

dugan production corp.

January 10, 1979

Richard L. Stamets
Technical Support Chief
New Mexico Oil Conservation Division
Box 2088
Santa Fe, N.M. 87501

Re: Application for Administrative Approval of Unorthodox Location
of the Blanco Wash #7 Well in San Juan County, New Mexico

Dear Dick:

As mentioned in our telephone conversation on January 9, 1979, our original intent in drilling the Blanco Wash #7 Well was to test the Gallup through the Dakota formations. The well location was orthodox at that time for dedicated acreage of a Dakota gas well.

After drilling to a total depth of 6355' and penetrating the top of the Dakota formation at 6208', we ran an Induction Laterlog and a Compensated Density Log. It was our geologist's opinion that the Dakota formation would not produce in commercial quantities, and the well was thus perforated and completed in the Gallup and Greenhorn formations as an oil well. As you are aware, the production from these two zones is in the newly created Whitewash Mancos Dakota Oil Pool.

After completing the well in this new oil pool our well location was not orthodox as it had previously been for a gas well.

Thus, it is now necessary to make this Application for Unorthodox Location. We have previously sent certain material and information pertaining to this matter, and we trust the additional information contained in this letter will enable you to approve our Application.

Please advise if you need further information or assistance.

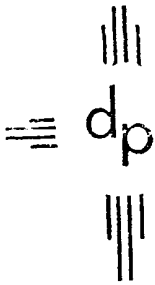
Sincerely,

Richard T. C. Tully
Attorney for Applicant

RTCT/sak

Al R. Kendricks ✓
District III Office, NMOCD





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Box 2088
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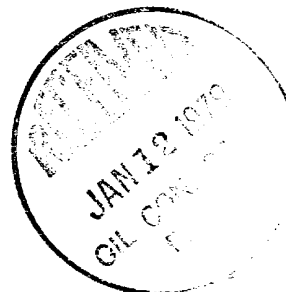
Please advise if you need further information or assistance.

Sincerely,

Richard T. C. Tully
Attorney for Applicant

RTCT/sak

Al R. Kendricks ✓
District III Office, NMOCD



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dugan production corp.

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January 4, 1979

Lynn Teschendorf
General Counsel
New Mexico Oil Conservation Division
Box 2088
Santa Fe, N.M. 87501

RE: Application for Administrative Approval of Unorthodox Location
of the Blanco Wash #7 Well in San Juan County, New Mexico

Dear Lynn:

Enclosed are the following items regarding the Application for
Administrative Approval of the Unorthodox Location of the Blanco
Wash #7 Well which is located in the SW/4 NW/4 of Section 11,
Township 24 North, Range 9 West, N.M.P.M., San Juan County, New Mexico:

1. Three copies of the Application for Administrative Approval
of the Unorthodox Location for the Blanco Wash #7 Well.
2. Three copies of a plat showing the ownership of all leases
offsetting the SW/4 NW/4 of Section 11, Township 24 North,
Range 9 West, N.M.P.M. This plat also shows all of the
wells completed on these leases.
3. Three copies of a Certificate of Mailing stating that all
operators of leases offsetting the dedicated acreage for
this well, the Supervisor of the District III Office of the
New Mexico Oil Conservation Division, and the U. S.
Geological Survey have been notified of the Application by
certified mail.

If you need further information or assistance, please advise.

Sincerely,

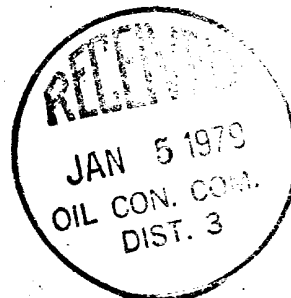
Rick

Richard T. C. Tully
Attorney for Applicant

RTCT/sak

Enclosures

cc: Al R. Kendrick ✓



APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION

Applicant: Dugan Production Corp.
P. O. Box 234
Farmington, N.M. 87401

Lease: Blanco Wash #7 Lease
Navajo Allotted Contract No. 14-20-0603-1408

Lease Date: September 5, 1968
Effective Date: December 19, 1968

Lease Term: Ten years

Lands Described in Lease
Dedicated to the Well: Township 24 North, Range 9 West, N.M.P.M.
Section 11: SW/4 NW/4
Containing 40 acres, more or less
San Juan County, New Mexico

Name of Well: Blanco Wash #7 Well

Proposed Unorthodox Location: Township 24 North, Range 9 West, N.M.P.M.
Section 11: 1450' FNL-860' FWL
(Unit Letter E)
San Juan County, New Mexico

Reason for Unorthodox Location: See Attached Exhibits "A", "B", and "C"

New Mexico Oil Conservation
Division Rule Authorizing Application: Rule 104(F)

Offsetting Leases and Operators:

