

CASE 6145: JEROME P. McHUGH FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO

Case Number

6145

Application

Transcripts.

Small Exhibits

ETC.

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

December 13, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Giffor, Mitchell & Wisenbaker
Suite 1280, Midland National Bank Tower
Midland, Texas 79701

6145

Re: GMW Pawnee Deep Unit
Sections 14, 15, 16, 21, 22 and
23, T26S-R36E, Lea County, New
Mexico

ATTENTION: Mr. Thomas Heller

Gentlemen:

The Commissioner of Public Lands has this date approved the Pawnee Deep Unit, Lea County, New Mexico. Our approval is subject to like approval by the United States Geological Survey.

Enclosed are Five (5) Certificates of approval.

Your filing fee in the amount of Sixty (\$60.00) Dollars has been received.

Please advise this office when the USGS gives their approval so that we may ascertain the effective date and finish processing same.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 8, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Jerome P. McHugh for down-
hole commingling, Rio Arriba County,
New Mexico.

CASE
6145

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For Jerome P. McHugh:

Richard Tully, Esq.
Attorney at Law
Farmington, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

	<u>Page</u>
<u>THOMAS A. DUGAN</u>	
Direct Examination by Mr. Tully	3
Cross Examination by Mr. Nutter	7

EXHIBIT INDEX

	<u>Offered</u>	<u>Admitted</u>
Applicant Exhibit One, Map	4	6
Applicant Exhibit Two, Drilling Report	4	6
Applicant Exhibit Three, Map	5	6
Applicant Exhibit Four, Map	5	6

sid morrison reporting service
General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 Phone (505) 982-9212

1 MR. NUTTER: We will call next Case Number 6145.

2 MS. TESCHENDORF: Case 6145, application of Jerome
3 P. McHugh for downhole commingling, Rio Arriba County, New
4 Mexico.

5 MR. TULLY: May it please the Commission, I'm Richard
6 Tully, attorney for Jerome P. McHugh in Case Number 6145. I
7 have one witness to be sworn, Thomas A. Dugan.

8 (THEREUPON, the witness was duly sworn.)

9 MR. TULLY: Are Mr. Dugan's qualifications a matter
10 of record and acceptable?

11 MR. NUTTER: Yes, they are.

12
13 THOMAS A. DUGAN

14 called as a witness, having been first duly sworn, was
15 examined and testified as follows:

16 DIRECT EXAMINATION

17 BY MR. TULLY:

18 Q Mr. Dugan, I am handing you an instrument entitled
19 application, would you review this and advise the Commission
20 of what it involves?

21 A Yes, this is our application for the hearing request-
22 ing downhole commingling of the Pictured Cliffs Mesaverde
23 zones in the Jerome P. McHugh June No. 1 Well.

24 Q And where is that well located?

25 A It's on the Jicarilla Reservation in Section 28,

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 Township 28 North, Range 3 West, Rio Arriba County.

2 Q Is the ownership of these two zones common?

3 A Yes.

4 Q And you propose to commingle these two zones in
5 this hearing?

6 A That is our proposal, yes.

7 Q I am now handing you what has been marked as Exhibit
8 Number One, would you identify this exhibit, please?

9 A This is a well location map showing the location of
10 the June No. 1 as indicated by the arrow and also the adjoin-
11 ing wells around the June No. 1. It is obvious from this
12 plat that the June No. 1 is in an area that has not been ex-
13 tensively developed and it is in a generally poor productivity
14 area.

15 Q I am now handing you what has been marked as Exhibit
16 Number Two, would you describe this exhibit, please?

17 A Well, unfortunately this exhibit is rather thick and
18 it is our daily drilling report on the well and it indicates
19 that we have spent a considerable amount of time trying to
20 complete the well in the regular manner. We set out to dual
21 complete the well in the accepted fashion by setting five and
22 a half casing and our plan was to set a Model D packer and
23 run two strings of inch and a quarter tubing. However, on
24 testing both the Mesaverde and the Pictured Cliffs zones
25 separately and together we were unable to get either zone to

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morrison reporting service

General Court Reporting Service
825 Calle Mojita, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 flow by itself. The well will make some gas and it also makes
2 more water than the gas is able to lift under its own power
3 so the only way we can get either zone to produce is going to
4 be to pump the well to lift the produced water and then produce
5 the gas with that and so it is uneconomical to set two pumping
6 units on each zone and dual complete the well as was originally
7 planned. So at this point we are requesting approval to
8 commingle the well, the zones in the well and then set a pump-
9 ing unit to lift the produced water so that hopefully the
10 amount of gas that will be produced will make the well
11 economical to continue.

12 Q Now handing you what has been marked as Exhibit
13 Number Three, would you describe this exhibit, please?

14 A This is again showing the location of June No. 1
15 as indicated by the arrow and it shows the Gavilan-Pictured
16 Cliffs Pool wells that are in this general area. You will
17 note that neither of the wells are outstanding producers.
18 Actually they are pretty marginal wells, very marginal wells.

19 Q Now handing you what has been marked as Exhibit
20 Number Four would you describe this exhibit, please?

21 A This is a similar map showing the location of the
22 June 1 but showing the location of the Blanco-Mesaverde Pool
23 wells in the immediate vicinity of the June 1 with the 1976
24 production from the Mesaverde horizon and also note that the
25 Mesaverde wells in the general area are marginal wells.

sid morish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 Q Has the June No. 1 first produced either oil or gas
2 at this time?

