



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



September 23, 1993

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

Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499-0420

Attention: John Alexander, Operations Manager

RECEIVED
SEP 27 1993
OIL CON. DIV.]
DIST. 3

Administrative Order NSP-1678

Dear Mr. Alexander:

Reference is made to your application dated August 11, 1993 for a 198.62-acre non-standard gas spacing and proration unit consisting of the following acreage in the Basin Fruitland Coal Gas Pool:

G RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM
Section 7: Lots 1 and 2 and the NE/4

It is my understanding that this unit is to be dedicated to your existing Jer Well No. 2 which was drilled in 1978 and completed in the Choza Mesa Pictured Cliffs Pool at a standard gas well location 1850 feet from the North line and 1700 feet from the East line (Unit G) of Section 7.

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 standard.

By the authority granted me under the provisions of Rule 6 of said Division Order No. R-8768, as amended, the above-described non-standard gas spacing and proration unit is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



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: 9-22-93

Attn: Mike Stogner

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

RE: Proposed MC _____
Proposed NSL ✓ _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 7-14-93
for the DUGAN FRED CO. OP. JER #2
OPERATOR LEASE & WELL NO.

G-07-28N-23N and my recommendations are as follows:
UL-S-T-R

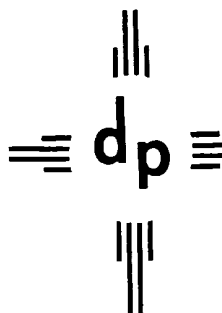
Approve

Yours truly,

Gene Bush

Attn: E. Busch

9/7/93



dugan production corp.

NEW MEXICO OIL CONSERVATION DIVISION
RECEIVED

SEP 14 1993 AM 8 29

August 16, 1993

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

RECEIVED

SEP 14 1993

Attention: Mr. Bill Lemay, Division Director

**OIL CONSERVATION
DIST. 3**

Re: Non-Standard Unit Basin Fruitland Coal

Gentlemen:

Dugan Production Corp. request administrative approval of a non-standard Basin Fruitland Coal Unit for the Jer No.2, 1850' fnl & 1700' fel, 7-28N-3W, Jicarilla Contract 83. The requested unit is the north half of this section which contains 198.62 acres. The well is now a Choza Mesa Pictured Cliffs well. Plans are being made to plug back the PC and complete the coal.

The unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

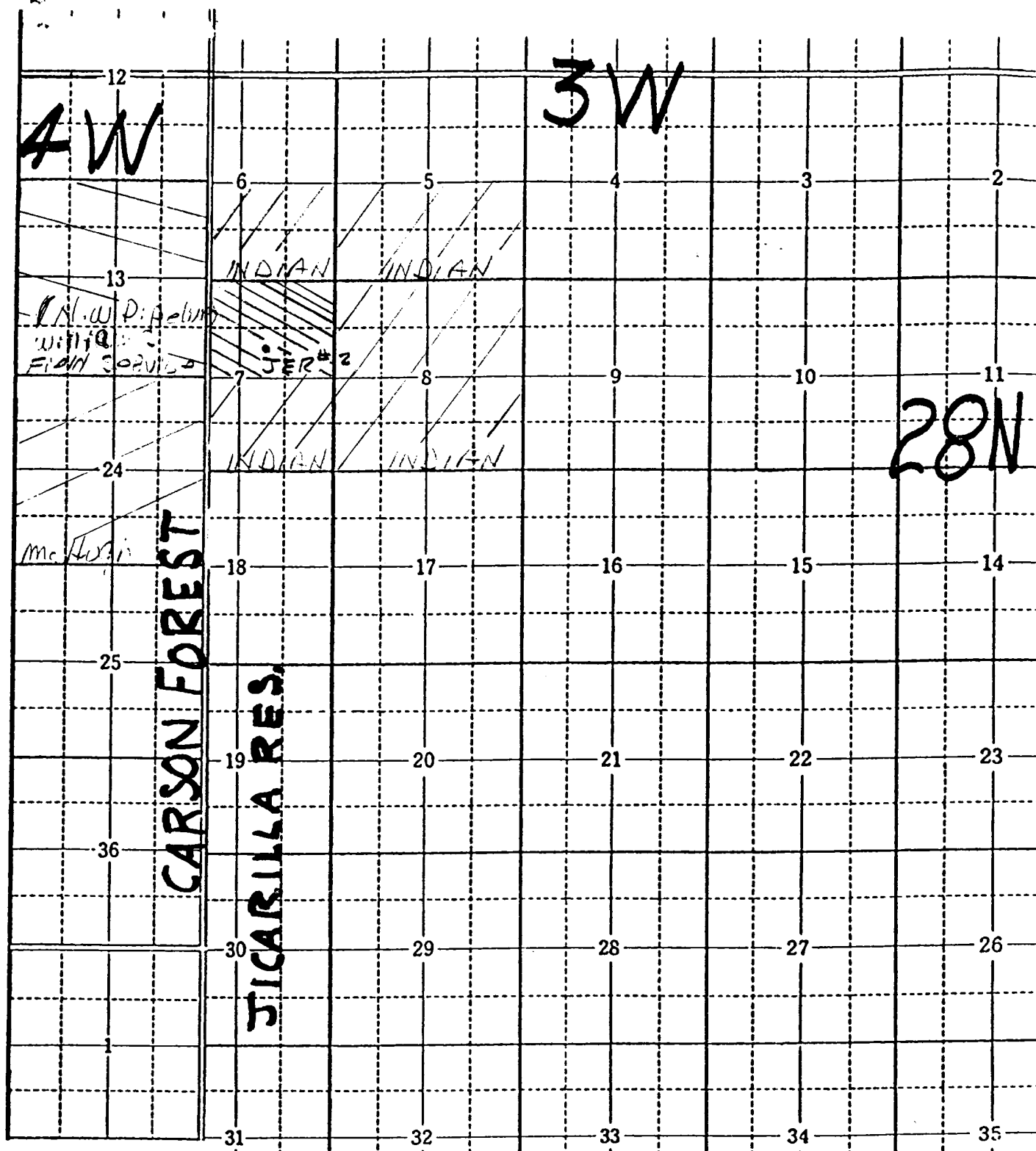
The unit lies wholly within the north half of 7-28N-3W.

