

RECEIVED: <b>3-31-2017</b>	REVIEWER:	TYPE: <b>OLM</b>	APP NO: <b>DMAm1709051637</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

<b>Applicant:</b> Dugan Production Corporation	<b>OGRID Number:</b> 6515
<b>Well Name:</b> Moncisco AZZ Fed#1; Hone Mesa BAE #1	<b>API:</b> 300-045-30883; 30-045-30893
<b>Pool:</b> Basin Fruitland Coal	<b>Pool Code:</b> 71629

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM
- [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<b>FOR OCD ONLY</b>	
<input checked="" type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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  
 \_\_\_\_\_  
 Print or Type Name

Print or Type Name

See Application  
 \_\_\_\_\_  
 Signature

March 31, 2017  
 \_\_\_\_\_  
 Date

505-325-1821  
 \_\_\_\_\_  
 Phone Number

kevin.smaka@duganproduction.com  
 \_\_\_\_\_  
 e-mail Address

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

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-30893</b>		<sup>2</sup> Pool Code <b>71629</b>		<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>Hone Mesa BAE Federal</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>			<sup>9</sup> Elevation <b>6228'GL</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>35</b>	<b>25N</b>	<b>13W</b>		<b>660</b>	<b>North</b>	<b>660</b>	<b>West</b>	<b>San Juan</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>320</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
				Signature <b>Tina Huerta</b> Printed Name <b>Regulatory Compliance Supervisor</b> Title and E-mail Address <b>June 7, 2005</b> Date
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
Date of Survey Signature and Seal of Professional Surveyor: Certificate Number				

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

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

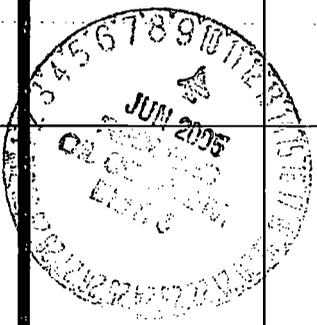
AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-30883</b>		<sup>2</sup> Pool Code <b>71629</b>		<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>					
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>Monisco Federal AZZ</b>						<sup>6</sup> Well Number <b>1</b>	
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>						<sup>9</sup> Elevation <b>6214'GR</b>	
<sup>10</sup> Surface Location									
UL or lot no. <b>A</b>	Section <b>29</b>	Township <b>25N</b>	Range <b>13W</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>North</b>	Feet from the <b>660</b>	East/West line <b>East</b>	County <b>San Juan</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>320</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16						<p><sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Tina Huerta</i> Signature</p> <p>Tina Huerta Printed Name Regulatory Compliance Supervisor Title and E-mail Address June 7, 2005 Date</p> <p><sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number</p>



N.0411  
660!E

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		WELL API NO. See Below
2. Name of Operator Dugan Production Corp.		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> Federal
3. Address of Operator PO Box 420, Farmington, NM 87499-0420		6. State Oil & Gas Lease No. Federal Leases NM87306 & NM87309
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM _____ County _____		7. Lease Name or Unit Agreement Name See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		8. Well Number See Below
		9. OGRID Number 006515
		10. Pool name or Wildcat Basin Fruitland Coal

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Off-Lease Measurement, Surface Commingle <input checked="" type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dugan Production Corp. requests administrative approval for off-lease measurement, surface/lease commingling for the following wells:

Hone Mesa BAE Federal #1 API #30-045-30893 Section 35-T25N-R13W UL D, 660' FNL & 660' FWL San Juan County, NM Basin Fruitland Coal Federal Lease NM87309	Moncisco Federal AZZ #1 API #30-045-30883 Section 29-T25N-R13W UL A, 660' FNL & 660' FEL San Juan County, NM Basin Fruitland Coal Federal Lease NM87306
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Total gas production and sales will be based on the measurement at the CDP. Production from each well will be determined by an allocation meter.

The CDP is located at Sec. 22-T25N-R13W, Meter #1280. Estimated production for the Hone Mesa is 128 MCFD and 54 MCFD for the Moncisco. See attachment for interest ownership information and certification statement. Also please see the BLM sundry approving commingling and off-lease measurement.

