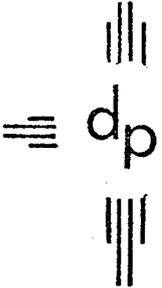
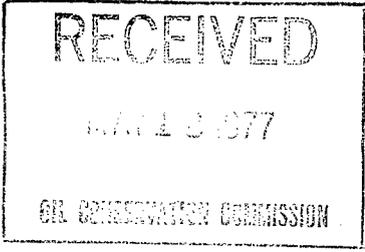


07C - 221



# dugan production corp.

May 16, 1977



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

Dear Mr. Ramey:

Under the provisions of NMOCC Order R-5359 we are requesting administrative approval for downhole commingling of Fruitland and Pictured Cliffs production on the well listed below for the following reasons:

Operator	Well Name and Number	Location
Jerome P. McHugh	Chaco Plant #12	I-Sec 22, T26N, R12W

- The bottom-hole pressure is estimated to be  
250 psig for the Fruitland formation, and  
225 psig for the Pictured Cliffs formation.
- Both zones will be marginal producers with  
65 MCFGPD estimated for the Fruitland formation, and  
20 MCFGPD estimated for the Pictured Cliffs formation.

We believe the granting of this request will permit the production of marginal reserves from both formations and not result in waste.

Sincerely,  
  
Jim L. Jacobs

cb

xc: NMOCC (Aztec)