Offset operators have been contacted by certified mail to notify them of our intent to form this unit. A copy of the letter and return receipts are attached.

Sincerely,

John Alexander
Operations Manager

Attachments



DUGAN PRODUCTION CORP
JER #2 G-07-28N-3W
OFFSET LEASE DATA



dugan production corp.



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 16, 1993

Phillips Petroleum
Attention: Jay Kieke, Jr.
5525 Highway 64
Farmington, N.M. 87401

Re: Non-Standard Unit Basin Fruitland Coal, Jer No.2

Gentlemen:

Dugan Production Corp. is requesting administrative approval of a non-standard Basin Fruitland Coal unit for the Jer No.2, 1850' fnl & 1700' fel, 7-28N-3W, Jicarilla Contract 83. The requested unit is the north half of this section and contains 198.62 acres. The reduced area results from a truncated section.

The well is presently completed in the Choza Mesa Pictured Cliffs. We plan to plug back the Pictured Cliffs and perforate the coal interval.

The unit consists of the entire north half of 7-28N-3W.

A copy of our application and supporting data is attached.

As an offset owner or operator of this proposed unit, we request that you indicate your approval of this application by signing the indicated copy of this letter. Please return it to us in the enclosed stamped envelope. Should you object, you have 30 days to notify the Division Director, New Mexico Oil Conservation Division in Santa Fe.

Sincerely,

John Alexander
Operations Manager

Phillips Petroleum does not object to the formation of the above captioned non-standard unit.

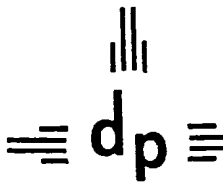
(PRINTED NAME)

(PRINTED TITLE)

(SIGNATURE)

(DATE)

Attachments



dugan production corp.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 16, 1993

Jerome P. McHugh
P.O. 809
Farmington, N.M. 87499

Re: Non-Standard Unit Basin Fruitland Coal, Jer No.2

Gentlemen:

Dugan Production Corp. is requesting administrative approval of a non-standard Basin Fruitland Coal unit for the Jer No.2, 1850' fnl & 1700' fel, 7-28N-3W, Jicarilla Contract 83. The requested unit is the north half of this section and contains 198.62 acres. The reduced area results from a truncated section.


The well is presently completed in the Choza Mesa Pictured Cliffs. We plan to plug back the Pictured Cliffs and perforate the coal interval.

The unit consists of the entire north half of 7-28N-3W.

A copy of our application and supporting data is attached.

As an offset owner or operator of this proposed unit, we request that you indicate your approval of this application by signing the indicated copy of this letter. Please return it to us in the enclosed stamped envelope. Should you object, you have 30 days to notify the Division Director, New Mexico Oil Conservation Division in Santa Fe.

Sincerely,


John Alexander
Operations Manager

Jerome P. McHugh does not object to the formation of the above captioned non-standard unit.

(PRINTED NAME)

(PRINTED TITLE)

(SIGNATURE)

(DATE)

Attachments



dugan production corp.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 16, 1993

Darrel Tafoya
Real Property Management
Bureau of Indian Affairs
P.O. Box 167
Dulce, N.M. 87528

Re: Non-Standard Unit Basin Fruitland Coal, Jer No.2

Gentlemen:

Dugan Production Corp. is requesting administrative approval of a non-standard Basin Fruitland Coal unit for the Jer No.2, 1850' fnl & 1700' fel, 7-28N-3W, Jicarilla Contract 83. The requested unit is the north half of this section and contains 198.62 acres. The reduced area results from a truncated section.

