



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NM-21465, et al., (GC)
3160 (07100)

30-045-30737

September 28, 2001

 CERTIFIED-RETURN RECEIPT REQUESTED
7106 4575 1292 2684 0258

Mr. Tom Dugan
Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499



Dear Mr. Dugan:

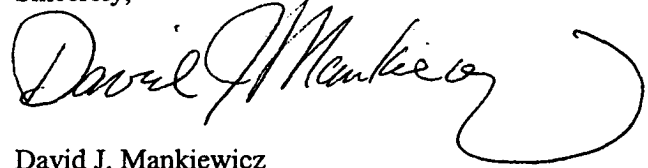
The locations of several APDs submitted by Dugan Production currently fall within the haulage ways (headgates and tailgates) of the current San Juan Coal Company's underground mine plan. In the interest of mine safety BHP-Billiton has requested that the BLM/Dugan consider moving the locations to positions that lie within the future longwall panels of the mine plan. BHP has stated that they will pay for any additional costs associated with the location moves. The New Mexico Oil Conservation Division (NMOCD) has also stated that they would authorize non-standard locations in this area. The new location should be a minimum of 450 feet from the haulage way. The specific locations with suggested moves are listed below.

Sec. 24, T. 30 N., R. 15 W.	Centennial Com 2	move 500 feet West
	Centennial Com 90	move 700 feet West
	Centennial Com 91	move 700 feet East
	Centennial 1	move 200 feet West
Sec. 18, T. 30 N., R. 14 W.	Riviera Com 90	move 400 feet West
Sec. 19, T. 30 N., R. 14 W.	Turk's Toast 93	move 200 feet West
Sec. 17, T. 30 N., R. 14 W.	Turk's Toast 7	move 500 feet West
	Turk's Toast 8	move 1,000 feet West

If topography and infrastructure alignment allows for the well relocations, the BLM will assist in any way to expedite the issuance of the new APDs.

If you have any questions regarding the above, please contact myself at (505) 599-6387.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Mankiewicz", with a large, sweeping flourish at the end.

David J. Mankiewicz
Assistant Field Manager (Minerals)

cc:

Mr. Lynn Woomeer
BHP-Billiton
San Juan Coal Company
P.O. Box 561
Waterflow, NM 87421

Mr. Steve Hayden
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410