

NMOCD Case # 9251 (Re-opened)
December 2, 1987

DUGAN PRODUCTION CORP.'S EXHIBIT #7

Letters dated November 5 and 10, 1987
and Receipts Certifying Delivery
RE: Proposed Mancos Well
Dugan Production Corp.'s Evans Com #1 Well
Township 26 North, Range 2 West, NMPM
Section 21: All
Rio Arriba County, New Mexico

Distributed to:

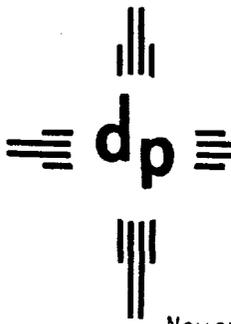
Johansen Energy Partnership
7188 Envoy
Dallas, Texas 75247

Peter C. Neumann
P. O. Box 1170
Reno, Nevada 89504-1170

Northwest Pipeline Corporation
P. O. Box 8900
Salt Lake City, Utah 84108-0900

Venada National
ATTN: Ron D. Leineke, President
2580 Sierra Blvd., Suite A
Sacramento, California 95825

*From Mrs. Grant
Reservoir*



dugan production corp.

November 5, 1987

CERTIFIED, RETURN RECEIPT REQUESTED

Peter C. Neumann
P. O. Box 1170
Reno, Nevada 89504-1170

RE: Proposed Mancos Well
Township 26 North, Range 2 West
Section 21: SE/4 NW/4 - DPC's Evans Com #1 Well
Section 28: NW/4 SE/4 - DPC's Bridge Com #1 Well
Rio Arriba County, New Mexico

Gentlemen:

This letter is to request that you support the drilling of the captioned well by participating or trading its interest in the drillsite spacing unit.

We are enclosing a copy of the proposal sent to the other working interest owners along with the AFE and operating agreement. The interest of the parties needs to be changed to reflect your 11.53846% interest in both the W/2 NE/4 of Section 21 (= 1.44230% working interest of Section 21) and the SW/4 of Section 28 (= 2.88461% working interest of Section 28), by reducing Mesa Grande Resources, Inc.'s interest proportionately.

Our applications for compulsory pooling (copy enclosed) were heard November 4, 1987. The case covering Section 21 (Evans Com #1 Well) will be reopened on December 2, 1987 and the case covering Section 28 (Bridge Com #1 Well) was continued also to December 2, 1987.

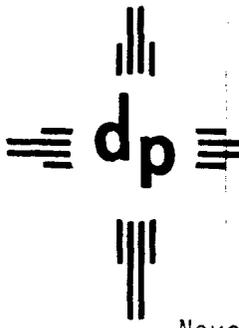
We would prefer to acquire an assignment covering your interest and request that you advise what terms would be acceptable to you. In the alternative, please execute and return the enclosed AFE and operating agreement at your earliest opportunity.

Sincerely,

Richard Corcoran, Landman

RC:jr

Enclosures



dugan production corp.

November 5, 1987

CERTIFIED, RETURN RECEIPT REQUESTED

Venada National
2580 Sierra Blvd. A
Sacramento, California 95825

RE: Proposed Mancos Well
Township 26 North, Range 2 West
Section 21: SE/4 NW/4 - DPC's Evans Com #1 Well
Section 28: NW/4 SE/4 - DPC's Bridge Com #1 Well
Rio Arriba County, New Mexico

Gentlemen:

This letter is to request that Venada National support the drilling of the captioned well by participating or trading its interest in the drillsite spacing unit.

We are enclosing a copy of the proposal sent to the other working interest owners along with the AFE and operating agreement. The interest of the parties needs to be changed to reflect Venada's 7.03125% interest in both the W/2 NE/4 of Section 21 (= 0.87890% working interest in Section 21) and the SW/4 of Section 28 (= 1.75781% working interest of Section 28), by reducing Mesa Grande Resources, Inc.'s interest proportionately.

Our applications for compulsory pooling (copy enclosed) were heard November 4, 1987. The case covering Section 21 (Evans Com #1 Well) will be reopened on December 2, 1987 and the case covering Section 28 (Bridge Com #1 Well) was continued also to December 2, 1987.

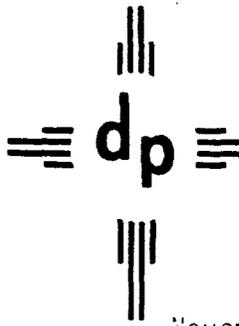
We would prefer to acquire an assignment covering your interest and request that you advise what terms would be acceptable to you. In the alternative, please execute and return the enclosed AFE and operating agreement at your earliest opportunity.

Sincerely,

Richard Corcoran, Landman

RC:jr

Enclosures



dugan production corp.

November 5, 1987

CERTIFIED, RETURN RECEIPT REQUESTED

Johansen Energy Partnership
7188 Envoy
Dallas, Texas 75247

RE: Proposed Mancos Well
Township 26 North, Range 2 West
Section 21: SE/4 NW/4 - DPC's Evans Com #1 Well
Section 28: NW/4 SE/4 - DPC's Bridge Com #1 Well
Rio Arriba County, New Mexico

Gentlemen:

This letter is to request that Johansen Energy Partnership support the drilling of the captioned well by participating or trading its interest in the drillsite spacing unit.

