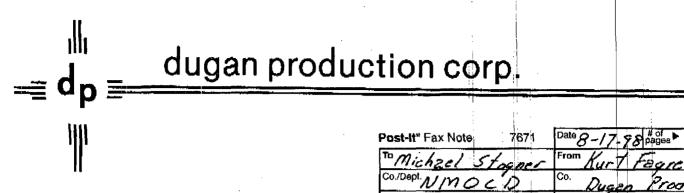
SENT BY: FARMINGTON N. M. ; 8-17-98 ; 9:27 ; DUGAN PRODUCTION -

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NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -								
	ADMINISTRATIVE A	PPLICATIO	N COVERSH	EET				
This ¢0	THE COVERSHEET IS MANCATORY 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-Poot/Lease Commingling] [PC-Poot Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expension] [PMX-Pressure Maintenance Expension] [SWD-Salt Water Disposal] [IPH-njection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]								
[1] TYPE OF A	LPPLICATION - Check Those Location - Spacing Unit - Dir NSL NSP D	ectional Drilling		AUG 1 7 1998				
Chec [B]	k One Only for [B] or [C] Commingling - Storage - Me DHC DCTB DPI		OIL OIL	CONSERVATION DIVISION				
[C]	Injection - Disposal - Pressur WFX PMX S	e Increase - Enha WD 🔲 IPI	i i					
[2] NOTIFICAT	TION REQUIRED TO: - Chec		• • • •	s Not Apply				
[B]	Offset Operators, Leasehol	ders or Surface	Owner					
[C]	☐ Application is One Which	Reguires Publist	ed Legal Notice					
[D]	Notification and/or Concur U.S. Bureau of Land Management							
{E}	☐ For all of the above, Proof	of Notification c	r Publication is A	ttached, and/or,				
[F]	[F] Q 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 Fagrelius Print or Type Name	Signature Signature	Line .	Geologist Title	<u>8 - 7 - 98</u> Date				

505 327 4613 P.02



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 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 (NMOCD 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. Fagrelius Kurt H. Fagrelius

8:53

Geologist

709 E. MURRAY DR. • P. O. BOX 420 • FARMINGTON, N.M. 87499-0420 • PHONE: (505) 325-1821 • FAX# (505) 327-4613

District IV

; 8-17-98 ;

9:28;

DUGAN PRODUCTION →

8;# 3/ 9

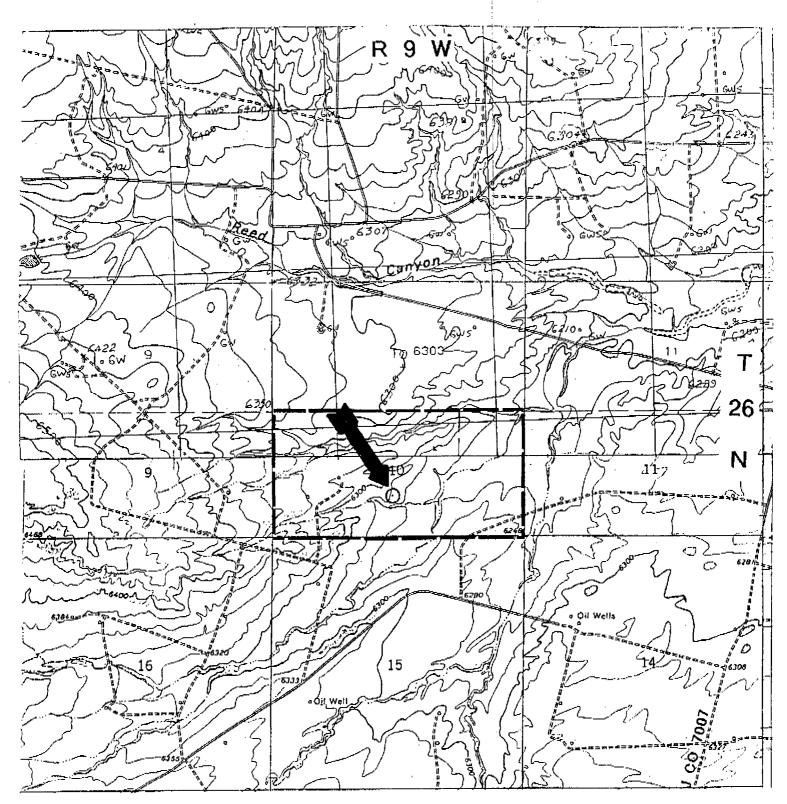
/ District 1 CO liox 1980, Hobbs, NSI 88241-1980 District II PO Deaver DD, Artesia, NNt 88211-0719 District III 1000 Rio Benzon Rd., Aztec. NM 87410

