

dugan production corp.

RECEIVED
OIL DIVISION
MAY 8 1996

May 1, 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 stated in our application for a non-standard proration unit for the April Surprise #7 dated April 17th, 1996, all operators within 2,640 feet of our proposed recompletion were notified of this application by certified mail. Attached is a copy of the certified mail return receipts for your records.

Sincerely,

Cheri Gunn

cg

attach.

CERTIFIED MAIL RETURN
RECEIPTS - Notice to
Offsetting Operators
of Dugan Production's
Application for Non-
Standard Proration
Unit for April Surprise #7
1050' FNL & 1520' FEL
Sec. 31, T24N; R9W
San Juan County, NM

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Amoco Production Corp.
P.O. Box 800
Denver, CO 80201

4a. Article Number

Z 175 053 586

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

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

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 ☆U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- Complete items 3, and 4a & b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

W.R. SPEER
PO BOX 255
FARMINGTON, NM 87499

4a. Article Number

Z 175 053 587

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

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

5. Signature (Addressee)

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

REDWOLF PRODUCTION INC.
902 SAN JUAN BLVD.
FARMINGTON, NM 87401

4a. Article Number

Z 175 053 588

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

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

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 ☆U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: DUGAN PROD CORP(NSP)
Date: Wednesday, May 08, 1996 10:17AM
Priority: High

APRIL SURPRISE #7
1050' FNL; 1520' FEL
B-31-24N-09W
RECOMMEND: APPROVAL

WSP-1760(L)



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 2, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

MEMORANDUM NO. 4-86

TO: ALL OPERATORS AND INTERESTED PARTIES
FROM: R. L. STAMETS, DIRECTOR *RLS*
SUBJECT: CLARIFICATION OF ADMINISTRATIVE APPROVAL PROCESSES IN CERTAIN
POOLS WITH SPECIAL RULES

Division Rule 1 provides in part that: "Special rules, regulations and orders have been and will be issued when requested and shall prevail as against General Rules, Regulations and Orders if in conflict therewith. However, whenever these General Rules do not conflict with special rules heretofore or hereafter adopted, these General Rules shall apply."

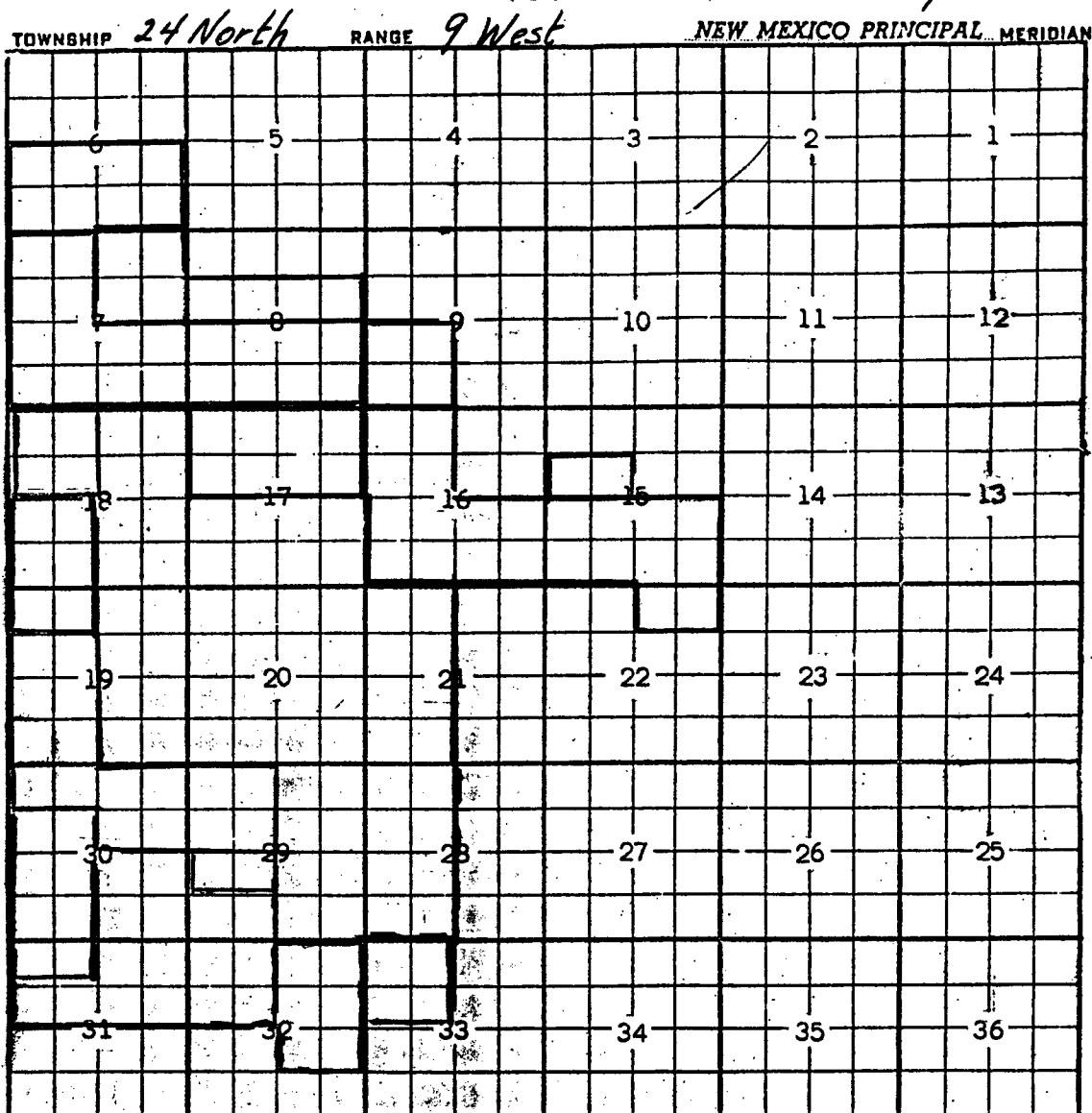
Over the years, many special pool rules have been written. Many of these contained special rules providing for administrative exceptions to such matters as location requirements or spacing unit size while others did not. One prevailing opinion is that the intent of those special rules without administrative exception provisions was to preclude such exceptions. The counter opinion is that when read with Rule 1, if nothing is said, then the administrative exception provisions in the General Rules shall apply.

