

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. 8308  
Order No. R-7258-A

APPLICATION OF DUGAN PRODUCTION  
CORPORATION, ACTING AS AGENT FOR  
JEROME P. McHUGH, FOR AMENDMENT  
OF DIVISION ORDER NO. R-7258,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 5, 1984, at Santa Fe, New Mexico, before Gilbert P. Quintana.

NOW, on this 20th day of November, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Testimony in said Case 8308 has been consolidated with testimony for Cases 8309 and 8310.

(3) The applicant, Jerome P. McHugh, is the owner and operator of the Janet Well No. 1, located 790 feet from the North line and 790 feet from the East line of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

(4) That under the terms of Division Order No. R-7258 entered April 8, 1983, the applicant, Jerome P. McHugh, was authorized to commingle Basin-Dakota and Undesignated Gallup (now Gavilan-Mancos Oil) production in the wellbore of said well.

(5) That said order contained a formula for allocating the production to each of the commingled zones.

(6) That engineering evidence developed since the entry of said order indicates that the oil portion of said formula should be amended to reflect the clean-up of and recovery of drilling fluids from the Mancos formation.

(7) That no party objected to the proposed amendment of the allocation formula.

(8) That the application should be approved.

IT IS THEREFORE ORDERED THAT:

(1) Effective November 1, 1984, Order (2) of Division Order No. R-7258 is hereby amended to read in its entirety as follows:

"(2) That 90 percent of the commingled oil production and 85 percent of the commingled gas production shall be allocated to the Gavilan Mancos Oil zone and 10 percent of the commingled oil production and 15 percent of the commingled gas production shall be allocated to the Basin-Dakota zone."

(2) 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

*R. L. Stamets*  
R. L. STAMETS,  
Director