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

State of New Mexico
Energy, Minerals & Natural Renourem Department

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 1 Copies

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TOPOGRAPHIC MAP

SENT BY: FARMINGTON N.M.

; 8-17-98 ;

9:31 ;

DUGAN PRODUCTION →

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

Tourus

Burlington

OFFSETTING OPERATOR MAP DAKOTA WELLS ONLY

AUG-17-98 MON

Burtington

8:57

505 327 4613

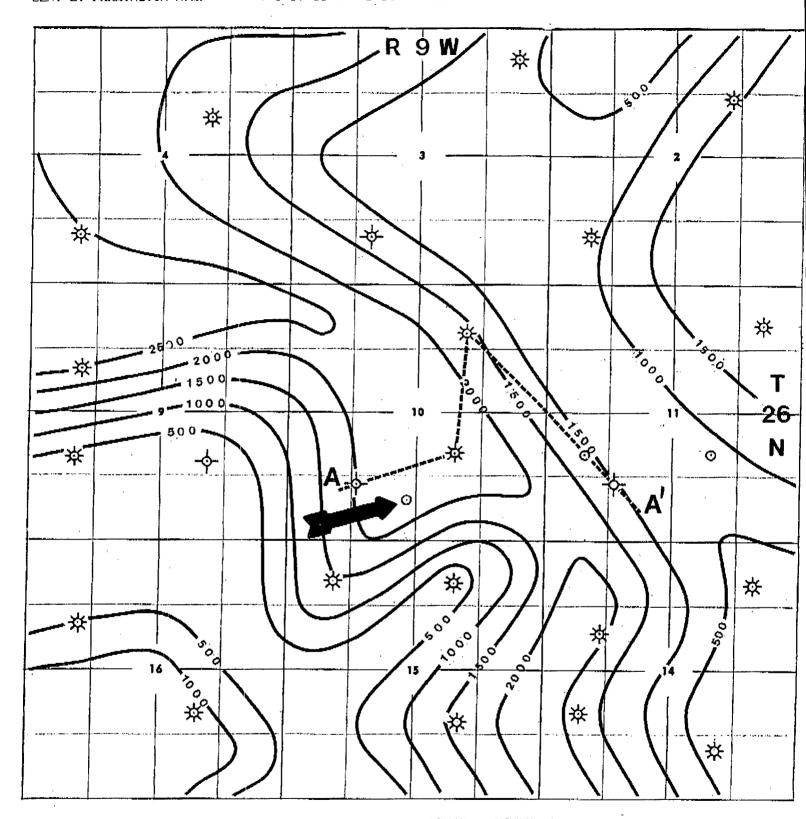
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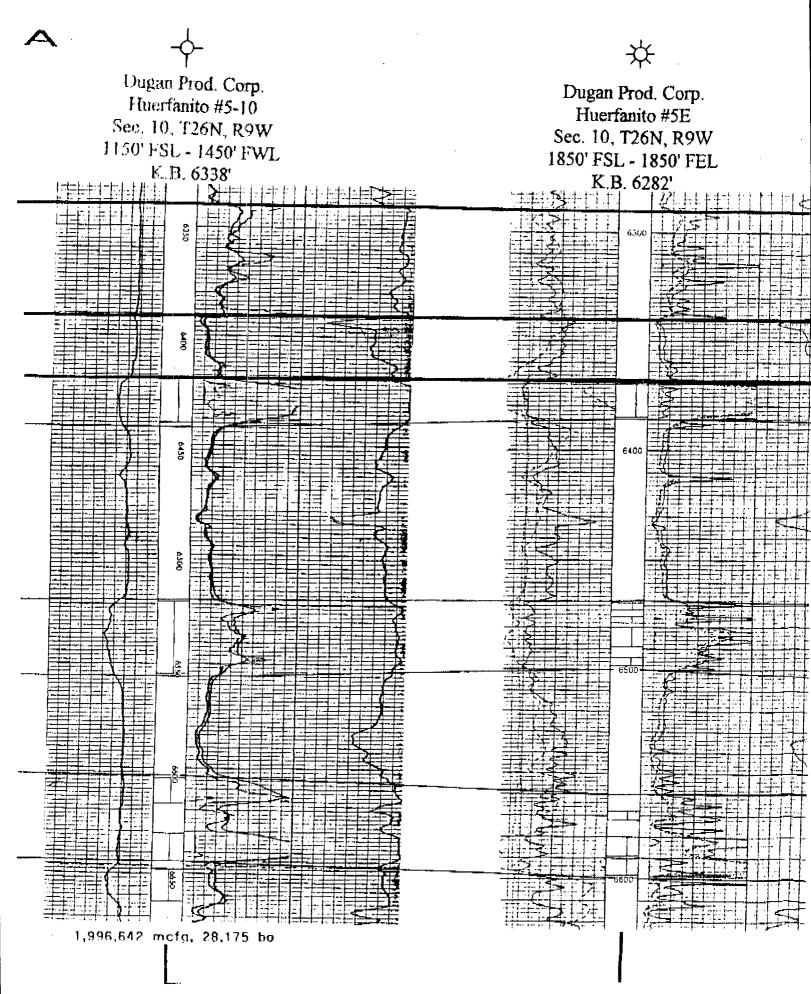
DUGAN PRODUCTION →



