



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS RD. - AZTEC

87410

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

DIRECTOR  
JOE D. RAMEY

December 12, 1977

Mr. T. A. Dugan  
Dugan Production Corporation  
P. O. Box 234  
Farmington, New Mexico 87401

Re: Dugan Production Corporation  
Big Eight #1  
L-8-24N-9W

Dear Tom:

After waiting for a completion report for a year and a half for the subject well, we find ourselves in a big rush for approval.

We now learn the well is at a nonstandard location for an oil completion. Therefore, the form C-104 for the Greenhorn formation cannot be approved.

Rule 104 F authorizes the Secretary-Director to approve such locations when the well bore of an old well is being used; but, Rule 104 II (a) and (b) require a hearing for Wildcat wells.

Please contact our legal department to determine which approach to use.

Yours very truly,

A. R. Kendrick  
Supervisor, District #3

ARK:no