

April 25, 2014

CERTIFIED MAIL

Dugan Production Corp.
Kurt Fagrelus
709 East Murray Drive
Farmington, NM 87401

30-045-35482

RE: Hydraulic Fracturing Notice
Encana Good Times P36-2410-02H
Surface Location: T24N-R10W Sec. 36; 1311' FSL, 255' FEL
Bottom Hole Location: T24N-R10W Sec. 36; 860' FSL, 330' FWL
Project Area T24N-R10W Sec. 36: S2S2
San Juan County, NM

Gentlemen:

The purpose of this letter is to update you with notice that Encana plans to commence hydraulic fracturing operations for its Good Times P36-2410-02H well located in Township 24 North, Range 10 West, San Juan County, New Mexico (T24N-R10W Sec. 36: S2S2) from on or about 05/25/2014 to on or about 06/13/2014. Since the completed interval for this well is located near one or more wells operated by your company, this courtesy notice is provided so that you, as operator, can undertake appropriate action to protect your well(s).

If you would like more information regarding Encana's hydraulic fracturing operations schedule for this well, please contact the undersigned at 720-876-3801.

Sincerely,
Encana Oil & Gas (USA) Inc.


Paula M. Rauchfuss
Land Negotiator, NRBU

OIL CONS. DIV DIST. C.

APR 28 2014

Cc: Jim Lovato, BLM
William Hoppe, NMOCD

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700 Denver CO 80202 USA 303.623.2300 encana.com

encana

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April 25, 2014

Kirby Exploration Company
c/o American Exploration Company Inc.
Tower 1
7322 Southwest Freeway, #2030
Houston, TX 77074

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San Juan County, NM

Gentlemen:

Our records indicate American Exploration Company took over the oil and gas assets of Kirby Petroleum (a/k/a Kirby Exploration Company of Texas). Further Kirby Exploration Company was the operator of the now plugged Smith-Federal #1 well located in T24N-R10W, Section 26.

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Paula M. Rauchfuss

Paula M. Rauchfuss
Land Negotiator, NRBU

OIL CONS. DIV DIST. 3

APR 28 2014

Cc: Jim Lovato, BLM
William Hoppe, NMOCD

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