

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

September 18, 1989

Dugan Production Corp.  
P.O. Box 5820  
Farmington, NM 87499-5820

Attention: Richard Corcoran

Administrative Order NSP-1584(L)

Dear Mr. Corcoran:

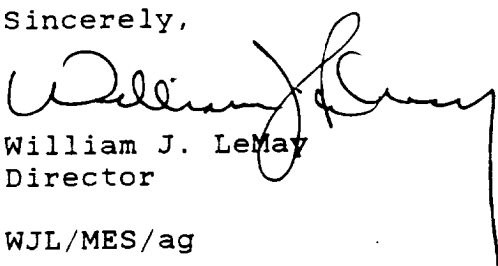
Reference is made to your applications of March 1 and August 28, 1989, for a 160-acre non-standard gas proration unit consisting of the following acreage in the Basin Fruitland Coal Gas Pool:

SAN JUAN COUNTY, NEW MEXICO  
TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM  
Section 10: SE/4

It is my understanding that this unit is to be dedicated to your ~~Pinwood P. Bond Well No. 1~~ which is presently producing from the Pictured Cliffs formation which is located at an unorthodox coal gas well location 1190 feet from the South line and 790 feet from the East line (Unit P) of said Section 10, hereby approved under provisions of Rule 8 of the Special Rules and Regulations for the Basin Fruitland Coal-Gas Pool as promulgated by Division Order No. R-8768.

Also, by authority granted me under the provisions of Rules of said Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
NM Oil and Gas Engineering Committee - Hobbs  
US Bureau of Land Management - Farmington

**RECEIVED**  
SEP 22 1989  
OIL CON. DIV  
DIST. 3



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS  
GOVERNOR

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

Date: 9-5-89

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Re: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL X \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen: X NSL

I have examined the application dated 9-5-89

for the DUGAN PRODUCTIONS CORP. ELWOOD P. DOWD #1  
Operator Lease & Well No.

P-10-24N-9W and my recommendations are as follows:  
Unit, S-T-R

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

[Signature]

dp

*Attn: E. Busch (Busch Plans)*  
dugan production corp.

RECEIVED

AUG 28 1989

OIL CONSERVATION DIV.  
SANTA FE

August 25, 1989

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

RE: Application for Administrative Approval  
Non-Standard 160 Acre Spacing Unit and  
Unorthodox Location  
Elwood P. Dowd #1 Well  
1190' FEL- 790' FSL- Section 10-T24N-R29W  
San Juan County, NM

SEP 05 1989  
OIL CON. DIV.  
SANTA FE

Gentlemen:

This is to serve as a follow up to our request of November 16, 1988 for approval of a non-standard 160 acre spacing unit for the captioned well. We have been advised that our initial request neglected to address the unorthodox location of said well, and through a misunderstanding did not realize subsequent correspondence failed to adequately satisfy the requirements; consequently we are resubmitting our application.

Dugan Production Corp. hereby requests administrative approval for a 160 acre non-standard spacing unit consisting of the SE/4 of Section 9, T24N-R9W, and for an unorthodox location being 1190' FEL - 790' FSL of Section 10, for the subject well.

We are seeking a variance from order R-8768, as it provides for wells to be located in either the NE/4 or SW/4 of a single government section on 320 acre spacing units, and the subject well was completed on April 23, 1983 in the SE/4 of Section 10 at what was a standard 160 acre spacing unit and location, prior to order R-8768 becoming effective (November 1, 1988).

By certified mail, return receipt requested, we have provided all operators or owners offsetting the subject non-standard spacing unit with a copy of this letter application. A copy of the offset operator or owners notice along with a list of names and addresses of all operators notified is attached for your information. Upon receiving the "return receipts", we will provide you with a copy for your records.

Should you have questions regarding our application, please feel free to contact me at the letterhead address.

