

OIL CONSERVATION COMMISSION
Artes DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE March 22, 1976

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

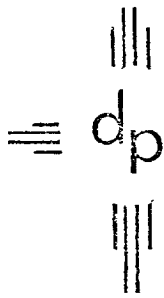
Gentlemen:

I have examined the application dated March 16, 1976
for the Jerome L. McHugh Chaco Plant #10 B-21-26N-12W
Operator Lease and Well No. Unit, S-T-R
and my recommendations are as follows:

Approve

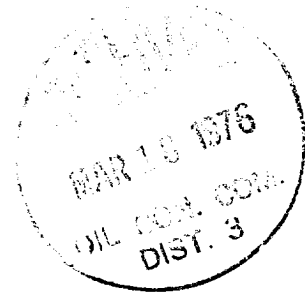
Yours very truly,

AR Kendrick



dugan production corp.

March 16, 1976



Joe D. Ramey
Secretary-Director
Oil Conservation Commission
Box 2088
Santa Fe, NM 87501

Dear Mr. Ramey:

Jerome P. McHugh plans to drill the Chaco Plant #10 well to test the Fruitland and Pictured Cliffs formations. The well is located 1050 feet from the North line and 1950 feet from the East line in Section 21, Township 26 North, Range 12 West, San Juan County, New Mexico.

Mr. McHugh is requesting approval of the Chaco Plant #10 unorthodox location. The location of this well was necessary because an orthodox location falls within the proposed irrigation area that will be farmed as a part of the Navajo Indian Irrigation Project. The Bureau of Indian Affairs irrigation project engineer would not allow us to stake the location within the proposed farming area.

McHugh and Dugan Production Corporation own all the offset acreage through the Pictured Cliffs formation. Attached is a letter from Dugan Production waiving any objection to the unorthodox location.

Sincerely,

Thomas A. Dugan
Thomas A. Dugan

cb

Attachments

xc: Jerome P. McHugh
Al R. Kendrick (NMOCC - Aztec)

OK
3-22-76
A.G.