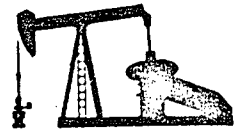




# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO

STATE GEOLOGIST  
EMERY C. ARNOLD

May 12, 1977

Dugan Production Corp.  
P. O. Box 234  
Farmington, New Mexico

Attention: Mr. Jim L. Jacobs

Administrative Order No. DHC-219  
Nassau Well No. 6, Unit J,  
Section 36, Township 27 North,  
Range 12 West, NMFM, San Juan  
County, New Mexico, Fruitland and  
Pictured Cliffs Formations

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject well to permit the commingling of production from both formations in the well-bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Upper Pool: 71%  
Lower Pool: 29%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

JOE D. RAMEY  
Secretary-Director

JDR/CU/og