

District I625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720**District II**11 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720**District III**800 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170**District IV**220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505
Change of Operator

Previous Operator Information

OGRID: 217680
Name: RUNNING HORSE PRODUCTION CO.
Address: 14933 Highway 172
P.O. Box 368
City, State, Zip: Ignacio, CO 81137

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 6515
Name: DUGAN PRODUCTION CORP
Address: PO BOX 420
City, State, Zip: FARMINGTON, NM 87489

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, DUGAN PRODUCTION CORP certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(f) NMAC.

DUGAN PRODUCTION CORP understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, DUGAN PRODUCTION CORP agrees to the following statements:

10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 18.15.9.9(B) NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

Previous Operator


Signature:

Printed Name:

Title:

Date:

erator



John Larkin

John Larkin

Vice President of Operations

06/20/2016 Phone: 970-563-5273

New Operator

Signature:

Printed Name:

Title:

Date:

or Kurt Feguhls

Kurt Fagrelius

Vice President Land & Exploration

6/20/16 Phone: 505-325-1821

District I

625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-0720

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Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

Wells Selected for Transfer

Permit 222688
Permit Status: DRAFT

Wells Selected for Transfer

From:	RUNNING HORSE PRODUCTION CO.	OGRID:	217680
To:	DUGAN PRODUCTION CORP	OGRID:	6515

CD District Aztec

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
12362	ALLEN #001	N	C-12-28N-12W	C	30-045-05984	G	77310	GALLEGOS FRUITLAND SAND PC, S. GAS	04/16	0
12374	FUSSELMAN FEDERAL #001	F	L-17-28N-12W	L	30-045-22051	G	71629	BASIN FRUITLAND COAL (GAS)	04/16	0
12373	FREW FEDERAL #002	F	N-20-28N-12W	N	30-045-22477	G	87190	WAW FRUITLAND SAND PC (GAS)	04/16	0
	FREW FEDERAL #003	F	B-29-26N-12W	B	30-045-22478	G	71629	BASIN FRUITLAND COAL (GAS)	04/16	0
13092	ROSS FEDERAL #001	F	1-04-26N-13W	A	30-045-22484	G	87190	WAW FRUITLAND SAND PC (GAS)	04/16	0
12384	RUBY #001	N	C-34-28N-12W	C	30-045-23839	G	71629	BASIN FRUITLAND COAL (GAS)	04/16	0
12379	JOE WHITNEY #001	F	L-35-27N-12W	L	30-045-27113	G	77310	GALLEGOS FRUITLAND SAND PC, S. GAS	04/16	0
12368	COWSAROUND 21 #001	F	A-21-26N-12W	A	30-045-28073	G	71629	BASIN FRUITLAND COAL (GAS)	04/16	0
12376	GALLEGOS FRUITLAND COAL #001	F	K-35-27N-12W	K	30-045-28232	G	71629	BASIN FRUITLAND COAL (GAS)	04/16	0

Total Additional bond	0
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NMOCD Approval

Electronic Signature: Charlie Perrin, District 3

Date: June 24, 2016

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Comments
Permit 222688

CHANGEOP COMMENTS

Operator: RUNNING HORSE PRODUCTION CO. 14933 Highway 172 Ignacio, CO 81137	OGRID: 217680
	Permit Number: 222688
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
There are no Comments for this Permit		