

BEFORE THE

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OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF DUGAN PRODUCTION CORPORATION FOR  
POOL EXTENSION AND AN UNORTHODOX  
OIL WELL LOCATION, RIO ARRIBA  
COUNTY, NEW MEXICO.

Case 8713

APPLICATION

Comes now, DUGAN PRODUCTION CORPORATION, by and through its undersigned attorneys and hereby makes application to the Oil Conservation Division for an order extending the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of certain mineral interests located within the current pool boundaries of the Gavilan-Mancos Oil Pool and owner of other interests in the area which is the subject of this application for the extension of the boundaries of said pool.

2. Wells in this area can effectively and efficiently drain 320-acre spacing or proration units.

3. The pool rules for the Gavilan-Mancos Oil Pool provide for 320-acre spacing and proration units.

4. Applicant seeks an order extending the boundaries of the Gavilan-Mancos Oil Pool to include the following described lands in Rio Arriba County, New Mexico:

Township 25 North, Range 2 West, N.M.P.M.

Sections 1 and 2: All

Sections 11 through 14: All

Township 26 North, Range 2 West, N.M.P.M.

Sections 25 and 26: All

Sections 36 and 36: All:

5. Applicant seeks approval of an unorthodox oil well location for the Mallon Oil Co. Howard Federal Com. 1-8 Well located 1650 feet from the North line and 870 feet from the East line of Section 1, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico within the proposed Gavilan-Mancos Oil Pool Extension. Said well is completed in the Mancos Oil Pool, and the E/2 of said Section 1 should be dedicated to the well.

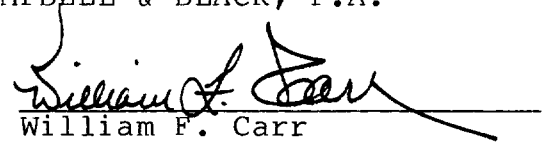
6. The proposed expansion of the Gavilan-Mancos Oil Pool is in the best interest of conservation, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on October 9, 1985, and that after notice and hearing as required by law, the Division enter its order extending the boundaries of the Gavilan-Mancos Oil Pool to include the aforementioned acreage, approving the location of the Mallon Howard Federal Com. 1-8 Well located 1650 feet from the North line and 870 feet from the East line of Section 1, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

A handwritten signature in dark ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

(505) 988-4421

ATTORNEYS FOR DUGAN PRODUCTION  
CORPORATION