

4/6/98	4/27/98	MS	<i>[Signature]</i>	NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

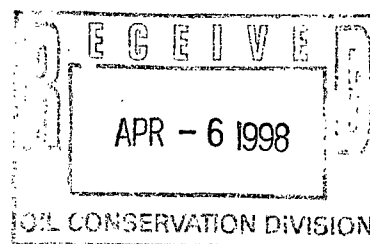
[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

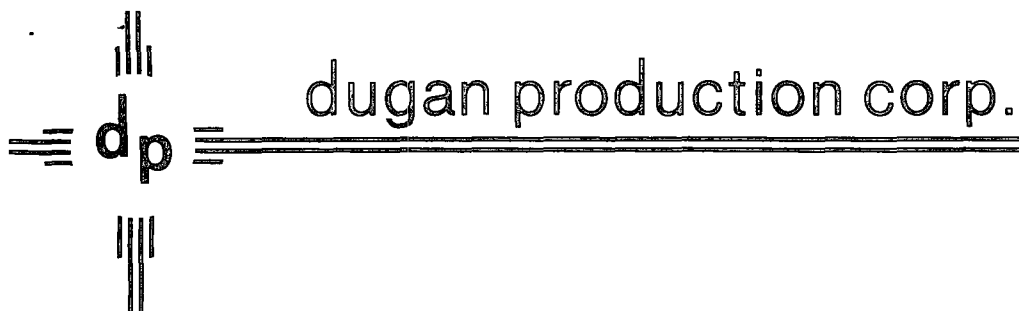
Note: Statement must be completed by an individual with supervisory capacity.

John D. Roe
Print or Type Name

John D. Roe
Signature

Engineering Manager
Title

4/3/98
Date



April 3, 1998

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Request for Administrative Approval
Non-Standard Location
Dugan Production Corp.'s
Ginther Gas Com Well No. 2 (API No. 30-045-06512)
K-13-27N-13W, San Juan County, New Mexico
WAW Fruitland Sand-Pictured Cliffs Gas Pool

Dear Ms. Wrotenbery:

We are writing to request your administrative approval for the non-standard location of the captioned well.

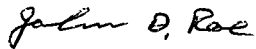
Dugan Production acquired this well from Amoco Production Co. effective 2-2-98 and upon filing a form C-104 reflecting the change in operator, we discovered the need for a NSL approval. The Ginther No. 2 which is located 2310' FSL & 1850' FWL of Section 13 was initially completed in the Basin Dakota Pool on 8-22-59. After producing approximately 1.16 BCF of gas plus 3162 bbl condensate from the Dakota, Amoco recompleted this wellbore to the current WAW Fruitland Sand-PC pool interval on 8-21-96. To date there has been no production reported from the current Fruitland Sand completion which was tested with an initial potential of 150 MCFD + 14 BWPD. Dugan Production desires to place the Ginther No. 2 on production and since this well is located 2310' from the South line of the Section, it is also only 330' from the north line of the 160 Acre spacing unit for the current WAW Fruitland Sand-PC completion. Statewide rules require a minimum of 790' from the outer boundary and thus we respectfully request your administrative approval for this plug-back recompletion. Attachment No. 1 presents a plat of the subject spacing unit along with a description of the offsetting leases and the affected parties.

By copy of this letter, we are providing notice to our two working interest owners (Dugan holds

an 89.583% working interest) and to the lessees of record and owners of unleased minerals for all adjoining and diagonal leases offsetting the spacing unit for the Ginther No. 2. There are no offset completions in the WAW Fruitland Sand-PC pool. Attachment No. 2 is a map of the general area and the general proximity of the main products line between El Paso's Aneth and Chaco plants is likely the reason for the location of the Ginther No. 2 being unorthodox at the time of initial drilling. The offset wells on this map are all completed in the Basin Dakota gas pool.

Should you have questions or need additional information, please let me know.

Respectfully,

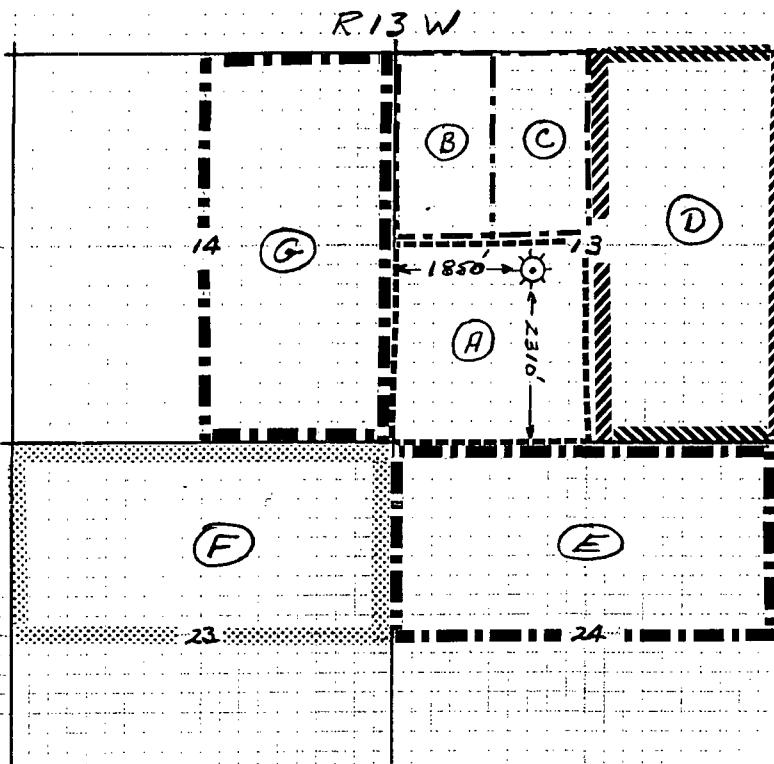
A handwritten signature in cursive script that reads "John D. Roe".

