



dugan production corp.

September 13, 2004

RECEIVED

SEP 15 2004

OIL CONSERVATION
DIVISION

Mr. Mark Fesmire, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Dugan's Application dated 8-24-04
Proposed Surface Commingling and Off-Lease Measurement
15 Additional Wells
Dugan Production's Piñon Mesa Gathering System
San Juan County, New Mexico

Dear Mr. Fesmire,

Attached for your consideration in the captioned application are copies of the return receipt cards which reflect that all working and royalty interest owners have received a copy of our application. In addition, attached are receipts for 18 of the 20 overriding royalty interest owners indicating they have received notice of our application along with a detailed description of the application. The two ORRI owners for which we do not have a receipt includes Dugan Production which isn't necessary plus Ms. Jennifer Jones Black. Ms. Black holds a 1.5% ORRI in 10 wells (Dugan's Big Field wells No. 1, 5, 6, 7, 8, 90, 90S, 91Y, 92 & 92S) and the address listed is her last known address. We have been unable to locate Ms. Black and revenues accruing to her interest have been accumulating since 6/92. To date, we have had no response from any of the interest owners. Also attached for your review and file is a copy of the "Affidavit of Publication" for the 8/25/04 publication of the Farmington Daily Times.

Should you have any questions, please let me know.

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

enclosure

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
San Juan Basin Properties, LLC
1449 Blake Street #7K
Denver, CO 80202

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2751**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) Date of Delivery **8/25/04**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
USA-Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2775**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) Date of Delivery **8/25/04**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Questar Exploration & Production
Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2560**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) Date of Delivery **8/30/04**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
BP America Production Co.
200 Amoco Court
Farmington, NM 87401

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2560**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) Date of Delivery **8/26/04**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Waypro Co.
Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2577**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) Date of Delivery **AUG 30 2004**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Burlington Resource
P.O. Box 4289
Farmington, NM 87499-4289

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2577**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) Date of Delivery **8/26/04**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 J. H. + Laine A. Carpenter
 P.O. Box 609
 Saukate, TX 77659

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Cookye Douglas* Agent Addressee

B. Received by (Printed Name)
 COOKEYE DOUGLAS

C. Date of Delivery
 8-31-04

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Feil Living Trust
 Marie A. Feil
 6096 Upland Terrace S.
 Seattle, WA 99118

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
 GLEN PERKINS

C. Date of Delivery
 [Stamp]

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label)
 PS Fo 102595-02-M-1035

2. Article Number (Transfer from service label)
 7002 2410 0001 0134 2614
 PS Form 3811, August 2001 Domestic Return Receipt 10259

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Diana H. Cook
 1740 S. Schomer Creek Rd.
 Lincoln City, OH 97367

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Ronald Cook* Agent Addressee

B. Received by (Printed Name)
 RONALD COOK

C. Date of Delivery
 8/28/04

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Celeste C. Brynberg
 C/o Brynberg Petroleum Co.
 5299 DTC Blvd, Suite 500
 Greenwood Village, CO 80111

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Thomas E. Vender* Agent Addressee

B. Received by (Printed Name)
 THOMAS E. VENDER

C. Date of Delivery
 8-30-04

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label)
 7002 2410 0001 0134 2591
 PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

2. Article Number (Transfer from service label)
 7002 2410 0001 0134 2621
 PS Form 3811, August 2001 Domestic Return Receipt 102595

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Exxon Mobil Production Co.
 P.O. Box 4697
 Houston, TX 77210-4697

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *GEE* Agent Addressee

B. Received by (Printed Name)
 [Blank]

C. Date of Delivery
 AUG 29 2004

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Mary C. Hagood Royalty Trust
 Patrick S. Hagood, Trustee
 P.O. Box 8078
 La Verne, CA 91750-8078

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
 PATRICK S. HAGOOD

C. Date of Delivery
 9/1

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label)
 7002 2410 0001 0134 2607
 PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

2. Article Number (Transfer from service label)
 7002 2410 0001 0134 2638
 PS Form 3811, August 2001 Domestic Return Receipt 102595

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Lisa K. Hood
 c/o Wells Fargo OGM
 P.O. Box 5383
 Denver, CO 80217

