



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

December 4, 1979

Mr. Thomas A. Dugan
P. O. Box 208
Farmington, New Mexico 87401

Re: Jerome P. McHugh
Jicarilla #5
D-29-26N-4W

Dear Mr. Dugan:

We agree to the production split set out below for the downhole commingled production as authorized by Order R-5665-A for the subject well.

Gallup 80% of all gas, 50% of all oil produced
Dakota 20% of all gas, 50% of all oil produced

By copies of this letter the authorized transporters are advised.

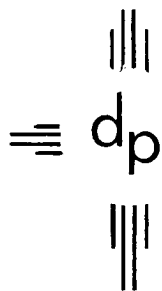
If there are questions, please contact us.

Yours very truly,


A. R. Kendrick
District Supervisor

xc: Oil Conservation Division, Santa Fe
Gas Transporter: El Paso Natural Gas Company
Oil Transporter: Plateau, Inc.

ARK:no



dugan production corp.

November 30, 1979

Al Kendrick
Division Director
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

Re: Jerome P. McHugh
Jicarilla #5
Sec 29 T26N R4W
Rio Arriba County, NM

Dear Al:

The above captioned well was approved for commingling the Dakota and Gallup production in the wellbore.

NMOCD Order No. R-5665-A states that we contact you to arrive at an allocation formula for distributing production to each of the formations.

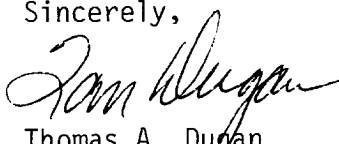
We propose to allocate the production from the well as follows:

	GAS		OIL
Gallup	80%	Gallup	50%
Dakota	20%	Dakota	50%

The valve in the packer was opened November 3, 1979 to permit commingling in the wellbore. The well had not produced prior to this date during November, so all November production should be allotted according to these allocation percentages.

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

Sincerely,


Thomas A. Dugan
Agent

pb

cc: U. S. Geological Survey, Durango
Jerome P. McHugh