A. Blanco Wash #7 Lease
Navajo Allotted Contract No. 14-20-0503-1408
Township 24 North, Range 9 West, N.M.P.M.
Section 11: N/2 NW/4, SE/4 NW/4
San Juan County, New Mexico
(Same Lease)

Dugan Production Corp.
P. O. Box 234
Farmington, N.M. 87401

B. Dugan Production Corp.
Navajo Allotted Contract No. N00-C-14-20-554
Township 24 North, Range 9 West, N.M.P.M.
Section 11: N/2 SW/4
San Juan County, New Mexico

Dugan Production Corp.
P. O. Box 234
Farmington, N.M. 87401

C. USA SF 078859
Township 24 North, Range 9 West, N.M.P.M.
Section 10: E/2 NE/4
San Juan County, New Mexico

Keith Bennett, Senior Landman
Continental Oil Company
1755 Glenarm Place
Denver, Colorado 80202

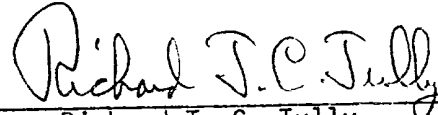
James K. Jones
Manager, Oil and Gas
Reynolds Mining Corporation
Richmond, VA 23261

D. USA NM 9520
Township 24 North, Range 9 West, N.M.P.M.
Section 10: NE/4 SE/4
San Juan County, New Mexico

M. J. Harvey, Jr.
P. O. Box 12705
Dallas, TX 75225

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location of the Blanco Wash #7 Well by certified mail to all operators of leases offsetting the dedicated acreage for the Blanco Wash #7 Well, to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and to the U. S. Geological Survey on this 4th day of January, 1979.



Richard T. C. Tully
Attorney for Applicant

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

(Other actions on side)

Budget Bureau No. 42-0142

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒GAS WELL ☐OTHER ☐SINGLE ZONE ☐MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Dugan Production Corp.

3. ADDRESS OF OPERATOR

P. O. Box 234, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1450' FNL - 860' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 miles north of Nageezi, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

None

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6622' GR

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	200'	140
7-7/8"	4-1/2"	10.5#	6350'	1500 cu ft in 2 stages

Plan to drill well with mud to test Gallup thru Dakota Formation.

If productive plan to set csg thru Dakota Fm. selectively perforate, frac, cleanout after frac, run tbq and complete well.

Plan to use 10" hydraulic double gate BOP furnished by drilling contractor while drilling.

Plan to use 6" manual double gate BOP while completing.

NMERB Requirement: Gas dedicated to Northwest Pipeline Corp.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present production zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Thomas A. Dugan

TITLE

Petroleum Engineer

DATE

2-27-78

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

TITLE

DATE

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

MAR 28 1978

E. E. McGRATH

METRICS ENGINEER

"APPROVAL TO FLARE GRANTED WHILE DRILLING AND TESTING."

*See Instructions On Reverse Side

OPERATOR

EXHIBIT "A"

5. LEASE DESIGNATION AND SERIAL NO.

14-20-0603-1408

6. IF INDIAN, ALLOTTEE OR TRUST EASE

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Blanco Wash

9. WELL NO.

#7

10. FIELD AND POOL, OR WILDCAT

Undesignated

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec 11 T24N R9W

12. COUNTY OR PARISH

San Juan

NM

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

19. PROPOSED DEPTH

6350'

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START

3-10-78

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY(See other in-
structions on
reverse side)

5. LEASE DESIGNATION AND SERIAL NO.

14-20-0603-1408

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Blanco Wash

9. WELL NO.

#7

10. FIELD AND POOL, OR WILDCAT

Undesignated

11. SEC., T., R., N., OR BLOCK AND SURVEY
OR AREA

Sec 11 T24N R9W

12. COUNTY OR
PARISH

San Juan

13. STATE

NM

14. PERMIT NO.

DATE ISSUED

15. TYPE OF WELL:

OIL WELL ☒GAS WELL ☐DRY ☐

Other

b. TYPE OF COMPLETION:

NEW WELL ☒WORK OVER ☐DEEP-EN ☐PLUG BACK ☐DIFF. RESVR. ☐

Other

2. NAME OF OPERATOR

Dugan Production Corp.

