



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

January 27, 1988

Case 9359

Robert G. Stovall
P.O. Box 10021
Farmington, NM 87499

RE: Non-Standard Oil Spacing and
Proration Unit. Dugan Production
Corporation, Husky Federal Well
No. 2, NW/4 Sec. 25, T21N, R4W,
Rio Puerco Mancos Oil Pool,
Sandoval County, New Mexico

Dear Mr. Stovall:

In searching through my files, I discovered that the subject filing dated August 20, 1987 had not been acted on. In reviewing this application I find that there are no provisions which allows this filing to be approved administratively (see R-7471, as amended). It will therefore require a hearing for authorization. Since there has been so much time elapsed, I thought it best to contact you for further instructions on this matter.

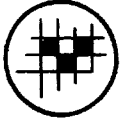
I apologize for any inconvenience this delay may have caused.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Engineer

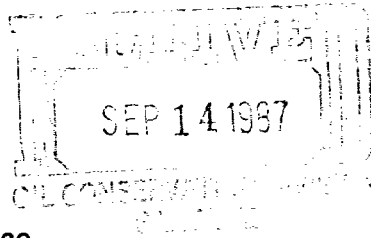
MES/ag



Gary-Williams Oil Producer

115 Inverness Drive East • Englewood, Colorado 80112-5116 • (303) 799-3800

September 4, 1987



David S. Stovall

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

Re: Non-Standard Unit Application
Dugan Production's Husky Federal #2 Well
NW/NW Section 25-T21N-R4W
Sandoval County, New Mexico

Gentlemen:

Enclosed herewith, for your information and further handling, please find Gary-Williams Oil Producer, Inc.'s waiver of objection to the above referenced Non-Standard Unit Application.

Very truly yours,

GARY-WILLIAMS OIL PRODUCER, INC.

S. R. McDonald
Assistant Landman

SMC:jm
Enclosure

cc: Robert G. Stovall For
Dugan Production Corp.

RECEIVED
SEP 10 1987
OIL CON. DIV.
DIST. 3

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 of SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset operator to the above acreage, having received notice and a copy of the Application in this matter, does hereby waive any objection to the granting of the non-standard proration unit as requested in said application.

GARY-WILLIAMS OIL PRODUCER, INC.

By: Pat Keating
Pat Keating
Attorney-in-Fact

TALUS Properties

*David
Catawba*

16 September 1987

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

Re: Non Standard Unit Application
Dugan Production's Husky Federal
No. 2 Well
Section 25-T21N-R4W
Sandoval County, NM

Gentlemen:

Enclosed herewith, for your further handling, please find TALUS Properties Limited Partnership's Waiver of Objection to the above referenced Non-Standard Unit Application.

Sincerely,

Betsy West
Betsy M. West

Enclosure: as stated

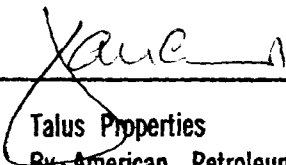
cc: Robert G. Duvall
Dugan Production Corp.

RECEIVED
SEP 21 1987
OIL CON. DIV
DIST. 3

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 of SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset operator to the above acreage, having received notice and a copy of the Application in this matter, does hereby waive any objection to the granting of the non-standard proration unit as requested in said application.


Talus Properties
By American Petroleum Management
Corporation, General Partner
By James C. Ryan, Jr., President

RECEIVED
SEP 21 1987
OIL CON. DIV.
DIST. 3



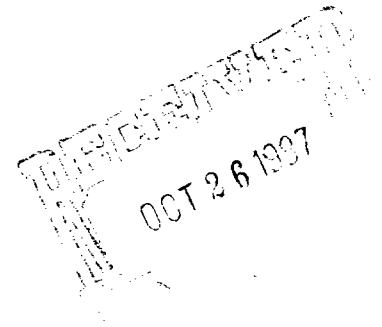
ICG PETROLEUM INC

DIVISION OF INTER-CITY GAS CORPORATION

2700- 40 FOURTH AVENUE S.W.
CALGARY ALBERTA CANADA
T2P 3J3
(403) 231-9000

1987 10 16

State of New Mexico
Energy, Mines and Natural Resources Department
Oil Conservation Division
Box 2088
SANTE FE, New Mexico
87501-2088
U.S.A.



Attention: Director - R. L. Stamats

Dear Sirs:

RE: APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 west, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

Please find enclosed, one (1) fully executed copy of our waiver of objection to the granting of the non-standard proration unit, as requested in the application.