Spud Date:  Rig Release Date:

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 3-29-17

Type or print name Kevin Smaka E-mail address: kevin.smaka@duganproduction.com PHONE: 505-325-1821  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

**Interest Ownership Summary**

**Dugan Production Corp.'s Bisti Gathering System**

	Hone Mesa BAE Federal #1 (details on Pg. No. 2)		Moncisco AZZ Federal #1 (details on Pg. No. 2)	
	WI	NI	WI	NI
<b><u>Working Interest</u></b>				
Dugan Production Corp.	68.000	57.460	68.000	57.460
WPX Energy Production	32.000	28.000	32.000	28.000
<b><u>Royalty Interest</u></b>				
USA - Federal		12.500		12.500
<b><u>Overriding Royalty Interest</u></b>				
Number of Owners		4		4
Total ORRI		2.040		2.040
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

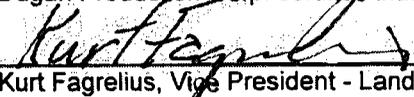
**Dugan Production Corp.  
Bisti Gathering System**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Hone Mesa BAE Federal #1	Basin Fruitland Coal	NWNW 35-25N-13W	W/2-320.0A
Moncisco AZZ Federal #1	Basin Fruitland Coal	NENE 29-25N-13W	E/2-320.0A

**INTEREST OWNERS**

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<b><u>Working Interest</u></b>		
Dugan Production Corp.	68.000000	57.460000
WPX Energy Production One Williams Center PO Box 3102 MS 36 Tulsa, OK 74101	32.000000	28.000000
<b><u>Royalty</u></b>		
USA - c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
<b><u>Overriding Interest</u></b>		
Abo Petroleum Corporation Yates Building 105 South 4 <sup>th</sup> Artesia, NM 88210	-0-	0.960000
Coleman Oil & Gas Inc. PO Drawer 3337 Farmington, NM 87499-3337	-0-	0.090000
JMJ Ventures, LLC 2204 N. Santiago Avenue Farmington, NM 87401	-0-	0.030000
Sharbro Oil Ltd., Co. PO Box 840 Artesia, NM 88210	-0-	0.960000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

Dugan Production Corp. certifies that the ownership information is correct and true as of this date.

  
Kurt Fagrelus, Vice President - Land & Exploration

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.  
NM-87306

6. If Indian, Allottee or Tribe Name  
2006 JUN 12 PM 2 13

SUBMIT IN TRIPLICATE \*\*\*\*Amended\*\*\*\*

7. If Unit or CA, Agreement Designation  
NM-22902  
070 FARMINGTON NM

1. Type of Well  
Oil  Gas   
 Well  Well  Other

8. Well Name and No.  
Moncisco Federal AZZ #1

2. Name of Operator  
Yates Petroleum Corporation

9. API Well No.  
30-045-30883

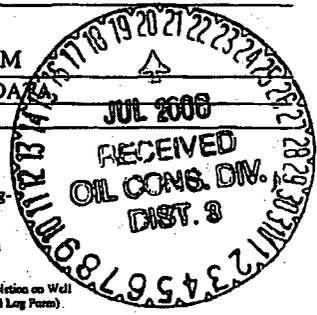
3. Address and Telephone No.  
105 South Fourth Street, Artesia, NM 88210 (505) 7481471

10. Field and Pool, or Exploratory Area  
Basin Fruitland Coal

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
660' FNL 660' FEL (Unit A, NENE) Sec 29 T25N R13W

11. County or Parish, State  
San Juan County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA



- TYPE OF SUBMISSION
- Notice of Intent
  - Subsequent Report
  - Final Abandonment Notice

- TYPE OF ACTION
- Abandonment
  - Recompletion
  - Plugging Back
  - Casing Repair
  - Altering Casing
  - Other Off Lease Measurement  
Surface/Lease Commingle Gas Only

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completions on Well completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Yates Petroleum Corporation respectfully request administrative approval to Off Lease Measurement, Surface/Lease Commingle Gas Only the following wells:

Moncisco Federal AZZ #1  
Section 29-T25N-R13W  
Formation: Basin Fruitland Coal  
San Juan County, New Mexico  
Federal Lease # NM-87306

Hone Mesa DAE Federal #1  
Section 35-T25N-R13W  
Formation: Basin Fruitland Coal  
San Juan County, New Mexico  
Federal Lease # NM-87309

*No surface commingle order yet  
8-7-06*

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based chart integrations.

The CDP is located at Sec 22-T25N-R13W. Please see attached plat and site facility diagram meter #394449

Estimated production for the Hone Mesa is 53 MCF per day and 72 MCF per day for the Moncisco.