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

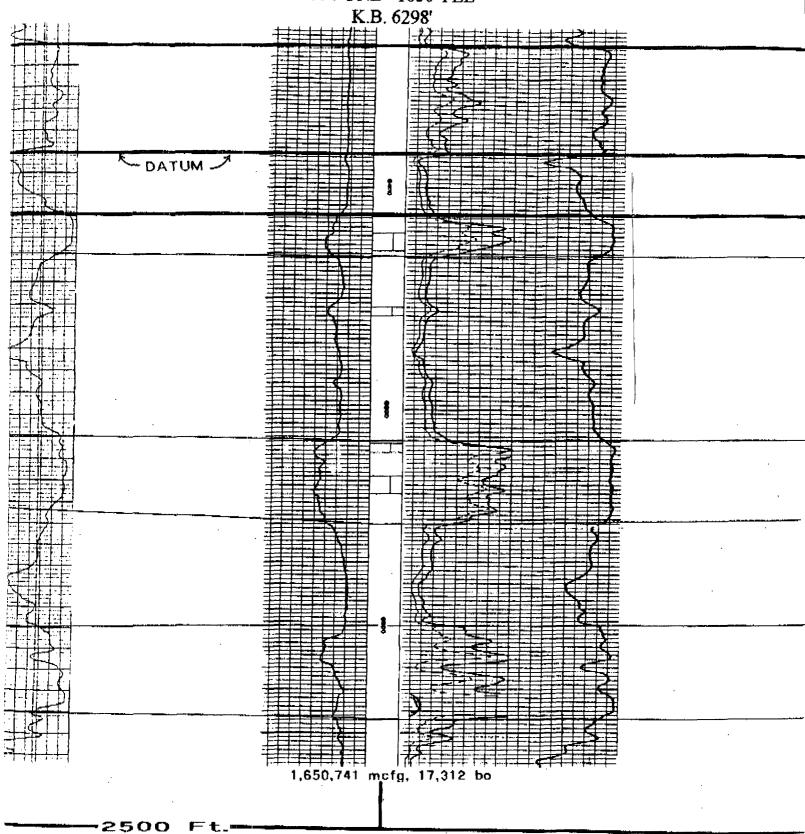
CUMULATIVE DAKOTA GAS PRODUCTION MAP THRU 11/97

