

dugan production corp.



August 24, 2001

FAX No. 505-476-3462

Mr. David Catanach New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re:

Dugan's Application dated 8-14-01

Add nine wells to Dugan's Tabor Gathering System

Dear Mr. Catanach:

In response to your letter of 8-22-01, attached is a completed Administrative Application Checklist for the subject application.

As indicated on the checklist, our 8-14-01 application included copies of Dugan's letters transmitting notice to the working interest owners (Attachment No. 7), royalty interest owners (Attachment No. 8 for fee royalty owners and the 8-14-01 application for federal and state royalty) and the overriding royalty interest owners (Attachment No. 9) all of which were sent by "certified return-receipt" mail. We have now received the return receipt cards for all working and royalty interest plus 17 of the 21 overriding royalty interest owners. Attached are copies of these receipts as "proof of notice".

In addition, attached are copies of three envelopes sent to overriding royalty interest owners Edward & Juanita Lopez, Martin Moe, Jr. plus Harper & Nellie Proctor, each owning 0.375% interest in Dugan's Stella Needs A Com No. 2. All three were mailed using the best address information available and were returned undelivered. At this time we have no contact with these three overriding royalty interest owners.

Also, overriding royalty interest owner Dorothy Ann Kenny (1.0% ORRI in Dugan's Mayre No. 4R) died on 7-28-01. She was a sister-in-law to Mr. Dugan and in light of here recent death, Mr. Dugan has assumed the responsibility of representing her interest. Thus it is our belief that we have provided the necessary notice to all interest owners involved with this application.

Should you have questions or need additional information regarding our application, please let me know. For expediency, I'm faxing this letter and will also send by regular mail so that your file will contain the original.

Sincerely,

John D. Roe

Engineering Manager

John D Rose

JDR/tmf

attachments

DATE IN	TUSPENSE	ENGINEES	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms: [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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] TYPE OF APPLICATION - Check Those Which Apply for [A] [1]Location - Spacing Unit - Simultaneous Dedication [A] ☐ NSL ☐ NSP ☐ SD Check One Only for [B] or [C] [B] Commingling - Storage - Measurement ☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☒ OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C] WFX PMX SWD IPI EOR PPR Other: Specify _ [D]NOTIFICATION REQUIRED TO: - Check Those Which Apply, or

Does Not Apply [2] Working, Royalty or Overriding Royalty Interest Owners [A]Offset Operators, Leaseholders or Surface Owner [B] Application is One Which Requires Published Legal Notice [C]|X| Notification and/or Concurrent Approval by BLM or SLO [D] U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office For all of the above. Proof of Notification or Publication is Attached, and/or. * [E] *- Copies of leffers providing Notice une included in the application as Attack ments No. 7. 8+9- Liper receiving the "Ce Aified Return Recorpts", copies will be provided as "prest of Notice" [F] Waivers are Attached SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division. Note: Statement must be completed by an individual with managerial and/or supervisory capacity. Engineering Manager John D. Roe Print or Type Name

dugan@cptnet.com

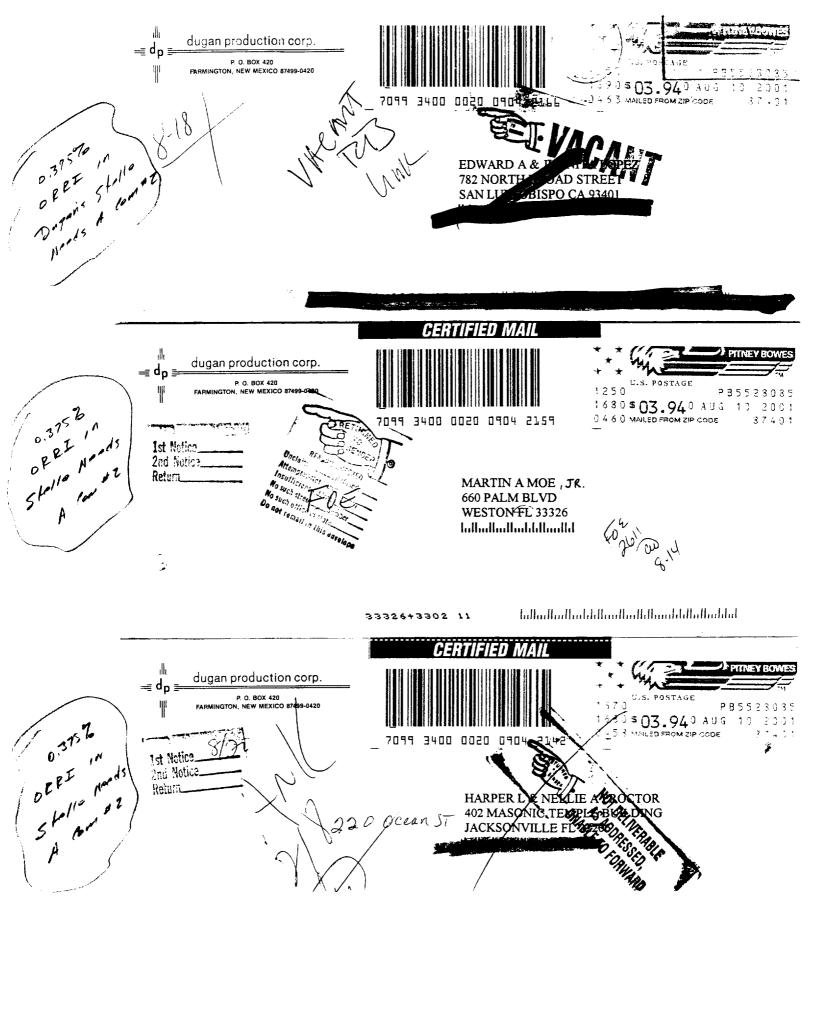
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New Mexico Oil Conservation Division---Enginnering Bureau Administrative Application Process Documentation

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Date of Preliminary Review: (Note: Must be within 10-days of receive	·d date)	J-22-01	
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Date Incomplete Letter Sent:		8-22-01	
Deadline to Submit Requested Information	on:	8-2201 8-2501-Recd 81	124/01
Phone Call Date: (Note: Only applies if requested data is n	not submitted v	vithin the 7-day deadline)	
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Date Application Processed:			
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