Yours very truly,

ICG PETROLEUM INC.

C. J. Palmer
Vice-President, Land

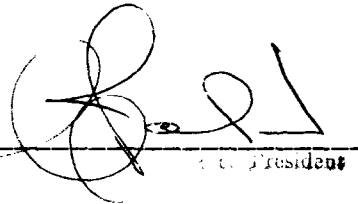
CJP:imw
Attachment

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150 ACRE NON-STANDARD PROBATION UNIT
CONSISTING OF THE NW/4 of SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset operator to the above acreage, having received notice and a copy of the Application in this matter, does hereby waive any objection to the granting of the non-standard probation unit as requested in said application.

100
CONTENT
5000
EXCISE



President

ROBERT STOVALL
Attorney-at-Law
(505) 326-3359

P.O. Box 10021
Farmington, New Mexico 87499

Office
3005 Northridge Dr., Suite G

CERTIFIED, RETURN RECEIPT REQUESTED

August 20, 1987

Gary Williams Oil Producer
4 Inverness Circle East
Englewood, Colorado 80112

Carlisle Petroleum, Inc.
address unknown

ICG Petroleum, Inc.
2700-140 4th Avenue, SW
Calgary, Alberta, Canada T2P 252

A. E. Investments, Inc.
address unknown

AA Energy Corp.
c/o A.M.R. Energy Corp.
1500 Fidelity Union Tower
Dallas, Texas 75201

Penn Bristol Corp.
address unknown

re: Non-Standard Unit Application
Dugan Production's Husky Federal #2 Well
NW/4 NW/4 Section 25-T21N-R4W
Sandoval County, New Mexico

Gentlemen:

Dugan Production Corp. drilled the above referenced well in 1983 in an undesignated Gallup pool on 40 acre spacing. The well was drilled on Federal Lease NM-14729 covering the NW/4 of said Section 25, the operating rights to which are owned entirely by Dugan Production.

Since the well was drilled and completed, the New Mexico Oil Conservation Division has spaced the well into the Rio Puerco Mancos Pool, which provides for 320 acre spacing. According to the information provided to us by the BLM and Federal Abstract Company, you are the joint owners of leasehold and operating rights to the Mancos formation under lease NM-25611, which covers the NE/4 and the S/2 of said Section 25. As a result Dugan must either form a 320 acre proration unit or get OCD approval for a non-standard proration unit.

Because the well is not very productive, Dugan has elected to apply to the OCD for a non-standard unit consisting of the NW/4 of the section. A copy of Dugan's application to

RECEIVED
AUG 25 1987
OIL CON. DIV.

Non-Standard Unit Application
Dugan Production's Husky Federal #2 Well
NW/4 NW/4 Section 25-T21N-R4W
Sandoval County, New Mexico
page 2 of 2

the OCD is enclosed herewith. Although the Rio Puerco Mancos Pool rules do not specifically provide for Administrative approval of this type application, we are asking the Division to provide that approval if all offset operators waive objection. By this letter we are requesting that you communicate to the Division your waiver of objection to the application.

Because we do not have addresses for Carlisle Petroleum, Inc., A.E. Investments, Inc., or Penn Bristol Corp., we request that any of the addressees who have those addresses forward a copy of this letter and the enclosed Application to them and provide us with the address(es). We also request that you return a copy of your waiver to us.

Thank you in advance for your cooperation in this matter.

Sincerely,

Robert G. Stovall

RGS:

enc.

xc: Rich Corcoran
Dugan Production Corp.

Frank Chavez
NMOCD

RECEIVED
AUG 25 1987
OIL CON. DIV. I
DIST. 3

ROBERT STOVALL
Attorney-at-Law
(505) 326-3359

P.O. Box 10021
Farmington, New Mexico 87499

Office
3005 Northridge Dr., Suite G

August 20, 1987

Mr. John A. Kochergen
P.O. Box 11006
Fresno, CA 93771

Case 9359

Interest of Albert Britz

Dear Mr. Kochergen:

Enclosed please find a copy of a letter which I have sent to Albert Britz at an address for him which I have from previous correspondence. If memory serves me correctly, I recently saw some BLM documentation which referred to the Estate of Albert Britz.

Because of our previous dealings, I know that you and Mr. Britz are somehow related. If in fact my reading of the information was correct and Mr. Britz has passed away, I would appreciate it if you could forward this information to the appropriate parties. If he is still alive, then presumably he will receive the letter and take care of it, in which case I apologize for the inconvenience.

