



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401



IN REPLY REFER TO:  
3162.7-3  
Kingfish CDP

April 4, 2007

**CERTIFIED-RETURN RECEIPT REQUESTED**  
7004 1350 0002 0320 3592

John D. Roe  
Dugan Production Corporation  
P. O. Box 420  
Farmington, New Mexico 87499-042

Dear Mr. Roe:

Reference is made to your application dated January 17, 2007 to surface commingle the Kingfish No. 1, Kingfish Com No. 90 and Kingfish Com No. 90S, and to add the Kingfish No. 1 well to the existing Kingfish Com No. 90 CDP. On March 23, 2007, I sent a letter of approval but I incorrectly listed the application date as January 17, 2006 instead of January 17, 2007. Please note that I corrected the application date in my records and will notify NMOCD that I referenced the wrong application date in my approval letter.

Again, I want to assure you that approval is hereby granted for surface commingling for the Kingfish No. 1, Kingfish com No. 90, and the Kingfish Com No. 90S as requested in your application. All wells will maintain an allocation meter on location and meet the requirements as set by Onshore Order #5. The CDP meter shall also follow the requirements as set by Onshore Order #5 and must be calibrated quarterly. Any new wells added to the gathering system must be applied for separately.

Approval of this surface commingling process will be monitored on a continual basis by BLM to evaluate the benefits for royalty determination. This office reserves the right to rescind this approval should future evaluations indicate that royalties would be reduced or production accountability compromised.

With regard to your request in the application referencing notice requirements, for future additions to the gathering system, only the interest owners to be added will require notification, provided the proposed system will not adversely affect the existing wells.

If you have any questions regarding the above, you may contact me at (505) 599-8975. I apologize for any inconvenience my error may have caused. Thank you very much for bringing it to my attention.

*Nancy R. Gibson*  
Nancy R. Gibson  
Production Accountability Technician

Cc: NMOCD: Santa Fe

**RECEIVED**

APR 09 2007

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505



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## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401



IN REPLY REFER TO:  
3162.7-3  
Kingfish CDP

March 23, 2007

**CERTIFIED-RETURN RECEIPT REQUESTED**  
7004 1350 0002 0320 3615

John D. Roe  
Dugan Production Corporation  
P. O. Box 420  
Farmington, New Mexico 87499-042

Dear Mr. Roe:

Reference is made to your application dated January 17, 2006 requesting approval to surface commingle and add the Kingfish No. 1 well to the existing Kingfish Com No. 90 CDP, which also includes the Kingfish Com No. 90S well. The Kingfish Com No. 90 CDP was approved by the Farmington Field Office on September 12, 2006.

Since the gas line connecting the Kingfish Com No. 90S to the Kingfish Com No. 90 passes through the location for the Kingfish # 1, it will allow the No. 1 well to utilize the compressor currently installed for the other wells, keeping wellhead pressures as low as possible, and allow for recovery of more gas.

Approval is hereby granted for surface commingling as requested in your application. All wells will maintain an allocation meter on location and meet the requirements as set by Onshore Order # 5. The CDP meter shall also follow the requirements as set by Onshore Order # 5 and must be calibrated quarterly. Any new wells added to the gathering system must be applied for separately.

Approval of this surface commingling process will be monitored on a continual basis by BLM to evaluate the benefits for royalty determination. This office reserves the right to rescind this approval should future evaluations indicate that royalties would be reduced or production accountability compromised.

With regard to your request in the application referencing notice requirements, for future additions to the gathering system, only the interest owners to be added will require notification, provided the proposed system will not adversely affect the existing wells.

If you have any questions regarding the above, contact me at (505) 599-8975.

Nancy R. Gibson  
Production Accountability Technician

Cc: NMOCD: Santa Fe

- NMOCD -