



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-2520

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

Attention: Mr. John D. Roe

El Nino No. 6E
API No. 30-045-29639
Unit J, Section 11, Township 26 North, Range 9 West, NMPM,
San Juan County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools

Dear Mr. Roe:

Reference is made to your recent application for an amendment to Division Order No. DHC-2520 dated November 23, 1999, which order authorized the downhole commingling of Blanco-Mesaverde and Basin-Dakota Gas Pool production within the El Nino Well No. 6E. It is our understanding that based upon a new production test, Dugan requests that the allocation of production be amended, effective November 1, 2000.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, the allocation of production from each of the commingled zones is hereby amended, as described below, effective November 1, 2000.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

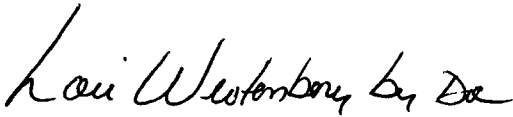
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blanco-Mesaverde Gas Pool	Oil-5.5%	Gas-5.5%
Basin-Dakota Gas Pool	Oil-94.5%	Gas-94.5%

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 19th day of February, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

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