

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 10, 2015

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-173-E
Administrative Application Reference No. pMAM1508231850

Dugan Production Corporation
Attn: Mr. Kevin Smaka

Pursuant to your application received on March 19, 2015, Dugan Production Corporation (OGRID 6515) is hereby authorized to surface commingle **gas production only** from the following pools:

Basin Dakota (Prorated Gas)	(71599)
Basin Fruitland Coal (Gas)	(71629)
Harper Hill Fruitland Sand PC (Gas)	(78160)
Twin Mounds Fruitland Sand PC (Gas)	(86620)

and from the following diversely owned wells. These wells are identified in Attachment No. 2, and made part of this order. These wells are located on federal, state, Native American, and fee leases in said Townships and Ranges in San Juan County, New Mexico.

Each well produces from only the pool or pools identified on Attachment No. 2.

Each well will be equipped with an individual gas meter for allocation purposes. Gas that has passed through the well meters will be commingled in operator's Tabor Gathering System, and will be again measured, and sold, at the transfer point on Enterprise Field Services, located in the NE/4 NE/4 of Section 2, Township 29 North, Range 14 West, San Juan County, New Mexico.

The operator shall notify the transporter of this commingling authority.

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 Division Order supersedes Division Order PLC-173-D, issued March 22, 2004.

The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management and New Mexico State Land Office before commencement of the commingling operations.

Done at Santa Fe, New Mexico, on April 10, 2015.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Aztec
United States Bureau of Land Management
New Mexico State Land Office – Oil, Gas, and Minerals

ATTACHMENT NO. 2

DUGAN PRODUCTION CORP.

