

CASE 5876: JEROME P. MCHUGH FOR *tiary*
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO

Case Number

5876

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 9, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Jerome P. McHugh for) CASE
downhole commingling, Rio Arriba County,) 5876
New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	Lynn Teschendorf, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. NUTTER: We will call Case Number 5876.

2 MS. TESCHENDORF: Case 5876, application of Jerome
3 P. McHugh for downhole commingling, Rio Arriba County,
4 New Mexico.

5 Mr. Examiner, we have heard from the applicant in
6 this case and he has requested that we dismiss it.

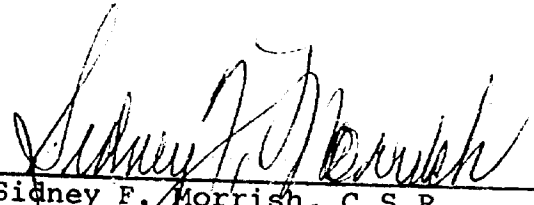
7 MR. NUTTER: Case Number 5876 will be dismissed.
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sid morrison reporting service

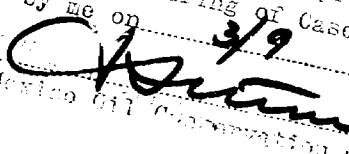
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5876
heard by me on 3/9 1977.

New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
March 16, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Richard T. C. Tully
General Counsel
Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

Re: CASE NO. 5876
ORDER NO. R-5393


Applicant:

Jerome P. McHugh

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC X

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5876
Order No. R-5393

APPLICATION OF JEROME P. McHUGH
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, the Commission, a
quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5876 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramsey
JOE D. RAMSEY, Member & Secretary

S E A L

dr/

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dp
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dugan production corp.

APR 10 1977
NEW MEXICO OIL CONSERVATION COMMISSION

March 9, 1977

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

Re: Application for Approval for Downhole
Commingling of the June #1 Well
(Pictured Cliffs and Mesaverde)
in Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed are two copies of a Request for Dismissal of the application for downhole commingling of the June #1 Well located in the E/2 of Section 28, Township 28 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

In addition, two copies of the Certificate of Mailing are enclosed 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 Request for Dismissal.

Thank you for your cooperation in this matter. If you need anything further, please advise.

Sincerely,

Richard T. C. Tully

Richard T. C. Tully
Attorney for Applicant

cb

Enclosures

Joe D. Ramey
March 9, 1977
Page 2

RECEIVED
MAR 10 1977
U.S. GEOLOGICAL SURVEY

Distribution:

Jerry W. Long
District Engineer
U. S. Geological Survey
Box 1809
Durango, CO 81301

Al R. Kendrick
Supervisor, District III
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, NM 87410

Northwest Pipeline Corporation
Box 1526
Salt Lake City, UT 84110

Phillips Petroleum Company
Western District
Security Life Building
Denver, CO 80202

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In the Matter of the Application
of Jerome P. McHugh for Downhole
Commingling of the June #1 Well
in Rio Arriba County, New Mexico

Case No. 5876

Date of Hearing:
March 9, 1977

REQUEST FOR DISMISSAL

COMES NOW the Applicant, Jerome P. McHugh, by and through his
attorney, Richard T. C. Tully, in the above styled matter and case, and
hereby requests the dismissal of the Application for Downhole Commingling
of the June #1 Well in Rio Arriba County, New Mexico.

Respectfully submitted,

Richard T. C. Tully

Richard T. C. Tully
Attorney for Applicant
Box 234
Farmington, NM 87401

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Request for Dismissal
of the Application for Downhole Commingling for the June #1 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 Oil Conservation Commission
on March 9, 1977.

Richard T. C. Tully

Richard T. C. Tully
Attorney for Applicant
Box 234
Farmington, NM 87401

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In the Matter of the Application
of Jerome P. McHugh for Downhole
Commingling of the June #1 Well
in Rio Arriba County, New Mexico

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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 Oil Conservation Commission
on March 9, 1977.

Richard T. C. Tully

Richard T. C. Tully
Attorney for Applicant
Box 234
Farmington, NM 87401

Dockets Nos. 9-77 and 10-77 are tentatively set for hearing on March 23 and April 6, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 9, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5863: (Continued & Readvertised)

Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.

CASE 5857: (Continued & Readvertised)

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5873: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the filing of information required on Form C-115, Operator's Monthly Report, in the manner and sequence prescribed by the Commission.

CASE 5874: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation through the perforated interval from 5926 to 5946 feet of its New Mexico "R" State Well No. 5, located in Unit B of Section 2, Township 18 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 5866: (Continued from February 16, 1977, Examiner Hearing)

Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 5048: (Reopened) (Continued from January 19, 1977, Examiner Hearing)

In the matter of Case 5048 being reopened pursuant to the provisions of Order No. R-4637-A, which order extended the temporary special pool rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5117: (Reopened) (Continued from February 2, 1977, Examiner Hearing)

In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691-A, which order extended the temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the special depth bracket allowable should be retained.

