



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-1019


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

Attention: Mr. John D. Roe

Lease: Mucho Deal Wells No. 1 (API No. 30-045-22570) and 14 (API No. 30-045-30179) (Federal Lease NM-26052)

Description: NE/4 of Section 14, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.



 The above-named company is hereby authorized to commingle Basin-Dakota (Prorated Gas – 71599) and Harper Hill Fruitland Sand-Pictured Cliffs (Gas – 78160) Pool production from the above mentioned lease. Oil production will not be commingled. The production from the Basin-Dakota Prorated Gas Pool and the Harper Hill Fruitland Sand-Pictured Cliffs Gas Pool shall be separately metered by allocation meters.

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.

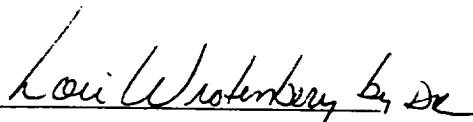
REMARKS: The commingled production shall be delivered to the CDP meter located in the NE/4 of Section 14, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

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

PROVIDING: Like approval from the U.S. Bureau of Land Management is also required.

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September 18, 2000
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DONE at Santa Fe, New Mexico, on this 18th day of September, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

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