C.I.=500 mmcf





Burlington Resources Huerfanito #80 Sec. 10, T26N, R9W 990' FNL - 1650' FEL

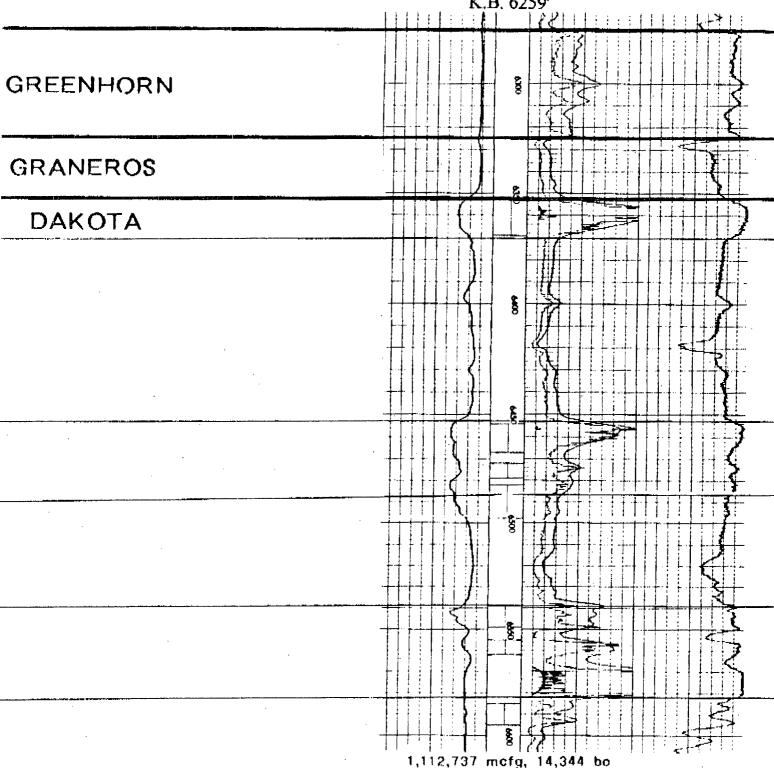


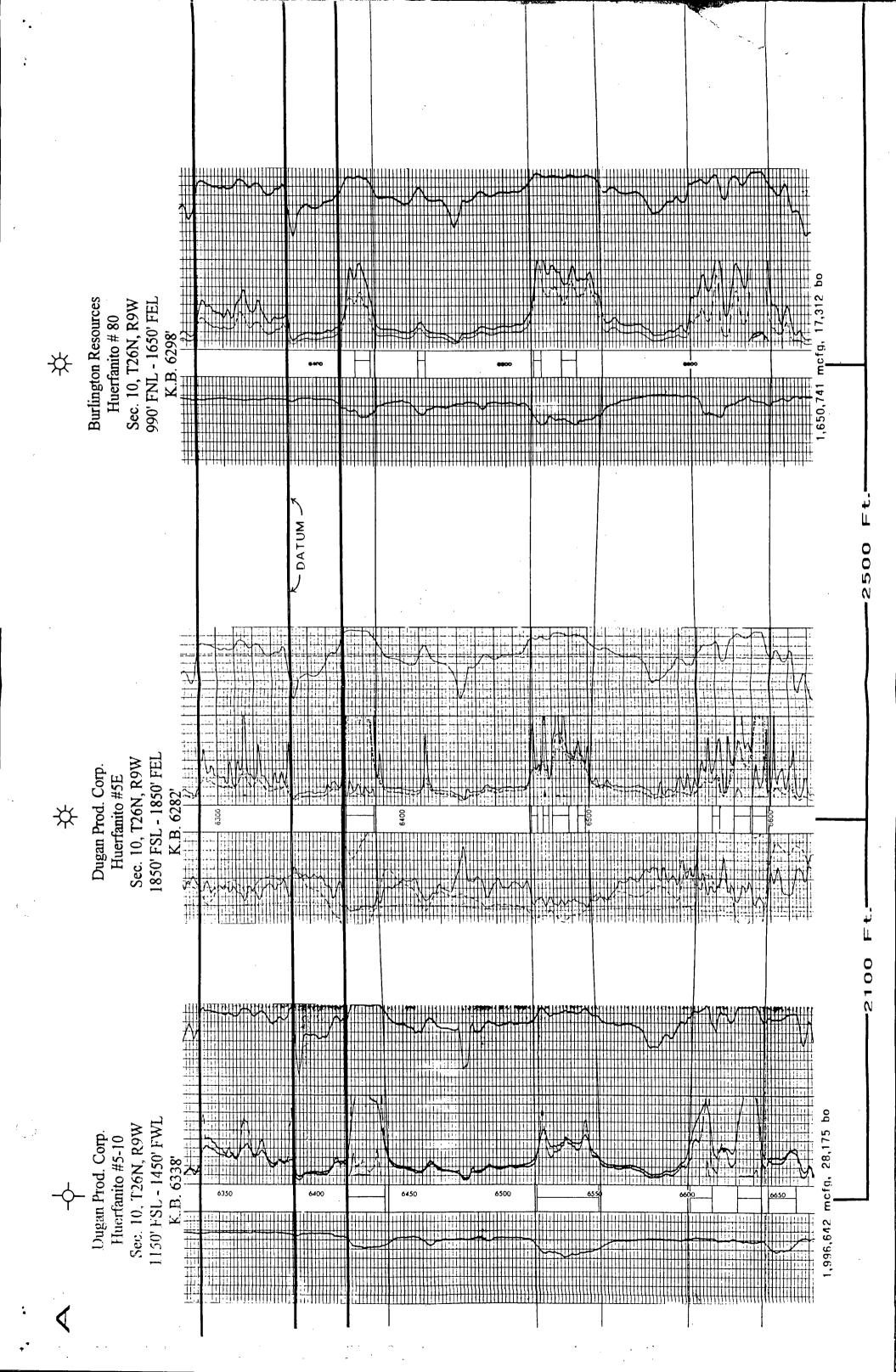
STRATIGRAPHIC CROSS SECTION

DUGAN PRODUCTION →

