		pich
DATE II	1012,12 SUSPER	NSE ENGINEER RE LOGGED IN 4, 12, 12 TYPE PLC APP NO. 12103608/1
- <u></u>		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
1	THIS CHECKLIST IS N	MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATION
Appli	cation Acronym	WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
	[DHC-Dow [PC-Po	ndard Location] [NSP-Non-Standard Proration Unif] [SD-Simultaneous Dedication] nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] alified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF AI [A]	PPLICATION - Check Those Which Apply for [A] 10 Well Location - Spacing Unit - Simultaneous Dedication 10 Well NSL NSP SD 7 Fed
	Check [B]	Cone Only for [B] or [C] Commingling - Storage - Measurement 7 State
	[C]	□ DHC □ CTB ⊠ PLC □ PC □ OLS □ OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery □ WFX □ PMX □ SWD □ IPI □ EOR □ PPR Son Jkon Co.
	[D]	Other: Specify
[2]	NOTIFICAT	ION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
	[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 or 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
	4	

[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.

John D. Roe	John D. Roc	Engineering Manager	4/1/12
Print or Type Name	Signature	Title	Date
•	· .	johnroe@duganproduction e-mail Address	on.com
	4	•	

dugan production corp.

2012 APR 12 A 10: 57

April 11, 2012

Ms. Jami Bailey, Director New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505 Mr. Larry Roybal Oil, Gas & Minerals Division New Mexico State Land Office P O Box 1148 Santa Fe, NM 87504

Mr. Dave Evans, District Manager Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402

Re: Application to add ten wells Dugan Productions Goodtimes Gas Gathering System San Juan County, New Mexico

Dear Ms. Bailey, Mr. Evans & Mr. Roybal,

We are writing to request your administrative-approvals to add ten wells to Dugan Production's existing Goodtimes Gas Gathering System (GFGS); which will require the surface commingling of gas plus offlease measurement and sale of produced natural gas.) The GTGS was last approved by the BLM on 12/13/07, the NMOCD on 11/21/07 (PLC-149-D), and the NMSLO on 11/7/07, and currently has 235 wells (250 completions) approved for operation on the GTGS. The ten wells to be added include 6 completions operated by Dugan Production in the Basin Fruitland Coal Gas Pool (71629), plus four wells to be operated by Encana Oil & Gas (USA) Inc., two of which will be completed as horizontal completions in the Bisti Lower Gallup Oil Pool (5890), plus two of which will be horizontal completions in the South Bisti Gallup Oil Pool (5860). Production from each of these three pools is currently authorized for operation on the GTGS in one or more of the 250 completions currently authorized for the GTGS. All leasehold interest for the 10 wells to be added is either state (3 wells), or federal (7 wells) and includes the following leases: State B-10889, V-1509, V-7918, V-849, Eederal NM-10089, NM-25433, NM-32124, NM-45207, NM-97108, SF-078860. The four wells to be operated by Encana Oil & Gas (USA) Inc. are located upon leases currently held by Dugan Production and will be jointly owned by Dugan Production and Encana Oil & Gas. Encana has requested and Dugan Production has agreed to add their four wells to the GTGS. Attachment No. 8 presents a copy of the "Participation Statement" by Encana Oil & Gas (USA) Inc. to include the gas production from these four wells in Dugan's GTGS. Gas produced from Encana's wells will be treated the same as the gas produced from all other wells, i.e. it will be measured by Dugan Production prior to entering the GTGS and the allocation procedures used for all --other wells will be used. This addition should have little to no effect upon the interest of any well currently, operating on the GTGS. Should production from Encana's wells exceed the available capacity of the GTGS, we will consider other options to facilitate gas sales from Encana's wells.

Dugan Production's GTGS currently has 235 wells (250 completions) approved for the gathering system and during December, 2011 & January, 2012, production from all wells averaged 1661 mcfd plus 209 bbl of oil and condensate per day. Production comes from five gas pools and five oil peols.) Production statistics for each pool and the CDP gas sales are presented on **Attachment No. 1**. Of the 250 authorized completions, 103 (53 of which are active) are in gas pools and the per well average was 18.5

mcfd plus little to no condensate. The 147 oil pool completions (131 of which are active) averaged 5.2 mcfd plus 1.6 BOPD. The peak production from any one well in the gas pools was 139.5 mcfd and 18.6 mcfd in the oil pools. Thus, for the most part, all wells currently connected to the GTGS are considered to be low volume, marginal producing wells. The GTGS currently has two central delivery gas sales meters (CDP's). CDP No. 1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources at their Meter No. 31103. CDP No. 2 is located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services (previously El Paso Field Services) at their Meter No. 97228: During 2011, approximately 42% (448 mcfd) of the gas sales went to Elm Ridge Resources. and 58% (618 mcfd) went to Enterprise. The split between Enterprise and Elm Ridge varies month to month depending primarily upon pipeline pressures and operating conditions on each system. There is not a significant difference in gas prices for either CDP. During 2011, the volumes going to Enterprise ranged from 37% to 74% and the corresponding volumes going to Elm Ridge ranged from 63% to 26% of the total sales volume. It should be noted that during 2011, 64% of the production was sold with the balance being used for lease and/or gathering system fuel requirements. This emphasized the marginal nature of most wells connected to the GTGS. All oil wells plus most Fruitland coal wells are equipped with rod pump artificial lift equipment requiring 3-1/2 to 5 mcfd to fuel the pumping unit engines on lease. In addition, we currently operate four compressors to move gas through the ±80 miles of gathering system and maintain gathering system pressures of 10 to 50 psi. The current gathering system equipment and fuel requirements are presented in Attachment No. 7.

The GTGS was initially authorized in January of 1984 and this application will be the 16th expansion. NMOCD Form 107-B is attached in support of this application to add 10 wells. Attachment No. 2 consists of five USGS Topo maps (Map No. 1 = Huerfano Trading Post SW, Map No. 2 = Pueblo Bonito NW, Map No. 3 = Blanco Trading Post, Map No. 4 = Kimbeto, and Map No. 5 = Crow Mesa West) and presents a map of the GTGS. Also presented on Attachment No. 2 (Maps No. 1, 2 & 3) is Dugan Production's Sesamee Street Gathering System (SSGS) which is presented for information purposes only. The SSGS is primarily for Dugan Production's current development program in the Basin Fruitland Coal which requires a gathering system for CBM gas plus the associated water production typical to the Fruitland Coal. We are currently preparing an application to expand the SSGS which will be submitted in a separate application. For convenience, the maps in Attachment No. 2 are reduced to 50% of the full scale which results in a map scale of approximately 1"=4000'. A full scale (1"-2000') copy of each map is included for your use should you prefer the full scale. In addition, leasehold interest is also presented which includes 81 federal leases, 16 state leases plus 23 Navajo Allotted leases. All leases presented are held by Dugan Production with the exception of one federal lease (NM-8005) which is held by Questar E&P. It should be noted that in our application dated 9/24/07, we included two wells operated by Yates Petroleum Corp., their Ristra AGW State No. 1 and Squash Blossom AFU State No. 1. Dugan Production has subsequently acquired both wells from Yates Petroleum effective 1/3/11. Of the 235 wells currently authorized for the system plus the 10 wells proposed to be added, Dugan Production is the operator of all wells except the four Federal D lease wells operated by Questar E&P and the four Encana Oil & Gas (USA) Inc. wells being added. Information for each well and the associated leases is presented on Attachment No. 3.

We do not anticipate commingling oil or condensate. Each well producing oil or condensate will be equipped with separation equipment and all oil or condensate will be separated and stored on the lease. Each well will be equipped with a continuous recording gas meter (or some form of approved alternative measurement) to be used for allocation purposes, which will be operated and maintained by Dugan Production. Considering that most wells produce natural gas volumes that qualify for some form of alternative measurement, 25 wells on the GTGS are currently using alternative measurement and a total of 84 wells have been approved to use alternative measurement. Prior to converting any gas measurement from a conventional gas meter to an alternative measurement method, we will seek formal approvals. The charts from each allocation meter are integrated monthly by a commercial integration service and the volumes recorded are utilized to determine factors for allocating CDP volumes, BTU's and revenues to the individual wells. The allocation procedures currently approved for the existing wells and to be used on the wells to be added are presented on **Attachment No. 6**.

Attachment No. 4 presents the interest ownership in the 10 wells proposed to be added to the GTGS which includes two working interest owners (Dugan Production and Encana Oil & Gas), two types of royalty interest (state & federal), plus 11 overriding royalty interest owners. As required by current Goodtimes Gathering System Commingling Order, PLC-149 3rd Amendment, all interest owners in the wells proposed to be added to the gathering system have been given notice that Dugan Production Corp.¹, is proposing to add ten wells to the GTGS. All working and royalty interest owners in the 10 wells to be added have been provided with a complete copy of this application. The overriding royalty interest owners received basic information about the subject application and were offered a complete copy of the application should they choose to have it. Attachment No. 5 presents copies of all notice efforts regarding this application. Also included in Attachment No. 5 is a copy of the advertisement which will be published in the Daily Times on April 13th, 2012 to further provide notice to all interest owners, anticipating that out of the 13 notices mailed by certified mail, there will invariably be some receipts not returned.

Attachment No. 7 presents a description of the gathering system equipment and any fuel requirements along with a facility diagram for each of the six water disposal wells plus a water transfer facility. The water disposal wells along with the water transfer facility are important to the operation of a gas gathering system in that each facility receives fuel gas from the gathering system and also delivers gas recovered at the facility to the gathering system for sale at the CDP. The gas delivered to the gathering system comes from the water production that is delivered to the facility by pipeline primarily from wells completed in the Pictured Cliffs and Fruitland Coal. Typically these wells produce high volumes of water and in order to economically produce these wells, the water (and some gas) is produced up the tubing using a rod pump artificial lift and the gas is primarily produced up the casing-tubing annulus and is then metered and delivered to the gathering system in a line separate from the water. The fluid stream from the tubing is delivered to the water disposal and/or transfer facility by pipeline. At the facility the water and any associated gas are separated using a conventional 2 phase separator and the gas from the separator is measured with a conventional meter similar to that being used to measure gas production from each well. The volumes metered from the separator are used to allocate CDP gas volumes back to the separator using the same allocation procedure used for allocating gas on all other wells. The gas volumes allocated to the separator are then allocated to each well delivering water to the separator based upon the percentage of the total water delivered by each well. The fuel gas used by each facility is determined monthly either by using equipment specifications and run time on facilities with small volumes being needed (such as the Mesa No. 4, and Chaco facilities) and on facilities needing larger volumes of fuel such as the Sanchez O'Brien SWD facility the volume of gas being used for fuel is metered and sampled for BTU content. The gas meter is maintained by Dugan Production and the charts are integrated monthly by a commercial integration service. The volumes of gas used for fuel (mcf & mmbtu) are then sold to Dugan Production at the average gas price received, during the month of use, at the two CDP's. The gas volumes (mcf & mmbtu) and revenues are then added to the total gas volumes (mcf & mmbtu) and revenues for CDP No. 1 and CDP No. 2 for allocation to all wells on the gathering system. Each of the water disposal facilities and the water transfer facility are operated separately from the GTGS with Dugan Production purchasing all fuel used at each facility and including the gas volumes, mmbtu's and revenues for the fuel gas in the volumes allocated to individual wells on the gathering system so that there is no loss of volume or revenue to any interest owner. It should be noted that of the water disposal facilities listed, only three (the Chaco Water Transfer Station, Mesa No. 4 SWD, and the Sanchez O'Brien No. 1 SWD) operate on the GTGS (i.e., fuel gas comes from the GTGS and separator gas received at the facility is returned to the GTGS). Four of the facilities listed (the Frazzle No 1 SWD, Herry Monster No. 3 SWD, Mary Lou No. 1 SWD, and St. Moritz No. 2 SWD) operate on Dugan's Sesamee Street Gathering System and are included on Attachment No. 7 as each SWD well can be used for the disposal of water produced from GTGS wells.

Included in this application are six wells that have been connected and have produced into the gathering system without prior approval to do so. We regret that this has occurred and do endeavor to see that all wells are formally approved prior to producing into a gathering system. As presented on Attachment No. 3 (Note No. 4), these 6 wells have produced a total of 18,355 mcf and individually range in production from 2.0 mcfd to 27.9 mcfd. All six wells are Fruitland coal wells and upon completion, it was important to maintain production and rather than vent the gas, the wells were connected to the GTGS since each well was relatively close to the existing gathering system. Production from each of these wells has been

accounted for using the same procedures as is approved for all other wells. There has been no loss of gas or revenue to any of the interest owners and since the gas was sold rather than vented, the interest owners for these wells will actually have added value as opposed to venting the gas.

To insure line integrity of our gathering systems, Dugan Production routinely monitors all gathering systems for leaks using portable gas detection equipment.

In summary, Dugan Production Corp. is requesting approval to add 10 wells to the Goodtimes Gathering System which will require surface commingling, plus off-lease measurement and sale of produced gas. These wells will be operated in the same manner that has been authorized for the 235 wells currently approved for operation on the gathering system. Included in the 10 wells are four proposed horizontal oil wells to be operated by Encana Oil & Gas (USA) Inc.

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

Sincerely,

- O, Roe

John D. Roe Engineering Manager

JDR/tmf

attachments

xc: NMOCD – Aztec

Working & royalty interest owners – wells to be added

District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First, St., 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

Form C-107-B Revised August 1, 2011

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

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 Pr	oduction Corp.			-									
OPERATOR ADDRESS: P O Box	420, Farmington, NM	87499-0420		,									
APPLICATION TYPE:					• • •								
Pool Commingling Lease Comminglin	g Pool and Lease Co	mmingling Doff-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)								
LEASE TYPE: 🗌 Fee 🛛	State / 🔀 Fede	ral											
Is this an Amendment to existing Order? Xes No If "Yes", please include the appropriate Order No. <u>PLC-149-D</u> Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling Yes No													
· · ·	(A) POC	L COMMINGLIN	G										
(A) POOL COMMINGLING Please attach sheets with the following information													
(1) Pool Names and Codes Gravities / BTU of Non-Commingled Production Production Calculated Gravities / BTU of Commingled Production Volumes Production													
See Attachment No. 1	Attachment No. 1	Attachment No. 1		Attachment No. 1	Attachment								
8 gas pools &					No. 1								
7 oil pools													
- Phylodia Contraction and a second				· · ·									
 (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. See Attachment No. 5 (4) Measurement type: ☑Metering ☑ Other (Specify) See Attachment No. 1 (5) Will commingling decrease the value of production? ☐Yes ☑No If "yes", describe why commingling should be approved 													
· ·	(B) LEA	SE COMMINGLIN	G										
	()	s with the following in	-										
(1) Pool Name and Code.													
(2) Is all production from same source of s			—		٠.								
(3) Has all interest owners been notified by		posed commingling?	□Yes □N	0	·								
(4) Measurement type: Metering	J Other (Specify)												

(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

Is all production from same source of supply? □Yes □No (1)Include proof of notice to all interest owners. (2)

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

A schematic diagram of facility, including legal location. See Attachment No. 2 (1)

A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 2 (2)

Lease Names, Lease and Well Numbers, and API Numbers. Attachment No. 3 (3)

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

hun D. Roc

SIGNATURE:

TITLE: Engineering Manager

DATE: <u>April 11, 2012</u>

TYPE OR PRINT NAME John D. Roe

E-MAIL ADDRESS: johnroe@duganproduction.com

TELEPHONE NO .: 505-325-1821

ATTACHMENT NO. 1 PRODUCTION SUMMARY WELLS CONNECTED TO DUGAN PRODUCTION'S GOODTIMES GAS GATHERING SYSTEM

AVERAGE BTU	WE	LLS OR	POOL PRO	DUCTION	AVERAGE	PRODUCTION	PEAK	RATE
NONCOMMINGLED	COMPL	ETIONS _0	ALL WE	ELLS Ø	PER	WELL Ø	PER V	VELL Ø
PRODUCTION	TOTAL	ACTIVE	MCFD	BC/BOPD	MCFD	BC/BOPD	MCFD	BC/BOPD
1385	10	6				0.1		0.4
1048	75	40	854.8	0	21.5	0	139.5	0
1124	1	0	0	0	0	0	0	0
1061	1	1				0		0
1057	9	4		0		0		0
1027	2	2	39.1	0	20.0	0	37.2	0
1020	4	0	0	0	0	0	0	0
1150	1	0	0	0	0	0	0	0
1057	103	53	979.1	0.6	18.5	0	. 139.5	0.4
······								
·····								
		89						
		2	17.8	4.5				
	. 2	0	0	0				~
	4	4						
1556	5	5	19.1	1.7	3.8	0.3	6.4	
1408	1	1	0	1.4	0	1.4	0	
1494	147	131	682.2	208.6	5.2	1.6	18.6	6.5
4224	250		1661 2	200.2	0.01		120 5	6.5
	NONCOMMINGLED PRODUCTION 1385 1048 1124 1061 1057 1027 1020 1150 1057 1057 1057 1057 1498 1492 1519 1350 1453 1556 1408	NONCOMMINGLED PRODUCTION COMPL TOTAL 1385 10 1048 75 1124 1 1061 1 1057 9 1027 2 1020 4 1150 1 1057 103 1057 103 1150 1 1057 103 1150 1 1057 103 1150 1 1057 103 1150 1 1057 103 1150 1 1057 103 1150 1 1150 1 11519 3 1350 2 1453 4 1556 5 1408 1 1494 147	NONCOMMINGLED PRODUCTION COMPLETIONS @ TOTAL 1385 10 6 1048 75 40 1124 1 0 1061 1 1 1057 9 4 1020 4 0 1150 1 0 1057 103 53 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 1150 1 0 11519 3 2 1350 2 0 1453 4 4 1556 5 5 1408	NONCOMMINGLED PRODUCTION COMPLETIONS ALL WE TOTAL ACTIVE MCFD 1385 10 6 28.4 1048 75 40 854.8 1124 1 0 0 1061 1 1 1.6 1057 9 4 55.2 1027 2 2 39.1 1020 4 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 1150 1 0 0 11519 3 2 17.8 1350 2 0 0	NONCOMMINGLED PRODUCTION COMPLETIONS ALL WELLS All WELL	NONCOMMINGLED PRODUCTION COMPLETIONS ALL WELLS PER 1385 10 6 28.4 0.6 4.7 1048 75 40 854.8 0 21.5 1124 1 0 0 0 0 1061 1 1 1.6 0 1.6 1057 9 4 55.2 0 13.8 1027 2 2 39.1 0 20.0 1020 4 0 0 0 0 1150 1 0 0 0 0 1027 2 239.1 0 20.0 1057 103 53 979.1 0.6 18.5 1498 38 30 188.4 45.8 6.3 1492 94 89 420.2 144.0 4.7 1519 3 2 17.8 4.5 8.9 1350 2 0	NONCOMMINGLED PRODUCTION COMPLETIONS ALL WELLS PER WELL P	NONCOMMINGLED PRODUCTION COMPLETIONS Ø ALL WELLS Ø PER WELL Ø PER V 1385 10 6 28.4 0.6 4.7 0.1 7.7 1048 75 40 854.8 0 21.5 0 139.5 1124 1 0 0 0 0 0 0 1061 1 1 1.6 0 1.6 0 1.6 1057 9 4 55.2 0 138.8 0 29.1 1020 4 0 0 0 0 0 0 1150 1 0 0 0 0 0 0 1057 93 53 979.1 0.6 18.5 0 139.5 1020 4 0 0 0 0 0 0 1150 1 0 0 0 0 0 0 0 <t< td=""></t<>

Calculated BTU of commingled production = 1234 btu/scf (Average CDP BTU December, 2011 =1156 btu/scf & January, 2012 =1152 btu scf)

Calculated value of commingled production- commingling is necessary to get the gas produced from low volume wells to a gas sales meter. All CDP gas volumes and revenues will be allocated to each well contributing to production using allocation factors based upon individual well gas volumes and gas heating values. Each well will be equipped with an allocation meter or an approved method of alternative measurement. Allocation procedures previously approved (Attachment No. 6) will be used for all wells. During December, 2011 & January, 2012, of the 250 wells that have been approved for the Goodtimes Gas Gathering System, 184 were active (53 gas & 131 oil wells) and produced an average of 1,661.3 mcfd plus 209.2 bbl of oil and condensate per day. The average per well production for the 53 gas wells was 18.5 mcfd and for the 131 oil wells, 1.6 BOPD and 5.2 mcfd.

Notes:

① - Wells as of 2/1/12

@- Average production December, 2011 & January, 2012. BC/BOPD = barrels of condensate or oil per day.

Page 1 of 2

ATTACHMENT NO. 1 CDP GAS SALES SUMMARY GOODTIMES GAS GATHERING SYSTEM

	2010 -	mcf @ 14	.73 psi		2011 r	.73 psi	
	CDP 1	CDP 2	TOTAL		CDP 1	CDP 2	TOTAL
JANUARY	7610	12686	20296		12139	12761	24900
FEBRUARY	7414	10756	18170		8556	16544	25100
MARCH	7821	14138	21959		12105	24193	36298
APRIL	8773	16590	25363		13045	18738	31783
MAY	12244	16261	28505		13122	20455	33577
JUNE	12032	14528	26560		13305	22311	35616
JULY	11993	16081	28074	٦	8659	24945	33604
AUGUST	11811	19533	31344	٦	14031	22030	36061
SEPTEMBER	12974	17809	30783		14194	17707	31901
OCTOBER	13677	12320	25997		15209	17373	32582
NOVEMBER	8256	22921	31177		18266	10528	28794
DECEMBER	13262	19390	32652		16957	16030	32987
TOTAL	127867	193013	320880		159588	223615	383203
Average mcfd	350	529	879		448	618	1066

Central Delivery Gas Sales Meter No. 1 (CDP 1) - Elm Ridge Resources Meter No. 31103 located SESE 22, T-24N, R-8W

Central Delivery Gas Sales Meter No. 2 (CDP 2) - Enterprise Field Services Meter No. 97228 located SENE 12, T-24N, R-10W





1966

AMS 4456 III NW-SERIES V881



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AMS 4456 IV SE-SERIES V881



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ATTACHMENT NO. 3 DUGAN PRODUCTION CORP. GOODTIMES GAS GATHERING SYSTEM (4/11/12) CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

SAN JUAN COUNTT, NEW MEXICO					<u> </u>		Communitization						rent Ave	•		Date	s for SC (OLM & S	 D
	MAP	API#		Well	Location		Agreement No.	1	Completion	Current	BTU @	•	0		Spacing			APPROVA	
Well Name		30-045	1/4 1/4	Sec-Twn-Rng	Lease No.	Lease Type	(If Established)	Pool	Date	Status O	15.025	BPD	MCED	BWPD	Unit	Application	BLM	1	NMSLO
WELLSTO BE ADDED (10 WELLS/LO		the New Jonator of and State States		Sec-Twiering								A COLOR				success a second			
Holly Com 90		NS) 117 35279	SWSW	16-24N-9W	V8491	ST	STATE CA	BASIN FRUITLAND COAL	9/28/11	Note 4	1020	0	2.0	29.4	S/2		pending	pending	pending
Sanchez O'Brien 90S	3	35146	SWNW	6-24N-9W	NM97108	FED	JINIL ON	BASIN FRUITLAND COAL	2/7/11	Note 4	1043	<u> </u>	2.3	23.7	W/2	<u>├──</u>	pending	pending	
Sixteen G's 90S	3	35143	NWNW	7-24N-9W	NM25433	FED		BASIN FRUITLAND COAL	2/16/11	Note 4	1028	0	27.9	34.2	N/2		pending	pending	-
Sixteen G's Com 91	3	35144	SWSW	7-24N-9W	NM25433	FED	NMNM112629	BASIN FRUITLAND COAL	3/25/11	Note 4	1021	0	7.1	131.5	S/2		pending		pending
Sixteen G's Com 91S	3	35145	SWSE	7-24N-9W	NM45207	FED	NMNM112629	BASIN FRUITLAND COAL	3/22/11	Note 4	1021	0	3.7	45.8	S/2		pending	pending	
Mary Anne 3 Note 6	3	25050	NWSW	9-24N-9W	NM10089	FED		BASIN FRUITLAND COAL	12/28/09	Note 4	1037	0	13.8	133.6	W/2		pending	pending	*
Encana Escrito P16-2409 1H	3	35313	SESE	16-24N-9W	V8941	ST	<u> </u>	BISTI LOWER GALLUP		Note 9				1.00.0	S/2		pending	pending	≝
Encana Escrito 124-2409 1H	5	35322	NESE	24-24N-9W	SF078860	FED		BISTI LOWER GALLUP		LOC B			<u> </u>		S/2		pending	ter and the second s	×ــــــــــــــــــــــــــــــــــــ
Encana Good Times A06-2310 1H	1	35319	NENE	6-23N-10W	NM32124	FED		SOUTH BISTI GALLUP		LOC B	h			}	Note 7		pending	pending	فرخت وحضاليك
Encana Good Times P32-2410 1H		· 35315	SESE	32-24N-10W	V1509	ST		SOUTH BISTI GALLUP		Note 9					Note 8		pending		pending
		and the local second second second second second	10 C	Inter 76 and starting of the Local and starting							A Marine	ANE SE						TOWNER!	
WELLS PREVIOUSLY APPROVED F								CUERVO GALLUP	11/3/75	PA 11/19/07		a terz kulta		enie Panie i A		6-22-98	9 12 00	112 4 00	17 20 00
Adobe A 1	5	21872	SE NW	29-24N-8W	SF078868	FED FED		BASIN FR COAL	9/11/96		1065	0.0	10.4	25.8	E/2	6-22-98	8-12-99		7-20-98
Angel's Gate 90	5	29394	SW NE	21-24N-8W	NM93774			BASIN PR COAL BASIN DAKOTA	3/27/80	TA 5/96	1005	0.0	10.4	25.0	W/2	1-16-84	8-12-99	12-4-98	7-20-98
April Surprise 2 DK	3	23892	NW SW	30-24N-9W	NM4958	FED		BISTI LOWER GA	5/23/96	P	1482	2.1	12.3	0.7	N/2 SW/4	6-22-98	1-18-84	A	A
April Surprise 2 GA	3	23892	NW SW	30-24N-9W	NM4958	FED FED	<u> </u>	BISTI LOWER GA	8/19/82		1482	1.0	5.3	0.7	N/2 NW/4	1-16-84	8-12-99 1-18-84	12-4-98	7-20-98
April Surprise 3	3	25122	NW NW	19-24N-9W	NM4958 NM4958	FED	NMA0006	BASIN DAKOTA	12/16/82	P-DHC	1634	0.2	6.7	0.0	S/2	1-16-84	1-18-84	A	A
April Surprise 4 DK		25487	NW SW	19-24N-9W	NM4958	FED FED	NMAUUUB	BISTI LOWER GA	12/16/82	P-DHC	1482	0.2	1.3	0.0	N/2 SW/4	1-16-84	1-10-04	A	
April Surprise 4 GA	3	25487 25947	NW SW NW NE	19-24N-9W 7-23N-9W	NM4958	FED	<u>├</u>	BISTI GALLUP SO.	7/9/84	P	1546	0.0	0.4	1.0	W/2 NE/4	7-1-85	7-11-85		A
April Surprise 5	4	25947	SENE	7-23N-9W	NM4958	FED		BISTI GALLUP SO.	11/13/85	'	1546	0.9	3.5	2.6	E/2 NE/4	11-12-85	11-21-85		
April Surprise 7	3	29293	NW NE	31-24N-9W	NM4958	FED	<u> </u>	BISTI LOWER GA	4/18/96		1482	2.3	10.8	0.7	W/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 8	3	29293	SE SE	30-24N-9W	NM4958	FED	<u> </u>	BISTI LOWER GA	3/4/97	<u> </u>	1482	2.8	6.3	1.0	S/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 9	3	33101	NW SE	31-24N-9W	NM4958	FED	·	BISTI GALLUP SO.	12/27/05	P	1546	3.5	8.6	0.3	W/2 SE/4	6-22-98	8-12-99	+	7-20-98
April Surprise 90	3	29188	NWSW	19-24N-9W	NM4958	FED	· · · · · · · · · · · · · · · · · · ·	BASIN FR COAL	6/19/96	P	1027	0.0	3.3	10.3	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Arviso 1	5	33943	NWSW	5-24N-8W	NM97837	FED	f	POTWIN PC	2/1/07	Р	1048	0.0	3.1	0.0	SW/4	9-24-07		11-21-07	
August 1	3	26520	SWSW	35-24N-10W	NM43443	FED	<u> </u>	BISTI GALLUP SO.	10/22/85	P	1420	0.8	4.3	2.1	W/2 SW/4	11-12-85	11-21-85		A
August 90	3	20184	NWSW	35-24N-10W	NM43443	FED		BASIN FR COAL	11/28/94	P	1039	0.0	2.5	0.1	W/2	6-22-98	8-12-99		7-20-98
Big Eight 1	3	21996	NW SW	8-24N-9W	NM25440	FED		BISTI LOWER GA	5/14/76	P	1573		8.5	0.7	NW/4 SW/4	12-5-86	12-6-86	A A	A
Big Eight 1E	3	25221	SW SE	8-24N-9W	NM25440	FED		BISTI LOWER GA	7/20/82	P	1573		2.0	0.3	S/2 SE/4	12-5-86	12-5-86	Â	A
Big Yazzie 1	3	33149	NWNE	6-23N-9W	NOG-0502-1715	NAV ALLTD		BISTI GALLUP SO.	1/13/06	P	1585	3.8	3.1	0.7	W/2 NE/4	9-24-07	_	11-21-07	
Billary 90	5	30248	SWSW	31-25N-8W	NM-56311	FED		BASIN FR COAL	6/24/05	P	1020	0.0	2.6	1.4	W/2	7-23-03	-	8-17-03	
Bitsili 1	3	33186	SWNE	19-24N-9W	NOG-0103-1462	NAV ALLTD		BISTI LOWER GA	1/30/06	P	1459	1.4	7.9	0.6	S/2 NE/4	9-24-07		11-21-07	
Bitsili Com 90	3	33187	SWNE	19-24N-9W	NOG-0103-1462	NAV ALLTD		BASIN FR COAL	11/21/05	P	1015	0.0	25.3	10.3	E/2	9-24-07		11-21-07	
Bitsili Com 90S	3		SE	19-24N-9W	NM24661	FED	NMNM112708	BASIN FR COAL	[LOC		*	*	+	E/2	9-24-07		11-21-07	
Blanco Wash 1 MA/DK	3	22473	NW SE	2-24N-9W	142006031404	NAV ALLTD		WHITE WASH MA/DK	3/25/78	P-DHC	1556	0.2	3.6	0.2	NW/4 SE/4	12-5-86	12-5-86		A
Blanco Wash 1 MV	3	22473	NW SE	2-24N-9W	142006031404	NAV ALLTD		WHITE WASH MV	5/3/96	P-DHC	1556	1.4	0.0	1.6	NW/4 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Blanco Wash 2 FR	3	22482	SE NW	2-24N-9W	142006031403	NAV ALLTD		BASIN FR COAL	9/20/87	PA 11/15/96					N/2	12-5-86	12-5-86	A	A
Blanco Wash 2 PC	3	22482	SE NW	2-24N-9W	142006031403	NAV ALLTD	the state of the s	POTWIN PC	9/20/87	PA 11/15/96					NW/4	12-5-86	12-5-86	A	A
Blanco Wash 3	3	22939	NW SE	2-24N-9W	142006031406	NAV ALLTD		BASIN FR COAL/UNDES PC	9/18/97	PA 3/20/92					S/2	12-5-86	12-5-86	A	A
Blanco Wash 4	3	22938	NE NE	2-24N-9W	142006031405	NAV ALLTD		WHITE WASH MA/DK	4/20/78	Р	1556	0.4	2.8	1.3	NE/4 NE/4	12-5-86	12-5-86	A	A
Blanco Wash 5	5	22937	NW SW	1-24N-9W	142006031402	NAV ALLTD		WHITE WASH MA/DK	5/22/78	Р	1556	1.1	6.4	1.0	NW/4 SW/4	12-5-86	12-5-86	A	A
Blanco Wash 7	3	22940	SWNW	11-24N-9W	142006031408	NAV ALLTD		UNDES. FR & PC	10/20/78	PA 4/28/89					NW/4	12-5-86	12-5-86	A	A
Bowers 1	5	25486	NE NE	17-24N-8W	NM26047	FED		POTWIN PC	6/12/85	Р	1046	0.0	29.1	0.0	NE/4	12-5-86	12-5-86	A	A
Bowers 90	5	29194	SW SE	17-24N-8W	NM26047	FED		BASIN FR COAL	4/10/95	PA 12/4/01					S/2	6-22-98	8-12-99	12-4-98	7-20-98
Bowers 91	5	31408	SW NE	17-24N-8W	NM-26047	FED		BASIN FR COAL	7/22/03	P P	1046	0.0	15.3	5.2	N/2	7-23-03	8-29-03	8-17-03	7-30-03

