

# dugan production corp.

January 16, 1978

Joe D. Ramey  
Secretary-Director  
New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, NM 87501

Re: Application for Approval of Downhole  
Commingling of the Jicarilla #5 Well  
(Gallup and Dakota) in Rio Arriba  
County, New Mexico.

*D-29-26N-4W*

Dear Mr. Ramey:

Enclosed are the following instruments concerning the Application for Approval of Downhole Commingling by Jerome P. McHugh for the Jicarilla #5 Well located in the N/2 of Section 29, Township 26 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.

1. Three copies of the Application.
2. Three copies of a Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well, the U. S. Geological Survey, and the Supervisor of the District III Office of the New Mexico Oil Conservation Commission have been notified of this Application.

We would appreciate it if you would place this Application for hearing on February 8, 1978.

Thank you for your assistance and cooperation in this matter. Please advise if you need further information.

Sincerely,

*Thomas A. Dugan*  
Thomas A. Dugan  
Agent

pb

Enclosures



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In The Matter Of The Application Of  
Jerome P. McHugh For Downhole Commingling  
Of The Jicarilla #5 Well  
In Rio Arriba County, New Mexico

APPLICATION

Pursuant to Rule 303 C of the Rules and Regulations of the State of New Mexico Oil Conservation Commission, the Applicant, Jerome P. McHugh, by and through his agent, Thomas A. Dugan, hereby makes application for approval of downhole commingling in the well bore of the Jicarilla #5 Well in Rio Arriba County, New Mexico.

The Applicant further states:

1. The Operator of the Jicarilla #5 Well is the Applicant Jerome P. McHugh.

2. The Jicarilla #5 Well is located on Jicarilla Apache Tribal Contract No. 120 insofar as it covers the following described lands:

Township 26 North, Range 4 West, N.M.P.M.  
Section 29: N/2 (Tapacito Gallup)  
Section 29: N/2 (Basin Dakota)  
Rio Arriba County, New Mexico

3. The legal location of the well is as follows:

Township 26 North, Range 4 West, N.M.P.M.  
Section 29: 890' FNL - 880' FWL (Unit Letter D)  
Rio Arriba County, New Mexico

4. The Jicarilla #5 Well is currently dually completed in the Tapacito Gallup Pool and the Basin Dakota Pool. The New Mexico Oil Conservation Commission Order No. 1837 authorized the dual completion of this well.

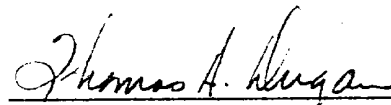
5. Because of low bottom hole pressure, declining production, and the need to raise the produced fluids, it is necessary to commingle the Tapacito Gallup production with the Basin Dakota production in the tubing instead of continuing to produced the Tapacito Gallup production through the casing-tubing annulus.

6. The ownership of the above mentioned Pools is common.

7. The proposed commingling from the above Pools will result in the recovery of additional hydrocarbons from each of these Pools, thereby preventing waste, and the commingling will not violate correlative rights.

WHEREFORE, the Applicant requests this Application be set for hearing on February 8, 1978; and after this hearing the New Mexico Oil Conservation Commission grant this Application by giving approval to the downhole commingling of the Jicarilla #5 Well in Rio Arriba County, New Mexico.

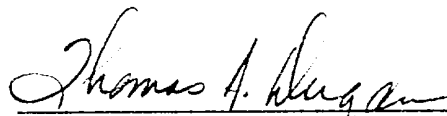
Respectfully submitted,



Thomas A. Dugan  
Agent for Applicant  
P. O. Box 234  
Farmington, NM 87401

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Downhole Commingling for the Jicarilla #5 Well in Rio Arriba County, New Mexico to all operators of leases offsetting the dedicated acreage for this well, the U. S. Geological Survey, and the Supervisor of the District III Office of the New Mexico Oil Conservation Commission.



Thomas A. Dugan  
Agent for Applicant  
P. O. Box 234  
Farmington, NM 87401

DISTRIBUTION

1. Jerry Long  
District Engineer  
U. S. Geological Survey  
Box 1809  
Durango, CO 81301
2. Al R. Kendrick  
Supervisor, District III Office  
New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, NM 87410
3. Ray Nordhausen  
Northwest Production Corporation  
Box 1796  
El Paso, TX 79949
4. Bill Curtis  
Manager, Land  
Southern Union Production Company  
Suite 1700  
8350 North Central Expressway  
Dallas, TX 75206