



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Original
COMMINGLING ORDER PLC-157
1st Amendment

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 Basin-Fruitland Coal (Gas - 71629), and Harper Hill-Fruitland Sand PC (Gas - 78160) Pool production from the following leases:

Lease: Com Well No. 1 (State Leases No. LG-3736, NM B-11242-43, NM E-6714-4 and Federal Lease No. SF 078110)

Description: E/2 of Section 2, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico;

Lease: Com Well No. 3 (State Lease No. LG-3736 and Federal Lease No. SF 078110)

Description: SE/4 of Section 2, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico;

Lease: King Com Well No. 90 (Federal Lease No. SF 078110)

Description: E/2 of Section 11, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico;

Lease: Com Well No. 91 (Federal Lease No. NM 101992 and State Leases No. B-11242, E-6714, E-2526-9, V-5411 and E-3555-8)

Description: E/2 of Section 2, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico;

Lease: Federal I Well No. 7 (Federal Lease No. SF 078110)

Description: SE/4 of Section 3, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico;

Lease: Federal I Well No. 8 (Federal Lease No. SF 078110)

Description: NW/4 of Section 11, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico; and

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Lease: Federal I Well No. 98 (Federal Lease No. SF 078110)

Description: E/2 of Section 10, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

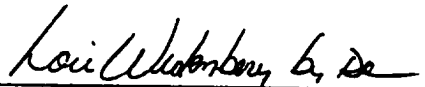
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter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

REMARKS: The commingled natural gas production shall be delivered to the El Paso Field Services CDP located at the Com Well No. 91 in the NW/4 SW/4 of Section 2, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

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

PROVIDING: Like approval from the State Land Office and the U.S. Bureau of Land Management is also required.

DONE at Santa Fe, New Mexico, on this 20th day of June, 2000.



LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division – Aztec /
State Land Office – Santa Fe
U.S. Bureau of Land Management - Farmington