



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 1, 1996

Dugan Production Company
Attention: Jim L. Jacobs
P.O. Box 420
Farmington, New Mexico 87499-0420

Administrative Order NSL-3643

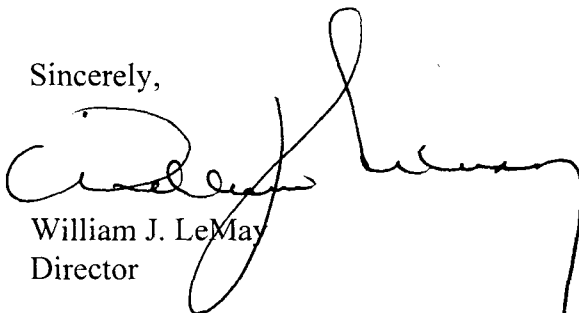
Dear Mr. Jacobs:

Reference is made to your application dated March 14, 1996 for an exception to **Rule 4** of the "*Special Rules and Regulations for the South Bisti-Gallup Oil Pool*", as promulgated by Division Order No. R-8090, as amended, to drill your proposed Flo Jo Well No. 7 at an unorthodox oil well location within said pool 330 feet from the South line and 1190 feet from the West line (Unit M) of Section 1, Township 23 North, Range 11 West, NMPM, San Juan County, New Mexico.

The W/2 SW/4 of said Section 1 being a standard 80-acre oil spacing and proration unit for said pool, is to be dedicated to the well.

By the authority granted me under the provisions of **Rule 5** of said special pool rules, the above-described unorthodox oil well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington