

September 13, 2000

Ms. Lori Wrotenbery New Mexico Oil Conservation Division 2040 South Pacheco Street Santa Fe, NM 87505

Re: Dugan Production's Application dated 8/25/00
Proposed Surface Commingling
Dugan Production Corp.'s Mucho Deal No. 1 (API No. 30-045-22570)
Dugan Production Corp.'s Mucho Deal No. 14 (API No. 30-045-30179)
Unit F, Section 14, T-30N, R-14W
Federal Leases NM-26052, NM-2555, NM-13213 & NM-15272
Basin Dakota & Harper Hill Fruitland Sand-Pictured Cliffs Gas Pools
San Juan County, NM

Dear Ms. Wrotenbery,

Attached, for your consideration of the captioned application, are copies of the "return-receipt" cards from all nine overriding royalty interest owners in the subject wells. To date we have not received any objection.

Please let me know should you have questions or need additional information.

Sincerely,

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John D. Roe Engineering Manager

JDR/tmf

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