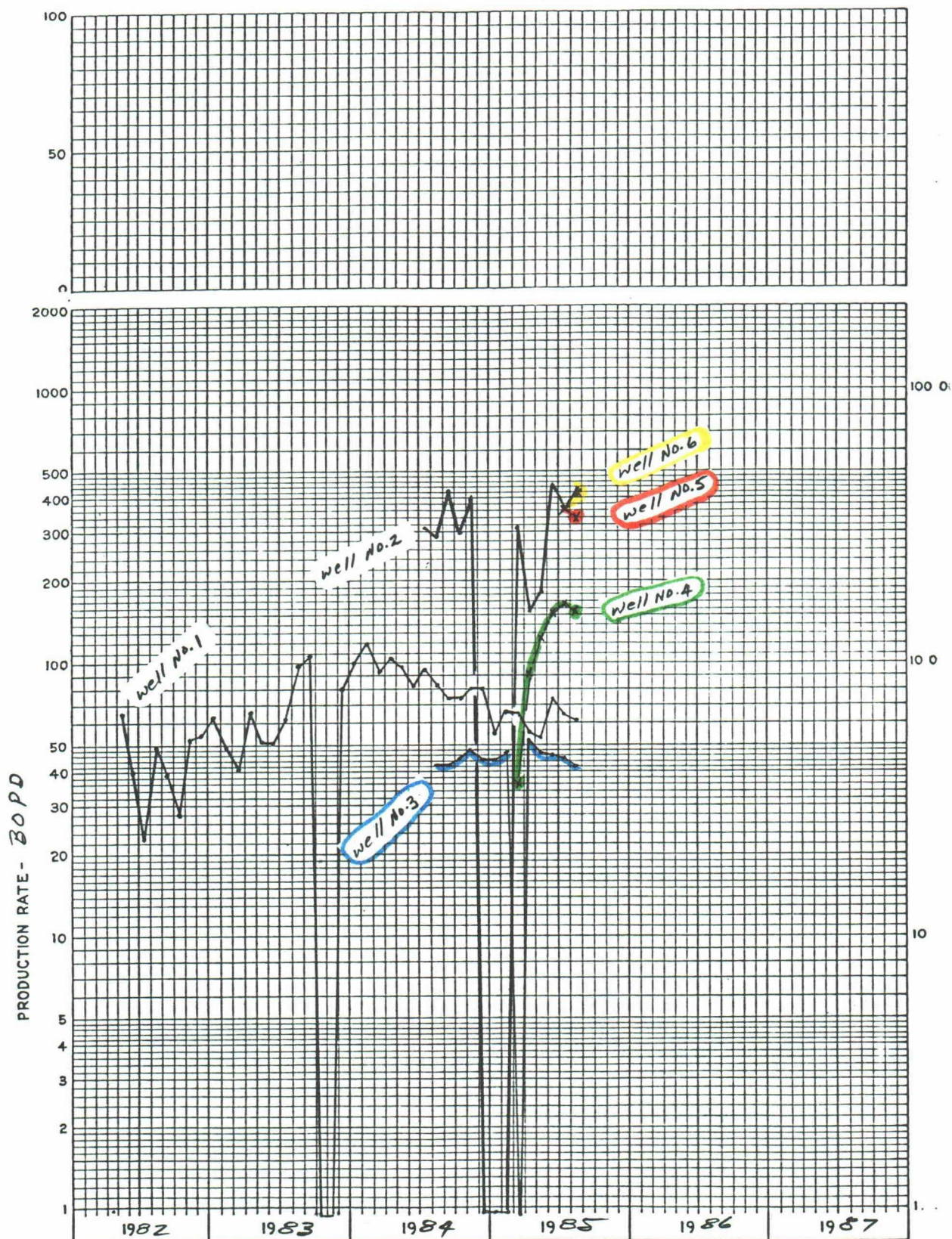


DAILY AVERAGE MANCOS PRODUCTION  
Gavilan Mancos Oil Pool and Proposed Northern Extension Areas  
Rio Arriba Co., New Mexico  
(all data from NMOCD form C-115)



Well #1-Northwest Exploration (Mesa Grande Resources as of approx. 10/84)  
Gavilan #1 - A-26-25N-2W

Well #2-Jerome P. McHugh  
Native Son #1 - A-34-25N-2W

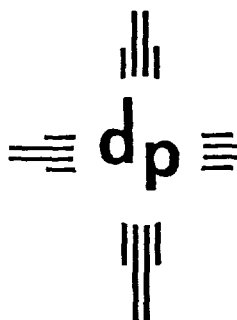
Well #3-Dugan Production Corp.  
Tapacitos #2 - L-25-26N-2W

Well #4-Mallon Oil Co.  
Ribeyowids #2-16 - P-2-25N-2W

Well #5-Mallon Oil Co.  
Fisher Fed. #2-1 - A-25-25N-2W

Well #6-Mallon Oil Co.  
Howard Fed. #1-8 - A-1-25N-2W

NMOCD CASE No. 8713  
Dugan Production Corp.  
Exhibit No. 5  
October 9, 1985



# dugan production corp.

September 17, 1985

TO: LEASE-HOLD OWNERS WITHIN & ADJACENT TO PROPOSED AREA OF EXPANSION TO  
GAVILAN MANCOS OIL POOL  
Townships 25 & 26N, Range 2W, NMPM  
Rio Arriba County, New Mexico

Gentlemen:

Dugan Production has made application to the New Mexico Oil Conservation Division to extend the Gavilan Mancos Oil Pool to include all of sections 1, 2, 11, 12, 13 and 14 of T25N, R2W, NMPM plus sections 25, 26, 35 and 36 of T26N, R2W, NMPM, all in Rio Arriba County, New Mexico. Lease hold records available to us indicate that you or your company have lease hold interest either within the subject area or within 1 mile of the subject area. The commission has advertised our application as Case #8713, scheduled for hearing on September 25, 1985 (Docket No. 29-85). Our application was not properly advertised and thus our application has been readvertised and continued to the October 9, 1985 examiner hearing.

