

8/17/98	9/8/98	MS	MN	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.

Kurt Fagrelus  
 Print or Type Name

Kurt Fagrelus  
 Signature

Geologist  
 Title

8-7-98  
 Date



# dugan production corp.

August 7, 1998

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Post-It® Fax Note	7671	Date	8-17-98	# of pages	9
To	Michael Stogner	From	Kurt Fagrelus		
Co./Dept.	NMOC D	Co.	Dugan Prod. Corp.		
Phone #	505-827-8185	Phone #	505-325-1821		
Fax #	505-827-1389	Fax #	505-327-4613		

Re: Application for Administrative Approval of Unorthodox Location  
Dugan Production Corp's. Huerfanito #5R  
840' FSL & 2490' FWL (SE/4 SW/4)  
Unit N, Section 10, T26N, R9W  
San Juan County, New Mexico  
Basin Dakota Pool

Dear Mr. Stogner:

Dugan Production Corp. hereby requests approval for an unorthodox location for the referenced well. Copies of the well location plat (NMOC Form C-102), topographic map, map showing offsetting operators, cumulative Dakota gas production map and a stratigraphic cross section are attached for your reference.

For geologic reasons, the location of this replacement well is necessary for Dugan Production in order to minimize economic risk and maximize recovery of the remaining Dakota reserves from this lease. The enclosed cross section and Dakota production map show that a well drilled at the chosen location will encounter good sand development and recover the highest cumulative gas production from a relatively undrained portion of the reservoir.

By certified mail, a copy of this application and request for approval has been sent to all Dakota offsetting operators and the Bureau of Land Management.

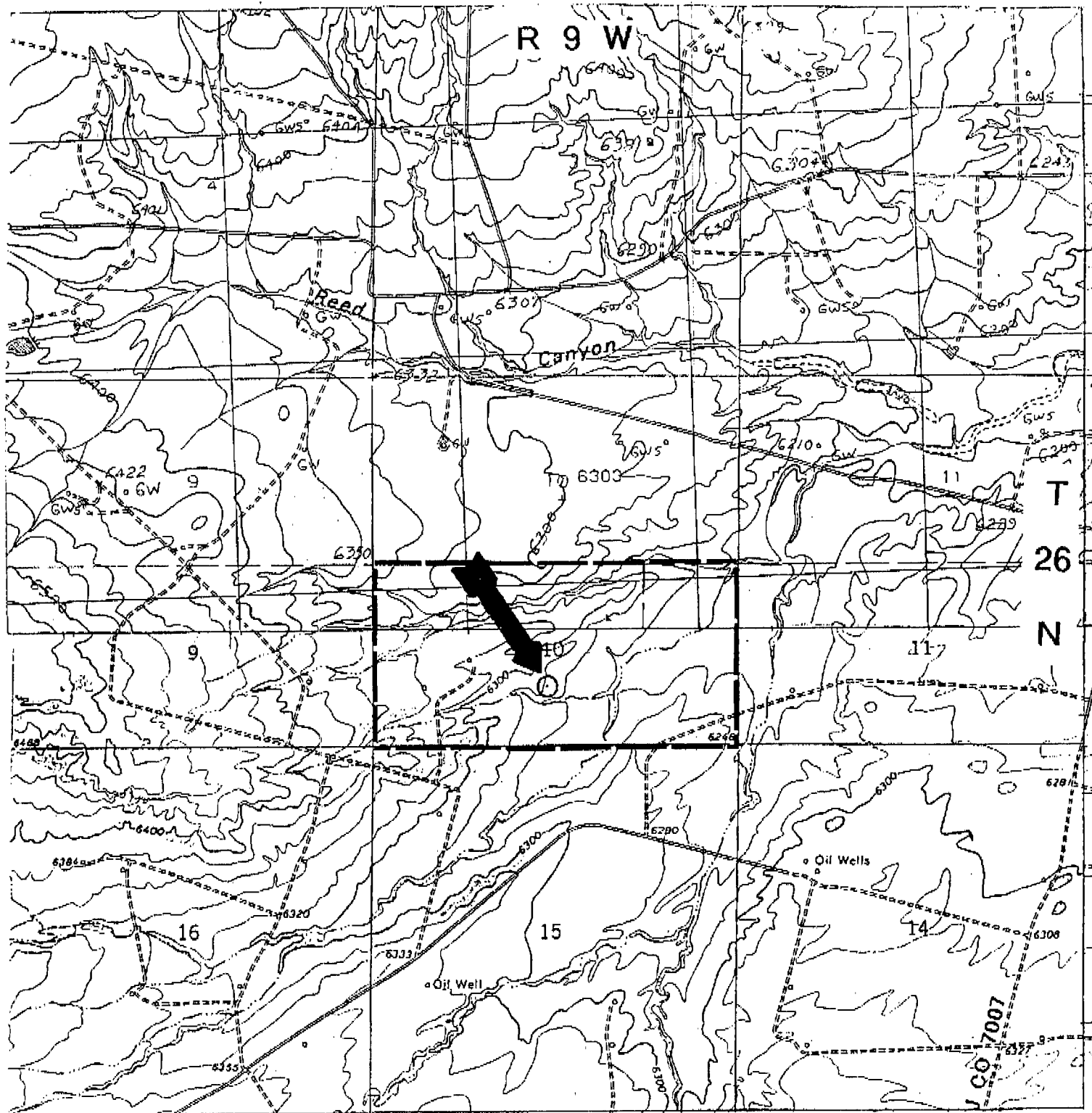
Please contact me if you have any questions or need additional information.

