

McAdams #3 Well - 27 North, 10 West, NMPM, San Juan County, NM

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# dugan production corp.

September 30, 1976



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

Re: Application for Approval for Downhole Commingling  
of the McAdams #3 Well (Gallup and Dakota) in  
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the application for downhole commingling of the McAdams #3 Well located in the NE/4 of Section 34, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

1. Two copies of the Application for Approval for Downhole Commingling of the McAdams #3 Well (Gallup and Dakota).

2. Two copies of the Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well, the USGS, and the Supervisor of the District III Office of the Oil Conservation Commission have been notified of this Application.

Please set this Application for hearing on October 27, 1976, if possible.

Sincerely,

*Richard T. C. Tully*

Richard T. C. Tully  
General Counsel

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Enclosures

xc: ✓ Al R. Kendrick  
Supervisor, District III  
1000 Rio Brazos Road  
Aztec, NM 87410

Phil T. McGrath, District Engineer  
U. S. Geological Survey  
Box 959  
Farmington, NM 87401

D. N. Canfield, Director of Land  
El Paso Natural Gas Company  
Box 1492  
El Paso, TX 79978

T. S. Yancey, Division Landman  
Amoco Production Company  
Security Life Building  
Denver, CO 80202

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

In The Matter Of The Application  
Of Dugan Production Corp. For  
Downhole Commingling Of The  
McAdams #3 Well In San Juan  
County, New Mexico

APPLICATION

Pursuant to Rule 303 C of the State of New Mexico Oil Conservation Commission Rules and Regulations, the Applicant, Dugan Production Corp., by and through its general counsel, Richard T. C. Tully, hereby makes application for approval of downhole commingling in the well bore of the McAdams #3 Well in San Juan County, New Mexico.

The Applicant further states:

1. The Operator of the McAdams #3 Well is the Applicant, Dugan Production Corp.
2. The McAdams #3 Well is located on federal lease SF 081087 insofar as it covers the following described lands:

Township 27 North, Range 10 West, NMPM  
Section 34: E/2 NE/4 (Gallup formation)  
Section 34: NE/4 (Dakota formation)  
San Juan County, New Mexico

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

Township 27 North, Range 10 West, NMPM  
Section 34: 1650' FNL - 990' FEL  
San Juan County, New Mexico

4. The McAdams #3 Well is currently dually completed in the Angels Peak Gallup Pool and in the Basin Dakota Pool. The New Mexico Oil Conservation Commission Order No. DC 655 dated August 11, 1958 authorized the dual completion for this well.

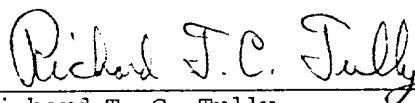
5. The McAdams #3 Well is capable of only low marginal production from the Angels Peak Gallup Pool, and the well is also capable of only low marginal production from the Basin Dakota Pool.

6. The ownership of the two above mentioned pools is common.

7. The proposed commingling will result in the recovery of additional hydrocarbons from each of the mentioned pools. The recovery of additional hydrocarbons will thereby prevent waste, and will not violate correlative rights.

WHEREFORE, the Applicant requests this Application be set for hearing on October 27, 1976 for the purpose of securing the approval of the downhole commingling of the McAdams #3 Well in San Juan County, New Mexico.

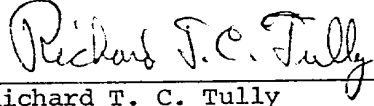
Respectfully submitted,

A handwritten signature in cursive script that reads "Richard T. C. Tully". The signature is written in dark ink and is positioned above a horizontal line.

Richard T. C. Tully  
General Counsel  
Dugan Production Corp.  
Box 234  
Farmington, NM 87401

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Downhole  
Commingling for the McAdams #3 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 Oil Conservation Commission.



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Richard T. C. Tully  
General Counsel  
Dugan Production Corp.  
Box 234  
Farmington, NM 87401