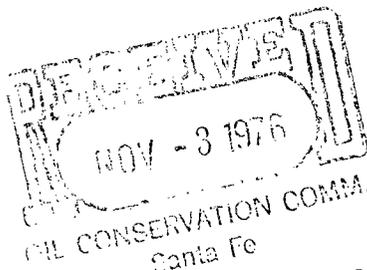


dugan production corp.

November 1, 1976



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

*NSL - 806*  
*104 F*  
*Due Nov. 23*

Re: Applications for Administrative  
Approval of Unorthodox Locations  
Tonkin #2R and #3R Wells  
San Juan County, New Mexico

*Tonkin # 2R*  
*2000' FSL & 790' FEL 13-27N-12W*  
*West Kutz - Pictured Cliffs Pool*

Dear Mr. Ramey:

Enclosed are the following items regarding the applications for administrative approval of unorthodox locations for the Tonkin #2R and Tonkin #3R Wells which are to be located in Section 13, Township 27 North, Range 12 West, NMPM, San Juan County, New Mexico.

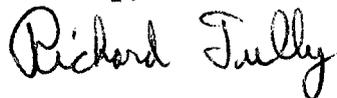
1. Three copies of the Application for Administrative Approval of Unorthodox Location for the Tonkin #2R Well.
2. Three copies of the Application for Administrative Approval of Unorthodox Location for the Tonkin #3R Well.
3. Three copies of a plat showing the ownership of all leases offsetting the SE/4 of Section 13, Township 27 North, Range 12 West, NMPM (Tonkin #2R Well), and three copies of a plat for the NW/4 of Section 13, Township 27 North, Range 12 West, NMPM (Tonkin #3R Well). These plats also show all the wells completed on these leases.
4. The original and five copies of a letter dated October 26, 1976 from the Acting Project Manager of the Navajo Indian Irrigation Project stating the wells as located in these Applications will not interfere with the sprinkler systems of this project.

Joe D. Ramey  
November 1, 1976  
Page 2

5. Three copies of a Certificate of Mailing for each of the Applications stating that all operators of leases offsetting the dedicated acreage for these two wells and the Supervisor of District III of the New Mexico Oil Conservation Commission have been notified of the Applications by certified mail.

If you need further information or material, please advise.

Sincerely,

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

Richard Tully  
General Counsel

cb

Enclosures



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR

RESOURCES  
Irrigation (NIIP)

BUREAU OF INDIAN AFFAIRS  
NAVAJO INDIAN IRRIGATION PROJECT  
P. O. Box 2157  
Farmington, New Mexico 87401

October 26, 1976

Mr. Joe D. Ramey, Secretary-Director  
New Mexico Oil and Gas Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

The Navajo Indian Irrigation Project is now being developed in San Juan County generally south of Farmington, New Mexico.

Much of the Navajo Indian Irrigation Project area is on lands covered by Federal Oil and Gas Leases. In some areas it will be necessary for us to request unorthodox well locations in order to prevent the location of oil or gas wells within the cultivated areas of the Project where they will interfere with the movement of mechanical-move sprinkler irrigation systems. In other instances, where all of the land within a section is to be cultivated, the well locations should be such that they will cause the least possible amount of interference with the cultivation and movement of the sprinkler systems.

Your assistance in approving the locations of oil and gas wells within the Navajo Indian Irrigation Project as noted above will be greatly appreciated.

The following locations proposed by Dugan Production Corporation will place the wells outside the area proposed for cultivation as a part of the Navajo Indian Irrigation Project:

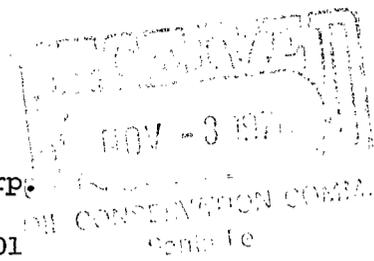
Tonkin No. 2-R Section 13, T. 27 N., R. 12 W.  
2000' FSL, 790' F EL