Page 1 of 7

ATTACHMENT NO. 3

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DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (4/11/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

SAN JUAN COUNTY, NEW MEXICO			[·····					T T	[Cur	rent Ave	rage	1				
	1 1						Communitization		1	ł		F	Productio	n		Date	es for SC,	OLM & S	3
	MAP	API#		We	I Location		Agreement No.		Completion	Current	BTU @		Ø		Spacing			APPROVA	<u></u>
Well Name	# [30-045	1/4 1/4	Sec-Twn-Rng	Lease No.	Lease Type	(If Established)	Pool	Date	Status ①	15.025	BPD	MCFD	BWPD	Unit	Application	BLM	NMOCD	NMSLO
Bowers 91S	5	31723	NE NW	17-24N-8W	NM-26047	FED		BASIN FR COAL	11/25/03	Р	1046	0.0	139.5	17.4	N/2	7-23-03	8-29-03	8-17-03	7-30-03
Bright Angel 1	5	25035	NW SW	27-24N-8W	NOOC14204312	NAV ALLTD		LYBROOK GALLUP	7/25/81	Р	1439	1.3	7.0	8.0	NW/4 SW/4	12-5-86	12-5-86	A	A
Bronze Medal 1	1	26435	NW NW	3-23N-10W	NOOC14207307	NAV ALLTD		BISTI GALLUP SO.	10/3/85	P	1379	1.0	3.6	0.7	N/2 NW/4	7-1-85	7-11-85	A	A
Bronze Medal 2	1	26925	SW NW	3-23N-10W	NOOC14207307	NAV ALLTD		BISTI GALLUP SO.	1/13/89	Р	1379	0.8	4.2	0.7	S/2 NW/4	9-6-88	9-27-88	A	A
Buddha Temple 1	5	26752	NE SE	30-24N-8W	NM54980	FED		POTWIN PC	6/10/87	PA 7/1/04					SE/4	12-5-86	12-5-86	A	A
Buddha Temple 90	5	29239	NE NE	30-24N-8W	NM54980	FED	NMNM94042	BASIN FR COAL	5/31/95	Р	1150	0.0	76.9	10.3	N/2	6-22-98	8-12-99	12-4-98	7-20-98
Bumble 2	5	25163	NW NW	27-24N-8W	NOOC14204311	NAV ALLTD		CUERVO MESAVERDE	11/12/81	PA 5/14/90					NW/4 NW/4	12-5-86	12-5-86	A	A
Calgary 2	11	26821	SW NE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	2/5/88	Р	1454	1.5	4.3	0.9	W/2 NE/4	2-5-88	2-19-88	A	A
Calgary 3	111	27404	NE NW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	8/17/89	P	1454	0.9	4.5	2.7	E/2 NW/4	1-17-90	2-12-90	A	A
Calgary 4	11	27418	SWNW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	11/28/89	P	1454	1.1	9.3	0.1	W/2 NW/4	1-17-90	2-12-90	A	A
Calgary 5	11	27405	NE SE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	8/8/89	P	1454	2.2	8.8	0.5	E/2 SE/4	1-17-90	2-12-90	A	A
Calgary 6	1	27822	NE SW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	11/2/90	Р	1454	1.8	4.8	0.4	E/2 SW/4	6-15-90	6-27-90	A	A
Calgary 7	1	28639	SW SE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	1/24/92	Р	1454	1.8	2.0	0.1	W/2 SE/4	1-23-92	1-31-92	A	A
Calgary 8	1	28638	SW SW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	1/21/92	Р	1454	1.7	2.2	0.9	W/2 SW/4	1-23-92	1-31-92	A	A
Calgary 88	1	26784	NE NE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	7/9/87	P	1454	1.8	4.9	0.9	E/2 NE/4	6-11-87	6-16-87	A	A
Chaco 3	5	22472	SE NW	1-24N-9W	NM2337	FED		WHITE WASH MA/DK	4/4/78	P	1550	0.0	4.3	0.0	SE/4 NW/4	12-5-86	12-5-86	A	A
Chaco 5	5	32272	SESE	6-24N-8W	NM2337	FED		POTWIN PC	6/8/05	Р	1031	0.0	22.2	21.8	SE/4	9-24-07	12-13-07	11-21-07	11-7-07
Chaco 90	5	32273	SE NW	6-24N-8W	NM-2337	FED		BASIN FR COAL	6/13/05	<u> </u>	1031	0.0	3.9	6.6	N/2	7-23-03	8-29-03	8-17-03	7-30-03
Champ 1	1	26891	NE NW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	6/24/88	Р	1462	0.8	6.8	0.1	N/2 NW/4	9-6-88	9-27-88	A	A
Champ 2	1	26892	SW NW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	9/24/88	P	1462	3.8	4.8	4.3	S/2 NW/4	9-6-88	9-27-88	A	A
Champ 3	1	26890	NE NE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	9/29/88	Р	1462	2.8	5.0	8.6	N/2 NE/4	9-6-88	9-27-88	A	A
Champ 4	1	26945	SW NE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	10/3/88	P	1462	2.4	6.0	8.6	S/2 NE/4	9-6-88	9-27-88	A	A
Champ 5	1	27145	NE SE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	12/27/88	P	1462	3.1	6.8	1.5	N/2 SE/4	5-30-89	7-31-89	A	A
Champ 6	1	27146	SW SE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	4/25/89	P	1462	3.0	5.3	0.1	S/2 SE/4	5-30-89	7-31-89	Α	A
Champ 7	1	28241	NE SW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	5/8/91	P	1462	0.6	5.6	6.0	N/2 SW/4 -	1-23-92	1-31-92	A	A
Champ 8	1	28637	SW SW	5-23N-10W	NM42059	FED	l	BISTI GALLUP SO.	9/19/94	<u>Р</u>	1462	3.4	6.2	1.5	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Champ 9	3	29287	SW SE	1-23N-10W	NM42059	FED_		BISTI GALLUP SO.	4/3/96	P	1462	2.8	6.6	1.0	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Champ 10	3		NE SE	1-23N-10W	NM42059	FED		BISTI GALLUP SO.	6/13/05	LOC		*	*	*	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
December Dream 1	4	25862	NE NW	7-23N-9W	NM19816	FED		BISTI GALLUP SO.	1/19/84	<u>Р</u>	1565	0.9	6.1	0.1	<u>N/2 NW/4</u>	7-1-85	7-11-85	A	A
December Dream 2	4	29360	SW NW	7-23N-9W	NM19816	FED_		BISTI GALLUP SO.	8/15/96	<u>Р</u>	1565	1.2	5.3	0.3	S/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
December Dream 3	4	29408	NE SW	7-23N-9W	NM19816	FED		BISTI GALLUP SO.	3/11/97	P	1565	2.2	1.1	0.6	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Elwood P. Dowd 1	3	23502	SE SE	10-24N-9W	NM9520	FED		BASIN FR COAL	4/23/83	PA 12/27/01					SE/4	12-5-86	12-5-86	A	A
Elwood P. Dowd 2	3	24905	SE SE	10-24N-9W	NM9520	FED		WHITE WASH MA/DK	5/5/81	P	1550	0.0	2.0	3.0	SE/4 SE/4	12-5-86	12-5-86		A
Elwood P. Dowd Com 90	5	29634	SE SW	12-24N-9W	NM9520	FED	NMNM108341	BASIN FR COAL	5/4/09	Р	1061	0	18.3	16.0	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Elwood P. Dowd Com 90S	5	32271	SE NW	12-24N-9W	NM100303	FED	NMNM108341	BASIN FR COAL	5/6/09	P	1061	0	1.1	4.2	W/2	7-23-03	8-29-03	8-17-03	7-30-03
Fabulous Feb 1	3	25920	NW NW	31-24N-9W	NM51000	FED	L	BISTI LOWER GA	7/10/84	<u>Р</u>	1516	1.4	9.8	0.3	N/2 NW/4	7-1-85	7-11-85		A
Fairway 1	3	26182	SWSW	1-23N-10W	NM23470	FED .		BISTI GALLUP SO.	2/1/85	Р	1265	0.8	3.7	0.5	SW/4 SW/4	7-1-85	7-11-85	A	A
Flo-Jo 1	1	27463	NE NE	1-23N-11W	NM36952	FED	ļ	BISTI GALLUP SO.	11/22/89	P	1574	0.4	6.5	1.9	E/2 NE/4	1-17-90	2-12-90		A
Flo-Jo 2	1	27441	NE NW	1-23N-11W	NM36952	FED	<u> </u>	BISTI GALLUP SO.	4/23/90	P	1574	0.5	6.3	6.9	E/2 NW/4	1-17-90	2-12-90		A
Flo-Jo 4	1	28645	NE SE	1-23N-11W	NM36952	FED	 	BISTI GALLUP SO.	11/8/93	<u>Р</u>	1574	3.4	5.0	6.5	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Flo-Jo 5	1	29133	SW SE	1-23N-11W	NM36952	FED	<u> </u>	BISTI GALLUP SO.	11/1/94	<u>Р</u>	1574	0.7	0.2	0.5	W/2 SE/4	6-22-98	8-12-99		7-20-98
Flo-Jo 6	1	29288	NE SW	1-23N-11W	NM36952	FED	<u> </u>	BISTI GALLUP SO.	5/23/97	<u>Р</u>	1574	1.4	1.9	0.0	E/2 SW/4	6-22-98	8-12-99		7-20-98
Fio-Jo 7	2	29368	SWSW	1-23N-11W	NM36952	FED	L	BISTI GALLUP SO.	5/30/97	P	1574	1.1	4.4	0.0	W/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Gold Medal 1		26035	SE NE	34-24N-10W	NM22044	FED	ļ	BISTI GALLUP SO.	8/29/84	P	1444	1.8	9.1	1.9	E/2 NE/4	7-1-85	7-11-85		A
Gold Medal 2	1	26519	NE SW	33-24N-10W	NM22044	FED	ļ	BISTI GALLUP SO.	12/18/85	P	1444	0.9	3.9	0.3	N/2 SW/4	11-12-85	11-21-85	+	A
Gold Medal 3		26822	NE SE	31-24N-10W	NM22044	FED	<u> </u>	BISTI GALLUP SO.	1/16/88	P	1444	1.8	4.8	0.1	E/2 SE/4	2-5-88	2-19-88	A	A
Gold Medal 4	11	26779	SWSW	33-24N-10W	NM22044	FED	L	BISTI GALLUP SO.	7/25/87	Р	1444	0.8	4.0	0.0	S/2 SW/4	6-11-87	6-16-87	<u> </u>	A

