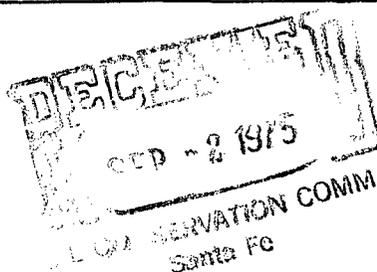


dugan production corp.

August 29, 1975



*NSL - 721
104 F
Due upon receipt of
approval from bytee*

Joe D. Ramey
Secretary-Director
N.M. Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Jerome P. McHugh has completed his Chaco Plant #4 well in the Pictured Cliffs formation. The well is located 710' from the south line and 710' from the west line in Section 16, Township 26 North, Range 12 West, San Juan County, New Mexico.

Mr. McHugh is requesting approval of the Chaco Plant #4 unorthodox location. The location of this well was necessary because of the presence of El Paso Natural Gas Company's Chaco Plant. The well is located in a restricted area that El Paso left undeveloped so that oil or gas wells could be drilled in this quarter section. We are enclosing a lease plat and a plat showing the detailed layout of El Paso's Chaco Plant.

The only offset operator is Dugan Production Corporation, and we waive any objection to this unorthodox location.

Sincerely,

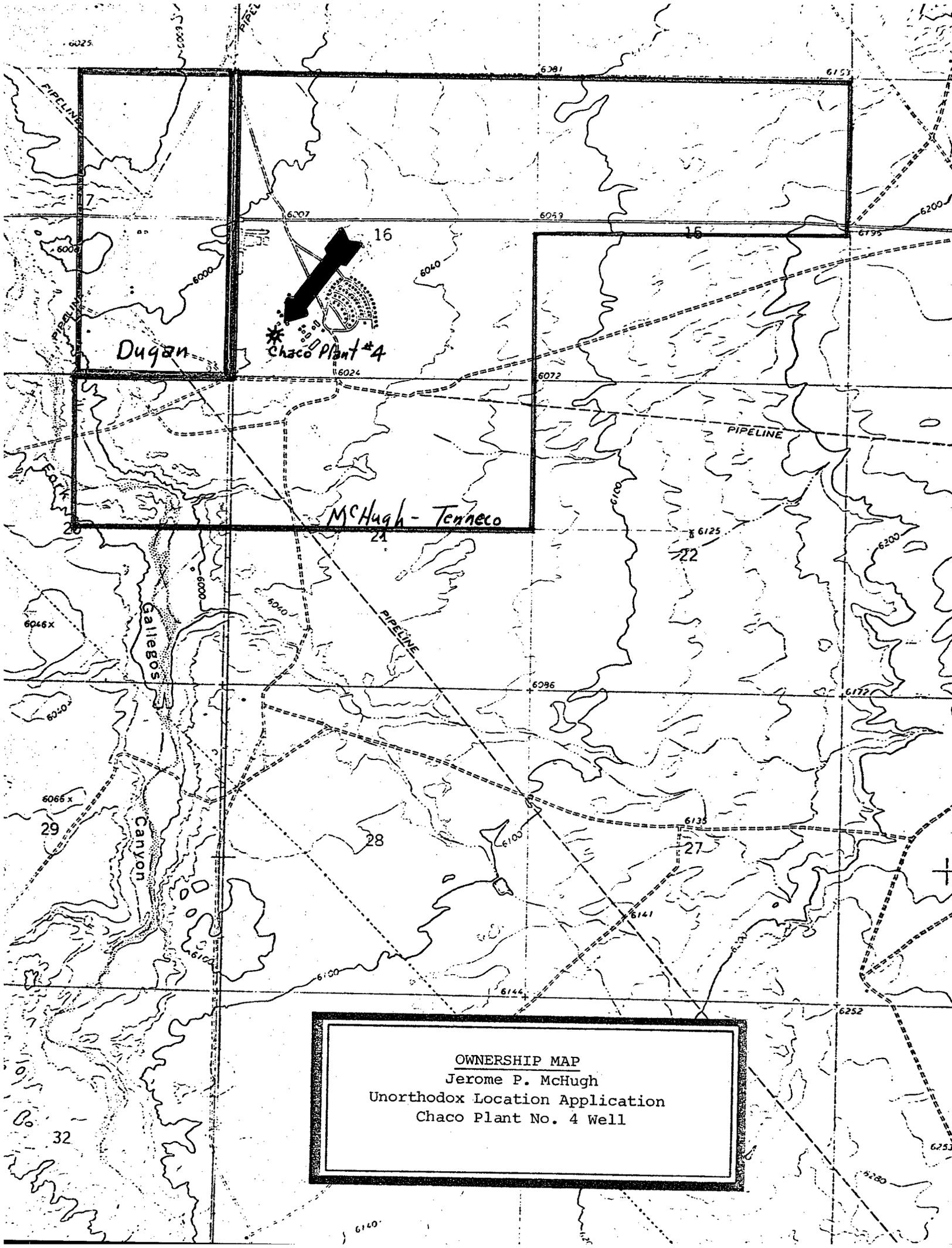
DUGAN PRODUCTION CORP.