Notice is hereby provided that it is henceforth to be Division policy to utilize the administrative exceptions or approval procedures of the General Rules when special pool rules are silent as to such exceptions. This policy will save both the Division and operators the cost of unnecessary hearings.

Any person who is aware of any pool with special rules which should preclude any of the administrative exceptions or approvals provided in the General Rules should notify this office of such situation at the earliest possible date providing the reasoning for precluding administrative exceptions. Thereafter, we would suspend this policy for such pool and schedule a case to modify such special rules to incorporate the necessary prohibitions.

RLS:dp

County San Juan Pool Bisti-Lower Gallup Oil



Ext: NW 1/4 Sec. 7; SW 1/4 Sec. 8 (R-1167, 5-1-58) = SW 1/4 Sec. 9;
 N 1/2 Sec. 17 (R-1175, 6-1-58) = SW 1/4 Sec. 6 (R-1468, 9-1-59)
 = NE 1/4 Sec. 7; SW 1/4 Sec. 8 (R-1558, 1-1-60) = SW 1/4 Sec. 15; NW 1/4 Sec. 16;
 NW 1/4 Sec. 22 (R-1908, 4-1-61) = SW 1/4 Sec. 15 (R-2364, 12-1-62)

Ext: NW 1/4 Sec. 18 (R-7185, 1-13-83)

Ext: SW 1/4 Sec. 18, N 1/2 NW 1/4 Sec. 19 (R-7277, 5-5-83)

Ext: SW 1/4 and NW 1/4 Sec. 19, NW 1/4 Sec. 29, NE 1/4 and N 1/2 NW 1/4 Sec. 30 (R-7420, 1-9-84)

Ext: N 1/2 SW 1/4 Sec. 29 (R-7764, 1-8-85)

Ext: SW 1/4 and NW 1/4 Sec. 30, N 1/2 NW 1/4 Sec. 31 (R-8417, 3-24-87)

Ext: SW 1/4 Sec. 29, SE 1/4 Sec. 30, NE 1/4 and SW 1/4 Sec. 31, NW 1/4 Sec. 32,
 (R-8915, 4-24-89) Ext: NE 1/4 and N 1/2 SW 1/4 Sec. 32 (R-9362, 12-1-90)

Ext: SW 1/4 Sec. 17, SW 1/4 Sec. 18, SW 1/4 Sec. 19, All Sec. 20, SW 1/4 Sec. 21, SW 1/4 Sec. 28, SW 1/4 Sec. 29
 (R-10178, 8-30-94) Ext: NW 1/4 Sec. 33 (R-10344, 4-24-95)