

work file → Carpenter #1 K-25-300 1400

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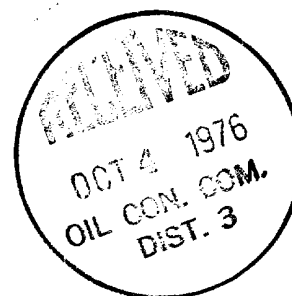
## dugan production corp.

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October 1, 1976

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

Re: Nail Lease  
USA NM 28761  
San Juan County, New Mexico



Dear Mr. Ramey:

On August 7, 1973 the New Mexico Oil Conservation Commission issued Administrative Order NWU-565 directing us to place 120/320 of the funds derived from the sale of gas from the Carpenter #1 Well in a trust account. The reason for placing the funds in a trust account was because approximately 120 acres of the dedicated acreage to the well was unleased federal acreage.

Since the issuance of the above Administrative Order we have acquired the unleased federal acreage under the federal leases NM 23072 and NM 28761. The acreage described in these leases follows:

USA NM 23072 (Hammer Lease)

Township 30 North, Range 14 West, NMPM

Section 25: Lots 4, 5 (S/2 SW/4)

Containing 80.36 acres, more or less

San Juan County, New Mexico

USA NM 28761 (Nail Lease)

Township 30 North, Range 14 West, NMPM

Section 25: SW/4 NW/4

Containing 40 acres, more or less

San Juan County, New Mexico

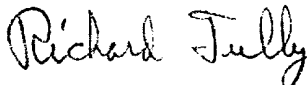
Joe D. Ramey  
October 1, 1976  
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We are enclosing a copy of the revised form C-102 which is being filed with the District III Office of the Oil Conservation Commission in Aztec, New Mexico showing the dedicated acreage of the Carpenter #1 Well and the current federal leases contributing acreage to this well.

Please be advised that on or before October 15, 1976 we plan to terminate any and all trust accounts established pursuant to Administrative Order NWU-565. We plan to withdraw the money in these trust accounts and pay the appropriate federal royalties and taxes, and deposit the remainder in our account. Unless we hear to the contrary from you prior to this date we will assume this action is acceptable.

If you need further information or assistance, please advise.

Sincerely,



Richard T. C. Tully  
Landman

cb

Enclosures

xc: ✓ Al R. Kendrick  
Supervisor, District III  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, NM 87410

Phil T. McGrath  
U. S. Geological Survey  
Box 959  
Farmington, NM 87401

Carl Traywick  
U. S. Geological Survey  
Drawer 1857  
Roswell, NM 88201

RATIFICATION AND JOINDER AGREEMENT

WHEREAS, Communitization Agreement SW-968 was approved effective September 1, 1973 and covered the W/2 of Section 25, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico as to dry gas and associated liquid hydrocarbons from the Dakota formation; and

WHEREAS, the above Communitization Agreement specifically included as Lease 3 in Exhibit "A" the following unleased federal acreage:

Township 30 North, Range 14 West, NMPM  
Section 25: SW/4 NW/4  
Containing 40 acres, more or less  
San Juan County, New Mexico

WHEREAS, the Bureau of Land Management in Santa Fe, New Mexico placed the above described 40 acres for bid in a competitive oil and gas lease sale which was held on August 17, 1976; and

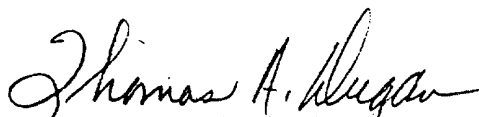
WHEREAS, Dugan Production Corp. made the highest bid for the described 40 acres of unleased federal acreage, and the Bureau of Land Management accepted this bid as satisfactory; and

WHEREAS, the high bidder for the above described 40 acres which was given Serial Number NM 28761 is required to commit this acreage to the mentioned Communitization Agreement as a condition for issuance of the federal lease USA NM 28761;

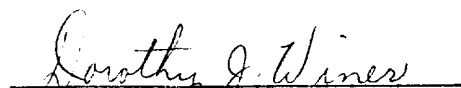
NOW, THEREFORE, Dugan Production Corp. does hereby ratify, adopt, and commit to the Communitization Agreement SW-968 the federal lease NM 28761 as to the dry gas and associated hydrocarbons from the Dakota formation and makes itself bound under and pursuant to the terms contained in the Communitization Agreement.

This Ratification and Joinder Agreement is executed on the 1st day of October, 1976.

DUGAN PRODUCTION CORP.

  
Thomas A. Dugan, President

Attest:

  
Assistant Secretary

STATE OF NEW MEXICO)  
COUNTY OF SAN JUAN ) SS

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_,  
before me personally appeared \_\_\_\_\_  
to me known to be the person\_\_ described in and who executed the foregoing  
instrument, and acknowledged that \_\_he\_\_ executed the same as \_\_\_\_\_ free act  
and deed.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:  
\_\_\_\_\_

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STATE OF NEW MEXICO)  
COUNTY OF SAN JUAN ) SS

On this 1<sup>st</sup> day of October, 1976,  
before me personally appeared Thomas A. Dugan,  
to me personally known, who, being by me duly sworn did say that \_\_he\_\_ is the  
\_\_\_\_\_ president of DUGAN PRODUCTION CORP., and that the seal affixed to  
said instrument is the corporate seal of said corporation and that said instrument  
was signed and sealed in behalf of said corporation by authority of its board of  
directors, and said Thomas A. Dugan acknowledged said instrument to be  
the free act and deed of said corporation.

Dorothy J. Winer  
NOTARY PUBLIC

My commission expires:

Nov. 5, 1978