Tonkin No. 3-R Section 13, T. 27 N., R. 12 W.  
1700' FNL, 2000' FWL

Sincerely yours,

Acting Project Manager

APPLICATION FOR ADMINISTRATIVE APPROVAL  
OF UNORTHODOX LOCATION



Applicant: Dugan Production Corp.  
Box 234  
Farmington, NM 87401

Lease: USA SF 079115

Lease Date: April 1, 1948

Lease Term: 5 Years *W. Kutz - PC*

Lands Described in Lease: Township 27 North, Range 12 West, NMPM  
Section 13: All  
Containing 640 acres, more or less  
San Juan County, New Mexico

Name of Well: Tonkin #2R Well

Dedicated Acreage: Township 27 North, Range 12 West, NMPM  
Section 13: SE/4  
Containing 160 acres, more or less  
San Juan County, New Mexico

Proposed Unorthodox Location: Township 27 North, Range 12 West, NMPM  
Section 13: 2000' FSL - 790' FEL  
San Juan County, New Mexico

Reason for Unorthodox Location: Topographical conditions

New Mexico Oil Conservation Commission Authorizing Application: Rule 104(D) (II) (F)

Offsetting Leases and Operators:

A. USA SF 079115  
Township 27 North, Range 12 West, NMPM  
Section 13: N/2, SW/4  
San Juan County, New Mexico

Dugan Production Corp.  
Box 234  
Farmington, NM 87401

B. USA NM 048568  
Township 27 North, Range 12 West, NMPM  
Section 24: NE/4  
San Juan County, New Mexico

T. S. Yancey, Division Landman  
Amoco Production Co.  
Security Life Building  
Denver, CO 80202

C. USA NM 0149968  
Township 27 North, Range 12 West, NMPM  
Section 24: NE/4 NW/4  
San Juan County, New Mexico

T. S. Yancey, Division Landman  
Amoco Production Co.  
Security Life Building  
Denver, CO 80202

D. USA NM 02691  
Township 27 North, Range 12 West, NMPM  
Section 24: S/2 NE/4, NW/4 NE/4  
San Juan County, New Mexico

Alex N. Campbell  
c/o Geoelectric, Inc.  
103 North Main  
Aztec, NM 87410

E. USA NM 029145  
