



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg

Director
Oil Conservation Division

COMMINGLING ORDER PLC-153-A

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

Attention: Mr. John D. Roe:

Pool lease commingling order No. 153 is hereby amended, dropping one well and including one additional well. The resulting commingled pools and leases are detailed below:

[Handwritten signature]
Pools: Blanco – Mesaverde (Prorated Gas 72319)
Blanco – Fruitland Coal (Gas 71629)
Lease: State Com Wells No. 2 and 90R (State Leases No. B-11571, E-3555-13, E-4426, and LG-0038-1)
Description: N/2 of Section 16, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.

Since completion of the State Com No. 90R, the State Com No. 90 is being dropped from the commingle permit and will cease production in the Basin – Fruitland Coal Pool.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

NOTE: The commingled natural gas production shall be delivered to the transporter's CDP located at the State Com No. 2 well in the SW/4 NE/4 of Section 16, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.

NOTE: Liquid production shall be separated, stored, and sold at each wellsite.

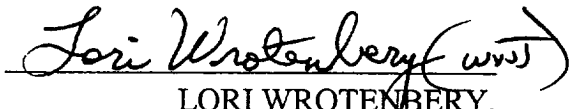
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

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

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PROVIDING: Validation of this authority shall be accomplished by like approval by the State Land Office.

DONE at Santa Fe, New Mexico, on this 28th day of March 2002.


LORI WROTENBERY,
Division Director

LW/WVJ/kv

cc: Oil Conservation Division – Aztec /
State Land Office – Santa Fe