

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501



STATE GEOLOGIST

EMERY C. ARNOLD

DIRECTOR

JOE D. RAMEY

LAND COMMISSIONER

PHIL R. LUCERO

May 19, 1977

Dugan Production Corp.
P. O. Box 234
Farmington, New Mexico 87401

Attention: Jim L. Jacobs

Administrative Order No. DHC-221
Chaco Plant Well No. 12, Unit I,
Section 22, Township 26 North,
Range 12 West, NMPM, San Juan
County, New Mexico - Formations:
Fruitland and Pictured Cliffs

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject well to permit the commingling of production from both formations in the well-bore.

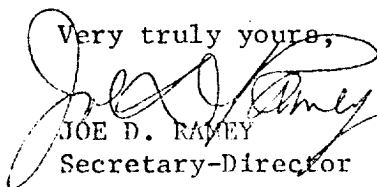
It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Upper Pool: 76%
Lower Pool: 24%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,


JOE D. RAMEY
Secretary-Director

JDR/CU/og