I thank you in advance for your cooperation.

Sincerely,



Robert G. Stovall

RGS:

enc.

xc: Rich Corcoran, Dugan Production Corp.

RECEIVED
AUG 25 1987
DIV. I

ROBERT STOVALL
Attorney-at-Law
(505) 326-3359

P.O. Box: 10021
Farmington, New Mexico 87499

Office
3005 Northridge Dr., Suite G

CERTIFIED, RETURN RECEIPT REQUESTED

August 20, 1987

Mr. Albert Britz
P.O. Box 9050
Fresno, CA 93790

re: Non-Standard Unit Application
Dugan Production's Husky Federal #2 Well
NW/4 NW/4 Section 25-T21N-R4W
Sandoval County, New Mexico

Dear Mr. Britz:

Dugan Production Corp. drilled the above referenced well in 1983 in an undesignated Gallup pool on 40 acre spacing. The well was drilled on Federal Lease NM-14729 covering the NW/4 of said Section 25, the operating rights to which are owned entirely by Dugan Production.

Since the well was drilled and completed, the New Mexico Oil Conservation Division has spaced the well into the Rio Puerco Mancos Pool, which provides for 320 acre spacing. As a result Dugan must either form a 320 acre proration unit or get OCD approval for a non-standard proration unit. According to the information provided to us by the BLM and Federal Abstract Company, you are the owner of leasehold and operating rights to the Mancos formation under a Federal lease, which covers the SE/4 of the SE/4 of Section 23 offsetting Dugan's lease.

Because the well is not very productive, Dugan has elected to apply to the OCD for a non-standard unit consisting of the NW/4 of the section. A copy of Dugan's application to the OCD is enclosed herewith. Although the Rio Puerco Mancos Pool rules do not specifically provide for Administrative approval of this type application, we are asking the Division to provide that approval if all offset operators waive objection. By this letter we are requesting that you communicate to the Division your waiver of objection to the application. We also request that you return a copy of your waiver to us.

RECEIVED

AUG 25 1987

OIL CON. DIV.
DIST. R.

Non-Standard Unit Application
Dugan Production's Husky Federal #2 Well
NW/4 NW/4 Section 25-T21N-R4N
Sandoval County, New Mexico
page 2 of 2

Thank you in advance for your cooperation in this matter.

Sincerely,

Robert G. Stovall

RGS:

enc.

xc: Rich Corcoran
Dugan Production Corp.

Frank Chavez
NMOCD

RECEIVED

AUG 25 1987

OIL CON. DIV.
DIST. 3

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 of SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset operator to the above acreage, having received notice and a copy of the Application in this matter, does hereby waive any objection to the granting of the non-standard proration unit as requested in said application.

AE INVESTMENTS, INC.

By: Jonathan M. Juicio

ROBERT STOVALL
Attorney-at-Law
(505) 326-3359

P.O. Box 10021
Farmington, New Mexico 87499

Office
3005 Northridge Dr., Suite G

August 20, 1987

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

Case 9359

re: Non-Standard Unit Application
Dugan Production's Husky Federal #2 Well
NW/4 NW/4 Section 25-T21N-R4W
Sandoval County, New Mexico

Dear Frank:

Enclosed please find Dugan Production Corp.'s Application in the above referenced matter, together with a copy of the letters sent to each of the offset operator's other than Dugan.

If you can find anyway to approve this administratively, I would appreciate your doing so. Otherwise please set it for examiner hearing as soon as possible.

Please note that I am no longer in house Counsel for Dugan, but I am now in private practice and representing them as outside counsel. Please enter my new address as shown above for all future mailing, but do not delete Dugan from any mailing lists. I would appreciate being kept informed of Division activities.

Sincerely,



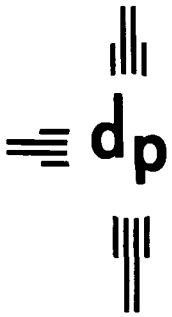
Robert G. Stovall

RGS.

enc

xc: Rich Corcoran, Dugan Production Corp.

Aug 25 1987
OIL CON. DIV.
DIST. 3



dugan production corp.

1009

April 25, 1988

JDR

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: **NMOCD Case #9359**
Application of Dugan Production Corp. for
Non-Standard Spacing Unit
Husky Federal #2
Unit D, Sec. 25, T-21N, R-4W
Sandoval County, New Mexico

Dear Mr. Stogner:

I am writing to confirm our phone conversation regarding the captioned case which is currently scheduled to be heard on Wednesday, April 27, 1988. We respectfully request that this case be continued to the May 25th examiner hearing.

