

App. completed on 4-21
5-12-03

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

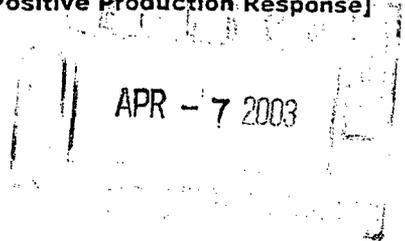
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD



Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

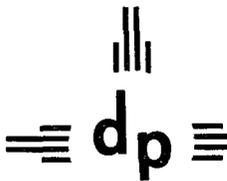
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kurt Fagrelius Kurt Fagrelius Geologist 3/31/03
 Print or Type Name Signature Title Date
 kfagrelius@duganproduction.com
 e-mail Address



dugan production corp.



April 4, 2003

Certified – 7001 1940 0003 1548 2533

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.'s Federal I Com #102
Unit A, Section 12, T29N, R14W
270' FNL & 330' FEL (E/2 - 320)

Dear Mr. Stogner:

Dugan Production hereby requests approval for an unorthodox location for the referenced well. Attached for you reference are the following exhibits:

1. Well location and acreage dedication plat (NMOCD Form C-102)
2. Topographic map
3. Offsetting operator map

The unorthodox location is necessary due to topographic conditions.

The subject well is located inside the Farmington city limits. Existing, commercial and industrial developments occupy all favorable topographic and orthodox areas within the proration unit.

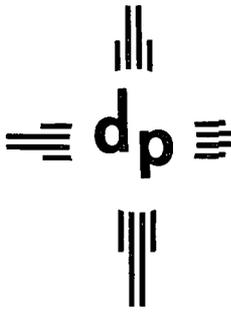
By certified mail, a copy of this application and request for administrative approval has been sent to all Fruitland Coal offsetting operators, the Bureau of Land Management and the City of Farmington.

Please contact me if you have any questions or need additional information.

Sincerely,

Kurt Fagrelus
Geologist

Attachments



dugan production corp.

Cc:

Bureau of Land Management – 1235 La Plata Hwy., Farmington, NM 87401

(Certified Return Receipt Requested – 7001 1940 0003 1548 2601)

NMOCD - 1000 Rio Brazos Road, Aztec, NM 87410

(Certified Return Receipt Requested – 7001 1940 0003 1548 2632)

City of Farmington – 800 Municipal Drive, Farmington, NM 87401

(Certified Return Receipt Requested – 7001 1940 0003 1548 2571)

Richardson Operating Company – 501 Airport Drive, Suite 119, Farmington, NM 87401

(Certified Return Receipt Requested – 7001 1940 0003 1548 2557)

Elliott Hall Co. – P.O. Box 1231, Ogden, Ut. 84402-1231

(Certified Return Receipt Requested – 7001 1940 0003 1548 2588)

Elliott Industries Ltd. Partnership - 500 No. Kentucky Ave., Roswell, NM 87201

(Certified Return Receipt Requested – 7001 1940 0003 1548 2595)

District I
PO Box 1980, Hobbs, NM 85241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code		5 Property Name FEDERAL I COM			6 Well Number 102
7 OGRID No. 006515		8 Operator Name DUGAN PRODUCTION CORPORATION			9 Elevation 5485'

