

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

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

January 28, 1994

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

Attention: Jim L. Jacobs

Administrative Order NSL-3344

Dear Mr. Jacobs:

Reference is made to your application dated January 6, 1994 for a non-standard Basin-Fruitland coal gas well location for your existing Okie Well No. 1 which was drilled in 1977 and completed in the Potwin-Pictured Cliffs Pool at a standard gas well location 1105 feet from the South line and 840 feet from the East line (Unit P) of Section 8, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the S/2 of said Section 8 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay

Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec

US Bureau of Land Management - Farmington

DECEIVE

FEB -1:1994

OIL CON. DIV.



STATE OF NEW MEXICO

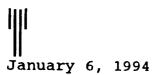
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

Date: 1-36 77 Alla: Mike Stogner
Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87504-2088
RE: Proposed MC Proposed DHC Proposed SWD Proposed WFX Proposed NSP Proposed DD
Gentlemen:
I have examined the application received on 1-7-94
for the DUCHU PRODUCE FACE WELL NO.
PCE-241-CSIS and my recommendations are as follows: UL-S-T-R
Aggracia
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Yours truly,
- Line / Funch



dugan production corp.



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

Re: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp's Okie #1
1105' FSL & 840' FEL, Sec. 8, T24N, R8W, NMPM
San Juan County, New Mexico
Basin Fruitland Coal

Dear Mr. Stogner:

We hereby request approval for an unorthodox location for the subject well. Copies of the well location plat, topographic map, a production map and a map showing offsetting operators are attached for your reference.

The unorthodox location is necessary in order to salvage the wellbore of an unsuccessful Pictured Cliffs test. Originally, the Okie #1 was drilled to test the Pictured Cliffs Sandstone. The test was unsuccessful, the zone will be abandoned and a completion in the Fruitland Coal will be undertaken.

A copy of this application is being submitted to all offsetting operators by certified mail with a request that they furnish your office with a waiver of objection.

We request your approval of this location under the provisions of NMOCD Order No. R-8768, Rule #8.

Sincerely,

Jim L. Jacobs Vice-President

KF/cg

attachs.

JAN 07 1994
OIL CON. DIV

CC: Mr. Ernie Busch, NMOCD Aztec Offsetting Operators BLM, Farmington

OCATION AND ACERAGE DEDICATION PLAT

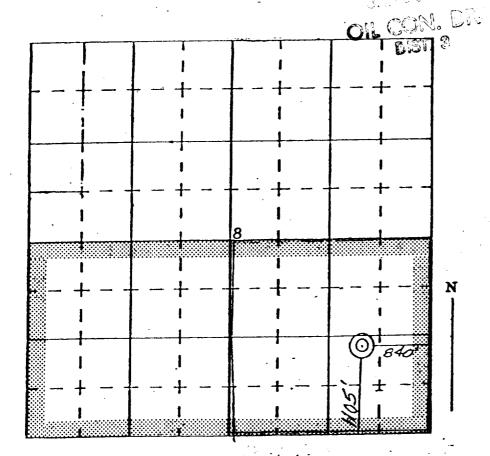
Operator OKL	AHOMA OIL	COMPANY		Leose FRENCH	WASH	•	Well No.	
Unit Letter P.	Section 8	Township 24	NORTH '	Ronge 8 WEST	County	JUAN	7	
Actual Factoge Lac	otion of Well: feet from the	SOUTH	line and	840 fo	et from the	EAST	line	
Ground Level Elev. 6917	Producing Pict	Formation ured Cliff		Pool Wildcat			Dedicated Avereage: 160	Acre

- 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
- 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

() Y	es	1) No	If answe	r is "ye	es,"	type of	consolidation	•
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If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) .

No allowable will be assigned to the well until all interests have been consolidated. (by communitization, unitization, forcedpooling, or otherwise) or until a non standard unit, eliminating such interests, peen approved by the Commission.



