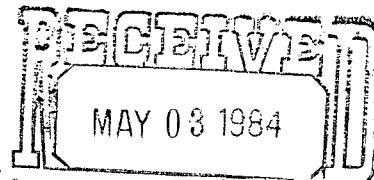




dugan production corp.



OIL CONSERVATION DIVISION
SANTA FE

May 1, 1984

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

NSL-1818
RULE 104FI
RELEASE IMMEDIATELY

RE: Request for Approval of Unorthodox Well Location
Dugan Production Corp.'s Fabulous Feb No. 1
Bisti Lower Gallup Field
790' FNL - 1120' FWL, *N/2 NW/4 OF*
Sec. 31, T-24N, R-9W, NMPPM
San Juan County, NM

Dear Mr. Ramey:

We are writing to request administrative approval for an unorthodox location for the captioned well with regard to our plans to complete the Gallup formation.

The Fabulous Feb No. 1 was spudded on 3-30-84, as a Dakota test at a standard location for the Dakota. This well is currently shut in, awaiting completion, with 5½" casing cemented at 6065'. With reference to the attached topographic map (Fig. No. 1), it can be seen that at a location that would also be standard for the Gallup, the surface slope would have required a significant amount of dirt work to build a location and thus, the location was moved 130' to the east in order to accomodate making the drilling location. As a result of this move, we are 200' from the quarter-quarter section line. Upon evaluating open hole logs, the Dakota development at this location is poorer than anticipated and thus, upon testing the Dakota, we also plan to perforate and test the Gallup at approximately 4490-5090', which necessitates this request for unorthodox location with respect to the Gallup completion. The subject well does not crowd the exterior boundary and the move necessitating this request was toward the center of the 80 acre proration unit.

With reference to Fig. No. 2, we have indicated the ownership of all acreage immediately adjacent to the 80 acre production unit for the Fabulous Feb No. 1 and as indicated, all leasehold interests are held by Dugan Production Corp. Also for your reference, we have attached a copy of a general well location map (Fig. No. 3), from which it can be seen that the subject well is offset to the north by Dugan Production Corp.'s July Jubilee No. 2, which is completed in the Dakota. There are no other offsets as the Fabulous Feb No. 1 is a southern extension to current development in this area. Also attached for your information is a copy of the sundry notice on which we are indicating our intentions to complete the Gallup in addition to the Basin Dakota. Should production be established in both formations, we would plan to request permission for downhole commingling.

Joe D. Ramey, NMOCD
Fabulous Feb No. 1 Unorthodox Location
Page 2

May 1, 1984

In view of the fact that Dugan Production is the leaseholder of all offsetting acreage, we request your approval of this application as soon as possible so that we may proceed with our completion operations on this well.

Should you have any questions regarding this request, please feel free to contact me.

