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Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE
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March 23, 2017

Dugan Production Corp.
PO Box 420
Farmington, NM 87499-0420

Attention: Mr. Kevin Smaka

Re: Request to Amend Surface Commingling Agreement, Sesamee Street Gas Gathering System,
Addition of 68 wells
Basin Fruitland Coal (Gas) Pool (71629)
T23N-R10W; T23N-R11W; T24N-R10W; T24N-R11W
San Juan County, New Mexico

Dear Mr. Smaka:

We are in receipt of your \$150 application fee and request to amend surface commingling through Dugan's Sesamee Street Gas Gathering System.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Please submit a copy of the NMOCD's approval to this office.

Our approval does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be of further help, please contact Commingling Manager Marilyn Gruebel at 505.827.5791.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mmg
cc: Reader File
OCD-Daniel Sanchez