TABOR GATHERING SYSTEMS 3/17/15

CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 90887) A-2-29N-14W

SAN JUAN COUNTY, NEW MEXICO

Well Name	API No. 30-045-	Well Location		Lease No.	Lse.Type	CA Number	Pool	Completion Date ☐	Current Prod. ☐			Spacing Unit	Dates for SC, OLM & S ☐			
		UL-Sec-Twn-Rng							MC/FD	BC/D	BW/PD		Application	BLM Approval	NMSLO Approval	NMOCD Approval
WELLS TO BE ADDED TO SYSTEM (11 wells) (17 COMPLETIONS)																
Carpenter 1E	23613	F-25-30N-14W	NM0206994	Federal	SW968	Basin DK	9/29/1979	8	0	0		W/2-320.36A				
Federal 1 101S	34294	F-1-29N-14W	SF078110	Federal	N/A	Basin Fruitland Coal	4/2/2008	77	0	82		S/2-320A				
Federal 1 Com 102 FC	31792	A-12-29N-14W	14206032198	Indian	NMNM112517	Basin Fruitland Coal	8/19/2005	46	0	29		E/2-320A				
Federal 1 Com 102 PC	31792	A-12-29N-14W	14206032198	Indian	NMNM112517	Harper Hill FR Sand-PC	8/19/2005	41	0	25		NE/4-160A				
Federal 1 Com 102S FC	35013	F-12-29N-14W	FEE (XTO)	FEE	NMNM112517	Basin Fruitland Coal	1/7/2011	38	0	19		E/2-320A				
Federal 1 Com 102S PC	35013	F-12-29N-14W	FEE (XTO)	FEE	NMNM112517	Harper Hill FR Sand-PC	1/7/2011	34	0	17		SE/4-160A				
Federal 1 Com 103	32587	E-12-29N-14W	FEE(10015)	FEE	N/A	Basin Fruitland Coal	7/26/2005	58	0	17		W/2-309.32A				
Federal 1 Com 103S FC	35348	M-12-29N-14W	FEE (XTO)	FEE	pending	Basin Fruitland Coal	10/31/2013	0	0	0		W/2-309.32A				
Federal 1 Com 103S PC	35348	M-12-29N-14W	FEE (XTO)	FEE	pending	Harper Hill FR Sand-PC	10/31/2013	0	0	0		SW/4-149.53A				
Jacobs Com 90S FC (Note 4)	33683	F-25-30N-14W	NM0206994	Federal	NMNM117798	Basin Fruitland Coal	10/24/2006	59	0	22		NE/4 Sec 26, NW/4 Sec 25-320A				
Jacobs Com 90S PC (Note 4)	33683	F-25-30N-14W	NM0206994	Federal	NMNM117798	Harper Hill FR Sand-PC	10/24/2006	44	0	22		NW/4 Sec. 25-160A				
O'Henry 2	34922	N-36-30N-14W	E6714	State	N/A	Harper Hill FR Sand-PC	6/11/2010	43	0	110		SW/4-173.8A				
Pan American Federal 1	09337	N-24-30N-14W	SF081231B	Federal	N/A	Basin DK	9/11/1984	23	0	0		W/2-320A				
Pan American Federal 3 FC	33697	N-24-30N-14W	SF081231B	Federal	N/A	Basin Fruitland Coal	8/4/2006	35	0	19		W/2-320A				
Pan American Federal 3 PC	33697	N-24-30N-14W	SF081231B	Federal	N/A	Harper Hill FR Sand-PC	8/4/2006	26	0	19		SW/4-160A				
Winifred Com 90S FC (Note 4)	33688	L-25-30N-14W	NM0206994	Federal	NMNM117802	Basin Fruitland Coal	10/13/2006	53	0	19		SE/4 Sec 26 SW/4 Sec 25-320.36A				
Winifred Com 90S PC (Note 4)	33688	L-25-30N-14W	NM0206994	Federal	NMNM117802	Harper Hill FR Sand-PC	10/13/2006	40	0	19		SW/4 Sec 25-160.36				
WELLS PREVIOUSLY APPROVED FOR TABOR GATHERING SYSTEM (39 wells)																
Beyond Petroleum Com 90	30769	L-26-30N-14W	NM-33050	Federal	NMNM104941	Basin Fruitland Coal	12/13/2001	104	0	60		W/2-320A	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Camp David Com 1	28428	G-36-30N-14W	VA-310	State	State C.A.	Basin Fruitland Coal	1/10/1991	205	0	48		E/2-323.59A	8/19/1997	9/22/1997	8/26/1997	12/2/1997
Camp David Com 1S	31637	L-36-30N-14W	E-3149	State	State C.A.	Basin Fruitland Coal	11/3/2003	138	0	29		E/2-323.59A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Camp David Com 2	30573	O-36-30N-14W	E-3149	State	State C.A.	Harper Hill FR Sand-PC	4/16/2001	16	0	41		SE/4-160A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Cline 1R	30995	P-33-30N-14W	FEE	FEE	NA	Twin Mounds FR Sand-PC	4/11/2002	17	0	32		SE/4-171.93A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Com 1	08722	J-2-29N-14W	LG-3736	State	NMNM91272	Basin Fruitland Coal	12/1/1990	68	0	37		E/2-316.65A	9/1/1999	10/1/1999	9/9/1999	9/22/1999
Com 1E	23940	A-2-29N-14W	LG-3736	State	14080017765	Basin Dakota	12/8/1979	0	0	40		E2-316.65A	7/12/1996	7/30/1996	7/17/1996	8/19/1996
Com 2 P&A'd 12/26/07	23199	A-2-29N-14W	LG-3736	State	State C.A.	Harper Hill FR Sand-PC	10/21/1978	0	0	0		NE-156.65A	7/12/1996	7/30/1996	7/17/1996	8/19/1996
Com 2R	30578	B-2-29N-14W	B-11242	State	State C.A.	Harper Hill FR Sand-PC	5/15/2001	13	0	5		NE/4-156.65A	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Com 3	23267	J-2-29N-14W	LG-3736	State	SMR1419	Harper Hill FR Sand-PC	3/14/1979	0	0	0		SE/4-160A	9/1/1999	10/1/1999	9/9/1999	9/22/1999
Com 4	29986	C-2-29N-14W	B-11242	State	NMNM103068	Harper Hill FR Sand-PC	12/7/1999	21	0	105		NW-157.95A	3/29/2000	7/5/2000	4/27/2000	5/25/2000
Com 91	29935	L-2-29N-14W	V-5411	State	NMNM103067	Basin Fruitland Coal	12/6/1999	36	0	38		W/2-317.95A	5/30/2000	7/7/2000	6/27/2000	6/20/2000
Federal 1 4 P&A'd 5/3/05	20397	C-1-29N-14W	SF-078110	Federal	N/A	Harper Hill FR Sand-PC	10/3/1969	0	0	0		NW/4-157A	8/19/1997	9/22/1997	8/26/1997	12/2/1997
Federal 1 4R	30592	D-1-29N-14W	SF-078110	Federal	NA	Harper Hill FR Sand-PC	7/5/2001	31	0	17		NW/4-157A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Federal 1 5R	29351	J-1-29N-14W	SF-078110	Federal	N/A	Harper Hill FR Sand-PC	12/16/1996	31	0	26		SE/4-160A	8/19/1997	9/22/1997	8/26/1997	12/2/1997
Federal 1 6 P&A'd 10/3/00	23207	G-1-29N-14W	SF-078110	Federal	N/A	Harper Hill FR Sand-PC	2/22/1979	0	0	0		NE/4-160A	8/19/1997	9/22/1997	8/26/1997	12/2/1997
Federal 1 7	30181	J-3-29N-14W	SF-078110	Federal	N/A	Harper Hill FR Sand-PC	7/14/2000	34	0	24		SE/4-160A	5/30/2000	7/7/2000	6/27/2000	6/20/2000
Federal 1 8	30178	C-11-29N-14W	SF-078110	Federal	N/A	Harper Hill FR Sand-PC	8/9/2000	12	0	11		NW/4-160A	5/30/2000	7/7/2000	6/27/2000	6/20/2000
Federal 1 Com 9	31789	C-12-29N-14W	SF-078110	Federal	NA	Harper Hill FR Sand-PC	7/13/2005	139	0	52		NW/4-160A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Federal 1 10	31033	J-10-29N-14W	SF-078110	Federal	NA	Harper Hill FR Sand-PC	8/28/2002	13	0	38		SE/4-160A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Federal 1 90	31032	E-11-30N-14W	SF-078110	Federal	NA	Basin Fruitland Coal	8/28/2002	33	0	15		W/2-316.11A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Federal 1 98	30180	B-10-29N-14W	SF-078110	Federal	N/A	Basin Fruitland Coal	7/31/2000	12	0	19		E/2-320A	5/30/2000	7/7/2000	6/27/2000	6/20/2000
Federal 1 99	29989	H-3-29N-14W	SF-078110	Federal	N/A	Basin Fruitland Coal	12/9/1999	29	0	38		E2-318.45A	3/29/2000	7/5/2000	4/27/2000	5/25/2000
Federal 1 100 (old 6R)	29991	B-1-29N-14W	SF-078110	Federal	NA	Basin Fruitland Coal	7/17/2001	80	0	45		N/2-320A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Federal 1 101 FC	31785	N-1-29N-14W	SF-078110	Federal	NA	Basin Fruitland Coal	7/1/2005	61	0	15		S/2-320A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Federal 1 101 PC	31785	N-1-29N-14W	SF-078110	Federal	NA	Harper Hill FR Sand-PC	7/1/2005	54	0	14		SW/4-160A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
Horace Smith 1R	24346	L-26-30N-14W	NM-0206994	Federal	SCR248	Basin Dakota	1/18/1981	5	0	28		S/2-320A	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Jacobs 2 P&A'd 10/4/10	23942	G-26-30N-14W	NM-33050	Federal	N/A	Basin Dakota	1/7/1979	0	0	0		N/2-320A	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Jacobs 3	30590	C-26-30N-14W	NM-33050	Federal	N/A	Harper Hill FR Sand-PC	6/5/2001	18	0	58		NW/4-160A	8/14/2001	12/13/2001	8/29/2001	9/4/2001

