ATTACHMENT NO. 2B --DUGAN-P=ODUCTION CORP. BIG BAND GATHERING SYSTEM (APPLICATION DATED 7/2015) CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W [®] SAN JUAN COUNTY, NEW MEXICO

SAN JUAN COUNTY	, NEW MEXICO					Communitization		1		l		T			ates for SC. C		» •
1			Well Location	Well Loca	ation	Agreement No.	l l	Completion	Well	Currer	nt Prod.	രി	Spacing		BLM	NMSLO	NMOCD
Well Nar	ne	API No.	UL-Sec-Twn-Rng	Lease No.	Lse.Type	(If Established)	Pool	Date	Status @	MCFD		BWPD	Unit	Application	Approval	Approva!	Approval
WELLS TO BE ADDED.					10 0 0 0 0 0 0 C							1.101		1			
Cleve Kyle location A		pending	NE/4-17-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LÖC				E/2-320A				
Cleve Kyle location A infi	11	pending	SE/4-17-22N-8W	NM43438	FED	pending	Basin Fruitland Coat		LOC				E/2-320A				
Cleve Kyle location B		pending	NW/4-17-22N-8W	NM43438	FED	pending	Basin Fruitland Coat		LOC		<u> </u>		W/2-320A				
Cleve Kyle location B infi	ili	pending	SW/4-17-22N-8W	NM43438	FED	pending	Basin Fruitland Coal	· · · · · ·	LOC				W/2-320A				
Cleve Kyle location C		pending	NE/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LOC	l			E/2-320A				
Cleve Kyle location C inf	an <u></u>	pending	SE/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LOC				E/2-320A				[]
Cleve Kyle location D	(Note 16)	pendina	NW/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LOC	1			W/2-320A				
Cleve Kyle location D infi	14	pending	SW/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LOC		<u> </u>	1	W/2-320A				[
Cochran 3	(Note 13)	30-045-34693	0-16-22N-8W	VA1119	ST	N/A	Basin Fruitland Coal	9/24/09	P	5	0	85.7	E/2-320A				
Cochran infill well	(Note 16)	pendina	NE/4-16-22N-8W	VA1119	ST	N/A	Basin Fruitland Coal		LOC		+		E/2-320A				
Gillespie Com 1	(Note 13)	30-045-34930	G-9-22N-8W	NM109396	FED	NMNM112645	Basin Fruitland Coal	11/5/10	P	12	10	59.6	N/2-320A				[]
Gillespie Com infill well		pendina	NW/4-9-22N-8W	NM109396	FED	NMNM112645	Basin Fruitland Coal		LOC		<u>+</u>		N/2-320A				
Lennon Com 1	(Note 13 & 15)	30-045-35149	A-19-22N-8W	NO-G-0912-1764	1 1	NMNM112661	Basin Fruitland Coat	10/2/12		79	0	52.4	E/2-320A				
Lennon Carn 2	(Note 13 & 15)	30-045-35148	I-19-22N-8W	NO-G-0912-1763	1	NMNM112661	Basin Fruitland Coal	10/2/12		239		72.2	E/2-320A				· · · · · ·
Mancini 1	(Note 13 & 15)	30-045-34333	E-15-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/26/07		17	T 0	37.6	W/2-320A				· · · · · · · · · · · · · · · · · · ·
Mancini 2	(Note 13 & 15)	30-045-34334	L-15-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/25/07	p p	49	1 ő –	64.7	W/2-320A		<u> </u>		[]
Mancini 3	(Note 13 & 15)	30-045-34757	8-15-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/9/13	8-	79	т ŏ т	91.9	E/2-320A				
Mancini 4	(Note 13 & 15)	30-045-34758	1-15-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/10/13		57	0	101.7	E/2-320A	· · · · ·	-		f
Mancini Com 5	(Note 13 & 15)	30-045-34761	M-10-22N-8W	NM048989	FED	NMNM130418	Basin Fruitland Coal	8/28/13		139	1 6-	98.4	W/2-320A				f=
Mancini Com 6	(Note 13 & 15)	30-045-34759	E-10-22N-8W	NM109396	FED	NMNM130418	Basin Fruitland Coal	8/21/13	P	56	0	101.0	W/2-320A				·
Mancini 7	(Nate 13 & 15)	30-045-34760	P-10-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	8/30/13		60		75.5	E/2-320A				<u> </u>
Mancini 8	(Note 13 & 15)	30-045-34764	B-10-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	8/26/13		24	10	58.2	E/2-320A			·	
Mary Rose Com 2	(Note 13)	30-045-35147	P-20-22N-8W	NO-G-0912-1762		NMNM112652	Basin Fruitland Coal	12/2/12	P	154	0	97.6	E/2-320A				ł
Mary Rose Com 2 infill w		pending	NE/4-20-22N-8W	NM57445	FED	14141414112032	Basin Fruitland Coal	12/2/12		+	<u> </u>	97.0	E/2-320A			·	<u> </u>
McCartney 1		30-045-29659	A-2-22N-9W	VA1120	ST ST	N/A	Bisti Chacra Ext.	10/12/98	SI-NC				NE/4				ł
Satchmo Com 1	(Note 13)	30-045-34429	N-3-22N-8W	NM90468	FED	NMNM121554	Basin Fruitland Coal	5/27/08		14	0	54.3	S/2-320A				{
Satchmo Com infill well	(Note 16)	pending	SE/4-3-22N-8W	NM96798	FED -	NMNM121554	Basin Fruitland Coal	5/2/108	LOC	14	<u> </u>	34.3	5/2-320A			······	{
Satchmo Com 2	(Note 13)	30-045-34425	J-4-22N-8W	NM90468	FED						<u> </u>	40.0	E/2-322.5A				<u> </u>
Satchmo Com infill well	(11018-13)	pending	NE/4-4-22N-8W	NM55836	FED	NMNM121116	Basin Fruitland Coal Basin Fruitland Coal	5/30/08	P	16	0	46.2	E/2-322.5A				{
Satchmo Com 3	(Note 13)	30-045-34402	M-4-22N-8W	NM90468	FED	NMNM121116		0/0/00		<u> </u>	+	000			<u> </u>	<u> </u>	╂─────
Satchmo Com infill well	(NOLE 13)		NW/4-4-22N-8W	NM90468	FED	NMNM121133 NMNM121133	Basin Fruitland Coal	6/3/08		25	0	85.3	W/2-321.53A W/2-321.53A				
Susana Com 1	(Note 13)	pending 30-045-35243	D-2-21N-8W	V7770	ST		Basin Fruitland Coal	0/10/14	LOC	70	<u> </u>	55.2					╂─────
Susana Com infill well			NE/4-2-21N-8W	V7769	ST	State CA-no #	Basin Fruitland Coal	9/19/11	P	76	0	55.2	N/2-321.44A				∤── ───
	(blass 10 8 15)					State CA-no #	Basin Fruitland Coal	0.000.000	LOC				N/2-321.44A				
Tom Wood Denn 1 Tom Wood Denn 2	(Note 13 & 15) (Note 13 & 15)	30-045-34926 30-045-34933	A-8-22N-8W	NO-G-0902-1757	<u> </u>	NMNM112639	Basin Fruitland Coal	9/20/10	P	12	0	96.6	N/2-320A				<u>├── ·</u>
	(NOTE 13 & 15)		C-8-22N-8W	NO-G-0902-1758		NMNM112639	Basin Fruitland Coal	9/20/10	P	37	0	34.3	N/2-320A				
Warner Federal 1	(1)	30-045-05065	A-10-22N-8W	NM048989	FED	N/A	East Bisti Chacra	10/16/65	P	3	0	80.9	NE/4-160A				┥────
Wood Denn 1	(Note 13 & 15)	30-045-34925	L-8-22N-8W	NO-G-0902-1756		NMNM112635	Basin Fruitland Coal	10/23/10	P	26	0	110.9	S/2-320A		ļ		┟╺ ────
Wood Denn 2	(Note 13 & 15)	30-045-34924	P-8-22N-8W	NO-G-0902-1755		NMNM112635	Basin Fruitland Coal	11/10/10	P	26	0	93.0	S/2-320A				L
WELLS PREVIOUSLY A	APPHOVED FOR E					· · · · · · · · · · · · · · · · · · ·				· · · · · · · · · · · · · · · · · · ·					04400000		
Bear 2		30-045-28552	E-34-23N-8W	NM50999	FED		Nageezi Gallup	4/23/92	P-NC	0	0	0.1	SW/4 NW/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Belushi 1	(Note 17)	30-045-31257	J-5-22N-8W	NM90468	FED		Bisti CH & Basin FR Coal	2/8/05	Р	3	0	51.4	SE/4 & E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Billie 2	(Note 7)	30-045-24713	L-35-22N-8W	NM8902	FED		Rusty Chacra	1/31/81	Р	3	0	11.3	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001
Billie Com 90		30-045-33872	D-35-22N-8W	NM94067	FED	NMNM118430	Basin Fruitland Coal	5/17/07	Р	33	0	75.4	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Billie Com 91		30-045-33873	A-35-22N-8W	NM94067	FED	NMNM119554	Basin Fruitland Coal	9/27/07	<u>Р</u>	3	0	50.6	E/2	6/20/2006	B/14/2006	7/24/2006	7/24/2006
Cleve Kyle 2		30-045-29038	D-18-22N-8W	NM43438	FED	<u> </u>	Bisti Chacra Ext.	5/12/94	<u> </u>	4	Ũ	1.0	NW/A	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Cochran 1		30-045-24465	A-16-22N-8W	VA1119	ST		Bisti Chacra Ext.	6/24/98	SI-NC				NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Dorsey 1	(Note_7)	30-045-29909	E-26-22N-8W	NM90472	FED		Rusty Chacra	12/1/99	<u>Р</u>	0	Ö	0.0	NW/4	9/6/2001	2/15/2002	N/A	10/5/2001
Dorsey Com 90		30-045-33861	C-26-22N-8W	NM90472	FED	NMNM118403	Basin Fruitland Coal	9/29/09	P	24	0	145.9	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Dorsey Com 905		30-045-33862	L-26-22N-8W	NM94067	FED	NMNM118403	Basin Fruitland Coal	5/10/07	P	118	Ō	70.7	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006

