

dugan production corp.

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2014 APR 28 P 2: 14

April 24, 2014

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: New Mexico Oil Conservation Division Case No. 15117; Application of Huntington Energy, L.L.C. for
Approval of a Federal Exploratory Unit

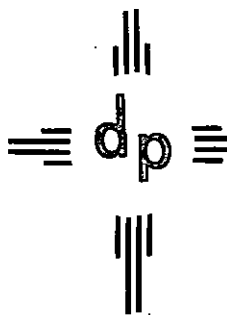
Dear Hearing Examiner:

Please be advised that Dugan Production Corp. has decided to not commit our acreage located on Federal lease number NM-87306 in Section 29, Township 25 North and Range 13 West to the subject unit also referred to as the A'tsa' Federal Exploratory Unit located in San Juan County, New Mexico.

Under separate mailing Dugan Production notified Unit Source Incorporated who represents Huntington Energy, L.L.C. of our intent not to commit our acreage to the subject unit. A copy of this letter is included for your reference.

Sincerely,

Kurt Fagrelus
VP Land & Exploration
Dugan Production Corp.



dugan production corp.

Timothy K. Woodroof
UnitSource Incorporated
Denver, Colorado 80234

January 30, 2014

RE: Atsa Unit Area, San Juan County, New Mexico

Dear Mr. Timothy K. Woodroof,

Dugan Production Corp. will not be committing its acreage interest to Huntington's proposed Atsa Unit.

Thank you for contacting us concerning Huntington's proposed unit and providing us with their proposed operating agreement.

Sincerely,

Kurt Fagrelus
VP Land & Exploration
Dugan Production Corp.