Thank you for your assistance in this matter.

Sincerely,

John D. Roe

John D. Roe
Manager of Engineering

JDR/cg/ocd-9359



dugan production corp.

May 23, 1988

New Mexico Oil Conservation Division
Attn: Michael Stogner
P.O. Box 2088
Santa Fe, NM 87504-2088

Mr. C.

Re: **NMOCD Case #9359**
Scheduled for Hearing on May 25, 1988
Application of Dugan Production Corp.
For Non-Standard Spacing Unit
Husky Federal #2
Unit D, Sec. 25, T21N, R4W, NMPM
Sandoval County, NM

Dear Mr. Stogner:

I am writing to follow-up our phone conversation during which I asked that the captioned case be continued to the examiner hearing now scheduled for July 6, 1988 to be held in Farmington, New Mexico.

We appreciate your understanding in this matter and thank you for your assistance.

Sincerely,

John D. Roe

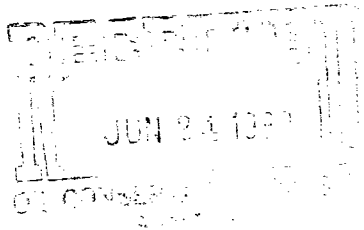
John D. Roe
Manager of Engineering

JDR/cg/ccd9359



dugan production corp.

June 22, 1988



Continued to
Sept. 14, 1988
M.S.

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: **NMOCD Case #9359**
Scheduled for Hearing on July 6, 1988
Application of Dugan Production Corp.
For Non-Standard Spacing Unit
Husky Federal #2
Unit D, Section 25, T21N, R4W, NMPM
Sandoval County, NM

Dear Mr. Stogner:

The captioned case is currently scheduled for the examiner hearing to be held in Farmington during which the issue of establishing pool rules for the development of the Fruitland coal beds is scheduled to be heard. It is my understanding that this hearing may involve lengthy testimony, and considering that our application is not a pressing issue, we respectfully request that this case be continued to an examiner hearing in September 1988.

We appreciate your assistance in this matter and thank you in advance.

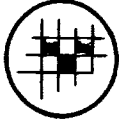
Sincerely,

John D. Roe

John D. Roe
Manager of Engineering

JDR\cg\9359-ocd.b

cc: Frank Chavez, NMOCD, Aztec, NM
Tom Kellahin

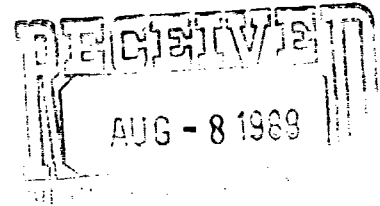


Gary-Williams Oil Producer

115 Inverness Drive East • Englewood, Colorado 80112-5116 • (303) 799-3800

August 2, 1988

Card No. 9359



New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87504-2088

RE: Non-Standard Unit Application
Husky Federal #2 Well
Township 21 North, Range 4 West
Section 25: NW/4
Sandoval County, New Mexico

Gentlemen:

Enclosed herewith, please find one (1) copy of Gary-Williams Oil Producer, Inc.'s waiver to Dugan Production Corp.'s Non-Standard Unit Application, for the Husky Federal #2 Well.

Very truly yours,

GARY-WILLIAMS OIL PRODUCER, INC.

Sharon McDonald
Assistant Landman

SM:blb
Enclosure

cc: Mr. Richard Corcoran
Dugan Production Corp.
P. O. Box 208
Farmington, New Mexico 87499-0208

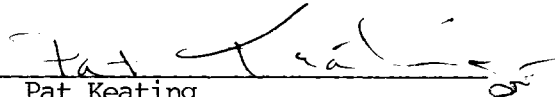
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

GARY WILLIAMS OIL PRODUCER

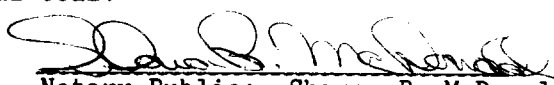

By: Pat Keating
Title: Attorney-in-Fact

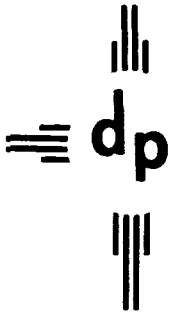
STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 1st day of
August, 1988, by Pat Keating, as Attorney-in-Fact of Gary-Williams Oil
Producer, Inc., a Delaware Corporation.