Township 27 North, Range 11 West, NMPM  
Section 19: NW/4  
San Juan County, New Mexico

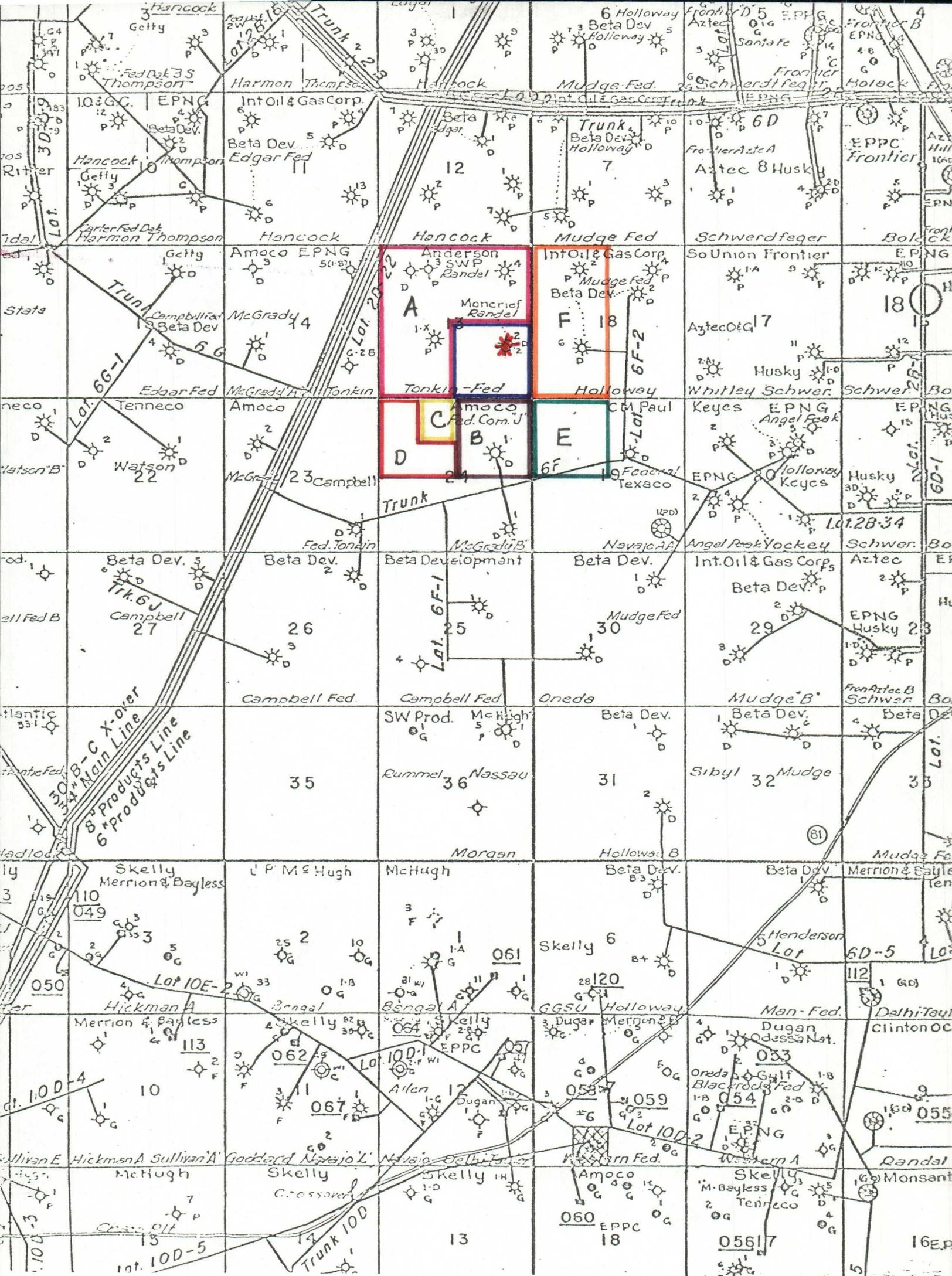
C. M. Paul  
601 North County Road  
Palm Beach, FL 33480

Permian Corporation  
1700 Broadway  
Denver, CO 80202

F. USA SF 078895  
Township 27 North, Range 11 West, NMPM  
Section 18: W/2  
San Juan County, New Mexico

K. G. Ranum, Division Landman  
Depco, Inc.  
1025 Petroleum Club Building  
Denver, CO 80202

Clayton Rystrom, Manager of Land  
Husky Oil Ltd.  
600 South Cherry Street  
Denver, CO 80222



- Proposed Location
- A. USA SF 079115     D. USA NM 02691
- B. USA NM 048568     E. USA NM 029145
- C. USA NM 0149968     F. USA SF 078895

2640  
2000  
640

DUGAN PRODUCTION CORP.

APPLICATION FOR ADMINISTRATIVE  
APPROVAL OF UNORTHODOX LOCATION

Tonkin #2R Well

2000' FSL - 790' FEL  
Section 13, T27N, R12W, NMPM  
San Juan County, New Mexico

CERTIFICATE OF MAILING

I hereby certify that I mailed a copy of the Application for Administrative Approval of Unorthodox Location for the Tonkin #2R Well by certified mail to each of the offsetting operators and the Supervisor of District III of the New Mexico Oil Conservation Commission on November 1, 1976.

DUGAN PRODUCTION CORP.

By: Richard Tully  
Richard Tully  
General Counsel

NSK-806

OIL CONSERVATION COMMISSION  
Cyber DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

*Jim Kapteina*

RECEIVED  
DATE  
DEC 8 - 1976  
OIL CONSERVATION COMM.  
Santa Fe

12-1-76

Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL  \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 12-1-76  
for the Dugan Prod Corp. Touhin #2R I-13.27N-12W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

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

Yours very truly,

AR Kendrick