DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
2/06/2017		MAM	2/07/2017	CTB	pKSC1703840327

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- CTB
- Duggan Production Company
- 6575 well
- Juniper West 31 #3
- 30-045-35374
- * See RBDMS for other wells

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- POW
- Basin Fruitland Coal (Gas) #71629
- SWD; Entrada #96436
- SWD; Messaverde #96160

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM & SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kevin Smaka		Production Engineer	2/3/17
Print or Type Name	Signature	Title	Date

kevin.smaka@duganproduction.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Dugan Production Corp.
OPERATOR ADDRESS: P. O. Box 420, Farmington, NM 87499-0420
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☒ Federal & Navajo Allotted

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB-560-C
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code. Basin Fruitland Coal (71629)
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☒ Other (Specify) Each well will be equipped with an allocation meter or an approved method of alternative measurement

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No See Attachment No. 2
(2) Include proof of notice to all interest owners. See Attachment No. 3 & 8

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See Attachment No. 3 & 8
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 1
(3) Lease Names, Lease and Well Numbers, and API Numbers. See Attachment No. 2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Kevin Smaka TITLE: Production Engineer DATE: 2/3/17

TYPE OR PRINT NAME Kevin Smaka TELEPHONE NO.: 505-325-1821

E-MAIL ADDRESS: Kevin.Smaka@duganproduction.com

dugan production corp.

February 3, 2017

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

Mr. Aubrey Dunn, Commissioner
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Ms. Victoria Barr, Manager
Bureau of Land Management
6251 College Blvd., Suite A
Farmington, NM 87402

Re: Application to surface commingle and for the Off-Lease Measurement/sale of produced natural gas for wells to be added to Dugan Production's Sesamee Street Gas Gathering System
San Juan County, New Mexico

Dear. Mr. Catanach, Ms. Barr and Mr. Dunn,

We are writing to request your administrative approvals for the surface commingling, plus off-lease measurement and sale of natural gas produced from 68 wells (10 existing and 11 proposed locations plus 47 locations within the PGA Unit which Dugan production recently acquired) to be added to Dugan Production's Sesamee Street Gathering System (SSGS). NMOCD Form 107-B is attached for this application to add wells to the gathering system. A summary presenting the wells and production for each pool is presented on Attachment No. 4. Gas sales for the SSGS will continue to be at the two central delivery sales meters (CDP) currently approved for the SSGS. The first CDP is located in the NESW of Section 30, T-25N, R-10W and delivers gas to Enterprise Field Services Meter No. 86238. The second CDP is located NWSE of section 2, T-24N, R-10W and delivers gas to Enterprise Field Services meter no. 91083. We are also requesting the NMOCD to continue to include a provision in their order that for future additions to the SSGS, only the interest owners in the wells being added need to be notified, providing that it is reasonably certain that the proposed additions will not adversely affect the interest owners in the wells already approved for the gathering system. This provision will be very helpful and will significantly reduce the work effort necessary to add future wells to the gathering system.

The SSGS was installed by DPC and was approved for operation in August of 2005. Currently there are 147 wells approved for the SSGS which includes 117 wells that are currently producing. Production currently averages a total of 8841 mcfd for an overall average of 76 mcfd per well. Well production ranges from 1 to 406 mcfd. None of the 10 existing wells proposed to be added to the SSGS are connected to the gathering system or currently producing. The wells are currently shut in waiting on approval to be connected to the SSGS. Individual well production for the SSGS is presented on Attachment 2 and a summary of pool production is presented on Attachment No. 4.

We stress there is an urgency associated with this application. Currently Dugan is in the process of acquiring drilling permits for several leases that will expire in 2017. Once these approvals are granted Dugan will drill wells on these leases and begin producing gas as soon as possible to avoid losing the leases. We ask that this application be processed as quickly as possible.

A description of each attachment has been included for clarity and informational purposes:

Attachment No. 1 presents maps of the SSGS with the wells and proposed locations to be added highlighted in blue. In addition, Dugan Production's leases are also presented. Dugan Production has a majority of the leasehold interest and to date most wells drilled are considered to be marginal producers. The SSGS has two central delivery gas sales meters. The first, meter no. 86238, is located in the NESW of Section 30, T-25N, R-10W. The second, meter no. 91083, is located in the NWSE of section 2, T-24N and R-10W. Both meters deliver gas to Enterprise Field Services.

709 E. MURRAY DR. • P. O. BOX 420 • FARMINGTON, N.M. 87499-0420 • PHONE: (505) 325-1821 • FAX# (505) 327-4613

Attachment No. 2 presents information for the wells currently approved and the wells to be added to the SSGS. At the time of this application there are 147 wells approved to be connected to the SSGS of which 117 are producing. 10 of the producing wells average production greater than 200 MCFD. The remaining 107 wells produce less than 200 mcfd of which 36 produce less than 35 MCFD and are considered low/marginal producers.

Attachment No.3 presents the interest ownership for the wells to be added to the SSGS. From Attachment No. 3, Dugan Production holds 100% of the working interest in all wells and leases being added and their infill locations. Federal Royalty will be paid on production from the Bolt #1, Clay #1, Coffee #1, Kinbeto 15 #3, Flats #1 and production from the PGA unit. State Royalty will be paid on production from the Juniper West 31 #31, Kinbeto 16 #3, Split Lip #1 and the PGA unit. There is no Indian acreage in any of the proposed wells or locations. Overriding royalty will be paid to Coleman Oil and Gas and OSO Energy sources. All interest owners in the wells being added as presented in Attachment No. 3 will receive information pertaining to this application. Attachment No. 8 presents copies of our interest owner notice efforts. All notice letters have been sent by certified mail with return receipts, and upon receiving the receipts, copies will be forwarded to the NMOCD.

Attachment No. 4 presents a summary of the pools, wells, production and leases for the SSGS. The SSGS has wells from one pool (Basin Fruitland Coal) authorized for the gathering system. It is also noted that for the SSGS, of the 147 wells (117 active) currently approved for the gathering system, production averages 76 mcfd and ranges from 1 to 406 mcfd per well. Of the 68 wells/locations to be added with this application, none are currently producing or connected to the gathering system. Dugan Production's leases for the wells in the Sesamee Street Gathering System are summarized on Page 2 of Attachment No. 4. The attachment identifies 49 federal leases 35 of which have been previously approved for the SSGS. Dugan is seeking approval to add 13 federal leases to the SSGS. Attachment 4 identifies 15 state leases 7 of which have been previously approved for the gathering system. Dugan production seeks approval to add 8 state leases to the gathering system. 16 Tribal and allottee leases are identified however there are no tribal or allottee leases being added to the gathering system with this application.

Attachment No. 5 presents the allocation procedure being used for the SSGS. All requirements set forth in 43 CFR 3173 & 43 CFR 3175 will be followed to ensure that production can be accurately measured and verified.

Attachment No 6 presents a comparison of connecting the proposed wells to the existing SSGS as opposed to directly connecting each well to the nearest pipeline which will be Enterprise's line at the current CDP. This analysis was done to illustrate the benefits connecting wells to the gathering system and to satisfy requirements set forth in 43 CFR 3173.

From Attachment No. 6, to connect each of the 21 wells and infill locations plus 47 proposed locations in the PGA Unit to Dugan's SSGS, will require installing an estimated 45030' (8.53 miles) of 4" polypipe which with a 40' ROW, will require disturbing an estimated 41.35 acres of surface. If each well and lease, where possible, were to be individually connected directly to Enterprise for gas sales, the length of necessary pipeline would increase to 474,520' (89.87 miles) and result in disturbing 435.80 acres of surface. In addition, since we typically will install the required compressor at the well site, the line between the well and connection to the pipeline will be operating at a higher pressure for direct connection, which will require using 4" steel line as opposed to 4" polypipe which will increase the installation costs from $15/ft to $38/ft and will result in the pipeline cost increasing from $675,450.00 for connecting to a gathering system to $18,031,760.00 for connecting to Enterprise. In addition, and probably one of the biggest benefits of operating a gathering system is that we can install central gas compression facilities to serve multiple wells and we typically operate our gathering systems at 20 to 30 psig which provides an optimum surface operating pressure for wells connected to it. For direct connect, it will be necessary to install a compressor on each line in order to deliver gas into Enterprise's pipeline which is currently averaging 325 psig. This will require purchasing and installing significantly more compressors to deliver the same gas, which will result in using more produced gas for fuel and producing more noise and exhaust gas. In addition, the cost to make a connection to our gathering system averages about $5,000/tap and meter run where Enterprise will charge an average of $131,000 for each pipeline tap and meter run. For our analysis, since the infill wells will have the same interest ownership as the initial spacing unit well, we assumed it will be acceptable to connect the infill well to the initial well and use only one line and compressor to deliver the gas to Enterprise which will not only reduce the necessary pipeline length, but will reduce the meter run and connection cost for the infill well to $5,000 and enable the infill well to use the compressor installed for the initial well.

Thus considering all factors of connecting to the existing gathering system versus directly connecting to Enterprise pipeline, the total costs presented in attachment 6 are summarized as follows:

Gathering System	Connect to Gathering System	Connect to Enterprise	Additional Cost for Direct Connections
SSGS	$ 780,450.00	$ 19,333,208.00	$ 18,552,758.00

Considering that many of the wells to be added to the SSGS are considered to be marginal producers, it will be very important that we receive approval to use the existing gathering system as opposed to directly connecting each well to the pipeline company. Also considering that these wells are in an area that has significant archaeological, cultural, and paleontology presence, plus is in close proximity to two wilderness areas, and is within the threatened and endangered Brack's Cactus and Aztec Gila Habitat, it is important to minimize the surface disturbance and installation of necessary compression equipment.

Attachment 7 presents a summary of the equipment and facilities that are currently installed for the SSGS. Dugan Production has drilled and currently operates five SWD wells, the Mary Lou #1, Herry Monster #3, St. Moritz #2, Flo Jo #8 and the Frazzle #1. This is an important part of producing low volume gas wells and economically disposing of the water produced in association with the gas. Typically, when installing the gas pipeline, we also install a second pipeline for the produced water. The water is collected at a central location and any gas that may also be in the water stream is removed using a Conventional 2 Phase Separator. All gas recovered from the water will be metered and then delivered to the gas gathering line for sale. The metered volumes at the separator will then be used to allocate CDP gas volumes back to the separator using the same allocation procedure used for all other wells. The gas volumes allocated to the separator will then be allocated to each well that delivers water to the separator based upon the water volumes delivered and the percentage of all water delivered to the separator. This procedure for handling and disposing of the produced water is a very important part of operating our gathering system and without this, as would be necessary for direct connection, it would be necessary to install separators and storage tanks at each well and to truck the water from each well for disposal. Thus we are able to reduce a significant surface disturbance for facilities to handle and store the produced water at the wellsite plus we significantly reduce the truck traffic and road maintenance needed to haul and dispose of the produced water. As part of this application, we request approvals to surface commingle the produced water and dispose of the produced water at one of Dugan's water disposal wells or if necessary, at a commercial water disposal facility.

There are seven central compressor stations on the SSGS which are necessary to maintain an optimum gathering system pressure of 20 to 30 psi for wells located throughout the gathering system.

Since the water disposal and central compression are a very important part of operating our gathering systems, we are requesting that the fuel gas needed to operate the equipment be considered a "beneficial use" for the wells connected to the gathering system.

Attachment No. 8 presents copies of our efforts to provide the required notice to all interest owners in the wells being added to the gathering system.

Attachment No. 9 presents Dugan production's formal request to obtain beneficial off lease fuel usage at Dugan Production central compressors and water disposal facilities.

In summary, Dugan Production is requesting approvals to:

1. Add 21 wells/locations to Dugan's Sesamee Street Gathering System;
2. Add 47 potential locations within the PGA unit that will allow Dugan to aggressively develop this unit.
3. Authorize the beneficial use of off-lease fuel used by equipment necessary to operate the gathering system;
4. Authorize the surface commingling of produced gas and produced water.
5. Authorize the off-lease measurement of gas.

A majority of the wells on the gathering system are considered to be low volume producers (200 mcfd or less), many of which are marginally economic to operate. Dugan Production has made a substantial investment in the SSGS which was necessary to sell gas from the low volume producers typical to this area, and is optimistic that we will be able to aggressively develop our substantial leasehold interest in an area that has little other oil and gas development activity.

Should you need additional information or have questions regarding this application, please feel free to contact me at the letterhead address.

Sincerely,

Kevin Smaka
Production Engineer

cc: NMOCD – Aztec; All Working Interest Owners

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Dugan Production Corp.
OPERATOR ADDRESS: P. O. Box 420, Farmington, NM 87499-0420
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☒ Federal & Navajo Allotted

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB-560-C
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code. Basin Fruitland Coal (71629)
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Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

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(2) Include proof of notice to all interest owners. See Attachment No. 3 & 8

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See Attachment No. 3 & 8
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 1
(3) Lease Names, Lease and Well Numbers, and API Numbers. See Attachment No. 2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Kevin Smaka TITLE: Production Engineer DATE: 2/3/17

TYPE OR PRINT NAME Kevin Smaka TELEPHONE NO.: 505-325-1821

E-MAIL ADDRESS: Kevin.Smaka@duganproduction.com

Attachment No. 1
Dugan Production Corp.
Sesamee Street Gathering System
San Juan Co. NM
As of January 1, 2017

U.S.G.S. & National Geographic Topography Maps Used:
Arc-GIS Base Layer
Blanco Trading Post, NM 2013
Pueblo Bonito NW, NM 2013
Huerfano Trading Post SW, NM 2013
1"=3000'

Notes:
1. Sesamee Street CDP No. 1 to Enterprise Field Services Meter No. 86238 Located @ NESW 30, T-25N, R-10W
2. Sesamee Street CDP No. 2 to Enterprise Field Services Meter No. 91083 Located @ NWSE 2, T-24N, R-10W

