

POST OFFICE BOX 234
Zip Code 87401

DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President
709 BLOOMFIELD RD.
FARMINGTON, NEW MEXICO
September 5, 1969

TELEPHONE: 325-9184 Office
325-5694 Home

Area Code 505

Mr. A. L. Porter
Oil Conservation Commission
Box 2038
Santa Fe, New Mexico

Re: Jerome P. McHugh
Jicarilla A #3
Unit O, Sec. 19, T 26 N, R 3 W
Rio Arriba County, New Mexico

Dear Mr. Porter:

We are requesting administrative approval to commingle liquid hydrocarbon production from the captioned well, which is a dual completion as an undesignated Gallup gas well and as a gas well in the Basin Dakota pool.

The gravity of the liquid hydrocarbons from both zones will be approximately the same, 55° API. The gravity of the commingled liquid hydrocarbon will be unchanged.

The value of the liquid hydrocarbon from each zone and the value of the commingled hydrocarbon are the same.

The undesignated Gallup gas well will make approximately 500 MCF per day, with 30 bbl. liquid hydrocarbon per MCF, or an estimated 15 bbl. condensate per day. The Basin Dakota zone will make an estimated 300 MCF per day with 30 bbl. liquid hydrocarbon per MCF, or an estimated 9 bbl. condensate per day.

We are attaching a plat and schematic diagram.

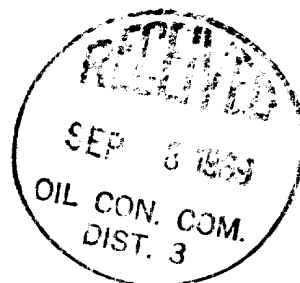
Sincerely,

Original signed by T. A. Dugan

Thomas A. Dugan

sc

cc Encey Arnold ✓
J. P. McHugh



DUCAN PRODUCTION CORP.

THOMAS A. DUCAN, President

and Chairman of the Board

PARANETRON, INC., MEMPHIS, TENN.

Area Office

Dear Mr. [Name]:

I am writing to you today to inform you of the results of our recent investigation into the matter of [Subject].

Our investigation has revealed that [Subject] is a [Description of Subject].

It is our policy to maintain the highest standards of integrity and honesty in all of our business dealings.

We are confident that you will understand the importance of this matter and the need for our continued vigilance.

We appreciate your cooperation in this matter and your understanding of our position.

We are sure that you will find this information helpful and that it will assist you in your own efforts to maintain the highest standards of integrity and honesty in your business dealings.

Sincerely,

THOMAS A. DUCAN, President

Paranetron, Inc.

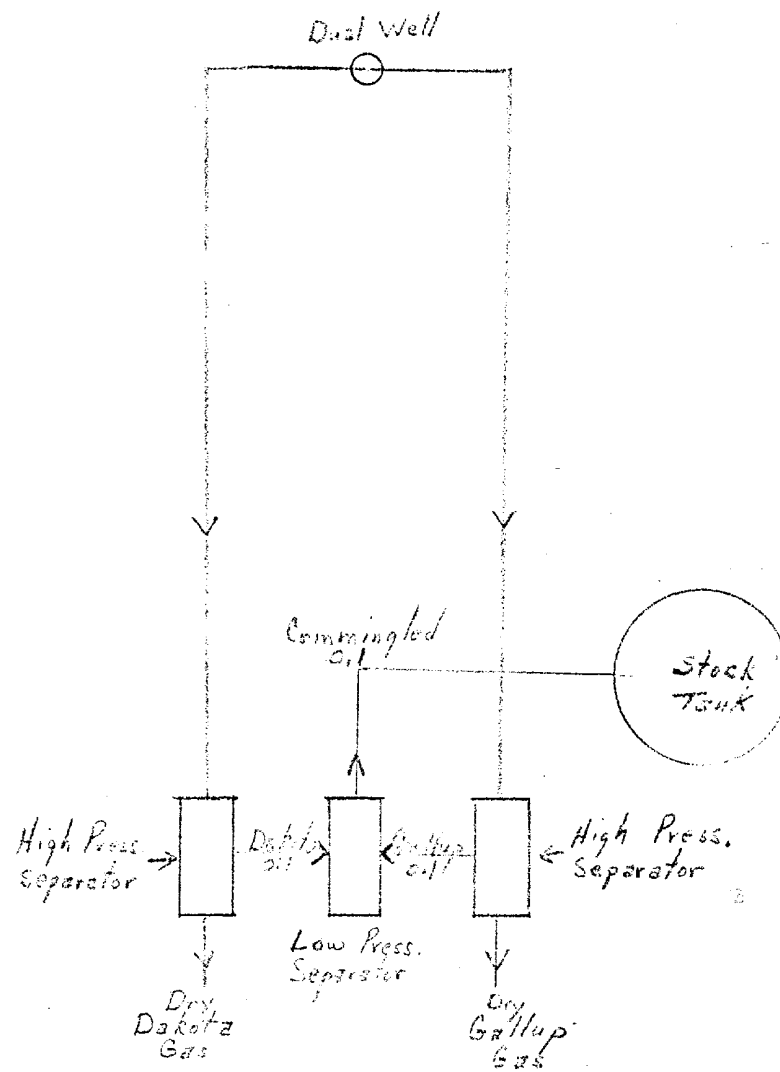
Enclosure



SCHEMATIC DIAGRAM

Jerome P. McHugh - Jicarilla A #3

Application for Commingling Oil Production



APPLICATION FOR DUAL COMPLETION

Jerome P. McHugh
Jicarilla A #3

Aztec 12	CONSOLIDATED OIL & GAS 7 10 PD	CONSOLIDATED OIL & GAS 8 12 PD
CONSOLIDATED OIL & GAS 13 1 MD T 26 N	TRIBAL C McHugh 18 1 MD 2 MD	TRIBAL C McHugh 17
S.U. 24 JENNEY	TRIBAL C McHugh 19 1 MD	McHugh 20
S.U. 25	S.U. 30 R3W	S.U. 29