		······				Communitization								0	ates for SC, C		3
			Well Location	Well Loca		Agreement No.		Completion	Well		nt Prod.	0	Spacing		BLM	NMSLO	NMOCD
	ell Name	API No.	UL-Sec-Twn-Rng	Lease No.	Lse.Type	(If Established)	Pool	Date	Status 0	MCFD	BC/D	BWPD	Unit	Application	Approval	Approval	Approval
Ellington 1	(Note 7)	30-045-29907	N-26-22N-8W	NM94067	FED		Rusty Chacra	10/6/99	<u>Р</u>	1	0	15.9	SW/4	9/6/2001	2/15/2002	<u>N/A</u>	10/5/2001
Ellington Com 90		30-045-33871	B-26-22N-8W	NM90472	FED	NMNM112646	Basin Fruitland Coal	10/20/09	P	11	0	53.8	Ę/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Ellington Com 90S	3	30-045-33870	P-26-22N-8W	NM94067	FED	MNM112646	Basin Fruitland Coal	10/9/09	<u>P</u>	204	0	150.4	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Gaye 1		30-045-29063	P-1-22N-9W	NM90475	FED		Bisti Chacra	6/7/94	P	1) 0	1.9	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Goodman 2	(Note 7)	30-045-29191	L-23-22N-8W	NM90471	FED		Rusty Chacra	1/4/95	P	0	0	0.0	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001
Goodman 90		30-045-30780	J-23-22N-8W	NM90471	FED		Basin Fruitland Coal	12/9/03	<u> </u>	10	0	39.0	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Harrison 1		30-045-31087	1-24-22N-9W	NM89099	FED		Bisti Chacra Ext.	2/5/03	F P	1	0	1.1	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Harrison Com 90		30-045-31092	A-24-22N-9W	NM92738	FED	NMNM108160	Basin Fruitland Coal	2/5/03	P	31	0	46.5	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Hendrix 1		30-045-28931	B-7-22N-8W	NM55836	FED		Bisti Chacra	5/11/93	P	0	0	1.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
James 1	(Note 7)	30-045-29910	1-24-22N-8W	NM93253	FED		Rusty Chacra	12/31/99	P	0	0	0.0	SE/4	9/6/2001	2/15/2002	N/A	10/5/2001
James 90		30-045-30779	L-24-22N-8W	NM93253	FED		Basin Fruitland Coal	12/10/03	Р	10	0	43.3	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Joplin 1		30-045-28976	A-12-22N-9W	NM90476	FED	_	Bisti Chacra	9/21/93	P	1	0	2.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Marley 1	(Note 10)	30-045-29158	N-36-23N-9W	VA1121	ST		Basin Fruitland Coal	10/28/05	SI				W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Morrison 1		30-045-28980	H-13-22N-9W	NM90477	FED		Bisti Chacra	9/3/93	P	0	Ō	1.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Presley 1		30-045-29061	P-7-22N-8W	NM90469	FED		Bisti Chacra	5/23/94	SI	0	0	0.0	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Sage Creek 1	P&A'd	30-045-26757	I-3-22N-8W	NM96798	FED	· ·	Basin Fruitland Coal	2/5/2007	PA 6/8/09		1		E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 3 FC	(Note 7 & 8)	30-045-29908	P-27-22N-8W	NM57445	FED		Basin Fruitland Coal	12/2/99	P-DHC	10		42.8	S/2	9/6/2001	2/15/2002	N/A	10/5/2001
Zappa 3 RC	(Note 7 & 8)	30-045-29908	P-27-22N-8W	NM57445	FED		Rusty Chacra	12/2/99	P-DHC	10	0	42.8	SE/4	9/6/2001	2/15/2002	N/A	10/5/2001
Zappa 3S		30-045-33855	L-27-22N-8W	NM57445	FED		Basin Fruitland Coal	4/2/07	P	199	0	65.6	S/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 91		30-045-29997	A-27-22N-8W	NM57445	FED		Basin Fruitiand Coal	2/2/01	P	12	0	35.1	N/2	9/6/2001	2/15/2002	N/A	10/5/2001
Zappa 91S		30-045-33856	E-27-22N-8W	NM57445	FED		Basin Fruitland Coal	4/2/07	P	307	0	92.0	N/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 92		30-045-33857	I-21-22N-8W	NM57445	FED		Basin Fruitland Coal	5/16/07	P	163	0	74.8	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 93		30-045-33858	M-22-22N-8W	NM57445	FED		Basin Fruitland Coal	4/27/07	P	55	0	72.6	S/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 93S		30-045-33859	P-22-22N-8W	NM57445	FED		Basin Fruitland Coal	4/27/07	Ρ	57	0	69.8	S/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
SWD WELLS	A shirt & Same	LNL & ALL PL		1741. 533		الدارية المراجعة	CONTRACT?	· · · · · · · · · · · · · · · · · · ·	PITAT!	1122	e.,.		1277 1.212			ب ب ب معد ت	مرد 1 مرد .
Cochran 2 SWD	(Note 14)	30-045-33932	H-16-22N-8W	VA1119	ST		SWD; Morrison	3/20/07	SWD	1	1	T		T T	I		
Morrison 2 SWD	(Note 14)	30-045-33684	H-13-22N-9W	NM90477	FED		SWD; Entrada	9/12/12	SWD	1	1						

Notes:

N/A = Not applicable or not needed

NR = None Reported

Note 1 - Well status as of 07/01/15

LOC = General location. The actual location will be staked and APD prepared at a later date.

NC = Not connected to gathering system

P = Producing

P-DHC = Producing downhole commingled

PA = Plugged & Abandoned

SI = Shut in

TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during January, 2015.

Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Big Band Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sale(S) of produced natural gas. The NMOCD has issued commingling order PLC-191-A (Corrected) dated 4/17/07 for the Big Band Gathering System.

Note 4 - Big Band Central Delivery Sales Meter (CDP) was initially authorized to be PNM's Meter no. 1335 located @ NENE 27, T-22N, R-8W with an option to deliver gas to the Rusty Chacra Gathering System & CDP (Enterprise Meter No. 03049 located @ SENW 12, T-22N, R-7W) should gas delivery to PNM at their CDP not be possible. Dugan Production did attempt to deliver to PNM, however, we were not able to meet PNM's gas quality requirements since PNM's line was delivering gas to the Albuquerque area for residential consumption and PNM did not have treatment facilities. In addition, we found that the fuel requirement to operate a 3 stage compressor and the two dehydrators necessary to operate on PNM's 500 PSI pipeline were not economically feisable.

Note 7 - The Chacra completion was initially believed to be in or an extension to the Bisti Chacra pool. NMOCD Order R-11445 dated 9-5-00 extended the Rusty Chacra pool to include the subject well and acreage.

Note 8 - Production from the Rusty Chacra and Basin Fruitland Coal are downhole commingled by NMOCD Order DHC-2673. Commingled production (gas and water) is allocated 50% to the Chacra and 50% to the Basin Fruitland Coal.

Note 10 - The Chacra completion was plugged 8/30/05 and the Fruitland Coal perforated on 9/23/05. A gas rate of 24 mcfd has been tested following a breakdown of the perforations. The Fruitland Coal will be considered for fracture stimulation upon obtaining a pipeline connection for gas sales.

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Note 13 - Gas deliveries to Rusty Chacra Gathering System (all gas volumes mot @ 15.025 psi).

	1st gas to Rusty Chacra		Production 7/14 thru 01/15		Average Proc	fuction	Cumulative 2/1/2	
Well	Gath. System	mcf	bw	days	mcfd	bwpd	mcf	bw
East Chacra Pool			· · ·		-			
Warner Federal 1	1/12/2010	435	13,732	206	2.1	66.7	6,730	83,472
Basin Fruitland Coal Pool							L	
Cochran 3	10/28/2009	968	20.357	215	4.5	94.7	5.816	78.016
Gillespie Com 1	12/9/2010	2,169	11,337	206	10.5	55.0	16,902	143,230
Lennon Com 1	10/23/2012	16,587	15,563	207	80.1	75.2	36,018	23,130
Lennon Com 2	10/23/2012	49,181	15,990	206	238.7	77.6	105,916	21.898
Mancini 1	10/12/2007	4,544	8,078	184	24,7	43.9	82.823	196,211
Mancini 2	10/12/2007	6,743	11,167	206	32.7	54.2	71,435	176.656
Mancini 3	9/30/2013	16,922	18,383	206	82.1	89.2	34,810	44,737
Mancini 4	9/30/2013	11,864	18,531	206	57.6	90.0	27,462	28,449
Mancini Com 5	9/28/2013	35,685	17,763	206	173.2	86.2	75,311	42,475
Mancini Com 6	9/11/2013	12,379	20,678	206	60.1	100.4	45,351	44,225
Mancini 7	9/30/2013	13,077	16,452	206	63.5	79.9	27,956	36,991
Mancini 8	9/11/2013	4,013	11,571	206	19.5	56.2	14,454	25,803
Mary Rose Com 2	10/24/2012	36,599	19,602	206	177.7	95.2	112,955	69,342
Satchmo Corn 1	7/10/2008	2,930	11,647	206	14.2	56.5	24,144	180,300
Satchmo Com 2	7/10/2008	1,833	6,464	206	8.9	31.4	14,211	134,811
Satchmo Com 3	7/10/2008	5,183	18,185	206	25.2	88.3	56,555	187,830
Susana Com 1	10/12/2011	18,943	12,295	206	92.0	59.7	102,617	104,762
Tom Wood Denn 1	9/23/2010	2,371	20,052	206	11.5	97.3	19,321	110,274
Tom Wood Denn 2	10/14/2010	4,780	6,575	206	23.2	31.9	39,137	127,967
Wood Denn 1	10/23/2010	3,509	19,042	206	17.0	92.4	26,322	123,792
Wood Denn 2	11/10/2010	4,412	17,805	206	21.4	86.4	21,515	90,131
PootTo	otal	254,692	317,537		1240.5	1,608.3	961,031	1,991,03

Note 14 - NMOCD Administrative Order authorizing water disposal by underground injection: Cochran No. 2 SWD (SWD-1047), Morrision No. 2 SWD (SWD - 1317)⁻ Note 15 - Dugan Production has changed from using the letter "\$" to designate a well as being a Fruitland Coal infilit and initiated using unique numbers for each well. The wells using unique numbering and sharing a common spacing unit are:

Wells	Common Spacing Unit
Lennon Com 1 & 2	E/2 19-22N-8W
Mancini 1 & 2	W/2 15-22N-8W
Mancini 3 & 4	E/2 15-22N-8W
Mancini Com 5 & 6	W/2 10-22N-8W
Mancini 7 & 8	E/2 10-22N-8W
Tom Wood Denn 1 & 2	N/2 8-22N-8W
Wood Denn 1 & 2	S/2 8-22N-8W

Note 16 - Location is within the "Big Band Gas Gathering System Area" defined by NMOCD Order PLC-191-A (Corrected) dated 4/17/07, which provides that future wells completed in a pool covered by the order are also included in the commingling order. Since only 3 of the 38 wells/locations being added are covered by this provision, for simplicity, the locations for Cleve Kyle Location D, Cochran infill and Satchmo Com 1 infill are included in this application.

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Note 17 - The Basin Fruitland Coal interval has not been completed, but it is being considered for completion, and upon completion, an application to downhole commingle with the Bisti Chacra will be submitted.

DUGAN PRODUCTION CORP. Page 1 of 2

RUSTY CHACRA GATHERING SYSTEM (APPLICATION DATED 7/2015)

CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W

SAN JUAN COUNTY, NEW MEXICO

		Ì			Communitization		_									
		Well Location	Wei	Location	Agreement No.		Completion	Weil					_	Current Prod. 0	1 <u> </u>	Spacing
Well Name	API No.	UL-Sec-Twn-Ring	Lease No.	Lse.Type	(II Established)	Pool	Cate	Status ©	MCF	CR.	WATER	DAYS	MCFD	BC/D	BWPD	Unit
ELLS TO BE ADDED TO	SYSTEM (4 WELLS + 4 L	OCATIONS)*						<u> </u>				in in it.	<u>i de la de la ca</u>			
asie Com 1	30-043-21112	D-21-22N-7W	NM109393	FED	NMNM112676	Basin Fruitland Coal	9/29/11	P	128	<u> </u>	809	31	4			N/2-320A
asie Com Intill wel	pending _	NE/4-21-22N-7W	NM5680	FED	NMNM112676	Basin Fruitland Coal	<u>(</u>		[<u> </u>	[N/2-320A
ombardo Com 1	30-043-21107	M-29-22N-7W	NM6680	FED	NMNM112653	Basin Fruitland Coal	12/7/11	Р	903	0	2437	31	29	0	78.6	W/2-320A
ombardo Com infil well	pending	NW/4-29-22N-7W	NM109392	FED	NMNM112653	Basin Fruitland Coal										W/2-320A
ller Com 1	30-043-21109	D-32-22N-7W	V7847	ST	State CA-no #	Basin Fruitland Cost	12/7/11	P	1768	0	1700	31	57	0	54.8	W/2-320A
Dier Com infil wes	pending	SW/4-32-22N-7W	V7861	st st	State CA-no #	Basin Fruitiand Coal		uoc					<u> </u>	.		W/2-320A
haw Com 1	30-043-21108	M-16-22N-7W	V7860	ST ST	State CA-no #	Basin Fruitiand Coal	9/19/11	P	21	o	324	31	11	0	10.5	W/2-320A
haw Corn Infill wes	pending	NW/4-18-22N-7W	V7846	\$T	State CA-no #	Basin Fruitland Coal		LOC								W/2-320A
		HERING SYSTEM (39 WELL				1000 AC 1000 A	2	- 4, w			n, se si n n n n n n *	्	· · · · · · · · · · · · · · · · · · ·		5- Yull et	
hacra 1	30-043-20308	D-10-22N-7W	NM25821	FED		Rusty Chacra	2/9/1978	 P	19	0	110	31	,	0	3.5	NW/4
hacra 2	30-043-20308	0-21-22N-7W	NM25821	FED		Rusty Chacra	2/21/1976	 P	99		0	31	3	c	0.0	SE/4
Dome Federal 01-21-7 1	30-043-20638	H-1-21N-7W	NM15649	FED		Rusty Chacra	7/2/1962		24		0	31	1	0	0.0	NE/4
Dome Føderal 10-22-7 1	30-043-20484	H-10-22N-7W	NM6580	FED		Rusty Chacra	10/23/1980	P	245		360	31	a	· .	11.6	NE/4
Dome Federal 15-22-7 1	30-043-20281	P-15-22N-7W	NM8899	FED		Rusty Chacra	6/15/1979	P	323		0	31	10	0	0.0	\$E/4
kome Federal 18-22-6 3	30-043-20481	E-18-22N-6W	NM21455	FED	-	Rusty Chacra	10/21/1980	P	58		570	31	2		18.4	NW/4
lome Federal 19-22-6 1	30-043-20404	M-19-22N-6W	NM21455	FED		Rusty Chaona	8/30/1979	 P	210	0	0	31	7	0	0.0	SW/4
				FED		i i	10/10/1980		5		0	31	0	0	0.0	SW/4
Iome Federal 29-22-6 2	30-043-20406	K-29-22N-6W	NM6676			Rusty Chaora		<u> </u>				31	0		0.0	NE/4
Come Federal 29-22-6 3	30-043-20483	H-29-22N-6W	NV6676	FED		Rusty Chacra	12/31/1980	<u> </u>	177			31		0		NW/4
oma Federal 30-22-6 1		C-30-22N-6W	NM8641	FED		Rusty Chacra	6/30/1979	,			0		<u> </u>		0.0	
Xome Navajo 03-22-7 1	30-043-20449	J-3-22N-7W	NOOC14205555	<u> </u>		Alamito Gallup	3/21/1980	<u>P</u>	523	0	0	31	17	0	0.0	NW/4 SE/4
Dome Navajo <u>17-</u> 22-7 2	30-043-20480	K-17-22N-7W	NOOC14205382	<u> </u>		Rusty Chacra	10/28/1980	P	100	0		31	3		0.0	SW/4
Dome Navajo 20-22-7 1	30-043-20408	H-20-22N-7W	NOOC14205595	·		Busty Chacra	7/25/1979	P	114	0	0	31	4	0		NE/4
om <u>e Navajo 27-</u> 22-6 1	30-043-20475	M-27-22N-6W	NOOC 14205046	ļ <u></u>	<u> </u>	Rusty Chacra	1/16/1987	<u>P</u>	58	- <u> </u> °	0	31	2	C	0.0	SW/4
lome Navajo 28-22-6 2	30-043-20477	1-28-22N-6W	NOOC14205044	1	<u> </u>	Plusty Chacra	10/13/1980	<u></u> Р	36	0	0	31	<u> </u>	<u> </u>	0.0	<u>SE/4</u>
ome Navajo 28-22-6 4		K-28-22N-5W	NOOC14205045	<u> </u>		Rusty Chaora	12/31/1980		6		800	31	0	·Q	25.8	SW/4
lome Navajo 33-22-6 2	30-043-20564	N-33-22N-6W	<u>NOOC14205048</u>	·		Austy Chaora	12/2/1982	<u></u> Р	315	<u>0</u>	<u> </u>	31	10	<u> </u>	0.0	<u>\$W/4</u>
ome Naviljo 34-22-6 1	30-043-20478	C-34-22N-6W	NOOC14205051	<u> </u>		Rusty Chacra	1/23/1981	P	39	0	0	31	1	0	0.0	NW/4
Iome Rusty 20-22-7 1	30-043-20319	P-20-22N-7W	NM7262	FED		Rusty Chacra	8/26/1976	P		0	0	31	2	0	0.0	SE/4
ioma Rusty 30-22-6 1	30-043-20318	8-30-22N-6W	NM6676	FED		Rusty Chacra	6/30/1978	P		<u> </u>	•	31	10	0	0.0	NE/4
ome State 32-22-6 2	30-043-20470	A-32-22N-6W	LG3923	<u></u> \$ī	<u> </u>	Rusty Chacra	1/5/1981	P	345	• • · · ·	o	31	11		0.0	NE/4
ome Tesoro 22 4	30-043-20542	C-22-22N-7W	NDOC14205356	ļ		Rusty Gallup	4/30/1981	P	227	25		31	7	0.8	0.0	NE/4 NW/4
ome Tesoro 23 1	30-043-29506	L-23-22N-7W	NOOC14205360	<u> </u>		Rusty Gallup	11/29/1980	<u>Р</u>	145		<u> </u>	31	55	3.6	00	NW/4 SW/4
ome Tesoro 27 3	30-043-20515	D-27-22N-7W	NOOC14205365	<u> </u>		Rusty Gallup	2/9/1981	PP	177		0	31	6	04	00	NW/4 NW/4
ederal 25-22-7 1		8-25-22N-7W	NM6899	FED		Rusty Chacra	9/17/1982	Р	2	o	<u> </u>	31	0	•	0.0	NE/4
ederal 26-22-7 1	30-043-20363	A-26-22N-7W	NM6899	FED		Rusty Chacra	9/17/1978	P	158	. o	_0	31	5	<u> </u>	0.0	NE/4
ederal 2 <u>9-22-8 1</u>	30-043-20344	1-29-22N-6W	NM6676	FED		Rusty Chacra	9/19/1978	Р	139		0	31	4	<u>0</u>		SE/4
ederal 29-22-6 2	30-043-20393	E-29-22N-6W	NM6676	FED		Rusty Chacra	9/11/1982	<u> </u>	669	0	0	31	22	0	0.0	NW/4
ederai 31-22-6 1	30-043-20383	J-31-22N-6W	NM7778	FED	1	Rusty Chacra	4/25/1979	Р	16	0	0	31	1 ,		0.0	SE/4

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Navajo 1	30-043-20797	N-33-22N-6W	NOOC14205048	1		Busty So. Galup	11/19/1985	Р	107	10	0	31	3	0.3	0.0	SE/4 SW/4
Navajo 10-22-7 1	30-043-20346	N-10-22N-7W	NOOC14205594	<u> </u>		Rusty Chacra	9/15/1978	P	27	0	<u> </u>	,	1	0	0.0	SW/4
Rusty Nail Com 90	30-043-20988	C-34-22N-6W	NOOC14205051		NMNM110562	Basin Fruitland Coal	6/21/2005	Р	24	O	<u> </u>	31	1	0	0.0	N/2

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ATTACHMENT ND. 28

DUGAN PRODUCTION CORP.

DIG BAND GATHERING SYSTEM (APPLICATION DATED 7/2015)

CENTRAL DELIVERY \$AL25 METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W [®]

	MEXICO				Communitzation			[Dates for SC.	OLMAS C	
		Well Location	Well	Location	Agreement No		Completion	Well						Current Prod 2		Spacing		BLM	NMSLO	NMOCO
Wef Name	APINO	UL-Sec Two-Rog	Lense No.	Lae Туре	(% Established)	Prot	Date	Sata d	MCF	Cil.	WATER	DAYS	MCFD	80,0	BWPD	Livil	Appleation	Approval	Approvel	Approval
TELLS TO BE ADDED TO		Construction Incon		1			4.450	a 7										X B E	r	
eve Kyle location A	pending	NE/4-17-22N-8W	N#43438	FED	pending	Basin Frustand Coal		LOC	· ·				1			E/2-320A				1
eve Kyle location A infil	pending	SE/4-17-22N-6W	NM43438	FED	pending	Basin Frustand Coal		LOC			1	1	1			E7-3204				1
leve Kyle location B	pending	NW/4-17-22N-5W	NM43438	FED		Basin Frustand Coal		100								W/2-3204	<u> </u>			1
Nove Kyle location B initia	pending	SW/4-17-22N-8W	NM43438	rep	pending	Basin Frustand Coal			1	·		-				W/2-320A				1
Neve Kyle location C	pending	NE/4-18-22N-8W	NM43438	FED	pending	Basin Fruitand Coal							1			E/2-320A				1
leve Kyle location C initit	pending	5E/4-18-22N-8W	NM43438	FED	pending	Basin Fruitand Coal										E/2-320A				
1	pending	NW/4-18-22N-5W	NM43438	FED	pending	Basin Fruitand Coal							1			W/2-320A				
leve Kyle location D	pending	SW/4-18-22N-6W	NM43438	FED	pending	Basin Fruntand Coal		LOC					i			W/2-320A				
	30-045-34693		VAL119	st st	NA	Basin Fruntand Cost	97479		145		2657	31	5	a	85.7	E-2-320A		1		1
octoren 3		0-16-22N-8W	VA:119	ST ST	N/A	Baten Frustand Coal										E/2-3204				
ochran intil well	pending 20-045-34930	G-9-22N-8W	NM109396	FED	NMNM112645	Basin Frustand Cold	11/5/10		361	0	1547	31	12	0	59.6	N/2-320A				1
espie Con 1		1		FED	1.		11,31,0	LOC								N/2-320A				-
Tespie Com ntill well	pending	NW4-3-22N-5W	N64(05395		NMNM112545 NMNM112661	Basin Frustand Coal	10/2/12	<u>р</u>	2459	0	1524	31	79	0	52.4	E2-320A		,	[1
annon Com 1	30-045-35149	A-19-22N-8W	NO-G-0912-1764 NO-G-0912-1763	<u> </u>	NMNM(12661	Basin Fruitland Coal	10/2/12	P	7409		2237		239	0	722	E/2-320A	<u> </u>			1
ennen Com 2		F19-22N-8W	NM04940912-1763		N/A		9/26/07		532	<u>°</u>	1165		17		376	W/2-3204				
kandini t	30-045-34333	E-15-22N-8W	NM048989	FED		Basin Fruitand Cosi	9/25/07	, <u> </u>	1519		2006		49	ŭ	64 7	W/2-320A		1		1
tancini 2	30-045-34334	L-15-22 <u>N-8W</u>			N/A	Basin Fruitland Cost	9/9/13	р	2437			- 3	79		91.9	E2-320A	1			-
Aancani 3	30-045-34757	B-15-22N-EW	NMC48989	- <u>FED</u>	N/A N/A	Baten Fruntand Cost	9/10/13	<u> </u>	1768		3153	31			101,7	E/2-320A	· · · · · · ·	1		
tanoni 4	30-045-34758	115-22N-8W	N14048989		1	Basin Frustand Coal				0	1	31	139			W/2-320A	<u> </u>	i		
andini Com 5	30-045-34761	¥-10-22N-8W	NM048989	<u></u>	NMNW130418	Baten Fruitand Coal	8/25/13	<u> </u>	4321		3051	<u> </u>				w/2-320A	·	1		1
anoni Con 6	30-045-34759	E-10-22N-8W	NM109396		NMNM130418	Basin Fristand Coal	8/21/13		1727	0	3132	31	<u>>0</u>		1010				<u> </u>	
lancini 7	30-045-34760	P-10-22N-8W	NM048989	FED	NA	Basen Fruitland Coal	8/30/13	<u>P</u>	1851	0	2339	31	_ 60			E/2-320A				+
kanoni 8	30-045-34764	B-10-22N-8W	NM048989	FED	N/A	Basin Fruitland Cold	8/26/13	P	733		1803	31	24	6	58 2	E/2-320A		· · · ·	<u> </u>	-
Aary Rose Com 2	30-045-35147	P-20-22N-8W	NO-G-0912-1762	<u> </u>	NMN4112552	Base Fruitiand Coal	12/2/12	<u>Р</u>	4782	0	3027	31	154	0	976	E/2-3204				
lary Rose Com 2 milit well	pending	NE/4-20-22N-8W	NM57445	FED		Basin Frustand Coal		<u></u>								E/2-320A	·		f	
AcCarmey 1	30-045-29659	A-2-22%-9W	VA1120	\$T	NUA	Buti Chagra Ert.	10/12/98	SENC	O	0		•				NEH		1	<u>├──</u> ───	+
Salichimo Com 1	30-045-34429	N-3-224-8W	NM90468	<u></u> RE0	NUNN121554	Basin Frysland Coul	5/27/08	P	427	0	1683	31	14		<u> 543</u>	\$/2-320A			t	
Sanchimo Com vniši welt	pending	SE/4-3-22N-8W	NM96798	FED	NMNM121554	Basin Fruitand Coel			+							5/2-320A	<u></u>			+
Sanchimo Com 2	30-045-34425	J-4-2294-5W	NMSO468	FED	NUN121116	Basen Fruitland Coal	5/30/08	P	482	0	1433	31	18	0	462	E/2-322.5A			I	
Satchmo Com <u>Intil well</u>	perding	NE/4-4-22N-8₩	NM55836	FED	NMNM121116	Basin Fruitland Cold			+						· · ·	E/2-322.5A			<u> </u>	
Salchmo Com 3	30-045-34402	M-4-22N-8W	NM90468	FED	NWNM121133	Basin Fruitand Coal	6/3/08	P	787	0	2544	- 33	25			W/2-321.53A				
Satchmo Com initity well	pending	NW/4-4-22N-8W	NM90468	FED	NMNMI21133	Basin Fruitiand Cont		100								W/2-321.53A			┣─────	+
Susana Com 1	30-045-35243	D-2-21N-8W	V7770	<u>\$T</u>	State CA-no #	Baten Fruntend Coal	9/19/11	f	2352	0	1712	31	76	· · ·	55.2	N/2-321 44A	<u> </u>	┢────	{	-
Susana Com in ili wel	pending	NE/4-2-21N-6W	V7769	\$T	State CA-no #	Basin Frustand Cost		100								N/2-321 44A	<u> </u>			+
iom Wood Denn 1	30-045-34926	A-8-22N-8W	NO-G-0902-1757	<u>+</u>	NMNM112539	Baten Fruitant Cost	920/10	P	368	0	2395	31	12	0	966	N/2-320A		<u> </u>	├ ────	+
am Wood Denn 2	30-045-34933	C-8-22N-8W	NO-G-0902-1758	<u> -</u>	NMNM112639	Bash Fruitand Coal	9/20/10	P	.1145		1063		37	•		N/2-320A			<u>├───</u> ─	+
Varner Federal <u>1</u>	30-045-05065	A-10-22N-5W	NM048989	FED	NEA	East Blast Chaon	10/15/65	P	93	•	2507	31	.3		. 80.9	NE44-160A		·	<u> </u>	+
Nood Denn 1	30-045-34925	L-8-22N-8W	NQ-G-0902-1756	1	NMNM112635	Basin Fruitand Coal	10/23/10	<u>р</u>	81 <u>9</u>		3439	31		•	1109	5/2-320A			<u>├────</u>	
Wood Denn 2	30-045-34924	P-8-22N-6W	NO-G-0902-1755	1	NMNM112635	Basin Fruitand Coal	11/10/10	P	815	0,	2854	31	26		930	\$/2-320A			<u> </u>	
WELLS PREVIOUSLY APP	NOVED FOR SIG BAND	GATHERING SYSTEM (33	WELLS & 34 completions)		<u> </u>					•					<u>,</u>		<u> </u>	<u></u>	·····	
eer 2	30-045-28552	E-34-23N-6W	NM50999	FED		Nageozi Galilup	47392	P-HC	12	0	2		o	¢	01	5W/4 NW/4	6/20/2008	8/14/2006	7/24/2006	7/24/2006
elushi 1	30-045-31257	J-5-22N-8W	NM50468			Bast CH & Basin FR Coal	2%05	P	85	0	1594	31	3			SE4 & E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
m a 2	30-045-24713	L-35-22N-6W	NM8902	PED	·	Russly Chacra	1/31/81	/ <u> </u>		•	350	- <u>-</u> 3ı	<u> </u>	· · · · ·		5167	<u>\$6207</u>	2152002	ACR	<u>/////////////////////////////////////</u>
er Com 90	30-045-33872	D-35-22N-6W	NM94067	FED	NMNM118430	Bagen Fruntiend Coel	5/17/07	P	1025	0	2336	31	. 33	0	75.4	<u>w2</u>	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Mie Com 91	30-045-33873	A-35-22N-8W	NM94067	FED	NMNM119554	Basin Frustand Coal	\$27/07	р	108	•	1569	31	3	0	50.6	E2	6/20/2006	B/14/2006	7/24/2006	7/24/2006
ieve Kyle 2	30-045-29038	D-18-22N-8W	NN43438	FED	<u> _</u>	Bisti Chacra Ert.	512/94	Р	119	0	31	31	•	0	.10	NW4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
ochran 1	30-045-24465	A-16-22N-8W	VA1119	<u>\$1</u>	·	Bisil Chacra Err.	6/24/98	SENC	0	0	•	0				NE4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
borsey 1	30-045-29909	E-26-22N-8W	NM90472	FED	<u> _</u>	Busty Chacre	12/1/99	P			0	31	o	0	0	NW/4	96/2001	2/15/2002	N/A	10/5/2001
Xorsey Com 90	30-045-33861	C-28-22N-8W	NM90472		NMN1118403	Basin Fruitant Coal	9/29/09	P	736	0	4524	31	24	0	145.9		6/20/2006	8/14/2006	7/24/2006	7/24-2006
orsey Com <u>905</u>	30-045-33862	L-26-22N-8W	NI/94067	FED	NSINI 118403	Baser Fruitand Coal	5/10/07	P	3645	0	2:52	1 1	118	l .	70.7	W2	6/20/2006		7/24/2006	7/24/2006