3 A No.

4 Q And what do you propose for allocating the produc-
5 tion?

6 A Well, from our swab test it would indicate that both
7 zones are relatively marginal, both zones make more water than
8 there is gas to lift from the wellbore and that both zones
9 seem to produce at about the same amount so I would propose
10 that the allocation be fifty percent of the gas produced will
11 allocated to one zone and fifty percent to the other zone.

12 MR. TULLY: We would like to move the introduction
13 of Exhibits One through Four.

14 MR. NUTTER: Exhibits One through Four will be
15 admitted.

16 (THEREUPON, Exhibits One through Four
17 were admitted into evidence.)

18 Q (Mr. Tully continuing.) In your opinion will this
19 proposed commingling result in the recovery of additional
20 hydrocarbons, thereby preventing waste and not violating any
21 correlative rights?

22 A Yes, I hope it will. If we can make it produce
23 this way economically why we will produce some gas, otherwise
24 it is a dry hole.

25 MR. TULLY: I have nothing further, Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Dugan, examination of Exhibit Two quickly indicates that a great deal of time has been spent swabbing on the well?

A Yes.

Q There hasn't been any gas flows to speak of yet?

A Well, the well will kick off and produce pretty good for a few hours and then die and, no, we haven't been able to keep it on for any length of time.

Q You propose to put a pump on it?

A That's right.

Q And keep the water pumped off?

A If we can commingle it then we will put a pump on it and try that way. Of course, even at the best it's going to be a pretty marginal well but hopefully we can produce the well at an economical amount if it will perform like we hope it will.

Q Now your Exhibits Three and Four give the production from nearby wells from the Pictured Cliffs pool and from the Blanco-Mesaverde in 1976?

A Yes.

Q Were these wells completed throughout 1976?

A Yes.

Q So this is a total year's production?

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 A Yes.

2 MR. KENDRICK: Twelve months' production.

3 Q (Mr. Nutter continuing.) Twelve months' production?

4 A Yes, it is. Those existing wells are relatively
5 old wells, they were drilled back in the fifties.

6 Q Were they good wells originally?

7 A No.

8 Q Have they declined or have they always been poor
9 wells?

10 A Yes.

11 MR. NUTTER: Are there any further questions of the
12 witness? Mr. Kendrick?

13 MR. KENDRICK: On the point of allocation of produc-
14 tion, should this well produce any liquid, liquid hydrocarbons,
15 would you allocate those to the Mesaverde? There is none
16 shown on the Pictured Cliffs. I would assume that the Pictured
17 Cliffs would be dry in this area.

18 MR. DUGAN: I think that would probably be the fair
19 way of doing it.

20 MR. KENDRICK: That's all.

21 MR. NUTTER: Are there any further questions of the
22 witness? He may be excused.

23 (THEREUPON, the witness was excused.)

24 MR. NUTTER: Do you have anything further, Mr. Tully?
25 Does anyone have anything they wish to offer in Case Number

1 6145?

2 MR. TULLY: Mr. Nutter, just one further thing. I
3 don't know whether this has been submitted to you previously
4 but we have a waiver of objections signed by Northwest Pipeline
5 Corporation.

6 MR. NUTTER: I was just getting ready to put that
7 in the record. Ms. Teschendorf.

8 MS. TESCHENDORF: We have a waiver of objection from
9 the Northwest Pipeline Corporation that we received January
10 19th.


11 MR. NUTTER: Thank you. Is there anything else in
12 Case Number 6145? We will take the case under advisement.

sid morrish reporting service

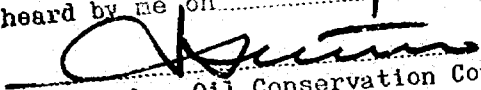
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.


Sidney F. Morrish, C.S.R.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6145 heard by me on 2/8, 1978.
, Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6145
Order No. R-5664

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1978, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 8th day of March, 1978, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Jerome P. McHugh, is the owner and operator of the June Well No. 1, located in Unit B of Section 28, Township 28 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production within the well-bore of the above-described well.

(4) That from the Gavilan-Pictured Cliffs zone, the subject well is capable of low marginal production only.

(5) That from the Blanco-Mesaverde zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

-2-

Case No. 6145
Order No. R-5664

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas production should be allocated to the Gavilan-Pictured Cliffs zone, and 50 percent of the commingled gas production and all of the condensate production to the Blanco-Mesaverde zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Jerome P. McHugh, is hereby authorized to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of the June Well No. 1, located in Unit B of Section 28, Township 28 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That 50 percent of the commingled gas production shall be allocated to the Gavilan-Pictured Cliffs zone and 50 percent of the commingled gas production and all of the condensate production shall be allocated to the Blanco-Mesaverde zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec District Office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

jr/



PHILLIPS PETROLEUM COMPANY
DENVER, COLORADO 80202
1000 SECURITY LIFE BUILDING

NATURAL RESOURCES GROUP
Exploration and Production

Case 6145

Re: GF-21178
G-72415
June #1 Well E/2 Sec. 28
T28N-R3W NMPM
Rio Arriba County, New Mexico

February 6, 1978

Mr. Joe D. Raney
Secretary-Director
New Mexico Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Raney:

As requested by Thomas A. Dugan, Dugan Production Corporation, in his letter of January 16, 1978 we enclose an executed copy of our Waiver of Objection and Consent to Downhole Commingling, that applies to the captioned well.