CASE 5872: Application of Atlantic Richfield Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre non-standard Jaland gas proration unit comprising the W/2 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to its William H. Harrison "A" WN Well No. 2 located in Unit D and William H. Harrison "D" Wells Nos. 1 and 6 in Units L and N, respectively, of said Section 29. Applicant further seeks approval of an unorthodox location for its William H. Harrison "D" WN Well No. 6 at a location 660 feet from the South line and 1930 feet from the West line of said Section.

CASE 5876: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 5820: (Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5867: (Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in completion of said well.

CASE 5877: Application of Great Lakes Chemical Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the SE/4 of Section 3, and the NW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5878: Application of Michael T. Gottlieb for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the NE/4 of Section 3, and the SW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

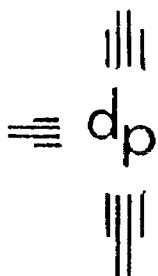
CASE 5879: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 12, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5880: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 20, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5881: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Amoco State Well No. 1, completed in the Atoka formation at a point 660 feet from the South and West lines of Section 28, Township 16 South, Range 33 East, Lea County, New Mexico, the W/2 of said Section 28 to be dedicated to the well.

CASE 5859: (Continued & Readvertised)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota production in the wellbore of its Breech D Well No. 307, located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Chaera formation in said well.



dugan production corp.

February 4, 1977

Case 5876

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

Re: Application for Approval for Downhole
Commingling of the June #1 Well
(Pictured Cliffs and Mesaverde) in
Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the application for downhole
commingling of the June #1 Well located in the E/2 of Section 28, Town-
ship 28 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

1. Two copies of the Application for Downhole Commingling of the
June #1 Well (Pictured Cliffs and Mesaverde).
2. Two copies of the Certificate of Mailing stating that all oper-
ators 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.

Please set this Application for hearing on March 2, 1977, if possible.

Sincerely,

Richard T. C. Tully

Richard T. C. Tully
General Counsel

cb

Enclosures

Joe D. Ramey
February 4, 1977
Page 2

Distribution: Jerry W. Long
District Engineer
U. S. Geological Survey
Box 1809
Durango, CO 81301

Al R. Kendrick
Supervisor, District III
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, NM 87410

Northwest Pipeline Corporation
Box 1526
Salt Lake City, UT 84110

Phillips Petroleum Company
Western District
Security Life Building
Denver, CO 80202

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In the Matter of the Application of
Jerome P. McHugh for Downhole Commingling
of the June #1 Well in Rio Arriba County,
New Mexico

Case 5876

APPLICATION

Pursuant to Rule 303 C. of the State of New Mexico Oil Conservation Commission Rules and Regulations, the Applicant, Jerome P. McHugh, by and through his attorney, Richard T. C. Tully, hereby makes application for approval of downhole commingling in the well bore of the June #1 Well in Rio Arriba County, New Mexico.

The Applicant further states:

1. The Operator of the June #1 Well is the Applicant,
Jerome P. McHugh.
2. The June #1 Well is located on the Jicarilla Tribal
Lease Contract No. 84 insofar as it covers the following
described lands:

Township 28 North, Range 3 West, NMPM
Section 28: E/2
Rio Arriba County, New Mexico

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

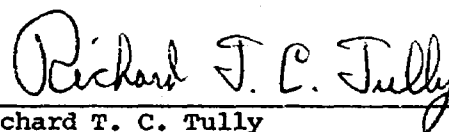
Township 28 North, Range 3 West, NMPM
Section 28: 1110' FNL - 1560' FEL (Unit Letter B)
Rio Arriba County, New Mexico

4. The June #1 Well is currently completed in the Gavilan-
Pictured Cliffs Extension and Blanco-Mesaverde Pools.
5. The June #1 Well is capable of only low marginal production
from the Gavilan Pictured Cliffs Extension Pool, and the well
is also capable of only low marginal production from the
Blanco-Mesaverde Pool.
6. The ownership of the above mentioned pools is common.

7. The proposed commingling from these two pools will result in the recovery of additional hydrocarbons from each of the mentioned pools, thereby preventing waste. In addition, the commingling will not violate correlative rights.

WHEREFORE, the Applicant requests this Application be set for hearing on March 2, 1977; and after this hearing the New Mexico Oil Conservation Commission grant this Application by giving approval to the downhole commingling of the June #1 Well in Rio Arriba County, New Mexico.

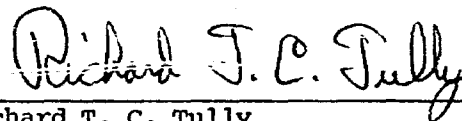
Respectfully submitted,



Richard T. C. Tully
Attorney for Applicant
Box 234
Farmington, NM 87401

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Downhole Commingling for the June #1 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 Oil Conservation Commission.



Richard T. C. Tully
Attorney for Applicant
Box 234
Farmington, NM 87401

DRAFT

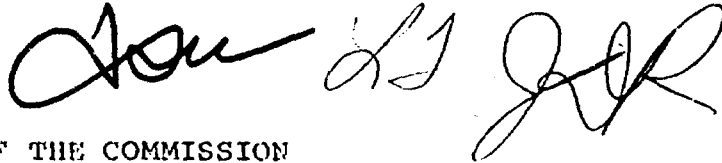
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5876

Order No. R- 5393

APPLICATION OF JEROME P. MCHUGH
FOR DOWNHOLE COMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.



ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 1977, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5876 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.