ATTACHMENT	

DUGAN PRODUCTION CORP.

BIG BAND DATHERING SYSTEM (APPLICATION DATED 772015)

CENTRAL DELIVERY BALES METER (ENTERPRISE METER NO. 0304R) SEMIN 12, T-22N, R-7W 🖲

1	W MEXICO				Communitization			1 1		1	1							Dates for SC		
I		Well Location		Locarion	Agreement No.		Completion	***			1			Current Prod. 0		Spacing		BLM	NASLO	HANOCD
Well Name	API No.			1 7		200	Owle	Status I.	MCF		WATER	DAYS	MCFD	800	twpp		A redeaters	A	1 10000	
3 by Carlor 2 m	APT POL	UL Sec In And	Linese No.		(# Established)	Con Margaret	Data			× * *	1 10 10 AL	ing rain states	ANEL T AND		d Trans Landar	2 2 2 Mer N 42 1	Card Ditterior.	Approval	S. WE HERE	Approval
LS TO BE ADDED TO	D SYSTEM 20 WELLS +	1	1	4	sterer her her an and a sugarding	,	1		a start without all	1	<u></u>			1	1	3 1		Chinesenergy 4 200		<u>, </u>
ve Kyle location A	pending	NE:4-17-22N-8W	N8443438	FED	pendarg	Besin Frontiend Coel		LOC						· · · · ·	ł	E2-320A				
e Kyle loostion A still	pending	SE/4-17-22N-8W	N8443438	FED	pending	Besin Frutland Cost										£2-320A			<u> </u>	
we Kyle location B	pending	NW/4-17 2294-8W	NELHIGHGIB	FED	pending	Been Frytland Coal		100						ļ		W-2-320A				
we Kyle location E will	pending	SW/4-17-22N BW	N8443438	fED .	penting	Been Fruttend Cost		LOC			.					W/2-320A		1	1	
				FED		i –		LOC			·]					E/2-320A			1	
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we Kyle location C Initi	pending	SE/4-18-22N-8W	N8443438	FED	pending	Beerg England Coal		LOC			1				1	E/2-320A				<u></u>
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we Kyle location D mill	pending	SW/4-18-22N-8W	N6453438	FE0	punding	Beam Fruitland Cost		<u>uoc</u>								W/2-320A		<u> </u>		<u> </u>
ofran 3	30-045-34693	0-16-22N-8W	VA1119	57	NFA	Bestin Fruitland Cost	91409	<u> </u>	145	¢.	2557	<u>, n</u>	5	0	15.7	E/2-320A				
in the line of the sector	persong	NEI+16-22H-8W	VA1119	डा	NA	Sean Fruiterid Coal		100						<u> </u>	ł	E/2-320A		l		1
espe Con I	30-045-34930	G-9-221-894	NM105395	PED	NE/NE/112545	Besin Fruthand Coal	11/5/10		361		(\$47		12		596	N7-320A		1		
		1	1	1	1				~~	•				1	435	1		i —		1
eepe Con nill vet	pending	NW/4-9-22N-8W	NN 109095	PE0	HE4HE/112545	Bean Fruttend Coal		<u></u>			i				1	H12-320A				<u> </u>
non Com t	30-045-35149	4-19-22N-8W	ND-G-0912-1764	<u> </u>	NMNW/112561	Best Foulland Coal	10/2/12	P	2459	0	1524	<u> </u>	- 79	<u> </u>	52.4	E/2-320A				
non Com 2	30-045-35148	19-22N-8W	HO-G-0912-1763	ļ ,	NUN 1112551	Beam Fruthend Coal	10/2/12	P	7409	. 0	2237	31	Z3 9	• •	72.2	E.2-320A		<u> </u>		
rom 1	30-045-34333	E-15-22N-#W	144048385	FED	NA	Beer Fortent Con	9/26/07	P	532	0	1165		17	•	37.6	W12-320A		1		<u> </u>
nom ž	30-045-34374	1-15-22N-BW	NM048989	feb	NYA	Been Fruttent Cosi	925.07	P	1919		2006	31			647	W/2-320A				
	30-045-34757	B-15-22944W	NM048989	FED	N/A	Been Fruffend Cost	9/9/13	р	24()7		284	11	79	6	91 9	E/2 320A		1		
Norm 3				1				i – i		ľ.				i .				1	1	1
nom 4	30-045-34758	F15-22ri-8yr	NM048989	PED	N/A	Been Fruitent Coal	9/10/13	·P	1758	·•	3153	31	\$7	• •	101.7	E.2-320A			1	
nant Çam Ş	30-045-34761	M-10-22H WW	NL4048989	<u> </u>	NO.004130418	Been Fruttend Coal	8/26/13		421	•	3051	<u> </u>	139	•	98.4	W/2-320A			·	·
nani Çan 6	30-045-34759	E-10-22N-8W	MM108096	PED	HANNELT JOATS	Been Frottend Goal	8/21/13		1727	•	3132		56	0	101.0	W 2-320A				<u> </u>
nom 7	30-045-34790	P 10-221-8W	NM048989	<u> </u>	N'A	Been Fruttend Coal	8/30/13	_ <u>_</u>	1851	•		31		. 0	75.5	6/2-320A			1	
	30-045-34764	8-10-22++#W	NUX048585	FED	NYA	Basin Fruitiand Coal	9/26/13		719	•	1903	1 11	24	c	58.2	E/2-320A			1	
	30-045-35147	P 20-221-8W	NO-G-0912-1762	1 .	NMNN112652	Been Fruffend Coal	12/2/12		4792		3027	<u>,</u>	154		97.6	E/2-320A				
ry Rose Com 2		1	1		1000 000112002		16614			• •	, , , , , , , , , , , , , , , , , , , ,	· · · · · · · · · · · · · · · · · · ·	····	1.	1			1	1	· · · ·
y Rose Com 2 milling		NE/4-20-22N-8W	ML(57445	FED	1	Beam Fruttend Coel		UC					[E/2-320A				<u> </u>
Carolay 1	30-045-29659	A-2-22%-9W	VA1120	ST	NA	Ben Cherre Ext.	10/12/98	<u>SI-NG</u>	0	• • • • • • • • • • • • • • • • • • • •	· <u> </u> °					NE/4				
ahma Cam (30-045-34429	N-3-22N-8W	NMS0468	PED .	HMNM121554	Been Fruitlend Coal	\$/27/08		427	e	1683	31	14	<u> </u>	54.3	5/2-3204				ļ
chara Com ratil well	pending	SE-4-3-22N-8W	NM96798	HED.	Numer121554	Seen Fraihend Coal		100			1					S7-320A				Į
atmo Com 2	30-045-34425	J-4-72748W	NA/50468	. PED	HANNIS21115	Been Fruttend Coal	5/30/08	р	482	0	1433	31	15	۰ ا	46.2	E/2-322 54				
				T	HARPAP121115			100				[E/2-322.5A				
otomo Com entili mel	penderg	NE/4-4-22N-8W	NM55836	HED.		Been Fruitland Coal		100			1					1 1				
tahmo Carri 3	30-045-34402	4-4-22N-8W	NM90468	FED	NMNN/121133	Sean Fruitland Coal	6/3/08	<u>Р</u>	787	0	2544		25	<u> </u>	85.3	W/2-321.53A				
tohma Com entil well	pending	NW 4422N 8W	NN/S0468	FED	HANNA121133	Been Fruttend Coal		LOC								W7-321.53A				
une Com 1	30-045-35243	D-2-21N-6W	V7770	51	State CA-ro 4	Basen Fruitfend Cost	9/19/11	р	2353	0	1712	31	76	0	55.Z	NZ-321_44A				
une Com stit wet	pending	NE/4-2-211-8W	V7763	डा	State CA-no #	Besin Pruitiand Coal		100								N/2-321 44A				
n Wood Darm 1	30-045-34926	A-8-22N-8W	NO-0-0902-1757		MMMM112639	Been Fruitiend Coal	9/20/10		368	0	2905	31	12		966	N7-320A			Ì	
													37	0	34.3					
n Wood Denn 2	30-045-34933	C-8-2214-8W	NQ-G-0902-1758		NMNM112639	Been Fruitland Goal	9/20/10	<u>_</u>	1145		1992				1	N/2-320A				
imer Federal, I	30-045-05055	A-10-22%+8W	NAC48989	FED	N/A	East Ball Chacra	10/16/96	P	90	0	2507	31	3	P	80.9	ME/4-150A				
ot Dem 1	30-045-34925	L-8-22H-8W	NO-G-0902-1756	- 1	HMNM112635	Beein Frutland Goal	10723/10	P	\$19		2409	31	29	<u> </u>	110.9	S/2-320A			-	ļ
od Denn 2	30-045-34324	P-8-22N-8W	NO-G-0902-1755	ļ	NMNM112535	Besin Fruitlend Coel	11/10/10	P	815	e	2984	31	~ ~ ~	0	\$0.0	5/2-320A				
LLA PREVIOUSLY MA	HOVED FOR BIG BAND	GATHERING BYSTEM C	WELLS & 34 consistent		La Contract	N. CE			1 21 Kin 4 3 min		مناه به الم	ð		a set a s	y at 25381	C. S. Andrewski, and		11. T. W. W. W. T. W. T. W. T. W.		
	30-045-28552	E-34-23N-8W	14450999	FED			47359	P-NC	(7	^		31	~	A	a1	SH/4 HH /4	670/2006	B/14/2006		7/24/2006
12		1	1	Î		Nageed Galup			1€	······································			i <u>.</u>						í.	
<u>ebi</u>	33-34-5-31257	1 15.221-204	49493452	FED.	1	Sate CH. & Bane FP. Coal	1	<u> </u>	Ar .		1 1994	<u> </u>	<u> </u>	\ <u> </u>	<u> </u>	5645 27	472579395	8/147936	1 <u>3724-2005</u>	712422005
2	30-045-24713	L-35-22N-8W	NN8902	FED *		Ruely Checre	1/31/81	P		0	350		<u>├</u> ,	- C	11,3	SW/4	9/5/2001	2/15/2002	<u>. NA</u>	10/5/2001
Com 90	30-045-33872	D-35-22N-8W	NM94067	FED	NMNM118430	Basin Fruitland Coal	5/17/07	P	1025	0	2336	31		¢		W/2	6707006	8/14/2006	7/24/2006	7/24/2005
Com St	30-045-33873	A-35-22N-6W	NM/94067	FED	NMNM119554	Basen Fruitland Cost	9/27/07	. р	108	e	1569	31	3	o	50.6	E/2	6/20/2006	8/14/2006	7,24/2006	7/24/2005
na Kyna 2	30-045-29/38	D-18-22N-8W	MM43438	FED		Buti Chaora Ed.	\$129	Р	119		31	31		o	10	NW/4	670/2006	8/14/2006	7/24/2006	7/24/2006
themes 1	30-045-24465	A-16-22N-8W	VA1119	ST		Beti Cheora Ext.	6/24/98	SI-NC	ņ	0					-	NE/4	6/20/2006	8/14/2005	7/24/2006	7/24/2006
				1		1				v .	-			·		_			i	
99y 1	30-045-23979	E-26-72N-6W	N#/90472	FED		Rusty Chaora	12/1/99	<u> </u>	·	0	· 9	31	°	<u>0</u>	00	NW/4	9/5/2001	2/15/2002	NA	10/5/2001
ay Com 90	30-045-33661	G-26-22N-8W	NM90472	FED	NBM MM118403	Basin Fruilland Coal	9/29/09	P P	736	٥	4524	31		• <u> </u>	145.9	W/2	620/2006	B/14/2006	7/24/2006	7/24/2006
ey Com 905	30-045-33862	L-26-22N-8W	NM94057	<u>FED</u>	NMMM-118403	Basin Fruitwind Coal	5/10/07		3646	Q	2192	31	118	o	70.7	w/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
glon 1	30-045-29907	N-26-22N-8W	NM94(167	FED		Ruery Chaona	1016/59	e	25	σ	494	21	<u> </u>	<u> </u>	159	SW/4	9/5/2001	2/) 5/2002	N/A	10/5/2001
igton Cont 90	30-045-33871	B-26-22H RW	NM/50472	FED	NMINMI112646	Seem Fruttend Coel	10/2009	e	347	0	16659	31	11	0	53 a	E/2	670/2006	8/14/2005	7/24/2005	7/24/2005
	30-045-33870			FED	MDM112645	Besin Fruitent Coal		Р	6311	0	4963	·	204	a	150.4	62	6/20/2006		7/24/2006	_
ngton Com 905		P. 26-22N-8W	NM94057	T		-	10/9/09					31						8/14/2006	i	
<u>ve 1</u>	30-045-29063	P-1-22N-5W	NM90475	FED		Berli Checra	6/7/94	<u>P</u>	2	•	58	31	· · · ·	· · · · · · · · · · · · · · · · · · ·	19	<u>56/4</u>	6/20/2006	8/14/2006	7/24/2005	7/24/2005
odman 2	30-045-29191	L-23-22N-8W	NM90471	<u>F</u> ED		Ruety Chaosa	1/4/95	P		Q	· · · · · · · · · · · · · · · · · · ·	31	<u> </u>	0	0.0	<u>Sw/4</u>	9/6/2001	2/15/2002	N/A	10/5/2001
	30-045-30780	J-23-22N-6W	NMS0471	FED	1	Basin Fruitland Coal	12/9/03	P	312		1210	31	10	••	390	E/2	_620/2006	8/14/2006	7/24/2006	7/24/2006
xdm4n 90			I –	FED	1	Beti Chucze Ext	25703	P	28	0		19	1 1	0	1.1	SE/4	6/20/2006	8 <u>14206</u>	7/24/2006	7/24/2006
xdmwn 90	30-045-31087	1-24-22N-9W	NM89099																	
dmuo 90	30-045-31087	1-24-22N-9W	NM89099			1		P	976				31	<u>^</u>	461		6202005		1	-
dmun 90	30-045-31087 30-045-31052 30-045-23531	1-24-22N-9W A-24-22N-9W B-7-22N-8W	NH89099 NH892738 NH455836	FED	NMN-108160	Beam Fruitiand Coal Beat Overn	2/5/03	<u>р</u>	976		1443	31	31	<u>0</u>	46.5	E/2	670/2006	&142006 &142006	7/24/2006	7:24/2005