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

K.B. 6259'

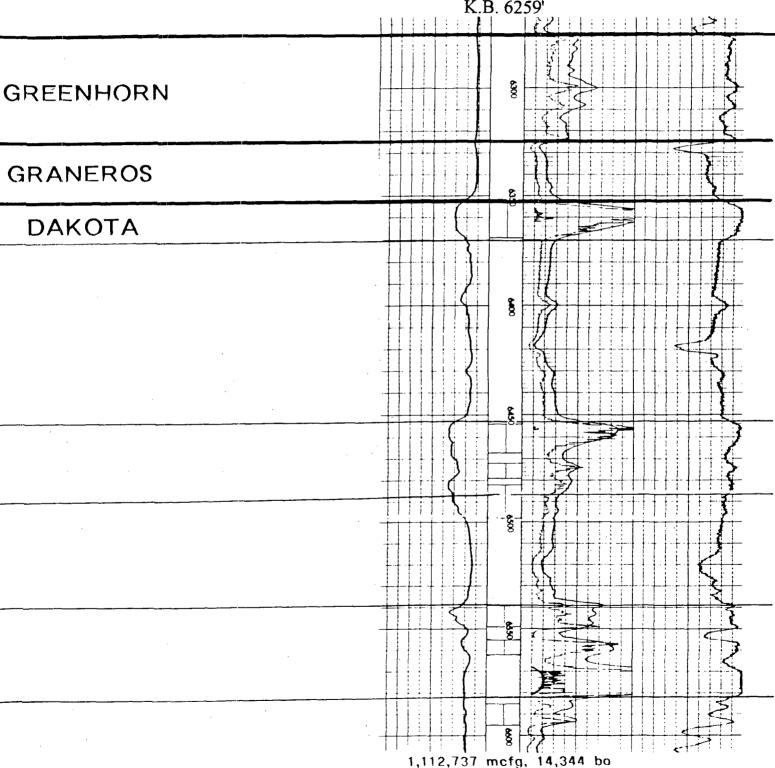




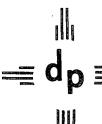
STRATIGRAPHIC CROSS SECTION

Dugan Prod. Corp.
Huerfanito #6-11
Sec. 11, T26N, R9W

1190' FSL - 1140' FWL K.B. 6259'