Witness my hand and official seal.

My Commission Expires:
February 18, 1992


Notary Public: Sharon R. McDonald
Address: 115 Inverness Drive East
Englewood, CO 80112



dugan production corp.

July 27, 1988

CERTIFIED, RETURN RECEIPT REQUESTED

TO: Offsetting Interest *Owners*
(see list attached)

RE: Non-Standard Unit Application
NMOCD Case #9359, Hearing Scheduled for 9-14-88
Dugan's *Nusky* Federal #2 Well
Township 21 North, Range 4 West, NMPM
Section 25: NW/4 NW/4
Sandoval County, New Mexico

Gentlemen:

Dugan Production Corp. drilled the referenced well in 1983 in an Undesignated Gallup pool on 40.0 acre spacing. The well was drilled on Federal Lease NM-14729 covering the NW/4 of said Section 25, the operating rights to which are owned entirely by Dugan Production Corp.

Since the well was drilled and completed, the New Mexico Oil Conservation Division has spaced the well into the Rio Puerco Mancos Pool, which provides for 320.0 acre spacing. According to the information provided to us by the BLM and Federal Abstract Company, you are the joint owners of leasehold and operating rights to the Mancos formation underlying one or more tracts set out on the attached plat.

Because of the limited productive capability of the well, Dugan has elected to apply to the OCD for a non-standard unit consisting of the NW/4 of the section. A copy of Dugan's application to the OCD is enclosed herewith.

On August 20, 1987, Dugan wrote to advise of our intention to form a non-standard spacing unit. Our plans to form said non-standard spacing unit remain unchanged. Since our August 20 letter, there has been some change in ownership of the offsetting acreage and we are now providing notice to all parties presented on the attached plat, in accordance with OCD Rule 1207(3).

Because it has been almost one year since our earlier request and there have been changes in the offsetting ownership, we now request that you execute the enclosed waivers returning one to the OCD and one to Dugan for our records.

CERTIFIED, RETURN RECEIPT REQUESTED

Page 2 of 2

TO: Offsetting Interest Owners

RE: Non-Standard Unit Application

NMOCD Case #9359, Hearing Scheduled for 9-14-88

Dugan's Husky Federal #2 Well

Township 21 North, Range 4 West, NMPM

Section 25: NW/4 NW/4

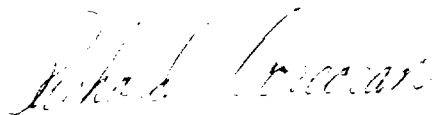
Sandoval County, New Mexico

July 27, 1988

The New Mexico Oil Conservation Division has scheduled the required hearing for September 14, 1988 in Santa Fe, New Mexico. Your presence is not required, however, should you desire to participate in any manner, we are providing you this notice.

Thank you in advance for your cooperation in this matter.

Sincerely,



Richard Corcoran
Landman

RC:jr

Enclosures

cc: Michael Stogner

AA Energy Corp.
c/o A.M.R. Energy Corp.
1507 Pacific Avenue
Dallas, Texas 75201

ABO Petroleum Corp.
105 South 4th Street
Artesia, New Mexico 88210

A. E. Investments, ATTN: Paul McCollam
c/o Resources Investors Management Co.
22 Waterville Road
Avon, Connecticut 06001

A.M.P. Energy Corp.
1507 Pacific Avenue
Dallas, Texas 75201

Gary Williams Oil Producer
4 Inverness Circle East
Englewood, Colorado 80112

ICG Petroleum, Inc., ATTN: C. J. Palmer
2700-140 4th Avenue, SW
Calgary, Alberta, Canada T2P 2S2

Myco Industries, Inc.
105 South 4th Street,
Artesia, New Mexico 88210

Penn Tristol Corp., ATTN: Frederick P. Howard
530 Walnut Street, WIM-10
Philadelphia, Pennsylvania 19172

Talus Properties, Ltd., ATTN: James C. Ryan, Jr.
c/o American Petroleum Management Corp.
P. O. Box 2485
Greenville, South Carolina 29602