R12W R11W R11W R10W

T25N
T24N
T24N
T23N

Enterprise Field Services

Sesamee Street Lease Legend

Letter	Lease Type	Lease Number	Lease Name	Letter	Lease Type	Lease Number	Lease Name
S	Federal	NM-16760	MF	EB	Federal	NM-51005	McDougall
AZ	Federal	NM-62973	September 15	EC	Nav Alt	NOO-C-1420-7313	St. Louis
BA	Federal	NM-54983	September 15	ED	Federal	NM-36951	Helsinki
BJ	State	LH-1896	Wit's End	EE	Federal	NM-96799	Unnamed (Adam)
BK	Federal	NM-42059	Champ	EF	Federal	NM-96800	Hoss
BR	Federal	NM-25842	Merry May	EG	Federal	NM-90482	Little Joe
BS	Federal	NM-5991	June Joy	EH	Federal	NM-80498	Pierre
BU	Federal	NM-78060	St. Moritz	EJ	Federal	NM-96802	Bonanz
BW	Federal	NM-43443	August	EK	Federal	NM-65528	Hop Sing
BX	State	LG-9804	Oktoberfest	EL	Nav Alt	NO-G-0311-1696	XTO Navajo Allotted
CD	Federal	NM-42740	Olson	EN	State	LG-5686	Squash Blossom AFU
CE	Federal	NM-86485	Par	EO	Nav Alt	NO-G-0902-1754	Martinez Begay
CF	Federal	NM-16762	Witty	EP	Nav Alt	NO-G-0905-1759	Unnamed (Martinez Begay)
DB	Nav Alt	NO-G-0502-1717	Ernie	EQ	Federal	NM-131057	XTO Lease
DC	Federal	NM-39017	Sesamee Street	ET	Federal	NM-119287	Unnamed (Kinbeto Com)
DD	Nav Alt	NO-G-0502-1718	Bert	EW	State	B1-889-36	Unnamed
DE	Federal	NM-17015	Herry Monster	EX	Federal	NM-119288	Unnamed (Flats)
DF	Nav Alt	NO-G-0502-1719	Elmo	EY	Federal	NM-13956	Unnamed (Kinbeto)
DG	State	V-2364	Roadrunner	FA	Federal	NM-130879	Unnamed
DH	Federal	NM-36952	Flo Jo	FB	Federal	NM-130878	Unnamed
DI	Federal	NM-43442	Target	FC	State	V-8985	Split Lip
DJ	Federal	NM-100808	Phoebe	FD	State	VO-8066	Unnamed (Kinbeto 16)
DK-1	Federal	NM-13654	Rodeo Rosie	FE	Federal	NM-109403	Unnamed (Clay)
DK-2	Federal	NM-134598	Frazzle	FF	Federal	NM-120380	Unnamed (Bolt)
DL	Nav Alt	NO-G-0502-1720	Unnamed	FH	Federal	NM-120381	Unnamed
DM	Federal	NM-21741	Silver Medal	FI	State	B-10894-8	Unnamed
DN	Nav Alt	NO-G-0502-1716	Unnamed	FM	Federal	NM-117578	Coffee
DO	Federal	NM-22044	Gold Medal	FN	State	V0-8078	Juniper West 31
DP	State	V-1509	Gold Medal	FO	Federal	NM-112959	Unnamed
DQ	Nav Alt	NOO-C-1420-5825	Jim Thorpe	FP	Federal	NM-109405	Unnamed
DR	Federal	NM-23744	Olympic	FQ	Federal	NM-109406	Unnamed
DS	Nav Alt	NOO-C-1420-7307	Bronze Medal	FR	Federal	NM-109407	Unnamed (PGA Unit 34/35)
DT	Nav Alt	NOO-C-1420-7308	Marathon	FS	Federal	NM-112958	Unnamed
DU	Nav Alt	NOO-C-1420-7311	Lake Placid	FT	Federal	NM-109404	Unnamed (PGA Unit 3)
DW	Nav Alt	NOO-C-1420-7310	Squaw Valley	FU	State	VA-2965	Unnamed (PGA Unt 2)
DV	Nav Alt	NOO-C-1420-7309	Montreal	FV	State	V0-8067	Unnamed
DX	Federal	NM-32124	Calgary	FW	State	VA-2966	PGA Unit 16
DY	State	E-4912-19	Unnamed	FX	State	VA-2959	Unnamed
EA	Nav Alt	NOO-C-1420-7312	Seoul	FY	Federal	NM-119289	Will

Legend

- Oil Well
- Oil Well P&A
- Gas Well
- Commingled Well
- Gas Well P&A
- Gas Well TA
- SWD Well
- Addition To Permit
- Location
- Compressor
- Sales Meter
- Tank Battery
- Horizontal Wells Direction
- Central Battery Total Fluid Line
- Sesamee Street Gathering System
- Goodtimes Gathering System
- Enterprise Field Services
- PGA Unit Boundry

N

0 1,750 3,500 7,000 10,500 14,000 Feet

ATTACHMENT NO. 2
DUGAN PRODUCTION CORP.
SESAMEE STREET GATHERING SYSTEM (01-26-17) ③
SAN JUAN COUNTY, NEW MEXICO

Well Name	API # 30-045-	Surface Location ¼¼	Sec-Twn-Rng	Lease No.	Lease Type	Communitization Agreement No. (If Established	Pool	Completion Date	Current Status ①	Current Average Production ② MCFD	BWPD	Spacing Unit	Dates for SC, OLM & S ③ APPROVAL Application	BLM	NMOCD	NMSLO
WELLS TO BE ADDED (68 WELLS/LOCATIONS)																
Bolt 1		SENW	10-23N-10W	NM120380	FED		Basin Fruitland Coal		LOC			W/2-320A	2/3/17			
Clay 1		NWNW	27-23N-10W	NM109403	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
Coffee 1		NESE	21-23N-11W	NM117578	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
Flats 1		NE	6-23N-11W	NM119288	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
Juniper West 31 #31 Note 9	35374	NWNE	31-24N-11W	V08078	ST		Basin Fruitland Coal		WOC			E/2NW/4 & NE/4-240A	2/3/17			
Kinbeto 15 3 Note 11	35411	NESW	15-23N-10W	NM109403	FED		Basin Fruitland Coal		WOC			S/2-320A	2/3/17			
Kinbeto 16 3 Note 11	35384	NWSW	16-23N-10W	V08066	ST		Basin Fruitland Coal		WOC			S/2-320A	2/3/17			
Split Lip 1	35765	SESE	32-24N-11W	V8985	ST		Basin Fruitland Coal	6/9/2016 ⑦	NC			S/2-320A	2/3/17			
PGA Unit 2 #2 Note 8	34733	NWNW	2-23N-11W	VA2965	ST		Basin Fruitland Coal	10/1/2008	SI			N/2-319.36A	2/3/17			
PGA Unit 2 #4 Note 8	35468	NESE	2-23N-11W	VA2965	ST		Basin Fruitland Coal		WOC			S/2-320A	2/3/17			
PGA Unit 3 #1 Note 8	35410	NWNE	3-23N-11W	NM109404	FED		Basin Fruitland Coal		WOC			N/2-319.17A	2/3/17			
PGA Unit 16 #2 Note 8	34696	NWNW	16-23N-11W	VA2966	ST		Basin Fruitland Coal		WOC			N/2-320A	2/3/17			
PGA Unit 34 #3 Note 8	35540	SWSW	34-24N-11W	NM109407	FED		Basin Fruitland Coal		WOC			W/2-320A	2/3/17			
PGA Unit 35 #3 Note 8	35409	SESW	35-24N-11W	NM109407	FED		Basin Fruitland Coal		WOC			W/2-320A	2/3/17			
PGA Unit Location A		SW	21-24N-11W	NM112959	FED		Basin Fruitland Coal		LOC			SW/4SW/4, E/2 SW/4 & SE/4-280A	2/3/17			
PGA Unit Location B		SE	21-24N-11W	NM112959	FED		Basin Fruitland Coal		LOC			SW/4SW/4, E/2 SW/4 & SE/4-280A	2/3/17			
PGA Unit Location C		SW	22-24N-11W	NM109405	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location D		NW	28-24N-11W	NM112959	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location E		NE	28-24N-11W	NM112959	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location F		NW	27-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location G		NE	27-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location H		NW	25-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			W/2-320A	2/3/17			
PGA Unit Location I		SW	28-24N-11W	NM112959	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location J		SE	28-24N-11W	NM112959	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location K		SW	27-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location L		SE	27-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location M		SW	26-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location N		SE	26-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location O		SW	25-24N-11W	NM109406	FED		Basin Fruitland Coal		LOC			W/2-320A	2/3/17			
PGA Unit Location P		NW	33-24N-11W	V08078	ST		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location Q		NE	33-24N-11W	V08078	ST		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location R		NW	34-24N-11W	NM109407	FED		Basin Fruitland Coal		LOC			W/2-320A	2/3/17			
PGA Unit Location S		NE	34-24N-11W	NM109407	FED		Basin Fruitland Coal		LOC			E/2-320A	2/3/17			
PGA Unit Location T		NW	35-24N-11W	NM109407	FED		Basin Fruitland Coal		LOC			W/2-320A	2/3/17			
PGA Unit Location U		NE	35-24N-11W	NM109407	FED		Basin Fruitland Coal		LOC			E/2-320A	2/3/17			
PGA Unit Location V		SW	33-24N-11W	V08078	ST		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location W		SE	33-24N-11W	V08078	ST		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location X		SE	34-24N-11W	NM109407	FED		Basin Fruitland Coal		LOC			E/2-320A	2/3/17			
PGA Unit Location Y		SE	35-24N-11W	NM109407	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location Z		NW	4-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AA		NE	4-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AB		NW	3-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AC		NE	2-23N-11W	V08067	ST		Basin Fruitland Coal		LOC			N/2-319.36A	2/3/17			
PGA Unit Location AD		SW	4-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AE		SE	4-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AF		SW	3-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AG		SE	3-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AH		SW	2-23N-11W	VA2965	ST		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AI		NW	9-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AJ		NE	9-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AK		NW	10-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AL		NE	10-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AM		SW	8-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AN		SE	8-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AO		SW	9-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AP		SE	9-23N-11W	NM112958	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AQ		SW	10-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AR		SE	10-23N-11W	NM109404	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AS		NE	16-23N-11W	VA2966	ST		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
PGA Unit Location AT		SW	16-23N-11W	VA2959	ST		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
PGA Unit Location AU		SE	16-23N-11W	VA2959	ST		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
SSGS Loc O		SW	32-24N-11W	V8985	ST		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
SSGS Loc P		NE	32-24N-11W	V8985	ST		Basin Fruitland Coal		LOC			E/2-320A	2/3/17			
SSGS Loc Q		NW	6-23N-11W	NM119288	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
SSGS Loc S		SW	6-23N-11W	NM119288	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
SSGS Loc T		SE	6-23N-11W	NM119288	FED		Basin Fruitland Coal		LOC			S/2-320A	2/3/17			
SSGS Loc U		NW	7-23N-11W	NM119288	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			
SSGS Loc V		NE	7-23N-11W	NM119288	FED		Basin Fruitland Coal		LOC			N/2-320A	2/3/17			