Very Sincerely,

*Kurt H. Fagrelus*

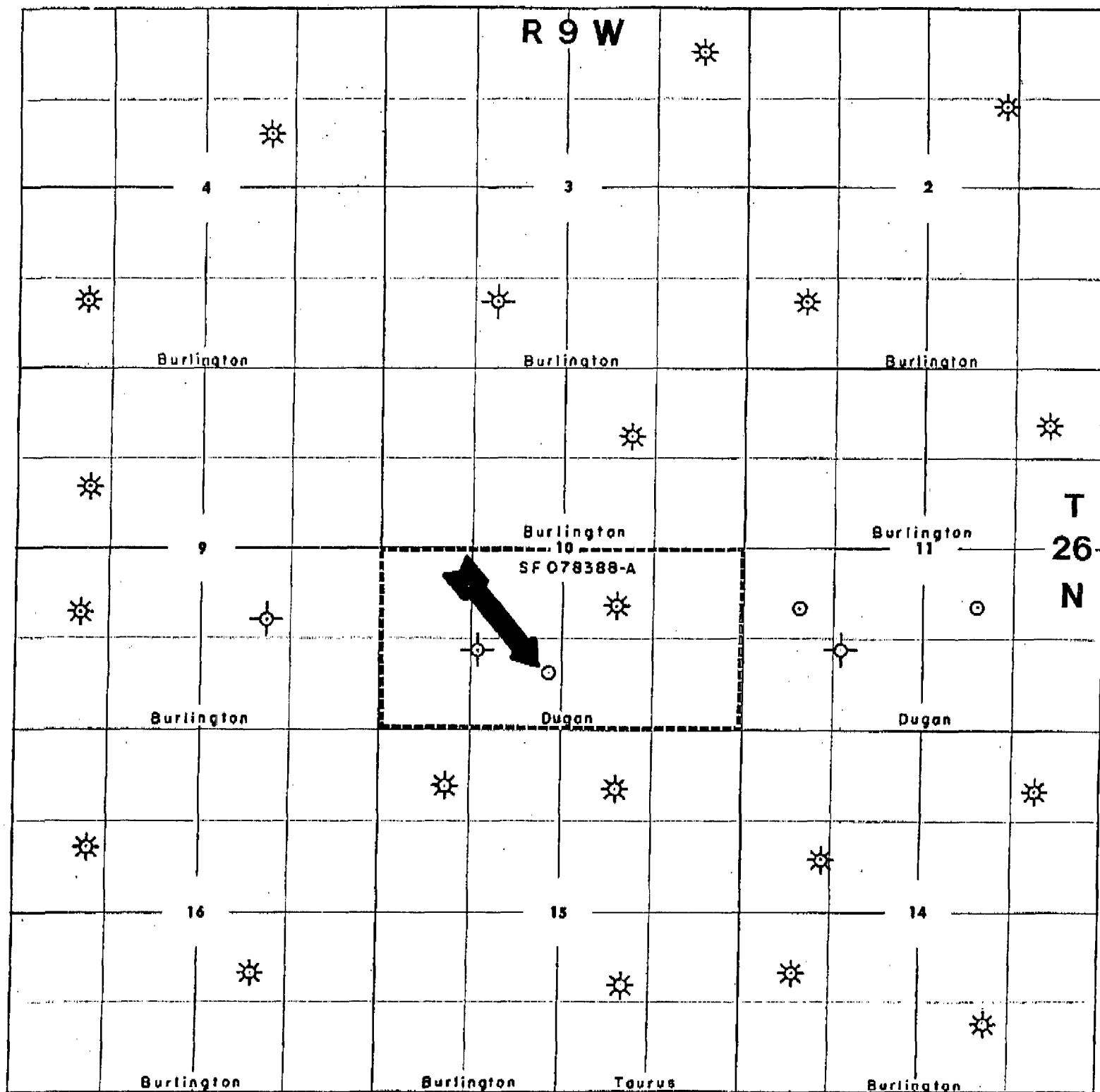
Kurt H. Fagrelus  
Geologist

☐ AMENDED REPORT



