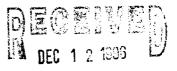


## dugan production corp.



December 11, 1996



OIL COM. DEF

Frank Chavez New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

Re: NMOCD Amended Commingling Order CTB-407

Dugan Production's Topaz Gas Gathering System
San Juan County, NM

Dear Mr. Chavez:

The subject NMOCD amended commingling order authorizes the addition of Dugan's Jeter No. 5 and Bisti State Com No. 90 to our Topaz Gas Gathering System and requires that we notify you upon implementation of commingling. This gathering system was initially placed into service on 8/19/94 and with the addition of these 2 wells, a total of 9 wells have been approved for this system. The Jeter No. 5 was first delivered on 9/19/96 and the Bisti State Com No. 90 on 10/10/96.

Should you have questions or need additional information, please let me know.

Sincerely,

Jehn O Rose.

John D. Roe Manager of Engineering

JDR/cq