



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

GARREY CARRUTHERS  
 GOVERNOR

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

August 22, 1990

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

Attention: Mr. Jim L. Jacobs

**RECEIVED**  
 AUG 24 1990  
 OIL CON. DIV  
 DIST. 3

*Administrative Order NSL-2851*

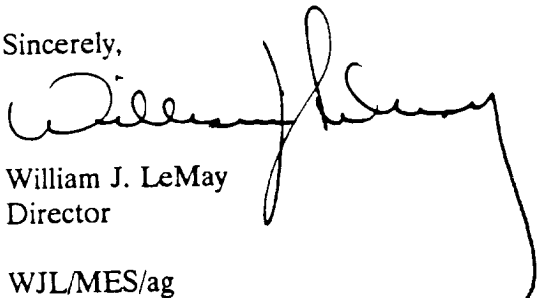
Dear Mr. Jacobs:

Reference is made to your application dated July 31, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Blazer Well No. 2 which was drilled in 1989 as an unsuccessful Pictured Cliffs Wildcat at a standard gas well location gas 1190 feet from the South line and 1500 feet from the East line (Unit O) of Section 11, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone has been properly plugged back and said well has been 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, is unorthodox. Further, Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 11 shall be dedicated to the well forming a standard 315.03-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

  
 William J. LeMay  
 Director

WJL/MES/ag

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



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
 OIL CONSERVATION DIVISION  
 AZTEC DISTRICT OFFICE

1000 P.O. HIAZOS ROAD  
 AZTEC, NEW MEXICO 87410  
 (505) 334-6178

JOSEPH W. CAPRUTHERS  
 GOVERNOR

Date: 8-21-90

*Thomas J. Moore*

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

Re: Proposed HC \_\_\_\_\_  
 Proposed DHC \_\_\_\_\_  
 Proposed HSL X \_\_\_\_\_  
 Proposed SWD \_\_\_\_\_  
 Proposed WFX \_\_\_\_\_  
 Proposed FMX \_\_\_\_\_

Gentlemen:

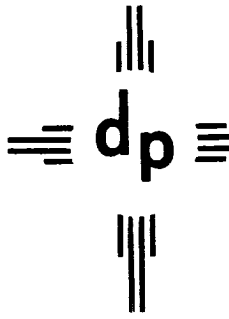
I have examined the application dated 8-2-90  
 for the Anger Production Exp. Lease # 2  
 Operator \_\_\_\_\_ Lease & Well No. \_\_\_\_\_

J-11-30N-14W and my recommendations are as follows:  
 Unit, S-T-R

Approve  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Yours truly,

James J. [Signature]



# dugan production corp.

**RECEIVED**  
AUG 2 1990  
OIL CON. DIV  
DIST. 3

July 31, 1990

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of  
Unorthodox Location for Dugan Production Corp.  
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM  
San Juan County, New Mexico - Basin Fruitland Field

Dear Mr. LeMay:

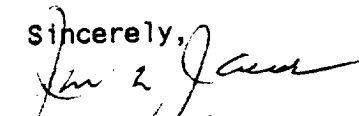
We hereby request approval for an unorthodox location for the subject well. Copies of the well location plat, topographic map, a production map and a map showing offsetting operators are attached for your reference.

The unorthodox location is necessary in order to salvage the well bore of an unsuccessful Pictured Cliffs test. Originally, the Blazer #2 was drilled to test the Pictured Cliffs Sandstone. The test was unsuccessful, the zone was abandoned and a Fruitland Coal completion was made.

A copy of this application is being submitted to all offsetting operators by certified mail with a request that they furnish your office with a waiver of objection.

We request your approval of this location under the provisions of NMOCD Order No. R-8768, Rule #8.