We propose this commingle due to the low volume of gas produced from each well. The higher volume measured at the CDP will be a more accurate measurement than the lower volumes measured at each well.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

14. I hereby certify that the foregoing is true and correct

Signed Marta Reese Title Production Secretary

Date June 8, 2006

(This space for Federal or State office use)

Approved by [Signature] Title Dist. Eng

Date 7/18/06

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC  
FARMINGTON  
NMOC

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. See Below
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> Federal
6. State Oil & Gas Lease No. Federal Leases NM87306 & NM87309
7. Lease Name or Unit Agreement Name See Below
8. Well Number See Below
9. OGRID Number 006515
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
Dugan Production Corp.

3. Address of Operator  
PO Box 420, Farmington, NM 87499-0420

4. Well Location  
Unit Letter \_\_\_\_\_ : \_\_\_\_\_ feet from the \_\_\_\_\_ line and \_\_\_\_\_ feet from the \_\_\_\_\_ line  
Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ NMPM \_\_\_\_\_ County \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input checked="" type="checkbox"/>		OTHER: Off-Lease Measurement, Surface Commingle. <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dugan Production Corp. requests administrative approval for off-lease measurement, surface/lease commingling for the following wells:

Hone Mesa BAE Federal #1 API #30-045-30893 Section 35-T25N-R13W UL D, 660' FNL & 660' FWL San Juan County, NM Basin Fruitland Coal Federal Lease NM87309	Moncisco Federal AZZ #1 API #30-045-30883 Section 29-T25N-R13W UL A, 660' FNL & 660' FEL San Juan County, NM Basin Fruitland Coal Federal Lease NM87306
--	---

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Spud Date:  Rig Release Date:

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 3-29-17

Type or print name Kevin Smaka E-mail address: kevin.smaka@duganproduction.com PHONE: 505-325-1821

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

**Interest Ownership Summary**

**Dugan Production Corp.'s Bisti Gathering System**

	Hone Mesa BAE Federal #1 (details on Pg. No. 2)		Moncisco AZZ Federal #1 (details on Pg. No. 2)	
	WI	NI	WI	NI
<b><i>Working Interest</i></b>				
Dugan Production Corp.	68.000	57.460	68.000	57.460
WPX Energy Production	32.000	28.000	32.000	28.000
<b><i>Royalty Interest</i></b>				
USA - Federal		12.500		12.500
<b><i>Overriding Royalty Interest</i></b>				
Number of Owners		4		4
Total ORRI		2.040		2.040
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

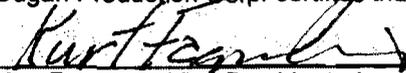
**Dugan Production Corp.  
Bisti Gathering System**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
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Moncisco AZZ Federal #1	Basin Fruitland Coal	NENE 29-25N-13W	E/2-320.0A

**INTEREST OWNERS**

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<b><u>Working Interest</u></b>		
Dugan Production Corp.	68.000000	57.460000
WPX Energy Production One Williams Center PO Box 3102 MS 36 Tulsa, OK 74101	32.000000	28.000000
<b><u>Royalty</u></b>		
USA - c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
<b><u>Overriding Interest</u></b>		
Abo Petroleum Corporation Yates Building 105 South 4 <sup>th</sup> Artesia, NM 88210	-0-	0.960000
Coleman Oil & Gas Inc. PO Drawer 3337 Farmington, NM 87499-3337	-0-	0.090000
JMJ Ventures, LLC 2204 N. Santiago Avenue Farmington, NM 87401	-0-	0.030000
Sharbro Oil Ltd., Co. PO Box 840 Artesia, NM 88210	-0-	0.960000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

Dugan Production Corp. certifies that the ownership information is correct and true as of this date.

  
Kurt Fagrelus, Vice President - Land & Exploration

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.  
NM-87306

6. If Indian, Allottee or Tribe Name  
2006 JUN 12 PM 2 13

SUBMIT IN TRIPLICATE \*\*\*\*Amended\*\*\*\*

7. If Unit or CA, Agreement No. NM-22902  
070 FARMINGTON NM

1. Type of Well  
Oil  Gas   
 Well  Well  Other

8. Well Name and No.  
Moncisco Federal AZZ #1

2. Name of Operator  
Yates Petroleum Corporation

9. API Well No.  
30-045-30883

3. Address and Telephone No.  
105 South Fourth Street, Artesia, NM 88210 (505) 7481471

10. Field and Pool, or Exploratory Area  
Basin Fruitland Coal

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
660' FNL 660' FEL (Unit A, NENE) Sec 29 T25N R13W

