



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

COMMINGLING ORDER PLC-223

Dugan Production Corp.
P.O. Box 420
Farmington, New Mexico 87499-0420

Attention: Mr. John Roe

The New Mexico Oil Conservation Division (OCD) hereby authorizes Dugan Production Corporation (Dugan) to surface commingle Basin-Fruitland Coal (Gas 71629) and WAW-Fruitland Sand Pictured Cliffs (Gas 87190) Pool gas production from the spacing units and wells as detailed on Attachment 1 – all located within Townships 25 or 26 North, Range 13W, NMPM, San Juan County, New Mexico. Existing and future wells within these approved spacing units are hereby approved for surface commingling.

Continuous gas allocation meters shall be installed - at least one (1) meter measuring production from each area of common ownership or "lease". These meters shall be regularly calibrated for accuracy. Each lease's gas sales, production, and BTU values shall be calculated using data collected from allocation rate meters, total CDP sales, lost gas, fuel gas, and periodic BTU tests. Compressor fuel gas usage shall be calculated for each lease based on that lease's ratio of the total of all the allocation meters feeding that compressor.

For reporting purposes, individual well production numbers shall be calculated from the lease totals using periodic well tests.

Liquids shall not be commingled. The measurement and sales point for commingled gas may occur off lease.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be delivered to the El Paso Field Services Company CDP meter located in the NW/4 SE/4 of Section 25, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico.

FURTHER: The operator shall notify the Aztec district office of the Division prior to implementation of the commingling process.

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DONE at Santa Fe, New Mexico, on this 19th day of March 2003.


LORI WROTENBERY,
Division Director

LW/wvjj

Attachment

cc: Oil Conservation Division – Aztec
U.S. Bureau of Land Management – Farmington
State Land Office – Oil and Gas Division

Attachment 1

Dugan Production Corporation								
Topaz Gathering System, Existing and Future Wells (as of 2/25/03)								
Wells	Spacing	Loc	Sec	Tsp	Rge	30-045	Lse No.	Pool
Jeter Well No. 4	N/2	NENE	1	T25N	R13W	28804	Fed SF-078155	Basin-Fruitland Coal
Jeter Well No. 4S	N/2	NW	1	T25N	R13W		Fed SF-078155	Basin-Fruitland Coal
Jeter Well No. 1	S/2	NESW	1	T25N	R13W	28496	Fed SF-078155	Basin-Fruitland Coal
Jeter Well No. 1S	S/2	SE	1	T25N	R13W		Fed SF-078155	Basin-Fruitland Coal
Bisti State Well No.90	E/2	SENE	2	T25N	R13W	29216	State LG-3734	Basin-Fruitland Coal
Bisti State Well No. 90S	E/2	SE	2	T25N	R13W		State LG-3734	Basin-Fruitland Coal
Bisti State Well No.1	W/2	SWNW	2	T25N	R13W	25834	State LG-3734	Basin-Fruitland Coal
Bisti State Well No. 1S	W/2	SW	2	T25N	R13W		State LG-3734	Basin-Fruitland Coal
Salge Federal 'A' Com Well No. 90	E/2	NWNE	3	T25N	R13W	28587	Fed SF-078156	Basin-Fruitland Coal
Salge Federal 'A' Com Well No. 90S	E/2	SE	3	T25N	R13W		Fed SF-078156	Basin-Fruitland Coal
Cisco Com Well No. 90	W/2	NWSW	3	T25N	R13W	28662	Fed SF-078156-A	Basin-Fruitland Coal
Cisco Com Well No. 90S	W/2	SENE	3	T25N	R13W		Fed SF-078156-A	Basin-Fruitland Coal
Salge Federal 'A' Com Well No. 91	E/2	NENE	4	T25N	R13W	28587	Fed SF-078156	Basin-Fruitland Coal
Salge Federal 'A' Com Well No. 91S	E/2	SE	4	T25N	R13W		Fed SF-078156	Basin-Fruitland Coal
Alamo Com Well No. 90	W/2	NESW	4	T25N	R13W	28806	Fed NM-76866	Basin-Fruitland Coal
Alamo Com Well No. 90S	W/2	NW	4	T25N	R13W		Fed NM-33027	Basin-Fruitland Coal
Irish Com Well No. 90	S/2	NESW	11	T26N	R13W	30611	Fed NM-57580	Basin-Fruitland Coal
Irish Com Well No. 90S	S/2	SE	11	T26N	R13W		Fed NM-57580	Basin-Fruitland Coal
Irish Well No. 2	SE/4	SESE	11	T26N	R13W	26093	Fed NM-57580	WAW-Fruitland Sand Pictured Cliffs
Irish Well No. 3	SW/4	NWSW	11	T26N	R13W	26092	Fed NM-57580	WAW-Fruitland Sand Pictured Cliffs
Paul Revere Well No. 90	E/2	SENE	15	T26N	R13W	29842	Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 90S	E/2	SE	15	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 92	W/2	NWSW	15	T26N	R13W	28290	Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 92S	W/2	NW	15	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal

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Paul Revere Well No. 93	N/2	SWNE	22	T26N	R13W	28341	Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 93S	N/2	NW	22	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal
Paul Revere Com Well No. 95	S/2	NWSW	22	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal
Paul Revere Com Well No. 95S	S/2	SE	22	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 94	N/2	NENE	23	T26N	R13W	29875	Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 94S	N/2	NW	23	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 91	S/2	SWSW	23	T26N	R13W	29840	Fed NM-17781	Basin-Fruitland Coal
Paul Revere Well No. 91S	S/2	SE	23	T26N	R13W		Fed NM-17781	Basin-Fruitland Coal
Patriot Well No. 91	E/2	SENE	27	T26N	R13W	29510	Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 91S	E/2	SESE	27	T26N	R13W		Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 90	W/2	SESW	27	T26N	R13W	29511	Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 90S	W/2	NENW	27	T26N	R13W		Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 92	N/2	NWNE	28	T26N	R13W	29512	Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 92S	N/2	NW	28	T26N	R13W		Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 93	S/2	SESW	28	T26N	R13W	29513	Fed SF-078091	Basin-Fruitland Coal
Patriot Well No. 93S	S/2	SE	28	T26N	R13W		Fed SF-078091	Basin-Fruitland Coal
Salge Federal 'A' Well No. 95	E/2	SENE	33	T26N	R13W	29514	Fed SF-078156	Basin-Fruitland Coal
Salge Federal 'A' Well No. 95S	E/2	NESE	33	T26N	R13W		Fed SF-078156	Basin-Fruitland Coal
Salge Federal 'A' Well No. 94	E/2	SENE	34	T26N	R13W	29501	Fed SF-078156	Basin-Fruitland Coal
Salge Federal 'A' Well No. 94S	E/2	NWSE	34	T26N	R13W		Fed SF-078156	Basin-Fruitland Coal
Cisco Com Well No. 91	W/2	SWSW	34	T26N	R13W	28805	Fed SF-078156-A	Basin-Fruitland Coal
Cisco Com Well No. 91S	W/2	SENW	34	T26N	R13W		Fed SF-078156	Basin-Fruitland Coal
Jeter Well No. 3	S/2	SWSW	35	T26N	R13W	28860	Fed SF-078155	Basin-Fruitland Coal
Jeter Well No. 3S	S/2	NESE	35	T26N	R13W		Fed SF-078155	Basin-Fruitland Coal
Jeter Well No. 5	N/2	NENE	35	T26N	R13W	29390	Fed SF-078155	Basin-Fruitland Coal
Jeter Well No. 5S	N/2	NWNW	35	T26N	R13W		Fed SF-078155	Basin-Fruitland Coal