



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 PC-1033

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

Attention: Mr. John D. Roe

LEASE: Cuccia No. 1 (**API No. 30-045-10776**)
Basin-Dakota Gas Pool

DESCRIPTION: E/2 of Section 14

LEASE: Cuccia Com No. 90 (**API No. 30-045-30247**)
Basin-Fruitland Coal Gas Pool

DESCRIPTION: E/2 of Section 14

Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Basin-Fruitland Coal (Gas – 71629) and Basin-Dakota (Prorated Gas – 71599) Gas Pool production from the above mentioned lease, and to determine the production from each pool by:

Separately metering the production from each pool utilizing continuous recording allocation meters. Monthly gas volumes shall be reconciled with the total gas volume delivered to the CDP (sales meter) in accordance with the procedure detailed in Attachment No. (6) to the application.

Oil production shall not be commingled.

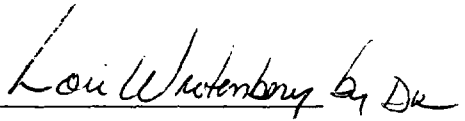
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to a CPD sales meter located in Unit G of Section 14, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

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FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 6th day of March, 2001.


LORI WROTENBERY,
Division Director

LW/DRC

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