

April 25, 2014

CERTIFIED MAIL

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

30-045-35476

RE:

Hydraulic Fracturing Notice

Encana Good Times P36-2410-01H

Surface Location: T24N-R10W Sec. 36; 1341' FSL, 225' FEL

Bottom Hole Location: T24N-R10W Sec. 36; 2180' FSL, 330' FWL

Project Area T24N-R10W Sec. 36: N2S2

San Juan County, NM

Gentlemen:

The purpose of this letter is to update you with notice that Encana plans to commence hydraulic fracturing operations for its Good Times P36-2410-01H well located in Township 24 North, Range 10 West, San Juan County, New Mexico (T24N-R10W Sec. 36: N2S2) from on or about 05/25/2014 to on or about 06/13/2014. 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 720-876-3801.

Sincerely,

Encana Oil & Gas (USA) Inc.

Paula M. Rauchfuss Land Negotiator, NRBU

Cc: Jim Lovato, BLM

William Hoppe, NMOCD

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OIL CONS. DIV DIST. 3

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