

encana

October 20, 2014

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

30-045-35527

RE: Hydraulic Fracturing Notice
Encana Lybrook M35-2308 02H
Surface Location: T23N-R08W Sec. 35; 334' FSL, 1329' FWL
Bottom Hole Location: T22N-R08W Sec. 2; 330' FSL, 2240' FWL
Project Area T22N-R08W Sec. 2: E2W2
San Juan County, NM

OIL CONS. DIV DIST. 3

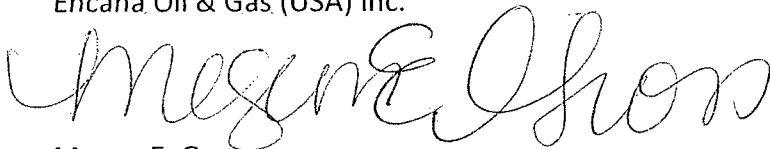
OCT 22 2014

Gentlemen:

The purpose of this letter is to provide you notice that Encana plans to commence hydraulic fracturing operations for its Lybrook M35-2308 02H well located in Township 23 North, Range 08 West, San Juan County, New Mexico (T22N-R08W Sec. 2: E2W2) from on or about 11/7/2014 to on or about 11/20/14. 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 Mona Binion at 720-876-5325.

Sincerely,
Encana Oil & Gas (USA) Inc.



Megan E. Gross
Land Technician
San Juan Basin

Cc: Jim Lovato, BLM
William Hoppe, NMOCD