ATTACHMENT NO. 3 DUGAN PRODUCTION CORP. GOODTIMES GAS GATHERING SYSTEM (4/11/12) CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

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SAN JUAN COUNTY, NEW MEXICO							Communitization						rent Aver Productio	•		Data	s for SC, (3
	MAP	API #	1	· \\/el	Location		Agreement No.		Completion	Current	BTU @	'	2		Spacing	Dale		APPROVA	
				T		Lines Trees	(If Established)	Pool	Date	Status ①	15.025	BPD	·····	BWPD	1 · ·	Anniliantian	BLM		
Well Name	$+\frac{\pi}{1}$	30-045 26823	SW SE	Sec-Twn-Rng	Lease No. NM22044	Lease Type FED	(IT Established)	BISTI GALLUP SO.	12/20/87	P	15.025	2.4	1.2	3.0	W/2 SE/4	Application 2-5-88	2-19-88		NMSLO
Gold Medal 6	$\frac{1}{1}$	26823	NE SW	31-24N-10W 31-24N-10W	NM22044 NM22044	FED	<u></u>	BISTI GALLUP SO.	1/12/88	P	1444	0.3	4.6	<u> </u>	E/2 SW/4	2-5-88	2-19-88	A	A
Gold Medal 7	$\frac{1}{1}$	27864	SWSW	31-24N-10W	NM22044	FED		BISTI GALLUP SO.	1/12/00	LOC		*	+.0	1.5	W/2 SW/4	6-15-90	6-27-90	A	TÂ
Harvey 2 DK	3	24420	SE NW	20-24N-9W	NM10755	FED		BASIN DAKOTA	6/6/81	P-DHC	1414	0.0	2.7	0.0	N/2	12-5-86	12-5-86	A	T A
Harvey 2 GA	3	24420	SE NW	20-24N-9W	NM10755	FED	<u> </u>	BISTI LOWER GA	11/8/96	P-DHC	1414	1.7	7.9	0.3	S/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Helsinki 52	2	27392	NE SW	9-23N-10W	NM36951	FED		BISTI GALLUP SO.	8/5/89	P	1724	0.9	5.7	2.6	E/2 SW/4	1-17-90	2-12-90	A	A
Holly 1 DK	3	25149	NW SW	16-24N-9W	LG1035	ST	·	BASIN DAKOTA	11/20/81	PA 2/15/05					S/2	12-5-86	12-5-86	Â	
Holly 1 GA	3	25149	NW SW	16-24N-9W	LG1035	ST		BISTI LOWER GA	8/5/82	PA 2/15/05					N/2 SW/4	12-5-86	12-5-86	Â	
Honeybee 1	3	20140	NESW	16-24N-9W	V-7918	STATE		BISTI LOWER GA		LOC A	<u>├</u>	*	+	*	N/2SW/4	9-24-07		11-21-07	
Hoss 1	2	29376	SE NE	11-23N-11W	NM96800	FED		BISTI GALLUP SO.	8/12/96	P P	1769	0.9	5.1	1.3	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Hoss Com 90 Note 12	2	31360	NE NE	11-23N-11W	NM-96800	FED	NMNM108255	BASIN FR COAL	05/19/03	Note 12		0.0	- <u>, ,</u> -	1.0	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Ivy League 1	3	26530	NE NE	17-24N-9W	NM45208	FED	1.111111100200	BISTI LOWER GA	7/4/86	P	1554	2.8	13.2	1.3	N/2 NE/4	12-5-86	12-5-86	A	A
January Jamboree 1	3	31229	NW SW	31-24N-9W	NM-91522	FED		BISTI GALLUP SO.	2/18/04	P	1493	3.3	10.2	0.8	N/2SW/4	7-23-03	8-29-03	8-17-03	7-30-03
Jim Thorpe 1		26587	SWINE	3-23N-10W	NOOC14205825	1		BISTI GALLUP SO.	12/21/85	P	1468	1.7	3.0	1.0	W/2 NE/4	11-12-85	11-21-85	A	A
July Jubilee 1 DK	3	25051	SWINE	30-24N-9W	NM24661	FED	SCR-161	BASIN DAKOTA	8/31/81	P-DHC	1225	0.4	7.7	0.1	E/2	1-16-84	1-18-84	Â	A
July Jubilee 1 GA	3	25051	SWINE	30-24N-9W	NM24661	FED		BISTI LOWER GA	8/31/81	P-DHC	1464	6.5	0.9	0.1	S/2 NE/4	1-16-84	1-18-84	Â	Â
July Jubilee 2	3	25123	NWNW	29-24N-9W	NM24661	FED		BISTI LOWER GA	8/25/82	P	1464	1.0	3.5	0.6	N/2 NW/4	1-16-84	1-18-84	A	A
July Jubilee 3	3	25904	NW SW	29-24N-9W	NM24661	FED		BISTI LOWER GA	7/19/84	PA 2/10/09					N/2 SW/4	4-25-86	4-30-86	A	A
June Joy 2 GA	3	23893	NW NE	25-24N-10W	NM5991	FED	<u> </u>	BISTI LOWER GA	4/21/80	P	1464	0.1	5.3	6.7	NW/4 NE/4	1-16-84	1-18-84	A	A
June Joy 2 DK	3	23893	NW NE	25-24N-10W	NM5991	FED		UNDES. DAKOTA	4/21/80	PA 5/2/86					NW/4 NE/4	1-16-84	1-18-84	A	A
June Joy 90	3	31585	SE NE	25-24N-10W	NM-5991	FED		BASIN FR COAL	05/19/03	Р	1026	0.0	10.6	7.7	E/2	7-23-03	8-39-04	8-17-03	7-30-03
Kaibab Trail 1	5	25034	SW SW	20-24N-8W	NOOC14204310	1		CUERVO GALLUP	7/25/81	Р	1485	2.0	11.4	0.9	SW/4 SW/4	12-5-86	12-5-86	A	Ā
Kaibab Trail 90	5	29393	SE SW	20-24N-8W	NOOC14204310	1	NMNM97673	BASIN FR COAL	9/5/96	P	1045	0.0	36.2	28.4	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Kaibab Trail Com 90S	5	31806	SE NW	20-24N-8W	NM-83507	FED.	NMNM97673	BASIN FR COAL	1/23/04	P	1038	0.0	24.5	5.2	W/2	7-23-03	8-29-03	8-17-03	7-30-03
Lake Placid 1	1	26628	NE SE	4-23N-10W	NOOC14207311	1		BISTI GALLUP SO.	1/20/86	• • • • • • • • • • • • • • • • • • •	- 1412	- 0.7	4.3	. 2.3	E/2 SE/4	11-12-85	11-21-85	A	A
Largo Federal B 1	3	05103	NE NE	22-24N-9W	SF078860	FED		BISTI LOWER GA	3/23/58	Р	1336	0.1	1.9	0.1	NE/4 NE/4	12-5-86	12-5-86	A	A
Largo Federal B 2	3	33173	NENW	22-24N-9W	SF078860	FED		BISTI LOWER GA	12/2/05	P	1336	2.0	18.6	0.1	N/2 NW/4	9-24-07	12-13-07	11-21-07	11-7-07
Largo Federal B 90	5	29428	NE NE	25-24N-9W	SF078860	FED		BASIN FR COAL	10/26/98	PA 1/17/02					E/2	6-22-98	8-12-99	12-4-98	7-20-98
Largo Federal B 91	5	31407	NE SE	24-24N-9W	SF-078860	FED		BASIN FR COAL	7/16/03	NC					S/2	7-23-03	8-29-03	8-17-03	7-30-03
Lava Fails 1	5	25164	NW SE	27-24N-8W	NOOC14204313			LYBROOK GALLUP	11/2/81	P	1399	2.6	10.5	0.3	NW/4 SE/4	12-5-86	12-5-86	A	A
Lee's Ferry 1	5	26408	NW SW	19-24N-8W	NM41650	FED		CUERVO GALLUP	12/6/85	P	1552	2.5	6.4	0.3	NW/4 SW/4	12-5-86	12-5-86	A	A
Lee's Ferry 90	5	29338	NW SE	19-24N-8W	NM41650	FED		BASIN FR COAL	4/30/96	NC					E/2	6-22-98	8-12-99	12-4-98	7-20-98
Louie Louie 1	4	26769	NW SW	8-23N-9W	NOG85051062	1		BISTI GALLUP SO.	6/26/87	Р	1505	3.2	8.7	0.0	W/2 SW/4	6-11-87	6-16-87	Ā	A
Luna 2	4	28522	NE NE	16-23N-9W	LG9801	ST		BISTI GALLUP SO.	5/22/91	P	1586	2.9	3.7	0.1	E/2 NE/4	1-23-92	1-31-92	A	A
Luna 3	4	29215	NE NW	16-23N-9W	LG9801	ST		BISTI GALLUP SO.	4/1/96	P	1586		6.2	0.3	E/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Marathon 1	1	26436	NE NE	4-23N-10W	NOOC14207308	I	ļ	BISTI GALLUP SO.	10/19/85	Р	1370	1.1	4.8	0.0	E/2 NE/4	7-1-85	7-11-85	Ā	A
Marathon 2	1	26927	SW NE	4-23N-10W	NOOC14207308	<u> </u>	ļ	BISTI GALLUP SO.	7/6/88	P	1370	1.0	1.7	0.0	W/2 NE/4	9-6-88	9-27-88	A	· A
March On 1	3	26997	SE NW	32-24N-9W	LG5685	ST	L	BISTI LOWER GA	9/13/88	P	1621	2.1	7.2	0.1	E/2 NW/4	9-6-88	9-27-88	<u> </u>	A
Mary Anne 1	3	05121	SWSW	9-24N-9W	NM10089	FED	L	BISTI LOWER GA	10/10/57	PA 10/1/04			ļ		S/2 SW/4	12-5-86	12-5-86	<u> </u>	A
Mary Anne 3 Note 6	3	25050	NW SW	9-24N-9W	NM10089	FED	<u> </u>	BISTI LOWER GA	8/24/83	PA 12/10/09					N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Mary Lou 1	1	26460	NE NE	32-24N-10W	V1509	ST	 	BISTI GALLUP SO.	10/9/85	Note 5					E/2 NE/4	11-12-85	11-21-85	<u>A</u>	A
Mary Lou 2	1	26497	SW NE	32-24N-10W	V1509	ST	<u> </u>	BISTI GALLUP SO.	10/14/85	P	1664	2.2	4.5	2.6	W/2 NE/4	11-12-85	11-21-85	<u>A</u>	<u> </u>
Mary Lou 3	1	26775	NE SE	32-24N-10W	V1509	ST	<u> </u>	BISTI GALLUP SO.	7/25/87	P	1664	3.0	7.4	1.7	E/2 SE/4	6-11-87	6-16-87	A	A
Mary Lou 4	1	26776	SW SE	32-24N-10W	V1509	ST	·····	BISTI GALLUP SO.	7/13/87	P P	1664	3.0	6.1	0.9	W/2 SE/4	6-11-87	6-16-87	<u> </u>	A
Mary Lou 5	11_	26813	NE SW	32-24N-10W	V1509	ST	 	BISTI GALLUP SO.	3/15/88		1664	1.7	5.6	1.3	E/2 SW/4	2-5-88	2-19-88	<u>A</u>	A
Mary Lou 6	1	26814	SWSW	32-24N-10W	V1509	ST	 	BISTI GALLUP SO.	3/14/88	+	1664	2.2	1.4	0.0	W/2 SW/4	2-5-88	2-19-88	<u>A</u>	A
Mary Lou 90 Note 12	11	28026	SWSW	32-24N-10W	V1509	ST	L	BASIN FR COAL	9/15/90	Note 12			Ĺ		S/2	1-23-92	1-31-92	A	A

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. ATTACHMENT NO. 3

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DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (4/11/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