We are enclosing a copy of the proposal sent to the other working interest owners along with the AFE and operating agreement. The interest of the parties needs to be changed to reflect Johansen Energy Partnership's 1.17187% interest in both the W/2 NE/4 of Section 21 (= 0.14648% working interest of Section 21) and the SW/4 of Section 28 (= 0.29296% working interest of Section 28), by reducing Mesa Grande Resources, Inc.'s interest proportionately.

Our applications for compulsory pooling (copy enclosed) were heard November 4, 1987. The case covering Section 21 (Evans Com #1 Well) will be reopened on December 2, 1987 and the case covering Section 28 (Bridge Com #1 Well) was continued also to December 2, 1987.

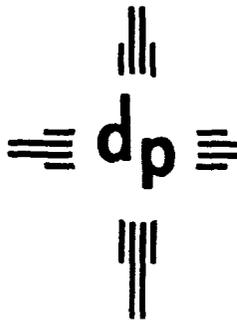
We would prefer to acquire an assignment covering your interest and request that you advise what terms would be acceptable to you. In the alternative, please execute and return the enclosed AFE and operating agreement at your earliest opportunity.

Sincerely,

Richard Corcoran, Landman

RC:jr

Enclosures



dugan production corp.

November 10, 1987

Northwest Pipeline Corporation
P. O. Box 8900
Salt Lake City, Utah 84108-0900

RE: Proposed Mancos Well
Township 26 North, Range 2 West
Section 21: SE/4 NW/4 - DPC's Evans Com #1 Well
Section 28: NW/4 SE/4 - DPC's Bridge Com #1 Well
Rio Arriba County, New Mexico

Gentlemen: -

This is to advise that Dugan Production Corp. has made application for compulsory pooling (copy enclosed) covering all interest in the captioned lands.

Our initial requests were heard November 4, 1987, with the case covering Section 21 to be re-opened on December 2, 1987 and the case covering Section 28 being continued also to December 2, 1987.

Because Northwest Pipeline Corporation has an overriding royalty interest that is convertible to a working interest in both of these sections, we are advising you of our plans to pool said interest.

If you would like additional information concerning this matter, please advise.

Sincerely,

Richard Corcoran
Landman

RC:jr

Enclosures

SENDER: Complete items 1 and 2 when additional services are required.
 and 4:
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will result in the card from being returned to you. The return receipt fee will provide you the name of the person to whom delivered to and the date of delivery. For additional fees the following services are available:
 1) Show to whom delivered, date, and address of delivery. (Extra charge)

3. Article Addressed to:
Veneda National
 Attn: Mr. Leineke
 2580 Sierra Blvd. A
 Sacramento, CA 95825

4. Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee
 X

6. Signature - Agent
 X *H. Beardley*

7. Date of Delivery
 11/25/87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

P 298 298 144
 RECEIPT FOR CERTIFIED MAIL
 See Reverse

U.S.G.P.O. 1985 480 794
 PS Form 3800 June 1985
 Judy

Veneda National	
2580 Sierra Blvd. A	
Sacramento, California 95825	
Postage	2.40
Certified Fee	.75
Special Delivery Fee	
Registered Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to Agent (including Address of Delivery)	
TOTAL Postage and Fees	3.85

Judy

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
 †(Extra charge)† †(Extra charge)†

3. Article Addressed to:
 Johansen Energy Partnership
 7188 Envoy
 Dallas, Texas 75247

4. Article Number:
 P 298 298 145

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

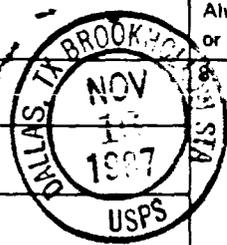
Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X

6. Signature - Agent
 X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)



PS Form 3811, Mar. 1987

★ U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

P 298 298 145

RECEIPT FOR CERTIFIED MAIL

★ U.S.G.P.O. 1985-480-794

Johansen Energy Partnership

7188 Envoy

Dallas, Texas 75247

2.40

.75

.70

3.85

PS Form 3800 June 1985



Judy

Judy

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
 †(Extra charge)† †(Extra charge)†

3. Article Addressed to: Peter C. Neumann P.O. Box 1170 Reno, Nevada 89504-1170	4. Article Number P 298 298 143 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 11-17-87 <i>[Signature]</i>	

PS Form 3811, Mar. 1987

* U.S.G.P.O. 1987-178-258

DOMESTIC RETURN RECEIPT

P 298 298 143

RECEIPT FOR CERTIFIED MAIL

* U.S.G.P.O. 1985-480/794

PS Form 3800 June 1985

Peter C. Neumann	
P.O. Box 1170	
Reno, Nevada 89504-1170	
	2.40
	.75
	.70
	3.85

Judy



Judy

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered and the date of delivery. For additional fees the following services are available. Consult postmaster for fee and check box(es) for additional service(s) requested.

1. <input type="checkbox"/> Insured (Extra charge)† 2. <input type="checkbox"/> Restricted Delivery (Extra charge)†	
3. Article Addressed to: Northwest Pipeline Corporation P.O. Box 8900 Salt Lake City, UT 84108-0900	4. Article Number P 488 636 949
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X <i>[Handwritten Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery <i>11/16/87</i>	

PS Form 3811, Mar. 1987

* U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

P-488 636 949

Northwest Pipeline Corp.
 P.O. Box 8900
 Salt Lake City, UT 84108-0900

Judy

.39

.75

.70

1.84

PS Form 3811