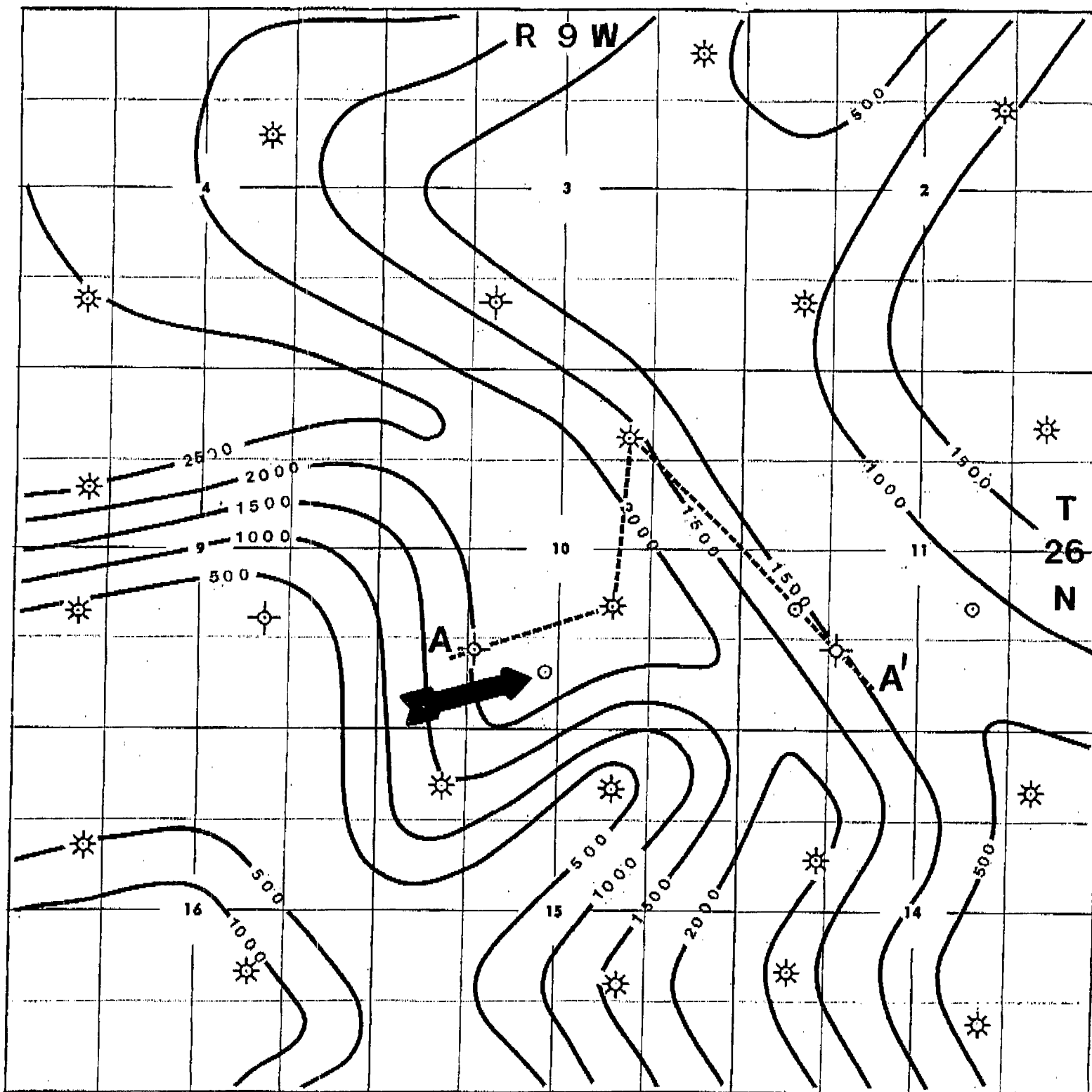
Dugan Production Corp.  
Huerfano #5R  
Application for Unorthodox Location

