

dugan production corp.

January 16, 1978

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

→ Re: Application for Approval of Downhole Commingling
of the Big 8 #1 Well (Greenhorn, Gallup, Dakota)
in San Juan County, New Mexico.

L-8-24-9

Dear Mr. Ramey:

Enclosed are the following instruments concerning the Application for Approval of Downhole Commingling by Dugan Production Corp. for the Big 8 #1 Well located in the S/2 of Section 8, Township 24 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

1. Three copies of the Application.
2. Three copies of a Certificate of Mailing 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 Application.

We would appreciate it if you would place this Application for hearing on February 8, 1978.

Thank you for your assistance and cooperation in this matter. Please advise if you need further information.

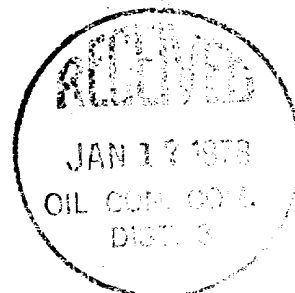
Sincerely,

Richard T. C. Tully

Richard T. C. Tully
General Counsel

ps

Enclosures



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In The Matter Of The Application Of
Dugan Production Corp. For Downhole
Commingling Of
The Big 8 #1 Well
In San Juan County, New Mexico

APPLICATION

Pursuant to Rule 303 C of the Rules and Regulations of the State of New Mexico Oil Conservation Commission, the Applicant, Dugan Production Corp., by and through its attorney, Richard T. C. Tully, hereby makes application for approval of downhole commingling in the well bore of the Big 8 #1 Well in San Juan County, New Mexico.

The Applicant further states:

1. The Operator of the Big 8 #1 Well is the Applicant Dugan Production Corp.

2. The Big 8 #1 Well is located on federal lease NM 25540 insofar as it covers the following described lands:

Township 24 North, Range 9 West, N.M.P.M.
Section 8: NW/4 SW/4 (Undesignated Greenhorn)
Section 8: N/2 SW/4 (Bisti Lower Gallup)
Section 8: S/2 (Dakota)
San Juan County, New Mexico

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

Township 24 North, Range 9 West, N.M.P.M.
Section 8: 1530' FSL - 840' FWL (Unit Letter L)
San Juan County, New Mexico

4. The Big 8 #1 Well is not currently dually completed in the Undesignated Greenhorn Pool, the Bisti Lower Gallup Pool, and the Basin Dakota Pool.

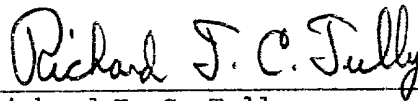
5. The Big 8 #1 Well is capable of only low marginal production from the Undesignated Greenhorn Pool, and the well is capable of only marginal production from the Bisti Lower Gallup Pool, and the well is also only capable of low marginal production from the Basin Dakota Pool.

6. The ownership of the above mentioned Pools is common.

7. The proposed commingling from the above Pools will result in the recovery of additional hydrocarbons from each of these Pools, thereby preventing waste, and the commingling will not violate correlative rights.

WHEREFORE, The Applicant requests this Application be set for hearing on February 8, 1978, and after this hearing the New Mexico Oil Conservation Commission grant this Application by giving approval to the downhole commingling of the Big 8 #1 Well in San Juan County, New Mexico.

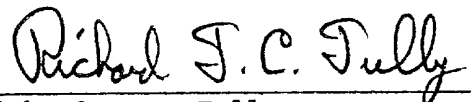
Respectfully submitted,



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

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Downhole Commingling for the Big 8 #1 Well in San Juan 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 New Mexico Oil Conservation Commission.



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

DISTRIBUTION

1. Phil McGrath
District Engineer
U. S. Geological Survey
Box 959
Farmington, NM 87401
2. Al R. Kendrick
Supervisor, District III Office
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, NM 87410
3. T. S. Yancey
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