John D. Roe
Engineering Manager

JDR/tmf

attachs.

cc: NMOCD - Aztec



A. SW/4 160 Acre spacing unit for Dugan's Ginther No. 2. See NMOCD Form C-102 for lease details.

Working Interest Owners:
Dugan Production Corp.

WI-%
89.58334

H. S. Bennett
P. O. Box 1401, Dallas, TX 75221-1401

6.2500

John R. Royall
4800 Republic Tower
325 N. St. Paul St., Dallas, TX 75201-3830

4.16666

Royalty Interest - USA - Federal Leases - SF078099 & SF078099C
C/O Bureau of Land Management
Attn: Mr Duane Spencer
1235 La Plata Highway, Farmington, NM 87401

B. W/2 NW/4 Section 13 - 80 Acre Federal Lease SF078099A
Cross Timbers Oil Co.
810 Houston Street, Suite 2000, Ft. Worth, TX 76102-6298

Burlington Resources
P. O. Box 4289, Farmington, NM 87499-4289

C. E/2 NW/4 Section 13 - 80 Acre Federal Lease SF078099B
Cross Timbers Oil Co.

Burlington Resources

D. E/2 Section 13 - 320 Acre Federal Lease SF078099
Cross Timbers Oil Co.

Burlington Resources

E. N/2 Section 24 - 320 Acre Federal Lease NM12033
Conoco Oil
10 Desta Drive, Suite 100W, Midland TX 79705-4500

F. N/2 Section 23, 320 Acre unleased Federal minerals
Bureau of Land Management
Attn: Mr. Duane Spencer
1235 La Plata Highway, Farmington, NM 87401

G. E/2 Section 14, 320 Acre Federal Lease NM060402A
Little Oil & Gas
P. O. Box 1258, Farmington, NM 87499-1258

Attachment No. 2
Dugan production's
Gintner Gas Com #2
K-13-27N-13W

hipe
meco
Lot

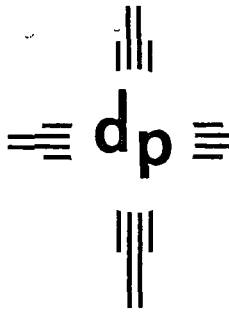
Griffin
GAS Co. #2
WAW FR
Sand-pe R

T
27
N

El Paso
Aneth to Chaco
Plant Products
Lines -
3 1/2" x 6"

R13W

R 12W



dugan production corp.

April 3, 1998

CERTIFIED-RETURN RECEIPT

To: Owners of Leases and Unleased Minerals
Offsetting Dugan Production Corp.'s
Ginther Gas Com No. 2 well
Unit K, Section 13, T-27N, R-13W
San Juan County, NM

Dear Interest Owner (Address list attached):

Dugan Production Corp is making application to the New Mexico Oil Conservation Division and is requesting their administrative approval for the non-standard location of the captioned well which has recently been recompleted from the Basin Dakota to the WAW Fruitland Sand-PC gas pool. Attached for your information and file is a copy of our application. Our records reflect that you are the owner of Fruitland and/or Pictured Cliffs mineral interest in a lease offsetting our Ginther Gas Com No. 2 spacing unit for the WAW Fruitland Sand-PC which comprises the SW/4 of Section 13. Should you be opposed to the NMOCD approving our application, you should provide your objections to the NMOCD at 2040 South Pacheco, Santa Fe, NM 87505, in writing within 20 days from the date of this letter. We would appreciate receiving a copy of any correspondence to the NMOCD.

Should you have questions or need additional information, please let us know at the letterhead address or phone number.

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

attachs.

cc: NMOCD - Aztec, Santa Fe

**INTEREST OWNERS OF OFFSET LEASES & UNLEASED MINERALS
DUGAN PRODUCTION CORP.'S GINTHER GAS COM NO. 2**

- A. SW/4 160 Acre spacing unit for Dugan's Ginther No. 2. See NMOCD Form C-102 for lease details.

<u>Working Interest Owners:</u>	<u>WI-%</u>
Dugan Production Corp.	89.58334

H. S. Bennett	6.2500
P. O. Box 1401, Dallas, TX 75221-1401	

John R. Royall	4.16666
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P. O. Box 1258, Farmington, NM 87499-1258

TRANSMITTAL COVER SHEET

**OIL CONSERVATION DIVISION
ENGINEERING BUREAU
(505) 827-7131 (OFFICE)
(505) 827-1389 (FAX)**

PLEASE DELIVER THIS FAX TO:

TO: John Roe - Sugan
FROM: Kathy Valdes - OCD
SUBJECT: NSL - 4018
DATE: 4/29/98
PAGES: 2 (INCLUDING COVER SHEET)

**IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE
OFFICE NUMBER ABOVE.**