

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



October 3, 2017

**ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER**

Administrative Order PLC-484  
Administrative Application Reference No. pMAM1725451520

Dugan Production Corporation  
Attention: Mr. Kevin Smaka

Pursuant to your application received on September 11, 2017, Dugan Production Corporation (OGRID 5615) is hereby authorized to surface commingle gas production from the following pools located in Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

BASIN FRUITLAND COAL (GAS) (71629)  
WAW FRUITLAND SAND PC (GAS) (87190)

and from the following diversely federal and Indian Allotte leases in said Section, Township, and Range in San Juan County, New Mexico.

Lease: Indian Allotted Lease NOO-C-14-20-7470  
Description: NW/4 of Section 34, Township 26 North, Range 12 West  
Well: Ruby Well No. 1 API 30-045-23839  
Pool: Basin Fruitland Coal (Gas)

Lease: Federal Communitization Agreement NMNM 75976  
Description: SW/4 of Section 27, Township 26 North, Range 12 West  
Well: Designated Hitter Well No. 2 API 30-045-22638  
Pool: WAW Fruitland Sand PC (Gas)

The combined spacing units for these wells include the NW/4 of Section 27, and the SW/4 of Section 34, all in Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

The commingled gas production from the wells detailed above shall be measured and sold at the gatherer meter located in Unit M of Section 27, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each of the wells shall be measured separately before commingling at the gatherer meter.

For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

**This approval is subject to like approval from Bureau of Land Management a before commencing commingling operations.**

The operator shall notify the Aztec District office of the Division prior to implementation of the commingling operations.



**DAVID R. CATANACH**  
**Director**

DRC/mam

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