							Communitization						rent Ave Productio			Date	s for SC.	OLM & S	0
Ì	MAP	API#		Wel	I Location	4	Agreement No.		Completion	Current	BTU @		Ø		Spacing		[APPROVA	
Well Name	#	30-045	Y4 Y4	Sec-Twn-Rng	Lease No.	Lease Type	(If Established)	Pool	Date	Status D	15.025	BPD	MCFD	BWPD	Unit	Application	BLM	NMOCD	NMSLO
Mary Lou 90S Note 12	1	31695	NW SE	32-24N-10W	V-1509	ST		BASIN FR COAL	10/2/03	Note 12					S/2	7-23-03	8-29-03	8-17-03	7-30-03
Mary Lou Com 91 Note 12	$\frac{1}{1}$	31694	SE NE	32-24N-10W	V-1509	ST	STATE CA	BASIN FR COAL	6/12/06	Note 12					N/2	7-23-03	8-29-03	8-17-03	7-30-03
Mary Lou Com 91S Note 12	$\frac{1}{1}$	31696	SE NW	32-24N-10W	V-1509	ST	STATE CA	BASIN FR COAL	10/3/03	Note 12					N/2	7-23-03	8-29-03		7-30-03
McDougall 2	2	28619	NE SE	9-23N-10W	NM51005	FED		BISTI GALLUP SO.	6/12/92	NC	1420	0.7	3.7	1.3	E/2 SE/4	6-22-98	8-12-99	_	7-20-98
Merry Chase 90	3	29650	SE SW	10-24N-9W	NM100302	FED		BASIN FR COAL	10/4/98	Р	1044	0.0	25.4	7.7	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Merry May 1 GA	3	24421	NE SE	24-24N-10W	NM25842	FED		BISTI LOWER GA	12/6/80	Р	1420	0.1	5.3	0.1	N/2 SE/4	1-16-84	1-18-84	A	A
Merry May 1 DK	3	24421	NE SE	24-24N-10W	NM25842	FED		BASIN DAKOTA	12/6/80	PA 9/12/86					S/2	1-16-84	1-18-84	A	A
Mesa 1	5	22055	SW NE	16-24N-8W	LG1917	ST		POTWIN PC	7/26/76	PA 9/18/97					NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Mesa 2	5	22483	NE NW	16-24N-8W	LG1917	ST		POTWIN PC	7/13/77	P	1104	0.0	0.8	0.0	NW/4	12-5-86	12-5-86	A	A
Mesa 3	5	22175	SW SE	16-24N-8W	LG1917	ST		POTWIN PC	12/7/76	PA 1/17/02					SE/4	12-5-86	12-5-86		A
Mesa 90	5	29159	SW SW	16-24N-8W	LG1917	ST		BASIN FR COAL	3/17/95	Р	1069	0.0	13.7	7.4	W/2	6-22-98	8-12-99		7-20-98
Mesa 90S	5	31382	SW NW	16-24N-8W	LG-1917	ST		BASIN FR COAL	4/23/03	Р	1069	0.0	10.0	5.3	W/2	7-23-03	8-29-03		7-30-03
Mesa 91	5	31210	SE SE	16-24N-8W	LG-1917	ST		BASIN FR COAL	01/17/03	Р	1069	0.0	21.8	19.7	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Mesa 91S	5	31383	SW NE	16-24N-8W	LG-1917	ST		BASIN FR COAL	04/21/03	Р	1069	0.0	12.7	5.5	• E/2	7-23-03	8-29-03	8-17-03	7-30-03
MF 1	3	24636	NW SW	18-24N-9W	NM16760	FED		BISTI LOWER GA	8/7/85	Р	1422	0.7	4.7	1.3	N/2 SW/4	1-16-84	1-18-84	A	A
MF 2	3	24995	SE SE	13-24N-10W	NM16760	FED		BASIN DAKOTA	6/11/81	Р	1290	0.0	2.0	0.0	S/2	1-16-84	1-18-84	A	A
MF 3 DK	3	25166	NE SE	14-24N-10W	NM16760	FED		BASIN DAKOTA	3/23/84	PA 9/1/92					S/2	1-16-84	1-18-84	A	A
MF 3 GA	3	25166	NE SE	14-24N-10W	NM16760	FED		BISTI LOWER GA	3/23/84	PA 9/1/92					S/2	1-16-84	1-18-84	A	A
MF 4	3	25165	SE NE	14-24N-10W	NM16760	FED	1	BISTI LOWER GA	5/1/82	P	1422	0.1	2.2	2.6	S/2 NE/4	1-16-84	1-18-84	A	A
Montreal 1	1	26627	NE NW	4-23N-10W	NOOC14207309	1		BISTI GALLUP SO.	1/28/86	Р	1392	1.4	4.7	0.0	E/2 NW/4	11-12-85	11-21-8	5 A	A
Montreal 2	1	26926	SW NW	4-23N-10W	NOOC14207309	1		BISTI GALLUP SO.	7/5/88	Р	1392	1.9	6.5	0.0	W/2 NW/4	9-6-88	9-27-88	A	A
Mountain 1	5	22000	NW SE	15-24N-8W	NM16589	FED		POTWIN PC	5/7/76	PA 3/30/90					SE/4	12-5-86	12-5-86	A .	A
Mo Valley 90	3	29549	SW SW	5-24N-9W	NM23742	FED	NMNM99383	BASIN FR COAL	4/15/98	Р	1042	0.0	3.1	21.1	S/2	6-22-98	8-12-99	12-4-98	7-20-98
Muddy Mudda 1 DK	3	25919	NW NW	21-24N-9W	NM36474	FED		BASIN DAKOTA	5/24/84	P-DHC	1220	0.0	2.0	0.0	N/2	12-5-86	12-5-86	A	A
Muddy Mudda 1 GA	3	25919	NW NW	21-24N-9W	NM36474	FED		BISTI LOWER GA	5/24/84	P-DHC	1420	0.1	1.0	. 0.1	N/2 NW/4	12-5-86	12-5-86	A	A
Muddy Mudda Com 90	3	31767	SE NW	21-24N-9W	NM-36474	FED	NMNM110514	BASIN FR COAL	1/22/04	Р	1027	0.0	5.3	10.3	W/2	7-23-03	8-29-03	8-17-03	7-30-03
November 24 1	3	29295	NE SE	27-24N-9W	NM12374	FED		BISTI LOWER GA	4/1/82	PA 1/31/05					N/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
November 24 2	3	28961	NW SW	28-24N-9W	NM12374	FED		BISTI LOWER GA	12/22/93	P	1469	1.6	10.2	0.1	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Ohwada 1	3	28981	SW SW	33-24N-9W	NM90843	FED	COM W/SF078862A	BISTI CHACRA	6/22/94	PA 7/24/98					sw/4	6-22-98	8-12-99	12-4-98	7-20-98
Ohwada 2	3	29112	NE NW	33-24N-9W	NM90843	FED		BISTI LOWER GA	9/14/94	P	1515	2.1	5.5	0.1	N/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Okie 1	5	22307	SE SE	8-24N-8W	NM19567	FED		BASIN FR COAL	2/10/94	<u>Р</u>	1053	0.0	2.4	1.0	S/2	12-5-86	12-5-86		A
Okie 2	5	22304	SE NW	8-24N-8W	NM19567	FED		BASIN FR COAL	10/28/96	Р	1053	0.0	18.8	25.8	N/2	6-22-98	8-12-99	12-4-98	7-20-98
Oktoberfest 1	3	26498	NE NE	36-24N-10W	LG9804	ST		BISTI GALLUP SO.	12/6/85	P	1460	1.6	7.9	1.9	E/2 NE/4	11-12-85	11-21-8	5 A	A
Oktoberfest Com 2	3	27343	NW SW	36-24N-10W	LG9804	ST	STATE CA	BISTI GALLUP SO.	5/10/89	P	1421	1.6	5.5	0.3	N/2 SW/4	5-30-89	7-31-89		A
Oison 1	4	26516	NE SE	11-23N-10W	NM42740	FED		BISTI GALLUP SO.	11/1/85	Р	1348	1.7	3.8	1.0	E/2 SE/4	11-12-85	11-21-8		A
Olympic 1	1	26007	NE SE	3-23N-10W	NM23744	FED		BISTI GALLUP SO.	2/14/85	Р	1393	1.3	4.3	2.6	E/2 SE/4	7-1-85	7-11-85	A	A
Olympic 2	1	26778	SW SE	3-23N-10W	NM23744	FED		BISTI GALLUP SO.	8/12/87	Р	1393	0.1	4.1	0.0	W/2 SE/4	6-11-87	6-16-87	A	A
Olympic 3	1	26811	NE SW	36-24N-10W	NM23744	FED		BISTI GALLUP SO.	2/13/88	Р	1393	0.9	1.0	0.0	E/2 SW/4	2-5-88	2-19-88	A	A
Olympic 4	1	26812	SW SW	3-23N-10W	NM23744	FED		BISTI GALLUP SO.	2/20/88	L	393	0.6	0.5	0.0	W/2 SW/4	2-5-88	2-19-88		A
Pac Ten 1	3	25917	SE SE	7-24N-9W	NM45207	FED		BISTI LOWER GA	6/30/84	P	1761	3.8	13.5	0.1	SE/4 SE/4	12-5-86	12-5-86		A
Par 1	4	28968	NE NE	11-23N-10W	NM86485	FED		BISTI GALLUP SO.	12/20/93	Р	1461	0.9	11.5	1.0	E/2 NE/4	6-22-98	8-12-99	+	7-20-98
Phantom Ranch 1	5	26409	SE NW	21-24N-8W	NM40643	FED		LYBROOK GALLUP	7/26/85	P	1490	3.0	9.7	0.9	SE/4 NW/4	12-5-86	12-5-86	A	A
Phillips 1 FR	3	26803	SE NE	5-24N-9W	NM30854	FED	NMNM104957	BASIN FR COAL	10/7/87	P - DHC	1061	0.0	5.9	2.5	N/2	6-22-98	8-12-99	12-4-98	7-20-98
Phillips 1 PC	3	26803	SE NE	5-24N-9W	NM30854	FED	NM015P3587C337	BISTI PC	10/7/87	P - DHC	1061	0.0	1.6	1.8	NE/4	6-22-98	8-12-99		7-20-98
Pierre 1	2	29237	NWNW	12-23N-11W	NM80498	FED		BISTI GALLUP SO.	9/22/95	P	1687	1.1	3.2	0.3	N/2 NW/4	6-22-98	8-12-99		7-20-98
Queen Nefertiti Com 90	5.	33178	NWSW	21-24N-8W	NOG-0103-1464	NAV ALLTD	NMNM112707	BASIN FR COAL	11/30/05	P	1084	0.0	4.7	2.3	W/2	9-24-07		11-21-07	
Ristra AGW State 1 Note 11	3	27561	NWSE	32-24N-9W	V-1360	STATE	L	BISTI LOWER GA	3/7/90	P	1577	3.2	8.6	0.1	N/2SE/4	9-24-07	12-13-07	11-21-07	11-7-07

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ATTACHMENT NO. 3 DUGAN PRODUCTION CORP. GOODTIMES GAS GATHERING SYSTEM (4/11/12) CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

