

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor

Joanna Prukop **Cabinet Secretary Acting Director Oil Conservation Division**

April 12, 2004

Dugan Production Company 709 E. Murray Dr. PO Box 420 Farmington, NM 87499-0420

Attention: John Alexander

Re: Request for Extension of Implementation Period for Division Order WFX-789.

Dear Mr. Alexander:

The New Mexico Oil Conservation Division has reviewed your request to extend the implementation period on the West Bisti Unit No 157, API No. 30-045-05598, located 660 feet from the south line and 660 feet from the east line (Unit P) Section 36, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico, originally approved with Division order WFX-789. Providing that all conditions contained in the order remain the same and there are no new wells drilled in the area of review, the expiration date of the WFX-789 is hereby extended to October 9, 2004.

In the event any drilling activity occurs in the subject area of review, Dugan Production Corporation will notify the supervisor of the Aztec district office and the Division office. An administrative review of the permit will be conducted, and the status of the permit will be determined.

Additionally: The operator shall report by sundry to the Aztec district office (send a copy to Santa Fe), the original static fluid level - in units of feet from the KB - for the zone completed during the work-over to convert to injection.

All other provisions and conditions of WFX-789 and Division Rules 706 and 1120 shall remain in full force and effect.

Joanna Prukop

Acting Directo

JP:wvji

cc:

Oil Conservation Division - Aztec

WFX-789