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				6FD	Basin Fruitland Cod	12/10/03		313		1343	31	10	0		w?	6/20/20/5	8/14/2006	7/24/2006	1/24/2006
#1 90	30-0-15-30779	L-24-22N-8W	N490253		Basis Franking Color									10	NC4	6/20/2006	\$/14/2006	7/24/2006	7/24/2005
e o 1	30-045-28976	A-12-22N-9W	NM90476	FED	Breis Chaora	9/21/50		16				·	°						
vy 1	30-045-29158	N-36-23N-9W	VA1121	51	Seam Fruitland Coli	10/26/05		0	0	0	0			_	W/2	6/20/2006	8/14/2006	7/24/2006	1/24/2005
	1		1		Bith Chern	93/93	1.	1 14] .	31	31	0	a	t 0	NF/4	6/20/2005	8/14/2005	7/2//2005	7/24/2005
risen)	30-045-29980	_H+13-22N+9W	NM90477									6			SF/4	6/20/2005	6/14/2006	7/24/2006	7/24/2006
aley 1	30-045-29061	P-7-22N 8W	NM90469	- FED	Bati Cherre	5/23-94	<u> </u>	•		- 	┤──ਁ──					945/2001	2/15/2002	NA	10/5/2001
ppa 3 FC	30-045-29908	P-27-22H-8W	* NM57445	etto etto	Sase Frutiend Coll	12/2/99	POHG.	318	0	1328	31	10		42.8		962001			
					Buty Deca	12/2/99	P-DHC	315	o o	1328	21	10	<u> </u>	42.6	\$F/4	95/2001	2/15/2002	NPA	10/\$/2001
2#1PC	30-045-23508	P-27-22N-8W	10/57445	0						2034	11	199		65.6	57	6707005	8/14/2006	7/2//2006	7/24/2006
694 33	30-045-33855	1-27-22N-0W	H6457445	PED	Satur Enutiend Cold	4/2/07		6176	°		<u> </u>				N2	945/2001	215/2002		105/200
Ppar 91	10.045-29997	A-27-2211-8W	10457445	-ma	Besin Fruitient Coel	2/2/01		372	0	1089		12	·	35.1	<u> </u>				
			16/57445	PFD CT	Seen Fruhend Cod	4/2/07	·	95.23	0	2851	الا	207	0	92.0	N2	6/20/2006	<u>6/14/2006</u>	- 7/24/2006	1742005
pps 915	10-045-33856	6-27-22%-8W	1					5053	a	2318	1 11	163	0	74.6	EŻ	6/20/2006	8/14/2005	7/2/02006	7242005
CP4 92	30-045-33857	1-21-22N-DW	N8457445		Been Frathend Code	516/07			· · · · · · · · · · · · · · · · · · ·					72.6	50	6/30/2005	614305	7/242006	7/24/2005
epe 93	30-045-33858	4-22-22N-8W	N8457445		Basin Fruitweid Coll	4/27407	· ·	1712	<u> </u>	80	+	<u> </u>	-} *				· · · · · · · · · · · · · · · · · · ·		
	30-045-33859	P-22-22N-8W	H\$#57445	670	Best Fullent Coll	477/07	· · ·	1731	<u>e</u>	2165	<u> </u>	57	0		\$2	670/2015	8/14/2006	7/24/3005	3/24/2006
pp= 935	004-3459					5				· · · ·									
O WELLS	<u> </u>	<u>i n in 18</u>	<u>P. et</u>	<u>, </u>		r <u> </u>			1				1	1					
ofwan Z SWD	30-045-33932	H 16-22N 8W	VA1119	ST		1/20/07	<u>\$w0</u>												
orrieon 2 SWD	30-045-33684	H13-2214-9W	NM/20477	PE0	SWD: Entrada	912/12	5WD						<u> </u>	l		I			

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				OVE THIS LINE FOR DIVISION USE ONLY	<u> </u>	
		NEW M	EXICO OIL C	ONSERVATION D	IVISION	A CONTRACTOR OF CONTRACTOR OFO
			- Engine	ering Bureau -		
		1220) South St. Francis	Drive, Santa Fe, NM	87505	
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THIS	CHECKLIST			TIVE APPLICATIONS FOR E		IVISION RULES AND REGULATIONS
plicati	ion Acron		WHICH REQUIRE FRO	CESSING AT THE DIVISION	LEVEL IN SAMIAT	
Į,				-Standard Proration U		_
	-	ownhole Co Pool Comm		B-Lease Commingling Off-Lease Storage]		/Lease Commingling] se Measurement1
	•	[WFX-Wa	terflood Expansio	on] [PMX-Pressure	Maintenance E	Expansion] "
			VD-Salt Water Disp nanced Oil Recove	osal] [IPI-Injection		
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נ [se Which Apply for [A	N - 04	roduction Response] -c:147-B IGAN Production Comp 6515 Well
	[A		$SL \square NSP$	Simultaneous Dedicat	tion	6515
			ly for [B] or [C]			ChAcne#1 30-043-20308
	[B] Comm	ingling - Storage -	Measurement		OLM 1343 otheur
			пс ств			ULM 1313 0 th ens
	[C] Injectio	on - Disposal - Pre	ssure Increase - Enhand	ced Oil Recove	Poul
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	D}) Other:	Specify			PPR - Rusty Chitena (G 8436) - Besin FugiteAnd Cael(71624) Not Apply
	U)	-j Ouldi.	Speeny			- Gaell 71(2)
] [<u> </u>	-	heck Those Which Ap		Not Apply
	{A] 🖾 W	orking, Royalty or	• Overriding Royalty In	iterest Owners	- RUSTY GALIGP
	[B	1 🗆 O	ffset Operators, Le	aseholders or Surface	Owner	52860
	Ľ	, _ ·	· · · · · · · · · · · · · · · · · · ·			-Bisti ChAcha
	[C] [] A	pplication is One V	Which Requires Publis	hed Legal Noti	се бы 16 ь
	[D	א 🖾 וי	otification and/or (Concurrent Approval b	VBLM # SLC	\sim
	LD LD	0.5	, Bureau of Land Managem	ent - Commissioner of Public Land	s, State Land Office	
	[E] 🛛 Fa	or all of the above,	Proof of Notification $x = 0$	or Publication i	s Attached, and/or,
	(P	, <u> </u>	7	*-A4	lachment	No.8 prosents Copies of forts to Interest Divin Cortified - Peturn Receipt cortified - Peturn Receipt cortified - Peturn Receipt Cortified - Peturn Receipt Cortified - Peturn Cortified - Cortified
	ĮF	I L W	aivers are Attache	u NOFI. 1711	Were Sigt	Certified - Return Receipt
] \$	SUBMIT	ACCURAT	E AND COMPLI	ETE INFORMATION	N RÉQUIRED	TO PROCESS THE TYPE

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

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

Kevin Smaka Print or Type Name

Kinn Smith	Production Engineer	08/7/15
Signature	Title	Date
	· · · · · · ·	

kevin.smaka@duganproduction.com e-mail Address dugan production corp.