Respectfully,

*Richard Corcoran*  
Richard Corcoran, Landman

RC/mm

OFFSETTING OPERATORS OR OWNERS  
Elwood P. Dowd #1 Well

Conoco  
P. O. Box 2197  
Houston, TX 77252

Reynolds Metals  
Box 9177  
Corpus Christi, TX 78408

F. R. Jackson  
c/o Benjamin Elenbogen  
13890 E. Marina Dr. #606  
Aurora, CO 80014

Area Director, Navajo Trustee for Allottees  
Attn: Subsurface Mineral Section  
P. O. Box M  
Window Rock, AZ 86515

Bureau of Land Management  
Farmington Resources and Tribal Leases  
1235 La Plata Highway  
Farmington, NM 87499

Kaiser-Francis Oil Company  
Attn: Land Department  
P. O. Box 21468  
Tulsa, OK 74121

R 9 W

				O P E N	NAVAJO ALLOTTED	NOOC-1403		
				U S	O P E N	DPC		
					NM- 36950 DPC 100%	OPEN US DPC	NOOC-1406	NOOC-1404
NM-10089				SF-078859 Conoco $\frac{1}{2}$	SF- 078859	NAVAJO ALLOTTED	OPEN US	NM 36950
D P C				Reynolds Metals $\frac{1}{2}$	NM 10755 DPC	O P E N		DPC
		9			Dugan Prod. NM-9520	NAVAJO ALLOTTED	O P E N	
					Elwood P. Dowd #1 * Elwood P. Dowd #2 *	O P E N	NAVAJO ALLOTTED	
KAISER-FRANCIS OIL CO						O P E N	NAVAJO ALLOTTED	
E-6644-20 & 21				SF-078859-D	SF 078859	OPEN US		O P E N
				F.R. Jackson (Benjamin Brenboren)		U S		
					SF-078859-D		SF-078860 Conoco $\frac{1}{2}$ Reynolds Metals $\frac{1}{2}$	
				DPC operator				
Holly State #1 •								

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**MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-1n2  
 Supersedes C-12M  
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

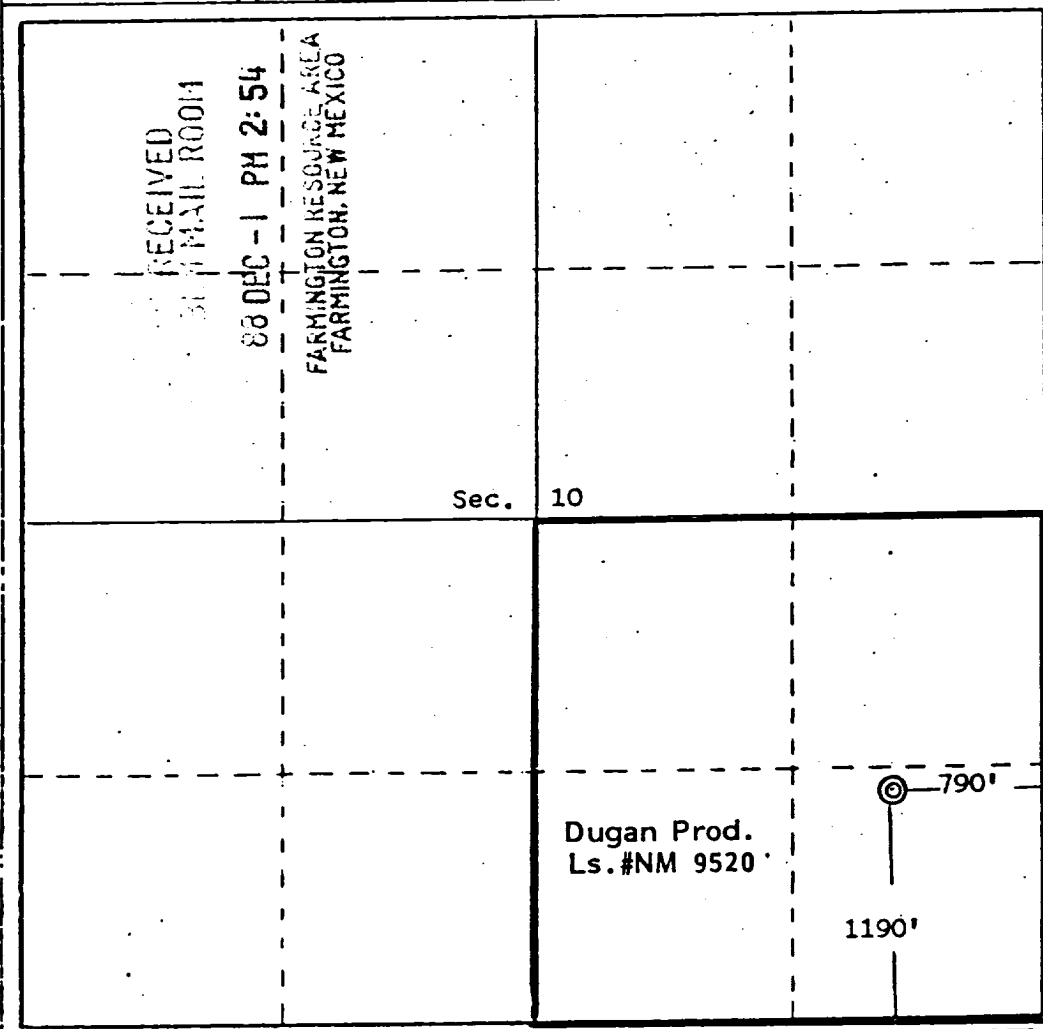
Operator <b>Dugan Production Corporation</b>			Lessee <b>Elwood P. Dowd</b>		Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>10</b>	Township <b>24 North</b>	Range <b>9 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1190</b> feet from the <b>South</b> line and <b>790</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6729</b>	Producing Formation <b>Fruitland Coal</b>		Pool <b>Basin-Fruitland Coal</b>		Dedicated Acreage: <b>160*</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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?