Very truly yours

Ronald S. Nagy

Ronald S. Nagy
Landman

RSN:lb

Enc.

cc: Thomas A. Dugan - w/att.
Dugan Production Corporation
P.O. Box 234
Farmington, New Mexico 87401

WAIVER OF OBJECTION AND CONSENT
TO THE DOWNHOLE COMMINGLING OF
THE JUNE #1 WELL

The undersigned, as an operator of a lease offsetting the E/2 of
Section 28, Township 28 North, Range 3 West, N.M.P.M., Rio Arriba County,
New Mexico, does hereby acknowledge receipt of the Application for
Downhole Commingling of the June #1 Well.

The undersigned states that it waives any objection that it may
have to this Application, and voluntarily consents to the commingling of the
June #1 Well as stated in the above mentioned Application.

Dated this 30th day of January, 1978.

PHILLIPS PETROLEUM COMPANY
Company Name

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss:

The foregoing instrument was acknowledged before me this 30th
day of January, 1978, by R. A. WOLGAST, as Attorney-in-Fact for PHILLIPS
PETROLEUM COMPANY.

WITNESS my hand and official seal.

Carol A. Bentz
Notary Public

My Commission Expires: July 28, 1981

Dockets Nos. 7-78 and 9-78 are tentatively set for hearing on February 22 and March 8, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 8, 1978

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 6137: Application of Amoco Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellis Federal Well No. 3 to be located 1980 feet from the North line and 660 feet from the West line of Section 8, Township 19 South, Range 33 East, West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 8 to be dedicated to the well.
- CASE 6138: Application of Amoco Production Company for a non-standard proration unit, simultaneous dedication, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 480-acre non-standard gas proration unit comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully Federal Gas Com Wells Nos. 4, 7 and 15 located in Units B, O, and E, respectively, of Section 24. Applicant also seeks approval for the unorthodox location of said Well No. 15 located 1650 feet from the North line and 990 feet from the West line of said Section 24.
- CASE 6139: Application of Petro-Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Boling Federal Well No. 8-22 to be drilled at a point 990 feet from the North line and 2160 feet from the West line of Section 22, Township 19 North, Range 3 West, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.
- CASE 6140: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3,000 feet below the surface to the base of the Queen formation underlying the SE/4 NW/4 of Section 21, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6141: Application of Paul Slayton for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation thru the open-hole interval from 528 feet to 547 feet in his Hastie Well No. 7 located in Unit L of Section 18, Township 17 South, Range 28 East, Empire Field, Eddy County, New Mexico.
- CASE 6142: Application of Atlantic Richfield Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the E/2 of Section 29, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6143: Application of Atlantic Richfield Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 33, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6144: Application of Southland Royalty Company for two unorthodox locations and two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 120-acre non-standard gas proration units comprising the S/2 SE/4 of Section 10 and the SW/4 SW/4 of Section 11, and comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, all in Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, each of said units to be dedicated to a well drilled at an unorthodox location thereon.

CASE 6145: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Cavilan-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 6146: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 6147: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Greenhorn, Bisti-Lower Gallup, and Basin Dakota production within the wellbore of its Big 8 Well No. 1 located in Unit L of Section 8, Township 24 North, Range 9 West, San Juan County, New Mexico.

CASE 6148: Application of Coquina Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Drinkard and Granite Wash formations thru the casing-tubing annulus and the tubing, respectively.

CASE 6134: (Readvertised)

Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground to the base of the Queen formation underlying the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico, to form a 40-acre Langlie Mattix oil proration unit or underlying the N/2 NE/4, NE/4 NW/4, and SE/4 NW/4 of said Section 22 to form a non-standard 160-acre Jalmat gas proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6096: (Continued from January 18, 1978 Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6133: (Continued from January 18, 1978 Examiner Hearing)

Application of Doyle Hartman for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 8, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to form a non-standard unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Docket No. 5-78

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 15, 1978

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1978, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1978, from four prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1978, for both of the above areas.

WAIVER OF OBJECTION AND CONSENT
TO THE DOWNHOLE COMMINGLING OF
THE JUNE #1 WELL

NORTHWEST PIPELINE CORPORATION

JAN 17 1978

PRODUCTION AND DRILLING

The undersigned, as an operator of a lease offsetting the E/2 of Section 28, Township 28 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico, does hereby acknowledge receipt of the Application for Downhole Commingling of the June #1 Well.

The undersigned states that it waives any objection that it may have to this Application, and voluntarily consents to the commingling of the June #1 Well as stated in the above mentioned Application.

Dated this 18th day of January, 1978.