10 Surface Location

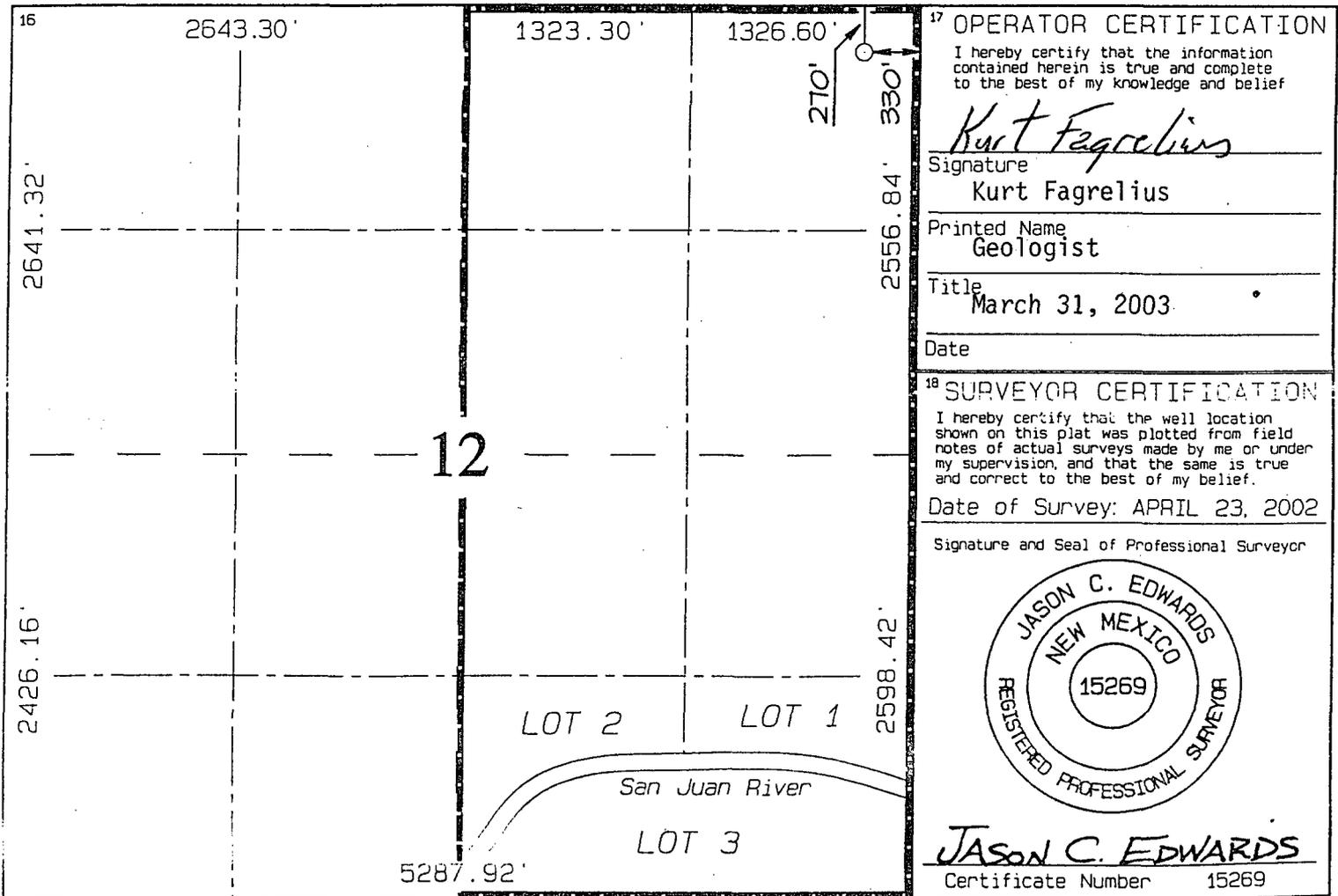
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	29N	14W		270	NORTH	330	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320.0 Acres - (E/2)		