Well Name	API # 30-045-	Surface Location ¼¼	Sec-Twn-Rng	Lease No.	Lease Type	Communitization Agreement No. (If Established	Pool	Completion Date	Current Status ①	Current Average Production ② MCFD	BWPD	Spacing Unit	Dates for SC, OLM & S ③ Application	APPROVAL BLM	NMOCD	NMSLO
WELLS APPROVED FOR SYSTEM (147 WELLS)																
Adam Com 90	33348	NENW	19-23N-10W	NM96799	FED	NMNM116512	Basin Fruitland Coal	3/7/2006	P	237	63	W/2-320.08A	3/25/09	6/25/09	4/23/09	4/27/09
Adam Com 91	35694	SW	19-23N-10W	NM96799	FED	NMNM116512	Basin Fruitland Coal		LOC B			W/2-320.08A	3/25/09	6/25/09	4/23/09	4/27/09
Ben Com 90	33347	SESE	18-23N-10W	NM96799	FED	NMNM116733	Basin Fruitland Coal	8/28/2007	P	21	2	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Ben Com 90S		NE	18-23N-10W	NM86485	FED	NMNM116733	Basin Fruitland Coal		LOC			E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bert Com 90	32714	SWSE	2-24N-11W	NM39017	FED	NMNM112857	Basin Fruitland Coal	9/30/2005	P	31	38	E/2-321.22A	8/26/05	10/18/05	9/20/05	N/A
Bert Com 90S	32924	NSENE	2-24N-11W	NO-G-0502-1718	NAV ALTD	NMNM112857	Basin Fruitland Coal	10/5/2005	P	6	23	E/2-321.22A	8/26/05	10/18/05	9/20/05	N/A
Biff 90	33455	NESW	20-24N-10W	NM43442	FED		Basin Fruitland Coal	6/8/2007	P	17	46	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Biff 90S	33454	NENW	20-24N-10W	NM43442	FED		Basin Fruitland Coal	6/20/2007	P	10	24	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Biff 91	33546	NENE	20-24N-10W	NM43442	FED		Basin Fruitland Coal	6/7/2007	P	51	51	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Biff 91S	33481	NESE	20-24N-10W	NM43442	FED		Basin Fruitland Coal	6/11/2007	P	11	52	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bonanza 90	33067	NWNW	26-23N-11W	NM96802	FED		Basin Fruitland Coal	8/13/2007	P	47	19	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bonanza 90S		SW	26-23N-11W	NM96802	FED		Basin Fruitland Coal		LOC			W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bonanza 91	33066	NENE	26-23N-11W	NM96802	FED		Basin Fruitland Coal	8/13/2007	P	136	35	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bonanza 91S		SE	26-23N-11W	NM96802	FED		Basin Fruitland Coal		LOC			E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bonanza Com 92	33312	SWNE	24-23N-11W	NM96802	FED	NMNM119988	Basin Fruitland Coal	10/22/2009	P	69	23	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Bonanza Com 92S	33319	SENW	24-23N-11W	NM36952	FED	NMNM119988	Basin Fruitland Coal	8/23/2007	P	2	66	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Calgary 90	34232	NENE	6-23N-10W	NM32124	FED		Basin Fruitland Coal	3/11/2008	P	66	69	E/2-319.52A	3/25/09	6/25/09	4/23/09	4/27/09
Calgary 90S	34215	SESE	6-23N-10W	NM32124	FED		Basin Fruitland Coal	8/11/2008	P	62	85	E/2-319.52A	3/25/09	6/25/09	4/23/09	4/27/09
Calgary 91	34216	SESW	6-23N-10W	NM32124	FED		Basin Fruitland Coal	8/13/2008	P	74	75	W/2-317.2A	3/25/09	6/25/09	4/23/09	4/27/09
Calgary 91S	34217	SENW	6-23N-10W	NM32124	FED		Basin Fruitland Coal	3/7/2008	P	60	95	W/2-317.2A	3/25/09	6/25/09	4/23/09	4/27/09
Cartwright Com 90	33349	NENE	19-23N-10W	NM96799	FED	NMNM119327	Basin Fruitland Coal	8/27/2007	P	87	33	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Cartwright Com 91	35699	SE	19-23N-10W	NM86485	FED	NMNM119327	Basin Fruitland Coal		LOC B			E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Champ 90	34219	NWNE	5-23N-10W	NM42059	FED		Basin Fruitland Coal	6/13/2008	P	61	90	E/2-320.14A	3/25/09	6/25/09	4/23/09	4/27/09
Champ 90S	34233	SESE	5-23N-10W	NM42059	FED		Basin Fruitland Coal	8/27/2008	P	44	46	E/2-320.14A	3/25/09	6/25/09	4/23/09	4/27/09
Champ 91	34220	SESW	5-23N-10W	NM42059	FED		Basin Fruitland Coal	8/26/2008	P	81	134	W/2-319.62A	3/25/09	6/25/09	4/23/09	4/27/09
Champ 91S	34218	NWNW	5-23N-10W	NM42059	FED		Basin Fruitland Coal	6/11/2008	P	43	67	W/2-319.62A	3/25/09	6/25/09	4/23/09	4/27/09
Clementine Com 90	34015	SESW	27-24N-10W	NM21741	FED	NMNM112614	Basin Fruitland Coal	8/20/2007	P	17	53	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Clementine Com 90S	34017	SESE	27-24N-10W	NM112956	FED	NMNM112614	Basin Fruitland Coal	8/22/2007	P	35	35	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Dinger 90	34020	NWSE	28-24N-10W	NM21741	FED		Basin Fruitland Coal	7/23/2007	P	23	56	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Dinger 90S	34019	NWSW	28-24N-10W	NM21741	FED		Basin Fruitland Coal	7/18/2007	P	13	35	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Elmo Com 90	32704	SENW	11-24N-11W	NM17015	FED	NMNM110561	Basin Fruitland Coal	10/13/2005	P	15	31	N/2-320A	8/26/05	10/18/05	9/20/05	N/A
Elmo Com 90S	32925	SWNE	11-24N-11W	NO-G-0502-1719	NAV ALTD	NMNM110561	Basin Fruitland Coal	1/6/2006	P	32	18	N/2-320A	8/26/05	10/18/05	9/20/05	N/A
Ernie Com 90	32919	NWNE	1-24N-11W	NO-G-0502-1717	NAV ALTD	NMNM112582	Basin Fruitland Coal	9/9/2005	P	66	69	E/2-321.72A	8/26/05	10/18/05	9/20/05	N/A
Ernie Com 90S	32703	SWSE	1-24N-11W	NM39017	FED	NMNM112582	Basin Fruitland Coal	9/9/2005	P	7	24	E/2-321.72A	8/26/05	10/18/05	9/20/05	N/A
Flo Jo 90	33381	SWNE	13-23N-11W	NM36952	FED		Basin Fruitland Coal	6/23/2008	P	85	27	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 90S	33345	NWSE	13-23N-11W	NM36952	FED		Basin Fruitland Coal	6/17/2008	P	44	64	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 91	33344	NWSW	13-23N-11W	NM36952	FED		Basin Fruitland Coal	8/14/2007	P	57	11	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 91S	33327	SWNW	13-23N-11W	NM36952	FED		Basin Fruitland Coal	8/14/2007	P	69	22	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 92 Note 5	34516	NWNE	1-23N-11W	NM36952	FED		Basin Fruitland Coal	12/10/2009	P	40	37	N/2-320.28A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 93 Note 5	34517	NWNW	1-23N-11W	NM36952	FED		Basin Fruitland Coal	7/10/2009	P	180	81	N/2-320.28A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 94 Note 5	34522	SWSW	1-23N-11W	NM36952	FED		Basin Fruitland Coal	7/16/2009	P	84	74	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Flo Jo 95 Note 5	34529	NWSE	1-23N-11W	NM36952	FED		Basin Fruitland Coal	12/30/2009	P	54	63	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Frazzle Com 90	33483	NESW	30-24N-10W	NM78060	FED	NMNM110560	Basin Fruitland Coal	6/6/2007	P	45	36	W/2-313.44A	3/25/09	6/25/09	4/23/09	4/27/09
Frazzle Com 90S	33482	NENW	30-24N-10W	NM134598 Ⓡ	FED	NMNM110560	Basin Fruitland Coal	6/5/2007	P	39	47	W/2-313.44A	3/25/09	6/25/09	4/23/09	4/27/09
Frazzle Com 91	33480	NENE	30-24N-10W	NM134598 Ⓡ	FED	NMNM118636	Basin Fruitland Coal	6/1/2007	P	88	48	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Frazzle Com 91S	33479	NESE	30-24N-10W	NM78060	FED	NMNM118636	Basin Fruitland Coal	4/24/2008	P	47	43	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 90	34227	SESW	31-24N-10W	NM22044	FED		Basin Fruitland Coal	11/6/2007	P	46	74	W/2-314.40A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 90S	34221	NENW	31-24N-10W	NM22044	FED		Basin Fruitland Coal	10/22/2007	P	15	101	W/2-314.40A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 91	34225	NENE	31-24N-10W	NM22044	FED		Basin Fruitland Coal	10/30/2007	P	6	140	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 91S	34226	SESE	31-24N-10W	NM22044	FED		Basin Fruitland Coal	11/5/2007	P	40	127	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 92	34231	NENE	33-24N-10W	NM22044	FED		Basin Fruitland Coal	11/28/2007	P	59	80	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 92S	34222	NWNW	33-24N-10W	NM22044	FED		Basin Fruitland Coal	11/26/2007	P	102	62	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 93	34224	SWSW	33-24N-10W	NM22044	FED		Basin Fruitland Coal	6/10/2008	P	62	67	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 93S	34223	NESE	33-24N-10W	NM22044	FED		Basin Fruitland Coal	7/9/2009	P	80	78	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 94	34229	SWNE	34-24N-10W	NM22044	FED		Basin Fruitland Coal	8/5/2008	P	41	64	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Gold Medal 94S	34230	NWNW	34-24N-10W	NM22044	FED		Basin Fruitland Coal	8/7/2008	P	44	73	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Helsinki Com 90 Note 5	35685	SESW	9-23N-10W	NM36951	FED	NMNM134509	Basin Fruitland Coal		LOC B			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Helsinki Com 91 Note 5	35686	SWSE	9-23N-10W	NM51005	FED	NMNM134509	Basin Fruitland Coal		LOC B			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Herry Monster 90	32708	NESW	11-24N-11W	NM17015	FED		Basin Fruitland Coal	12/19/2005	P	184	53	S/2-320A	8/26/05	10/18/05	9/20/05	N/A
Herry Monster 90S	32713	SWSE	11-24N-11W	NM17015	FED		Basin Fruitland Coal	12/16/2005	P	73	57	S/2-320A	8/26/05	10/18/05	9/20/05	N/A
Herry Monster 91	32706	NESW	12-24N-11W	NM17015	FED		Basin Fruitland Coal	2/4/2006	P	11	21	S/2-320A	8/26/05	10/18/05	9/20/05	N/A
Herry Monster 91S	32709	NWSE	12-24N-11W	NM17015	FED		Basin Fruitland Coal	2/1/2006	P	65	39	S/2-320A	8/26/05	10/18/05	9/20/05	N/A
Homer Com 90	33456	NESW	29-24N-10W	NM21741	FED	NMNM118422	Basin Fruitland Coal	5/24/2007	P	94	59	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Homer Com 90S	33527	NENW	29-24N-10W	NM134598 Ⓡ	FED	NMNM118422	Basin Fruitland Coal	4/25/2008	P	27	43	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Homer Com 91	33526	SENE	29-24N-10W	NM134598 Ⓡ	FED	NMNM118445	Basin Fruitland Coal	5/31/2007	P	17	33	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Homer Com 91S	33457	SESE	29-24N-10W	NM21741	FED	NMNM118445	Basin Fruitland Coal	5/25/2007	P	46	56	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hop Sing 1 Note 4	29378	NWNE	27-23N-11W	NM65528	FED		Basin Fruitland Coal	5/25/2004	P	127	78	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hop Sing 1S		NW	27-23N-11W	NM65528	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 90 Note 4	31360	NENE	11-23N-11W	NM96800	FED	NMNM108255	Basin Fruitland Coal	5/19/2003	P	52	48	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 90S	34521	SESE	11-23N-11W	NM90482	FED	NMNM108255	Basin Fruitland Coal	7/27/2009	P	135	36	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss 91 Note 4	33069	SESE	22-23N-11W	NM96800	FED		Basin Fruitland Coal	9/13/2006	P	218	141	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09

Well Name	API # 30-045-	Surface Location ¼¼	Sec-Twn-Rng	Lease No.	Lease Type	Communitization Agreement No. (If Established	Pool	Completion Date	Current Status ①	Current Average Production ② MCFD	BWPD	Spacing Unit	Dates for SC, OLM & S ③ APPROVAL Application	BLM	NMOCD	NMSLO
Hoss 91S Note 4	33070	SENE	22-23N-11W	NM96800	FED		Basin Fruitland Coal	2/24/2006	P	81	29	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss 92 Note 4	33068	SESW	22-23N-11W	NM96800	FED		Basin Fruitland Coal	9/19/2006	P	147	282	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss 92S	35697	NENW	22-23N-11W	NM96800	FED		Basin Fruitland Coal		LOC B			W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 93 Note 5	34535	NWNW	11-23N-11W	NM96800	FED	NMNM123996	Basin Fruitland Coal	8/12/2009	P	74	47	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 94 Note 5	34536	SWSW	11-23N-11W	NM90482	FED	NMNM123996	Basin Fruitland Coal	8/6/2009	P	56	75	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 95 Note 5	34537	NWSE	12-23N-11W	NM96800	FED	pending	Basin Fruitland Coal	12/5/2013	P	127	75	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com Loc A Note 5		NE	12-23N-11W	NM80498	FED	pending	Basin Fruitland Coal		LOC			E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 96 Note 5	34601	SWSW	12-23N-11W	NO-G-0311-1696	NAV ALTD	pending	Basin Fruitland Coal	12/6/2013	P	111	38	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Hoss Com 97 Note 5	34534	SWNW	12-23N-11W	NM80498	FED	NMNM123307	Basin Fruitland Coal	7/20/2009	P	107	66	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Jim Thorpe Com 90 Note 5	35684	SWNE	3-23N-10W	NOO-C-14-20-5825	NAV ALTD	NMNM112674	Basin Fruitland Coal		LOC B			N/2-319.60A	3/25/09	6/25/09	4/23/09	4/27/09
Jim Thorpe Com 91 Note 5	35277	SENW	3-23N-10W	NOO-C-14-20-7307	NAV ALTD	NMNM112674	Basin Fruitland Coal	12/3/2013	P	343	52	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Kermit Com 90	32707	SENW	12-24N-11W	NM17015	FED	NMNM104900	Basin Fruitland Coal	1/27/2006	P	59	39	N/2-320A	8/26/05	10/18/05	9/20/05	N/A
Kinbeto Com 90	35695	NWNE	30-23N-10W	NM13956	FED	NMNM134510	Basin Fruitland Coal		LOC B			E/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Kinbeto Com 90 infill		SE	30-23N-10W	NM36951		NMNM134510	Basin Fruitland Coal		LOC			E/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Kinbeto Com 91	35695	NENW	30-23N-10W	NM13956	FED	NMNM134523	Basin Fruitland Coal	7/27/2016	P	43	24	W/2-320.72A	10/26/15	2/16/16	11/18/15	11/3/15
Kinbeto Com 91 infill		SW	30-23N-10W	NM119287		NMNM134523	Basin Fruitland Coal		LOC			W/2-320.72A	10/26/15	2/16/16	11/18/15	11/3/15
Little Joe Com 90	33317	SENE	14-23N-11W	NM96800	FED	NMNM119377	Basin Fruitland Coal	8/24/2007	P	89	118	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Little Joe Com 90S	33310	NWSE	14-23N-11W	NM90482	FED	NMNM119377	Basin Fruitland Coal	8/28/2007	P	252	93	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Little Joe 91	33311	SWSW	14-23N-11W	NM90482	FED		Basin Fruitland Coal	8/10/2007	P	50	109	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Little Joe 91S	33318	SWNW	14-23N-11W	NM90482	FED		Basin Fruitland Coal	8/10/2007	P	39	13	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Marathon Com 90 Note 5	34570	NENE	4-23N-10W	NOO-C-14-20-7308	NAV ALTD	NMNM121673	Basin Fruitland Coal	10/21/2011	P	67	6	N/2-320.96A	3/25/09	6/25/09	4/23/09	4/27/09
Marathon Com 91 Note 5	34539	NWNW	4-23N-10W	NOO-C-14-20-7309	NAV ALTD	NMNM121673	Basin Fruitland Coal	8/27/2009	P	8	19	N/2-320.96A	3/25/09	6/25/09	4/23/09	4/27/09
Martinez Begay Com 1 Note 5	34983	SESE	34-24N-10W	NO-G-0905-1759	NAV ALTD	NMNM112624	Basin Fruitland Coal	2/2/2011	P	108	21	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Martinez Begay Com 2 Note 5	34923	SESW	34-24N-10W	NO-G-0902-1754	NAV ALTD	NMNM112624	Basin Fruitland Coal	4/26/2010	P	17	10	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Mary Lou 90 Note 4	28026	SWSW	32-24N-10W	V1509	STATE		Basin Fruitland Coal	9/15/1990	P	28	103	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Mary Lou 90S Note 4	31695	NWSE	32-24N-10W	V1509	STATE		Basin Fruitland Coal	10/2/2003	P	31	77	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Mary Lou Com 91 Note 4	31694	SENE	32-24N-10W	V1509	STATE	State	Basin Fruitland Coal	6/12/2006	P	173	90	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Mary Lou Com 91S Note 4	31696	SENW	32-24N-10W	V1509	STATE	State	Basin Fruitland Coal	10/3/2003	P	6	118	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Olympic 90 Note 5	35272	SESW	3-23N-10W	NM23744	FED		Basin Fruitland Coal	10/24/2014	P	203	94	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Olympic 91 Note 5	35280	SWSE	3-23N-10W	NM23744	FED		Basin Fruitland Coal	10/27/2014	P	378	73	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Phoebe Com 90	34053	NWNW	22-24N-10W	NM100808	FED	NMNM119013	Basin Fruitland Coal	10/31/2007	P	15	3	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Phoebe Com 90S	34023	NENE	22-24N-10W	NM15654	FED	NMNM119013	Basin Fruitland Coal	8/3/2007	P	9	62	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Pierre Com 90 Note 4	33056	SWSW	23-23N-11W	NM80498	FED	NMNM121634	Basin Fruitland Coal	2/24/2006	P	256	38	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Pierre Com 90S Note 4	33058	SENW	23-23N-11W	NM36952	FED	NMNM121634	Basin Fruitland Coal	3/1/2006	P	98	132	W/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Pierre Com 91 Note 4	33071	NWSE	23-23N-11W	NM80498	FED	NMNM122057	Basin Fruitland Coal	3/1/2006	P	315	47	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Pierre Com 91S Note 4	33057	SENE	23-23N-11W	NM36952	FED	NMNM122057	Basin Fruitland Coal	3/7/2006	P	170	59	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Ponderosa Com 90	33346	NWSW	18-23N-10W	NM96799	FED	NMNM119328	Basin Fruitland Coal	8/29/2007	P	4	11	W/2-320.08A	3/25/09	6/25/09	4/23/09	4/27/09
Ponderosa Com 90S		NW	18-23N-10W	NM86485	FED	NMNM119328	Basin Fruitland Coal		LOC			W/2-320.08A	3/25/09	6/25/09	4/23/09	4/27/09
Road Runner 90 Note 4 & 5	28027	NESW	36-24N-11W	V2364	STATE		Basin Fruitland Coal	11/26/1990	P	5	23	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Road Runner 91 Note 5	34525	SWSE	36-24N-11W	V2364	STATE		Basin Fruitland Coal	11/25/2009	P	49	80	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Road Runner 92 Note 5	34524	NWNE	36-24N-11W	V2364	STATE		Basin Fruitland Coal	12/3/2009	P	64	73	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Road Runner 93 Note 5	34523	NWNW	36-24N-11W	V2364	STATE		Basin Fruitland Coal	11/17/2009	P	102	43	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Rodeo Rosie 90	34052	NWSW	22-24N-10W	NM134598 ⑩	FED		Basin Fruitland Coal	8/23/2007	P	10	14	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Rodeo Rosie 90S	34014	SESE	22-24N-10W	NM134598 ⑩	FED		Basin Fruitland Coal	8/16/2007	P	67	52	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Sesamee Street 90	32702	NWSW	1-24N-11W	NM39017	FED		Basin Fruitland Coal	9/22/2005	P	24	24	W/2-332.48A	8/26/05	10/18/05	9/20/05	N/A
Sesamee Street 90S	33189	NENW	1-24N-11W	NM39017	FED		Basin Fruitland Coal	6/9/2006	P	1	1	W/2-332.48A	8/26/05	10/18/05	9/20/05	N/A
St. Louis Com 90 Note 5	35278	NWNE	9-23N-10W	NOO-C-14-20-7312	NAV ALTD	NMNM112675	Basin Fruitland Coal	11/15/2013	P	105	30	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
St. Louis Com 91 Note 5	35273	NWNW	9-23N-10W	NOO-C-14-20-7313	NAV ALTD	NMNM112675	Basin Fruitland Coal	11/14/2013	P	406	42	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Squaw Valley Com 90 Note 5	34561	SESW	4-23N-10W	NOO-C-14-20-7310	NAV ALTD	NMNM124303	Basin Fruitland Coal	9/2/2009	P	84	11	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Squaw Valley Com 91 Note 5	34577	SESE	4-23N-10W	NOO-C-14-20-7311	NAV ALTD	NMNM124303	Basin Fruitland Coal	10/20/2011	P	6	0	S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
St. Moritz Com 90	35282	SESW	26-24N-10W	NM78060	FED	NMNM112657	Basin Fruitland Coal	11/21/2013	P	28	38	S/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
St. Moritz Com 90 infill		SE	26-24N-10W	NM78060	FED	NMNM112657	Basin Fruitland Coal		LOC			S/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
St. Moritz Com 91	35285	NWNW	26-24N-10W	NM78060	FED	NMNM112658	Basin Fruitland Coal	11/22/2013	P	19	47	N/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
St. Moritz Com 91 infill		NE	26-24N-10W	NM78060	FED	NMNM112658	Basin Fruitland Coal		LOC			N/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Will 1	35698	NWNE	15-23N-11W	NM119289	FED		Basin Fruitland Coal	9/29/2016	P	253	69	E/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Will 2	35691	NESE	15-23N-11W	NM119289	FED		Basin Fruitland Coal		LOC B			E/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Will 3	35692	NWNW	15-23N-11W	NM119289	FED		Basin Fruitland Coal		LOC B			W/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Will 4	35693	NESW	15-23N-11W	NM119289	FED		Basin Fruitland Coal		LOC B			W/2-320A	10/26/15	2/16/16	11/18/15	11/3/15
Twiddlebug Com 90	34016	NWNW	27-24N-10W	NM134598 ⑩	FED	NMNM103018	Basin Fruitland Coal	7/25/2007	P	83	36	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Twiddlebug Com 90S	34018	NENE	27-24N-10W	NM112956	FED	NMNM103018	Basin Fruitland Coal	7/27/2007	P	123	51	N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
Zoe 90	33452	NESW	19-24N-10W	NM43442	FED		Basin Fruitland Coal	6/18/2007	P	8	23	W/2-311.56A	3/25/09	6/25/09	4/23/09	4/27/09
Zoe 90S	33451	NENW	19-24N-10W	NM43442	FED		Basin Fruitland Coal	7/11/2007	P	16	56	W/2-311.56A	3/25/09	6/25/09	4/23/09	4/27/09
Zoe 91	33450	NENE	19-24N-10W	NM43442	FED		Basin Fruitland Coal	7/16/2007	P	16	52	E/2-320.0A	3/25/09	6/25/09	4/23/09	4/27/09
Zoe 91S	33453	NESE	19-24N-10W	NM43442	FED		Basin Fruitland Coal	6/19/2007	P	94	55	E/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc C		NW	17-23N-10W	NM51005	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc D		NE	17-23N-10W	NM51005	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc E		SW	17-23N-10W	NM51005	FED		Basin Fruitland Coal		LOC			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc F		SE	17-23N-10W	NM51005	FED		Basin Fruitland Coal		LOC			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc G		NW	20-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc H		NE	20-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc I		SW	20-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc J		SE	20-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc K		NW	29-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc L		NE	29-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			N/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc M Com		SW	29-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09
SSGS Loc N Com		SE	29-23N-10W	NM42740	FED		Basin Fruitland Coal		LOC			S/2-320A	3/25/09	6/25/09	4/23/09	4/27/09

