



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**

Director

Oil Conservation Division

**Corrected COMMINGLING ORDER PLC-149**

**3rd Amendment**

Dugan Production Corporation  
P.O. Box 420  
Farmington, New Mexico 87505

Attention: Mr. John D. Roe:

**The existing permitted gathering system is hereby amended and now reads as follows:**

The above named company is hereby authorized to commingle, off-lease measure and sell gas and condensate from pools and within acreages as specified on the attached Exhibit 'A'. Future and existing wells producing from these pools and within these specified acreages are included in this commingle permit. The commingled gas production is transported by a system of pipelines known as the "Goodtimes Gas Gathering System". Gas production shall be allocated to each well and/or lease utilizing the method described in item 1) on Exhibit 'B' attached hereto.

Condensate (drip) production shall be separated and accumulated at drip traps located throughout the system where such production will be measured off-lease, picked up and sold separately. Allocation of condensate production shall be performed utilizing the method described in item 2), also on Exhibit 'B'.

NOTE: This permitted gathering system also includes (4 wells) 320 acres producing from the South Bisti-Gallup Oil Pool that is NOT operated by Dugan Production Corporation.

All wells currently connected to the Goodtimes Gas Gathering System as well as those to be connected to the system, are marginal in nature and qualify for alternative measurement methods as specified in Division Order R-9617. Future additions of marginal wells within new acreage or pools to this gathering system shall require an amendment of this permit from the New Mexico Oil Conservation "Division" but shall not require formal notice to existing revenue interest owners. It is the understanding of the Division that existing owners have been notified that additional wells will someday be added but the methods of allocating production shall remain the same.

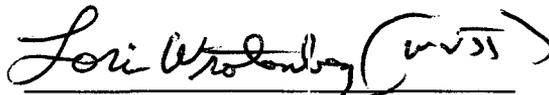
It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the supervisor of the Aztec district office prior to implementation of the commingling process.

Validation of this authority shall be accomplished by like approval by the U.S. Bureau of Land Management and New Mexico Commissioner of Public lands.

Amended Commingling Administrative Order PLC-149  
Dugan Production Corporation  
September 5, 2003

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DONE at Santa Fe, New Mexico on this 5th day of September, 2003.



LORI WROTENBERY,  
Division Director

LW/wvjj

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