3. ADDRESS OF OPERATOR

Box 234, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1450' FNL - 860' FWI

At top prod. interval reported below

At total depth

15. DATE SPUDDED

9-2-78

16. DATE T.D. REACHED

9-11-78

17. DATE COMPL. (Ready to prod.)

10-20-78

18. ELEVATION (OF, BBL, ET, GR, ETC.)

6622' GR

20. TOTAL DEPTH, MD & TVD

6355'

21. PLUG, BACK T.D., MD & TVD

6317'

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

0-TD

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

Gallup 5106-5788' Greenhorn 6070'6124'

26. TYPE ELECTRIC AND OTHER LOGS RUN

(Induction Laterlog and Compensated Density Log

28. CASING RECORD (Report all strings set in well)

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	214'	12-1/4	135 sx	
5-1/2"	10.5#	6360' RKB	7-7/8"	815 sx	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	6102' RKB	

31. PERFORATION RECORD (Interval, size and number)

6110-24, 6086-96, 6070-80, 5774-88.
5386-96, 5298-5308, 5278-88, 5224-34,
5128-38. 5106-16 (total of 108 holes).

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	See Sundry Notice
	10-25-78

33.* PRODUCTION

33.

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
10-20-78		Swabbing				SI	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
10-20-78	5 hrs		→	10	TSTM	Frac	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→	48	TSTM	Frac	1.50	
TEST WITNESSED BY							

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TSTM

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED

Thomas A. Dugan

TITLE Petroleum Engineer

DATE

11-6-78

*(See Instructions and Spaces for Additional Data on Reverse Side)

OPERATOR

EXHIBIT "B"

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:				38. GEOLOGIC MARKERS	
SHOW ALL SIGNIFICANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES					
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH
				Ojo Alamo	858'
				Kirtland	1180'
				Pictured Cliffs	1680'
				Lewis	1830'
				Cliff House	3185'
				Menefee	3212'
				Point Lookout	4155'
				Mancos	4310'
				Gallup	5100'
				Greenhorn	6062'
				Graneros	6125'
				Dakota	6208'
				Total Depth	6355'

NO. OF COPIES RECEIVED		24
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
TRANSPORTER	OIL	/
	GAS	
OPERATOR		/
PRORATION OFFICE		

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-11
Effective 1-1-65

I. Operator
Dugan Production Corp.
Address
Box 234, Farmington, NM 87401
Reason(s) for filing (Check proper box)
New Well ☒ Change In Transporter of:
Recompletion ☐ Oil ☐ Dry Gas ☐
Change In Ownership ☐ Casinghead Gas ☐ Condensate ☐
Other (Please explain)

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE
Lease Name Blanco Wash Well No. 7 Pool Name, Including Formation Whitewash Mancos Dakota Kind of Lease State, Federal or Foreign Indian Lease No. 14-20-0603-1
Location
Unit Letter E ; 1450 Feet From The North Line and 860 Feet From The West
Line of Section 11 Township 24N Range 9W , N.M.P.M. San Juan County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS
Name of Authorized Transporter of Oil ☒ or Condensate ☐
Basin, Inc. Address (Give address to which approved copy of this form is to be sent) P.O. Box 2297, Midland, TX 79702
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐
Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks. Unit Sec. Twp. Rge. Is gas actually connected? When
E 11 24N 9W

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA
Designate Type of Completion - (X) Oil Well X Gas Well New Well X Workover Deepen Plug Back Some Res'ty. Diff. Res'ty.
Date Spudded 9-2-78 Date Compl. Ready to Prod. 10-20-78 Total Depth 6355' P.B.T.D. 6317'
Elevations (DE, RKB, RT, GR, etc.) 6622' GR Name of Producing Formation Gallup Greenhorn Top Oil/Gas Pay 5106 Tubing Depth 6102'
Perforations 5106-16, 5128-38, 5224-34, 5278-88 Depth Casing Shoe
TUBING, CASING, AND CEMENTING RECORD
HOLE SIZE CASING & TUBING SIZE DEPTH SET SACKS CEMENT
12-1/4 8-5/8" 214' 135 SX
7-7/8" 5-1/2" 6360' RKB 815 SX
2-3/8" 6102' RKB

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)
Date First New Oil Run To Tanks 11-8-78 Date of Test 10-20-78 Producing Method (Flow, pump, gas lift, etc.) Swabbing
Length of Test 5 hrs Tubing Pressure Casing Pressure Choke Size
Actual Prod. During Test 10 Bbls Oil-Bbls. 10 bbls Water-Bbls. frac Gas-MCF TSTM

GAS WELL
Actual Prod. Test-MCF/D Length of Test Bbls. Condensate/MMCF Gravity of Condensate
Testing Method (pilot, back pr.) Tubing Pressure (Shut-in) Casing Pressure (Shut-in) Choke Size

VI. CERTIFICATE OF COMPLIANCE
I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
Thomas A. Dugan (Signature)
Petroleum Engineer (Title)
11-6-78 (Date)
OIL CONSERVATION COMMISSION
APPROVED _____, 19____
BY _____
TITLE _____
This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deeper well, this form must be accompanied by a tabulation of the deviat tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for all able on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of own well name or number, or transporter, or other such change of condition.
Separate Form C-104 must be filled for each pool in multi-completed wells.

EXHIBIT "C"