Well Name	API # 30-045-	Surface Location ¼¼	Sec-Twn-Rng	Lease No.	Lease Type	Communitization Agreement No. (If Established	Pool	Completion Date	Current Status ①	Current Average Production ② MCFD	BWPD	Spacing Unit	Dates for SC, OLM & S ③ Application	APPROVAL BLM	NMOCD	NMSLO
SWD WELLS (5 WELLS)																
Flo Jo 8 SWD	33320	NENE	23-23N-11W	NM36952	FED		Entrada SWD	2/10/2006	Note 6							
Frazzle 1 SWD	33865	NENW	30-24N-10W	NM15654	FED		Entrada SWD	2/9/2007	Note 6							
Herry Monster 3 SWD	33217	SENW	11-24N-11W	NM17015	FED		Entrada SWD	11/14/2005	Note 6							
Mary Lou 1 SWD	26460	NENE	32-24N-10W	V1509	STATE		Mesaverde SWD	9/23/2003	Note 6							
St Moritz 2 SWD	35281	NWSE	26-24N-10W	NM78060	FED		Entrada SWD	3/23/2012	Note 6							

Notes:

N/A - Not applicable or not needed

NR - None Reported

1 - Status of well 1/16/17.
Loc = proposed general location
LOC A = proposed location - staked
LOC B = proposed location - APD submitted
NC = not connected to gathering system
P = producing, includes wells temporarily shut in but able to produce
WOC = well drilled and casing cemented but not completed. Waiting on securing a gas sales connection.

2 - Production during July, 2016.

3 - The Sesamee Street Gas Gathering System currently has 147 wells or locations approved for surface commingling and off-lease measurement & sale of gas at two central delivery sales meters:
(CDP 1) located in NESW (Unit K), Section 30, T-25N, R-10W on Enterprise Field Service Lateral 10A-1 at Enterprise Meter No. 86238.
(CDP 2) located in NWSE (Unit J), Section 2, T-24N, R-10W on Enterprise Field Services Lateral 10A-2 at Enterprise Meter No. 91083. Current regulatory approvals:
BLM - 12/26/12
NMSLO - 12/10/12
NMOCD - 12/21/12 - Commingling Order CTB-560-B

4 - Well was initially approved for operation on the Goodtimes Gathering System and upon completion of expansions to the Sesamee Street Gathering System, was transferred from the Goodtimes to the Sesamee Street Gathering System on 6/13/07 (14 wells, Hop Sing 1, Hoss Com 90, Hoss 91, 91S & 92, Mary Lou 90 & 90S, Mary Lou Com 91 & 91S, Pierre Com 90, 90S, 91 & 91S, Road Runner 90).

5 - During 11/07, Dugan Production changed from using the letter "S" to designate a well as being a Fruitland Coal infill and initiated using unique numbers for each well. The wells using unique numbering and sharing a commong spacing unit are;

Wells	Common Spacing Unit	Wells	Common Spacing Unit
Flo Jo 92 & 93	N/2 1-23N-11W	Marathon Com 90 & 91	N/2 4-23N-10W
Flo Jo 94 & 95	S/2 1-23N-11W	Martinez Begay Com 1 & 2	S/2 34-24N-10W
Helsinki Com 90 & 91	S/2 9-23N-10W	Olympic 90 & 91	S/2 3-24N-11W
Hoss Com 93 & 94	W/2 11-23N-11W	Road Runner 90 & 91	S/2 36-24N-11W
Hoss Com 95 & Infill	E/2 12-23N-11W	Road Runner 92 & 93	N/2 36-24N-11W
Hoss Com 96 & 97	W/2 12-23N-11W	Squaw valley Com 90 & 91	S/2 4-23N-10W
Jim Thorpe Com 90 & 91	N/2 3-24N-10W	St. Louis Com 90 & 91	N/2 9-23N-10W

6 - NMOCD Administrative Order authorizing water disposal by underground injection: Flo Jo 8 SWD (SWD-1006), Frazzle 1 SWD (SWD-1048), Herry Monster 3 SWD (SWD-994), Mary Lou 1 SWD (SWD-884-B), St. Moritz 2 SWD (SWD-1318).

7 - A completion report for the Split Lip #1 was submitted on 6/29/16. This well is waiting to be connected by pipeline to the gathering system. Due to a pending right-of-way easement, the New Mexico State Land Office has granted a shut-in royalty allowance until 7/1/18.

8 - PGA Unit wells; unit approved by BLM 8/27/12, agreement number NMNM128992X, effective 6/1/12; NMSLO approved 8/29/12. DPC acquired as of 11/1/16; operator change to DPC pending BLM approval. Juniper West 31 #31 acquired as of 11/1/16; operator change to DPC pending NMOCD C-145 approval.

9 - Juniper West 31 #31 acquired effective 11/1/16; operator change to DPC pending NMOCD C-145 approval which included PGA Unit wells and Juniper West 31 #31 well. 240A NSPU approved with APD.

10 - A portion of the lands involved in lease NM15654 have been committed to a unit agreement and the lease segregated. The lands committed to the unit agreement retains the serial number NM15654; the lands outside of the unit area received new lease number NM134598.

11 - Kinbeto 15 #3 & 16 #3 acquired effective 10/1/15; OCD approved 1/26/16.

ATTACHMENT NO. 3

Interest Ownership Summary

Wells to be added to Dugan Production Corp.'s Sesamee Street Gathering System

	Bolt 1 (details on Pg. No. 2)		Clay 1 (details on Pg. No. 2)		Coffee 1 (details on Pg. No. 3)		Juniper West 31 #31 (details on Pg. No. 3)		Kinbeto 15 3 (details on Pg. No. 4)		Kinbeto 16 3 (details on Pg. No. 4)		Split Lip 1, SSGS Loc. O, P (details on Pg. No. 5)	
	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI
Working Interest														
Dugan Production Corp.	100.000	80.000	100.000	80.000	100.000	82.500	100.000	82.500	100.000	80.000	100.000	80.000	100.000	83.333
Royalty Interest														
USA - Federal		12.500		12.500		12.500				12.500				
State of NM								16.670				16.667		16.667
Overriding Royalty Interest														
Number of Owners		1		2		2		1		2		1		
Total ORRI		7.500		7.500		5.000		0.830		7.500		3.333		
TOTALS	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***	***100.000***

	SSGS Loc. Q, S, T, U, V, Flats 1 (details on Pg. No. 5)		PGA Unit (details on Pg. No. 6)	
	WI	NI	WI	NI
Working Interest				
Dugan Production Corp.	100.000	87.500	100.000	82.500
Royalty Interest				
USA - Federal		12.500		10.605
State of NM				1.935
Overriding Royalty Interest				
Number of Owners				2
Total ORRI				4.960
TOTALS	***100.000***	***100.000***	***100.000***	***100.000***

ATTACHMENT NO. 3 – PAGE 2 OF 6
Dugan Production Corp.
Bolt 1
Basin Fruitland Coal
Well Location: SENW 10-23N-10W
Spacing Unit: W/2-320.0A
San Juan County, NM

INTEREST OWNER	INTEREST% Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	80.000000
Royalty		
USA – c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
Overriding Royalty Interest		
Coleman Oil & Gas PO Drawer 3337 Farmington, NM 87499	-0-	7.500000
TOTAL WELL	***100.000000***	***100.000000***

Dugan Production Corp.
Clay 1
Basin Fruitland Coal
Well Location: NWNW 27-23N-10W
Spacing Unit: N/2-320.0A
San Juan County, NM

INTEREST OWNER	INTEREST% Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	80.000000
Royalty		
USA – c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
Overriding Royalty		
Coleman Oil & Gas PO Drawer 3337 Farmington, NM 87499	-0-	7.000000
OSO Energy Resources Corp. 900 Main Ave., Suite D Durango, CO 81301	-0-	0.500000
TOTAL WELL	***100.000000***	***100.000000***

ATTACHMENT NO. 3 – PAGE 3 OF 6
Dugan Production Corp.
Coffee #1
Basin Fruitland Coal
Well Location: NESE 21, T23N, R11W
Spacing Unit: S/2-320.0A
San Juan County, NM

INTEREST OWNERS	INTEREST% Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	87.500000
Royalty		
USA – c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
Overriding Royalty Interest		
Coleman Oil & Gas PO Drawer 3337 Farmington, NM 87499	-0-	2.500000
Epic Energy, LLC 7415 E. Main Street Farmington, NM 87402	-0-	2.500000
TOTAL WELL	***100.000000***	***100.000000***

Dugan Production Corp.
Juniper West 31 #31
Basin Fruitland Coal
Well Location: NWNE 31, T24N, R11W
Spacing Unit: E/2NW/4, NE/4-240.0A
San Juan County, NM

INTEREST OWNERS	INTEREST% Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	82.500000
Royalty		
State of New Mexico New Mexico State Land Office PO Box 1148 Santa Fe, NM 87504-1148	-0-	16.670000
Overriding Royalty Interest		
Coleman Oil & Gas PO Drawer 3337 Farmington, NM 87499	-0-	0.830000
TOTAL WELL	***100.000000***	***100.000000***

ATTACHMENT NO. 3 – PAGE 4 OF 6
Dugan Production Corp.
Kinbeto 15 3
Basin Fruitland Coal
Well Location: NESW 15, T23N, R10W
Infill Location: SE/4 26, T24N, R10W
Spacing Unit: S/2-320.0A
San Juan County, NM

INTEREST OWNERS	INTEREST% Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	80.000000
Royalty		
USA – c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
Overriding Royalty Interest		
Coleman Oil & Gas PO Drawer 3337 Farmington, NM 87499	-0-	6.500000
OSO Energy Resources Corp. 900 Main Ave., Suite D Durango, CO 81301	-0-	1.000000
TOTAL WELL	***100.000000***	***100.000000***

Dugan Production Corp.
Kinbeto 16 3
Basin Fruitland Coal
Well Location: NWNW 26, T24N, R10W
Infill Location: NE/4 26, T24N, R10W
Spacing Unit: N/2-320.0A
San Juan County, NM

INTEREST OWNERS	INTEREST% Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	80.000000
Royalty		
State of New Mexico New Mexico State Land Office PO Box 1148 Santa Fe, NM 87504-1148	-0-	16.666667
Overriding Royalty		
Coleman Oil & Gas PO Drawer 3337 Farmington, NM 87499	-0-	3.333333
TOTAL WELL	***100.000000***	***100.000000***

ATTACHMENT NO. 3 – PAGE 5 OF 6
Dugan Production Corp.

Well Name	Pool	Location	Spacing Unit
Split Lip 1	Basin Fruitland Coal	SESE 32-24N-11W	S/2-320.0A
SSGS Loc O	Basin Fruitland Coal	SW 32-24N-11W	
SSGS Loc P	Basin Fruitland Coal	NE 32-24N-11W	

INTEREST OWNERS	INTEREST% Gross	INTEREST% Net
Working Interest		
Dugan Production Corp.	100.000000	83.333334
Royalty		
State of New Mexico New Mexico State Land Office PO Box 1148 Santa Fe, NM 87504-1148	-0-	16.666666
TOTAL WELL	***100.000000***	***100.000000***

Dugan Production Corp.

Well Name	Pool	Location	Spacing Unit
Flats 1	Basin Fruitland Coal	NE-6-23N-11W	N/2-320.0A
SSGS Loc Q	Basin Fruitland Coal	NW 6-23N-11W	N/2-320.0A
SSGS Loc S	Basin Fruitland Coal	SW 6-23N-11W	S/2-320.0A
SSGS Loc T	Basin Fruitland Coal	SE 6-23N-11W	S/2-320.0A
SSGS Loc U	Basin Fruitland Coal	NW 7-23N-11W	N/2-320.0A
SSGS Loc V	Basin Fruitland Coal	NE 7-23N-11W	N/2-320.0A

INTEREST OWNERS	INTEREST% Gross	INTEREST% Net
Working Interest		
Dugan Production Corp.	100.000000	87.500000
Royalty		
USA – c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
TOTAL WELL	***100.000000***	***100.000000***

ATTACHMENT NO. 3 – PAGE 6 OF 6
Dugan Production Corp.
PGA Unit (Agreement No. NMNM128992X)
Basin Fruitland Coal
San Juan County, NM

INTEREST OWNERS	INTEREST% Gross	INTEREST% Net
Working Interest		
Dugan Production Corp.	100.000000	82.500000
Royalty		
USA – c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	10.605000
State of New Mexico New Mexico State Land Office PO Box 1148 Santa Fe, NM 87504-1148	-0-	1.935000
Overriding Royalty Interest		
Dugan Production Corp.	-0-	0.372000
Coleman Oil & Gas, Inc. PO Drawer 3337 Farmington, NM 87499	-0-	4.588400
TOTAL WELL	***100.000000***	***100.000000***

ATTACHMENT NO. 4
PRODUCTION SUMMARY
WELLS CONNECTED OR TO BE CONNECTED TO DUGAN PRODUCTION'S
SESAMEE STREET GAS GATHERING SYSTEM

POOL NAME & CODE	AVERAGE BTU btu/scf	WELLS OR COMPLETIONS ①		POOL PRODUCTION ALL WELLS - mcfd ②		AVERAGE PRODUCTION PER WELL - mcfd ②	
		EXISTING	PROPOSED	EXISTING	PROPOSED	EXISTING	PROPOSED
Sesamee Street Gathering System (SSGS)							
Basin Fruitland Coal Gas (71629)	997	147 (117)	68 (0)	8841	0	75.76	0

Calculated BTU of commingled production for SSGS = 997 btu/scf for all wells (existing and proposed) which is nearly identical to the actual BTU average at the CDP sales meter during July 2016 of 1009 btu/scf.