11. County or Parish, State  
San Juan County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

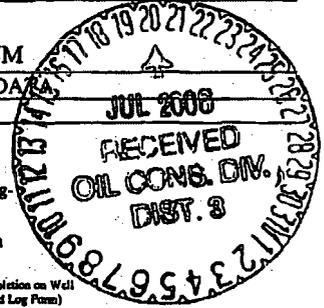
TYPE OF SUBMISSION

- Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment  
 Recompletion  
 Plugging Back  
 Casing Repair  
 Altering Casing  
 Other Off Lease Measurement  
Surface/Lease Commingle Gas Only

- Change of Plans  
 New Construction  
 Non-Routine Fracturing  
 Water Shut-Off  
 Conversion to Injection  
 Dispose Water  
(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)



13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Yates Petroleum Corporation respectfully request administrative approval to Off Lease Measurement, Surface/Lease Commingle Gas Only the following wells:

Moncisco Federal AZZ #1  
Section 29-T25N-R13W  
Formation: Basin Fruitland Coal  
San Juan County, New Mexico  
Federal Lease # NM-87306

Hone Mesa DAE Federal #1  
Section 35-T25N-R13W  
Formation: Basin Fruitland Coal  
San Juan County, New Mexico  
Federal Lease # NM-87309

*No surface commingle order yet  
8-7-06*

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based chart integrations.

The CDP is located at Sec 22-T25N-R13W. Please see attached plat and site facility diagram meter #394449

Estimated production for the Hone Mesa is 53 MCF per day and 72 MCF per day for the Moncisco.

We propose this commingle due to the low volume of gas produced from each well. The higher volume measured at the CDP will be a more accurate measurement than the lower volumes measured at each well.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

14. I hereby certify that the foregoing is true and correct

Signed Marta Reese Title Production Secretary

Date June 8, 2006

(This space for Federal or State office use)

Approved by [Signature] Title Dist. Eng

Date 7/18/06

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC  
FARMINGTON  
NMOC

**Production Summary Report**  
**API: 30-045-30893**  
**HONE MESA BAE FED #001**  
**Printed On: Friday, March 31 2017**

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2016	[71629] BASIN FRUITLAND COAL (GAS)	Jul	0	3101	2080	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Aug	0	4074	4000	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Sep	0	3966	4240	29
2016	[71629] BASIN FRUITLAND COAL (GAS)	Oct	0	2998	4480	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Nov	0	3478	4320	30
2016	[71629] BASIN FRUITLAND COAL (GAS)	Dec	0	3974	4400	31
2017	[71629] BASIN FRUITLAND COAL (GAS)	Jan	0	3506	4960	31
	CUM			582599	522643	

