



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 12, 1981

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Dugan Production Corp.
P. O. Box 208
Farmington, New Mexico 87401

Attention: Jerome P. McHugh, Jr.

Administrative Order NSL-1392

Gentlemen:

Reference is made to your application on behalf of Jerome P. McHugh for a non-standard location for his Negro Canyon Well No. 1 to be located 2300 feet from the North line and 160 feet from the West line of Section 7, Township 31 North, Range 7 West, NMPM, Basin-Dakota Pool, San Juan County, New Mexico.

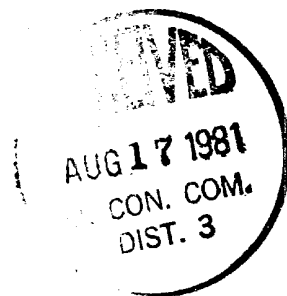
By authority granted me under the provisions of Rule 3 of Order No. R-1670, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Farmington





Southland Royalty Company

July 31, 1981

Dugan Production Corporation
P. O. Box 208
Farmington, NM 87401

Gentlemen:

RE: Jerome P. McHugh
Negro Canyon #1
2300' FNL & 160' FWL
Sec. 7, T31N, R7W
San Juan, Co., NM

Please be advised that Southland Royalty Company does not operate
offset acreage to the subject well.

Sincerely,

SOUTHLAND ROYALTY COMPANY

L. O. Van Ryan
District Production Manager

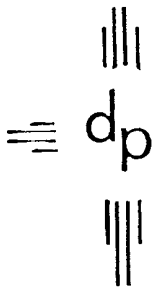
LOVR/ke

attachments



*Copy to Ramon
F. Chavez
McHugh*

*With Re-AMENDED Exhibit A
& offsetting operators*



dugan production corp.

August 7, 1981

Supron Energy Corp.
Box 808
Farmington, NM 87401

RE: Application for Administrative Approval of
Unorthodox Location for Jerome P. McHugh's
Negro Canyon #1, located 2300' FNL - 160' FWL,
Sec 7, T31N R7W, San Juan County, NM

Gentlemen:

Enclosed are copies of the instruments filed with the New Mexico Oil Conservation Division regarding the Application for Administrative Approval of the Unorthodox Location for the above-referenced well.

If you do not have any objection to this unorthodox location, please sign all three copies of this waiver. Please send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, NM, 87501, and return one executed copy to our office. The remaining copy is for your records.

Thank you in advance for your assistance and cooperation in this matter.

Sincerely,

Jerome P. McHugh Jr.
Agent for Applicant

fp

Enclosures

cc: McHugh
NMOCD, Santa Fe
NMOCD, Aztec



OFFSETTING OPERATORS

Northwest Pipeline Corp.
P O Box 90
Farmington, NM 87401

Supron Energy Corp.
P O Box 808
Farmington, NM 87401

T31N - R7W

R31N - R8W

NORTHWEST
PIPELINE

5

6

Supron

NORTHWEST
PIPELINE

8

7

0

Unleased

12

NORTHWEST
PIPELINE

17

NORTHWEST
PIPELINE CORP.

18

Unleased

13



JEROME P. McHUGH
Negro Canyon #1

Application for Administrative
Approval of Unorthodox Location

Exhibit "A" RE-AMENDED 8-7-81