Sincerely,

  
Jim L. Jacobs  
Vice President

JLJ/mmm

Enclosures

cc: Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410

Offset Operators or Owners



# dugan production corp.



July 31, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: Offsetting Operators or Owners  
(See attached list)

RE: Application for Administrative Approval  
Unorthodox Location  
Blazer #2 Well  
1190' FSL - 1500' FEL - Sec. 1-T30N-R14W  
San Juan County, NM

**RECEIVED**  
AUG 2 1990  
OIL CON. DIV  
DIST. 3

Gentlemen:

Dugan Production Corp. (Dugan) is making application to the New Mexico Oil Conservation Division (NMOCD) for administrative approval of an unorthodox location for the captioned well to comply with the rules of Order No. R-8768.

Dugan completed the referenced well on May 18, 1990 as an unsuccessful wildcat Pictured Cliffs well spaced 160 acres at what was a standard location in the SE/4 of Section 11. The zone was abandoned and a Fruitland coal completion was made. The NMOCD, under Order R-8768 with an effective date of November 1, 1988, established the Basin-Fruitland Coal Gas Pool providing for 320 acre spacing and locations to be in either the NE/4 or SW/4 of a single government section for wells producing from Fruitland Coal seams. In order to comply with order #R-8768, Dugan Production Corp. is seeking a variance for what is now an unorthodox location for the captioned well.

As provided for in the rules of the above mentioned Order, we are giving you notice as either the operator or owner (or Trustee) of the offsetting acreage of our application.

The well was drilled on USA lease number NM-58897 covering the E/2 of said Section 11, the operating rights of which are under Agreement to Dugan. We are enclosing a copy of our letter of application, location plat and ownership map for your reference. Any operator or owner that objects to the administrative granting of the subject unorthodox location should provide notice to the NMOCD within 20 days of our making application. We would appreciate any such party also notifying Dugan.

Offsetting Owners

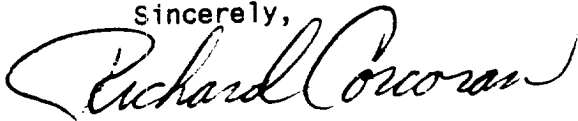
Page 2

July 31, 1990

If you do not have any objection to this application, please sign and return a copy of the attached waiver to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 and return one executed copy to our office. Stamped envelopes are enclosed for your convenience.

Should you need additional information regarding our application, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Richard Corcoran".

Richard Corcoran  
Land Manager

RC/mmm

Enclosures

cc: Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

TO: Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of  
Unorthodox Location for Dugan Production Corp.  
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM  
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

\_\_\_\_\_ HEREBY WAIVES ANY  
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX  
LOCATION.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