NORTHWEST PIPELINE CORPORATION
Company Name

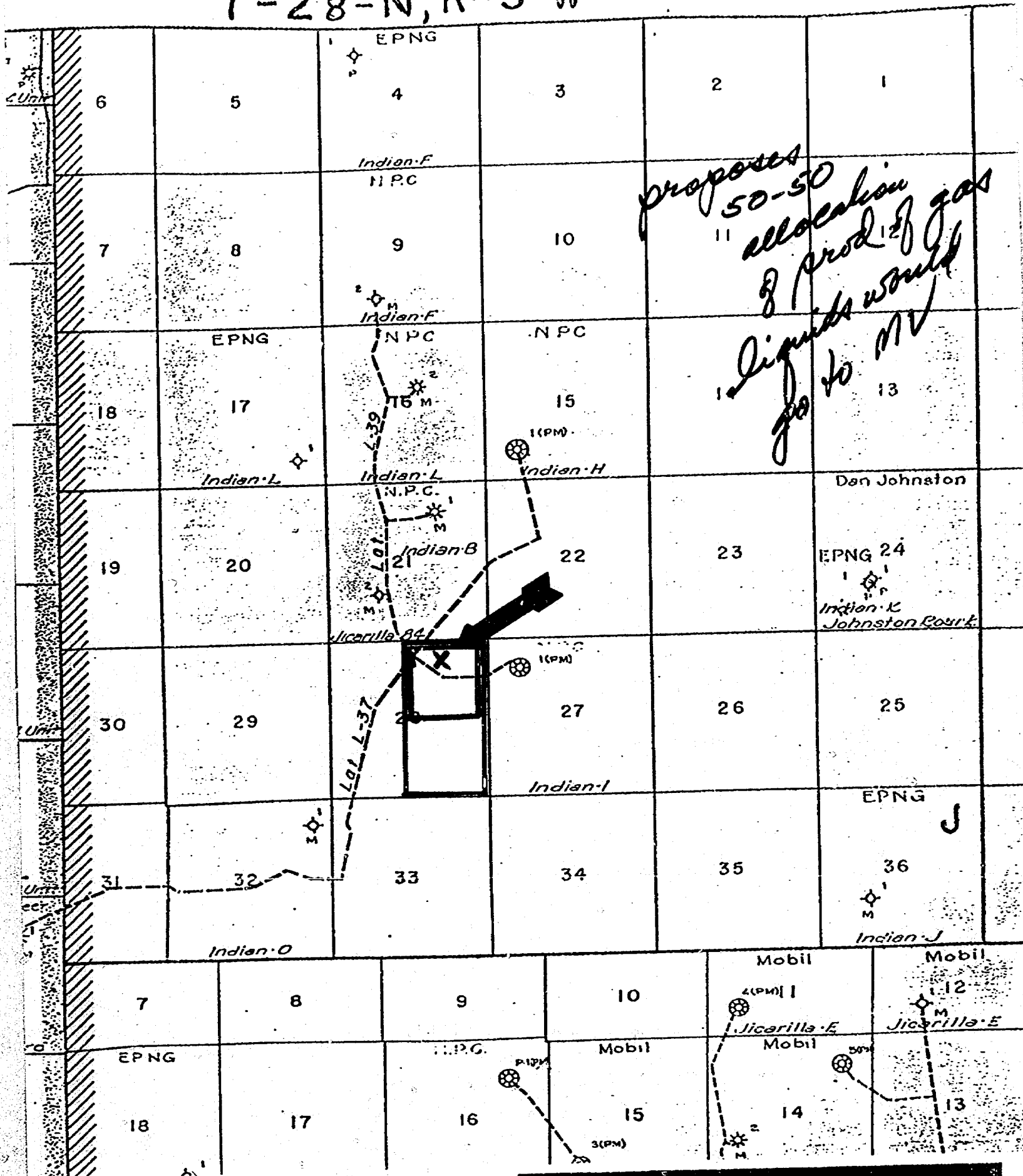
By: [Signature]

Title: MANAGER, PRODUCTION & DRILLING

Address: P. O. Box 90
Farmington, New Mexico 87401

Please send one executed copy to Joe D. Ramey, Secretary-Director, New Mexico Oil Conservation Commission, P. O. Box 2088, Santa Fe, NM 87501, and return one executed copy to the Applicant. The remaining copy is for your files.

T-28-N, R-3-W



X Well Location
 Pictured Cliffs Acreage

Mesa Verde Acreage
 BEFORE EXAMINER
 U.S. CONSERVATION COM.
 Appl. EXHIBIT NO. 1
 NO. 6145

Jerome P. McHugh
 Application for Downhole Commingling

June #1 Well
 Rio Arriba County, New Mexico

CASE NO. 6145

EXHIBIT NO. 1

RESUME OF DRILLING AND
COMPLETION OF JUNE #1 WELL

Jerome P. McHugh
Application for Downhole Commingling

June #1 Well
Rio Arriba County, New Mexico

CASE NO. 6145

EXHIBIT NO. 2

1-McHugh 1-Phillips (Henderson) 1-Phillips (Stoner) 1-File

Post Office Box 234
Zip Code 87401

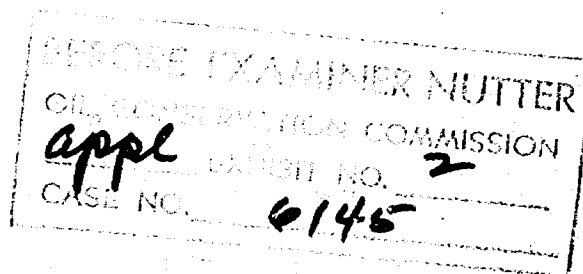
TELEPHONE: 325-0238
Area Code 505

THOMAS A. DUGAN

Registered Professional Engineer

709 BLOOMFIELD RD.
FARMINGTON, NEW MEXICO

Jerome P. McHugh
June #1
1110' FNL - 1560' FEL
Section 28, T28N, R3W
Rio Arriba County, New Mexico
Elevation - 6935' GR



MORNING REPORT

11-21-76 Moved in Ludwick rig and spudded 12-1/4" hole @ 8:00 AM 11-20-76. Drilled to 200' and shut down.