August 7, 2015

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

Ms. Victoria Barr, Manager Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402 Mr. Aubrey Dunn, Commissioner New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148

Re: Application to surface commingle and for the Off-Lease Measurement/sale of produced natural gas for wells to be added to Dugan Production's Big Band & Rusty Chacra Gas Gathering Systems, plus consolidate both Gathering systems into a new gathering system to be called the Rusty Gathering System San Juan & Sandoval Counties, New Mexico

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

We are writing to request your administrative approvals for the surface commingling, plus off-lease measurement and sale of natural gas produced from 38 wells (23 existing and 15 proposed locations) to be added to Dugan Production's Big Band Gathering System (BBGS) plus 8 wells (4 existing and 4 proposed locations) to be added to-Dugan Production's Rusty Chacra Gathering System (RCGS). In addition, we are requesting your approvals to consolidate the BBGS and RCGS into a new gathering system to be called the Rusty Gathering System (RGS). Dugan Production operates the BBGS and RCGS and will operate the RGS in the exact same manner as is approved for the BBGS and RCGS. NMOCD Form 107-B is attached for this application to add wells to both gathering systems. A summary presenting the wells and production for each pool and gathering system is presented on Attachment No. 4. Gas sales for the RGS will continue to be at the central delivery sales meter (CDP) established for the RCGS and currently serving both BBGS and the RCGS. The CDP for the RCGS is located in the SENW of Section 12, T-22N, R-7W and delivers gas to Enterprise Field Services Meter No. 03049. This CDP is also authorized to be used as needed by the BBGS in the event gas deliveries to PNM at the CDP sales meter established for the BBGS were not feasible (NMOCD Order PLC-191-A, dated 4/17/07). The BBGS CDP to PNM has been abandoned as not being feasible for operation on the BBGS, and all gas from BBGS is now delivered to the RCGS. Dugan Production did seriously attempt to deliver BBGS to PNM, however the fuel gas volumes needed to operate the 3 stage compressor plus two dehydrators that were necessary to deliver gas into PNM's line, were deemed to not be feasible. Almost all production into the BBGS was being consumed by fuel needs and a typical production cycle during any month would include shutting in the compressor to allow the connected wells to pressure up the BBGS at which time the compressor and dehydrators would be placed into service until the accumulated gas volumes within the BBGS had either been consumed as fuel or a small volume had been delivered into PNM's pipeline which was averaging 500 psi. Ultimately, the compressor would shut down as a result of low gathering system pressure. Gas sales to PNM during the 23 months from 2/02 through 12/03 totaled 1142 mcf for a monthly average of 50 mcf, which was not acceptable to DPC and the PNM CDP has been abandoned and all BBGS gas delivered to the RCGS by connecting the two gathering systems with a line from the James No. 1 (NESE 24, T22N, R8W) to the Dome Rusty 20-22-7 No. 1 (SESE 20, T22N, R7W). In addition to adding wells to our BBGS and RCGS, plus consolidating the two gathering systems to form a new gathering system, We are also requesting the NMOCD to include a provision in their order that for future additions to the RGS, only the interest owners in the wells being added need to be notified, providing that it is reasonably certain that the proposed additions will not adversely affect the interest owners in the wells already approved for the gathering system. Our notice letters to each of the interest owners did include a notice of this request. This provision will be very helpful and will significantly reduce the work

effort necessary to add future wells to the gathering system.

The RCGS was installed by Dome Petroleum and placed into service during January of 1982. Dugan Production acquired the gathering system and most of the wells connected to it in 1990. Currently there are 39 wells approved

for the RCGS which includes 32 that are currently active and seven that have been plugged and abandoned. Production currently averages a total of 154 mcfd plus 5.1 bopd for an overall average of 5 mcfd per well plus an average of 1.0 bopd for each of the five active oil wells. Well production ranges from 1 to 22 mcfd. Of the eight wells proposed to be added to the RCGS, four have been connected and currently produce a total of 91 mcfd for an average of 23 mcfd per well, ranging from 1 mcfd to 57 mcfd. All four wells are marginal producers and detailed information for each is presented in Note 5 of Attachment 2A. Individual well production for the RCGS is presented on Attachment 2A and a summary of pool production is presented on Attachment No. 4.

The BBGS was installed by Dugan Production and first delivered gas to PNM on 2/4/02. A total of 33 wells (34 completions) have been approved for the BBGS by NMOCD Order PLC-191-A dated 7/24/06, the BLM on 8/14/06, and the State Land Office on 7/24/06. Of the 34 completions currently approved for the BBGS, 28 are currently active and produce a total of 1271 mcf for an overall average of 45 mcfd/well, ranging from 1 mcfd to 307 mcfd with 15 wells averaging less than 25 mcfd. Of the 38 wells proposed to be added to the BBGS, 22 have been connected and currently produce a total of 1205 mcfd for an overall average of 55 mcfd/well, ranging from 3 mcfd to 239 mcfd, with eight averaging less than 25 mcfd and only three producing more than 100 mcfd. Note No. 13 on Attachment 2B presents detailed production information for each of the 22 wells. Individual well production for the BBGS is presented on Attachment No. 2B and a summary of pool production is presented on Attachment No. 4.

Dugan Production does understand that regulatory approvals are needed to add wells to gathering systems and will work to avoid future wells being added prior to receiving approvals to do so. We request that consideration be given to the fact that all four wells at RCGS plus 19 of the 22 wells at BBGS are considered to be marginal producers (less than 100 mcfd) and that all production has been accounted for using the allocation procedures that have been approved for both gathering systems. There has not been any economic harm to anyone. Each of the subject wells was frac'd during completion and to insure minimal exposure to reservoir damage and to minimize the volumes of gas vented during flowback, it was important to place each well on production into the gathering system as quickly as possible following the frac, which was easy to do having the gathering system available.

Attachments No. 1A & 1B present maps of the RCGS and BBGS, respectively, with the wells proposed to be added highlighted in blue. In addition, Dugan Production's leases are also presented. This is an area that is somewhat remove to development activity in the San Juan Basin. Dugan Production has a majority of the leasehold interest and to date most wells drilled are considered to be marginal producers. The RCGS central delivery gas sales meter is located in the SENW of Section 12, T-22N, R-7W and delivers gas to Enterprise Field Services Meter No. 03049. As presented above, initially Dugan Production did attempt to deliver BBGS gas to a CDP on PNM's pipeline, however due to the high pipeline pressure (500 psi), and PNM's dehydration requirements, this CDP has been abandoned and BBGS gas delivered to RCGS.

Attachments No. 2A & 2B present information for the wells currently approved and the wells to be added to the RCGS and BBGS, respectively. Detailed production information for wells to be added is presented in Note 5 of Attachment No. 2A for the RCGS and Note 13 of Attachment No. 2B for the BBGS. It is important to note that on Attachment 2A for the RCGS, production for the 39 wells currently approved ranges from 1 to 22 mcfd and averages 5 mcfd/well. Production from the four wells being added ranges from 1 to 57 mcfd and averages 23 mcfd. There should be no question that all wells on the RCGS are very marginal producers. With reference to Attachment No. 2B for the BBGS, production from the 34 completions currently approved ranges from 1 to 307 mcfd and averages 45 mcfd. It should be noted that only 5 wells on the BBGS produce more than 100 mcfd and that 23 wells produce less than 100 mcfd averaging 12 mcfd. Production from the wells being added ranges from 3 to 239 mcfd and averages 55 mcfd. Only three wells produce more than 100 mcfd and 19 produce less than 100 mcfd, averaging 35 mcfd. Thus for the BBGS, a majority of the wells are considered to be marginal producers.

Attachments 3A & 3B present the interest ownership for the wells to be added to the RCGS and BBGS, respectively. From Attachment No. 3A, at the RCGS, Dugan Production holds 100% of the working interest in six wells being added and their infill locations, plus we have a majority working interest (±93% before payout and ±86% after payout) in the fourth well and infill location. Royalty for four of the wells and infill locations is federal and royalty for four of the wells and infill locations is federal and royalty for four of the wells and infill locations is state. In addition, four of the wells and infill bave six to 13 overriding royalty interest owners. From Attachment 3B, at the BBGS, Dugan Production holds 100% of the working interest in 28 of the wells and infill locations to be added. In addition, we have a majority working interest in eight of the wells and infill locations (four at 87½% and four at 75%), and we have a 50% working interest in one well and its infill location. Of the 38 wells/locations to be added to the BBGS, 25 have federal royalty, four have state royalty, 4 have Navajo Nation Royalty, and eight have Navajo Allotted royalty. Note that three of the wells are communitized and include more than one type of royalty in their spacing units. Twenty-seven of the wells/locations being added also have overriding royalty interest owners ranging from one to six overriding royalty interest in any one well. All interest owners in the wells being added as presented in Attachments No. 3A and 3B (19 at RCGS + 16 at BBGS), plus all interest owners in the wells currently approved for BBGS and RCGS (58) will receive information pertaining to

this application, and Attachment No. 8 presents copies of our interest owner notice efforts. All notice letters have been sent by certified mail with return receipts, and upon receiving the receipts, copies will be forwarded to the NMOCD.

Attachment No. 4 presents a summary of the pools, wells, production and leases for the BBGS & RCGS. The BBGS has wells from four pools (three gas and one oil) authorized for the gathering system and with this application a fifth pool, the East Bisti Chacra gas pool (96384) is being added. The RCGS has wells from five pools (three oil and two gas) authorized for the gathering system. It is noted that two of the pools (Basin Fruitland Coal and Rusty Chacra) are authorized for both gathering systems. It is also noted that for the BBGS, of the 34 wells (28 active) currently approved for the gathering system, production averages 45 mcfd and ranges from 2 to 73 mcfd per well. Of the 38 wells/locations to be added with this application, 22 are currently producing and average 55 mcfd per well. For the RCGS, 39 wells (32 active) currently approved for the gathering approved for the eight wells/locations to be added, four are currently producing and average 23 mcfd per well. Of the eight wells/locations to be added, four are currently producing and average 23 mcfd per well. Clearly, all wells are considered to be marginal producers. Dugan Production's leases for the wells in each gathering system are summarized on Page 2 of Attachment No. 4. The BBGS has 19 federal, five state, seven Navajo Allotted, and one Navajo Nation lease, which is held by the Navajo Nation. The RCGS has 19 federal, six state (five by Dugan Production and one by Hicks Oil & Gas), and 13 Navajo Allotted leases.

Attachment No. 5 presents the proposed allocation procedures to be used for the consolidated BBGS and RCGS which will now be called the Rusty Gathering System. It should be noted that this allocation procedure is exactly the same allocation procedure that has been approved for both the RCGS and BBGS, and is currently being used.

Attachments No 6A and 6B present a comparison of connecting the proposed wells to the existing RCGS and BBGS as opposed to directly connecting each well to the nearest pipeline which will be Enterprise's line at the current CDP for RCGS in the SENW of Section 12, T22N, R7W. PNM does have a closer line, but our efforts to deliver BBGS to PNM have eliminated the PNM line as an option. This analysis was done to address the BLM's Instruction Memorandum No. 2013-152 dated 7/3/2013 and to support connecting the proposed wells to an existing gathering system operated by Dugan Production Corp.

From Attachment No. 6A, to connect each of the eight wells and infill locations to Dugan's RCGS, will require installing an estimated 16,271' (3.08 miles) of 4" polypipe which with a 40' ROW, will require disturbing an estimated 14.94 acres of surface. If each well were to be individually connected directly to a pipeline company for gas sales, the length of necessary pipeline would increase to 106,450' (20.16 miles) and result in disturbing 97.75 acres of surface. In addition, since we typically will install the required compressor at the well site, the line between the well and connection to the pipeline will be operating at a higher pressure for direct connection, which will require using 4" steel line as opposed to 4" polypipe which will increase the installation costs from \$15/ft to \$38/ft and will result in the pipeline cost increasing from \$244,065 for connecting to a gathering system to \$4,045,100 for connecting to Enterprise. In addition, and probably one off the biggest benefits of operating a gathering system is that we can install central gas compression facilities to serve multiple wells and we typically operate our gathering systems at 20 to 30 psig which provides an optimum surface operating pressure for wells connected to it. For direct connect, it will be necessary to install a compressor at each well in order to deliver gas into Enterprise's pipeline which is currently averaging 325 psig. This will require purchasing and installing significantly more compressors to deliver the same gas, which will result in using more produced gas for fuel and producing more noise and exhaust gas. In addition, the cost to make a connection to our gathering system averages about \$5,000/tap and meter run where Enterprise will charge an average of \$85,000 for each pipeline tap and meter run. For our analysis, since the infill wells will have the same interest ownership as the initial spacing unit well, we assumed it will be acceptable to connect the infill well to the initial well and use only one line and compressor to deliver the gas to Enterprise which will not only reduce the necessary pipeline length, but will reduce the meter run and connection cost for the infill well to \$5,000 and enable the infill well to use the compressor installed for the initial well.

