



dugan production corp.



August 29, 1989

B- Sec. 4, 30N, 14W
Nice #2

Energy and Minerals Department
Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

Attn: Ernie Bush

RE: Communitization Agreement NM-80712
Spacing Unit for Nice #2 Well
San Juan County, NM

Dear Mr. Bush:

Per your request, enclosed please find a copy of the approval for the above captioned Communitization Agreement and also a plat showing the spacing unit for the Nice #2.

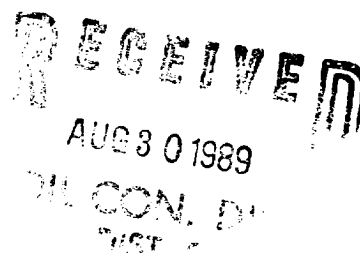
Please let us know if you need anything further.

Sincerely,

Richard Corcoran
Landman

RC/mmm

Enclosures



DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior, under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer, of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached communitization agreement covering the E/2 section 4, T. 30 N., R. 14 W., N.M.P.M., San Juan County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Dakota Formation. This approval will become invalid should the public interest requirements under section 3105.2-3(e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.
- D. Approval of this agreement does not warrant or certify that the applicant and other working interest owners thereof hold legal or equitable title to the leases which are committed hereto.

Approved: AUG 02 1989



Chief, Branch of Minerals

Effective: July 1, 1988

Contract No.: Com. Agr. NM-80712

RECEIVED
AUG 30 1989
OIL CON. DIV
DIST. 3

EXHIBIT "A"

PLAT OF COMMUNITIZED AREA

Township 30 North, Range 14 West, NMPM

Section 4: E/2

Containing 320.0 acres, more or less
San Juan County, New Mexico

NICE #2 WELL

Section 4