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2645**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery
 AUG 30 2004

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 W. E. Jeffers Revocable Trust
 P.O. Box 65
 Ardenia, NM 89211-0065

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2676**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery
 AUG 30 2004

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Robin J. Hood
 c/o Wells Fargo OGM
 P.O. Box 5383
 Denver, CO 80217

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2652**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery
 AUG 30 2004

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 MAX-J Partners, Ltd.
 155 University Drive West, Ste 100
 Englewood, CO 80122

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2663**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery
 0830C

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Ruth P Jeffers Trust #00611360
 Nations Bank TX, NA, Trustee
 P.O. Box 870738
 Dallas, TX 75284-0738

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2669**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X **A. Vasquez** Agent Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery
 AUG 28 2004

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Chester L Pringle 1991 Trust
 Chester L Pringle Trustee
 P.O. Box 843
 Marble Falls, TX 78654

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2690**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery
 Chester Pringle 8-31

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Billie Robinson
 P.O. Box 1231
 Santa Fe, NM 87504

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2706**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Billie Robinson* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
 [Blank] [Blank]

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SANTA FE, NM 87504
USPS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 XTO Energy Inc.
 Building K, Suite 1
 2700 Farmington Ave.
 Farmington, NM 87401

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2737**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Nila W. White* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
 Nila W. White 8/30/04

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Southern Sky Investment Inc.
 P.O. Box 2167
 Roswell, NM 88201

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2713**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
 Baudelio Ramirez 8/30/04

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Virginia L. Yancey
 26936 Red Avenue
 Conifer CO 80433-8537

2. Article Number
 (Transfer from service label) **7002 2410 0001 0134 2720**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
 [Blank] 8/30/04

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

AFFIDAVIT OF PUBLICATION

Ad No. 50375

STATE OF NEW MEXICO
County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Wednesday, August 25, 2004.

And the cost of the publication is \$82.97.

Connie Pruitt

ON 8-27-04 CONNIE PRUITT
appeared before me, whom I know personally
to be the person who signed the above
document.

Jimmy Beck
My Commission Expires April 2, 2008.

COPY OF PUBLICATION

918 Legals

NOTICE

DUGAN PRODUCTION Corp. is applying to the New Mexico Oil Conservation Division (NMOCD) and the Bureau of Land Management (BLM), for regulatory approvals to add 9 existing plus 6 proposed natural gas wells to Dugan Production Corp.'s Piñon Mesa Gas Gathering System. In addition, it is proposed to move the central delivery sales meter from the SENE of Section 14, T-30N, R-14W to the NENE of Section 24, T-30N, R-14W of San Juan County. This will require the surface commingling of natural gas and produced water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. Dugan Production is also requesting that the NMOCD amend the existing surface commingling order to allow future additions to the gathering system following notice only to the interest owners being added, provided it is reasonably certain that the proposed additions will not affect the wells previously authorized for the gathering system. The wells to be added and the existing gathering system are located within Sections 10, 11, 13, 14, 15 & 24 of T-30N, R-14W, all located in San Juan County, New Mexico. The central delivery gas sales meter (CDP) currently authorized is located in the SE/4 NE/4 of Section 14, T-30N, R-14W and delivers gas to Gulferra Field Services (previously El Paso Field Services) at their meter No. 90018. The gathering system currently has 23 wells which are completed in the following 3 pools; Basin Dakota gas (8 wells), Basin Fruitland Coal gas (7 wells) and Harper Hill Fruitland Sand Pictured Cliffs gas (8 wells). Of the 15 wells proposed to be added, 8 will be completed in the Basin Fruitland Coal gas pool and 7 in the Harper Hill Fruitland Sand Pictured Cliffs gas pool. All wells are located upon one of the following federal leases held by Dugan Production Corp.: NM-628, NM-2555, NM-6899, NM-10561, NM-15272, NM-26052, NM-71716, SF-079070 and SF-081231-B. Any person holding an interest in any of these lands or leases may contact Dugan Production Corp. for additional information. Inquiries should be directed to John Roe at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the initial date of this publication. In the absence of objection, Dugan Production Corp. has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 50375 published in The Daily Times, Farmington, New Mexico on Wednesday, August 25, 2004.