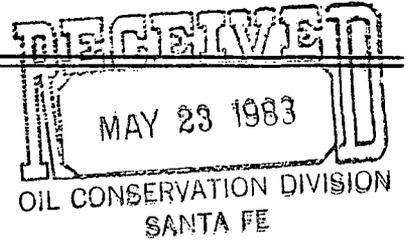




dugan production corp.



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,



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