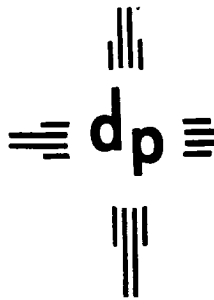
☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been 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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. **\*Application for Non-Standard Proration Unit being processed.**

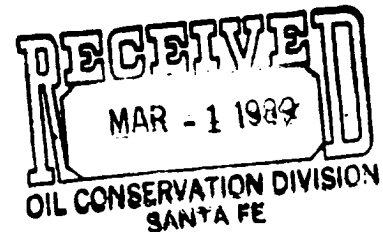


<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
 Name <b>Jim L. Jacobs</b>	
Position <b>Geologist</b>	
Company <b>Dugan Production Corp.</b>	
Date <b>11-29-88</b>	
I hereby certify that the location shown on this plat was obtained from field notes of actual measurement made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed <b>April 29, 1979</b>	
Registered Professional Engineer and/or Land Surveyor	
 Certificate No. <b>5979</b> <b>Edgar L. Risenhoover, L.S.</b>	



# dugan production corp.

February 24, 1989



New Mexico Oil Conservation District  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner

RE: Request for Non-Standard Spacing Units  
Pet, Inc. #5, 6, 9, 10, 13-17 Wells  
T28N-R15W, Secs. 25, 26, 35 and 36  
Western Federal #7 and 9 Wells  
T26N-R11W, Sec. 7  
Elwood P. Dowd #1 Well  
T24N-R9W, Sec. 10: SE/4  
Gibraltar #1 Well  
T30N-R14W, Sec. 9: NE/4

Dear Mr. Stogner:

Reference is made to our earlier communications regarding Dugan Production Corp.'s request for administrative approval of various 160 acre non-standard spacing units in the Basin Fruitland Coal Gas Pool.

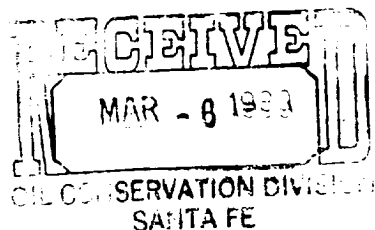
This is to advise that after a meeting in Dugan Production Corp.'s office on February 23, 1989 with a representative of the NMOCD (Mr. E. Busch), we have decided to withdraw our request for 160 acre non-standard spacing units covering the Pet, Inc. #5, 6, 9, 10, 13, 14, 15, 16, and 17 wells. We will be submitting C102's for 320 acres on each of these wells except the Pet, Inc. #9 which will be 280 acres.

