



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-684

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

Attention: Mr. Steve Folk

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

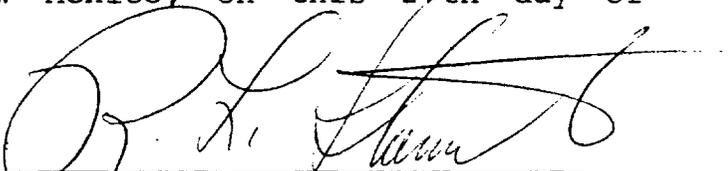
Description: Unit Letters K and M, Sec. 25, T-23-N
R-7-W, NMPM, Sandoval County, New Mexico

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 Ballymaloe No. 2, Lybrook Gallup Pool and determining the Ballymaloe No. 1, Undesignated Chacra 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 Ballymaloe No. 2 well. In addition, the commingled streams should be measured by your master meter as specified in your application.

DONE at Santa Fe, New Mexico, on this 27th day of December, 1984.


R. L. STAMETS, Director