



# dugan production corp.

RECEIVED

DEC 01 2003

OIL CONSERVATION  
DIVISION

November 26, 2003

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Application for Administrative Approval of Unorthodox Location for  
Dugan Production Corp.'s Sly Slav Com # 90S  
Unit P, Section 13, T30N, R15W, 866'FSL & 237' FEL (E/2- 320)

Dear Mr. Stogner:

Dugan Production has previously requested approval for an unorthodox location for the referenced well. Attached for your reference are the Exhibits previously furnished which include the following:

1. Well location and acreage dedication plat (NMOCD Form C-102)
2. Topographic map
3. Offsetting operator map

This request is necessary due to topographic conditions. This Application was previously denied due to the examiners inability to determine if proper notice was given to the affected parties. Additionally the cover letter stated that this application covered Fruitland Sand and Pictured Cliffs offsetting operators. Please be advised that ther offsetting affected parties are Dugan Production Corp., thus no notice was necessary. The information on the cover letter was a typographical error and should have stated the Fruitland Coal formation. Dugan Production Corp. apologizes for these errors on our part.

We are resubmitting this application with the request that you revisit this request for unorthodox approval in light of the above explanations.

If you have any questions, please feel free to call me.

Sincerely,

David M. Poage  
Land Manager



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code <b>71629</b>	<sup>3</sup> Pool Name <b>BASIN FRUITLAND COAL</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>SLY SLAV COM</b>	<sup>6</sup> Well Number <b>90-S</b>
<sup>7</sup> OGRID No. <b>006515</b>	<sup>8</sup> Operator Name <b>DUGAN PRODUCTION CORP.</b>	<sup>9</sup> Elevation <b>5527</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	30 N	15 W		866	SOUTH	237	EAST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>320 E/2</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 2629.85 2684.17 2629.93 2634.50	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature: <i>Kurt Fagrelis</i> Printed Name: Kurt Fagrelis Title and E-mail Address: Geologist Date: Oct. 3, 2003
	<sup>18</sup> SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: 18 SEP 03 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: 15512
	DUGAN FEE-10034 DUGAN NM-16765 DUGAN NM-10875 DUGAN FEE-10057 SLY SLAV 90-S
	2631.99 2631.17 2639.02 2630.91 237' 660' 660'

DUGAN PRODUCTION CORP. SLY SLAV # 90-S  
 866' FSL & 237' FEL, SECTION 13, T. 30 N., R. 15 W., N.M.P.M.  
 SAN JUAN COUNTY, NEW MEXICO.  
 ELEVATION 5529'



PLAN SCALE 1" = 800'



CHECKED BY PE  
 DRAWN BY RG  
 SHEET X of X



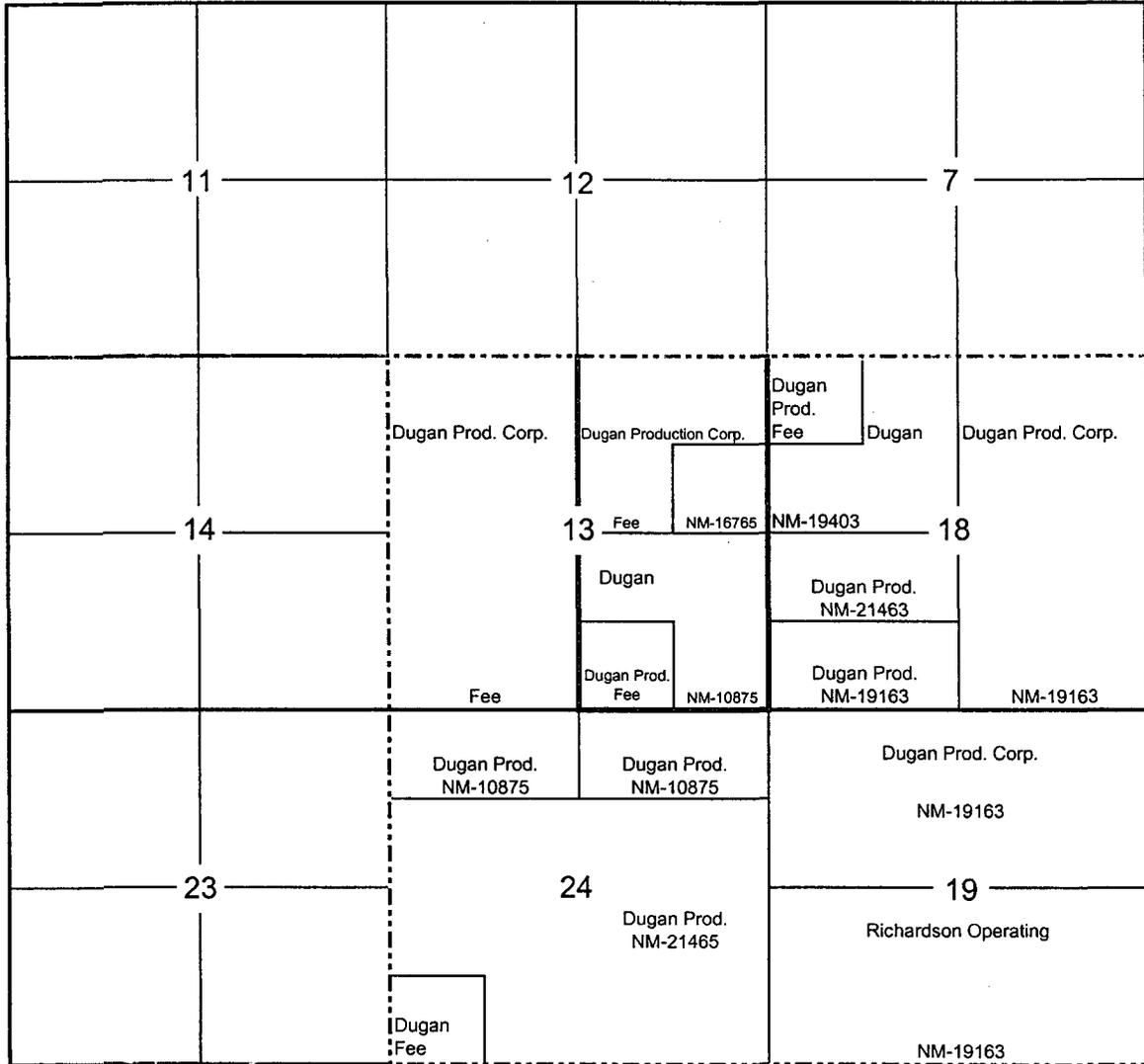
EPP & ASSOCIATES, INC.  
 PROFESSIONAL LAND SURVEYORS