13 Joint or Infill		14 Consolidation Code		15 Order No.	
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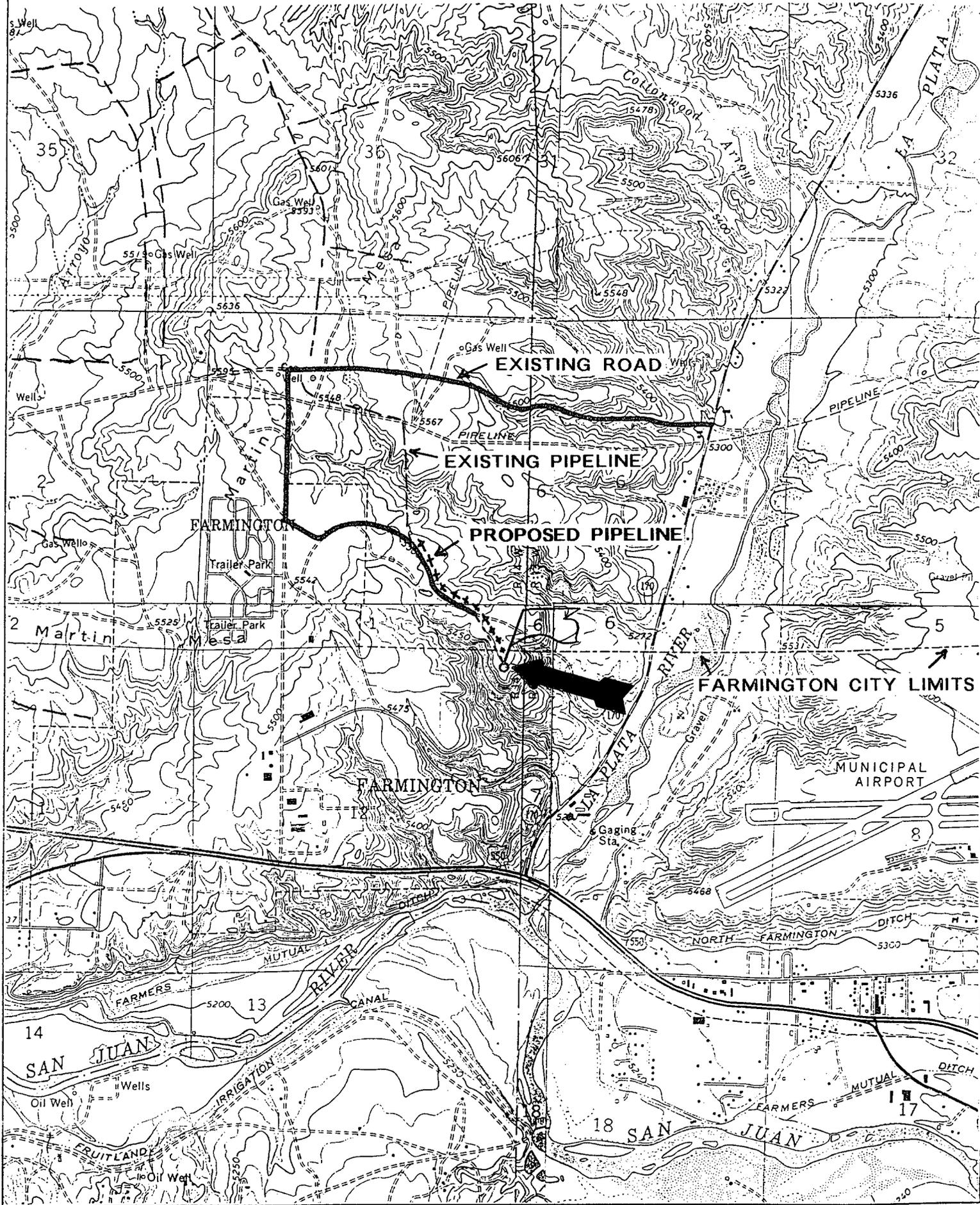
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



