

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 31, 2017

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

Administrative Order OLM-117
Application Reference No. pMAM1709051637

Dugan Production Corporation
Attention: Mr. Kevin Smaka

Dugan Production Corporation (OGRID 6515) is hereby authorized to transport and measure gas production off-lease, from the following identically owned leases and wells which produce from the Basin Fruitland Coal (Gas) Pool (Pool code 71629) in San Juan County, New Mexico:

Lease: Federal Lease NMNM 87301
Description : W/2 of Section 35, Township 25 North, Range 13 West, San Juan County, New Mexico
Well: Hone Mesa BAE Federal Well No. 1 30-045-30893

Lease: Federal Lease NMNM 87306
Description : E/2 of Section 29, Township 25 North, Range 13 West, San Juan County, New Mexico
Well: Moncisco AZZ BAE Federal Well No. 1 30-045-30883

The combined spacing unit for these wells includes the E/2 of Section 29, and the W/2 of Section 35, all in Township 25 North, Range 13 West, NMPM, San Juan County, New Mexico.

The gas production from these wells shall be measured through a dedicated, single-well meter at, and sold from the Hone Mesa/Moncisco Central Delivery Point located in Unit K, Section 22, Township 25 North, Range 13 West, San Juan County, New. All meters for the above-referenced wells shall be physically separated from facilities for other wells, so that production from the above-referenced wells will not be commingled prior to measurement with production from any other wells.

The surface commingling of gas with production from other pools or leases is NOT authorized.

The approval is subject to like approval by the Bureau of Land Management.

OLM-117

Dugan Production Corporation

March 31, 2017

Page 2 of 2

Done at Santa Fe, New Mexico, on March 31, 2017



DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division – Aztec
Bureau of Land Management – Farmington