



BRUCE KING  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

*ADMINISTRATIVE ORDER DHC-815*

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

Attention: John Alexander

*Poles Paradise No. 2  
Unit K, Section 9, Township 30 North, Range 14 West, NMPM,  
San Juan County, New Mexico.  
Basin Dakota & Wildcat Gallup Pools*

Dear Mr. Alexander:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

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 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 and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 30 barrels per day, and total water production shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

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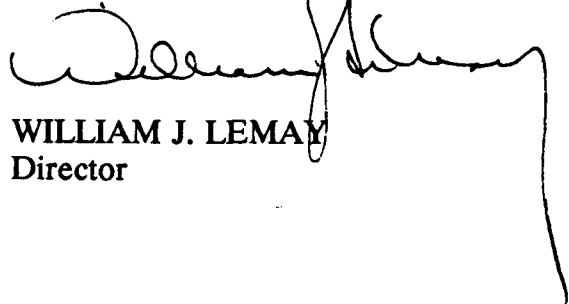
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Gallup Pool:	Oil 60%,	Gas 35%
Dakota Pool:	Oil 40%,	Gas 65%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 28th day of August, 1991.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

cc: Oil Conservation Division - Aztec