The well is presently completed in the Choza Mesa Pictured Cliffs. We plan to plug back the Pictured Cliffs and perforate the coal interval.

The unit consists of the entire north half of 7-28N-3W.

A copy of our application and supporting data is attached.

As an offset owner or operator of this proposed unit, we request that you indicate your approval of this application by signing the indicated copy of this letter. Please return it to us in the enclosed stamped envelope. Should you object, you have 30 days to notify the Division Director, New Mexico Oil Conservation Division in Santa Fe.

Sincerely,

John Alexander
Operations Manager

The Bureau of Indian Affairs does not object to the formation of the above captioned non-standard unit.

(PRINTED NAME)

(PRINTED TITLE)

(SIGNATURE)

(DATE)



dugan production corp.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 16, 1993

Thurman Velarde
Oil and Gas Administrator
Jicarilla Apache Tribe
P.O. Box 507
Dulce, N.M. 87528

Re: Non-Standard Unit Basin Fruitland Coal, Jer No.2

Gentlemen:

Dugan Production Corp. is requesting administrative approval of a non-standard Basin Fruitland Coal unit for the Jer No.2, 1850' fnl & 1700' fel, 7-28N-3W, Jicarilla Contract 83. The requested unit is the north half of this section and contains 198.62 acres. The reduced area results from a truncated section.

The well is presently completed in the Choza Mesa Pictured Cliffs. We plan to plug back the Pictured Cliffs and perforate the coal interval.

The unit consists of the entire north half of 7-28N-3W.

A copy of our application and supporting data is attached.

As an offset owner or operator of this proposed unit, we request that you indicate your approval of this application by signing the indicated copy of this letter. Please return it to us in the enclosed stamped envelope. Should you object, you have 30 days to notify the Division Director, New Mexico Oil Conservation Division in Santa Fe.

Sincerely,


John Alexander
Operations Manager

The Jicarilla Apache Tribe does not object to the formation of the above captioned non-standard unit.

(PRINTED NAME)

(PRINTED TITLE)

(SIGNATURE)

(DATE)



dugan production corp.



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 16, 1993

Williams Field Services
Attn: Land Department
P.O. Box 58900
Salt Lake City, Utah 84158-0900

Re: Non-Standard Unit Basin Fruitland Coal, Jer No.2

Gentlemen:

Dugan Production Corp. is requesting administrative approval of a non-standard Basin Fruitland Coal unit for the Jer No.2, 1850' fnl & 1700' fel, 7-28N-3W, Jicarilla Contract 83. The requested unit is the north half of this section and contains 198.62 acres. The reduced area results from a truncated section.

The well is presently completed in the Choza Mesa Pictured Cliffs. We plan to plug back the Pictured Cliffs and perforate the coal interval.

The unit consists of the entire north half of 7-28N-3W.

A copy of our application and supporting data is attached.

As an offset owner or operator of this proposed unit, we request that you indicate your approval of this application by signing the indicated copy of this letter. Please return it to us in the enclosed stamped envelope. Should you object, you have 30 days to notify the Division Director, New Mexico Oil Conservation Division in Santa Fe.

Sincerely,

John Alexander
Operations Manager

Williams Field Services does not object to the formation of the above captioned non-standard unit.

(PRINTED NAME)

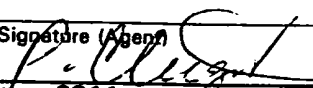
(PRINTED TITLE)

(SIGNATURE)

(DATE)

Attachments

Is your RETURN ADDRESS completed on the reverse side?


SENDER: <ul style="list-style-type: none">• Complete items 1 and/or 2 for additional services.• Complete items 3, and 4a & b.• Print your name and address on the reverse of this form so that we can return this card to you.• Attach this form to the front of the mailpiece, or on the back if space does not permit.• Write "Return Receipt Requested" on the mailpiece below the article number.• The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Phillips Petroleum Attn: Jay Kieke, Jr. 5525 Highway 64 Farmington, NM 87401		4a. Article Number P 157 111 454	
5. Signature (Addressee)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) 		7. Date of Delivery 8-17-93	
		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none">• Complete items 1 and/or 2 for additional services.• Complete items 3, and 4a & b.• Print your name and address on the reverse of this form so that we can return this card to you.• Attach this form to the front of the mailpiece, or on the back if space does not permit.• Write "Return Receipt Requested" on the mailpiece below the article number.• The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Jerome P. McHugh PO Box 809 Farmington, NM 87499		4a. Article Number P 157 111 455	
5. Signature (Addressee)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) 		7. Date of Delivery 8-18-93	
		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.