As to our request covering the Elwood P. Dowd #1 and Western Federal #7 and #9 Wells; although we own an interest in the offsetting 160 acre tract that could be spaced with the existing proration unit for these wells, the working interest and overriding royalty interest ownership that would result under the new spacing unit would be different.

8/21/89  
*Talked w/ Richard Cowan, in sending attention for*  
NSL. m.s.

dp dugan production corp.

December 5, 1988



New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410

Gentlemen:

In compliance with NMOCDD Order No. R-8768 Rule 13 (4) which stipulates "The locations of all wells presently drilling to, completed in, commingled in, or having an approved APD for the Basin-Fruitland Coal Gas Pool are hereby approved; the operator of any well having an unorthodox location shall notify the Aztec district office of the Division in writing of the name and location of the well...", the following Dugan Production wells have unorthodox locations:

Knauff #1 - 1015' FNL & 1650' FWL, Sec.31,T28N,R10W  
KR #2 - 973' FNL & 1000' FWL, Sec.29,T27N,R13W  
KR #4 - 790' FNL & 790' FWL, Sec.20,T27N,R13W  
La Lee Ann #2J - 790' FNL & 1850' FWL, Sec.28,T27N,R13W  
Blanco Wash #2 -1820' FNL & 1520' FWL, Sec.2,T24N,R9W  
Elwood P. Dowd #1 -1190' FSL & 790' FEL, Sec.10,T24N,R9W

Sincerely,

  
Jim L. Jacobs

cg





STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

December 7, 1988

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

Dugan Production Corp.  
P.O. Box 5820  
Farmington, NM 87499-5820

Attention: Richard Corcoran,  
Landman

RE: Administrative approval for a  
160-acre non-standard gas  
spacing and proration unit  
comprising the SE/4 of Section  
10, Township 24 North, Range 9  
West, NMPM, Basin Fruitland  
Coal Gas Pool, San Juan  
County, New Mexico, to be  
dedicated to your Elwood P.  
Dowd Well No. 1 located in  
Unit P.

Dear Mr. Corcoran:

Pursuant to the first provision in RULE 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, this well is considered to be at an unorthodox coal gas well location. Since this well is presently completed in the Pictured Cliffs formation as a gas well, it falls within the provisions of RULE 8 of said Order No. R-8768.

Therefore, to complete all of the administrative requirements for this well, please submit a proper filing for this well's location pursuant to said RULE 8.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner  
Administrative Application Reviewer

MES/ag

cc: Oil Conservation Division - Aztec

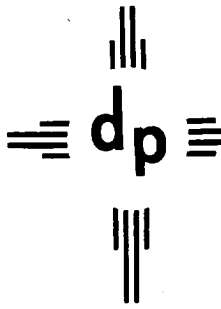
(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid parties were notified by registered or certified mail of his intent to form such non-standard unit. The Division Director may approve the application if no such party has entered an objection to the formation of such non-standard unit within 30 days after the Division Director has received the application.

[REDACTED] located no closer than 750 feet to any outer boundary of the proration unit nor closer than 130 feet to any quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

[REDACTED] topographical conditions, [REDACTED] provided, said well was drilled at an orthodox or approved unorthodox location for such original horizon, or the drilling of an intentionally deviated horizontal wellbore. All operators or owners of undrilled tracts offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all parties described above or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 9(A) - The Division Director shall have the authority to administratively approve an intentionally deviated well in the Basin-Fruitland Coal Gas Pool for the purpose of penetrating the coalbed seams by means of a wellbore drilled horizontally, provided the following conditions are complied with:

*Sent copy to Corcoran's Ranch 11/18/88*



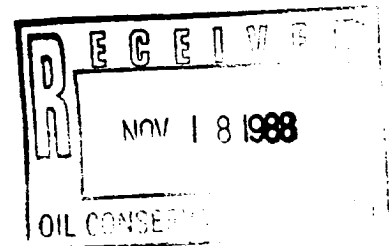
## dugan production corp.