**TOPOGRAPHIC MAP**



Dugan Production Corp.  
Huerfanito #5R  
Application for Unorthodox Location

**OFFSETTING OPERATOR MAP  
DAKOTA WELLS ONLY**



Dugan Production Corp.  
 Huerfanito #5R  
 Application for Unorthodox Location

**CUMULATIVE DAKOTA GAS  
 PRODUCTION MAP THRU 11/97**

C.I.=500 mmcf

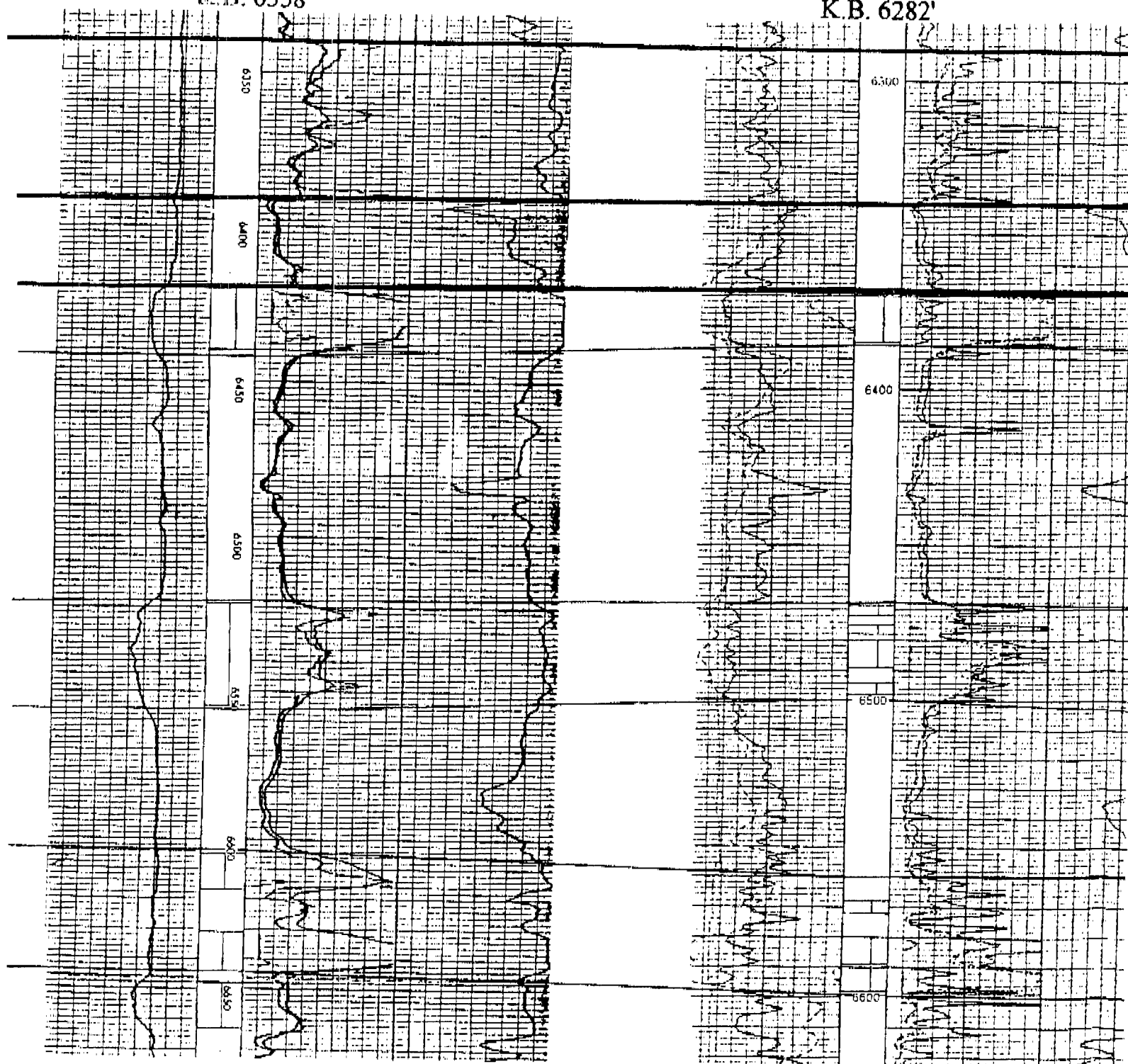
A



Dugan Prod. Corp.  
Huerfanito #5-10  
Sec. 10, T26N, R9W  
1150' FSL - 1450' FWL  
K.B. 6338'



Dugan Prod. Corp.  
Huerfanito #5E  
Sec. 10, T26N, R9W  
1850' FSL - 1850' FEL  
K.B. 6282'



1,996,642 mcfg, 28,175 bo



Burlington Resources

Huerfanito # 80

Sec. 10, T26N, R9W

990' FNL - 1650' FEL

K.B. 6298'