Toga Petroleum Corp.
500 Dallas Avenue, Suite 2950
Houston, Texas 77002

Yates Drilling Co.
105 South 4th Street,
Artesia, New Mexico 88210

Yates Petroleum Corp.
105 South 4th Street,
Artesia, New Mexico 88210

EXHIBIT "A"
 APPLICATION FOR DUGAN PRODUCTION CORP. - NON-STANDARD 160.0 CARE SPACING UNIT
 HUSKY FEDERAL #2 WELL

TRACT 1 - Section 23: SE/4 SE/4
 Yates Petroleum Corp. 40.0%
 Myco Industries, Inc. 20.0%
 Yates Drilling Co. 20.0%
 ARO Petroleum Corp. 20.0%

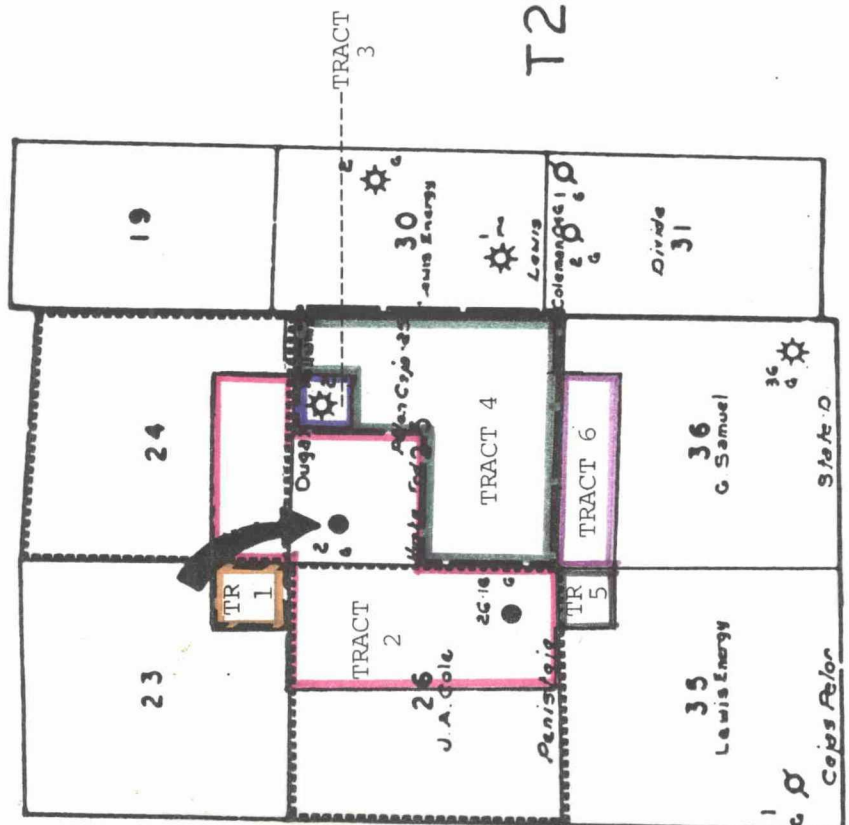
TRACT 2 - Section 24: S/2 SW/4, SW/4 SE/4
 Section 25: NW/4
 Section 26: E/2
 Dugan Production Corp. 100.0%

TRACT 3 - NW/4 NE/4 (to base of the Gallup formation)
 Gary-Williams Oil Producer 37.585%
 *AMR Energy Corp.
 (Toga Petroleum Corp.) 37.585%
 ICG Petroleum, Inc. 17.330%
 Talus Properties Ltd. P'ship. 7.500%

TRACT 4 - Section 25: NE/4 NE/4, S/2 NE/4, S/2 (to the base of the Gallup formation)
 Talus Properties Ltd. P-ship. 7.500000000%
 ICG Petroleum Inc. 17.33000540%
 Gary-Williams Oil Producer 37.58499974%
 *AMR Energy Corp.
 (Toga Petroleum Corp.) 36.63999926%
 Toga Petroleum Corp. 0.94500047%

TRACT 5 - Section 35: N/2 (to the base of the Gallup formation)
 Gary-Williams Oil Producer 33.80499784%
 AMR Energy Corp. 33.80499784%
 Talus Properties Ltd. P'ship. 7.500000000%
 ICG Petroleum Inc. 16.250000000%
 A. E. Investments 6.288192000%
 Penn Bristol Corp. 2.35181232%

TRACT 6 - Section 36: N/2 NW/4, NW/4 NE/4
 Gary-Williams Oil Producer 39.585%
 *AA Energy
 (Toga Petroleum Corp.) 39.585%
 ICG Vista Petroleum, Inc. 12.500%
 Talus Properties Ltd. P-ship. 8.330%



