



RECEIVED

Mr. William J. LeMay, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87504-2088 SEP - 5 1989
OIL CONSERVATION DIV.
SANTA FE

RE:

Application for Administrative Approval Non-Standard 160 Acre Spacing Unit and

Unorthodox Location Elwood P. Dowd *1 Well

1190' FEL- 790' FSL- Section 10-T24N-R29W

San Juan County, NM

Gentlemen:

Enclosed for your records, please find a copy of the return receipts indicating receipt of the captioned letter application by the operators or owners offsetting the subject non-standard spacing unit.

Please contact our office should there be any questions on this application.

Respectfully

Richard Corcoran

Landman

RC/mmm

Enclosures

420

OFFSETTING OPERATORS OR OWNERS Elwood P. Dowd #1 Well

Conoco P. O. Box 2197 Houston, TX 77252

Reynolds Metals Box 9177 Corpus Christi, TX 78408

F. R. Jackson c/o Benjamin Elenbogen 13890 E. Marina Dr. #606 Aurora, CO 80014

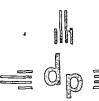
Area Director, Navajo Trustee for Allotees Attn: Subsurface Mineral Section P. O. Box M Window Rock, AZ 86515

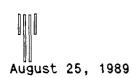
Bureau of Land Management Farmington Resources and Tribal Leases 1235 La Plata Highway Farmington, NM 87499

Kaiser-Francis Oil Company Attn: Land Department P. O. Box 21468 Tulsa, OK 74121

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PS Form 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865 MM DOMESTIC RETURN RECEIPT





CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO:

Offsetting Operators or Owners

(See attached list)

RE:

Application for Administrative Approval

Non-Standard 160 Acre Spacing Unit

and Unorthodox Location
Elwood P. Dowd #1 Well

1190' FEL-790' FSL-Section 10-T24N-R9W

San Juan County, NM

RECEIVED

SEP - 5 1989

OIL CONSERVATION DIV. SANTA FE

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 consisting of the SE/4 of Section 10-T24N-R9W and for an unorthodox location being 1190' FEL - 790' FSL of said section for the subject well to comply with the rules of Order No. R-8768.

Dugan completed the referenced well on April 23, 1983 as a wildcat Pictured Cliffs well, spaced 160 acres at what was a standard location in the SE/4 of Section 10. The NMOCD, under Order R-8768 with an effective date of November 1, 1988, established the Basin-Fruitland Coal Gas Pool providing for 320 acre spacing and location to be in either the NE/4 or SW/4 of a single government section for wells producing from Fruitland Coal seams. In order to comply with order #R-8768, Dugan Production Corp is seeking a variance for what is now an unorthodox location and non-standard spacing unit for the captioned well.

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.

The well was drilled on USA lease number NM-9520, covering the SE/4 of said Section 10, the operating rights of which are owned entirely by Dugan. We are enclosing a copy of our letter of application, location plat and ownership map for your reference. Any operator or owner that objects to the administrative granting of the subject non-standard spacing unit and unorthodox location should provide notice to the NMOCD within 20 days of our making application. We would appreciate any such party also notifying Dugan.

420

Offsetting Owners Page 2 August 25, 1989

If you do not have any objection to this application, please sign and return one copy of the attached waiver to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 and return one executed copy to our office. Stamped envelopes are enclosed for your convenience.

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

| Sincere) Licka Richard | rd Corcoras J Corcoran |
|------------------------------|---------------------------|
| Landman | cor cor an |

RC/mmm

Enclosures

WAIVER

Elwood P. Dowd #1 Well

| (Company) | HEREBY | WAIVES | ANY | OBJECTION | то | THE | GRANTING |
|--|---------|---------|------|-----------|----|-----|----------|
| THE ABOVE UNORTHODOX LOCATION AND NON- | STANDAR | D SPACI | NG U | NIT. | | | |

By: Bonjami Elenhozen

OF



February 24, 1989

New Mexico Oil Conservation District P. O. Box 2088 Santa Fe. New Mexico 87504

Attention: Mr. Michael Stogner

RE: Request for Non-Standard Spacing Units Pet, Inc. #5, 6, 9, 10, 13-17 Wells T28N-R15W, Secs. 25, 26, 35 and 36 Western Federal #7 and 9 Wells T26N-R11W, Sec. 7 Elwood P. Dowd #1 Well T24N-R9W, Sec. 10: SE/4 Gibraltar #1 Well T30N-R14W, Sec. 9: NE/4

Dear Mr. Stogner:

Reference is made to our earlier communications regarding Dugan Production Corp.'s request for administrative approval of various 160 acre non-standard spacing units in the Basin Fruitland Coal Gas Pool.

CONSERVATION DIVISION

BANTA FE

This is to advise that after a meeting in Dugan Production Corp.'s office on February 23, 1989 with a representative of the NMOCD (Mr. E. Busch), we have decided to withdraw our request for 160 acre non-standard spacing units covering the Pet, Inc. #5, 6, 9, 10, 13, 14, 15, 16, and 17 wells. We will be submitting ClO2's for 320 acres on each of these wells except the Pet, Inc. #9 which will be 280 acres.

As to our request covering the Elwood P. Dowd #1 and Western Federal #7 and #9 Wells; although we own an interest in the offsetting 160 acre tract that could be spaced with the existing proration unit for these wells, the working interest and overriding royalty interest ownership that would result under the new spacing unit would be different.

8/81/89 Tallad uf Bailed Cream, is someling allandin for 1956. 20,8.

New Mexico Oil Conservation District Page 2 February 24, 1989

In the case of the Gibraltar #1, the overriding royalty interest ownership would change if the spacing unit is expanded.

Consequently we ask that our earlier request for non-standard 160 acre spacing units for these wells be approved.

