

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. 8309
Order No. R-7367-A

APPLICATION OF DUGAN PRODUCTION
CORPORATION, ACTING AS AGENT FOR
JEROME P. McHUGH, FOR AMENDMENT
OF DIVISION ORDER NO. R-7367,
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 8309 has been consolidated with testimony for Cases 8308 and 8310.

(3) The applicant, Jerome P. McHugh, is the owner and operator of the Wright Way Well No. 1, located 950 feet from the North line and 1680 feet from the West line of Section 2, Township 24 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

(4) That under the terms of Division Order No. R-7367 entered October 4, 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.

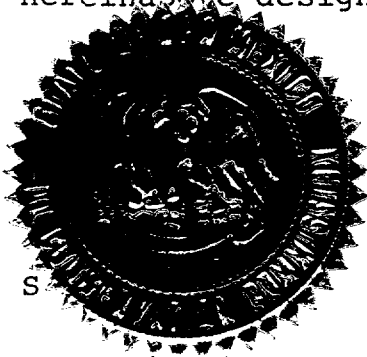
IT IS THEREFORE ORDERED THAT:

(1) Effective November 1, 1984, Order (2) of Division Order No. R-7367 is hereby amended to read in its entirety as follows:

"(2) That 92 percent of the commingled oil production and 85 percent of the commingled gas production shall be allocated to the Gavilan Mancos Oil zone and 8 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.



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A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS,
Director