DATUM

1,650,741 mcfg, 17,312 bo

2500 Ft.



Dugan Production Corp.  
Huerfanito #5R  
Application for Unorthodox Location

**STRATIGRAPHIC CROSS SECTION**



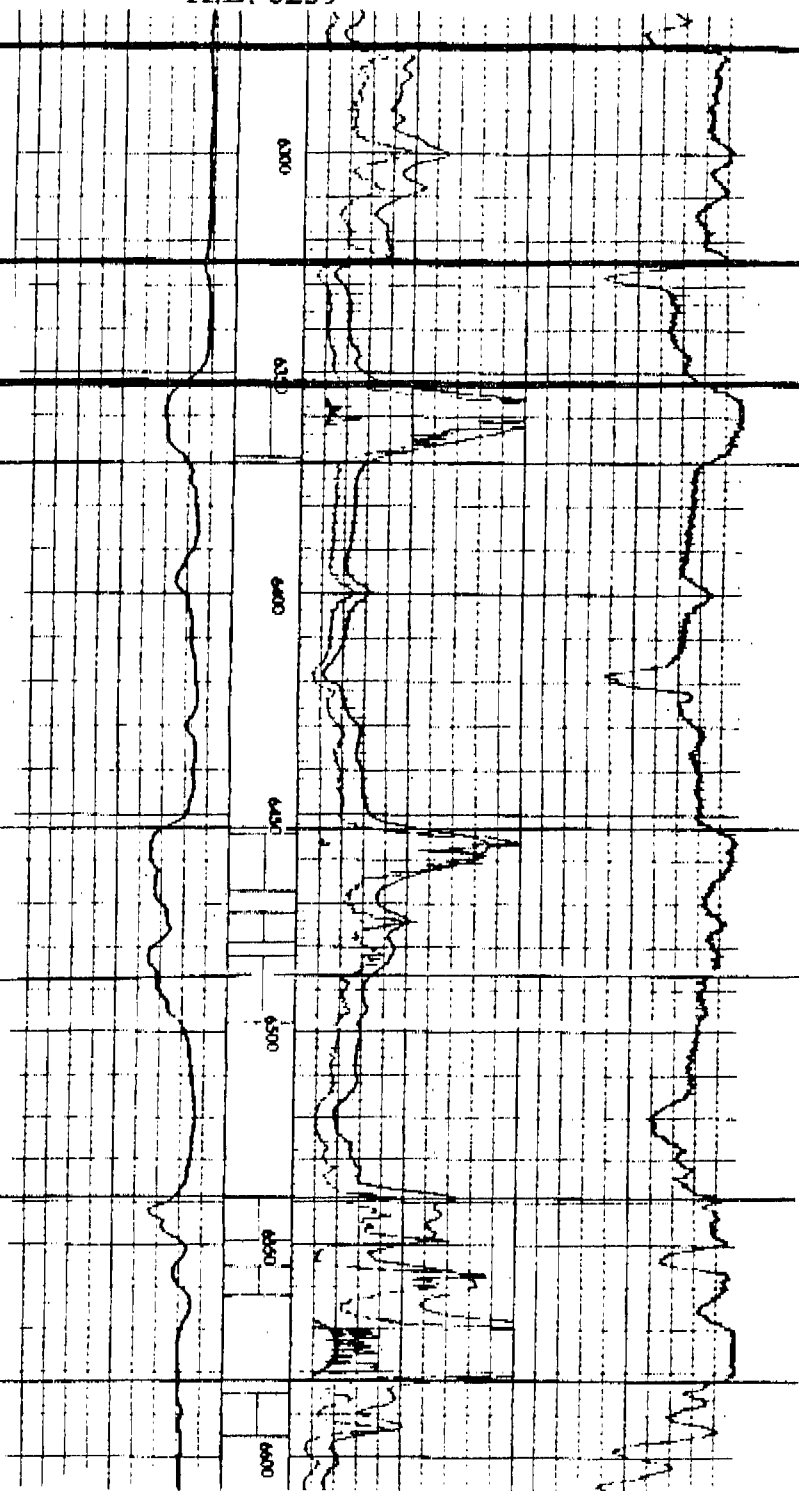
A'

Dugan Prod. Corp.  
Huerfanito #6-11  
Sec. 11, T26N, R9W  
1190' FSL - 1140' FWL  
K.B. 6259'

GREENHORN

GRANEROS

DAKOTA



1,112,737 mcfq, 14,344 bo

4400 Ft.



Dugan Prod. Corp.  
Huerfanito #5-10  
Sec. 10, T26N, R9W  
1150' FSL - 1450' FWL

K.B. 6338'



