



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

***AMENDED COMMINGLING ORDER CTB-407***

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

Attention: John D. Roe

The above named company is hereby authorized to commingle Basin Fruitland Coal Pool production from the following leases:

Lease: Alamo Com Well No.90  
Description: W/2, Section 4, Township 25 North, Range 13 West, and;

Lease: Cisco Com Well No..90  
Description: W/2, Section 3, Township 25 North, Range 13 West, and;

Lease: Cisco Com Well No.91  
Description: W/2, Section 34, Township 26 North, Range 13 West, and;

Lease: Jeter Well No.3  
Description: S/2, Section 35, Township 26 North, Range 13 West, and;

Lease: Jeter Well No.4  
Description: N/2, Section 1, Township 25 North, Range 13 West, and;

Lease: Salge Federal "A" Com Well No.90  
Description: E/2, Section 3, Township 25 North, Range 13 West, and;

Lease: Salge Federal "A" Com Well No.91  
Description: E/2, Section 4, Township 25 North, Range 13 West;

all in San Juan County, New Mexico.

Production shall be allocated to each lease by multiplying the sales volume at the CDP by and allocation factor for each well. The allocation factors shall be determined by dividing the individual well production (as recorded by an allocation meter) by the sum of the gas production from all wells, as determined from such allocation meters.

*Amended Commingling Order CTB-407*

*Dugan Production Corporation*

*May 16, 1995*

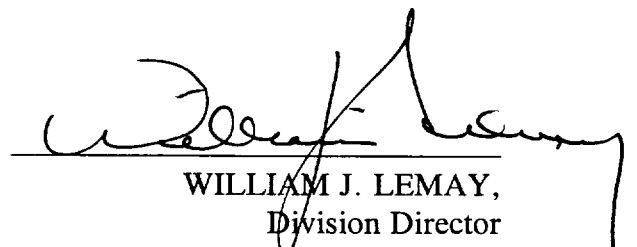
*Page 2*

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NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 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.

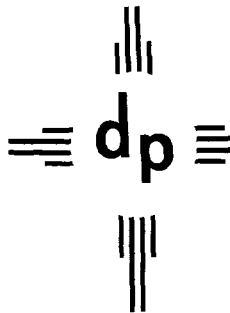
FURTHER: The operator shall notify the Aztec district office upon implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 16th day of May, 1995

  
WILLIAM J. LEMAY,  
Division Director

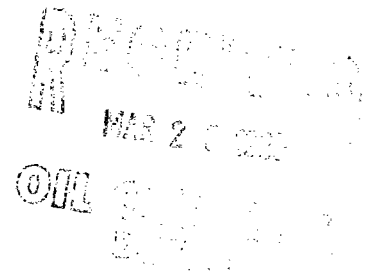
WJL/BES

cc: Oil Conservation Division - Aztec  
Bureau of Land Management - Farmington



dugan production corp.

March 22, 1995



Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410

**Re: Request for Surface Commingling, Off-lease Measurement and  
Sale of Produced Natural Gas - One Additional Well  
Dugan Production's Topaz Gas Gathering System  
Federal Lease SF-078155  
Section 1, T25N, R13W  
San Juan County, New Mexico**

Dear Mr. Chavez:

Attached for your records, information and approval is a copy of our December 29, 1994 application to the Bureau of Land Management (BLM) for the addition of Dugan Production's Jeter No. 4 well to our Topaz Gas Gathering System. With the addition of this well, a total of 7 wells are connected to this system. Please note that only federal leasehold interest is involved in these 7 wells and that the BLM approved our application on January 9, 1995.

Should you have any questions or need additional information, please feel free to contact us.

Sincerely,

John D. Roe  
Manager of Engineering

JDR/cg

enc.



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

5.1.8  
The New Mexico  
DRUG FREE  
It's a Good Habit  
1/11

BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6174

Date: 4/11/95

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

RE: Proposed MC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed NSP \_\_\_\_\_

Proposed DHC \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
Proposed DD \_\_\_\_\_

*Surface Counting*

Gentlemen:

I have examined the application received on 3/25/95

for the Dryden Prod. Corp. Spring gathering system  
OPERATOR LEASE & WELL NO.

\_\_\_\_\_ and my recommendations are as follows:

UL-S-T-R

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

3.1.8