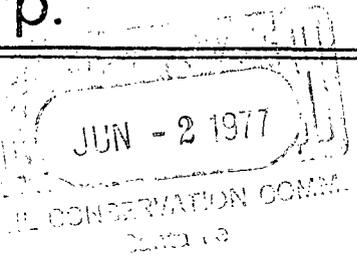


# dugan production corp.



June 1, 1977

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

Dear Mr. Ramey:

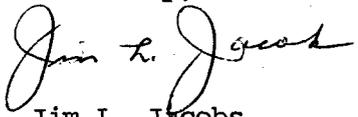
Under the provisions of NMOCC Order R-5359 we are requesting administrative approval for downhole commingling of Fruitland and Pictured Cliffs production on the well listed below for the following reasons:

Operator	Well Name and Number	Location
Jerome P. McHugh	Nassau #5A	A 36-T27N-R12W

1. The bottom-hole pressure is estimated to be  
360 psig for the Fruitland formation, and  
315 psig for the Pictured Cliffs formation.

2. Both zones will be marginal producers with  
125 MCFGPD estimated for the Fruitland formation, and  
50 MCFGPD estimated for the Pictured Cliffs formation.

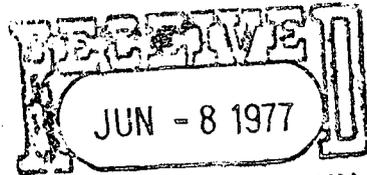
We believe the granting of this request will permit the production of marginal reserves from both formations and not result in waste.

Sincerely,  
  
Jim L. Jacobs

cb

xc: NMOCC (Aztec)

OIL CONSERVATION COMMISSION  
Albuquerque DISTRICT



OIL CONSERVATION COMM.  
Santa Fe

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE 6-2-77

*Carl Flog*

RE: Proposed MC \_\_\_\_\_  
Proposed DHC ✓ \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 6-1-77  
for the Jerome P. McHugh Nassau #5A A-36-27N-12W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

*W. Kendrick*