

COMMERCIAL RESOURCES (505)-827-5724

SURFACE RESOURCES (505)-827-5793

MINERAL RESOURCES (505)-827-5744

> ROYALTY (505)-827-5772

State of New Mexico Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS (505)-827-5765

ADMINISTRATIVE MQMT. (505)-827-5700

LEGAL (505)-827-5713

PLANNING (505)-827-5752

October 9, 1996

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

Attn. Mr. John D. Roe

Re:

Application for Surface Commingling

Off-Lease Measurement & Sale of Production Bisti State No. 90 & Topaz Gas Gathering System

Section 2-25N-13W State Lease LG-3734

San Juan County, New Mexico

Dear Mr. Roe:

We have received your application requesting approval for surface commingling, off-lease measurement and sale of production for the Bisti State No. 90 at the Topaz Gas Gathering System.

Since it appears that 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. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Cur approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your filing fee in the amount of \$30.00 has been received.

Dugan Production Corporation October 9, 1996 Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.

COMMISSIONER OF PUBLIC LANDS

LARRY KEHOE, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD--Attention: David Catanach and Ben Stone

Commissioner's File

BLM--Attention: Duane Spencer



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office 1235 La Plata Highway Farmington, New Mexico 87401

IN REPLY REFER TO: SF-078155 (WC) 3162.7-1 (07327) December 12, 1996

Mr. John Roe Manager of Engineering Dugan Petroleum Company P.O. Box 420 Farmington, NM 87499-0420

RE: Topaz Gas Gathering System

Addition of Wells

No. 5 Jeter

Federal Lease SF-078155

NENE Section 35-T26N-R13W

No. 90 Bisti State State Lease LG-3734

SENE Section 2-T25N-R13W San Juan County, New Mexico

Dear Mr. Roe:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated September 26, 1996, for the addition of two additional wells to the referenced gathering system.

We have reviewed the additional data you have submitted, and hereby grant approval for these additional wells to the Topaz Gas Gathering System.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe New Mexico State Land Office Lease File DOMR Suspense (Brian) AIRS

07237:BWDavis:12-12-96:x6367:duganTopaz.ltr