

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 June #1 Well (Pictured Cliffs and Mesa Verde)
in Rio Arriba County, New Mexico.

B-28-28-3

Dear Mr. Ramey:

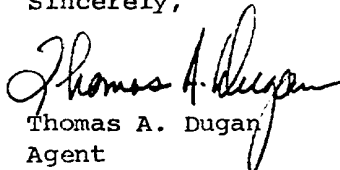
Enclosed are the following instruments concerning the Application for Approval of Downhole Commingling by Jerome P. McHugh for the June #1 Well located in the E/2 of Section 28, Township 28 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.

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,


Thomas A. Dugan
Agent

pb

Enclosures



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In The Matter Of The Application Of
Jerome P. McHugh For Downhole Commingling
Of The June #1 Well
In Rio Arriba 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, Jerome P. McHugh, by and through his agent, Thomas A. Dugan, hereby makes application for approval of downhole commingling in the well bore of the June #1 Well in Rio Arriba County, New Mexico.

The Applicant further states:

1. The Operator of the June #1 Well is the Applicant Jerome P. McHugh.
2. The June #1 Well is located on Jicarilla Apache Tribal Contract No. 84 insofar as it covers the following described lands:

Township 28 North, Range 3 West, N.M.P.M.
Section 28: E/2 (Gavilan Pictured Cliffs)
Section 28: E/2 (Blanco Mesa Verde)
Rio Arriba County, New Mexico

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

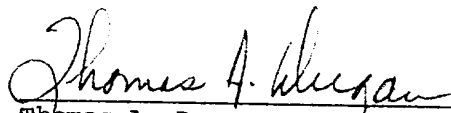
Township 28 North, Range 3 West, N.M.P.M.
Section 28: 1110' FNL - 1560' FEL (Unit Letter B)
Rio Arriba County, New Mexico

4. The June #1 Well is not currently dually completed in the Gavilan Pictured Cliffs Pool and the Blanco Mesa Verde Pool.
5. The June #1 Well is capable of only low marginal production from the Gavilan Pictured Cliffs Pool, and the well is also capable of only low marginal production from the Blanco Mesa Verde Pool.

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

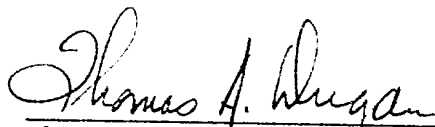
7. The proposed commingling from the above Pools will result in the recovery of additional hydrocarbons from each of these Pools, thereby preventing waste, and the commingling will not violate correlative rights.

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 June #1 Well in Rio Arriba County, New Mexico.


Thomas A. Dugan
Agent 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 June #1 Well in Rio Arriba 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.


Thomas A. Dugan
Agent for Applicant
P. O. Box 234
Farmington, NM 87401

DISTRIBUTION

1. Jerry Long
District Engineer
U. S. Geological Survey
Box 1809
Durango, CO 81301

2. Al Kendrick
Supervisor, District III Office
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, NM 87410

3. F. H. Wood
Manager - Production and Drilling
Northwest Pipeline Corporation
Box 90
Farmington, NM 87401

4. R. M. Williams
Area Landman
Phillips Petroleum Company
Security Life Building
Denver, CO 80202