11-22-76 Sunday - did not work.

11-23-76 Finished drilling 12-1/4" hole to 268'. Ran 8 jts 8-5/8" OD 24# 8R ST&C csg. TE 265' set @ 265' GR, 276' RKB. Cemented by Woodco w/135 sx Class "B" neat. Good cement to surface. POB 7:00 PM 11-22-76. Now waiting on rotary rig.

WAITING ON ROTARY RIG

11-27-76 Moved in and rigged up Young Drilling Company. Drilling w/wtr @ 1351', Bit #2.

11-28-76 Drilling @ 2124', Bit #3.
WT 9.2 VIS 34 PH 9.0

11-29-76 Depth 2505'. Trip for Bit #4.
WT 9.0 VIS 34 WL 8.4

11-30-76 Depth 2939'. Trip for Bit #5. Lost circulation @ 2532', approx 150 bbls.

12-1-76 Depth 3394'. Trip for Bit #6.
WT 9.0 VIS 39 WL 8.5

12-2-76 Depth 3736'. Bit #6 out @ 3624', made 229' in 12 hrs.
WT 8.9 VIS 34 WL 9.0

12-3-76 Depth 4168'. Drilling w/Bit #8. Bit #7 out @ 3949', made 325' in 12 hrs.
WT 8.9 VIS 36 WL 11.0

12-4-76 Drilling @ 4550', Bit #9.
WT 9.1 VIS 34

Jerome P. McHugh
June #1
Page 2

MORNING REPORT (Cont'd)

12-5-76 Drilling @ 4937', Bit #10. Bit #9 out @ 4857', made 377'.

12-6-76 Drilling @ 5181', Bit #11.
WT 9.0 VIS 37 WL 8.2 DEV 1-1/4" @ 5154'

12-7-76 Drilling @ 5490', Bit #11.
WT 9.0 VIS 38 WL 8.4

12-8-76 Trip @ 5790' for Bit #12.
WT 9.0 VIS 38 WL 8.4

12-9-76 Drilling @ 5958', Bit #12.
WT 9.0 VIS 43 WL 7.4

12-10-76 TD 6106'. Logging with Go International. Unable to get logs down.
WT 9.2 VIS 63 WL 7.6 DEV 1-1/2" @ 6106'.

12-11-76 TD 6106'. Log stopped @ 1520', made short trip, log stopped @ 549',
made short trip, log stopped @ 1030', made short trip, log stopped
@ 1320', made short trip to 3300', circulated hole, log stopped @
5875'. Ran drill pipe to btm, circulated hole. POH, logs went to
btm, logging.

12-12-76 Go International ran induction electrical survey and gamma-ray density
logs. Laid down drill pipe. Ran 148 jts 5-1/2" OD 15.5# K-55 8R ST&C
CF&I csg set @ 6105' RKB. Cemented first stage w/225 sx 2% Lodense
1/4# Cello-flake/sk (total slurry 450 cu ft). Good mud circulation
while cementing. Worked csg OK while cementing. Max cementing press.
600 psi. POB 12:15 AM 12-12-76. Opened stage tool, circ hole 4 hrs.
(Had considerable trouble with BJ cement truck thawing out lines and
cementing second stage.) Cemented second stage thru Baker stage tool
@ 3965' w/250 sx 3% Lodense plus 100 sx 2% Lodense 1/4# Cello-flake
per sk (total slurry 900 cu ft). Max cementing press 800 psi. Good
mud returns while cementing, no cement to surface. POB 6:15 AM
12-12-76. Temp -2° F. Set slips, released rig.

WAITING ON COMPLETION

DAILY REPORT

12-15-76 Moved in Farmington Well Service completion rig.

12-16-76 Rigged up, installed wellhead, went in hole with 4-3/4" bit on
2-3/8" tbg to stage tool @ 3965'. Unable to get pump pit and
rotating head. Shut down.

Jerome P. McHugh
June #1
Page 3

DAILY REPORT (Cont'd)