Calculated value of commingled production: commingling is necessary to get produced natural gas to a gas sales meter from 215 (147 existing & 68 proposed) low volume gas wells. CDP gas revenue and MMBTU will be allocated to individual wells using factors determined from the MMBTU produced from each well. Each well will be equipped with an allocation meter or an approved method of alterative measurement. During July 2016, CDP sales volume from all wells averaged 8944 mcfd . There should be no loss in value to any well as a result of this commingling.

Notes:
① - Wells as of 7-1-2016. Existing = wells currently approved for gathering system. Proposed = wells & locations to be added to gathering system. Active completions in parentheses.
② - Production information during July, 2016

Attachment No. 4
Dugan Production's
Lease Summary

Sesamee Street Gathering System

Federal Leases - NM-100808, NM-109403, NM-109404, NM-109405, NM-109406, NM-109407, NM-112956, NM-112958, NM-112959, NM-117578, NM-119287, NM-119288, NM-119289, NM-120380, NM-120381, NM-130878, NM-130879, NM-131057, NM-134598, NM-13956, NM-15654, NM-16759, NM-16760, NM-16762, NM-17015, NM-21741, NM-22044, NM-23744, NM-25842, NM-32124, NM-36951, NM-36952, NM-39017, NM-42059, NM-42740, NM-43442, NM-43443, NM-51005, NM-54983, NM-5991, NM-62973, NM-65528, NM-78060, NM-80498, NM-86485, NM-90482, NM-96799, NM-96800, NM-96802

State Leases - B1-889-36, B1-0894-12, E-4912-19, LG-5686, LG-9804, LH-1896, VA-2959, VA-2965, VA-2966, V-1509, V-2364, V-8985, V0-8066, V0-8067, V0-8078

Navajo Allotted Leases - NO-G-0502-1716, NO-G-0502-1717, NO-G-0502-1718, NO-G-0502-1719, NO-G-0502-1720, NO-G-0902-1754, NO-G-0905-1759, NO-G-3011-1696, NOO-C-1420-5825, NOO-C-1420-7307, NOO-C-1420-7308, NOO-C-1420-7309, NOO-C-1420-7310, NOO-C-1420-7311, NOO-C-1420-7312, NOO-C-1420-7313

Leases Being Added to the gathering system:

Federal Leases

NM-109403	NM-109404	NM-109405	NM-109406	NM-109407	NM-117578	NM-119289	NM-120380	NM-120381	NM-112958	NM-112959	NM-130878	NM-51005

State Leases

VA-2965	VA-2966	V0-8066	V0-8078	V-8985	VO-8067	VA-2959

Note: Federal Lease NM-112956 is not identifed on the map since it not a DPC lease. This lease, and the wells on the lease, was added to the gathering system in a previous application.
The lease resides in sec 27 of T-24N, R-10W W2E2,NENE,SESE

Note: State Lease B1-0894-12 is incorrectly identified on the map. The lease code on the map (FI) identifies the lease B-10894-08.
This has been corrected on this attachement and correctly identifies the lease as B1-0894-12.

ATTACHMENT NO. 5
Allocation Procedures
Dugan Production Corp.'s
Sesamee Street Gathering System
CDP Gas Sales Meter 1: Enterprise Field Services Meter #86238 located @ NESW 30, T-25N, R-10W
CDP Gas Sales Meter 2: Enterprise Field Services Meter #91083 located @ NWSE 2, T-24N, R10W
San Juan County, New Mexico

Base Data:
U = Water Volume (BWPD) from Periodic Well Test x days operated during allocation period.
V = Water Volume (bbl) at Central Battery during allocation period.
W = Gas Volume (MCF) from allocation meters at individual wells and central battery separator during allocation period.
X = Gas Volume (MCF) from CDP Sales Meter during allocation period.
Y = BTU's from CDP Sales Meter during allocation period.

Allocation Period is typically a calendar month and will be the same for all wells.

1. Individual Well Gas Production = A + B + C + D + E + F
   A = Allocated Sales Volume, MCF = (W/SUM W) x X

   B = On lease fuel usage, MCF. Determined from equipment specifications, operating conditions and days operated.

   C = Purged and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment specifications and pressures.

   D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by (W/SUM W) for the wells involved.

   E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by (W/SUM W).

   F = Allocated gas sales volume (MCF) associated with water production = (A) in mcf for the central battery separator multiplied by a factor of (U/SUM U) for wells delivering gas and water to the central battery separator.

2. Allocated Individual Well BTU's = ((W x Individual well BTU)/Sum (W x individual well BTU)) x Y.
   Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order No. 5).

3. Individual Well Water Production = Allocated production volume, bbl = (U/Sum U) x V.

ATTACHMENT 6
DIRECT CONNECT VS CONNECTION TO SSGS
68 WELLS PROPOSED FOR GATHERING SYSTEM

	Direct Connect to PL		Connect to SSGS	
Wells to be added	68	Wells to be added	68	
Lines needed	8	Lines needed	4	
Total PL length (feet)	474,520	Total PL length (feet)	45,030	
Average PL length per well (feet/well)	6,978	Average PL length per well (feet/well)	662	
Surface disturbance w/40' ROW (acres)	436	Surface disturbance w/40' ROW (acres)	41	
# additional compressors needed	8	# additional compressors needed	0	
Additional compressor hp (horsepower)	944	Additional compressor hp (horsepower)	0	
Additional compressor fuel usage (MCF/year)	57,816	Additional compressor fuel usage (MCF/year)	0	
Engine exhaust volume (SCF)	57,984	Engine exhaust volume (MCF)	0	
Value of fuel gas - ($/year) @$3.00/mmbtu	$173,448	Value of fuel gas - ($/year) @$3.00/mmbtu	$0	
Pipeline Tap (USD) $131,000.00/line	$1,048,000	Pipeline Tap (USD) $5,000/well	$340,000	
Pipeline Installation Cost (USD) $38/foot	$18,031,760	Pipeline Installation Cost (USD) $15/foot	$675,450	
Pipeline Pigging System Cost (USD) $10,000/line	$80,000	Pipeline Pigging System Cost (USD) *Already in place	$0	Difference
Additional costs (USD)	$19,333,208	Additonal Costs	$1,015,450	$18,317,758
Surface Disturance (Acres)	435.8	Surface Disturbance	41.4	394
Additional Emissions (SCF)	57,984	Additional Emissions	0	57,984

Other Considerations

Archaeological - general area of significance
- Great North-South Road along western side of R-10W (T-23 to 27N)
- Great North-South Road along eastern side of R-11W (T23 to 24N)
- Anasazi Antelope Trap on Champ Lease (NW 6, T-23N, R-10W)
- Pierre's Site (T-23N, R-10 & 11W)
- Halfway House (T-25N, R-10 & 11W)

Paleontology Significance
- Betonnie Tsosie (T-23N, R-11W)
- Carson Fossil Pocket (T-25N, R-13W)
- Fossil Forest (T-23N, R-13W)
- Lybrook Fossil Area (T-23N, R-8 & 9W)

Wilderness Area
- Bisti De-Na Zin (T-24N, R-11, 12 & 13W)

ATTACHMENT NO. 7

GATHERING SYSTEM &
WATER DISPOSAL FACILITIES

DUGAN PRODUCTION CORP'S
SESAMEE STREET GATHERING SYSTEM

Gas Sales Meters

Name	Description	Location
CDP No. 1	gas sales to Enterprise Field Services Meter #86238	NESW 30, T-25N, R-10W
CDP No. 2	gas sales to Enterprise Field Services Meter #91083	NWSE 2, T-24N, R-9W

Compressors

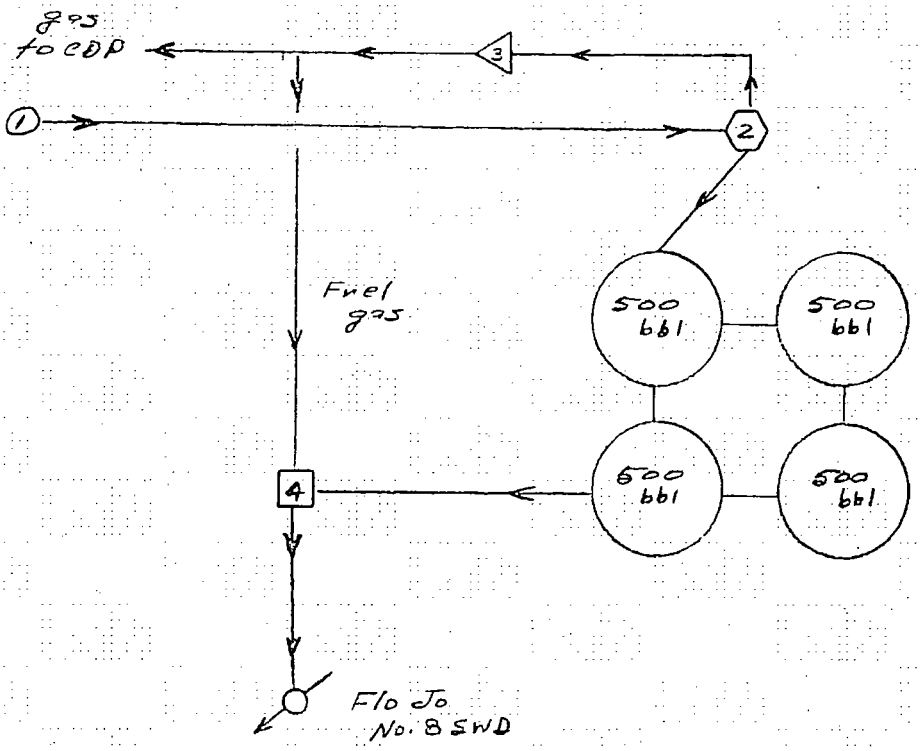
Name	Location	Make & Model	Engine HP	Fuel-mcfd
Sesamee Street No. 2	SWSE 1-24N-11W - near Ernie Com 90S	Ajax DPC	115	16.5
Sesamee Street No. 1	NWNE 1-24N-11W - near Ernie Com 90	Ajax 2804LE	800	131.77
Bonanza No. 1	NENE 23-23N-11W - near Flo Jo 8	Ajax 2802LE	384	60.86
Bonanza No. 2	NENE 23-23N-11W - near Flo Jo 8	Ajax 2802LE	384	60.86
Clementine	SWSE 27-24N-10W - near Clementine #90S	Ajax 2802LE	321	60.86
Homer No. 1	NESW 29-24N-10W - near Homer Com 90	Ajax 2801LE	200	30.93
Frazzle No. 1	NENE 30-24N-10W - near Frazzle Com 91	Ajax 2801LE	200	30.93
Olympic Torch	NWNE 14-24N-10W NW of MF #4	Ajax 2804LE	800	131.77

Water Disposal Facilities (see pages 2 thru 5)

Facility	Location	Injection Pump Make & Model	Engine HP	Fuel-mcfd
Flo Jo No. 8 SWD	NENE 23, T-23N, R-11W	Caterpillar 3306TA	195	33.74
Frazzle No. 1 SWD	NENW 30, T-24N, R-10W	Electric	150	0
Herry Monster No. 3 SWD	SENW 11, T-24N, R-11W	Cummins 5.9	84	17.52
Mary Lou No. 1 SWD	NENE 32, T-24N, R-10W	Cummins 5.9	49	10.32
St. Moritz No. 2 SWD	NWSE 26, T-24N, R-10W	Electric	200	0
Mary Lou #1, Pump #2	NENE 32, T-24N, R-10W	Cummins 5.9	49	10.32

*Note: The Frazzle #1 SWD injection pumps are now powered by electric motor. Prior to electrifying the pumps were powered by gas- 195 HP (33.74 MCFD) plus 151 HP (38.05 MCFD)

Attachment
No. 7
Pg 2 of 6



① = Fluid from wells produced up tubing + delivered to disposal facility by pipeline – mostly water w/ some gas