From Attachment 6B, to connect each of the 38 wells and infill locations to Dugan's BBGS will require installing an estimated 97,244' (18.4 miles) of 4" polypipe which with a 40' ROW will require disturbing an estimated 89.3 acres of surface. If each well were to be connected directly to a pipeline company for gas sales, the length of necessary pipeline will increase to 1,014,212' (192.1 miles) and will result in a surface disturbance of 931.3 acres. As described above for the RCGS, a direct connect line will be operated at a higher pressure and will need to be 4" steel which will result in the pipeline costs increasing from \$1,458,660 to \$38,540,056. In addition, for direct connection, we will need to install 20 additional compressors which will result in using an additional 396 mcfd for fuel which will result in lower gas volumes to be sold at a value of approximately \$526,848/year considering gas at a 1215 BTU and \$3.00/mcf. Assuming royalty rates of 12-1/2% to 16-2/3%, this will reduce royalties paid by approximately \$65,900 to \$87,800 per year!

Thus considering all factors of connecting to the existing gathering system versus directly connecting to Enterprise pipeline, the total costs presented on page 2 of Attachments 6A and 6B are summarized as follows:

Gathering	Connect to	Connect to	Additional Cost
<u>System</u>	Gathering System	<u>Enterprise</u>	for Direct Connections
BBGS	\$1,648,660	\$41,483,256	\$39,834,596
RCGS	<u>\$284,065</u>	\$ 4,637,740	\$ 4,353,675
Total	\$1,932,725	\$45,778,996	\$44,188,271

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

Attachment 7 presents a summary of the equipment and facilities that are currently installed for the BBGS and RCGS. Since the Fruitland Coal is a significant part of our development to date at the BBGS plus represents a majority of the wells/locations to be added to both gathering systems, Dugan Production has drilled and currently operates two SWD wells, the Cochran No. 2 SWD and the Morrison No. 2 SWD. This is an important part of producing low volume gas wells and economically disposing of the water produced in association with the gas. Typically, when installing the gas pipeline, we also install a second pipeline for the produced water. The water is collected at a central location and any gas that may also be in the water stream is removed using a Conventional 2 Phase Separator. All gas recovered from the water will be metered and then delivered to the gas gathering line for sale. The metered volumes at the separator will then be used to allocate CDP gas volumes back to the separator using the same allocation procedure used for all other wells. The gas volumes allocated to the separator will then be allocated to each well delivering water to the separator based upon the water volumes delivered and the percentage of all water delivered to the separator. This procedure for handling and disposing of the produced water is a very important part of operating our gathering system and without this, as would be necessary for direct connection, it would be necessary to install separators and storage tanks at each well and to truck the water from each well for disposal. Thus we are able to reduce a significant surface disturbance for facilities to handle and store the produced water at the wellsite plus we significantly reduce the truck traffic and road maintenance needed to haul and dispose of the produced water. As part of this application, we request approvals to surface commingle the produced water and dispose of the produced water at one of Dugan's water disposal wells or if necessary, at a commercial water disposal facility

There are two central compressor stations on the BBGS, one at the Cochran No. 2 SWD well which is necessary to maintain an optimum gathering system pressure of 20 to 30 psi for wells located on the outer portion of the gathering system, plus there is a central compressor station located at the James No. 1 well which is necessary to maintain the gathering system pressure for wells between the Cochran No. 2 compressor and the James No. 1 compressor, plus deliver gas from the BBGS to the RCGS. We anticipate continuing to operate both compressors after consolidation of the BBGS and RCGS.

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

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

In summary, Dugan Production is requesting approvals to:

- 1. Add 38 wells/locations to Dugan's Big Band Gathering System;
- 2. Add 8 wells/locations to Dugan's Rusty Chacra Gathering System;
- 3. Consolidate the Big Band and Rusty Chacra Gathering systems into a new gathering system to be called the Rusty Gathering System;
- 4. Include a provision in NMOCD's order that for future wells to be added to the gathering system, only the interest owners in the wells being added require notice of the application;
- 5. Authorize the beneficial use of fuel used by equipment necessary to operate the gathering system;
- 6. Authorize the surface commingling plus off-lease disposal of produced water.

A majority of the wells on both gathering systems are considered to be low volume producers (100 mcfd or less), many of which are marginally economic to operate. Dugan Production has made a substantial investment in the BBGS and RCGS which was necessary to sell gas from the low volume producers typical to this area, and is optimistic that we will be able to aggressively develop our substantial leasehold interest in an area that has little other oil and gas development activity.

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

Sincerely,

Kevi Smila

Kevin Smaka Production Engineer

cc: NMOCD - Aztec; All Working Interest Owners

State of New Mexico Energy, Minerals and Natural Resources Department

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

Deol Commingling Dealer Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee Fee 🛛 State Federal and Navajo Allotted

Rusty Chacra & Big Band Is this an Amendment to existing Order? XYes No If "Yes", please include the appropriate Order No. PLC-147-A & PLC-191-A Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling ⊠Yes □No

(A) POOL COMMINGLING Please attach sheets with the following information						
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes		
See Attachment No. 4	Attachment No. 4	Attachment No. 4	Attachment No. 4	Attachment 4		
	allowables? Yes No otified by certified mail of the p					

deasurement type: 🖾 Metering 🖾 Other (Specify) See Attachment No. 4

(5) Will commingling decrease the value of production? Yes 🖾 No If "yes", describe why commingling should be approved

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

□Yes □No

Pool Name and Code. (1)

(2) Is all production from same source of supply? Yes No

(3) Has all interest owners been notified by certified mail of the proposed commingling?

(4) Measurement type: Metering Other (Specify)

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

Complete Sections A and E. (1)

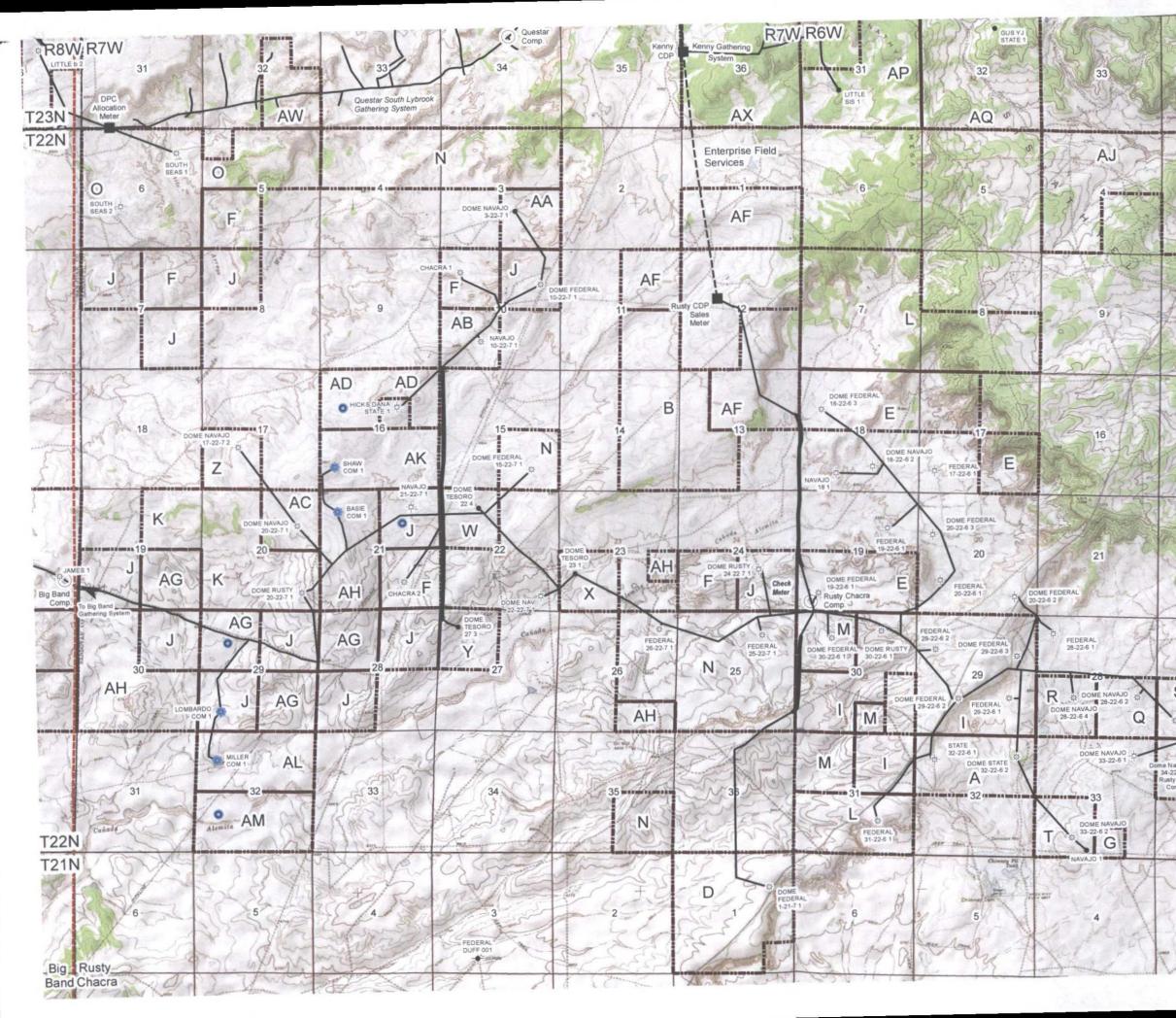
(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

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

(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information						
(1) A schematic diagram of facility, including legal location.						
	locations. Include lease numbers if Federal or State lands are involved. Att. 1A & 1B					
(3) Lease Names, Lease and Well Numbers, and API Number	ers. Attachments 2A & 2B					
I harshy and for that the information should is they and complete t	to the base of multi-multidee and ballof					
I hereby certify that the information above is true and complete t	to the best of my knowledge and bench.					
SIGNATURE: The Smith	TITLE: Engineering Manager DATE: 8/7/15					
TYPE OR PRINT NAME <u>Keyin Smaka</u>	TELEPHONE NO.: 505-325-1821					

E-MAIL ADDRESS: kevin.smaka@duganproduction.com





 Lease Information/Key Attached
 Enterprise Field Services Central Delivery Sales Meter No. 03049 @ SENW 12, T-22N, R-7W
 Line to Big Band Gathering System @ Dome Rusty 20-22-7 No. 1 SESE 20, T-22N, R-7W

10,500

1,750 3,500

0

7,000

14,000 Feet^d

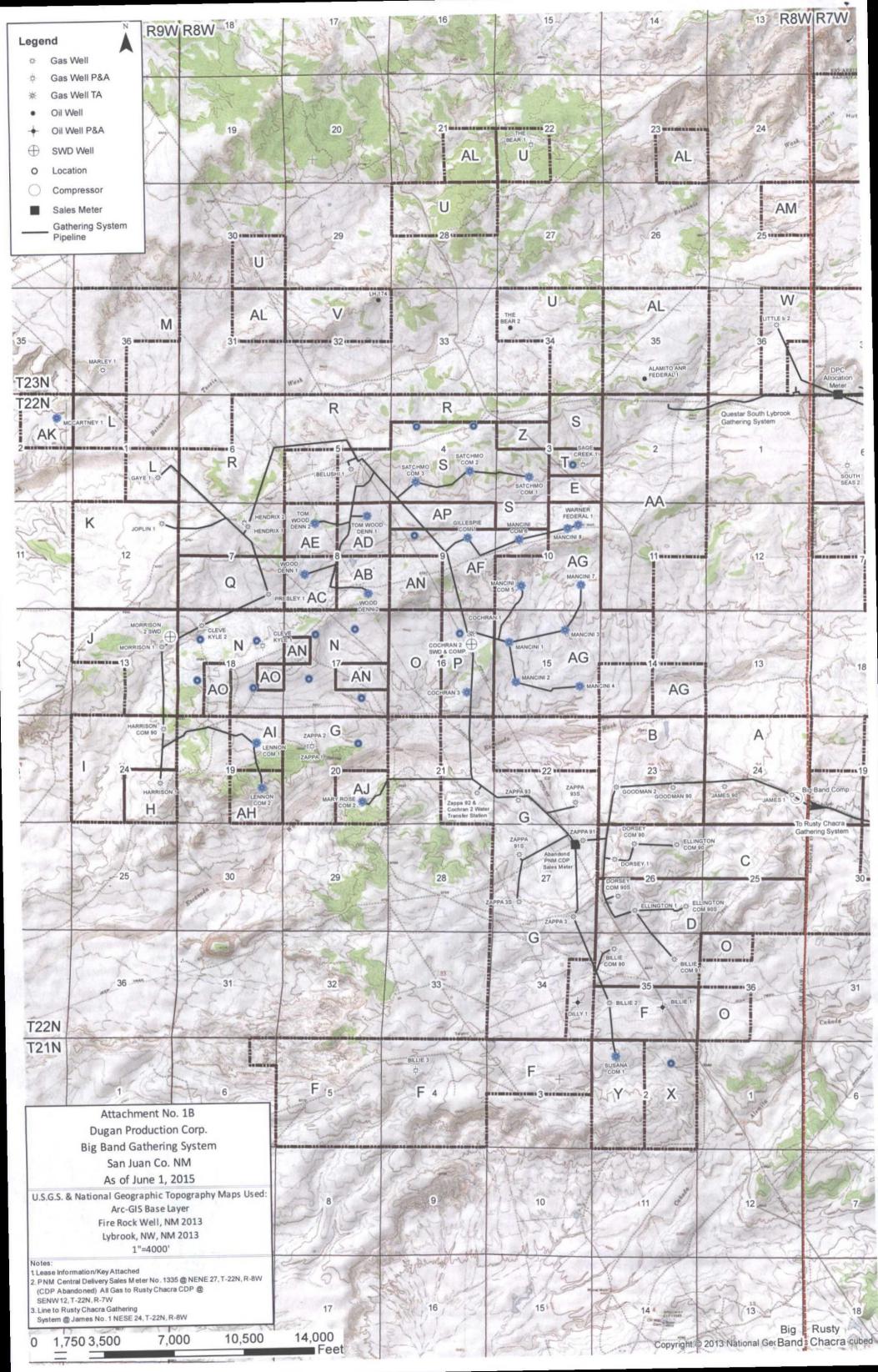
ATTACHMENT NO. 1A RUSTY CHACRA GATHERING SYSTEM PAGE 2 OF 2