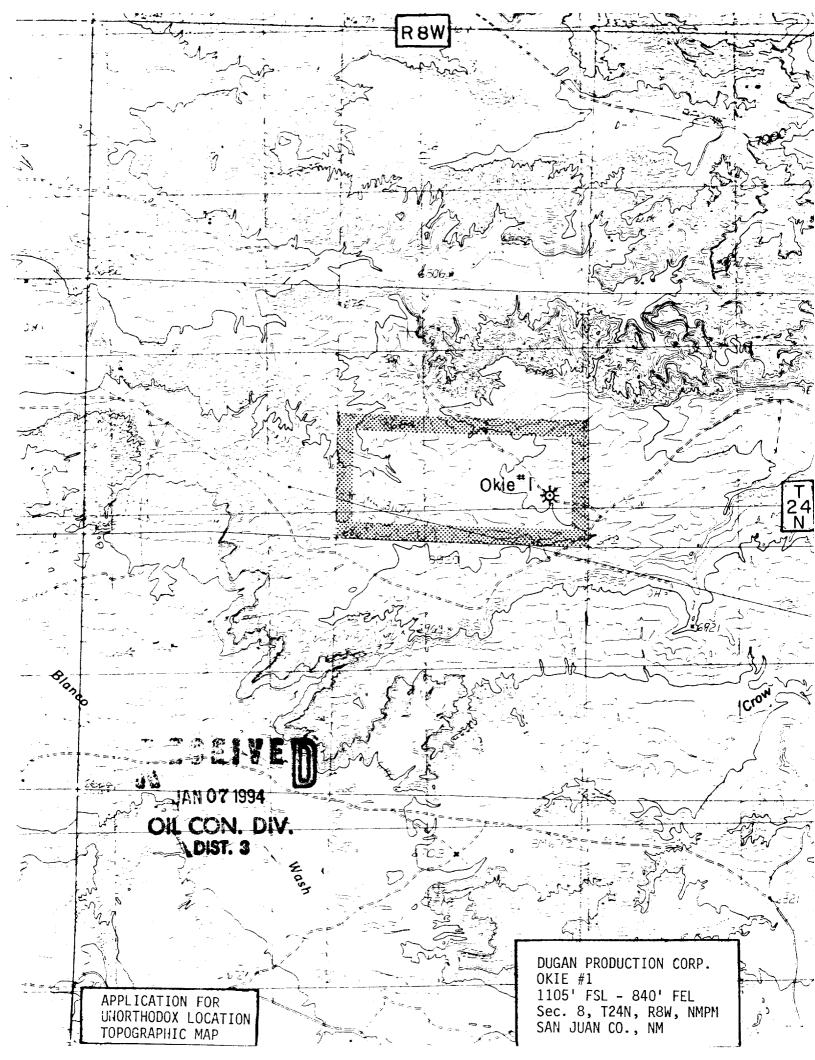
CERTIFICATION

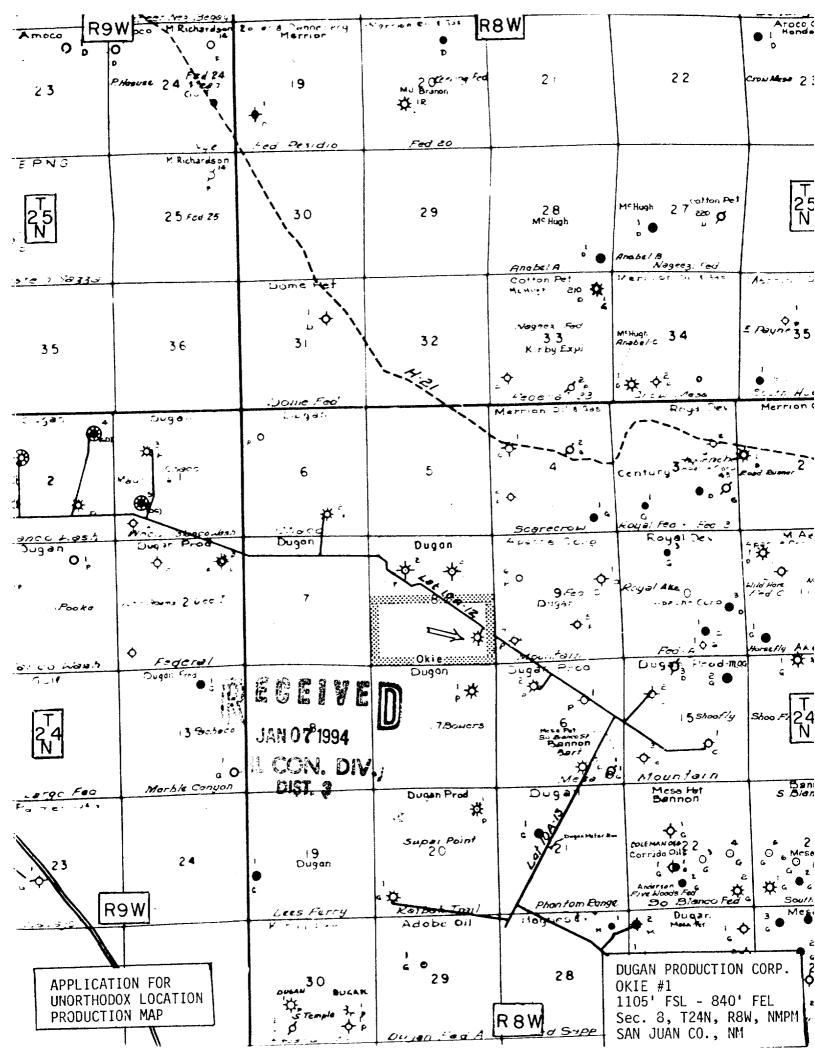
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John Alexander
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Agent
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Oklahoma Oil Company Compony
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	NM-2337 Dugan	Morgan-Richar	₫ Yates etal.	Federal (Open)	Merrion
R.K. Lewis -Fee		Giant Exp.	.		
T 2 4 N			NM-19567 Dugan	Celsius Ener.	Yates etal.
	,		Okie 杂I		NM-16789 Dugan
Navajo Allotted (Open)	NM-85307 Dugan		NM-26047 Dugan	1	LG-1917 Dugan
		R8		Mesa Petr.	

APPLICATION FOR UNORTHODOX LOCATION OFFSETTING OPERATORS



DUGAN PRODUCTION CORP.
OKIE #1
1105' FSL - 840' FEL
Sec. 6, T24N, R8W, NMPM
SAN JUAN CO., NM