



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

IN REPLY REFER TO:

3162.7-3

Tabor & King Gas Gathering System

Dugan Production Corporation  
Attn.: John Roe  
P.O. Box 420  
Farmington, New Mexico 87499

DEC 13 2001



Dear Mr. Roe:

Reference is made to your application dated August 14, 2001, to add nine wells to your Tabor Gas Gathering System (TGGS) Central Delivery Point (CDP). The TGGS delivers gas to El Paso Field Service Meter No. 90887, located in the NENE section 2, T.29N., R. 14W., at the Com 1E well site. The TGGS was approved for off-lease measurement and sales on July 30, 1996, and currently includes 7 wells. In addition to this application, we received your application dated October 31, 2001, requesting consolidation of the TGGS with the King Gas Gathering System (KGGS). The KGGS was originally approved for off-lease sales and measurement on October 1, 1999 and currently includes 7 wells. The KGGS delivers gas to El Paso Field Services Meter No. 98081, located in the NWSW Section 2, T. 29N., R. 14W., at the Com 91 well site. You propose to combine the TGGS and KGGS at a common measurement and compression facility at the following location:

**Com 1E well site located in the NENE section 2, T. 29N., R. 14W., (El Paso Field Services Meter No. 90887).**

Your proposal indicates that consolidation would eliminate the current off-lease sales and measurement provision for the KGGS which currently allows measurement at the Com 91 CDP (El Paso meter 98081); this meter will be removed from service.

Your applications indicate that measurement at a common facility is necessary to economically operate these wells and reduce overall operating costs. In addition, measurement at a common facility would eliminate the need for individual wellhead compression thereby reducing fuel use while increasing the gas available for sale. We have reviewed these applications and concur with your findings. As such, you are hereby authorized to measure gas at the Com 1E well site referenced above. In addition, you are also authorized to add the nine wells referenced in your application. The original terms and conditions for off-lease measurement and sales are still in full force and effect. In addition to these requirements, a mechanical integrity test of the system will be required. File the results of this test within 30 days of this approval. The attached list of wells are wells authorized for surface commingling and off-lease measurement at the Com 1E well site CDP (El Paso Field Services Meter No. 90887).

If you have any questions regarding the above please contact me at your convenience.

Sincerely,

Jim Lovato

Senior Technical Advisor, Petroleum Management Team

cc:  
NMOCD (Aztec & Santa Fe)

**Tabor/King Gas Gathering System  
Well List**

<u>Well Name and No.</u>	<u>API No.</u>	<u>Lease #</u>	<u>CA #</u>	<u>Formation</u>	<u>Location</u>
B.Petr. Com No. 90	3004530769	NM-33050	Pending	Basin FC	NWSW 26-30N-14W
Com No. 1E	3004523940	State	14080017765	Dakota	NENE 2-29N-14W
Com No. 2	3004523199	State	State CA	Ft. sd/PC	NENE 2-29N-14W
Com No. 2R	3004530567	State	State CA	Ft. sd/PC	NWNE 2-29N-14W
Com No. 4	3004529986	State	NMNM103068	Ft. sd/PC	NENW 2-29N-14W
Federal I No.99	3004529989	SF-078110	NA	Basin FC	SENE 3-29N-14W
Horace Smith No. 1R	3004524346	NM-0206994	SCR 248	Dakota	NESE 26-30-14W
Jacobs No. 2	3004523942	NM-33050	NA	Dakota	SWNE 26-30N-14W
Jacobs No. 3	3004530590	NM-33050	NA	Ft. Sd/PC	NENW 26-30N-14W
Jacobs Com No. 90	3004530588	NM-33050	Pending	Basin FC	SWNE 26-30N-14W
Jiggs No. 1	3004530183	NM-0206995	NA	Ft. sd/PC	SWNW 35-30N-14W
Jiggs No. 2	3004530177	NM-0206995	NA	Ft. Sd/PC	NESE 35-30N-14W
Mayre No. 4R	3004530591	NM-4465	NA	Ft. Sd/PC	SWSE 27-30N-14W
S. Needs a Com No. 2	3004530574	State	State CA	Ft. Sd/PC	NWNW 36-30N-14W
Tabor Com No. 90	3004529994	NM-33051	NMNM102982	Basin FC	SENE 35-30N-14W
Winifred Com No. 90	3004530577	Fee	Pending	Basin FC	SWSE 26-30N-14W
Com No. 1	3004508722	State	NMNM91272	Basin FC	NWSE 2-29N-14W
Com No. 3	3004523267	State	SMR1419	Ft sd/PC	NWSE 2-29N-14W
Com No. 91	3004529935	State	NMNM103067	Basin FC	NWSW 2-29N-14W
Federal I No. 7	3004530181	SF-078110	NA	Ft. Sd/PC	NWSE 3-29N-14W
Federal I No. 8	3004530178	SF-078110	NA	Ft. Sd/PC	NENW 11-29N-14W
Federal I No. 98	3004530180	SF-078110	NA	Basin FC	NWNE 10-29N-14W
King Com No. 90	3004529883	Fee	NMNM102968	Basin FC	NWNE 11-29N-14W