Jacobs Com 90 (Note 4)	30588	G-26-30N-14W	NM-33050	Federal	NMNM104859	Basin Fruitland Coal	6/5/2001	59	0	34	320A NSPU	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Jiggs 1	30183	E-35-30N-14W	NM-0206995	Federal	N/A	Harper Hill FR Sand-PC	11/17/2000	21	0	29	NW-180A	6/30/2000	7/5/2000	7/7/2000	7/24/2000
Jiggs 2	30177	I-35-30N-14W	NM-0206995	Federal	N/A	Harper Hill FR Sand-PC	7/25/2000	12	0	28	SE-172.49A	6/30/2000	7/5/2000	7/7/2000	7/24/2000
King Com 2	31118	J-11-29N-14W	SF-078110	Federal	NMNM114817	Basin Fruitland Coal	7/19/2005	52	0	11	E/2-320A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
King Com 2	31116	J-11-29N-14W	SF-078110	Federal	NMNM102963	Harper Hill FR Sand-PC	7/19/2005	48	0	10	SE/4-160.13A	2/24/2004	4/26/2004	3/17/2004	3/22/2004
King Com 90	29883	B-11-29N-14W	FEE	FEE	NMNM102963	Basin Fruitland Coal	6/15/1999	128	0	22	E/2-320.13A	9/1/1999	10/1/1999	9/9/1999	9/22/1999
O'Henry 1	08958	N-36-30N-14W	E-6714	State	State C.A.	Basin Fruitland Coal	6/27/1991	24	0	89	W/2-320A	8/19/1997	9/22/1997	8/26/1997	12/2/1997
Mayre 4R	30591	O-27-30N-14W	NM-4465	Federal	N/A	Harper Hill FR Sand-PC	6/5/2001	16	0	42	SE/4-160A	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Stella Needs a Com 2	30574	D-36-30N-14W	B-11571	State	State C.A.	Harper Hill FR Sand-PC	4/11/2001	13	0	26	NW/4-160A	8/14/2001	12/13/2001	8/29/2001	9/4/2001
Tabor Com 90	29994	H-35-30N-14W	NM-33051	Federal	NMNM102982	Basin Fruitland Coal	12/6/1999	22	0	0	E2-332.49A	3/29/2000	7/5/2000	4/27/2000	5/25/2000
Winifred 2 P&A'd 3/6/02	23200	G-35-30N-14W	FEE	FEE	SCR-141	Harper Hill FR Sand-PC	3/15/1979	0	0	0	NE/4-160A	8/19/1997	9/22/1997	8/26/1997	12/2/1997
Winifred Com 90 (Note 4)	30577	O-26-30N-14W	FEE	FEE	NMNM104848	Basin Fruitland Coal	5/15/2001	57	0	29	320 36A NSPU	8/14/2001	12/13/2001	8/29/2001	9/4/2001

