



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

COMMINGLING ORDER PC-652

Dugan Production Corp.
P. O. Box 208
Farmington, New Mexico 87499

Attention: John D. Roe

Lease Name: Kinsale No. 1 and Kinsale No. 2

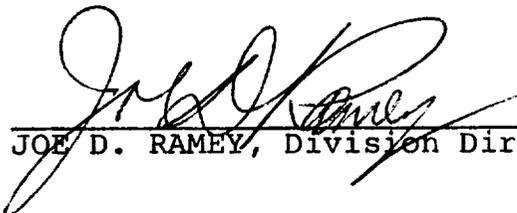
Description: Units P and I, Section 26, Township 23
North, Range 7 West, Sandoval County

The above-named company is hereby authorized to commingle Undesignated Chacra and Lybrook Gallup pool production in a common tank battery and to determine the production from each pool by separately metering the production from the (Kinsale No. 1) Undesignated Chacra pool and determining the (Kinsale No. 2) Lybrook Gallup pool production by the subtraction method.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 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: A standard meter run with a Barton dry flow meter should be placed on the Kinsale No. 1 well. In addition, the commingled stream should be measured by your master meter as specified in your application.

DONE at Santa Fe, New Mexico, on this 24th day of May, 1984.



JOE D. RAMEY, Division Director