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SAN JUAN COUNTT, NEW MEAICO									1				rent Ave	U			• .		
							Communitization					l i	Productio	n		Date	s for SC, (·····
	MAP	API #		Wel	Location	,	Agreement No.		Completion	Current	BTU @		<u> </u>		Spacing			APPROVA	<u> \L</u>
Well Name	#	30-045	1/4 1/4	Sec-Twn-Rng	Lease No.	Lease Type	(if Established)	Pool	Date	Status D	15.025	BPD	MCFD	BWPD	Unit	Application	BLM	NMOCD	NMSLO
Road Runner 1	1	27693	SW SE	36-24N-11W	V2364	ST		BISTI GALLUP SO.	6/3/91	Р	1562	0.3	4.5	0.3	W/2 SE/4	6-15-90	6-27-90	A	A
Road Runner 2	1	27694	NE SW	36-24N-11W	V2364	ST		BISTI GALLUP SO.	<u></u>	LOC		*	•	•	E/2 SW/4	6-15-90	6-27-90	Α	A
Road Runner 3	1	27695	SW SW	36-24N-11W	V2364	ST		BISTI GALLUP SO.		LOC		*	•	*	W/2 SW/4	6-15-90	6-27-90	A	A
Road Runner 90 Note 12	1	28027	NE SW	36-24N-11W	V2364	ST		BASIN FR COAL	7/30/97	Note 12		*	*	·	S/2	6-22-98	8-12-99	12-4-98	7-20-98
Rodeo Rosie Com 90 Note 12	1	29651	SE NE	29-24N-10W	NM15654	FED		BASIN FR COAL		Note 12					E/2	6-22-98	8-12-99	12-4-98	7-20-98
Sanchez O'Brien 90	3	29636	SW SW	6-24N-9W	NM97108	FED		BASIN FR COAL	10/26/98	<u>Р</u>	1043	0.0	3.3	48.9	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Sanchez O'Brien 91	3	30729	SW NE	6-24N-9W	NM-97108	FED		BASIN FR COAL	6/11/02	Р	1043	0.0	130.0	31.7	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Sanchez O'Brien 91S	3	31766	SE SE	6-24N-9W	NM-97108	FED		BASIN FR COAL	4/28/04	<u> </u>	1043	0.0	2.0	21.1	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Sapp 1	5	05095	NE NE	28-24N-8W	SF078868	FED		CUERVO MV	11/17/56	PA 4/25/07					NE/4 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Sapp 2	5	29243	SE NE	28-24N-8W	SF078868	FED		LYBROOK GALLUP	9/15/95	Р	1485	4.3	9.5	0.4	SE/4 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Sapp 90	5	29192	NW NE	29-24N-8W	SF078868	FED		BASIN FR COAL	11/3/94	P	1043	0.0	0.7	0.1	N/2	6-22-98	8-12-99	12-4-98	7-20-98
Sapp 91	5	29238	NE SW	29-24N-8W	SF078868	FED		BASIN FR COAL	5/31/95	Р	1043	0.0	8.8	1.0	S/2	6-22-98	8-12-99	12-4-98	7-20-98
Sapp 92	5	29290	NE SW	28-24N-8W	SF078868	FED		BASIN FR COAL	11/17/95	PA 1/17/02		-			S/2	6-22-98	8-12-99	12-4-98	7-20-98
Sapp 93	5	29289	SW NE	28-24N-8W	SF078868	FED		BASIN FR COAL	3/6/96	PA 1/17/02		-			N/2	6-22-98	8-12-99	12-4-98	7-20-98
Seoul 88	2	26630	NE NE	9-23N-10W	NOOC14207312	1 1		BISTI GALLUP SO.	2/10/86	P	1552	1.1	3.5	2.6	E/2 NE/4	6-22-98	11-21-85	A	A
September 15 DK	3	26518	NE NE	24-24N-10W	NM54983	FED	NMO15P3586C51	BASIN DAKOTA	3/8/86	P-DHC	1527	0.0	7.3	0.0	N/2	4-25-86	4-30-86	A	A
September 15 GA	3	26518	NE NE	24-24N-10W	NM54983	FED		BISTI LOWER GA	7/1/97	P-DHC	1527	0.8	2.5	0.1	N/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Sheba Temple 1	5	26802	NE SW	30-24N-8W	NM54981	FED		UNDES FR PC	10/21/87	PA 8/31/06			-		SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Silver Medal 1	1	26034	SW SW	27-24N-10W	NM21741	FED		BISTI GALLUP SO.	9/1/84	P	1533	0.5	0.3	0.1	W/2 SW/4	7-1-85	7-11-85	A	A
Sixteen G's 1	3	21995	SWNW	7-24N-9W	NM25433	FED		BISTI LOWER GA	8/7/76	P	1597	2.9	11.3	0.1	S/2 NW/4	12-5-86	12-5-86	A	A
Sixteen G's 3	3	24560	NE NW	7-24N-9W	NM25433	FED		BISTI LOWER GA	8/6/81	P	1597	1.0	9.8	1.9	N/2 NW/4	12-5-86	12-5-86	A	A
Sixteen G's 4	3	29440	NE SW	7-24N-9W	NM25433	FED		BISTI LOWER GA	6/20/97	P	1597	2.8	3.6	0.1	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Sixteen G's 90	3	29709	SW NE	7-24N-9W	NM25433	FED		BASIN FR COAL	10/6/99	P	1028	0.0	28.2	52.2	N/2	12-1-99	12-14-99	12-23-99	12-18-00
So Huerfano Federal 1X	3	5107	SW SW	15-24N-9W	SF078859	FED -	~	BISTI LOWER GA	09/57	PA 12/13/96					S/2 SW/4	12-5-86	12-5-86	A	A
Squash Blossom AFU State 1 Note 11	3	27053	SWSE	36-24N-10W	LG-5686	STATE		BISTI GALLUP SO.	10/31/88	NC	1420	0.1	4.0	-0.1	W/2SE/4	- 9-24-07	12-13-07	11-21-07	7 11-7-07
Squaw Valley 1	1	26629	NE SW	4-23N-10W	NOOC14207310	1		BISTI GALLUP SO.	2/6/86	P	1369	1.7	6.0	2.6	E/2 SW/4	11-12-85	11-21-85	A	A
Squaw Valley 2	1	26928	SWSW	4-23N-10W	NOOC14207310	1		BISTI GALLUP SO.	3/31/90	Р	1369	1.8	3.7	0.1	W/2 SW/4	6-15-90	6-27-90	A	A
St. Louis 12	2	26631	NE NW	9-23N-10W	NOOC14207313	1		BISTI GALLUP SO.	2/20/86	Р	1542	1.2	4.8	2.3	E/2 NW/4	11-12-85	11-21-85	A	A I
St. Moritz 1	3	28584	SWSW	26-24N-10W	NM78060	FED		BISTI GALLUP SO.	4/21/92	Р	1372	0.6	5.4	0.0	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Supai Point 1	5	28996	NE NE	20-24N-8W	NM83507	FED		BASIN FR COAL	1/7/94	Р	1070	0.0	14.3	0.7	E/2	6-22-98	8-12-99	12-4-98	7-20-98
Supai Point 91	5	29637	NW NE	20-24N-8W	NM83507	FED		BASIN FR COAL		LOC		*	*	*	E/2	6-22-98	8-12-99	12-4-98	7-20-98
Supai Point 92	5	31414	SW SE	18-24N-8W	NM-83507	FED		BASIN FR COAL	8/25/03	Р	1070	0.0	66.3	10.3	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Supai Point 92S	5.	31724	SE NE	18-24N-8W	NM-83507	FED	[BASIN FR COAL	11/24/03	P	1070	0.0	54.2	21.9	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Target 90 Note 12	1	29635	NE SW	20-24N-10W	NM43442	FED	[BASIN FR COAL		LOC		*	*	*	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Wac 1	3	25918	NWNW	17-24N-9W	NM36473	FED		BISTI LOWER GA	7/23/84	Р	1420	0.1	1.0	0.1	N/2 NW/4	12-5-86	12-5-86	A	A
Werito #1	4	33382	NWSE	8-23N-9W	NOG-0502-1714	NAV ALLTD	[BISTI GALLUP SO.	1/22/07	P	1462	4.0	8.8	1.3	W/2 SE/4	9-24-07	12-13-07	11-21-07	11-7-07
Witty 1	4	25677	SWSW	12-23N-10W	NM16762	FED]	WITTY SPRINGS PC	8/19/83	P	1027	0.0	37.2	6.5	SW/4	7-1-85	7-11-85	A	A
Witty 2	4	25981	SW NE	12-23N-10W	NM16762	FED		BISTI GALLUP SO.	7/11/84	P	1462	2.9	3.7	0.0	S/2 NE/4	7-1-85	7-11-85	A	A
Witty 3	4	26043	SWNW	12-23N-10W	NM16762	FED		BISTI GALLUP SO.	7/2/85	Р	1462	0.2	6.0	0.0	S/2 NW/4	7-1-85	7-11-85	A	A
Witty 4	4	26042	NE NW	12-23N-10W	NM16762	FED		BISTI GALLUP SO.	9/10/84	P	1462	2.9	1.6	0.0	N/2 NW/4	7-1-85	7-11-85	A	A
Witty 5	4	26545	NE NE	12-23N-10W	NM16762	FED		BISTI GALLUP SO.	11/5/85	P	1462	0.4	3.0	3.3	N/2 NE/4	11-12-85	11-21-85	A	A
Witty 6	4	26767	NE SW	12-23N-10W	NM16762	FED		BISTI GALLUP SO	8/25/87	Р	1462	0.2	3.6	1.7	E/2 SW/4	11-12-85	11-21-85	A	A
Wit's End 1	3	25677	SW SE	2-23N-10W	LH1896	ST		BISTI GALLUP SO.	6/22/85	Р	1537	2.4	4.6	0.8	S/2 SE/4	7-1-85	7-11-85	Α	A
Wit's End 2	3	25981	NE SE	2-23N-10W	LH1896	ST		BISTI GALLUP SO.	6/28/85	P	1537	2.0	5.2	0.6	N/2 SE/4	7-1-85	7-11-85	A	A
Wit's End 3	3	26043	NE SW	2-23N-10W	LH1896	ST_		BISTI GALLUP SO.	6/18/85	Р	1537	0.8	6.6	0.6	N/2 SW/4	7-1-85	7-11-85	A	A
Wit's End 4	3	26042	SW SW	2-23N-10W	LH1896	ST		BISTI GALLUP SO.	6/13/85	Р	1537	0.6	5.5	0.6	S/2 SW/4	7-1-85	7-11-85	A	A
Wit's End 6	3	31010	SE SE	2-23N-10W	LH-1896	ST	[WITTY SPRINGS PC	6/11/02	P	1028	0.0	1.9	13.6	SE/4	7-23-03	8-29-03	8-17-03	7-30-03

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ATTACHMENT NO. 3

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DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (4/11/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

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							Communitization					F	Productio	n	•	Date		OLM&S	
	MAP	API#		the second s	Location		Agreement No.	·	Completion	Current	BTU @		0		Spacing			APPROVA	
Well Name	. #	30-045	1/4 1/4	Sec-Twn-Rng	Lease No.	Lease Type	(If Established)	Pool	Date	Status ①	15.025	BPD	MCFD	BWPD	Unit	Application	BLM	NMOCD	INMSLC
WELLS OPERATED BY OTHERS	····	` <u> </u>		· · · · · · · · · · · · · · · · · · ·					· · · · · · · · · · · · · · · · · · ·		<u>,</u>		<u> </u>	• •					1
Location A	5		SW	5-24N-8W	NM-97837	FED		BASIN FR COAL		LOC	<u>↓</u>					7-23-03		8-17-03	
Location B	5		NE	6-24N-8W	NM-2337	FED		BASIN FR COAL		LOC	łł		<u> </u>			7-23-03		8-17-03	
Location C	5		NE	7-24N-8W	NM-2337	FED		BASIN FR COAL		LOC				*		7-23-03			7-30-03
Location D	5		NW	7-24N-8W	NM-19567	FED		BASIN FR COAL		LOC	h		*			7-23-03			
Location E	5		SE	7-24N-8W	NM-19567	FED		BASIN FR COAL		LOC			•	· ·		7-23-03			7-30-03
Location F	5		NE	8-24N-8W	NM-19567	FED		BASIN FR COAL		LOC		*	· ·	•		7-23-03			7-30-03
Location G	5		NW	8-24N-8W	NM-19567	FED		BASIN FR COAL		LOC		*	•			7-23-03			7-30-03
Location H	5		SW	8-24N-8W	NM-19567	FED		BASIN FR COAL		LOC		*	*	*		7-23-03			7-30-03
Location I	5		SE	9-24N-8W	NM-16589	FED		BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location J	5		SW	9-24N-8W	NM-16589	FED		BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location K	5		NW	15-24N-8W	NM-16589	FED		BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location L	5		SE	15-24N-8W	NM-16589	FED		BASIN FR COAL		LOC		*	*	•		7-23-03	8-29-03	8-17-03	7-30-03
Location M	5		SW	15-24N-8W	NM-16589	FED		BASIN FR COAL		LOC		*		•		7-23-03	8-29-03	8-17-03	7-30-03
Location N	5		SE	17-24N-8W	NM-26047	FED		BASIN FR COAL		LOC		*	•	•		7-23-03	8-29-03	8-17-03	7-30-03
Location O	5		SW	17-24N-8W	NM-26047	FED		BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location P	5		SE	19-24N-8W	NM-41650	FED		BASIN FR COAL		LOC		*	*	· · ·		7-23-03	8-29-03	8-17-03	7-30-03
Location Q	5		SE	20-24N-8W	NM-83507	FED		BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location R	5		NW	21-24N-8W	NM-83507	FED		BASIN FR COAL	1	LOC		*	+	•		7-23-03	8-29-03	8-17-03	7-30-03
Location S	5		NE	1-24N-9W	NM-2337	FED		BASIN FR COAL	T	LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location T	5		SE	12-24N-9W	NM-100303	FED		BASIN FR COAL	1 .	LOC		*	*	•	· · · · · · · · · · · · · · · · · · ·	7-23-03		8-17-03	
Location U	3	l	SW/4	9-24N-9W	NM10089	FED	··	BASIN FR COAL	1	Loc	1	*	*	*		9-24-07	12-13-07	11-21-07	11-7-07
Location V	3		SW/4	28-24N-9W	NM12374	FED		BASIN FR COAL		Loc		*	*	•		9-24-07	12-13-07	11-21-07	11-7-07
Questar E&P - Fed, D CDP (4 wells)	<u>† – – – – – – – – – – – – – – – – – – –</u>		NE NE	16-23N-9W	NM8005	FED			6/16/92	[6-22-98	8-12-99	12-4-98	7-20-98
Federal D 3	4	28455	SW SE	3-23N-9W	NM8005	FED		BISTI GALLUP SO.	7/22/91	P	1471	2.1	11.8	0.1	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Federal D 4	4	28376	NE NE	10-23N-9W	NM8005	FED		BISTI GALLUP SO.	7/11/91	P	1471	0.2	0.9	0.3	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Federal D 5	4	28456	SW NW	10-23N-9W	NM8005	FED	· · · · · · · · · · · · · · · · · · ·	BISTI GALLUP SO.	5/1/91	P	1471	2.9	1.0	0.5	W/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Federal D 6	4	28377	SW SW	10-23N-9W	NM8005	FED		BISTI GALLUP SO.	6/25/91	P	1471	2.7	1.1	0.5	S/2 SW/4	6-22-98	8-12-99	12-4-98	
WATER DISPOSAL WELLS	مصنصحه	L	<u> </u>					1			<u> </u>	<u> </u>	•	•					
Frazzle 1 SWD Note 10	11	33865	NE NW	30-24N-10W	NM15654	FED	1	ENTRADA SWD	2/9/07	SWD						1		<u> </u>	1
Herry Monster 3 SWD Note 10	1	33217	SE NW	11-24N-11W	NM17015	FED		ENTRADA SWD	11/14/05	SWD						1.	· · · · · ·	h	1
Mary Lou 1 SWD Note 10	1	26460	NE NE	32-24N-10W	V-1509	STATE	1	MESAVERDE SWD	9/23/03	SWD									1
Mesa 4 SWD Note 10	5	32086	NE SE	16-24N-8W	LG-1719	STATE		MESAVERDE SWD	6/12/04	SWD									1
Sanchez O'Brien 1 SWD Note 10	3	25298	NWSW	6-24N-9W	NM97108	FED		MESAVERDE SWD	12/5/97	SWD									
St. Moritz 2 SWD Note 10	3	35281	NW SE	26-24N-10W	NM78060	FED		ENTRADA SWD	Note 10	COMPL									<u></u>
Notes																			

Notes:

N/A = Not Applicable

NR = None Reported

1 - Status of completed interval 2/1/12

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

P-DHC = producing downhole commingled

PA = plugged & abandoned

TA = temporarily abandoned

SWD = Active water disposal well

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- 2 Production during December, 2011 & January, 2012. BPD = bbl of condensate or oil produced per day, MCFD = MCF of gas produced per day, BWPD = bbl of water per day.
 * = well not producing 2/1/12. For wells not completed, rates represent anticipated production: Basin Fruitland Coal = 150 mcfd + 150 BWPD and no oil or condensate. Bisti Lower Gallup & Bisti Gallup, South = 20 BOPD + 30 mcfd + 0.5 BWPD.
 Potwin Pictured Cliffs = 45 mcfd + 1.0 BWPD
- 3 Dates of application and approval for permission to use Dugan's Goodtimes Gas Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sales (S) of produced natural gas. (A) = Prior to 6/22/98, all applications solicited only BLM approval with the NMOCD and NMSLO receiving informational copies. The NMOCD initially considered the allocation meters to meet the OCD requirements for measurement on lease and prior to commingling. The application dated 6-22-98 did solicit NMOCD and NMSLO approvals for surface commingling and off-lease measurement, not only for the wells being added to the gathering system, but also all wells currently on the system. The 6/22/98 application was approved by the NMOCD on 12/4/98 and the NMSLO on 7/20/98. The wells operated by Questar E&P did have BLM approval for off-lease measurement at the Federal D CDP (allocation meter) located in NE NE 16, T-23N, R-9W, obtained by application dated 4/15/92 and submitted by BCO, Inc. The current NMOCD approval is under Order PLC-149-D dated 11/21/07.

	Date of	Cumula	tive Pr	oduction 1-1-12
4 - Well Name	1st Delivery	MCF	BO	BW
Holly Com 90	11/1/11	72	0	1,150
Sanchez O'Brien 90S	2/24/11	1,341	0	14,283
Sixteen G's 90S	3/23/11	8,918	0	19,202
Sixteen G's 91	4/11/11	2,086	0	22,200
Sixteen G's 91S	4/4/11	1,422	0	20,359
Mary Anne 3	11/7/10	4,516	0	45,634
Total		18,355	0	122,828

5 - Mary Lou #1 converted to Mesaverde water disposal on 9-23-03 under NMOCD Order SWD-884-B. Gallup completion plugged & abandoned 9/2/03.