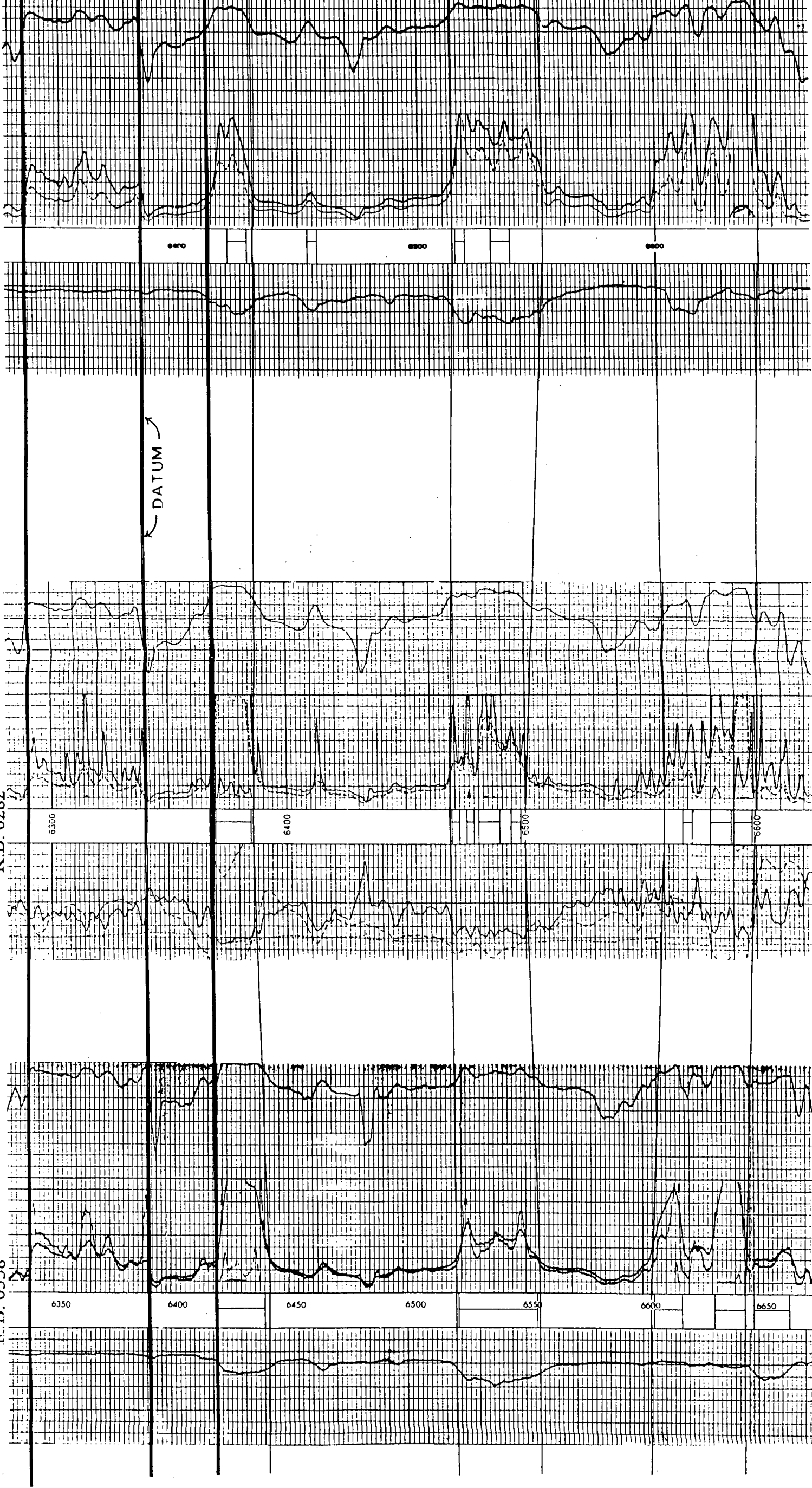
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990' FNL - 1650' FEL

K.B. 6298'



