



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER PC-950

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

Attention: Mr. John D. Roe

LEASE: Five of Diamonds (Federal Lease No. NM-030555-A)

DESCRIPTION: *L* W/2 of Section 10, Township 30 North, Range 13 West,
NMPM, San Juan County, New Mexico

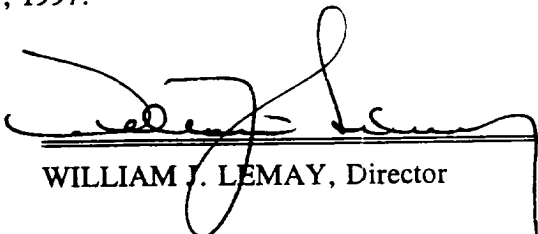
The above-named company is hereby authorized to commingle Wildcat Choke Cherry-Fruitland Sand (96330) and Basin Fruitland Coal (71629) Pool gas production at a common CPD sales meter and to determine production from each pool by well tests. Allocation of gas production shall be determined using factors derived by such tests and multiplying these volumes by the CPD sales meter volume.

FURTHER: Commingled gas production shall be sold at the Five of Diamonds Federal CPD sales meter located in Unit Letter 'L', Section 10, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

PROVIDING: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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.

DONE at Santa Fe, New Mexico, on this 6th day of October, 1997.


WILLIAM J. LEMAY, Director

WJL/BES

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