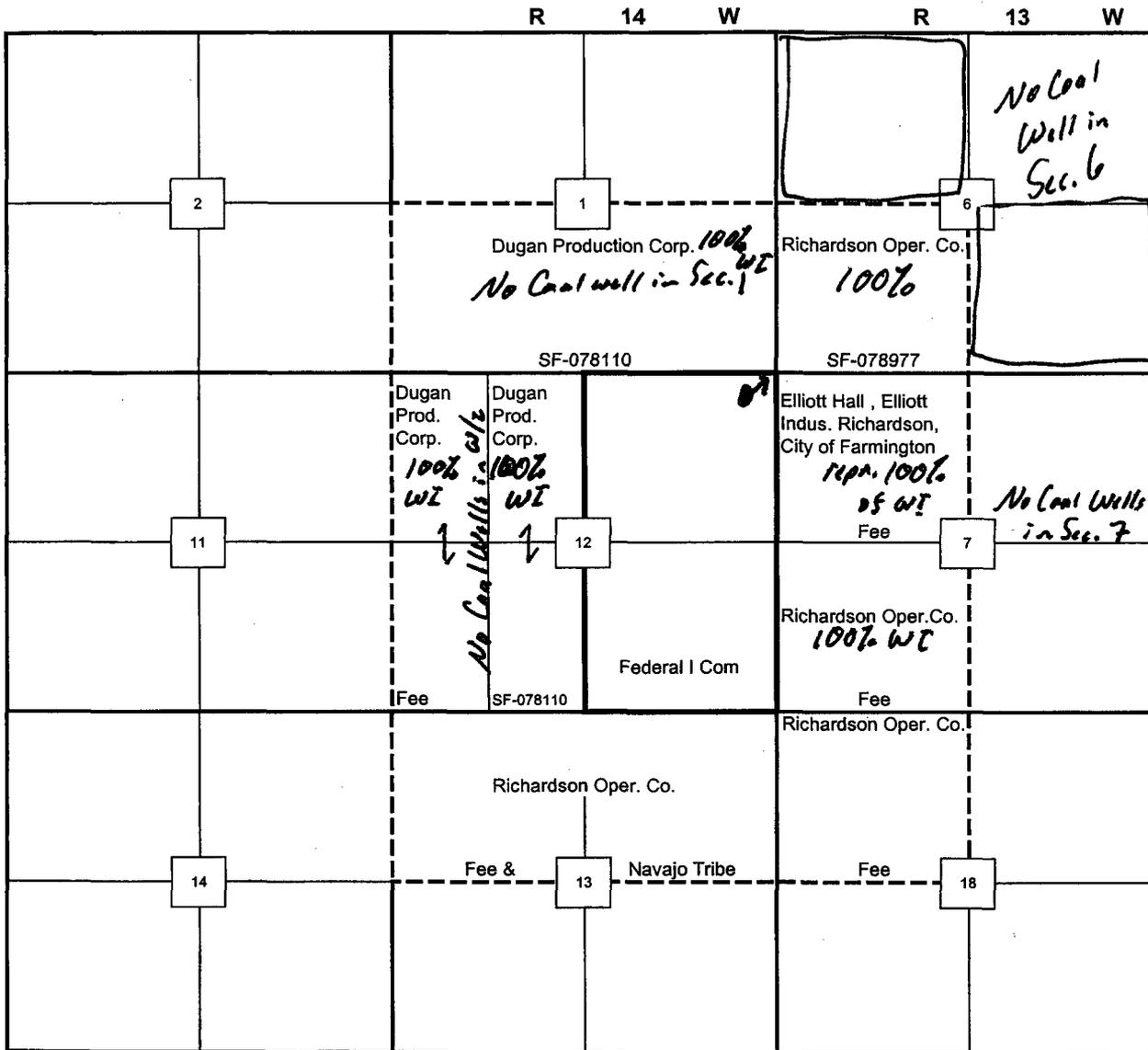
DUGAN PRODUCTION CORPORATION FEDERAL | COM #102

270' FNL & 330' FEL, SECTION 12, T29N, R14W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

EXHIBIT E.



DUGAN PRODUCTION CORP.
 Federal I Com # 102
 Application for Unorthodox Location
 Basin Fruitland Coal Pool



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Offsetting Operators and Mineral Owners Map
 All Offsetting Operators are Working Interest owners

- Spacing Unit
- Offsetting notification area