* NOTE: Public records do not show a transfer of interest or name change. However, Toga Petroleum Corp. is in the process of filing such documentation.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY & MINERALS
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 of SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

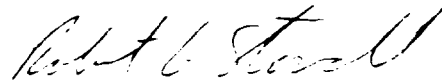
COMES NOW, Dugan Production Corp., by and through its attorney, and applies to the New Mexico Oil Conservation Division for approval of a Non-Standard Proration Unit of 160 acres, consisting of the Northwest Quarter (NW/4) of Section 25, Township 21 North, Range 4 West, NMPM, Sandoval County, New Mexico, for its Husky Federal #2 well located in Unit D of said section. As grounds therefore, Applicant states:

1. The Husky Federal #2 well was completed on December 3, 1983 in an Undesignated Gallup formation on 40 acre spacing with an initial potential of 28 barrels of oil and gas too small to measure.
2. Effective April 1, 1984, the Rio Puerco-Mancos Pool was established by Order R-7471 creating temporary pool rules providing for 320 acre spacing, and said Order was made permanent by Order R-7471-3 on June 2, 1986.
3. By nomenclature, said Pool was extended to include acreage subject to this Application.
4. The initial potential and production history of the Husky Federal #2 well indicates that the well is not capable of and will not drain 320 acres.
5. Applicant is furnishing a copy of this Application to all offset operators by certified mail, return receipt requested, as required by Rule 1207(a)3, and is requesting that said operators furnish your office with a Waiver of Objection.

6. Granting of this Application will be in the best interest of conservation, prevention of waste, and protection of correlative rights.
7. A map showing the location of the well, the proposed spacing unit, and the offset operators is attached hereto and made a part hereof.
8. Upon Waiver of Objection by offset operators, Applicant requests that this Application be granted without hearing, or in the alternative, that this matter be set for hearing before a Division Examiner at the earliest possible regular Examiner hearing.

WHEREFORE, Dugan Production requests that the Division grant this Application for a Non-Standard Proration Unit as set forth herein with or without hearing.

Respectfully submitted,



Robert G. Stovall
Attorney for
DUGAN PRODUCTION CORP.
P. O. Box 10021
Farmington, NM 87499
(505) 325-1821



dugan production corp.

September 1, 1988

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Nonstandard Proration Unit
Case No. 9359 *nm-5*
Dugan's Husky Federal #2 Well
Sandoval County, New Mexico

Gentlemen:

Enclosed please find one originally executed Waiver from ICG Petroleum, Inc. Please include this Waiver with others forwarded to your office for the referenced Nonstandard Proration Unit.

If you have questions concerning the enclosed, please do not hesitate to contact this office.

Sincerely,

Richard Corcoran
Landman

RC:jr

Enclosure

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

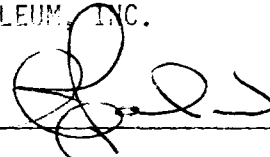
ATTEST:



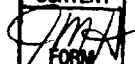

ICG PETROLEUM, INC.

By:

Title:



C.J. Palmer Vice-President

ICG
CONTENT

FORM

EXECUTION

RIMCO

RESOURCE INVESTORS
MANAGEMENT COMPANY

22 Waterville Road
Avon, Connecticut 06001
203-678-8100

Managing Directors
Roy V. Hood
Paul E. McCollam
Steven H. Mikel
John B. Parsons
David R. Whitney

August 22, 1988

Case No. 9359

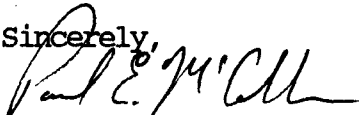
New Mexico Oil Conservation Commission
P.O. Box 2088
Sante Fe, New Mexico 87504

Dear Sir:

The enclosed waiver of objection in the above referenced matter is submitted for your consideration.

Questions regarding the position of A E Investments, Inc. in this matter should be addressed to the undersigned.

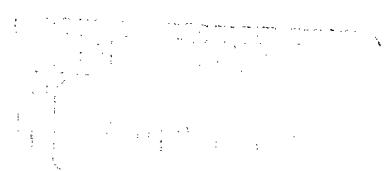
Sincerely,



Paul E. McCollam

cc: R. Corcoran, Duggan Prod. Corp.

PEM/slg



STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

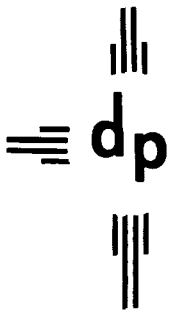
The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
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unit as requested in said application.

