

*New Suspense Date*

*5-12-03*

*p KRVO-309853720*

<p align="center"><b>DUGAN PRODUCTION CORP.</b>  P.O. BOX 420  FARMINGTON, NM 87499-0420  315-325-1821  505-327-4613 FAX</p>
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DATE: April 21, 2003

TO: Michael E. Stogner

COMPANY: New Mexico Oil Conservation Division

FAX NO (505) 476-<sup>3462</sup>3471

You should receive 5 page(s) including this cover sheet. If you did not receive all pages or are unable to read any pages, please contact:

FROM: Kurt Fagrelus TELEPHONE NO. (505)325-1821

Dear Michael E. Stogner:

In regards to Administrative Application Reference No. pKRVO-309853720 I have enclosed the following materials required to make the referenced application complete:

- 1) Cover letter of complete application sent by certified mail to two additional offsetting Fruitland Coal operators (Questar Exploration and Ocean Energy).
- 2) Certified Return Receipt numbers for above operators notified.
- 3) Revised Offsetting Operators and Mineral Owners Map for application cited above.

If you have any questions or need additional information, please contact me.

Very Sincerely, Kurt Fagrelus

*4-21-03  
3:30 AM Kurt F. called for a new Fax # for the Div. He was also informed a new suspense date would be assigned based on this new notice.*



April 21, 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: Administrative Application Reference No. pKRVO-309853720  
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:

Enclosed, you will find additional information required to process the application referenced above.

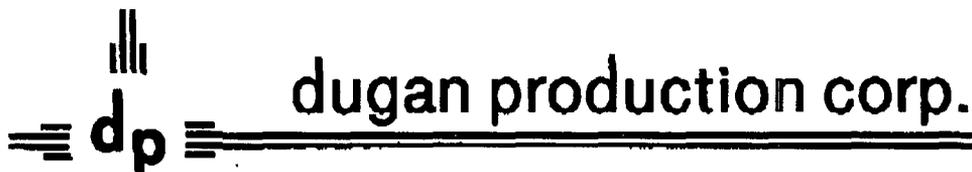
Two additional Fruitland Coal offsetting operators (Questar Exploration and Ocean Energy) have been sent by certified mail, a copy of the complete application and request for administrative approval. A copy of the cover letter sent to these operators, the respective Certified Return Receipt numbers and a revised Offsetting Operators and Mineral Owners Map (all offsetting operators are working interest owners) are enclosed for your review.

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

Sincerely,

Kurt Fagrelius  
Geologist

Attachments



April 21, 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 your 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.

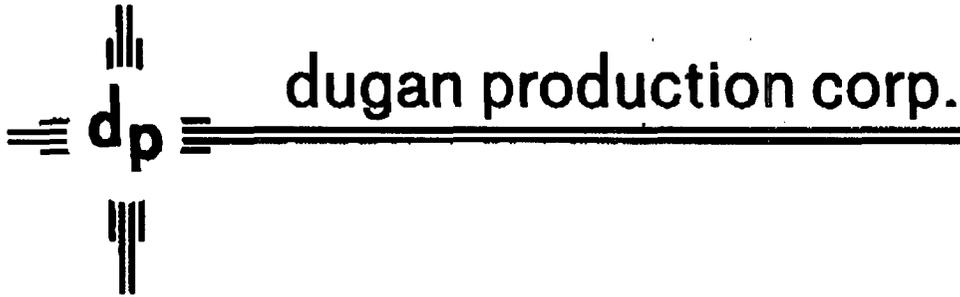
Please contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script that reads 'Kurt Fagrelius'.

Kurt Fagrelius  
Geologist

Attachments

**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)**

**Questar Exploration and Production Co. - 1050 17<sup>th</sup> Street, Suite 500, Denver, Co 80202  
(Certified Return Receipt Requested – 7001 1940 0003 1548 3202)**

**Ocean Energy – 1001 Fannin , Suite 1600, Houston, Tx 77002-6794  
(Certified Return Receipt Requested – 7001 1940 0003 1548 3196)**

