. Box 2088  
P.O. State and ZIP Code  
Santa Fe, NM 87504-2088

Postage \$ .45

Certified Fee \$ .85

Special Delivery Fee ✓

Restricted Delivery Fee

Return Receipt showing to whom and Date Delivered \$ .90

Return Receipt showing to whom Date and Address of Delivery

TOTAL Postage and Fees \$ 2.20

Postmark or Date  
11/16/88

PS Form 3800, June 1985 Western Fed #9

● **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. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

Bureau of Land Management  
Farmington Resources & Tribal Leases  
1235 La Plata Highway  
Farmington, NM 87499 ✓  
87499

4. Article Number  
P 916 474 605

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee  
X

6. Signature - Agent  
X *[Signature]*

7. Date of Delivery  
11/17/88

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 • U.S.G.P.O. 1987-178-268 DH DOMESTIC RETURN RECEIPT

P 916 474 605  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to Bureau of Land Management  
Farmington Resources & Tribal  
Leases  
Street and No.  
1235 La Plata Highway  
P.O. State and ZIP Code  
Farmington, NM 87499 87499

Postage \$ .25

Certified Fee \$ .85

Special Delivery Fee ✓

Restricted Delivery Fee

Return Receipt showing to whom and Date Delivered \$ .90

Return Receipt showing to whom Date and Address of Delivery

TOTAL Postage and Fees \$ 2.90

Postmark or Date  
11/16/88

PS Form 3800, June 1985 Western Fed #9

● **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. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

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

4. Article Number  
P 916 474 606

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee  
X

6. Signature - Agent  
X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 • U.S.G.P.O. 1987-178-268 DH DOMESTIC RETURN RECEIPT

P 916 474 606  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to J. P. McHugh & Associates  
Street and No.  
650 S. Cherry St., #1225  
P.O. State and ZIP Code  
Denver, CO 80222

Postage \$ .25

Certified Fee \$ .85

Special Delivery Fee ✓

Restricted Delivery Fee

Return Receipt showing to whom and Date Delivered \$ .90

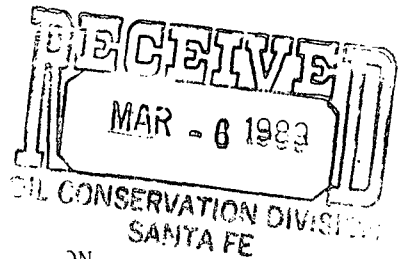
Return Receipt showing to whom Date and Address of Delivery

TOTAL Postage and Fees \$ 2.90

Postmark or Date  
11/16/88

PS Form 3800, June 1985 Western Fed #9

WF #9



APPROVAL--CE

ON

Pursuant to the authority vested in the 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, E $\frac{1}{2}$ NW $\frac{1}{4}$  (NW $\frac{1}{4}$ ) 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 16 1982

FOR James W. Shelton  
Deputy Minerals Manager, Oil and Gas  
Minerals Management Service

Effective: October 1, 1979

Contract No.: SCR-323

FILED OR RECORDED  
BOOK 938 PAGE 333  
SAN JUAN COUNTY, NEW MEXICO  
AUG. 18, 1982  
AT 1:00 O'CLOCK P. M.  
COUNTY CLERK  
DEPUTY Carol Dandy  
Kevin 8452 Dec 25 50

COMMUNITIZATION AGREEMENT

Contract No. SCR-323

THIS AGREEMENT entered into as of the 1st day of October, 1979, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto",

W I T N E S S E T H :

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.

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.

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.

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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Attest: \_\_\_\_\_

Barth J. Winer  
Assistant Secretary

Attest: \_\_\_\_\_

\_\_\_\_\_  
Secretary

Attest: \_\_\_\_\_

\_\_\_\_\_  
Secretary

J. Gregory Merrion

Attest: \_\_\_\_\_

DUGAN PRODUCTION CORP.

BY: Thomas A. Dugan  
Thomas A. Dugan, President

ATOM, INC.

BY: \_\_\_\_\_

Hugh J. Mitchell, President

DEPCO, INC.

