



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

3rd *AMENDED COMMINGLING ORDER PLC-173*
(Corrected)

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

Attention: Mr. John D. Roe

The above named company is hereby authorized to commingle gas production from the following-described pools within the following-described area (hereinafter referred to as the Dugan Tabor Gas Gathering System Area):

<u>Pool Name</u>	<u>Pool Code</u>
Basin-Dakota Pool	(Prorated Gas – 71599)
Basin-Fruitland Coal Pool	(Gas – 71629)
Harper Hill Fruitland Sand-Pictured Cliffs Pool	(Gas – 78160)

Dugan Tabor Gas Gathering System Area

Township 30 North, Range 14 West, NMPM

Section 25: W/2
 Section 26: All
 Section 27: SE/4
 Section 35: N/2, SE/4
 Section 36: NW/4

Township 29 North, Range 14 West, NMPM

Section 2: All
 Section 3: E/2
 Section 10: E/2
 Section 11: N/2, SE/4

This area contains all or portions of Federal Leases No. SF-078110, NM-33051, NM-0206995, NM-4465, NM-23072, NM-28761, NM-33050, NM-0206994, and NM-101992, and all or

portions of State Leases No. E-6714, B-11571, B-11242, LG-3736, V-5411, E-2526 and E-3555, and multiple fee leases that comprise all or portions of Sections 26 and 35, Township 30 North, Range 14 West, and all or portions of Section 2 and 11, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

This area currently contains, or will contain, subsequent to completion of additional drilling operations, twenty-three wells that are singly completed within one of the pools described above. All wells within the area are operated by Dugan Production Corporation.

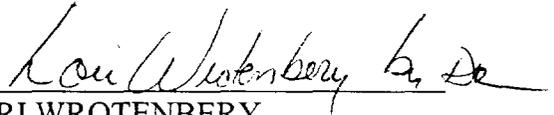
Production shall be allocated by metering the gas production from each of the wells within the Dugan Tabor Gas Gathering System Area utilizing individual allocation meters. Gas production shall then be commingled and transported to gas sales meter (El Paso Meter No. 90887) located in the NE/4 NE/4 of Section 2, Township 29 North, Range 14 West, NMPM. Production shall be allocated back to each well utilizing allocation and sales meter volume data, and shall be determined in accordance with the formula set forth within the application to commingle.

No liquids shall be commingled within the Dugan Tabor Gas Gathering System.

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.

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

REMARKS: This amendment approves the consolidation of Dugan's Tabor and King Gas Gathering Systems. The King Gas Gathering System was approved by Division Order No. PLC-157, as amended, which shall be superseded by this order.


LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division – Aztec
Bureau of Land Management-Farmington
State Land Office-Oil & Gas Division
File-PLC-157