CERTIFIED  
RETURN RECEIPT REQUESTED

November 16, 1988

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

RE: Administrative Approval  
160 Acre Spacing Unit  
Elwood P. Dowd #1 Well  
T24N, R9W  
Section 10: SE/4  
San Juan County, NM



Gentlemen:

Dugan Production Corp., hereby requests administrative approval for a 160 acre non-standard spacing unit consisting of the SE/4 of Section 9, T24N, R9W, under the rules of Order No. R-8768.

By certified mail, return receipt requested, we have provided all operators or owners offsetting the subject non-standard spacing unit with a copy of this letter application. A copy of the offset operator or owner notice along with a list of names and addresses of all operators notified is attached for your information. Upon receiving the "return receipts", we will provide you with a copy for your records.

Should you have questions regarding our application, please feel free to contact me at the letterhead address.

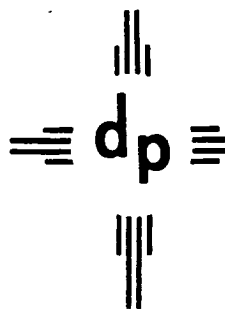
Respectfully,

Richard Corcoran  
Landman

RC/dh

Enc.

*- Needs an NSL filing pursuant to  
Rule 8 of R-8768*



# dugan production corp.

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CERTIFIED  
RETURN RECEIPT REQUESTED

November 16, 1988

TO: Offsetting Operators or Owners  
(See attached list)

RE: Application for Administrative Approval  
Non-Standard 160 Acre Spacing Unit  
Elwood P. Dowd #1 Well  
T24N, R9W  
Section 10: SE/4  
San Juan County, NM

Gentlemen:

Dugan Production Corp., (Dugan) is making application to the New Mexico Oil Conservation Division, (NMOCD) for administrative approval of a non-standard spacing unit, for the captioned well, consisting of the SE/4 of Section 10, T24N, R9W, to comply with the rules of Order No. R-8768.

Dugan completed the referenced well on April 23, 1983, as a wildcat Picture Cliffs well, spaced 160 acres. The well was drilled on USA lease Number NM-9520, covering the SE/4 of said Section 10, the operating rights of which are owned entirely by Dugan.

The NMOCD under case No. 9420, Order NO. R-8768, established the Basin-Fruitland Coal Gas Pool providing for 320 acre spacing for wells producing from Fruitland Coal seams, effective November 1, 1988.

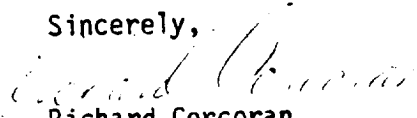
As provided for in the rules of the above mentioned Order, we are giving notice to you as either the operator or owner (or Trustee) of the offsetting acreage, of our application.

We are enclosing a copy of our letter of application and location plat for your reference. Any operator or owner that objects to the administrative granting of the subject non-standard spacing unit should provide notice to the NMOCD within 20 days of our making application. We would also appreciate any such party to also notify Dugan.

Offsetting Operators or Owners  
November 16, 1988  
Page 2 of 2

Should you need additional information regarding our application, please  
feel free to contact me.

Sincerely,



Richard Corcoran  
Landman

RC/dh

Enc.

Conoco  
P.O. Box 2197  
Houston, TX 77252

Reynolds Metals  
Box 9177  
Corpus Christi, TX 78408

F.R. Jackson  
c/o Benjamin Elenbogen  
4100 Montview Blvd.  
Denver, CO 80207

Area Director, Navajo Trustee for Allottees  
P.O. Box M  
Window Rock, AZ 86515  
Attn: Subsurface Mineral Section

Bureau of Land Management  
Farmington Resources and Tribal Leases  
1235 La Plata Highway  
Farmington, NM 87499

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