- 12-17-76 Waiting on drilling equipment.
- 12-18-76 Unable to get engines started on drilling equipment, repairing equipment.
- 12-19-76 Drilled stage tool @ 3965'. Cleaned out to 6058', Western Company displaced hole, press tested csg and BOP to 4000 psi - held OK. Spotted 300 gal 15% HCl on btm, pulled tbh and bit.
- 12-20-76 PBTD 6058'. Go International late for job. Ran gamma-ray correlation log. Ran select-fire gun, did not shoot, gun wet, was not made up correctly. Perf one hole/2 feet 6017-6027', 5918-5928', and 5614-5634' (total of 20 0.44" holes). Western Company frac Mesaverde fm. Pumped 84 bbls, shut down. ISDP 1100 psi. Pumped 264 bbls fluid @ 2500 psi, 28 BPM, shut down. Pumped 500 gal 15% HCl, when acid on perf, shut down 3 min. Pumped total of 409 bbls pad. Frac well using 1698 hp, 1712 bbls wtr, 43,386 lbs 20-40 sd. IF 2400 psi, Max 2900 psi, Min 1900 psi, Avg 2200 psi, Final 2400 psi, Avg IR 31.5 BPM. Dropped 8 balls, press increased to 2900 psi, developed bad leak in wellhead below tbh head, shut down. Bled well back, found hole in bradenhead. Set Baker bridge plug @ 3950'. Removed tbh head, 5-1/2" csg had jumped out of csg slips and gone down hole 8".
- 12-21-76 Dug out csg head to surface csg. Cut off 5-1/2" csg below slips and removed csg head, welded onto 5-1/2" csg, installed new csg head, unable to pull csg weld above slips, removed csg head, welder cut off collar on top of surface csg, installed csg head, set 5-1/2" csg slips with 100,000 lbs tension, cut off 5-1/2" csg, installed tbh head and BOP.
- 12-22-76 Western Company late for job, dropped frac head off of truck on highway, car hit head and wrecked car, sand truck broke down. Pressure tested csg, wellhead and BOP to 4000 psi - held OK. Go International tagged up on bridge plug @ 3948'. Perf one hole each @ 3630', 3652', 3764', 3794', and 3825'. Perf one hole/2 feet 3599-3609' and 3730-3750' (total of 20 holes 0.44" diameter). Breakdown PC fm @ 3000 psi, established IR @ 19 BPM, 3450 psi. ISDP 700 psi. Acidized well w/500 gal 15% HCl, 35 balls, one good press break while pumping balls down, balled off perf @ 4000 psi, pumping 1/2 BPM, bled press off, well flowing back steady. Go International attempted to run junk basket, had wrong gauge ring, got correct gauge ring out of town, attempted to pump into well while waiting on gauge ring, pumped @ 15 BPM, 2400 psi. Shut down, balls still on perf. Go International ran junk basket, recovered one ball. Western Company frac Pictured Cliffs fm using 1905 hp,

Jerome P. McHugh
June #1
Page 4

DAILY REPORT (Cont'd)

1393 bbls wtr, 40,000 lbs 10-20 sd. IF 3000 psi, Max 3650 psi, Avg 2950 psi, Min 2300 psi, Final 2300 psi, ISDP 700 psi. Avg IR 27 BPM, Max IR 34 BPM, 10-Min SI 700 psi. Frac started to sand out once, cut sand, press leveled out and broke back, re-started sand, completed job and shut well in overnight.

12-23-76 Opened well to pit after being shut in 14 hrs. Flowed well back strong while going in hole to recover BP. Had 80' sand on top of BP. Circulated sand out of hole, well flowing back small amount, released BP, well stopped flowing back, pulled BP. Shut BOP and left well open to pits thru 2" line off tbg head.

12-24-76 Shut down for Christmas.

12-25-76 Shut down for Christmas.

12-26-76 Shut down for Christmas.

12-27-76 Well dead. Went in hole with 2-3/8" tbg, tagged sand @ 6020'. Attempted to circ out sand, unable to get circulation. Pumped in 125 bbls wtr, set tbg @ 5880', swabbed tbg, fluid level 1800', show of gas. Swabbed 3 hrs.

12-28-76 Swabbed well 8 hrs, swabbed est 25 bbls wtr/hr, wtr heavily gas cut. Well making small amount gas on annulus, fluid level constant @ 1800'.

12-29-76 Swabbed well 3 hrs, recovering est 25 bbls wtr/hr, wtr heavily gas cut, fluid level 1800'. Ran tbg to check sand fillup. Laid down 2-3/8" tbg.

12-30-76 Well dead. Ran 1-1/4" OD tbg, tagged sand @ 6019', landed tbg 183 jts 1-1/4" OD 2.4# JCW 10R EUE wheeling tbg set @ 5940' RKB. Installed wellhead. Released rig.

 WAITING ON SWABBING UNIT 12-31-76 thru 1-4-77

1-4-77 Moved swabbing unit, did not get to location because of snow.

1-5-77 Moved in swabbing unit. Swabbed 1-1/4" tbg from depth 5400', fluid level @ 2500', swabbed 6-1/2 hrs @ est 15 bbls wtr/hr. No csg press.

1-6-77 Swabbed well from 5940', swabbing est 15 bbls frac wtr/hr, fluid level @ 2500'. Csg press 130 psi. Swabbed 8 hrs.

Jerome P. McHugh
June #1
Page 5

DAILY REPORT (Cont'd)

1-7-77 Swabbed well from 5940', swabbing est 15 bbls frac wtr/hr, fluid level @ 2500'. Csg press 330 psi. Swabbed well 8 hrs.

1-8-77 Swabbed well from 5940', swabbing est 15 bbls frac wtr/hr, fluid level @ 2500'. Csg press 410 psi. Swabbed well 8 hrs.

1-9-77 Shut down for Sunday and snow storm.

1-10-77 Had trouble getting unit started because of cold weather, called mechanic out from town. Started swabbing at noon. Swabbed well 5 hrs @ est rate of 15 bbls/hr. Csg press 525 psi, wtr gas cut and well kicking but will not flow, swabbing from btm, dropped soap sticks.

1-11-77 Swabbed well from 5940'. Swabbed well 8 hrs at est 15 bbls frac water per hr. Csg press 625 psi. Frac water gas cut.

