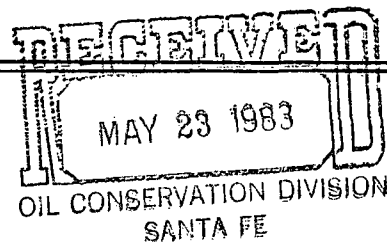


dugan production corp.



May 17, 1983

Joe D. Ramey  
Division Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87501

*Case 7896*

Re: Application for Downhole Commingling of the  
Janet #2 Well  
T-25-N, R-2-W, NMPM  
Sec. 21: NE/4 SE/4 (Undesignated Gallup)  
Sec. 21: S/2 (Basin Dakota)  
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed please find a copy of Application of Jerome P. McHugh for  
Downhole Commingling of the Janet #2 Well in Rio Arriba County, New  
Mexico.

We have been advised by the New Mexico Oil Conservation Division that  
this Application has been set down for hearing on June 8, 1983.

Please contact me should you have any questions.

Sincerely,

*Tommy Roberts*

Tommy Roberts  
Landman

nw

enc.

cc: All Offset Operators

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

IN THE Matter of the Application of  
Jerome P. McHugh for Downhole  
Commingling of the Janet #2 Well  
in Rio Arriba County, New Mexico

Case 7896

APPLICATION

Pursuant to Rule 303 C of the Rules and Regulations of the State of New Mexico Oil Conservation Division, The Applicant, Jerome P. McHugh, by and through its attorney, Tommy Roberts, hereby submits its application for approval of downhole commingling in the well bore of the Janet #2 Well in Rio Arriba County, New Mexico.

The Applicant further states:

1. The Operator of the Janet #2 Well will be the Applicant, Jerome P. McHugh, whose address is P.O. Box 208, Farmington, NM 87499.

2. The Janet #2 Well is situated on a fee lease at the following legal location:

Township 25 North, Range 2 West, NMPM  
Section 21: Unit Letter I  
1850' FSL and 790' FEL  
Rio Arriba County, New Mexico

3. The following proration units are applicable to the oil/gas pools which are the subject of this application:

Township 25 North, Range 2 West, NMPM  
Section 21: NE/4 SE/4 (Undesignated Gallup)  
Section 21: S/2 (Basin Dakota)

4. The Janet #2 Well is not currently dually completed in the Undesignated Gallup Pool and the Basin Dakota Pool.

5. The Janet #2 Well is capable of only low marginal production from the Undesignated Gallup Pool, and is capable of only low marginal production from the Basin Dakota Pool.

6. The ownership of the above mentioned Pools is not common.

7. The proposed commingling from the above Pools will result in recovery of additional hydrocarbons, the prevention of waste and the protection of correlative rights.

8. All operators of leases offsetting the dedicated acreage for this well, the Bureau of Land Management and the Supervisor of the District III Office of the New Mexico Oil Conservation Division have been mailed a copy of this Application.

WHEREFORE, the Applicant requests this Application be set for hearing on June 8, 1983, and that after said hearing the New Mexico Oil Conservation Division grant this Application by giving approval to the downhole commingling of the Janet #2 Well in Rio Arriba County, New Mexico.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tommy Roberts".

---

Tommy Roberts  
Attorney for Applicant  
P.O. Box 208  
Farmington, NM 87499

JANET #2 WELL

Application For Approval of Downhole Commingling  
Jerome P. McHugh

OFFSET LEASES AND OPERATORS

1. USA NM 43755

Township 25 North, Range 2 West, NMPM  
Section 20: NE/4, NE/4 SE/4  
Section 21: E/2 NW/4  
Rio Arriba County, New Mexico

OPERATOR: Northwest Exploration Company  
P.O. Box 5800, Terminal Annex  
Denver, CO 80217

2. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 21: W/2 NW/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

3. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 21: NE/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

4. USA NM 43757

Township 25 North, Range 2 West, NMPM  
Section 22: W/2 NW/4, SW/4  
Rio Arriba County, New Mexico

OPERATOR: Northwest Exploration Company  
P.O. Box 5800, Terminal Annex  
Denver, CO 80217

5. USA NM 04083

Township 25 North, Range 2 West, NMPM  
Section 22: E/2 NW/4  
Rio Arriba County, New Mexico

OPERATOR: A.G. Hill  
2500 First National Bank Bldg.  
Dallas, TX 75202

6. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 27: NW/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

OFFSET LEASES AND OPERATORS  
(Cont'd)

7. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 28: NE/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

8. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 28: N/2 NW/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

9. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 28: S/2 NW/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

10. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 29: NE/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

11. Fee Lease

Township 25 North, Range 2 West, NMPM  
Section 20: S/2 SE/4  
Rio Arriba County, New Mexico

OPERATOR: Jerome P. McHugh and  
Dugan Production Corp.  
P.O. Box 208  
Farmington, NM 87499

12. Unleased Minerals owned by John C. and Mirt Post

Township 25 North, Range 2 West, NMPM  
Section 20: NW/4 SE/4  
Rio Arriba County, New Mexico