ATTEST:

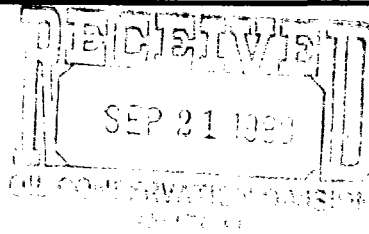
A. E. INVESTMENTS

Melinda L. Blatter
Melinda L. Blatter
Asst. Secy.

Jonathan M. Lucia
By: Jonathan M. Lucia
Title: Asst. Vice Pres



dugan production corp.



September 19, 1988

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

ATTN: David Catanach

RE: ~~Nonstandard Proration Unit~~
Case No. 9359
Dugan's Husky Federal #2 Well
Sandoval County, New Mexico

Gentlemen:

Attached for your files and information are four (4) waivers executed from offsetting owners regarding Dugan Production Corp.'s request for a non-standard spacing unit for our Husky Federal #2 Well. This case (Case No. 9359) was heard before you on September 14, 1988. We are forwarding these waivers at this time since we received them subsequent to the hearing.

Should you have any questions, please feel free to contact me.

Sincerely,

Richard Corcoran
Landman

RC:jr

Enclosure

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

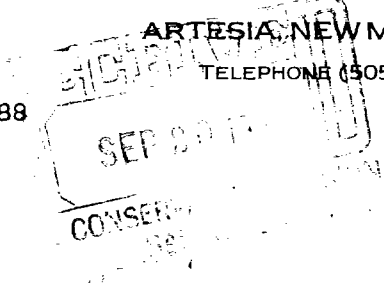


S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

September 14, 1988



Case No. 9359

Dugan Production Corp.
P.O. Box 208
Farmington, New Mexico 87499-0208

New Mexico Oil Conservation
Division
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Enclosed are waiver letters from Yates Petroleum Corporation, Yates Drilling Company, Myco Industries, Inc. and Abo Petroleum Corporation.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson
Landman

JR:blf
Enclosures

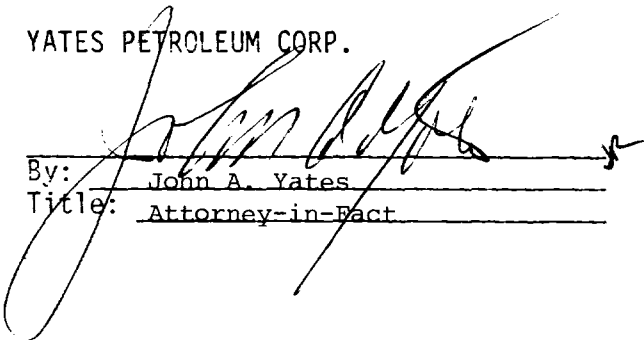
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 150.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

YATES PETROLEUM CORP.


By: John A. Yates
Title: Attorney-in-Fact

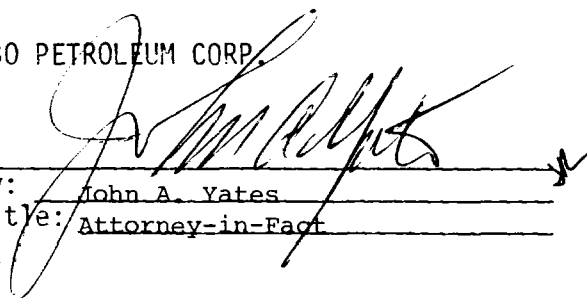
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

ABO PETROLEUM CORP.



By: John A. Yates
Title: Attorney-in-Fact

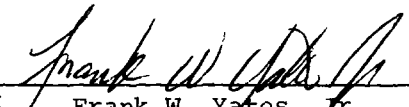
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDCVL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

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having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

MYCO INDUSTRIES, INC.


By: Frank W. Yates, Jr.
Title: Attorney-in-Fact

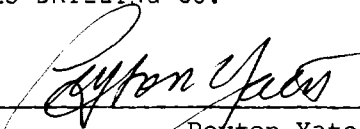
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
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hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

YATES DRILLING CO.


By: Peyton Yates *
Title: Attorney-in-Fact

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 5, 1988

GARREY CARRUTHERS
GOVERNOR

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

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9359
ORDER NO. R-8751

Applicant:

Dugan Production Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD _____
Artesia OCD _____
Aztec OCD _____

Other _____