Notes: N/A = Not Needed

1) Loc. = proposed general location

Loc. A = proposed location - staked

Loc. B = proposed location - APD submitted

2) Average production presents data for December, 2014.

3) Application for surface commingling (SC), off-lease measurement and sale (OLM & S) of natural gas. Applications are subject to approvals by the Bureau of Land Management (BLM), New Mexico State Land Office (NMSLO), and the New Mexico Oil Conservation Division (NMOCD).

4) NMOCD Order R-11461 established ±320A non-standard spacing units for the Jacobs Com No. 90 (NE/4 Section 26 plus NW/4 Section 25), and the Winifred Com No. 90 (SE/4 Section 26 plus SW/4 Section 25).

Well Name	Connection		Cumulative Production 1-1-15	
	Date	mcf	BO	BW
Carpenter 1E	6/1/1980	193,348	2,040	4,980
Federal 1101S	5/5/2008	217,523	0	218,197
Federal 1 Com 102 FC/PC	11/8/2005	830,476	0	363,297
Federal 1 Com 102S	2/1/2011	139,354	0	114,515
Federal 1 Com 103	9/23/2005	442,059	0	206,716
Federal 1 Com 103S FC/PC	4/29/2014	24,874	0	10,059
Jacobs Com 90S FC/PC	11/21/2006	196,270	0	162,875
O'Henry 2	5/28/2010	52,666	0	109,021
Pan American Federal 1	12/6/2006	595,722	3,526	3,408
Pan American Federal 3 FC/PC	11/7/2006	271,758	0	147,656
Winifred Com 90S FC/PC	11/7/2006	249,019	0	193,454