

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4650

Order Date: April 21, 2014

Application Reference Number: pMAM1401036299

Dugan Production Corporation
P. O. Box 420
Farmington, NM 87499-0420

Attention: John Roe

Federal I Com. Well No. 103S
API No. 30-045-35348
Unit letter M, Section 12, Township 29 North, Range 14 West, NMPM
San Juan County, New Mexico

Pool	BASIN FRUITLAND COAL	Gas	71629
Names:	HARPER HILL FRUITLAND SAND PC	Gas	78160

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A. (6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Commingled production will be allocated using factors derived from average production data from 35 wells within Section 12 and adjacent sections and submitted with the application.

Assignment of allowable and allocation of production from the well shall be as follows:

BASIN FRUITLAND COAL (GAS) POOL	Pct. Gas: 62	Pct. Oil: 0%
HARPER HILL FRUITLAND SAND PC (GAS) POOL	Pct. Gas: 38	Pct. Oil: 0%

It is also understood that you have given due notice of this application, as defined in 19.15.4.12A. (6) NMAC, to all owners of interest when ownership is not common for the commingled zones within the spacing unit.

REMARKS: The operator shall notify the Division's district III office upon implementation of commingling operations.

This Order is subject to like approval from the United States Bureau of Land Management.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


JAMI BAILEY
Director

JB/mam/prg

cc: New Mexico Oil Conservation Division – Aztec Office
Bureau of Land Management – Farmington Field Office