1-12-77 Swabbed well from 5940'. Swabbed well 8 hrs at est 15 bbls frac water per hr. Csg press 700 psi. Well kicking and water gas cut, will burn while pulling swab.

1-13-77 Swabbed well from 5940'. Swabbed well 8-1/2 hrs @ est 15 bbls frac wtr/hr. Csg press 835 psi. Well kicking and wtr gas cut.

1-14-77 Swabbed well from 5940'. Swabbed well 8-1/2 hrs @ est 15 bbls frac wtr/hr. Csg press 950 psi. Wtr very gas cut.

1-15-77 Swabbed well from 5940'. Swabbed well 8-1/2 hrs @ est 15 bbls frac wtr/hr. Csg press 1000 psi. Well flowing at end of day. Left well open to pit.

1-16-77 Shut down - Sunday.

1-17-77 Well dead. Csg press 1000 psi. Swabbed well from btm. Well flowing 20-30 min, then died.

1-18-77 Swabbed and flowed well 8 hrs. Csg press 1125 psi. Well flowed 30 min and died. Injected 10 gal liquid soap down csg.

1-19-77 Swabbed and flowed well 8 hrs. Csg press 1125 psi. Injected 5 gal liquid soap down csg.

1-20-77 Csg press 1125 psi. Well flowing by heads. Released swabbing unit.

FINAL REPORT

Jerome P. McHugh
June #1
Page 6

REMEDIAL OPERATIONS

3-11-77 Moved in Farmington Well Service pulling unit and rigged up.
Prep to pull tbq.

3-12-77 Pulled 1-1/4" tbq and ran 1-1/4" tbq w/Baker Model "R" packer.
Discovered crew had run packer upside down when getting ready
to set packer. Pulled tbq and packer. Prep to rerun packer.

3-13-77 Sunday - did not work.

3-14-77 Ran 1-1/4" tbq w/Baker Model "R" single grip packer as follows:

15 jts 1-1/4" 2.4# 10R	
EUE J-CW tbq -----	492.31'
Baker Model "R" single grip	
packer w/straight thru adapter -----	---
168 jts 1-1/4" 2.4# 10R	
EUE J-CW tbq -----	5436.74'
Total Equipment	5929.05'
Set @ RKB	5940.00'
Packer @ RKB	5448.00'

Set 10,000# weight on packer. Nippled up wellhead and swabbed
3 hrs. Slight show gas.

3-15-77 Released Farmington Well Service pulling unit and moved in
Farmington Well Service swabbing unit. Swabbed 1-1/4" tbq 5 hrs,
fluid level staying @ approx 1000'. Show of gas.

3-16-77 Swabbed well 8 hrs, fluid level staying approx 1000'. Well kicked
off @ 4:30 PM, flowed for 1 hr. Shut well in because gas was blow-
ing across dehydrator w/fire still burning.

3-17-77 Well would not kick off. Swabbed in. Kicked off twice during day.
Will not stay flowing.

3-18-77 Swabbed well 9 hrs. Kicked off twice during day. Left well flow-
ing to pit.

3-19-77 Swabbed well 8 hrs. Kicked off 3 times, flowed 1 hr 15 min first
time, 30 min second time, and 15 min third time.

Jerome P. McHugh
June #1
Page 7

REMEDIAL OPERATIONS (Cont'd)

3-20-77 Sunday - did not work.

3-21-77 Swabbed well 9 hrs. Kicked off twice during day. Will not remain flowing.

3-22-77 Swabbed well 9 hrs. Kicked off twice during day. Flowed total of 1-1/2 hrs.

3-23-77 Swabbed well 9 hrs. Kicked off twice during day. Flowed total of 1-1/4 hrs.

3-24-77 Swabbed well 9 hrs. Kicked off three times during day. Flowed total of 2 hrs.

3-25-77 Swabbed well 9 hrs. Kicked off three times during day. Left well flowing.

3-26-77 Well dead. Dropped soap and shut well in. Rigged down swabbing unit and moved to Burke #1 Well.

SHUT-IN

6-21-77 Moved in Farmington Well Service pulling unit from Burke #2. Rigged up and pulled 1-1/4" tbg and Model "R" packer. Brought packer to town to be re-dressed.

6-22-77 Picked up 13 jts 2-3/8" tbg on sand line and set Baker retrievable bridge plug @ 5750'. Ran Baker Model "R" packer on 1-1/4" tbg. Tbg set @ 5676' w/packer @ 5400' to test Cliff House zone by itself. Rigged up and swabbed tbg 3 hrs, show gas, fluid level remaining @ 1200' from surface.

6-23-77 Swabbed well 10 hrs, unable to lower fluid level, slight show gas, no evidence packer not holding.

6-24-77 Pulled 1-1/4" tbg and packer. Picked up Baker retrieving head and made trip in hole to retrieve bridge plug, had trouble getting hold of bridge plug. Pulled bridge plug and shut down for night.

Jerome P. McHugh
June #1
Page 8

REMEDIAL OPERATIONS (Cont'd)

6-25-77

Ran 1-1/4" tbg string as follows:

7 jts 1-1/4" OD 2.4# 10R EUE	
JCW tbg -----	225.38'
Baker Model "R" single grip	
packer w/straight through adaptor -----	---
176 jts 1-1/4" OD 2.4# 10R EUE	
JCW tbg -----	5703.67'
TOTAL EQUIPMENT -----	5929.05
Set @ RKB -----	5940.00'

with packer set @ 5715' RKB

Set packer w/10,000# set down weight. Nippled up wellhead and moved pulling unit to Burke #2.

