

encana

June 18, 2014

CERTIFIED MAIL

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

45-35481

OIL CONS. DIV DIST. 3
JUL 03 2014

RE: Hydraulic Fracturing Notice
Encana Escrito L27-2409 02H
Surface Location: T24N-R09W Sec. 27; 2369' FSL, 332' FWL
Bottom Hole Location: T24N-R09W Sec. 28; 2400' FSL, 330' FWL
Project Area T24N-R09W Sec. 27: N2SE4; T24N-R09W Sec. 28: N2SW4
San Juan County, NM

Gentlemen:

The purpose of this letter is to provide you notice that Encana plans to commence hydraulic fracturing operations for its Escrito L27-2409 02H well located in Township 24 North, Range 09 West, San Juan County, New Mexico (T24N-R09W Sec. 27: N2SE4; T24N-R09W Sec. 28: N2SW4) from on or about 8/17/2014 to on or about 9/03/2014. 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 Mona Binion at 720-876-5325.

Sincerely,
Encana Oil & Gas (USA) Inc.



Mona Binion
Land Negotiator, San Juan Basin

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

7-1-14 well name changed to Nageezi Unit L27-2409