Sincerely,

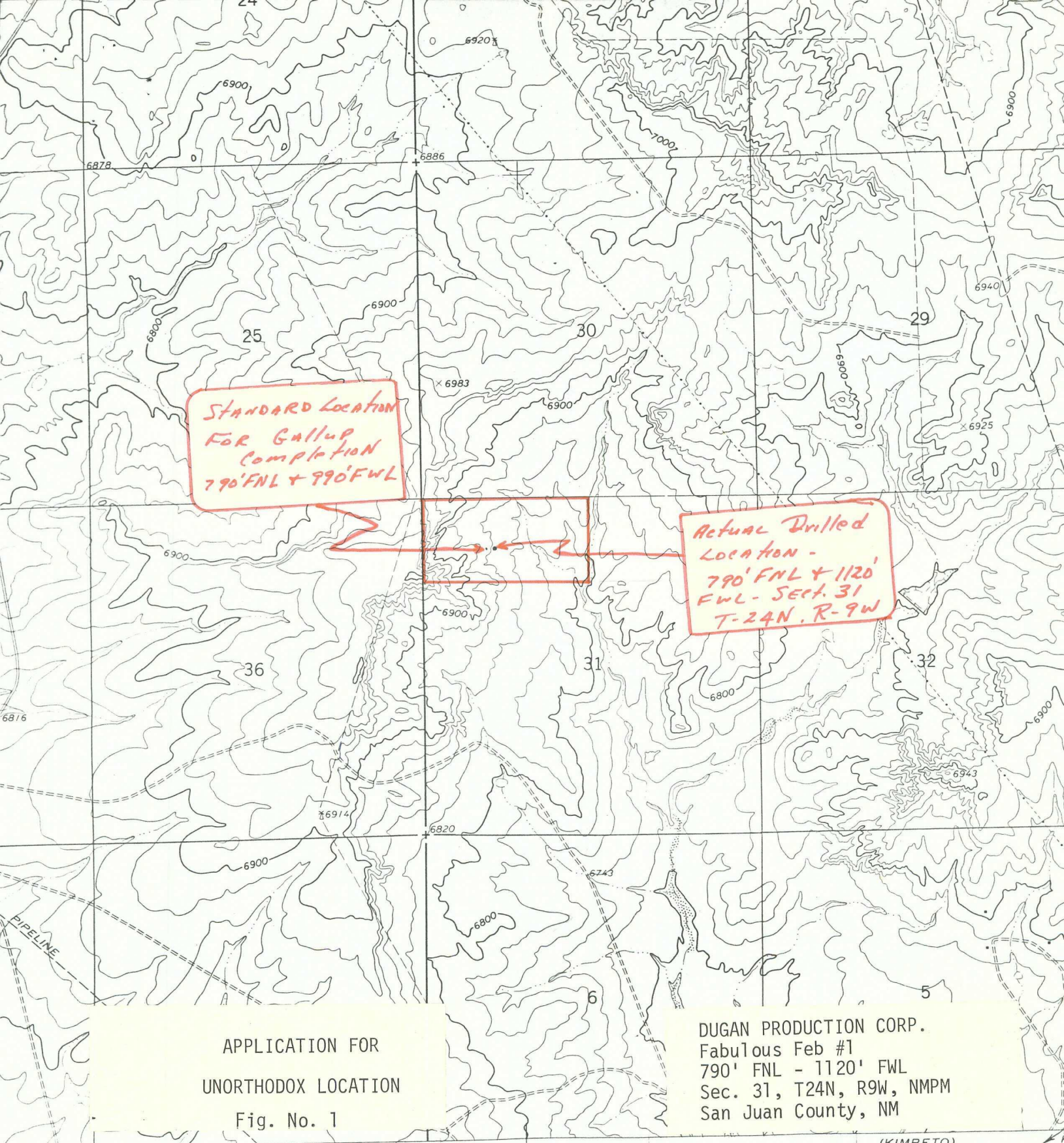
John D. Roe

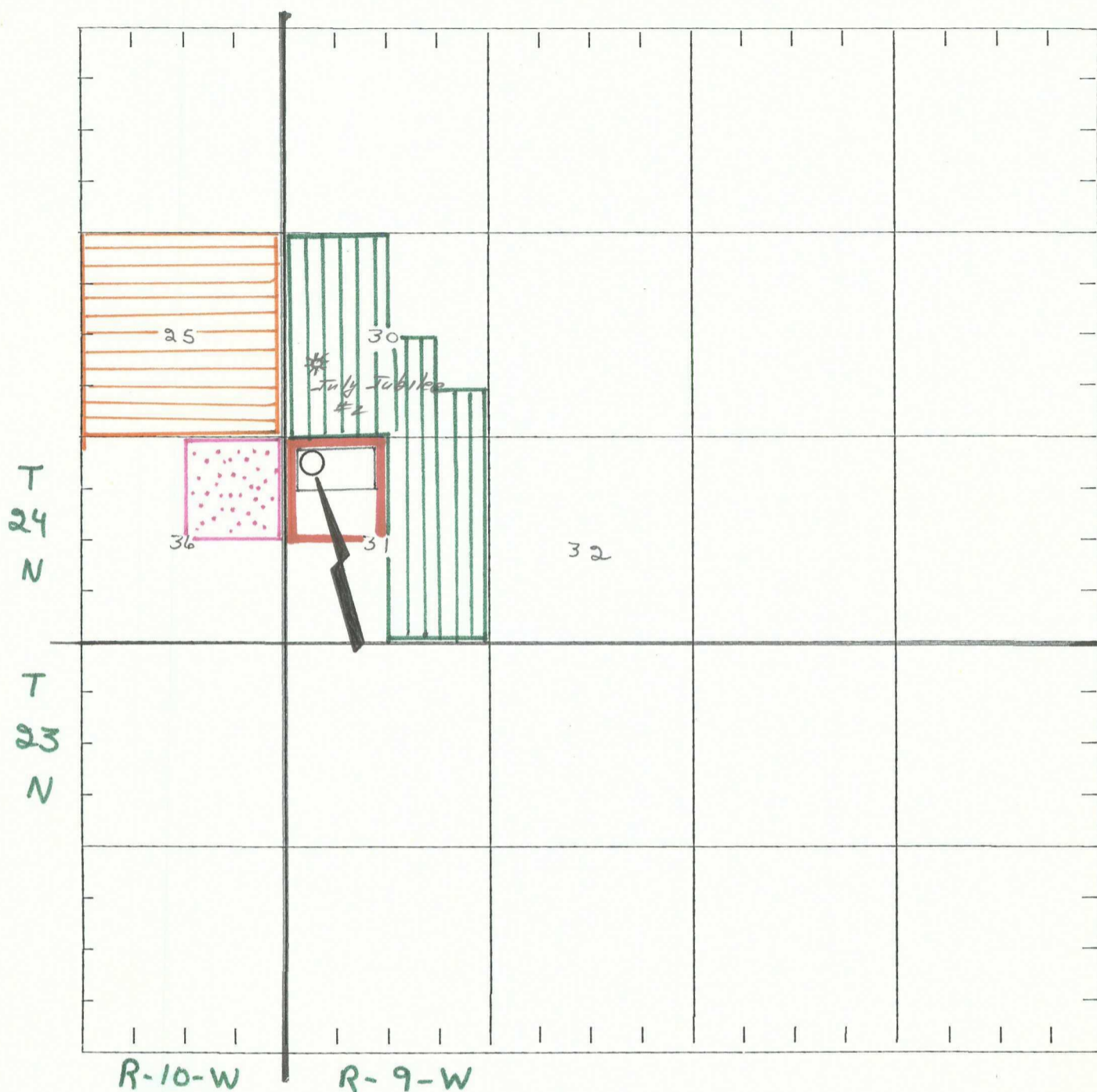
John D. Roe
Petroleum Engineer

fp

Attachments

cc: Frank Chavez





Township 24 North, Range 10 West, NMPM

- ✓ Sec. 25: All Dugan Production Corp. (NM 5991)
- ✓ Sec. 36: NE/4 Dugan Production Corp. (New Mexico State Lease LG-9804)

Township 24 North, Range 9 West, NMPM

- ✓ Sec. 30: W/2, S/2 SE/4 } Dugan Production Corp. (NM 4958)
- ✓ Sec. 31: E/2 }
- ✓ Sec. 31: S/2 NW/4 Dugan Production Corp. (NM 51000)

ALL OFFSETTING ACREAGE OWNED BY DUGAN
NO WAITING PERIOD NECESSARY. JPP

APPLICATION FOR
UNORTHODOX LOCATION
Figure No. 2

DUGAN PRODUCTION CORP.
Fabulous Feb #1
790' FNL - 1120' FWL
Sec. 31, T24N, R9W, NMPM
San Juan County, NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil Gallup gas Dakota
well ☒ well ☒ other ☐

2. NAME OF OPERATOR
DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR
P O Box 208, Farmington, NM 87499

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 790' FNL - 1120' FWL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) <u>Intention to test additional zone</u>	

5. LEASE
NM 51000

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Fabulous Feb

9. WELL NO.
1

10. FIELD OR WILDCAT NAME
Basin Dakota & Bisti Lower Gallup

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 31, T24N, R9W, NMPM

12. COUNTY OR PARISH San Juan 13. STATE NM

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
6855' GL; 6867' RKB

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Upon evaluating open holes logs, the Dakota development is poorer than anticipated. Upon testing the Dakota, we plan to perforate, stimulate and test the Gallup interval, approximately 4490 to 5090'. Request for approval of unorthodox location submitted to NMOCD. Should potential be indicated in both zones, we plan to request authorization from NMOCD for downhole commingling.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Jim L. Jacobs TITLE Geologist DATE 5-1-84
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

