



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

TONY ANAYA
 GOVERNOR

March 30, 1984

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-5800

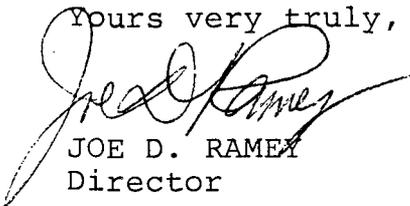
Mr. Tommy Roberts, Landman ^{Re:} CASE NO. 8041
 Dugan Production Corp. ORDER NO. R-7472
 P. O. Box 208
 Farmington, New Mexico 87499 Applicant:

Jerome P. McHugh

Dear Sir:

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

Yours very truly,


 JOE D. RAMEY
 Director

JDR/fd

Copy of order also sent to:

Hobbs OCD _____ *
 Artesia OCD _____ *
 Aztec OCD _____ *

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8041
Order No. R-7472

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 15, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of March, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Jerome P. McHugh, is the owner and operator of the Native Son Well No. 2, located 1020 feet from the South line and 1670 feet from the West line of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Dakota oil production and Gavilan-Mancos Oil production within the wellbore of the above-described well.
- (4) That from the Dakota zone, the subject well is capable of producing 58 barrels of oil per day.
- (5) That from the Gavilan-Mancos zone, the subject well is capable of producing 233 barrels of oil per day.
- (6) That Division Order No. R-7407 entered December 20, 1983, established temporary special pool rules for the Gavilan-Mancos Oil Pool effective March 1, 1984.

-2-

Case No. 8041

Order No. R-7472

(7) That said special rules are temporary for a period of three years during which the operators in said pool are to gather reservoir information to establish whether or not said temporary rules should be made permanent.

(8) That the proposed downhole commingling would render said Native Son Well No. 2 useless for the purpose of gathering said reservoir data.

(9) That without the data to be gained by the completion and production of Gavilan-Mancos Oil Pool wells as single wells or as isolated zones in dual completions a good sampling of reservoir data cannot be obtained.

(10) That without said information, the Division would not have good reservoir data in said Gavilan-Mancos Oil Pool which would be necessary for the determination of whether or not continuation of said special rules would serve to prevent waste and protect correlative rights.

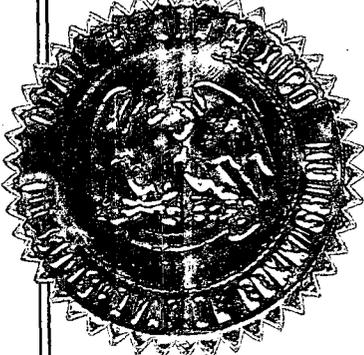
(11) That to assure that adequate reservoir data is available to make proper determinations as to waste of oil and gas and protection of correlative rights in said Gavilan-Mancos Oil Pool, the subject application for downhole commingling should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Jerome P. McHugh, to commingle Dakota oil production and Gavilan-Mancos oil production within the wellbore of the Native Son Well No. 2, located 1020 feet from the South line and 1670 feet from the West line of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director