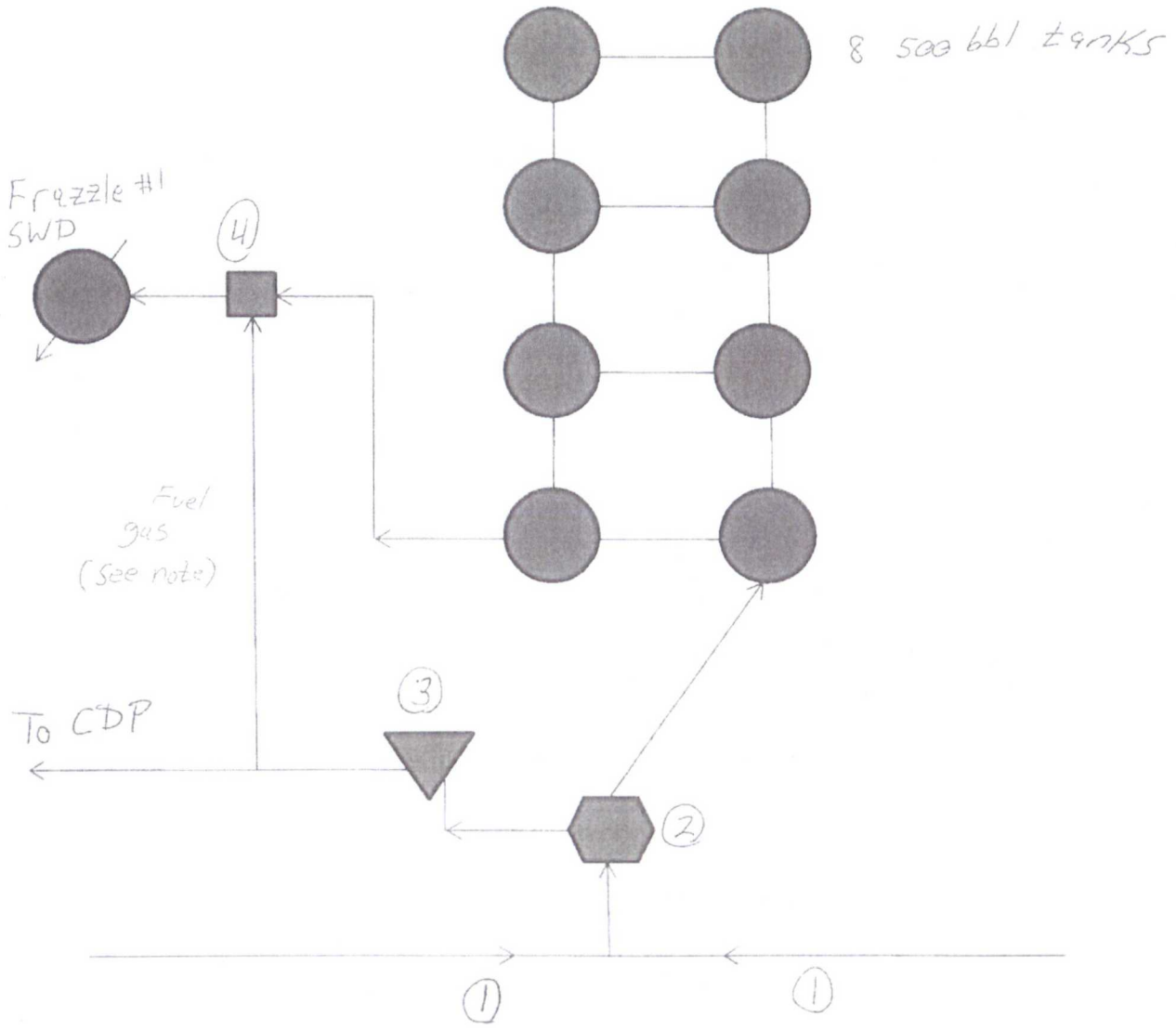
② = gas/water Separator

③ = gas Allocation Meter

④ = Water injection pump - 84 hp, 5.9 Cummins - 17.52 mcfd fuel

DUGAN PRODUCTION CORP.
FLO JO NO. 8 SWD
NENE SECTION 23, T-23N, R-11W
ADMINISTRATIVE ORDER SWD-1006
SAN JUAN COUNTY, NM

North



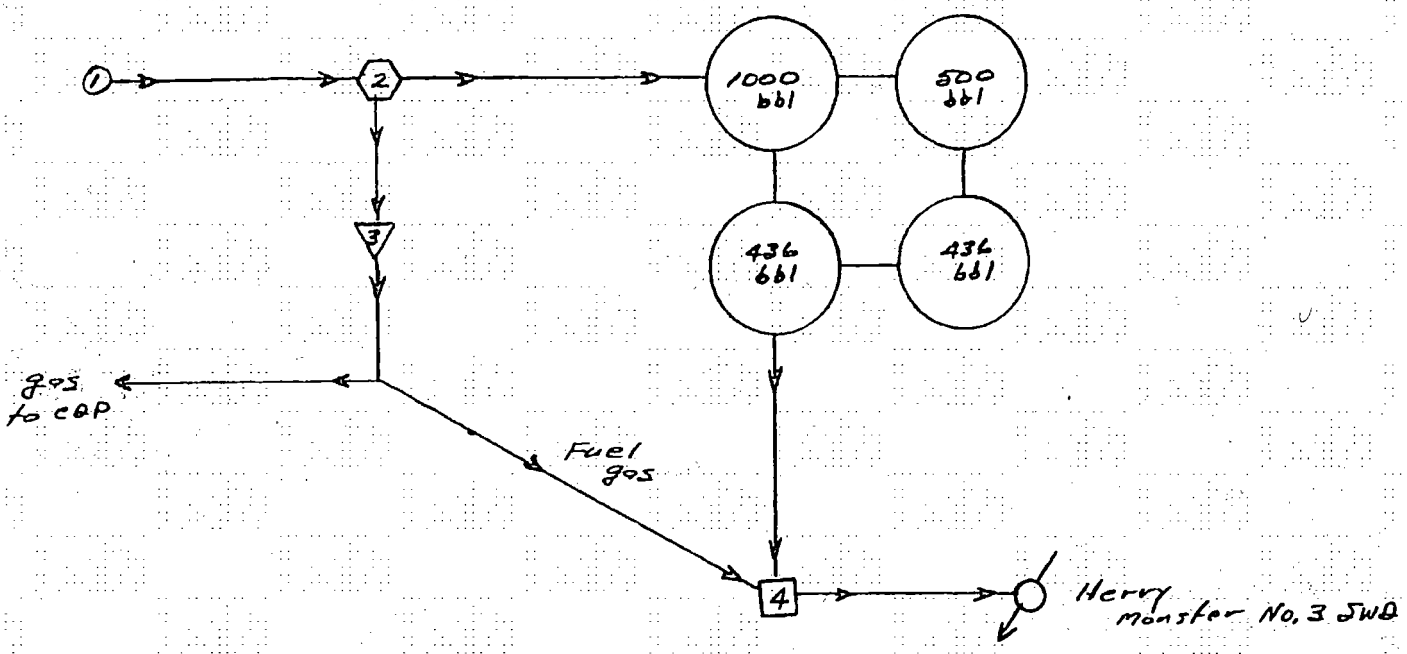
Dugan Production Corp.
Frazzle #1 SWD
NENW Section 30, T-24N, R-10W
Administrative Order SWD-1048
San Juan County, NM

1. Fluid from wells produced up tubing and
   Delivered to disposal facility by pipeline
   Mostly water and some gas
2. Gas/water Separator
3. Gas Allocation Meter
4. Water Injection Pumps

Note: The injection pump has been converted to electricity and uses no fuel

Note: Old pump information:
Pump #1 Caterpillar 195 HP 3306 TA-33.74 MCFD Fuel
Pump #2 151 HP Waukesha-38.05 MCFD Fuel

Attachment
No. 7
Pg 4 of 6



① = Fluid from wells produced up tubing & delivered to disposal Facility by pipeline - mostly water w/ some gas

② = gas/water Separator

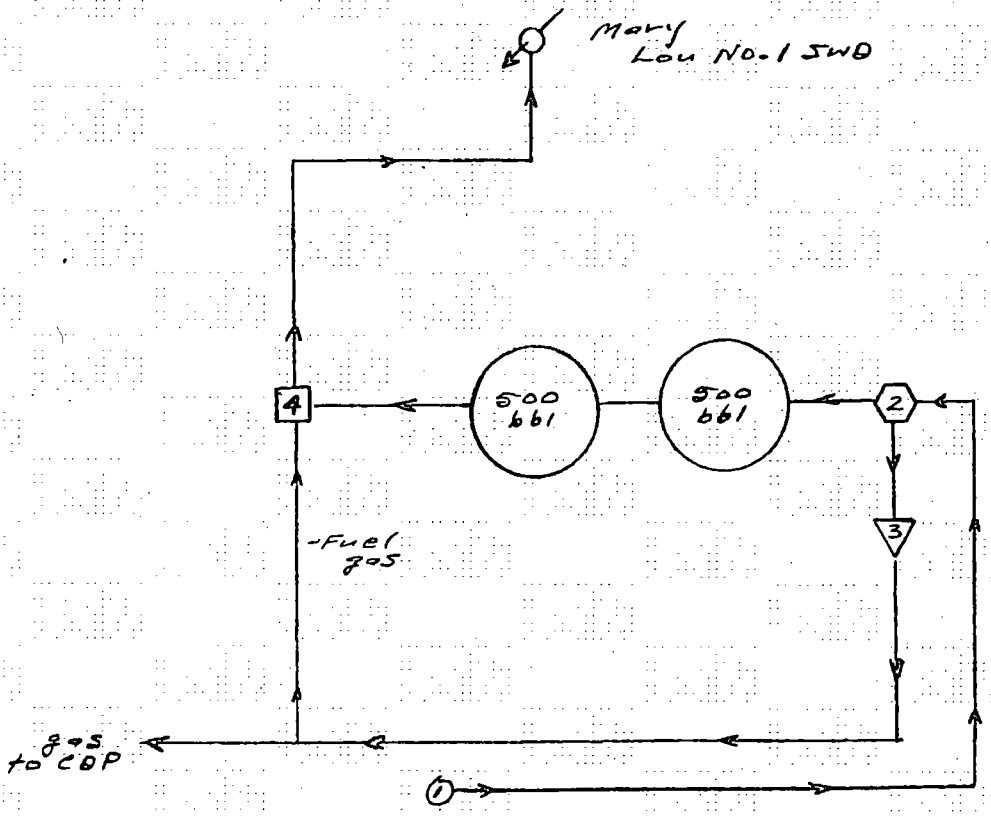
③ = gas allocation Meter

④ = Water injection pump - 84hp 5-9 Cummins - 17.52 mcfd fuel

DUGAN PRODUCTION CORP.
HERRY MONSTER NO. 3 SWD
SENW SECTION 11, T-24N, R-11W
ADMINISTRATIVE ORDER SWD-994
SAN JUAN COUNTY, NM

North

Attachment No 7 pg 5 of 6



① = Fluid from wells produced up tubing & delivered to disposal facility by pipeline - mostly water w some gas.

② = gas/water Separator

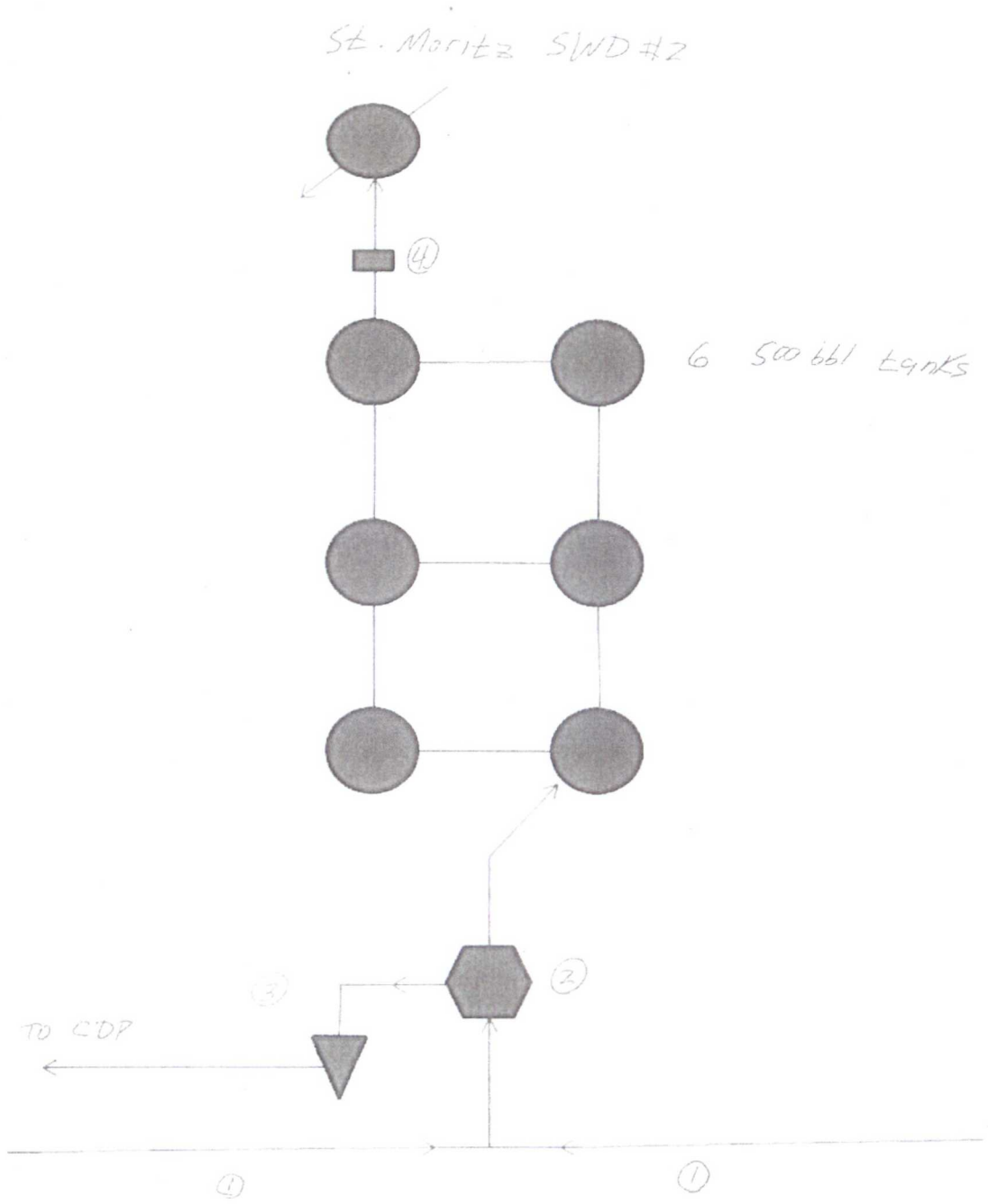
③ = gas Allocation Meter

④ = Water Injection pump - 5.9 Cummins -49 hp - 10.32 mcfd

DUGAN PRODUCTION CORP.
MARY LOU NO. 1 SWD
NENE SECTION 32, T-24N, R-10W
ADMINISTRATIVE ORDER SWD-884-B
SAN JUAN COUNTY, NM

North

Attachment
No. 7
Pg 6 of 6



Dugan Production Corp.
St. Moritz #2 SWD
NWSE 26, T-24N, R-10W
Administrative Order SWD 1318-0
San Juan County , NM

1. Fluid from wells produced up tubing and delivered to disposal well by pipeline
2. Gas/water Separator
3. Gas Allocation Meter
4. Water Injection Pump

Electric Powered (No Fuel Usage)

Attachment No. 8
Interest Ownership Notification
Dugan Production Corp.'s Application dated 2/3/17
Proposing the Addition of 68 Wells to
Dugan Production's Sesamee Street Gathering System

Presenting evidence that interest ownership in the Sesamee Street Gathering System and the 21 wells proposed to be added have been given notice of Dugan's application, attached is:

1. A copy of Dugan's transmittal letter dated 2/3/17 used to send copies of the subject application to the 2 overriding royalty interest owners in the 68 wells/locations being added to the Sesamee Street Gathering System under NMOCD Commingling Order CTB-560-A, and CTB-560-B. Each overriding royalty interest owner was offered a copy of our application should they desire to receive one. Of the 68 wells/locations being added, Dugan Production will be the operator of all wells and holds 100% of the working interest in all of the wells. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.

2. The royalty interest for all 68 wells/locations being added is either federal (13 wells/locations), or State (55 wells/locations). There is no fee royalty. Since the subject application is addressed to the Farmington Field Office of the Bureau of Land Management (for federal leases), and the New Mexico State Land Office (for state leases) a separate notice to royalty interest owners was not needed. The applications were sent by certified mail with a return receipt requested and upon receiving the receipts, copies will be sent to the NMOCD.

3. Copy of the "Affidavit of Publication" for our advertisement published in the Legal Notice section of the Sunday, January 15th, 2017 issue of the Farmington Daily Times regarding the subject application to add 21 wells/locations to Dugan's Sesamee Street Gathering System. This publication was made in anticipation that of the notice mailed to five interest owners, there will be at least one either returned for some reason or the return receipt will be lost in the mail.

Att. #8
Pg 2 of 4

dugan production corp.

CERTIFIED MAIL
RETURN RECEIPTS REQUESTED

February 2, 2017

Interest Owners (Address list attached)

Re: Dugan Production's Application dated 2/2/17 to add 68 wells/locations to Sesamee Street Gathering Systems
San Juan & Sandoval Counties, New Mexico

Dear Interest Owner,

According to our records, you have an overriding royalty interest in one of the wells that is proposed to be added to the Sesamee Street Gathering System. The wells and interest owners are listed on the attached address list. The subject application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requests their approvals to add 68 wells/locations to Dugan's Sesamee Street Gathering System. This will require surface commingling of gas production from the subject wells, plus the sale of gas at an off-lease central delivery sales meter (CDP). Each well will be equipped with a meter to measure production for allocation purposes. Attached for your information is a copy of Attachment No. 2 from the subject application which provides detailed information for all wells to be added and all wells currently approved. Since your interest in these wells is an overriding royalty, there are no costs chargeable to you. The wells to be added should not affect production from wells that are currently connected to the gathering system. Adding the subject wells to the Sesamee Street Gathering System will allow these wells to begin selling produced natural gas for the benefit of all interest owners. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

Since the royalty interest is either federal or state and the application is addressed to the BLM, SLO & NMOCD, this notice letter is not being separately mailed to the royalty interest owners, but it is included in Attachment No. 8 to the application.