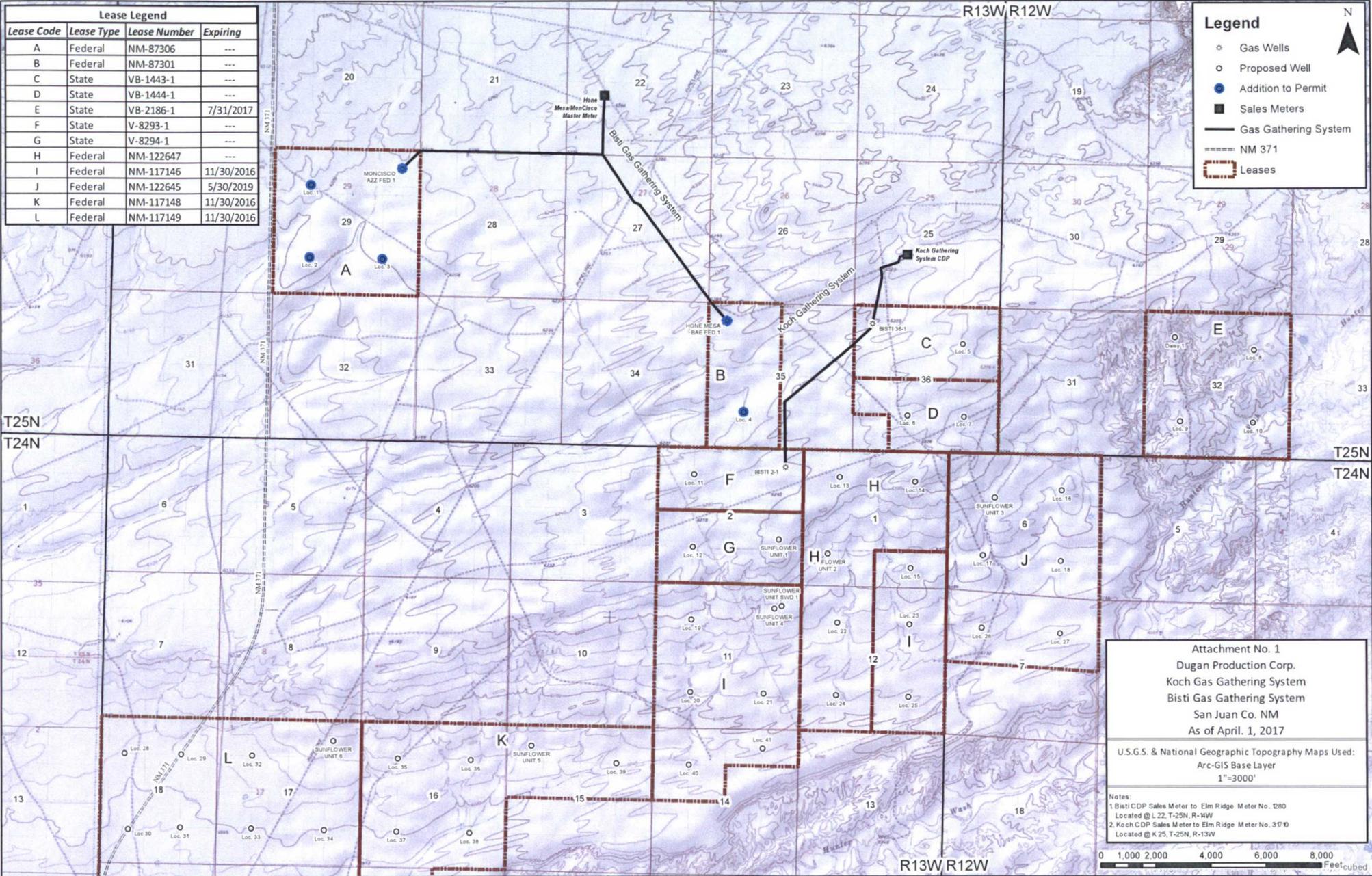
**Production Summary Report**

**API: 30-045-30883**

**MONCISCO AZZ FEDERAL #001**

		<b>Production</b>				
<b>Year</b>	<b>Pool</b>	<b>Month</b>	<b>Oil(BBLS)</b>	<b>Gas(MCF)</b>	<b>Water(BBLS)</b>	<b>Days P/I</b>
2016	[71629] BASIN FRUITLAND COAL (GAS)	Jul	0	1547	2080	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Aug	0	1751	4480	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Sep	0	1413	3600	28
2016	[71629] BASIN FRUITLAND COAL (GAS)	Oct	0	1535	4800	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Nov	0	1535	4800	30
2016	[71629] BASIN FRUITLAND COAL (GAS)	Dec	0	1333	4800	31
2017	[71629] BASIN FRUITLAND COAL (GAS)	Jan	0	1466	4400	31
<b>CUM</b>				<b>342341</b>	<b>490609</b>	

Lease Legend			
Lease Code	Lease Type	Lease Number	Expiring
A	Federal	NM-87306	---
B	Federal	NM-87301	---
C	State	VB-1443-1	---
D	State	VB-1444-1	---
E	State	VB-2186-1	7/31/2017
F	State	V-8293-1	---
G	State	V-8294-1	---
H	Federal	NM-122647	---
I	Federal	NM-117146	11/30/2016
J	Federal	NM-122645	5/30/2019
K	Federal	NM-117148	11/30/2016
L	Federal	NM-117149	11/30/2016



**Legend**

- ⊛ Gas Wells
- Proposed Well
- Addition to Permit
- Sales Meters
- Gas Gathering System
- NM 371
- ▭ Leases

Attachment No. 1  
 Dugan Production Corp.  
 Koch Gas Gathering System  
 Bisti Gas Gathering System  
 San Juan Co. NM  
 As of April 1, 2017

U.S.G.S. & National Geographic Topography Maps Used:  
 Arc-GIS Base Layer  
 1"=3000'

Notes:  
 1. Bisti CDP Sales Meter to Elm Ridge Meter No. 280  
 Located @ L22, T-25N, R-WW  
 2. Koch CDP Sales Meter to Elm Ridge Meter No. 371D  
 Located @ K25, T-25N, R-13W

