

(N.S.P. - N.S.L. 1)
dugan production corp. DIVISION
RECEIVED

1996 APR 22 AM 8 52

April 17, 1996

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

**Re: Application for Administrative Approval of an 80-acre
Non-Standard Proration Unit for Dugan Production Corp's
April Surprise #7
1050' FNL & 1520' FEL (NW/4 NE/4)
Spacing Unit W/2 NE/4 Section 31, T24N, R9W
Bisti Lower Gallup Pool
San Juan County, New Mexico**

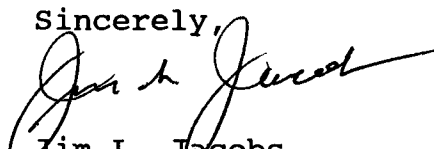
Dear Mr. Stogner:

As provided for in Rule No. 4 of the special pool rules for the Bisti Lower Gallup Pool, Dugan Production Corp. hereby requests your administrative approval for an 80-acre non-standard proration unit (W/2 NE/4 Sec. 31, T24N, R9W) for the referenced well.

The non-standard proration unit is necessary to recompleate this pre-existing Dakota test in the Bisti Lower Gallup pool.

By certified mail, return receipt requested, all operators within 2,640 feet of our proposed recompleation have been notified of this application. A copy of the offset operator notice and a list of operators notified are enclosed. After receiving the "return receipts", we will provide you with a copy for your records.

Sincerely,


Jim L. Jacobs
Vice-President

KF/cg

attachs.

cc: Mr. Ernie Busch, NMOCD - Aztec, NM
BLM - Farmington, NM



dugan production corp.

Via Certified Mail -
Return Receipt Requested

April 17, 1996

**TO: OPERATORS WITHIN ½ MILE OF DUGAN PRODUCTION CORP'S
APRIL SURPRISE #7 RECOMPLETION**

Re: Application for Administrative Approval of an 80-acre
Non-Standard Proration Unit for Dugan Production Corp's
April Surprise #7
1050' FNL & 1520' FEL (NW/4 NE/4)
Spacing Unit W/2 NE/4 Section 31, T24N, R9W
Bisti Lower Gallup Pool
San Juan County, New Mexico

Operators:

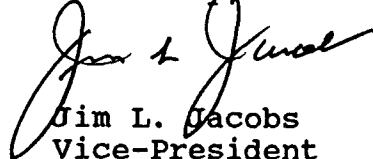
Dugan Production Corp. is applying for administrative approval for an 80-acre non-standard proration unit (W/2 NE/4 Sec. 31, T24N, R9W) for the referenced well to be recompleted in the Bisti Lower Gallup Pool.

We have enclosed copies of our application (BLM 3160-5), well location plat (NMOCD C-102), a production map showing offsetting operators and a list of operators notified.

Any operator within ½ mile of our proposed recompletion that objects to administrative approval for an 80-acre non-standard proration unit should notify the Director of the NMOCD and Dugan Production Corp. within 20 days of our application date.

The non-standard proration unit is necessary to recomplete this pre-existing Dakota test in the Bisti Lower Gallup pool.

Sincerely,



Jim L. Jacobs
Vice-President

KF/cg

attachs.

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.

NM 4958

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

April Surprise #7

9. API Well No.

30 045 29293

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan, NM

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325-1821

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1050' FNL & 1520' FEL (NW/4 NE/4)
Unit B, Sec. 31, T24N, R9W

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☒
- Recompletion
-
- ☒
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☐
- Other

- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

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

13. 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.)

4/3/96 TIH & clean out casing to 6007'. Perforated Dakota 5943-48' and 5964-70' with 1 JSPF. Acidized perforations with 750 gallons 15% HCL. Swab tested formation.

It is intended to permanently plug back to the Gallup formation by setting a cast iron bridge plug at the top of the Dakota at 5770' and capping with 50' cement. The Gallup will be selectively perforated and fractured to evaluate the potential.

Obtained verbal approval from Steve Mason to do this work.

A plat identifying acreage dedicated to the Bisti Lower Gallup Pool is attached and an application for non-standard proration unit is being filed with the NMOCD.

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

Signed

Title

Operations Manager

Date

4/12/96

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1808 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 045 29293		Pool Code 05890	Pool Name Bisti Lower Gallup
Property Code 003579	Property Name April Surprise		Well Number 7
OGRID No. 006515	Operator Name Dugan Production Corporation		Elevation 6830' Estimated

10 Surface Location

UL or lot no. B	Section 31	Township 24N	Range 9W	Lot Idn	Feet from the 1050	North/South line North	Feet from the 1520	East/West line East	County San Juan
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	Dugan Prod NM 4958		1050'	1520'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Jim L. Jacobs Printed Name Vice-President Title 4/12/96 Date
Section 31		18 SURVEYOR CERTIFICATION 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 belief. August 22, 1995 Date of Survey Signature and Seal of Professional Surveyor EDGAR L. RISE NEW MEXICO 5979 Certificate Number			

**Operators of Lease Hold Interest
Within 2,640' Radius of
Dugan Production Corp's
Proposed April Surprise #7 Recompletion
Unit B, Section 31, T24N, R9W, NMPM
(Tract Description on Figure No. 1)**

<u>Tract 1</u>	Federal Lease NM-4958 Dugan Production Corp. P.O. Box 420 Farmington, NM 87499
<u>Tract 2</u>	Federal Lease NM-10755 Dugan Production Corp. P.O. Box 420 Farmington, NM 87499
<u>Tract 3</u>	Federal Lease NM-24661 Dugan Production Corp. P.O. Box 420 Farmington, NM 87499
<u>Tract 4</u>	State Lease E-4912-20 Amoco Production Co. P.O. Box 800 Denver, CO 80201
<u>Tract 5</u>	State Lease E-6633-2 W.R. Speer P.O. Box 255 Farmington, NM 87499
<u>Tract 6</u>	Federal Lease NM-4958 Dugan Production Corp. P.O. Box 420 Farmington, NM 87499
<u>Tract 7</u>	Federal Lease NM 91522 Redwolf Production Inc. 902 San Juan Blvd. Farmington, NM 87401
<u>Tract 8</u>	Federal Lease NM-51000 Dugan Production Corp. P.O. Box 420 Farmington, NM 87499

R-9-W



Dugan Production Corp.
Application For 80-Acre
Non-Standard Proration Unit
W/2 NE/4 Sec. 31, T24N, R9W