This matter does not require any action on your part. Current NMOCD regulations require that interest owners (in wells being added) receive notice of proposed additions to gathering systems. Included in Dugan's application, as permitted in the NMOCD Order PLC-560-C, is a request to continue the provision that for future additions to the gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, desire to receive a complete copy of our application, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application. We anticipate that our application will be received by the NMOCD approximately 2/3/17 or 2/4/17.

Sincerely,

Kevin Smaka
Production Engineer

KS/tmf

attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office

709 E. MURRAY DR. • P. O. BOX 420 • FARMINGTON, N.M. 87499-0420 • PHONE: (505) 325-1821 • FAX# (505) 327-4613

Sesamee Street Gathering System
(wells with ownership interest in parentheses)

a=Bolt 1; b=Clay 1; c=Coffee 1; d=Juniper West 31 #31, e=Kinbeto 15 3; f=Kinbeto 16 3; g=Split Lip 1,SSGS Loc O,P; h=SSGS Loc. Q,S,T,U,V; Flats 1; i=PGA Unit

Working Interest Owners

Dugan Production Corp. (all)
P O Box 420
Farmington, NM 87499-0420

Royalty Interest Owners

USA-BLM (a,b,c,e,h,i)
6251 College Blvd, Suite A
Farmington, NM 87402

State of New Mexico (d,f,g,i)
New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504-1148

Overriding Royalty Interest Owners

Dugan Production Corp. (h)
PO Box 420
Farmington, NM 87499-0420

Coleman Oil & Gas (a,b,d,e,f,i)
PO Drawer 3337
Farmington, NM 87499

OSO Energy Resources Corp. (b,d,e)
900 Main Ave., Suite D
Durango, CO 81301

Att. #8
Pg. 4 of 4

AFFIDAVIT OF PUBLICATION

Ad No. 73467

STATE OF NEW MEXICO
County of San Juan:

SAMMY LOPEZ, being duly sworn says: That he IS the ADVERTISING PRESIDENT of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Sunday, January 15, 2017

And the cost of the publication is $139.91

SAMMY LOPEZ appeared before me, whom I know personally to be the person who signed the above document on the 17th of January, 2017.

OFFICIAL SEAL
MELISSA GONZALEZ
NOTARY PUBLIC
STATE OF NEW MEXICO
My commission expires 12-30-20

[signature of Notary]
Melissa Gonzalez NOTARY PUBLIC

REC'D JAN 19 2017

COPY OF PUBLICATION

Dugan Production Corp. is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM), and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 10 existing wells plus 11 proposed wells to Dugan Production's Sesamee Street Gathering System (SSGS). This will require the surface commingling of produced natural gas and water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. Dugan Production is also requesting that wells connected to the gathering system also be approved for providing natural gas as a "beneficial use" to fuel equipment necessary to operate the gathering system. In addition, we are requesting that the notice provisions in the existing surface commingling order (CTB-560-A; CTB-560-B) be amended to remove the Basin Fruitland Coal completion reference since the producing pool is not a factor influencing the surface commingling and off-lease measurement approvals and that future additions, regardless of producing pool, should continue to allow notice only to the interest owners in the wells being added, provided it is reasonably certain that the proposed additions will not affect the wells previously authorized for the gathering system. The wells to be added and the existing gathering system are located within Sections 10,15, 16, 21 & 27 of T-23N, R-10W; plus Sections 2-10, 16 and 21 of Township 23N, Range 11W; plus Sections 21, 22, 25-28, 31-35 of T-24N, R-11W; all located in San Juan County, New Mexico. The gathering system currently has 147 wells and locations authorized, all of which are completed, or proposed to be completed, in the Basin Fruitland Coal gas pool and are operated by Dugan Production Corp. The 21 wells to be added will be operated by Dugan Production and are to be completed in the Basin Fruitland Coal gas pool. The wells to be added are located upon, or the spacing units include the following leases held by Dugan Production Corp; State Leases VA-2959, VA-2965, VA-2966, VO-8067, VO-8078, VO-8985,VO-8066; Federal Leases NM-109403, NM-109404, NM-109405, NM 109406, NM-109407, NM-117578, NM-120380, NM-112958, NM-112959, NM-119288. The wells to be added are: Dugan Production's Split Lip #1, Bolt #1, Clay #1 & Coffee #1, PGA Unit 2 #2 & #4, PGA Unit 3 #1, PGA Unit 16 #2, PGA Unit 34 #3 and PGA Unit 35 #3. The wells currently authorized for the SSGS currently average 64 mcfd per well and typically produce less than 200 mcfd per well. The Fruitland Coal wells to be added are anticipated to produce natural gas volumes similar to the wells currently authorized for the SSGS. The wells being added should have with no affect upon the existing production. Any person holding an interest in any of these leases or wells may contact Dugan Production Corp. for additional information. Inquiries should be directed to Kevin Smaka at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the date of this publication. In the absence of objection, Dugan Production Corp. is requesting that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 73467 published in The Daily Times on January 15, 2017.

Attachment #9
Formal application for beneficial off-lease fuel usage

Dugan Production is proposing to add 21 wells (2 completed, 8 drilled not completed, 58 locations) to the Sesamee Street Gathering System (SSGS), which includes 6 wells in the PGA Unit, plus 3 other wells that DPC recently acquired from Thompson Engineering & Production. DPC is requesting that the BLM grant beneficial off-lease fuel usage to operate the gathering system equipment.

The fuel will be used to power gathering system compression facilities and salt water disposal facilities.

The SSGS currently has 6 compressors that are necessary to maintain low wellhead pressures on all wells which will allow more gas to be recovered and more royalty to be paid to the federal government and other royalty interest owners.

An additional benefit of operating centralized compression facilities, as opposed to individual wellhead compression, fewer compressors will be needed to produce gas from all wells and there will be fewer exhaust emissions as well as less fuel gas used to power the compressors. These will provide great benefits to public health as well as producing more revenue and royalty.

In addition to central gathering compression, the SSGS has 5 water disposal wells which are necessary to economically dispose of the water produced from wells connected to the gathering system. Each well typically is equipped with a separate pipeline to move produced water to one of the central water disposal facilities which is much more efficient than trucking the produced water and allows for low volume gas wells to be produced economically, resulting in more gas to be recovered and more royalties to be paid.

In summary Dugan Production Corp. is seeking administrative approval from the BLM to use produced gas off lease to power gathering system compressor facilities and salt water disposal facilities. By permitting DPC to use this fuel off-lease it will provide benefits to DPC, the environment, public health and allow for the development as well as the maximum extraction of minerals on public lands.

2/3/2017	DPC	Notice & Request to Surface Commingle & Off-Lease Msmt	Various wells/locations-CTB-560-C Amendmen	Sent to NM Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505
2/3/2017	DPC	Notice & Request to Surface Commingle & Off-Lease Msmt	Various wells/locations-CTB-560-C Amendmen	Sent Certified Mail to Bureau of Land Management, 6251 College Blvd., Farmington, NM 87402 - Cert #7015 0640 0002 3192 246
2/3/2017	DPC	Notice & Request to Surface Commingle & Off-Lease Msmt	Various wells/locations-CTB-560-C Amendmen	Sent Certified Mail to NM State Land Office, PO Box 1148, Santa Fe, NM 87504-1148 - Cert #7015 0640 0002 3192 247
2/3/2017	DPC	Notice & Request to Surface Commingle & Off-Lease Msmt	Various wells/locations CTB-560-C Amendmen	Sent Certified Mail to Coleman Oil & Gas, PO Drawer 3337, Farmington, NM 87499-3337 - Cert #7015 0640 0002 3192 170
2/3/2017	DPC	Notice & Request to Surface Commingle & Off-Lease Msmt	Various wells/locations CTB-560-C Amendmen	Sent Certified Mail to Epic Energy, LLC, 7415 E. Main Street, Farmington, NM 87402 - Cert #7015 0640 0002 3192 171
2/3/2017	DPC	Notice & Request to Surface Commingle & Off-Lease Msmt	Various wells/locations CTB-560-C Amendmen	Sent Certified Mail to OSO Energy Resources Corp., 900 Main Ave., Suite D, Durango, CO 81301 - Cert #7015 0640 0002 3192 172

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division

November 18, 2015

ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-560-C
Administrative Application Reference No. pMAM153014884

Dugan Production Corporation
Attn: Mr. Kevin Smaka

Dugan Production Corporation (OGRID 6515) is hereby authorized to surface commingle gas production from diversely owned leases and wells identified in Attachment-A, and made part of this order. These wells and leases produce from Basin Fruitland Coal (Gas) (Pool code 71629) and are located on Federal, State, and Native American leases in Township 23 North, Range 10 and 11 West, and Township 24 North, Range 10, and 11 West, San Juan County, New Mexico.

Each well will be equipped with an individual gas meter for allocation purposes. Further, the five SWD wells shall have their own two-phase separator, in which the gas production will be allocated back to each well based on the ratio of water produced for each well versus the total water produced for all of the wells that are serviced by that SWD. Gas that has passed through the well meters will be commingled in operator's Sesamee Street Gathering System, and will be again measured, and sold, at two central delivery points on Enterprise Field Services sales meters, one located in the NE/4 SW/4 of Section 30, Township 25 North, Range 10 West, and another located in the NW/4 SE/4 of Section 2, Township 24 North, Range 10 West.

The operator shall notify the transporter of this commingling authority.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

This Division Order supersedes Division Order CTB-560-B, issued December 21, 2012.

The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management and New Mexico State Land Office before commencement of the commingling operations.

Done at Santa Fe, New Mexico, on November 18, 2015.

DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Aztec
United States Bureau of Land Management - Farmington
New Mexico State Land Office – Oil, Gas, and Minerals

ATTACHMENT A-List of wells
DUGAN PRODUCTION CORP.
SESAMEE STREET GATHERING SYSTEM (10-26-15) ③ Basin Fruitland Coal wells
SAN JUAN COUNTY, NEW MEXICO

Well Name	API # 30-045-	Surface Location ¼¼	Sec-Twn-Rng	Lease No.	Lease Type	Current Status ①	Current Average Production ② MCFD	BWPD	Spacing Unit
WELLS TO BE ADDED (12 WELLS)									
Kinbeto Com 90		NWNE	30-23N-10W	NM13956	FED	LOC B			E/2-324.6A
Kinbeto Com 90 infill		SE	30-23N-10W	NM36951		LOC			E/2-324.6A
Kinbeto Com 91		NENW	30-23N-10W	NM13956	FED	LOC B			W/2-327.62A
Kinbeto Com 91 infill		SW	30-23N-10W	NM119287		LOC			W/2-327.62A
St. Moritz Com 90	35282	SESW	26-24N-10W	NM78060	FED	P	62	82	S/2-320.0A
St. Mortlz Com 90 infill		SE	26-24N-10W	NM78060	FED	LOC			S/2-320.0A
St. Moritz Com 91	35285	NWNW	26-24N-10W	NM78060	FED	P	29	47	N/2-320.0A
St. Mortiz Com 91 infill		NE	26-24N-10W	NM78060	FED	LOC			N/2-320.0A
Will 1		NWNE	15-23N-11W	NM119289	FED	LOC B			E/2-320.0A
Will 2		NESE	15-23N-11W	NM119289	FED	LOC B			E/2-320.59A
Will 3		NWNW	15-23N-11W	NM119289	FED	LOC B			W/2-322.34A
Will 4		NESW	15-23N-11W	NM119289	FED	LOC B			W/2-322.34A
WELLS APPROVED FOR SYSTEM (135 WELLS)									
Adam Com 90	33348	NENW	19-23N-10W	NM96799	FED	P	139	80	W/2-320.08A
Adam Com 91		SW	19-23N-10W	NM96799	FED	LOC B			W/2-320.08A
Ben Com 90	33347	SESE	18-23N-10W	NM96799	FED	P	32	4	E/2-320.0A
Ben Com 90S		NE	18-23N-10W	NM86485	FED	LOC			E/2-320.0A
Bert Com 90	32714	SWSE	2-24N-11W	NM39017	FED	P	14	20	E/2-321.22A
Bert Com 90S	32924	NSENE	2-24N-11W	NO-G-0502-1718	NAV ALTD	P	9	30	E/2-321.22A
Biff 90	33455	NESW	20-24N-10W	NM43442	FED	P	20	29	W/2-320.0A
Biff 90S	33454	NENW	20-24N-10W	NM43442	FED	P	14	25	W/2-320.0A
Biff 91	33546	NENE	20-24N-10W	NM43442	FED	P	39	37	E/2-320.0A
Biff 91S	33481	NESE	20-24N-10W	NM43442	FED	P	16	35	E/2-320.0A
Bonanza 90	33067	NWNW	26-23N-11W	NM96802	FED	P	51	23	W/2-320.0A
Bonanza 90S		SW	26-23N-11W	NM96802	FED	LOC			W/2-320.0A
Bonanza 91	33066	NENE	26-23N-11W	NM96802	FED	P	134	44	E/2-320.0A
Bonanza 91S		SE	26-23N-11W	NM96802	FED	LOC			E/2-320.0A
Bonanza Com 92	33312	SWNE	24-23N-11W	NM96802	FED	P	198	33	N/2-320.0A
Bonanza Com 92S	33319	SENW	24-23N-11W	NM36952	FED	P	2	39	N/2-320.0A
Calgary 90	34232	NENE	6-23N-10W	NM32124	FED	P	77	97	E/2-319.52A
Calgary 90S	34215	SESE	6-23N-10W	NM32124	FED	P	83	88	E/2-319.52A
Calgary 91	34216	SESW	6-23N-10W	NM32124	FED	P	69	57	W/2-317.2A
Calgary 91S	34217	SENW	6-23N-10W	NM32124	FED	P	34	72	W/2-317.2A
Cartwright Com 90	33349	NENE	19-23N-10W	NM96799	FED	P	20	23	E/2-320.0A
Cartwright Com 91		SE	19-23N-10W	NM86485	FED	LOC B			E/2-320.0A
Champ 90	34219	NWNE	5-23N-10W	NM42059	FED	P	84	73	E/2-320.14A
Champ 90S	34233	SESE	5-23N-10W	NM42059	FED	P	78	36	E/2-320.14A
Champ 91	34220	SESW	5-23N-10W	NM42059	FED	P	112	131	W/2-319.62A
Champ 91S	34218	NWNW	5-23N-10W	NM42059	FED	P	61	52	W/2-319.62A
Clementine Com 90	34015	SESW	27-24N-10W	NM21741	FED	P	8	16	S/2-320.0A
Clementine Com 90S	34017	SESE	27-24N-10W	NM112956	FED	P	18	21	S/2-320.0A