BY: \_\_\_\_\_

President

Robert L. Bayless

HUSKY OIL COMPANY

BY: \_\_\_\_\_

President

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Assistant Secretary

Attest: \_\_\_\_\_

Secretary

Attest: \_\_\_\_\_

Secretary

J. Gregory Merrion

Attest: \_\_\_\_\_

DUGAN PRODUCTION CORP.

BY: \_\_\_\_\_

Thomas A. Dugan, President

ATOM, INC.

BY: \_\_\_\_\_

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DEPCO, INC.

BY: \_\_\_\_\_

President

Robert L. Bayless

HUSKY OIL COMPANY

BY: \_\_\_\_\_

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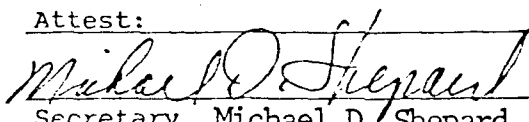
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|  |   |
|--|---|
| <u>Attest:</u>   | <u>DUGAN PRODUCTION CORP.</u>             |
| <u>Assistant Secretary</u>   | <u>BY:</u><br>Thomas A. Dugan, President  |
| <u>Attest:</u>   | <u>✓ ATOM, INC.</u>                       |
| <u>Secretary</u>   |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



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Assistant Secretary

Attest: \_\_\_\_\_

Secretary

Attest: \_\_\_\_\_

Secretary

J. Gregory Merrion

Attest: \_\_\_\_\_

DUGAN PRODUCTION CORP.

BY: \_\_\_\_\_

Thomas A. Dugan, President

ATOM, INC.

BY: \_\_\_\_\_

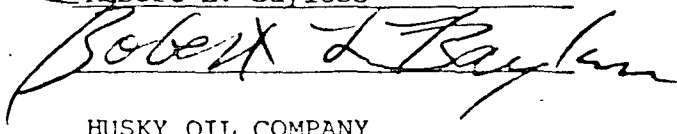
Hugh J. Mitchell, President

DEPCO, INC.

BY: \_\_\_\_\_

President

Robert L. Bayless



HUSKY OIL COMPANY

BY: \_\_\_\_\_

President

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Assistant Secretary

Attest: \_\_\_\_\_

Secretary

Attest: \_\_\_\_\_

Secretary

J. Gregory Merrion

Attest: \_\_\_\_\_

W. R. Reid - 3 -

DUGAN PRODUCTION CORP.

BY: \_\_\_\_\_

Thomas A. Dugan, President

ATOM, INC.

BY: \_\_\_\_\_

Hugh J. Mitchell, President

DEPCO, INC.

BY: \_\_\_\_\_

President

Robert L. Bayless

HUSKY OIL COMPANY

BY: \_\_\_\_\_

APPROVED

AS TO FOR

Ent

AS TO COM

STATE OF )  
COUNTY OF ) ss.

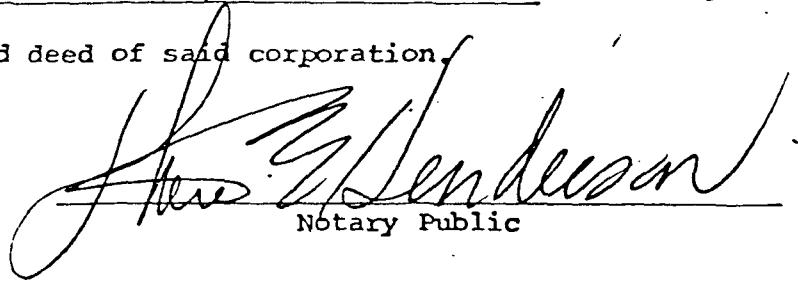
On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared  
J. Gregory Merriion and Robert L. Bayless to me known to be the persons  
described in and who executed the foregoing instrument, and acknowledged that the y  
executed the same as their free act and deed.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

STATE OF NEW MEXICO,  
COUNTY OF San Juan ss.

On this 5th day of October, 1979, before me personally appeared  
Hugh J. Mitchell 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 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 Hugh J. Mitchell acknowledged  
said instrument to be the free act and deed of said corporation.

  
Notary Public

My commission expires:  
4-6-80

STATE OF )  
COUNTY OF ) ss.

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 they  
executed the same as their free act and deed.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

STATE OF COLORADO )  
COUNTY OF DENVER ) ss.