In addition to extending the Gavilan Mancos Pool, we have asked that the commission grant an unorthodox location for an existing well drilled by Mallon Oil Company in the NE/4 of section 1, T25N, R2W, since this well, being located 870' FEL of said section, will require an unorthodox location under the existing Gavilan Mancos Pool Rules, which require an off-set of 1650' to the eastern boundary of the pool which is contiguous with the western boundary of the West Puerto Chiquito-Mancos Oil Pool.

Our notice to you as a lease hold owner is a matter of courtesy, and requires no action on your part. Should you agree with and support our application, we would encourage you to so notify the Oil Conservation Division prior to the hearing on October 9, 1985, and also advise us of your support. Likewise, should you choose to oppose our application, I would appreciate knowing of this also.

Sincerely,

*John D. Roe*

John D. Roe  
Petroleum Engineer

JDR/cg

STATE EXAMINER QUINTANA	
OIL CONSERVATION DIVISION	
DUGAN	EXHIBIT NO. 6
CASE NO.	8713



Amoco  
Attn: Chuck Boyce  
1670 Broadway, Box 800  
Denver, CO 80201

Bob Andes  
Four Corners Drilling Company  
P O Box 1067  
Farmington, NM 87499

Allison Beach  
c/o Lewis C. Beach  
430 Mayo Bldg.  
Tulsa, OK 74103

Daniel Beach  
c/o Lewis C. Beach  
430 Mayo Bldg.  
Tulsa, OK 74103

David Beach  
c/o Lewis Beach  
430 Mayo Bldg.  
Tulsa, OK 74103

W.C. Berry  
Box 1858  
Tulsa, OK 74101

Warren Clark Trust  
Box 73  
Austin, Texas 78767

El Paso Natural Gas Company  
Box 1492  
El Paso, Texas 79978

Exxon Corp.  
Box 2305  
Houston, Texas 77028

Forest Oil Corp.  
821 17th Street, Suite 700  
Denver, CO 80202

E.L. Fundingsland  
Box 1157  
Littleton, CO 80160

Ralph Gilliland  
2211 Adolphus Tower  
Dallas, Texas

Rolf Gilliland  
Mountain States Natural Gas Corp.  
Box 35426  
Tulsa, OK 74543

Ruth Gilliland  
Mountain States Natural Gas Corp.  
Box 35436  
Tulsa, OK 74543

Al Greer *AT H*  
Benson-Montin-Greer  
221 Petroleum Center Bldg.  
501 Airport Drive  
Farmington, NM 87401

Precilla Guest  
c/o Lewis C. Beach  
430 Mayo Bldg.  
Tulsa, OK 74103

Helmerie & Payne  
1579 E. 21st St.  
Tulsa, OK 74114

A.G. Hill  
107 Garrison Street  
Abilene, TX

Alinda Hunt Hill Trust  
700 Mercantile Bank Bldg.  
Dallas, Texas

Margaret Hill  
700 Mercantile Bank Bldg.  
Dallas, Texas

\*Hooper, Kimball & Williams, Inc.  
Suffolk Co., MA

Keener Oil Co.  
320 S. Boston, Suite 406  
Tulsa, OK 74103

Koch Ind., Inc. *HT H*  
Box 2256  
Wichita, Kansas 67201

Kodine Petroleum  
5700 S. Quebec #320  
Englewood, CO 80111

Earl Lang  
c/o Four Corners Drilling Company  
P O Box 1067  
Farmington, NM 87499

George Mallon *Present at H*  
Mallon Oil *Agents*  
1616 Glenarm  
Denver, CO 80201

Jerome P. McHugh *AT H*  
650 South Cherry, Suite 1225  
Denver, CO 80222

Peter J. McMahon  
320 S. Boston Ave., Suite 1605  
Tulsa, OK 74103

\*Insufficient address  
for mailing

Mountain Fuel Supply Company  
Box 11368  
Salt Lake City, UT 84147

Mountain States Natural Gas Corp.  
Box 35426  
Tulsa, OK 74543

Michael W. Murphy  
3050 First of Denver Plaza  
Denver, CO 80202

Northwest Pipeline Company  
1125 17th Street, Suite 2140  
Denver, CO 80202

R.K. O'Connell  
Box 2003  
Casper, WY 82602

P.C. Limited  
Box 911  
Breckenridge, Texas 76024

E. A. Phillips  
Mesa Grande Resources  
1200 Philtower Building  
Tulsa, OK 74103

Reading & Bates Production  
3200 Midcontinent Tower  
Tulsa, OK 74103

Southland Royalty Corp.  
Attn: Bob Fielder  
P O Drawer 570  
Farmington, NM 87499

L.B. Stableford  
1010 Central Bldg.  
Wichita, Kansas

Betsy Stone  
c/o Lewis Beach  
430 Mayo Bldg.  
Tulsa, OK 74103

Duer Wagner, Jr.  
2906 Texas American Bank Bldg.  
Ft. Worth, Texas