OFFSET OPERATORS OR OWNERS  
DUGAN PRODUCTION CORP.'S BLAZER #2 WELL

Jerome P. McHugh  
650 S. Cherry, Suite 1225  
Denver, CO 80222

El Paso Natural Gas Company  
P. O. Box 4990  
Farmington, NM 87499-4990

Southland Royalty Company  
801 Cherry  
Fort Worth, TX 76102

Meridian Oil Company  
P. O. Box 4289  
Farmington, NM 87499-4289

Gregory Merrion  
P. O. Box 4289  
Farmington, NM 87499-4289

R. L. Bayless  
P. O. Box 168  
Farmington, NM 87499-0168

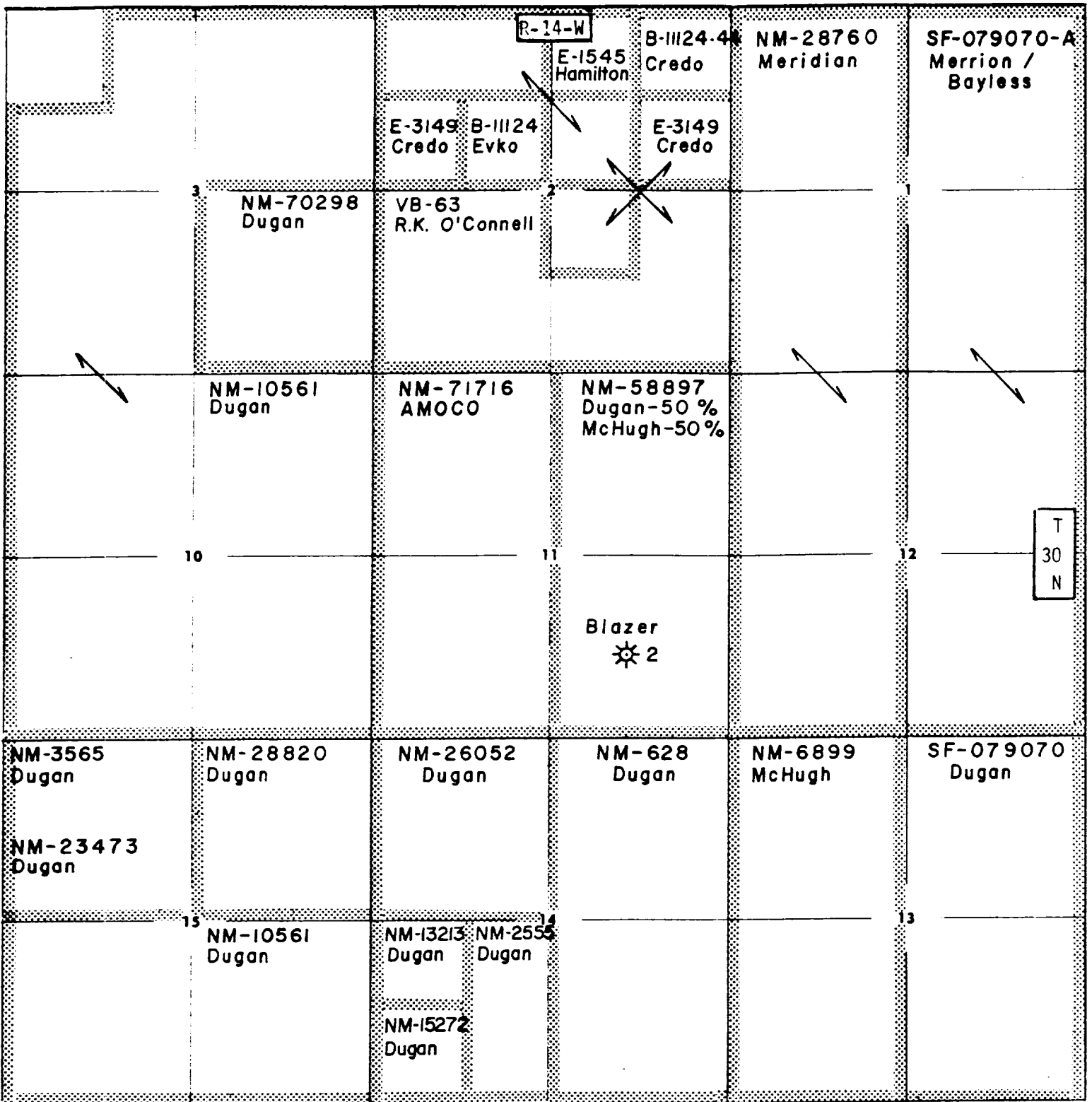
Credo Petroleum Corp.  
1860 Lincoln St., Suite 1000  
Denver, CO 80295

R. K. O'Connell  
P. O. Box 2003  
Casper, WY 82602

EVKO  
4710 Cabrillo St.  
San Francisco, CA 94121

R. L. Hamilton  
1375 S UCSF 3rd & Parness  
San Francisco, CA 94143

Amoco Production Co.  
P. O. Box 800  
Denver, CO 80201



APPLICATION FOR  
UNORTHODOX LOCATION  
OFFSETTING OPERATORS

DUGAN PRODUCTION CORP.  
BLAZER #2  
1190' FSL - 1500' FEL  
Sec. 11, T30N, R14W, NMPM  
SAN JUAN CO., NM