



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER CTB-512

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

Attention: Mr. John Roe

The above named company is hereby authorized to commingle Basin-Fruitland Coal (Gas – 71629) Pool production from the following leases:

Lease: Paul Revere Well No. 90 (**API No. 30-045-29842**) (Federal Lease No. NM-17781)
Description: E/2 of Section 15, Township 26 North, Range 13 West, NMPM;

Lease: Paul Revere Well No. 92 (**API No. 30-045-28290**) (Federal Lease No. NM-17781)
Description: W/2 of Section 15, Township 26 North, Range 13 West, NMPM; and

Lease: Paul Revere Well No. 93 (**API No. 30-045-28341**) (Federal Lease No. NM-17781)
Description: N/2 of Section 22, Township 26 North, Range 13 West, NMPM;

San Juan County, New Mexico.

Each well will be equipped with continuous recording gas meters, and the volumes recorded at each well will be used to determine allocation factors for allocating the volumes recorded at the CDP sales meter to the individual wells. Only natural gas will be surface commingled.

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.

REMARKS: The commingled production shall be delivered to the El Paso Field Services Company CDP meter located in the SW/4 of Section 15, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico.

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

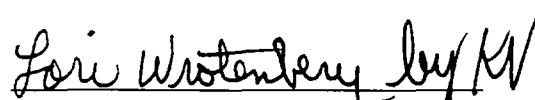
Administrative Order CTB-512

Dugan Production Corp.

December 26, 2000

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DONE at Santa Fe, New Mexico, on this 26th day of December, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division – Aztec
U.S. Bureau of Land Management - Farmington