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[1]	TYPE OF A	PPLICATION - Check Location - Spacing United States In the NSP	nit - Directional Drilling		181998
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	[B]	Offset Operators, L	easeholders or Surface (Owner	
	[C]	☐ Application is One	Which Requires Publish	ed Legal Notice	
	[D]		Concurrent Approval by magement - Commissioner of Public L		
	[E]	☐ For all of the above	, Proof of Notification of	Publication is Attache	ed, and/or,
	[F]	☐ Waivers are Attache	ed.		
[3]	INFORMAT	ION / DATA SUBMIT	TED IS COMPLETE -	Statement of Understa	anding
I hereby Regulat approva RI, ORI	y certify that I, tions of the Oil al is accurate a RI) is common	or personnel under my Conservation Division. Indicate to the best of Trust I further verify that alternation or notification is	supervision, have read a Further, I assert that the of my knowledge and what I applicable API Numbe	nd complied with all application nere applicable, verify its are included. I unde	oplicable Rules and for administrative that all interest (WI, rstand that any
		Note: Statement mus	st be completed by an individual with s	spervisory capacity.	
<u>Yurt</u> Print or T	Fagrelius ype Name	Kurt F. Signature	agrelius c	Geologist itle	<u>8 - 7 - 98</u> Date



dugan production corp.



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 840' FSL & 2490' FWL (SE/4 SW/4) Unit N, Section 10, T26N, R9W San Juan County, New Mexico Basin Dakota Pool

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Very Sincerely,

Kurt H. Fagrelius Kurt H. Fagrelius

Geologist

PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III

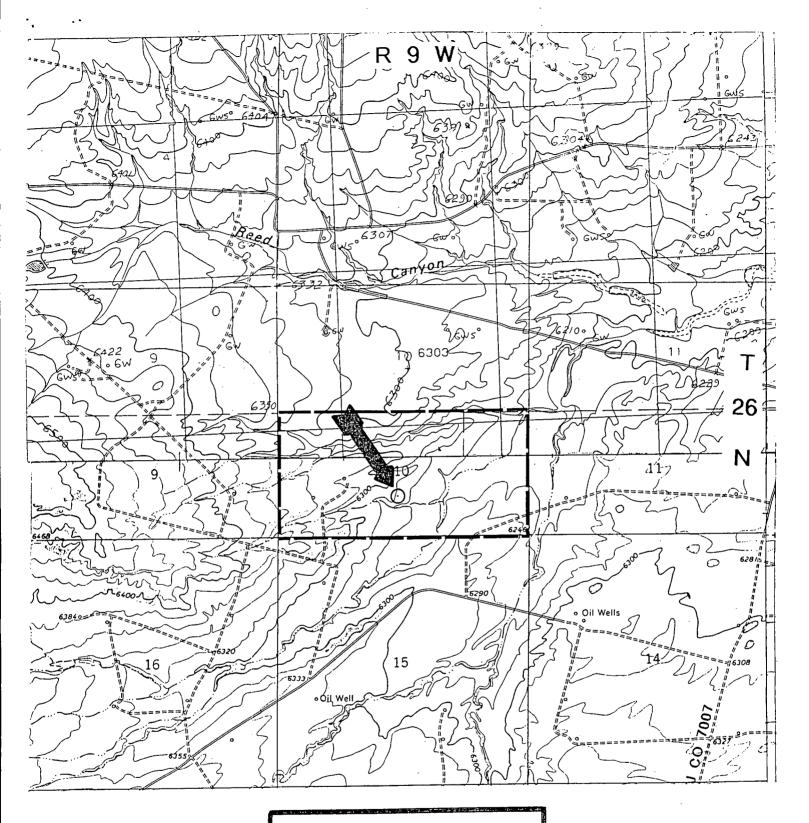
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