1,996,642 mcfg, 28,175 bo

1,650,741 mcfg, 17,312 bo

2100 Ft.

2500 Ft.

Dugan Production Corp.  
Huerfanito #5R  
Application for Unorthodox Location

STRATIGRAPHIC CROSS SECTION



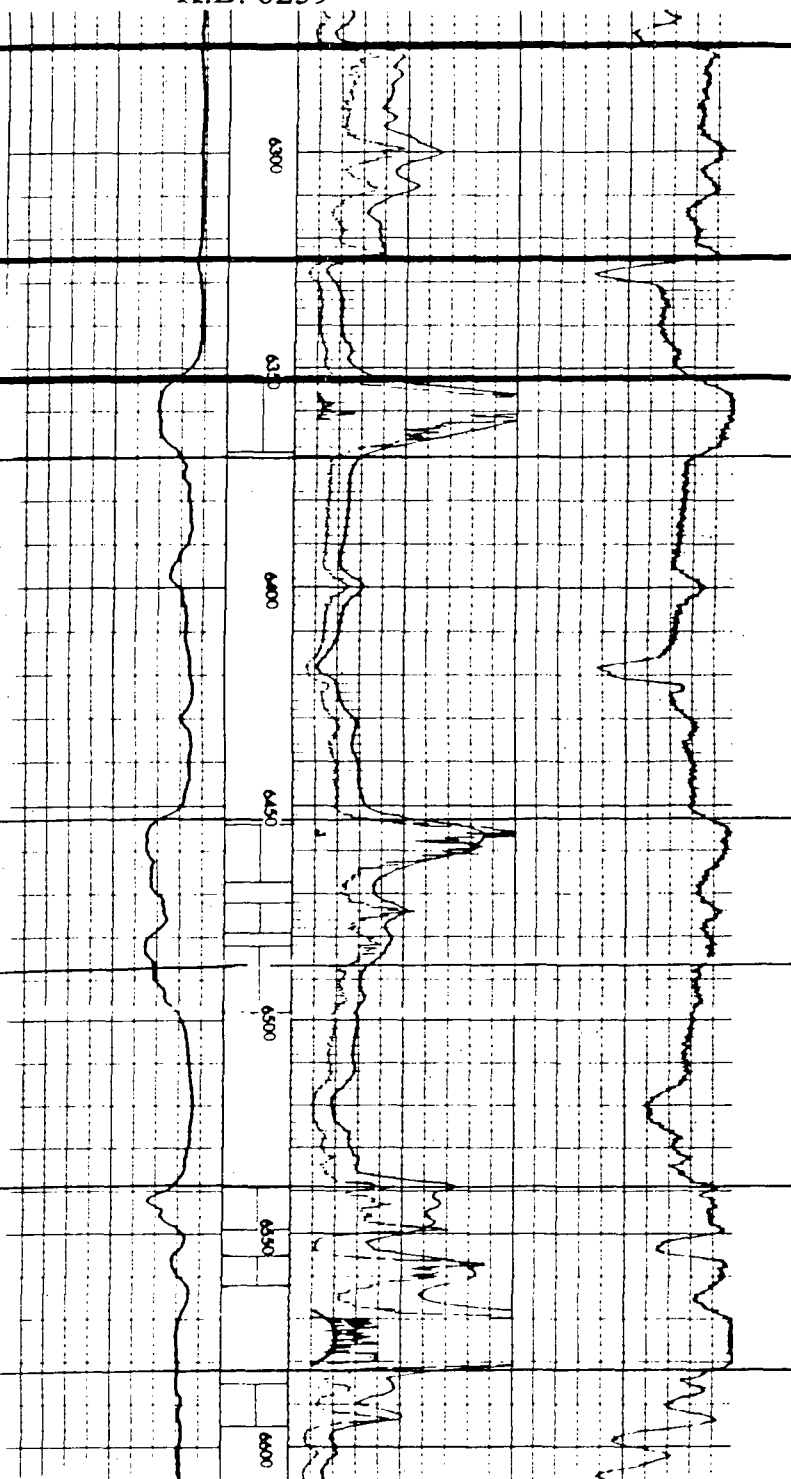
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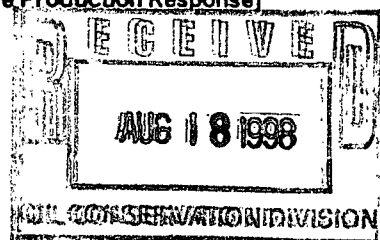
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U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
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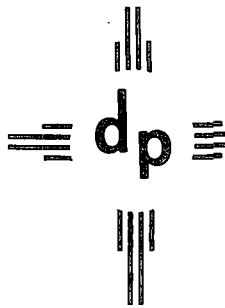
Note: Statement must be completed by an individual with supervisory capacity.

Kurt Fagrelus  
 Print or Type Name

Kurt Fagrelus  
 Signature

Geologist  
 Title

8-7-98  
 Date



dugan production corp.

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August 7, 1998

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval of Unorthodox Location  
Dugan Production Corp's. Huerfanito #5R  
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San Juan County, New Mexico  
Basin Dakota Pool

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Very Sincerely,

*Kurt H. Fagrelus*  
Kurt H. Fagrelus  
Geologist

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number		2 Pool Code 71599		3 Pool Name Basin Dakota		
4 Property Code 003709		5 Property Name Huerfanito			6 Well Number SR	
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 6275' Estimated	

