

State of New Mexico
Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



Administrative Order CTB-560-B
Administrative Application Reference No. pDKB1235637128

December 21, 2012

Dugan Production Corp.
Attention: John D. Roe

RE: Central Tank Battery
Sesamee Street Gathering System
Twsp 23, 24 and 25 North, Ranges 9 and 10 West
San Juan County, New Mexico

Reference is made to your administrative application received on December 7, 2012.

It is our understanding that you propose to add an additional gas sales meter, at a separate location, to the referenced system which was approved for surface commingling of gas produced from the Basin Fruitland Coal Gas Pool (Pool Code 71629) from certain wells by Administrative Order CTB-560, issued on September 20, 2005, as previously amended by Administrative Order CTB-560-A, issued on April 23, 2009.

It is further understood that you do not, at this time, propose to add any wells to the system that are not already authorized for surface commingling of gas production by Orders CTB 560 or 560-A. Since the universe of wells from which production will be commingled will not change, no notice to interest owners is required.

Pursuant to your request, Administrative Orders CTB-560 and CTB-560-A, shall be amended as follows:

(a) The third paragraph of Order CTB-560 shall be amended to read:

NOTE: The commingled natural gas production shall be delivered either to the existing CDP sales meter on Enterprise Field Services' lateral, in the SW/4 NE/4 of Section 36, Township 25 North, Range 11 West, or to a new sales meter to be installed in the vicinity of the new Enterprise Field Service CDP to be installed in Section 2, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico.

(b) The first paragraph on Page 3 of Order CTB-560-A shall be amended to read:

Commingled gas production from all wells shall be measured and sold at the Enterprise Field Services Central Delivery Point (CDP), located in Section 30, Township 25 North, Range 10 West, or at the Enterprise Field Serviced Central Delivery Point (CDP 2), located in Section 2, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico.

Except as amended hereby, Administrative Order CTB-560, as amended by Administrative Order 560-A, shall remain in full force and effect.

Sincerely,



JAMI BAILEY
Division Director

JB/db

cc: Oil Conservation Division – Aztec
United States Bureau of Land Managemnt