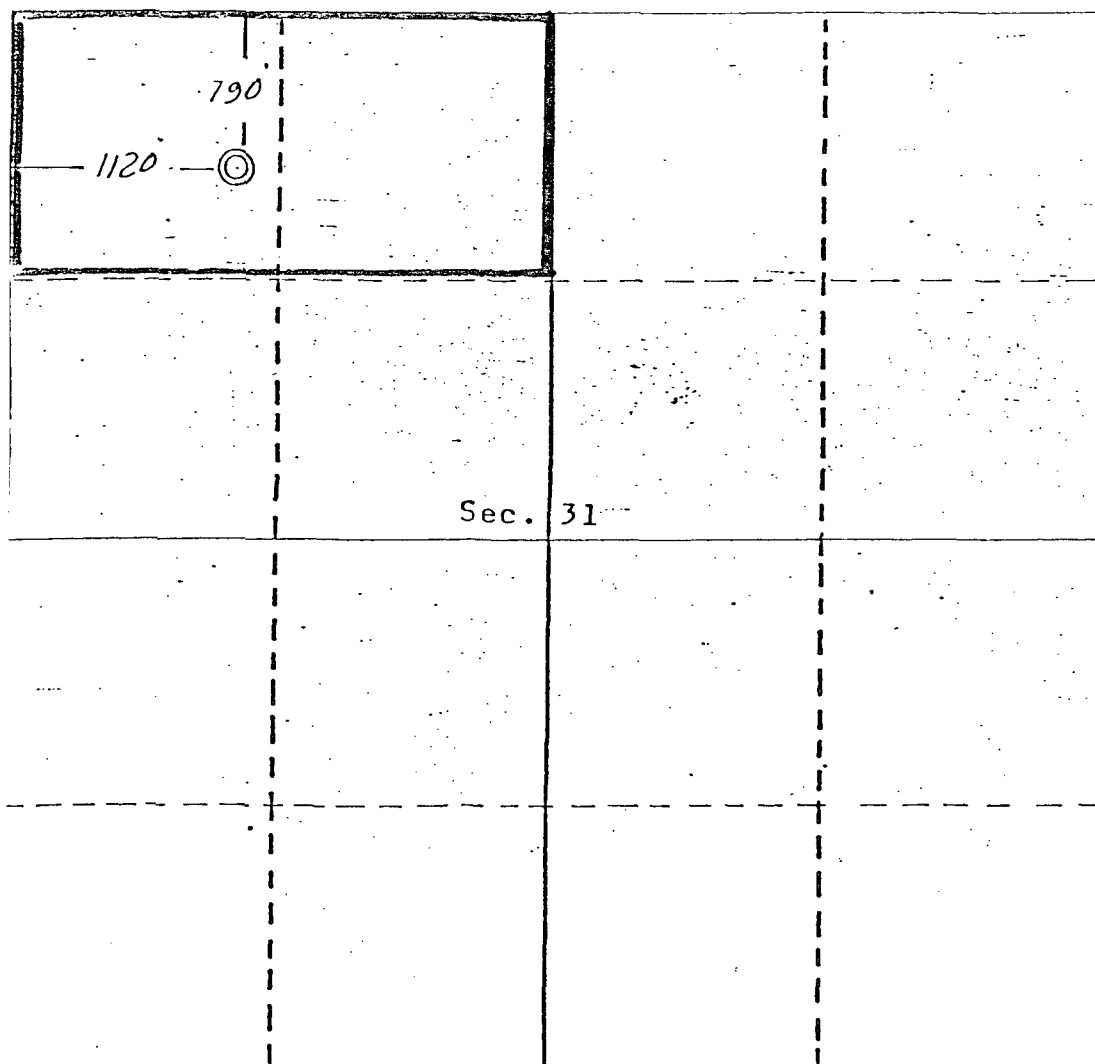
Operator Dugan Production Corporation			Lease Fabulous Feb		Well No. 1
Unit Letter D	Section 31	Township 24 North	Range 9 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 1120 feet from the West line					
Ground Level Elev. 6855	Producing Formation Gallup	Pool Bisti Lower Gallup	Dedicated Acreage: 80.0 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Jim L. Jacobs

Position

Geologist

Company

Dugan Production Corp.

Date

4-18-84

I have personally located the location shown on this plat was located from field notes collected by me or under my supervision and that the same is true and correct to the best of my knowledge.

Date Surveyed

February 6, 1984

Registered Professional Engineer and/or Land Surveyor

Certificate No. 5979

Edgar L. Risenhoover, L.S.

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

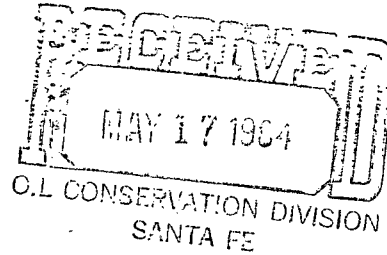
FILE
NSL-1818

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 5-14-84

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



Gentlemen:

I have examined the application dated 5-1-84
for the Dugan Production Corp. Fabulous Fe 6 #1 D-31-24N-9W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approved

Yours truly,

Eric Busch