

COMMINGLING ORDER PLC-206

Dugan Production Corporation
709 E. Murray Dr.
PO Box 420
Farmington, New Mexico 87499

Attention: Mr. John D. Roe:

Dugan Production Corporation ("Dugan") is hereby authorized to include the following newly drilled well into the Dugan operated "Pet Inc Gas Gathering System" originally approved December 19, 1972, with Division Order No. R-4453 and transfer the location of the CDP for total commingled production to the SE/4 SW/4 of Section 4, Township 27 North, Range 13 West NMPM:

Basin-Fruitland Coal (Gas - 71629)
No Doubt Well No. 90 (Federal Lease No. NM-89131)
NW/4 NE/4, Section 6, Township 27 North, Range 13 West NMPM

This new well as well as all existing wells is located in San Juan County.

This well shall be equipped with a gas allocation meter and the previously existing "Pet Inc Gas Gathering System" shall also be equipped with a gas allocation meter. These allocation meters shall be calibrated on a regular basis. The allocation procedures for each lease and well for production, sales, and BTU content shall be as outlined in the accompanying attachment included from Dugan's application.

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.

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

REMARKS: Approval of this commingle is subject to like approval by the Bureau of Land Management.

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DONE at Santa Fe, New Mexico, on this 10th day of June 2002.

Lori Wrotenbery

LORI WROTENBERY,
Division Director

LW/WVJ

Attachment

cc: Oil Conservation Division - Aztec
Bureau of Land Management – Farmington
Files: Order No. R-4453