

August 14, 2014

CERTIFIED MAIL

Dugan Production Corp. Kurt Fagrelius 709 East Murray Drive Farmington, NM 87401

30-043-21196

RE:

Hydraulic Fracturing Notice

Encana Lybrook E33-2307-02H

Surface Location: T23N-R07W Sec. 33; 1518' FNL, 278' FWL Bottom Hole Location: T23N-R07W Sec. 32; 1720' FNL, 330' FWL

Project Area T23N-R07W Sec. 32: S2N2

Sandoval County, NM

OIL CONS. DIV DIST. 3
AUG 1 5 2014

Gentlemen:

The purpose of this letter is to update you with notice that Encana plans to commence hydraulic fracturing operations for its Lybrook E33-2307-02H well located in Township 23 North, Range 07 West, Sandoval County, New Mexico (T23N-R07W Sec. 32: S2N2) from on or about 09/30/2014 to on or about 10/14/2014. Since the completed interval for this well is located near one or more wells operated by your company, this courtesy notice is provided so that you, as operator, can undertake appropriate action to protect your well(s).

If you would like more information regarding Encana's hydraulic fracturing operations schedule for this well, please contact the undersigned at 720-876-3219.

Sincerely,

Encana Oil & Gas (USA) Inc.

Megan E. Gross Land Technician

Cc:

Jim Lovato, BLM

William Hoppe, NMOCD

Encana Oil & Gas (USA) Inc.

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