Thomas A. Dugan
Thomas A. Dugan
President

cb

encl (2)

xc: Jerome P. McHugh



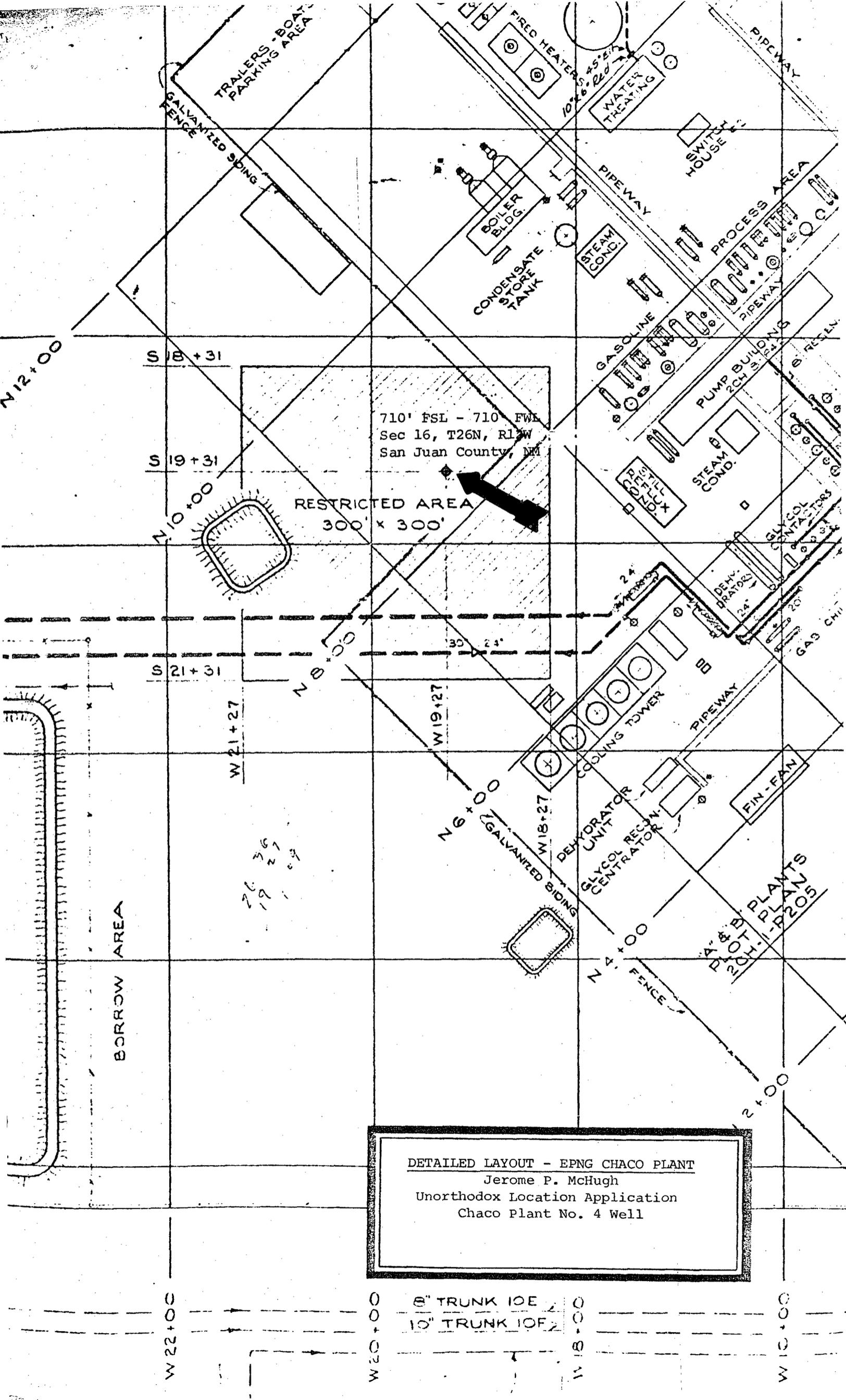
Dugan

Chaco Plant #4

McHugh - Tenneco

Gallegos Canyon

OWNERSHIP MAP
Jerome P. McHugh
Unorthodox Location Application
Chaco Plant No. 4 Well



710' FSL - 710' FWL
 Sec 16, T26N, R13W
 San Juan County, NM

RESTRICTED AREA
 300' x 300'

DETAILED LAYOUT - EPNG CHACO PLANT
 Jerome P. McHugh
 Unorthodox Location Application
 Chaco Plant No. 4 Well

8" TRUNK IOE
 10" TRUNK IOF

BORROW AREA

20
 19
 36
 27
 69

4" & 6" BT PLANTS
 12" & 10" CH. - B205