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.

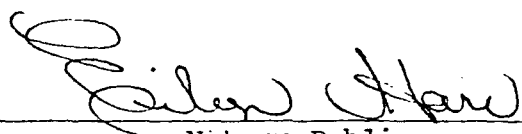
WITNESS my hand and official seal.

My commission expires:  
September 16, 1984.

*K. G. Ranum*  
1000 Petroleum Building  
110 Sixteenth Street  
Denver, Colorado 80202.

STATE OF New Mexico ss.  
COUNTY OF San Juan

On this 11<sup>th</sup> 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 they executed the same as their free act and deed.

  
Notary Public

My commission expires:  
4-20-80

-----

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 )  
COUNTY OF ) ss.

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 they  
executed the same as their free act and deed.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

STATE OF Colorado )  
COUNTY OF Argonne ) ss.

On this 26th day of October, 1979, before me personally appeared  
C.W. Fink to me personally known, who,  
being by me duly sworn did say that he is the Vice president of  
Husky Oil Company, 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 C.W. Fink acknowledged  
said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Loretta B. Cornelius  
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:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-4-65

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

|  |                                  |                             |                                    |                    |                |
|--|----------------------------------|-----------------------------|------------------------------------|--------------------|----------------|
| Operator<br>Dugan Production Corporation |                                  |                             | Lease<br>Western Federal           |                    | Well No.<br>#9 |
| Unit Letter<br>E                         | Section<br>7                     | Township<br>26 North        | Range<br>11 West                   | County<br>San Juan |                |
| Actual Footage Location of Well:         |                                  |                             |                                    |                    |                |
| 1820 feet from the North line and        |                                  | 820 feet from the West line |                                    |                    |                |
| Ground Level Elev.<br>6054               | Producing Formation<br>Fruitland | Pool<br>South Gallegos      | Dedicated Acreage:<br>158.57 Acres |                    |                |

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

☐ Yes ☐ No If answer is "yes," type of consolidation Plan to communitize

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

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

|                    |                  |  |  |
|--------------------|------------------|--|--|
| USA SF<br>078897-A | USA SF<br>078897 |  |  |
| 1820'              |                  |  |  |
| 820'               |                  |  |  |
|                    | Sec. 7           |  |  |
|                    |                  |  |  |
|                    |                  |  |  |
|                    |                  |  |  |
|                    |                  |  |  |

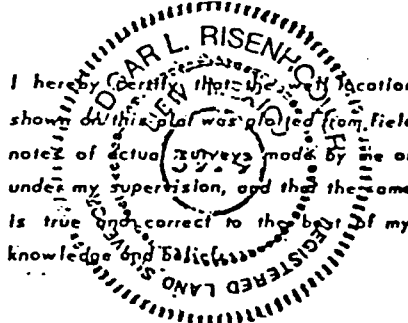
|   |                        |
|---|------------------------|
| CERTIFICATION   |                        |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |                        |
| Name  | Richard Tully          |
| Position  | Landman                |
| Company   | Dugan Production Corp. |
| Date  | 10-3-79                |
|                                |                        |
| Date Surveyed   | April 17, 1979         |
| Registered Professional Engineer and/or Land Surveyor   |                        |
| Edgar L. Risenbauer   |                        |
| Certificate No.   | 5979                   |

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 158.57 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: July 1, 1947  
Lease Term: Five Years  
Lessor: United States of America  
Original Lessee of Record: Sibyl Oneda Holloway  
Present Lessee of Record: J. Gregory Merrion, Robert L. Bayless,  
Atom, Inc., Husky Oil Company, and  
Depco, Inc.



