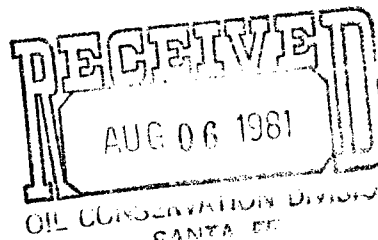


dugan production corp.

August 4, 1981

Joe D. Ramey
Division Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501



NSL-1404?
~~Rule # 13-6-69~~
~~Rule 104 F~~
Rule 104 F
8-26-81

RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Tapacitos #2 well, located 1545' FSL - 790' FWL,
Section 25 T26N R2W, Rio Arriba County, NM

Dear Mr. Ramey:

Enclosed please find three copies of the Application for Administrative Approval of the Unorthodox Location for the above-referenced well.

Please note that it was originally drilled by Southland Royalty as a Dakota gas well, and was an orthodox location for a gas well. However, since Dugan Production Corp. has plugged it back and recompleted it as an oil well in the Mancos Shale, it is an unorthodox location.

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

Please advise if you need further information.

Sincerely,

Thomas A. Dugan
President

fp

Enclosures

Joe D. Ramey
August 4, 1981
Page 2

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

James Sims
U.S. Geological Survey
Oil & Gas Operations
P O Drawer 6001
Farmington, NM 87401

Beard Oil Co.
2000 Classen Center
Suite 2005
Oklahoma City, OK 73106

Virgil Hartquist
100 S. Wacker Dr., Rm 202
Chicago, IL 60606

Mountain Fuel Supply
P O Box 11368
Salt Lake City, UT 84139

APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION

Applicant: DUGAN PRODUCTION CORP.

Waiver

Name of Well: Tapacitos #2

Land Dedicated to the Well: T26N R2W, NMPM, Section 25: NW/4 SW/4
Rio Arriba County, NM

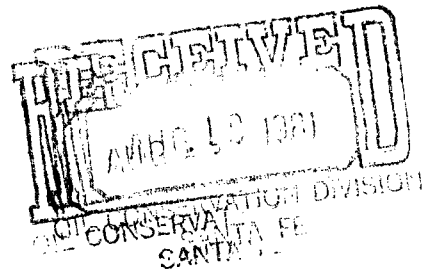
Proposed Unorthodox Location: 1545' FSL - 790' FWL
Sec 25 T26N R2W
Rio Arriba County, NM

Reason for Unorthodox Location:

This well was originally drilled by Southland Royalty into the Dakota Formation and was an orthodox location for a Dakota well. Southland Royalty then plugged the well. Dugan Production Corp. re-entered the well, plugged it back, and completed it as an oil well in the Mancos Shale. It is an unorthodox location for an oil well.
Offsetting Leases and Operators
and Well Completions: See Exhibit A, attached hereto and incorporated herein by reference.

Existent Topographical Conditions: Not applicable

New Mexico Oil Conservation Division
Rule Authorizing Application: 104 Section F



BY: *Thomas A. Dugan*
Thomas A Dugan, Petroleum Engineer

Waiver:

BEARD OIL COMPANY hereby acknowledges receipt of the
Application for Administrative Approval of Unorthodox Location filed by
DUGAN PRODUCTION CORP. herein and hereby waives objection to
DUGAN PRODUCTION CORP.'s Application for Administrative
Approval of Unorthodox Location for their Tapacitos #2
Well as proposed herein.

BY: *James W. Vater, Jr.*
James W. Vater, Jr. - Vice President
DATE: 8-7-81



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

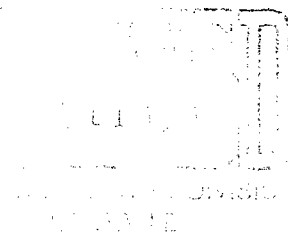
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE Aug 7, 1981

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL ✓ _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated August 5, 1981
for the Dugan Production Corp. Tapachito #2 L-25-2611-2W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve for Mancos Shale pool

Yours truly,

Jeff A. Edmister
JE

|||
= dp =
|||

dugan production corp.

August 4, 1981

Joe D. Ramey
Division Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501



RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Tapacitos #2 well, located 1545' FSL - 790' FWL,
Section 25 T26N R2W, Rio Arriba County, NM

Dear Mr. Ramey:

Enclosed please find three copies of the Application for Administrative Approval of the Unorthodox Location for the above-referenced well.

Please note that it was originally drilled by Southland Royalty as a Dakota gas well, and was an orthodox location for a gas well. However, since Dugan Production Corp. has plugged it back and recompleted it as an oil well in the Mancos Shale, it is an unorthodox location.

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

Please advise if you need further information.

Sincerely,

A handwritten signature in cursive script that reads "Thomas A. Dugan".

Thomas A. Dugan
President

fp

Enclosures