433 4th Avenue West  
 P.O. Box 837  
 Craig, CO 81625

Phone (970) 824-8236  
 Fax (970) 824-5227

Prepared for:  
**Dugan Production Corp.**  
 P.O. Box # 420  
 Farmington, N.M. 87499

**Dugan Production Corp.**  
**Sly Slav Com # 90S**  
**Application for Unorthodox Location**  
**Basin Fruitland Coal Pool**  
**San Juan County, New Mexico**



**T  
3  
0  
N**

**R 15 W**

**R 14 W**

Offsetting Operators and Mineral Owners Map  
 All Offsetting Operators are Working Interest owners



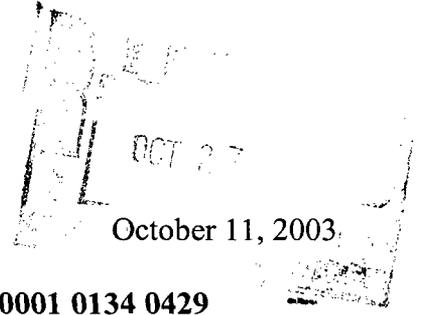
Spacing Unit



Offsetting notification area



# dugan production corp.



Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Certified - 7002 2410 0001 0134 0429**

October 11, 2003

Re: Application for Administrative Approval of Unorthodox Location for  
Dugan Production Corp.'s Sly Slav Com #90-S  
Unit P, Section 13, T30N, R15W 866' FSL & 237' FEL (E/2 - 320)

Dear Mr. Stogner:

*not in file R-11775/  
R-11775-B  
Coal Area / Mining  
Arlene*

Dugan Production hereby requests approval for an unorthodox location for the referenced well. Attached for your reference are the following exhibits:

1. Well location and acreage dedication plat (NMOCD Form C-102)
2. Topographic map
3. Offsetting operator map

The unorthodox location is necessary due to topographic conditions. Existing and future underground mine plan developments occupy all favorable topographic and orthodox areas within the proration unit.

The subject well is located on existing oil gas leases issued to Dugan Production that coincide with San Juan Coal Company coal leases. Under the terms of a pending, cooperative agreement with the Bureau of Land Management, San Juan Coal Company and Dugan Production, Dugan will make application for, drill and complete as expeditiously as possible a Fruitland Coal well at the referenced location.

By certified mail, a copy of this application and request for administrative approval has been sent to all Fruitland Sand and Pictured Cliffs offsetting operators, the Bureau of Land Management and San Juan Coal Company.

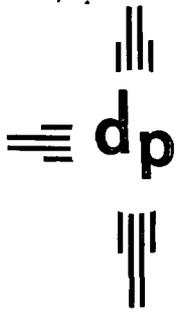
Please contact me if you have any questions or need additional information.

Sincerely,

Kurt Fagrelus  
Geologist

Attachments





# dugan production corp.

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Cc:

Bureau of Land Management – 1235 La Plata Hwy., Farmington, NM 87401  
(Certified Return Receipt Requested – 7002 2410 0001 0134 0412)

NMOCD - 1000 Rio Brazos Road, Aztec, NM 87410  
(Certified Return Receipt Requested – 7002 2410 0001 0134 0436)

San Juan Coal Company- 300 West Arrington, Suite 200, Farmington, NM 87401  
(Certified Return Receipt Requested – 7002 2410 0001 0134 0450)

San Juan Coal Company- P.O. Box 155, Fruitland, NM 87416  
(Certified Return Receipt Requested – 7002 2410 0001 0134 0467)

Richardson Operating Company – 501 Airport Drive, Suite 119, Farmington, NM 87401  
(Certified Return Receipt Requested – 7002 2410 0001 0134 0474)

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

10/28/03 13:17:07  
OGOMES -TPET  
PAGE NO: 1

Sec : 13 Twp : 30N Rng : 15W Section Type : NORMAL

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

10/28/03 13:17:18  
OGOMES -TPET  
PAGE NO: 2

Sec : 13 Twp : 30N Rng : 15W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Fee owned	Fee owned	Federal owned A	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Fee owned	Fee owned A A	Fee owned A	Federal owned A

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD       PF09 PRINT   PF10 SDIV     PF11            PF12

CMD : ONGARD 10/28/03 13:17:42  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPET

OGRID Idn : 6515 API Well No: 30 45 31944 APD Status(A/C/P): A  
Opr Name, Addr: DUGAN PRODUCTION CORP Aprvl/Cncl Date : 10-07-2003  
PO BOX 420  
FARMINGTON,NM 87499

Prop Idn: 33034 SLY SLAV COM Well No: 90

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn : A	13	30N	15W				FTG 1150 F N	FTG 790 F E
OCD U/L : A		API	County	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 5354

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 850 Prpsd Frmtn : BASIN FRUITLAND COAL

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12