Thank you for your consideration in this matter.

Sincerely,

Richard Corcoran

Landman

RC/mmm





December 5, 1988



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

Gentlemen:

In compliance with NMOCD Order No. R-8768 Rule 13 (4) which stipulates "The locations of all wells presently drilling to, completed in, commingled in, or having an approved APD for the Basin-Fruitland Coal Gas Pool are hereby approved; the operator of any well having an unorthodox location shall notify the Aztec district office of the Division in writing of the name and location of the well...", the following Dugan Production wells have unorthodox locations:

Knauff #1 - 1015' FNL & 1650' FWL, Sec.31,T28N,R10W
KR #2 - 973' FNL & 1000' FWL, Sec.29,T27N,R13W
KR #4 - 790' FNL & 790' FWL, Sec.20,T27N,R13W
La Lee Ann #2J - 790' FNL & 1850' FWL, Sec.28,T27N,R13W
Blanco Wash #2 -1820' FNL & 1520' FWL, Sec.2,T24N,R9W
Elwood P. Dowd #1 -1190' FSL & 790' FEL, Sec.10,T24N,R9W

Sincerely,

Jim L. Jacobs

cg

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS GOVERNOR

December 7, 1988

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Dugan Production Corp. P.O. Box 5820 Farmington, NM 87499-5820

Attention: Richard Corcoran, Landman

> Administrative approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 10, Township 24 North, Range 9 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico, to be dedicated to your Elwood P. Dowd Well No. 1 located in

Unit P.

Dear Mr. Corcoran:

Pursuant to the first provision in RULE 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, promulgated by Division Order No. R-8768, this well is considered to be at an unorthodox coal gas well location. Since this well is presently completed in the Pictured Cliffs formation as a gas well, it falls within the provisions of RULE 8 of said Order No. R-8768.

RE:

Therefore, to complete all of the administrative requirements for this well, please submit a proper filing for this well's location pursuant to said RULE 8.

If you should have any questions concerning this matter, please contact me.

Michael E. Stogner

Administrative Application Reviewer

MES/ag

Oil Conservation Division - Aztec

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.

recated 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.

topographical conditions,

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:





igust 25, 1989

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

RE:

Application for Administrative Approval Non-Standard 160 Acre Spacing Unit and Unorthodox Location

Elwood P. Dowd #1 Well

1190' FEL- 790' FSL- Section 10-T24N-R29W

San Juan County, NM

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Arother Colo and to E. Bisch 9/1/89

Gentlemen:

This is to serve as a follow up to our request of November 16, 1988 for approval of a non-standard 160 acre spacing unit for the captioned well. We have been advised that our initial request neglected to address the unorthodox location of said well, and through a misunderstanding did not realize subsequent correspondence failed to adequately satisfy the requirements; consequently we are resubmitting our application.

Dugan Production Corp. hereby requests administrative approval for a 160 acre nonstandard spacing unit consisting of the SE/4 of Section 9, T24N-R9W, and for an unorthodox location being 1190' FEL - 790' FSL of Section 10, for the subject well.

We are seeking a variance from order R-8768, as it provides for wells to be located in either the NE/4 or SW/4 of a single government section on 320 acre spacing units, and the subject well was completed on April 23, 1983 in the SE/4 of Section 10 at what was a standard 160 acre spacing unit and location, prior to order R-8768 becoming effective (November 1, 1988).

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 owners 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/mmm

OFFSETTING OPERATORS OR OWNERS Elwood P. Dowd #1 Well

Conoco P. O. Box 2197 Houston, TX 77252

Reynolds Metals Box 9177 Corpus Christi, TX 78408

F. R. Jackson c/o Benjamin Elenbogen 13890 E. Marina Dr. #606 Aurora, CO 80014

Area Director, Navajo Trustee for Allotees Attn: Subsurface Mineral Section P. O. Box M Window Rock, AZ 86515

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

Kaiser-Francis Oil Company Attn: Land Department P. O. Box 21468 Tulsa, OK 74121

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| | Metals ! | Dugan Prod. NM-9520 | NAVAJO ALLOTTED | OPEN |
| | Elwood P | P. Dowd #1 * | OPEN | NAVAJO ALLOTTED |
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| Holly State #1 • | | | Metals } | |

T 2 4 N

Registered Professional Engineer

Edgar L. Risenhoover, L.S.

Supersedes C-12H JCATION AND ACREAGE DEDICATION Effective 1-1-65 All distances must be from the outer boundaries of the Section. Operator Well Ho. Elwood P. Dowd Dugan Production Corporation Section County San Juan 9 West 24 North Actual Fnotage Location of Well: 1190 790 East South feet from the Ground Level Elev. Producing Formation Dedicated Acregas: Fruitland Coal 160* Basin-Fruitland Coal 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? 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 Commis-*Application for Non-Standard Proration Unit being processed. CERTIFICATION I hereby certify that the information contained herein is true and complete to the t of my knowledge and belief. Position Geologist ີ່ Dugan Production Corp. Dg4-29-88 10 Sec. 790 Dugan Prod. Date Surveyed Ls.#NM 9520 April 29, 1979

1190

Offsetting Owners Page 2 August 25, 1989

If you do not have any objection to this application, please sign and return one copy of the attached waiver to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 and return one executed copy to our office. Stamped envelopes are enclosed for your convenience.

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

Sincerely. Richard Corcoran Landman

RC/mmm

Enclosures

RECEIVE

SEP-1 1989

OIL CONSERVATION DIV. SANTA FE

Elwood P. Dowd #1 Well HEREBY WAIVES ANY OBJECTION TO THE GRANTING OF

THE ABOVE UNORTHODOX LOCATION AND NON-STANDARD SPACING UNIT.