10-31-77

Rigged up F.W.S. pulling unit. P.O.H. and laid down 1-1/4" tbg. Ran Baker retrievable B.P. set @ 3910' RKB. Ran 122 jts. 2-3/8" OD 4.7# 8 Rd. EUE "B" condition tbg. TE 3837.57' set @ 3848'. Ran 2" swab tbg OK. Released pulling unit. Prep. to move in swabbing unit.

11-1-77

Moved in F.W.S. swabbing unit. Swabbed 2-3/8" tbg 5 hrs. Fluid level @ 900' when starting to swab. Lowered fluid level to 1300' @ end of day. Show of gas ahead of swab each run.

11-2-77

Swabbed well 8 hrs. Fluid level @1300' when starting down to 1900' at end of day. Csg. press. built up from 300 psi to 450 psi during day. Well showing gas each run.

11-3-77

Csg. press 750 psi. Well kicked off after 4 runs, flowed for 2-1/2 hrs and died. Continued swabbing the rest of day. Fluid level remaining approximately 3000'. Well kicks off and flows each swab run from 10 to 30 min. Csg. press. at end of day 300 psi.

Jerome P. McHugh
June #1
Page 9

REMEDIAL OPERATIONS

- 11-14-77 Moved in and rigged up Bedford Inc. pulling unit. Pulled and stood back 2-3/8" tbg.
- 11-15-77 Picked up Baker Model "R" single grip packer. Ran 2-3/8" tbg and attempted to push bridge plug down hole to test Cliff House perfs. Unable to get bridge plug to move down hole. P.O.H.
- 11-16-77 Picked up Baker Hydrostatic tubing bailer and retrieving head. Went in hole and retrieved bridge plug. Laid down 2-3/8" tbg. Nippled up wellhead and released pulling unit.

T-28-N, R-3-W

0 6	5	0 4	3	2	1
7	8	9	10	11	12
18	17	16	15 * 229/ 0	14	13
19	20	21	22	23	24 0
30	29	28 X	* 2607 0 27	26	25
31	32	33	34	35	36

1976 PRODUCTION
GAVILAN PICTURED CLIFFS POOL WELLS

- Gas Production
- Oil Production
- X Well Location

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 6145

Jerome P. McHugh
Application for Downhole Commingling
June #1 Well
Rio Arriba County, New Mexico
CASE NO. 6145
EXHIBIT NO. 3

T-28-N, R-3-W

6	5	4	3	2	1
7	8	9 ⊕ ○	10	11	12
18	17	16 * 4844 ○	15 * 27051 145	14	13
19	20	21 * 1030 ○ ⊕ ○	22	23	24
30	29	28 X	* 11424 74 27	26	25
31	32 ○ ⊕	33	34	35	36 ⊕ ○

1976 PRODUCTION
BLANCO MESAVERDE POOL WELLS

— Gas Production
— Oil Production

X Well Location

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appd EXHIBIT NO. ✓
CASE NO. 6145

Jerome P. McHugh
Application for Downhole Commingling

June #1 Well
Rio Arriba County, New Mexico

CASE NO. 6145

EXHIBIT NO. 4

Case
6145

JAN 17 1978

OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION
SANTA FE

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.

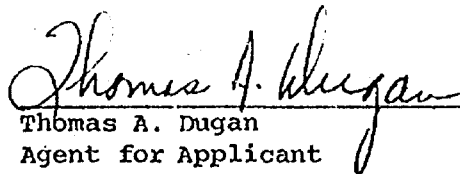
The Applicant further states:

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.

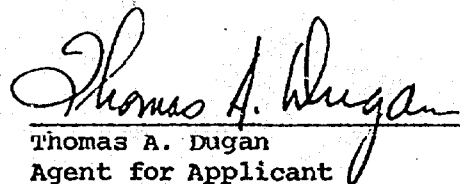
WHEREFORE, the Applicant requests this Application be set for hearing on February 8, 1978; and after this hearing the New Mexico Oil Conservation Commission grant this Application by giving approval to the downhole commingling of the June #1 Well in Rio Arriba County, New Mexico.



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

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6145

Order No. R- 5664

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this February day of February, 19 78, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Jerome P. McHugh, is the
owner and operator of the June Well No. 1, located
in Unit B of Section 28, Township 28 North, Range
3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Gavilan-Pictured Cliffs and Blanco-Mesaverde production
within the wellbore of the above-described well.

(4) That from the Gavilan-Pictured Cliffs zone, the
subject well is capable of low marginal production only.

(5) That from the Blanco-Mesaverde zone, the
subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

Case No. _____
Order No. R- _____

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas production should be allocated to the Gavilan-Pictured Cliffs zone, and 50 percent of the commingled gas production ^{and all of the condensate production} to the Blanco-Mesaverde zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Jerome P. McHugh, is hereby authorized to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of the June Well No. 1, located in Unit B of Section 28, Township 28 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) That 50 percent of the commingled gas production shall be allocated to the Gavilan-Pictured Cliffs zone and 50 percent of the commingled gas production ^{and all of the condensate production} shall be allocated to the Blanco-Mesaverde zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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