6 - Mary Anne #3 plugged back from Bisti Lower Gallup 12/10/09 and completed in Basin Eruitland Coal 12/28/09.

- 7 Encana's Good Times A06-2310 #1H has a 636.72A spacing unit comprising all of Section 6,)T-23N, R-10W. This same acreage is also dedicated to Dugan Production's Calgary wells No. 2 thru 8 and Calgary No. 88 (8 wells @ ±80A each), which will require simultaneous dedication for Encana's well and Dugan's eight wells.
- 8 Encana's Good Times P32-2410 #1H has a 320A spacing unit comprising the S/2 of Section 32, T-24N, R-10W. This same acreage is also dedicated to Dugan Production's Mary Lou wells No. 3, 4, 5, & 6, each having a 80A spacing unit which will require a simultaneous dedication for Encana's well and Dugan's four wells.

9 - Encana's Good Times P32-2410 #1H was spudded 2/9/12 and is currently being compted as a horizontal completion in the South Bisti Gallup oil pool. Encana's Escrito P16-2409 #1H was spudded 3/4/12 and is currently being drilled.

10 - Water Disposal Wells

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	NMOCD SWD Order		
Well	Number	Date	SWD Order Amendments/Corrections
1 Frazzle 1 SWD	SWD-1048-0	10/4/06	-
2 Herry Monster 3 SWD	SWD-994-0	9/22/05	
3 Mary Lou 1 SWD	SWD-884-0	7/10/03	SWD-884-A (1/6/04), SWD-884-B (2/8/06)
4 Mesa 4 SWD	SWD-918-0	3/17/04	
5 Sanchez O'Brien 1 SWD	SWD-694-0	2/23/98	IPI 2002 (7/23/02)
6 St. Moritz 2 SWD	SWD-1318-0	2/10/12	SWD-1318 (3/5/12) - completion in progress, well spud 10/1/11.

11 - Yates Petroleum's Ristra AGW State No. 1 & Squash Blossom AFU State No. 1 were acquired by Dugan Production effective 1/3/11.

12 - 8 wells approved for Goodtimes Gas Gathering System were subsequently moved to Dugan Production's Sesamee Street Gas Gathering System and will not be connected to the Goodtimes Gas Gathering System. The wells are: Hoss Com 90 Mary Lou 90 & 90S, Mary Lou Com 91 & 91S, Road runner 90, Rodeo Rosie Com 90, Target 90.

Attachment No. 4 Dugan Production Corp. Holly Com #90 Basin Fruitland Coal Well Location: SWSW 16, T-24N, R-9W Spacing Unit: S/2 (320.0A) San Juan County, New Mexico

INTEREST OWNER	INTEREST%		
Working Interest	Gross	Net	
Dugan Production Corp.	100.000	82.291666	
Royalty State of New Mexico P. O. Box 1149 Santa Fe, NM 87504-1148	-0-	16.145834	
Overriding Royalty Belco Development Corp. c/o EOG Resources, Inc. P O Box 840321 Dallas, TX 75284-0321	-0-	1.039062	
Gates Properties, Ltd. P O Box 81119 Midland, TX 79708-1119	-0-	0.375000	
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	0.148438	
TOTAL WELL	100.000	100.000000	

Dugan Production Corp. Sanchez O'Brien #90S Basin Fruitland Coal Well Location: SWNW 6, T-24N, R-9W Spacing Unit: W/2 (320.0A) San Juan County, New Mexico

INTEREST OWNER	INTEREST%		
	Gross	Net	
Working Interest Dugan Production Corp.	100.000	87.500000	
<u>Royalty</u> USA-Bureau of Land Management 6251 College Blvd, Suite A Farmington, NM 87402	-0-	12.500000	
TOTAL WELL	100.000	100.000000	

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ATTACHMENT NO. 4 ATTACHMENT NO. 4 Dugan Production Corp. Sixteen G's #90S Basin Fruitland Coal Well Location: NWNW 7, T-24N, R-9W Spacing Unit: N/2 (320.0A) San Juan County, New Mexico

INTEREST OWNER	INTEREST%		
	Gross	Net	
Working Interest Dugan Production Corp.	100.000	85.500000	
<u>Royalty</u> USA-Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000	
<u>Overriding Royalty</u> Jim L. & Mary Lou Jacobs Living Trust, UTA 11/6/97 3505 Crescent Avenue Farmington, NM 87401	-0-	2.000000	
TOTAL WELL	100.000	100.000000	

Dugan Production Corp.

Well NamePoolSixteen G's Com #91Basin Fruitland CoalSixteen G's Com #91SBasin Fruitland Coal	Location SWSW 7-24N-9W SWSE 7-24N-9W	<u>Spacing Unit</u> S/2-320.0A S/2-320.0A
INTEREST OWNER	INTEREST%	
	<u>Gross</u>	Net
<u>Working Interest</u> Dugan Production Corp.	100.000	86.499001 -
<u>Royalty</u> USA-Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
Overriding Royalty Interest Jim L. & Mary Lou Jacobs Living Trust, UTA 11/6/97 3505 Crescent Avenue Farmington, NM 87401	-0-	1.000999
TOTAL WELL	100.000	100.000000

Attachment No. 4 Dugan Production Corp. Mary Anne #3 Basin Fruitland Coal Well Location: NWSW 9, T-24N, R-9W Spacing Unit: W/2 (320.0A) San Juan County, New Mexico

INTEREST OWNER	INTEREST%	
Working Interest	Gross	Net
Dugan Production Corp.	100.000	81.125000
<u>Royalty</u> USA-Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
Overriding Royalty Dugan Production Corp.	-0-	4.375000
Jim L. & Mary Lou Jacobs Living Trust, UTA 11/6/97 3505 Crescent Avenue Farmington, NM 87401	-0-	2.000000

TOTAL WELL

100.000 100.00000

Attachment No. 4 Encana Oil & Gas (USA), Inc. Escrito P16-2409 1H Bisti Lower Gallup Well Location: SESE 16, T-24N, R-9W Spacing Unit: S/2 (320.0A) San Juan County, New Mexico

INTEREST OWNER	INTERES	Г%
Working Interest	Gross	Net
Dugan Production Corp.	50.000	41.145833
Encana Oil & Gas (USA), Inc. Attn: Brenda Linster 370 17 th Street Suite 1700 Denver, CO 80202	50.000	41.145833
Royalty		
State of New Mexico P. O. Box 1149	-0-	16.145834
Santa Fe, NM 87504-1148		н. На страната страната с
Overriding Royalty		· ·
Belco Development Corp. C/O EOG Resources Inc.	-0-	1.039062
P O Box 840321		
Dallas, TX 75284		
Gates Properties, Ltd. P O Box 81119	-0-	0.375000
Midland, TX 79708-1119		
QEP Energy Co.	- 0 -	0.148438
P O Box 45601 Salt Lake City, UT 84145-0601		
Jan Lake Oily, 01 04143-0001		
TOTAL WELL	100.000	100.000000

Encana Oil & Gas (USA), inc. Escrito I24-2409 1H Bisti Lower Gallup Well Location: NESE 24, T-24N, R-9W Spacing Unit: S/2 (320.0A) San Juan County, New Mexico

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INTEREST OWNER	INTERES	57%
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	50.000	43.062500
Encana Oil & Gas (USA), Inc. Attn: Brenda Linster 370 17 th Street Suite 1700 Denver, CO 80202	50.000	43.062500
<u>Royalty</u> USA-Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
<u>Overriding Royalty</u> DHB Partnership 8144 Walnut Hill Lane Suite 982, LB51 Dallas, TX 75231	-0-	0.500000
Hardin-Simmons University c/o Baptist Foundation of Texas 1601 Elm, Suite 1700 Dallas, TX 75201	-0-	0.250000
Ben Patterson R.I., Ltd. 613 NW Loop 410, Suite 680 San Antonio, TX 78216	-0-	0.250000
Preston Hollow United Methodist Church 6315 Walnut Hill Lane Dallas, TX 75230	-0-	0.375000
TOTAL WELL	100.000000	100.000000

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Attachment No. 4 Encana Oil & Gas (USA), Inc. Good Times A06-2310 1H South Bisti Gallup Well Location: NENE 6, T-23N, R-10W Spacing Unit: All of Section 6 (636.72A) San Juan County, New Mexico

INTEREST OWNER	INTEREST	%
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	50.000	40.750000
Encana Oil & Gas (USA), Inc. Attn: Brenda Linster 370 17 th Street Suite 1700 Denver, CO 80202	50.000	40.750000
<u>Royalty</u> USA-Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
<u>Overriding Royalty</u> D&J Trust 4544 Cathedral Drive Dallas, TX 75214	-0-	5.000000
Susan C. Sheridan 151 South Birch Street Denver, CO 80246-1016	-0-	1.000000
TOTAL WELL	100.000000	100.000000

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Encana Oil & Gas (USA), Inc. Good Times P32-2410 1H South Bisti Gallup Well Location: SESE 32, T-24N, R-10W Spacing Unit: S/2 (320.0A) San Juan County, New Mexico

INTEREST OWNER	INTEREST%	
<u>Working Interest</u> Dugan Production Corp.	<u>Gross</u> 50.000	<u>Net</u> 41.665000
Encana Oil & Gas (USA), Inc. Attn: Brenda Linster 370 17 th Street Suite 1700 Denver, CO 80202	50.000	41.665000
Royalty State of New Mexico P. O. Box 1149 Santa Fe, NM 87504-1148	-0-	16.670000

TOTAL WELL

100.000000

100.000000

Attachment No. 5 Interest Ownership Notification Dugan Production Corp.'s Application dated 4/11/12 Proposing the Addition of 10 Wells to Dugan Production's Goodtimes Gas Gathering System

Presenting evidence that interest ownership in the subject wells have been given notice of Dugan's application, attached is:

- A copy of Dugan's transmittal letter dated 4/11/12 used to send copies of the subject application to the working interest owners in the 10 wells being added to Dugan Production's Goodtimes Gathering System. Of the 10 wells being added, Dugan Production is the operator of six and holds 100% of the working interest in all six wells. In addition, Dugan Production holds 50% of the working interest in the four wells to be operated by Encana Oil & Gas which is the only other working interest owner in the 10 wells being added. Encana's letter was sent by certified mail with a return receipt requested. Upon receiving the receipt, a copy will be sent to the NMOCD.
- 2. The royalty interest for all 10 wells being added is either federal or state. There is no fee or Indian royalty. Since the subject application is addressed to the Farmington Field Office of the Bureau of Land Management (for federal), 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 Dugan's transmittal letter dated 4/11/12 used to send notice of the subject application to the 11 overriding royalty interest owners in the 10 wells being added to Dugan Production's Goodtimes Gathering System. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
- 4. Copy of the advertisement published in the Legal Notice section of the 4/13/12 issue of the Farmington Daily Times regarding the subject application to add 10 wells to Dugan's Goodtimes Gas Gathering System. This publication was made in anticipation that of the notice mailed to 13 interest owners, there will be at least one either returned for some reason or the return receipt will be lost in the mail.

dugan production corp.

April 11, 2012

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Encana Oil & Gas (USA) Inc. Attn: Brenda Linster 370 17th Street, Suite 1700 Denver, CO 80202

Re: Dugan Production's application to add Four wells to be operated by Encana Oil & Gas (USA) Inc. Dugan's Goodtimes Gathering System San Juan County, New Mexico

Dear Ms. Linster,

Attached for your information, review and file is a complete copy of Dugan's application to the New Mexico Oil Conservation Division, Bureau of Land Management and State Land Office, requesting their approvals to add the captioned wells plus 6 others operated by Dugan Production to Dugan Production's Goodtimes Gathering System (GTGS) which currently has 235 wells approved for the system. This will require surface commingling of gas production from the subject wells, plus the off-lease measurement and sale of gas at one of two central delivery sales meters (CDP). Dugan Production will obtain the necessary rights-of-way and will install, operate and maintain the gathering system.

All wells will be equipped with individual gas measurement equipment for allocation purposes and will 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, which will allow all interest owners to recover more of the gas reserves from each well.

This matter does not require any action on your part. Should you have any questions, need additional information, 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 in Santa Fe, New Mexico 87505, and we would appreciate receiving a copy of your objection.

Sincerely,

~ O. Roe

John D. Roe Engineering Manager

JDR/tmf

attachments

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

dugan production corp.

CERTIFIED MAIL RETURN RECEIPT REQUESTED

April 11, 2012

Overriding Royalty Interest Owners 10 wells proposed for addition to Dugan Production's Goodtimes Gathering System (Address List Attached)

Re: Dugan Production's Application to add 10 wells to Dugan's Goodtimes Gathering System San Juan County, New Mexico

Dear Sir or Madam,

According to our records, you have an overriding royalty interest in one or more of the wells that is proposed to be added to Dugan's Goodtimes Gathering System. The wells in which you have an interest are presented on the attached interest owner list. Dugan Production is submitting an application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requesting their approvals to add 10 wells (six operated by Dugan Production and four to be operated by Encana Oil & Gas (USA) Inc.) to Dugan Production's Goodtimes Gathering System which currently has 235 wells authorized for the 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). Dugan Production will install all equipment and will operate and maintain the gathering system. Since your interest in these wells is an overriding royalty, there are no costs chargeable to you. 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.

This matter does not require any action on your part. 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 which will be approximately 4-13-12.

