

State of New Mexico
Energy, Minerals and Natural Resources Department

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Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-833
Administrative Application Reference No. pMAM1724459699

October 6, 2017

Dugan Production Corporation
Attn: Mr. Kevin Smaka

Dugan Production Corporation (OGRID 6515) is hereby authorized to surface commingle gas production from the WAW Fruitland Sand PC (Gas) Pool (Pool code: 87190) from the following diversely owned federal leases located in Township 26 North, Range 13 West, San Juan County, New Mexico:

Lease: Federal lease NMNM 11775
Description: Lot 1, Lot 2, and S/2 NE/4 (NE/4 equivalent) of Section 4, Township 26 North, Range 13 West, NMPM
Well: Ross Federal Well No. 1 API 30-045-22484

Lease: Federal lease NMNM 308
Description: Lot 3, Lot 4, and S/2 NW/4 (NW/4 equivalent) of Section 5, Township 26 North, Range 13 West, NMPM
Well: Kirby Federal Well No. 1 API 30-045-22143

The combined spacing units for these wells includes the NE/4 of Section 4 and the NW/4 of Section 5, all in Township 26 North, Range 13 West, San Juan County, New Mexico.

The commingled gas production from the wells detailed above shall be measured and sold at the gatherer meter located in Unit G of Section 3, Township 26 North, Range 13 West, San Juan County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each of the wells shall be measured separately before commingling at the gatherer meter.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

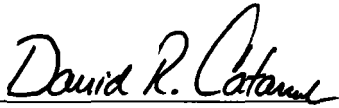
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For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Aztec District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on October 6, 2017.



DAVID R. CATANACH
Director

DRC/mam

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