



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Betty Rivera**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

## *COMMINGLING ORDER PLC-219*

Dugan Production Corporation  
709 E. Murray Dr.  
PO Box 420  
Farmington, New Mexico 87499

Attention: Mr. John D. Roe:

Dugan Production Corporation (DPC) is hereby authorized to surface commingle water and gas production from DPC operated wells within the following pools and acreage – all within Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

Harper Hill-Fruitland Sand Pictured Cliffs (Gas 78160),  
SE/4 Section 10  
NW/4 Section 11  
NW/4 Section 13  
SE/4 Section 13  
NW/4 Section 14  
SE/4 Section 14  
SE/4 Section 15  
NW/4 Section 24

Basin-Fruitland Coal (Gas 71629),  
All of Section 10  
W/2 of Section 11  
All of Section 13  
All of Section 14

Basin-Dakota (Prorated Gas 71599),  
S/2 of Section 10  
W/2 of Section 13  
All of Section 14  
W/2 of Section 24

It is our understanding that this Pinon Mesa Gathering System will initially consist of 23 wells located on 11 DPC-operated leases – leases being sets of wells with identical ownership.

Allocation gas meters shall be installed on each lease to be commingled and 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.

Liquid hydrocarbons 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.

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

DONE at Santa Fe, New Mexico, on this 4th day of November 2002.

*Lori Wrottenbery* (wvj)

LORI WROTENBERY,  
Division Director

LW/wvjj

cc: Oil Conservation Division - Aztec  
Bureau of Land Management – Farmington