Sincerely, Juliu D, Roe

John D. Roe Engineering Manager

JDR/tmf

Attachments

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

<u>Goodtimes Gas Gathering System Interest Owners Address List</u> (wells with ownership interest in parentheses)

A=Holly Com #90; B=Sanchez O'Brien #90S; C=Sixteen G's #90S; D=Sixteen G's Com #91 & #91S; E=Mary Anne #3;

F≃Encana's Escrito P16-2409 #1H; G=Encana's Escrito I24-2409 #1H; H≕Encana's Good Times A06-2310 #1H;

I=Encana's Good Times P32-2410 #1H

Working Interest Owners

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

Royalty Interest Owners

USA (B, C, D, E, G, H) c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402

Overriding Royalty Owners

Belco Development Corp. (A, F) c/o EOG Resources, Inc. P O Box 840321 Dallas, TX 75284-0321

D & J Trust (H) 4544 Cathedral Drive Dallas, TX 75214

DHB Partnership (G) 8144 Walnut Hill Lane Suite 982, LB51 Dallas, TX 75231

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

Gates Properties, Ltd. (A, F) P O Box 81119 Midland, TX 79708-1119

Hardin Simmons University (G) c/o Baptist Foundation of Texas 1601 Elm, Suite 1700 Dallas, TX 75201

Jim L. & Mary Lou Jacobs (C, D, E) Living Trust UTA 11/6/97 3505 Crescent Avenue Farmington, NM 87401

Ben Patterson RI, Ltd. (G) 613 NW Loop 410, Suite 680 San Antonio, TX 78216

Preston Hollow United Methodist Church (G) 6315 Walnut Hill Lane Dallas, TX 75230

QEP Energy Co. (A, F) P O Box 45601 Salt Lake City, UT 84145-0601

Susan C. Sheridan (H) 151 South Birch Street Denver, CO 80246-1016 Encana Oil & Gas (USA), Inc. (F, G, H, I) Attn: Brenda Linster 370 17th Street, Suite 1700 Denver, CO 80202

NM State Land Office (A, F, I) P. O. Box 1149 Santa Fe, NM 87504

Please place in the legal ads for the Friday, April 13th publication of the Farmington Daily Times. Once the ad has been run, please send Affidavit of Publication to Dugan Production Corp., Attn: John Roe, P. O. Box 420, Farmington, NM 87499-0420.

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 6 existing plus 4 proposed wells to Dugan Production Corp.'s Goodtimes Gathering System (GTGS). This will require the surface commingling of produced natural gas plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. The wells to be added and the existing gathering system are located within Sections 3,6,7,8,10,16,17 of Township 23N, Range 9W; plus Sections 1 thru 6, 9,11,12 of T-23N, R-10W; plus Sections 1,11,12 of T-23N, R-11W; plus Sections 5 thru 9, 15 thru 22, 27 thru 30 of T-24N, R-8W; plus Sections 1 thru 12, 14 thru 22, 24,25, 27 thru 33 of T-24N, R-9W; plus Sections 12,13,14,24 thru 27, 31 thru 36 of T-24N, R-10W; plus Section 36 of T-24N, R-11W plus Section 31 of T-25N, R-8W all located in San Juan County, New Mexico. There are two central delivery gas sales meters (CDP's). CDP #1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources. CDP #2 is located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services. The gathering system currently has 235 wells (250 completions) which are completed in the following 15 pools; Basin Dakota gas (10 wells), Basin Fruitland Coal gas (75 wells), Bisti Lower Gallup oil (38 wells), South Bisti Gallup oil (94 wells), Bisti Chacra gas (1 well), Bisti Pictured Cliffs gas (1 well), Cuervo Gallup oil (3 wells), Cuervo Mesaverde oil (2 wells), Lybrook Gallup oil (4 wells), Potwin Pictured Cliffs gas (9 wells), White Wash Mancos/Dakota oil (5 wells), White Wash Mesaverde oil (1 well), Witty Springs Pictured Cliffs gas (2 wells), Undesignated FR/PC (4 wells) and Undesignated Dakota (1 well). It is proposed to add 10 additional wells, 6 in the Basin Fruitland Coal gas pool, 2 in the Bisti Lower Gallup oil pool and 2 in the South Bisti Gallup oil pool. The wells to be added are located upon, or the spacing units include the following leases held by Dugan Production Corp.; Federal Leases NM-10089, NM-25433, NM-32124, NM-45207, NM-97108, SF-078860; State Leases B-10889, V-1509, V-7918, V-8491. Four of the wells to be added will operated by Encana Oil & Gas (USA) Inc. The wells to be added are: Dugan Production's Holly Com 90, Sanchez O'Brien 90S, Sixteen G's 90S, Sixteen G's Com 91 & 91S, Mary Anne 3, plus Encana's Escrito P16-2409 1H, Escrito 124-2409 1H, Good Times A06-2310 1H and Good Times P32-2410 1H. The 250 wells currently authorized for the GTGS typically produce marginal volumes of natural gas and the 10 wells to be added are anticipated to produce natural gas volumes similar to the wells currently authorized for the GTGS. 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 John Roe 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.

Attachment No. 6 Allocation Procedures (amended 4/11/12 to include gas from water disposal facility) Dugan Production Corp.'s Goodtimes Gas Gathering System CDP #1 = Elm Ridge Resources - SE SE 22, T24N, R8W CDP #2 = El Paso Field Services - SE NE 12, T24N, R10W San Juan County, New Mexico

Base Data for Gas Allocations:

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 Well or Battery Allocation Meter X = Total Gas Volume (MCF) from CDP Sales Meter (CDP1 + CDP2) Y=Total BTU's from CDP Sales Meters (CDP1 + CDP2) Y1=BTU's from CDP1 Sales Meter Y2=BTU's from CDP2 Sales Meter

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 all wells delivering gas and water to the central battery separator.
- 2. <u>Individual Well Allocated BTU's</u>=((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's On Shore Order No. 5. Computations to be based upon dry BTU @ 14.73 psi.

3. <u>Individual Well Allocated Drip Volumes & Revenues</u>. All liquid hydrocarbon volumes and revenues recovered from system drip traps will be allocated to the individual wells producing gas through the drip trap from which the hydrocarbons were recovered using a factor to be determined by dividing the individual well's theoretical liquids by the total theoretical liquids from all wells producing into the system from which liquids were recovered. The theoretical liquids will be calculated by multiplying the individual well's produced gas volumes by the individual wells gas stream liquids content (GPM) of isobutane and heavier. This allocation is to be made at the time the liquids are removed and will be based upon the most recent annual gas volumes produced from the wells involved and an average GPM during the same period. Using annual gas production rather than actual months of production will simplify this calculation and will not significantly affect the accuracy or validity of this factor.

Base Data for Drip Allocations:

S = Volume of drip (bbl) removed from system drip storage tank.

- T = Revenue resulting from multiplying the volume of drip by the existing posted oil price in the field at the time of drip removal.
- U = GPM (gallons per MCF) of isobutane and heavier from a current individual well gas analysis.
- V = Most recent calendar year of gas production from the individual well -MCF. If a full 12 months is not available, an annual volume will be determined using an average production rate from the data available.

Individual Well Allocated Drip Volume, $bbl = ((V \times U)/Sum (V \times U)) \times S$

Individual Well Allocated Drip Revenues, \$ = F x current posted oil price

4. Individual Well Water Production: Allocated production volume, $bbl = (U/Sum U) \times V$.

ATTACHMENT NO. 7 GATHERING SYSTEM & WATER DISPOSAL FACILITIES DUGAN PRODUCTION CORP'S GOODTIMES GAS GATHERING SYSTEM

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CDP No. 2 gas sa	ales to Elm Ridge Res ales to Enterprise Fiel	ources Meter #31103 d Services Meter #97228 lo. 1 water disposal facility	Location SESE 22-24N-8V SENE 12-24N-10 NWSW 6-24N-9V	W 3	<u>.</u>	
CompressorsIndexNameGT-AGoodtimes CIGT-BGoodtimes ModelingGT-CGoodtimes SocGT-DGoodtimes Ol	DP 2 SE ountain Spur NV outh NE	cation NE 12-24N-10W near CDP VSE 15-24N-8W near CDP SW 33-24N-10W @ Gold N VSE 7-24N-9W near Drip Ta	#1 5 Nedal #2 1	<u>Make & Model</u> Caterpillar 3306 Caterpillar 3306 Waukesha Cummings 495		<u>Fuel-mcfd</u> 33.7 31.5 14.62 22.18
Gathering System Drip Tank						
<u>Name</u> Drip Tank No. 1 Drip Tank No. 2 Drip Tank No. 3 Drip Tank No. 4 Drip Tank No. 5 Drip Tank No. 6 Drip Tank No. 7	Tank Number Size 3926 300 bbl 6036 210 bbl 3379A 300 bbl 60 bbl 6647 210 bbl 300 bbl 60 bbl 6647 210 bbl 300 bbl 100 bbl	Location NESW 33-24N-10W (SWSW 27-24N-10W (SWNW 8-24N-9W nea SESW 2-24N-9W nea NENE 13-24N-10W nea NWSW 30-24N-9W nea	 Ø Silver Medal #1 ar Big Eight #1 r Blanco Wash #3 ear MF #1 ear April Surprise #2 	<u>Map No.</u> 1 3 – Removed fro 3 3 3 3 3 3	om service	
Tanks for Storing Drip/Cond		or Paraffin Control Progra	<u>m</u>			
<u>Name</u> Purchased Drip Tank #1 Purchased Drip Tank #2 Purchased Drip Tank #2	Tank Number Size 7750 300 bbl 1717 300 bbl 11272 300 bbl	Location SENE 34-24N-10W @ SWNW 7-24N-9W @ SWNW 7-24N-9W @	Sixteen G's #1	<u>Map No.</u> 1 3 3		
Water Disposal Facilities						
Facility Chaco Water Transfer Frazzle No. 1 SWD Frazzle No. 1 SWD	Location SESE 6, T-24N, R- NENW 30, T-24N, NENW 30, T-24N,	R-11W 1	Injection <u>Make & Model</u> Witty Electric Electric	<u>Engine HP</u> 12 150 150	<u>Fuel-mcfd</u> 3.02 (from Goodtimes 0 0	;)

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Facility	Location	<u>Map No.</u>	Make & Model	Engine HP	<u>Fuel-mcfd</u>	
Chaco Water Transfer	SESE 6, T-24N, R-8W	5	Witty	12	3.02 (from Goodtimes)	
Frazzle No. 1 SWD	NENW 30, T-24N, R-11W	1	Electric	150	0	
Frazzle No. 1 SWD	NENW 30, T-24N, R-11W	1	Electric	150	0	
Herry Monster No. 3 SWD	SENW 11, T-24N, R11W	1	Cummins 5.9	84	17.52 (from Sesamee Street)	
Mary Lou No. 1 SWD	NENE 32, T-24N, R-10W	1	Cummins 5.9	49	10.32 (from Sesamee Street)	
Mary Lou No. 1 SWD	NENE 32, T-24N, R-10W	1	Waukesha 330	67	16.88 (from Sesamee Street)	
Mesa No. 4 SWD	NESE 16, T-24N, R-8W	5	Cummins 5.9	49	10.32 (from Goodtimes)	
Sanchez O'Brien No. 1 SWD	NWSW 6, T24N, R-9W	3	Waukesha	151	38.05 (from Goodtimes)	
St. Moritz No. 2 SWD	NWSE 26, T-24N, R-10W	3	Electric	150	0	



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ghachman No.7 P\$ 3 of 8



North

D = Fluid from wells produced up tubing t delievered to disposed facility by pipeline - mostly water of Same gos. D = gas / water Separator D = gas Allocation Meter D = water intection Pumps pump#1- 150 hp electric Motor Pump#2-150 hp electric Motor

DUGAN PRODUCTION CORP. FRAZZLE NO. 1 SWD NENW SECTION 30, T-24N, R-10W ADMINISTRATIVE ORDER SWD-1048 SAN JUAN COUNTY, NM

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() = Fluid from Wolls produced up tubing t delievered to disposed Facility by Pipeline - mostly water of Some gas

2 = gos/water Seperator 3 = gas Allocation Mater

@ = Water intertion pump-B4hp 5-9 Cummins-17.52 metd fuel fuel ges From Sesame Streef

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

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DUGAN PRODUCTION CORP. MESA NO. 4 SWD NESE SECTION 16, T-24N, R-8W ADMINISTRATIVE ORDER SWD-918 SAN JUAN COUNTY, NM

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ATTACHMENT NO. 8

Participation Statement of Encana Oil & Gas (USA) Inc. Dugan Production's Goodtimes Gas Gathering System San Juan County, New Mexico

Encana Oil & Gas (USA) Inc. is the operator of four wells in the vicinity of Dugan Production's Goodtimes Gas Gathering System and desires to use this gas gathering system to transport natural gas produced from our wells to a central delivery sales meter for the gathering system.

We have reviewed Dugan's current allocation procedures and believe the described operation and allocation procedures are consistent with standard industry practices and are acceptable to Encana Oil & Gas (USA) Inc.

We request that approval of Dugan's current application to add wells to the Goodtimes Gas Gathering System and for the associated surface commingling and the off-lease measurement and sale of produced natural gas also be an approval for the following four wells operated by Encana Oil & Gas (USA) Inc.:

Well Escrito P16-2409 No. 1H Escrito I24-2409 No. 1H Goodtimes A06-2310 No. 1H Goodtimes P32-2410 No. 1H	Location SESE 16, T24N, R9W NESE 24, T24N, R9W NENE 6, T23N, R10W SESE 32, T24N, R10W	API No. 30-045-35313 30-045-35322 30-045-35319 30-045-35315	<u>Type Lease & No</u> State V-8941 Federal SF-078860 Federal NM-32124 State V-1509	Pool Bisti Lower Gallup (5890) Bisti Lower Gallup (5890 South Bisti Gallup (5860) South Bisti Gallup (5860)	
	Signed by: But A Dill & Gas (USA) Inc.				
	т	tle: Brenda R.	Linster, Regulatory A	dvisor	
	D	ate: <u>03</u>	19.12		

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2012 APR 23 A 11:25

April 20, 2012

Ms. Jami Bailey, Director New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Dugan Production's Application dated 4/11/12 Add Ten Wells to Goodtimes Gas Gathering System

Dear Ms. Bailey,

Attached for your consideration of the captioned application are copies of the certified mail return receipts for our notice given to interest owners in the wells proposed to be added to Dugan Production's Goodtimes Gas Gathering System. We have received receipts for all working interest and one of the two royalty interest owners (BLM). Upon checking the US Postal Services (USPS) tracking system, the application to the State Land Office was delivered on 4/13/12, so all royalty interest has received our application. In addition, we received receipts for eight of the 11 overriding royalty interest owners. Of the three ORRI owners with no receipts, two did receive our notice on 4/17/12 (DHB Partnership and Susan C. Sheridan) according to the USPS tracking system. The only ORRI owner to have not received our notice is the Preston Hollow United Methodist Church and we will continue to follow this interest owner notice. Copies of the USPS tracking system information are attached for your review and file.

To date, we have not had any comment or objection from any of these interest owners.

Should you have questions or need additional information, please let me know.

Sincerely,

John O Roc

John D. Roe Engineering Manager

JDR/tmf

Attachments

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

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