10 Surface Location

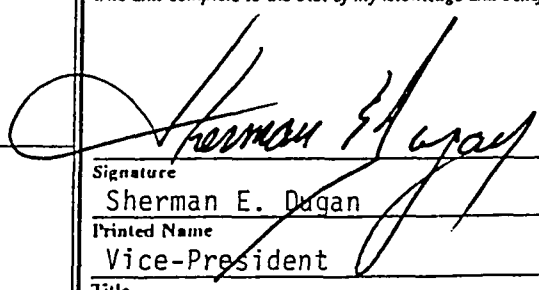

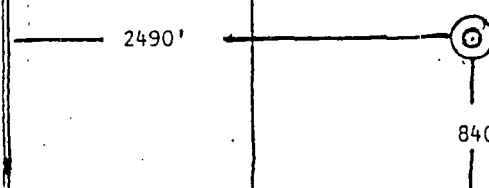
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	10	26N	9W	N	840	South	2490	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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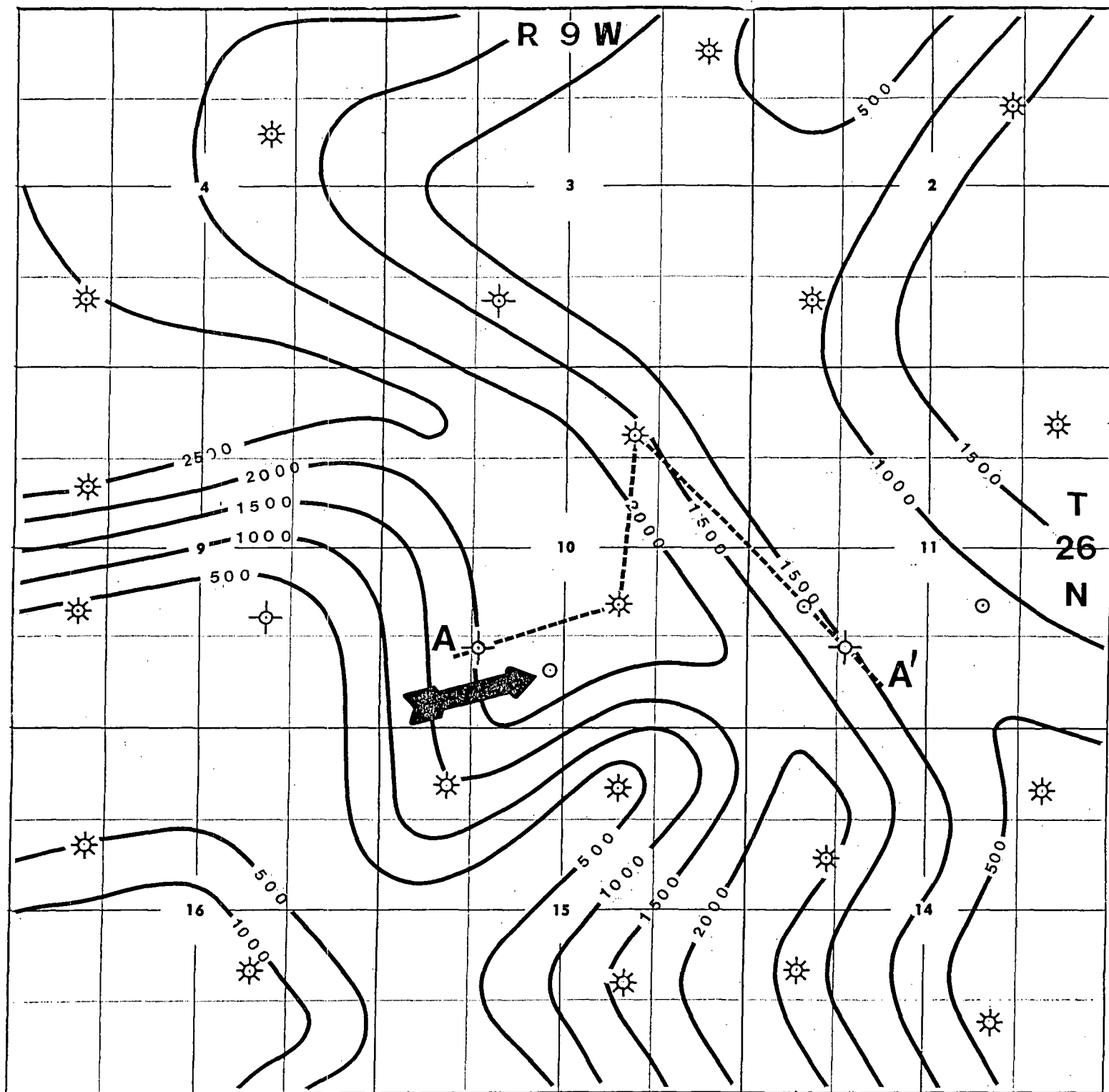
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   Signature Sherman E. Dugan Printed Name Vice-President Title June 18, 1998 Date	
Section 10					
Dugan SF Production 078388-A				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  June 8, 1998 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	
					









Dugan Production Corp.  
Huerfanito #5R  
Application for Unorthodox Location

**CUMULATIVE DAKOTA GAS  
PRODUCTION MAP THRU 11/97**

**C.I.=500 mmcf**

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/18/98 08:36:17  
OGOIV -EME1  
PAGE NO: 2

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Federal owned	Federal owned	Federal owned	Federal owned
	A	A	
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A	A		A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/18/98 08:36:10  
OGOIV -EME1  
PAGE NO: 1

Sec : 10 Twp : 26N Rng : 09W Section Type : NORMAL

D 40.00  Federal owned U A	C 40.00  Federal owned U	B 40.00  Federal owned U A	A 40.00  Federal owned U A
E 40.00  Federal owned U	F 40.00  Federal owned U	G 40.00  Federal owned U A	H 40.00  Federal owned U

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12