Dinger 90		34020	NWSE	28-24N-10W	NM21741	FED	P	22	16	S/2-320.0A
Dinger 90S		34019	NWSW	28-24N-10W	NM21741	FED	P	18	19	S/2-320.0A
Elmo Com 90		32704	SENW	11-24N-11W	NM17015	FED	P	26	44	N/2-320.0A
Elno Com 90S		32925	SWNE	11-24N-11W	NO-G-0502-1719	NAV ALTD	P	15	11	N/2-320.0A
Ernie Com 90		32919	NWNE	1-24N-11W	NO-G-0502-1717	NAV ALTD	P	91	39	E/2-321.72A
Ernie Com 90S		32703	SWSE	1-24N-11W	NM39017	FED	P	19	45	E/2-321.72A
Flo Jo 90		33381	SWNE	13-23N-11W	NM36952	FED	P	42	21	E/2-320.0A
Flo Jo 90S		33345	NWSE	13-23N-11W	NM36952	FED	P	49	110	E/2-320.0A
Flo Jo 91		33344	NWSW	13-23N-11W	NM36952	FED	P	57	21	W/2-320.0A
Flo Jo 91S		33327	SWNW	13-23N-11W	NM36952	FED	P	31	34	W/2-320.0A
Flo Jo 92	Note 5	34516	NWNE	1-23N-11W	NM36952	FED	P	52	35	N/2-320.28A
Flo Jo 93	Note 5	34517	NWNW	1-23N-11W	NM36952	FED	P	258	72	N/2-320.28A
Flo Jo 94	Note 5	34522	SWSW	1-23N-11W	NM36952	FED	P	79	70	S/2-320.0A
Flo Jo 95	Note 5	34529	NWSE	1-23N-11W	NM36952	FED	P	53	72	S/2-320.0A
Frazzle Com 90		33483	NESW	30-24N-10W	NM78060	FED	P	78	47	W/2-313.44A
Frazzle Com 90S		33482	NENW	30-24N-10W	NM15654	FED	P	65	48	W/2-313.44A
Frazzle Com 91		33480	NENE	30-24N-10W	NM15654	FED	P	114	43	E/2-320.0A
Frazzle Com 91S		33479	NESE	30-24N-10W	NM78060	FED	P	46	30	E/2-320.0A
Gold Medal 90		34227	SESW	31-24N-10W	NM22044	FED	P	62	98	W/2-314.40A
Gold Medal 90S		34221	NENW	31-24N-10W	NM22044	FED	P	6	46	W/2-314.40A
Gold Medal 91		34225	NENE	31-24N-10W	NM22044	FED	P	10	135	E/2-320.0A
Gold Medal 91S		34226	SESE	31-24N-10W	NM22044	FED	P	34	45	E/2-320.0A
Gold Medal 92		34231	NENE	33-24N-10W	NM22044	FED	P	86	55	N/2-320.0A
Gold Medal 92S		34222	NWNW	33-24N-10W	NM22044	FED	P	132	73	N/2-320.0A
Gold Medal 93		34224	SWSW	33-24N-10W	NM22044	FED	P	74	82	S/2-320.0A
Gold Medal 93S		34223	NESE	33-24N-10W	NM22044	FED	P	84	109	S/2-320.0A
Gold Medal 94		34229	SWNE	34-24N-10W	NM22044		P	52	73	N/2-320.0A
Gold Medal 94S		34230	NWNW	34-24N-10W	NM22044		P	68	79	N/2-320.0A
Helsinki Com 90	Note 5		SW	9-23N-10W	NM36951	Lease Type	LOC A			S/2
Helsinki Com 91	Note 5		SE	9-23N-10W	NM51005	FED	LOC A			S/2-320.0A
Herry Monster 90		32708	NESW	11-24N-11W	NM17015	FED	P	197	58	S/2-320.0A
Herry Monster 90S		32713	SWSE	11-24N-11W	NM17015	FED	P	107	62	S/2-320.0A
Herry Monster 91		32706	NESW	12-24N-11W	NM17015	FED	P	20	23	S/2-320.0A
Herry Monster 91S		32709	NWSE	12-24N-11W	NM17015	FED	P	93	56	S/2-320.0A
Homer Com 90		33456	NESW	29-24N-10W	NM21741	FED	P	48	25	W/2-320.0A
Homer Com 90S		33527	NENW	29-24N-10W	NM15654	FED	P	22	25	W/2-320.0A
Homer Com 91		33526	SENE	29-24N-10W	NM15654	FED	P	14	13	E/2-320.0A
Homer Com 91S		33457	SESE	29-24N-10W	NM21741	FED	P	60	39	E/2-320.0A
Hop Sing 1	Note 4	29378	NWNE	27-23N-11W	NM65528	FED	P	86	92	N/2-320.0A
Hop Sing 1S			NW	27-23N-11W	NM65528	FED	LOC			N/2-320.0A
Hoss Com 90	Note 4	31360	NENE	11-23N-11W	NM96800	FED	P	112	165	E/2-320.0A
Hoss Com 90S		34521	SESE	11-23N-11W	NM90482	FED	P	25	138	E/2-320.0A
Hoss 91	Note 4	33069	SESE	22-23N-11W	NM96800	FED	P	267	183	E/2-320.0A
Hoss 91S	Note 4	33070	SENE	22-23N-11W	NM96800	FED	P	142	65	E/2-320.0A
Hoss 92	Note 4	33068	SESW	22-23N-11W	NM96800	FED	P	182	366	W/2-320.0A
Hoss 92S			NW	22-23N-11W	NM96800	FED	LOC B			W/2-320.0A
Hoss Com 93	Note 5	34535	NWNW	11-23N-11W	NM96800	FED	P	47	48	W/2-320.0A
Hoss Com 94	Note 5	34536	SWSW	11-23N-11W	NM90482	FED	P	57	82	W/2-320.0A
Hoss Com 95	Note 5	34537	NWSE	12-23N-11W	NM96800	FED	P	186	98	E/2-320.0A
Hoss Com Loc A	Note 5		NE	12-23N-11W	NM80498	FED	LOC			E/2-320.0A
Hoss Com 96	Note 5	34601	SWSW	12-23N-11W	NO-G-0311-1696	FED	P	61	102	W/2-320.0A

Hoss Com 97 Note 5	34534	SWNW	12-23N-11W	NM80498	FED	P	82	69	W/2-320.0A
Jim Thorpe Com 90 Note 5	-	NE	3-23N-10W	NOO-C-14-20-5825	FED	LOC B			N/2-320.0A
Jim Thorpe Com 91 Note 5	35277	SENW	3-23N-10W	NOO-C-14-20-7307	NAV ALTD	P	339	35	N/2-320.0A
Kermit Com 90	32707	SENW	12-24N-11W	NM17015	FED	P	86	60	N/2-320.0A
Little Joe Com 90	33317	SENE	14-23N-11W	NM96800	NAV ALTD	P	3	91	E/2-320.0A
Little Joe Com 90S	33310	NWSE	14-23N-11W	NM90482	NAV ALTD	P	107	97	E/2-320.0A
Little Joe 91	33311	SWSW	14-23N-11W	NM90482	FED	P	72	183	W/2-320.0A
Little Joe 91S	33318	SWNW	14-23N-11W	NM90482	FED	P	56	21	W/2-320.0A
Marathon Com 90 Note 5	34570	NENE	4-23N-10W	NOO-C-14-20-7308	FED	P	70	9	N/2-320.96A
Marathon Com 91 Note 5	34539	NWNW	4-23N-10W	NOO-C-14-20-7309	FED	P	12	42	N/2-320.96A
Martinez Begay Com 1 Note 5	34983	SESE	34-24N-10W	NO-G-0905-1759	FED	P	70	18	S/2-320.0A
Martinez Begay Com 2 Note 5	34923	SESW	34-24N-10W	NO-G-0902-1754	NAV ALTD	P	32	9	S/2-320.0A
Mary Lou 90 Note 4	28026	SWSW	32-24N-10W	V1509	NAV ALTD	P	29	109	S/2-320.0A
Mary Lou 90S Note 4	31695	NWSE	32-24N-10W	V1509	NAV ALTD	P	46	122	S/2-320.0A
Mary Lou Com 91 Note 4	31694	SENE	32-24N-10W	V1509	NAV ALTD	P	27	117	N/2-320.0A
Mary Lou Com 91S Note 4	31696	SENW	32-24N-10W	V1509	STATE	P	33	101	N/2-320.0A
Olympic 90 Note 5	35272	SESW	3-23N-10W	NM23744	STATE	P	153	91	S/2-320.0A
Olympic 91 Note 5	35280	SWSE	3-23N-10W	NM23744	STATE	P	324	99	S/2-320.0A
Phoebe Com 90	34053	NWNW	22-24N-10W	NM100808	STATE	P	7	2	N/2-320.0A
Phoebe Com 90S	34023	NENE	22-24N-10W	NM15654	FED	P	13	33	N/2-320.0A
Pierre Com 90 Note 4	33056	SWSW	23-23N-11W	NM80498	FED	P	364	47	W/2-320.0A
Pierre Com 90S Note 4	33058	SENW	23-23N-11W	NM36952	FED	P	121	112	W/2-320.0A
Pierre Com 91 Note 4	33071	NWSE	23-23N-11W	NM80498	FED	P	337	61	E/2-320.0A
Pierre Com 91S Note 4	33057	SENE	23-23N-11W	NM36952	FED	P	214	91	E/2-320.0A
Ponderosa Com 90	33346	NWSW	18-23N-10W	NM96799	FED	P	15	57	W/2-320.08A
Ponderosa Com 90S		NW	18-23N-10W	NM86485	FED	LOC			W/2-320.08A
Road Runner 90 Note 4 & 5	28027	NESW	36-24N-11W	V2364	FED	P	7	46	S/2-320.0A
Road Runner 91 Note 5	34525	SWSE	36-24N-11W	V2364	FED	P	52	84	S/2-320.0A
Road Runner 92 Note 5	34524	NWNE	36-24N-11W	V2364	FED	P	71	85	N/2-320.0A
Road Runner 93 Note 5	34523	NWNW	36-24N-11W	V2364	STATE	P	95	38	N/2-320.0A
Rodeo Rosie 90	34052	NWSW	22-24N-10W	NM15654	STATE	P	10	20	S/2-320.0A
Rodeo Rosie 90S	34014	SESE	22-24N-10W	NM15654	STATE	P	143	41	S/2-320.0A
Sesamee Street 90	32702	NWSW	1-24N-11W	NM39017	STATE	P	40	48	W/2-332.48A
Sesamee Street 90S	33189	NENW	1-24N-11W	NM39017	FED	P	2	1	W/2-332.48A
St. Louis Com 90 Note 5	35278	NWNE	9-23N-10W	NOO-C-14-20-7312	FED	P	130	127	N/2-320.0A
St. Louis Com 91 Note 5	35273	NWNW	9-23N-10W	NOO-C-14-20-7313	FED	P	384	93	N/2-320.0A
Squaw Valley Com 90 Note 5	34561	SESW	4-23N-10W	NOO-C-14-20-7310	FED	P	72	51	S/2-320.0A
Squaw valley Com 91 Note 5	34577	SESE	4-23N-10W	NOO-C-14-20-7311	NAV ALTD	P	36	48	S/2-320.0A
Twiddlebug Com 90	34016	NWNW	27-24N-10W	NM15654	NAV ALTD	P	91	35	N/2-320.0A
Twiddlebug Com 90S	34018	NENE	27-24N-10W	NM112956	NAV ALTD	P	116	19	N/2-320.0A
Zoe 90	33452	NESW	19-24N-10W	NM43442	NAV ALTD	P	22	34	W/2-311.56A
Zoe 90S	33451	NENW	19-24N-10W	NM43442	FED	P	34	32	W/2-311.56A
Zoe 91	33450	NENE	19-24N-10W	NM43442	FED	P	47	44	E/2-320.0A
Zoe 91S	33453	NESE	19-24N-10W	NM43442	FED	P	128	38	E/2-320.0A
SSGS Loc C		NW	17-23N-10W	NM57005	FED				N/2-320.0A
SSGS Loc D		NE	17-23N-10W	NM57005	FED				N/2-320.0A
SSGS Loc E		SW	17-23N-10W	NM57005	FED				S/2-320.0A
SSGS Loc F		SE	17-23N-10W	NM57005	FED				S/2-320.0A
SSGS Loc G		NW	20-23N-10W	NM42740	FED				N/2-320.0A
SSGS Loc H		NE	20-23N-10W	NM42740	FED				N/2-320.0A
SSGS Loc I		SW	20-23N-10W	NM42740					S/2-320.0A

SSGS Loc J		SE	20-23N-10W	NM42740					S/2-320.0A
SSGS Loc K		NW	29-23N-10W	NM42740					N/2-320.0A
SSGS Loc L		NE	29-23N-10W	NM42740	FED				N/2-320.0A
SSGS Loc M Com		SW	29-23N-10W	NM42740	FED				S/2-320.0A
SSGS Loc N Com		SE	29-23N-10W	NM42740	FED				S/2-320.0A
SWD WELLS					FED				
Flo Jo 8 SWD	33320	NENE	23-23N-11W	NM36952	FED	Note 6			
Frazzle 1 SWD	33865	NENW	30-24N-10W	NM15654	FED	Note 6			
Herry Monster 3 SWD	33217	SENW	11-24N-11W	NM17015	FED	Note 6			
Mary Lou 1 SWD	26460	NENE	32-24N-10W	V1509	FED	Note 6			
St Moritz 2 SWD	35281	NWSE	26-24N-10W	NM78060	FED	Note 6			

Notes:

1 - Status of well 7/26/13
Loc = proposed general location
LOC A = proposed location - staked
LOC B = proposed location - APD submitted
NC = not connected to gathering system
P = producing, includes wells temporarily shut in but able to produce

2 - Production during July, 2015.

3 - The Sesamee Street Gas Gathering System currently has 135 wells or locations approved for surface commingling and off-lease measurement & sale of gas at two central delivery sales meters:
(CDP 1) located in NESW (Unit K), Section 30, T-25N, R-10W on Enterprise Field Service Lateral 10A-1 at Enterprise Meter No. 86238.
(CDP 2) located in NWSE (Unit J), Section 2, T-24N, R-10W on Enterprise Field Services Lateral 10A-2 at Enterprise Meter No. 91083. Current regulatory approvals:
BLM - 12/26/12
NMSLO - 12/10/12
NMOCD - 12/21/12 - Commingling Order CTB-560-B

4 - Well was initially approved for operation on the Goodtimes Gathering System and upon completion of expansions to the Sesamee Street Gathering System, was transferred from the Goodtimes to the Sesamee Street Gathering System on 6/13/07 (14 wells, Hop Sing 1, Hoss Com 90, Hoss 91, 91S & 92, Mary Lou 90 & 90S, Mary Lou Com 91 & 91S, Pierre Com 90, 90S, 91 & 91S, Road Runner 90).

5 - During 11/07, Dugan Production changed from using the letter "S" to designate a well as being a Fruitland Coal infill and initiated using unique numbers for each well. The wells using unique numbering and sharing a commong spacing unit are;

Wells	Common Spacing Unit	Wells
Flo Jo 92 & 93	N/2 1-23N-11W	Marathon Com 90 & 91
Flo Jo 94 & 95	S/2 1-23N-11W	Martinez Begay Com 1 & 2
Helsinki Com 90 & 91	S/2 9-23N-10W	Olympic 90 & 91
Hoss Com 93 & 94	W/2 11-23N-11W	Road Runner 90 & 91
Hoss Com 95 & Infill	E/2 12-23N-11W	Road Runner 92 & 93
Hoss Com 96 & 97	W/2 12-23N-11W	Squaw valley Com 90 & 91
Jim Thorpe Com 90 & 91	N/2 3-24N-10W	St. Louis Com 90 & 91

6 -

Well Name	Cumulative Production as of 9/1/15 MCF	BW
St. Moritz Com 90	29,368	27,268
St. Moritz Com 91	17,447	30,479