EXHIBIT "B" (Cont'd)

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

Number of Acres: 78.57

Name and Percent ORRI Owners: See attached Sheet #2

Name and Percent WI Owners:

|                              |     |
|------------------------------|-----|
| J. Gregory Merrion           | 30% |
| Box 1541                     |     |
| Farmington, New Mexico 87401 |     |
| Robert L. Bayless            | 30% |
| Box 1541                     |     |
| Farmington, New Mexico 87401 |     |
| Atom, Inc.                   | 40% |
| Box 1109                     |     |
| Farmington, New Mexico 87401 |     |

RECAPITULATION

| <u>Tract Number</u> | <u>Number of Acres<br/>Committed</u> | <u>Percentage of Interest<br/>in Communitized Area</u> |
|---------------------|--------------------------------------|--|
| 1                   | 80.00                                | 50.45%   |
| 2                   | <u>78.57</u>                         | <u>49.55%</u>  |
|                     | 158.57                               | 100.00%  |

SHEET #1

Overriding Royalty Interest Owners for USA SF 078897

|   |         |
|---|---------|
| T. J. Ahern<br>3701 Kirby Drive, Suite 916<br>Houston, TX 77006   | .33566% |
| Glenda Earl Ake<br>2408 Chimney Hill Drive<br>Arlington, TX 76012   | .02040% |
| U. S. Treasury<br>A/C Richard Alexander, Administrator of the<br>Estate of Charles S. Alexander, Deceased<br>Room 3301 New Federal Building<br>515 Rusk Avenue<br>Houston, TX 77002 | .04030% |
| Hugh G. Alexander, Jr.<br>2181 Troon<br>Houston, TX 77019   | .06118% |
| Amoco Production Company<br>Box 1953<br>El Paso, TX 79950   | .12237% |
| Alma B. Anderson<br>5211 Briar Drive<br>Houston, TX 77056   | .09558% |
| Jerry J. Andrew<br>408 Longwoods<br>Houston, TX 77024   | .14544% |
| Hazel Bracken<br>#1 Westlane<br>Houston, TX 77019   | .00714% |
| Allison A. Henderson<br>6410-B Auburn Drive<br>Austin, TX 78723   | .00714% |
| Jean R. Reese<br>#5 Mockingbird Circle<br>Houston, TX 77074   | .00714% |
| Robert Beamon<br>607 Capitol National Bank Building<br>Houston, TX 77002  | .14188% |
| A. B. Bray<br>6203 Marquita<br>Dallas, TX 75214   | .02447% |
| Lyle E. Carbaugh<br>2635 Exxon Building<br>Houston, TX 77002  | .00979% |
| Alto B. Cervin<br>4020 Republic National Bank Tower<br>Dallas, TX 75201   | .06118% |

SHEET #1 (Cont'd)

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

SHEET #1 (Cont'd)

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

SHEET #1 (Cont'd)

|   |         |
|---|---------|
| James J. Johnston<br>2635 Exxon Building<br>Houston, TX 77002   | .14544% |
| L. B. Kelly, Trustee<br>U/W/O Laurence Corbett Kelly, Deceased<br>c/o M. P. Fredgant, C.P.A.<br>12327 Santa Monica Boulevard, #102<br>Los Angeles, CA 90025 | .46717% |
| William R. Kitchell<br>Box 96<br>Southwest Harbor, ME 04679   | .04167% |
| Gwinn M. Lewis<br>10919 Wickwild<br>Houston, TX 77024   | .05354% |
| Pattie B. Lundell<br>10922 Timberglen<br>Houston, TX 77024  | .07475% |
| Thomas V. McMahan<br>Box 497<br>Houston, TX 77001   | .05354% |
| Ida Mehr<br>2225 San Felipe Road, Apt 3<br>Houston, TX 77019  | .02238% |
| Clyde W. Morgan<br>7048 Lavendale<br>Dallas, TX 75230   | .06118% |
| Pearl N. Nordan<br>711 NBC Building<br>San Antonio, TX 78205  | .06118% |
| Nordan Trust<br>711 NBC Building<br>San Antonio, TX 78205   | .06118% |
| L. C. Oldham, Jr.<br>5651 Willers Way<br>Houston, TX 77056  | .02080% |
| F. S. Oldt<br>6617 Lakewood Boulevard<br>Dallas, TX 75214   | .06118% |
| First Hutchings-Sealy National Bank of Galveston<br>Trustee U/W of Gladys D. Pearson<br>Box 1500<br>Galveston, TX 77553                                     | .03059% |
| Estate of Pearson O. Porter, Jr.<br>c/o Roland Bellard<br>Box 924<br>League City, TX 77573  | .00765% |

SHEET #1 (Cont'd)

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

SHEET #2Overriding Royalty Interest Owners for USA SF 078897-A

Same as shown on SHEET #1