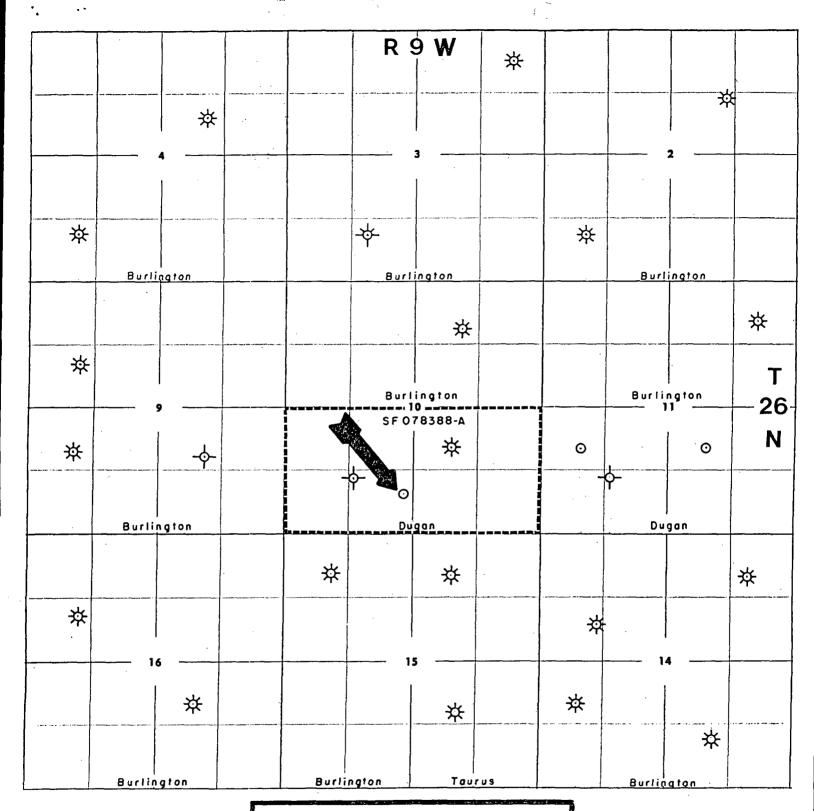
Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

1000 Rio Brazos Rd., Aztec, NM 87410 District IV

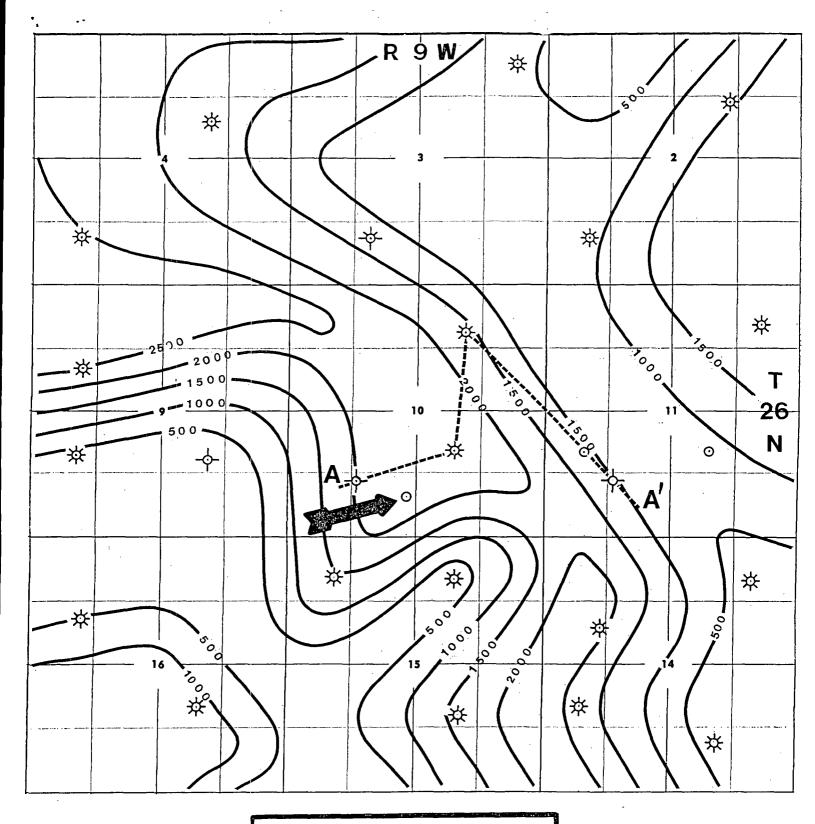
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TOPOGRAPHIC MAP



OFFSETTING OPERATOR MAP DAKOTA WELLS ONLY



CUMULATIVE DAKOTA GAS PRODUCTION MAP THRU 11/97

C.I.=500 mmcf

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08/18/98 08:36:17 OGOIV -EME1

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CMD : OG5SECT

INQUIRE LAND BY SECTION 08/18/98 08:36:10 OGOTV -FME1

PAGE NO: 1

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