Rusty Chacra Lease Legend						
Letter	Lease Type	Lease Number	Lease Name			
			Dome State 32-22-6 &			
A	State	LG-3923	State 32-22-6			
В	Federal	NM-0554433	Unnamed			
D	Federal	NM-15649	Dome Federal 01-21-7			
_			Dome Federal 18-22-6 &			
E	Federal	NM-21455	Dome Federal 19-22-6			
F	Federal	NM-25821	Chacra			
G	Federal	NM-27163	Unnamed			
			Dome Federal 29-22-6 &			
			Dome Rusty 30-22-6 &			
I	Federal	NM-6676	Federal 29-22-6			
_			Dome Federal 10-22-7 &			
			Dome Rusty 24-22-7 &			
L	Federal	NM-6680	Navajo 21-22-7			
K	Federal	NM-7262	Dome Rusty 20-22-7			
L	Federal	NM-7776	Federal 31-22-6			
М	Federal	NM-8641	Dome Federal 30-22-6			
			Dome Federal 15-22-7 &			
		1	Federal 25-22-7 &			
N	Federal	NM-8899	Federal 26-22-7			
0	Federal	NM-89023	South Seas			
Р	Federal	NM-93448	Unnamed			
Q	NavAlt	NOOC-14-20-5044	Dome Navajo 28-22-6			
R	NavAlt	NOOC-14-20-5045	Dome Navajo 28-22-6			
5	NavAlt	NOOC-14-20-5046	Dome Navajo 27-22-6			
Т	NavAlt	NOOC-14-20-5048	Dome Navajo 33-22-6 & Navajo			
V	NavAlt	NOOC-14-20-5051	Dome Navajo 34-22-6			
W	NavAlt	NOOC-14-20-5356	Dome Tesoro 22			
X	NavAlt	NOOC-14-20-5360	Dome Tesoro 23			
Y	NavAlt	NOOC-14-20-5365	Dome Tesoro 27			
Z	NavAlt	NOOC-14-20-5382	Dome Navajo 17-22-7			
AA	NavAlt	NOOC-14-20-5555	Dome Navajo 03-22-7			
AB	NavAlt	NOOC-14-20-5594	Navajo 10-22-7			
AC	NavAlt	NOOC-14-20-5595	Dome Navajo 20-22-7			
AD	State	<u>V-7846</u>	Shaw			
AE	Federal	NM-109385	Unnamed			
AF	Federal	NM-109391	Unnamed			
AG	Federal	NM-109392	Lombardo			
AH	Federal	NM-109393	Basie			
	Federal	NM-113069	Unnamed			
AJ	Federal	NM-109386	Lybrook - Encana			
	State	V-7860 V-7847	Shaw			
	State State	V-7847	Miller Miller Com			
AM AN	State Federal	NM-28740	Emily			
AN	Federal	NM-28740	LuLu			
AU	Federal	NM-89021	Little Sis			
AP	State	V-1399	Gus			
AQ	Federal	NM-81638	Kite			
AN	Federal	NM-28747	Ballymaloe			
AJ	Fee	12352	Unnamed			
AU	Federal	NM-28747	Kinsale			
AV	Federal	NM-36943	Henry AGC			
AV	State	LG-3924	Alamito Unit			
AVV	State	LG-3925	Kenny			
~^^	JIGIE	F0-3323	Ivenux			

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ATTACHMENT NO: A DUGAN PRODUCTION CORP. RUSTY CHACRA GATHERING SYSTEM (APPLICATION DATED 7/2015) CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W SAN JUAN COUNTY, NEW MEXICO

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SAN JUAN COUNTY, NEW MEXICO		r	I		Communitization					··· ·				ates for SC, C	LM&S 0	3
1		Weil Location	Well Locat	tion	Agreement No.		Completion	Well	Curre	nt Prod.	0	Spacing		BLM	NMSLO	NMOCD
Well Name	API No.	UL-Sec-Twn-Rng	Lease No.	Lse.Type	(If Established)	Pool	Date	Status ①	MCFD		BWPD	Unit	Application	Approval	Approval	Approval
WELLS TO BE ADDED TO SYSTEM (4 W	ELLS + 4 LOCA												,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
Basie Com 1 (Note 5)		D-21-22N-7W	NM109393	FED	NMNM112676	Basin Fruitland Coal	9/29/11	P	4	0	26.1	N/2-320A	- <u></u> i	<u> </u>		
Basie Com infill well (Note 4)	pending	NE/4-21-22N-7W	NM6680	FED	NMNM112676	Basin Fruitland Coal		LOC				N/2-320A				
Lombardo Com 1 (Note 5)		M-29-22N-7W	NM6680	FED	NMNM112653	Basin Fruitland Coal	12/7/11	P	29	0	78.6	W/2-320A				
Lombardo Com infill well	pending	NW/4-29-22N-7W	NM109392	FED	NMNM112653	Basin Fruitland Coal		LOC				W/2-320A				
Miller Com 1 (Note 5)	30-043-21109	D-32-22N-7W	V7847	ST	State CA-no #	Basin Fruitland Coal	12/7/11	P	57	Ð	54,8	W/2-320A				
Miller Com infill well	pending	SW/4-32-22N-7W	V7861	ST	State CA-no #	Basin Fruitland Coal		LOC				W/2-320A				
	30-043-21108	M-16-22N-7W	V7860	ST	State CA-no #	Basin Fruitland Coal	9/19/11	- <u>- P</u>	1	0	10.5	W/2-320A				i1
Shaw Com infill well	pending	NW/4-16-22N-7W	V7846	ST	State CA-no #	Basin Fruitland Coal		LOC				W/2-320A				
WELLS PREVIOUSLY APPROVED FOR F			/ELLS)					I			here and the second					r
Chacra 1	30-043-20308	D-10-22N-7W	NM25821	FED		Rusty Chacra	2/9/1978		1	0	3.5	NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Chacra 2	30-043-20309	0-21-22N-7W	NM25821	FED		Rusty Chacra	2/21/1978	P	3	Õ	0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dana State 1 (Hicks Oil & Gas) P&A'd	30-043-20165	G-16-22N-7W	K04844	ST	······	Rusty Gallup	7/14/1975	PA 2/16/09	<u>~</u>			SW/4 NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 01-21-7 1	30-043-20638	H-1-21N-7W	NM15649	FED		Rusty Chacra	7/2/1982	P	1	0	0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 10-22-7 1	30-043-20484	H-10-22N-7W	NM6680	FED		Rusty Chacra	10/23/1980	P I	8	ō	11.6	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 15-22-7 1	30-043-20281	P-15-22N-7W	NM8899	FED		Rusty Chacra	6/15/1979	P	10	0	0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 18-22-6 3	30-043-20481	E-18-22N-6W	NM21455	FED		Rusty Chacra	10/21/1980	P 1	2	0	18.4	NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 19-22-6 1	30-043-20404	M-19-22N-6W	NM21455	FED		Rusty Chacra	8/30/1979		7	0	0.0	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 29-22-6 2	30-043-20406	K-29-22N-6W	NM6676	FED		Rusty Chacra	10/10/1980	P 1	0	0	0.0	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 29-22-6 3	30-043-20483	H-29-22N-6W	NM6676	FED		Rusty Chacra	12/31/1980			0	0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Federal 30-22-6 1	30-043-20407	C-30-22N-6W	NM8641	FED		Rusty Chacra	B/30/1979	P	6	0	0.0	NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 03-22-7 1	30-043-20449	J-3-22N-7W	NOOC14205555	<u>·</u>		Alamito Gallup	3/21/1980	P	17	ŏ	0.0	NW/4 SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 17-22-7 2	30-043-20480	K-17-22N-7W	NOOC14205382			Rusty Chacra	10/28/1980	P	3	ŏ	0.0	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 18-22-6 2 P&A'd	30-043-20474	0-18-22N-6W	NM5452	FED		Rusty Chacra	11/4/1980	PA 12/11/01			0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 20-22-7 1	30-043-20408	H-20-22N-7W	NOOC14205595			Rusty Chacra	7/25/1979	P	4	0	0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 27-22-6 1	30-043-20475	M-27-22N-6W	NOOC14205046			Rusty Chacra	1/16/1987	P	2	ŏ	0.0	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 28-22-6 2	30-043-20477	I-28-22N-6W	NOOC14205044		·	Rusty Chacra	10/13/1980	P	1	ő	0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 28-22-6 4	30-043-20476	K-28-22N-6W	NOOC14205045			Rusty Chacra	12/31/1980	<u> </u>	0	ō	25.8	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 33-22-6 1 P&A'd	30-043-20663	A-33-22N-6W	NOOC14205050			Rusty Chacra	12/2/1982	PA 11/15/10		- <u> </u>	20.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 33-22-6 2	30-043-20664	N-33-22N-6W	NOOC14205048	1		Rusty Chacra	12/2/1982	P	10	0	0.0	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Navajo 34-22-6 1	30-043-20478	C-34-22N-6W	NOOC14205051			Rusty Chacra	1/23/1981	P	1	- ö	0.0	NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Rusty 20-22-7 1	30-043-20319	P-20-22N-7W	NM7262	FED	·	Rusty Chacra	8/28/1978	P	2		0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Rusty 24-22-7 1 P&A'd	30-043-20320	J-24-22N-7W	NM6680	FED		Rusty Chacra	6/30/1978	PA 1/30/13			0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Rusty 30-22-6 1	30-043-20318	B-30-22N-6W	NM6676	FED		Rusty Chacra	6/30/1978	P	10		0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome State 32-22-6 2	30-043-20470	A-32-22N-6W	LG3923	ST	·	Rusty Chacra	1/5/1981	P	11	0	0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Tesoro 22 4	30-043-20542	C-22-22N-7W	NOOC14205356			Rusty Gallup	4/30/1981	P	7	0.8	0.0	NE/4 NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Tesoro 23 1	30-043-20506	L-23-22N-7W	NOOC14205360	<u>_</u>		Rusty Gallup	11/29/1980	P	5	3.6	0.0	NW/4 SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Dome Tesoro 27 3	30-043-20515	D-27-22N-7W	NOOC14205365			Rusty Gallup	2/9/1981	P	6	0.4	0.0	NW/4 NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Federal 25-22-7 1	30-043-20398	B-25-22N-7W	NM8899	FED		Rusty Chacra	9/17/1982	P		0.4	0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Federal 26-22-7 1	30-043-20363	A-26-22N-7W	NM8899	FED		Rusty Chacra	9/17/1978	- <u>'</u> P	5	0	0.0	NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Federal 29-22-6 1	30-043-20344	1-29-22N-6W	NM6676	FED		Rusty Chacra	9/19/1978	P	4	0	0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Federal 29-22-6 2	30-043-20393	E-29-22N-6W	NM6676	FED		Rusty Chacra	9/11/1982	P	22	0	0.0	NW/4	8/17/98	10/13/99	8/31/98	9/8/98
Federal 31-22-6 1	30-043-20383	J-31-22N-6W	NM7776	FED		Rusty Chacra	4/25/1979	- r P	1	0	0.0	SE/4	8/17/98	10/13/99	8/31/98	9/8/98
Navajo 1	30-043-20797	N-33-22N-6W	NOOC14205048	1		Rusty So. Gallup	11/19/1985	P	3	0.3	0.0	SE/4 SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Navajo 10-22-7 1	30-043-20346	N-10-22N-7W	NOOC14205594	i	· · · · · · · · · · · · · · · · · · ·	Rusty Chacra	9/15/1978	P	1	0.3	0.0	SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Navajo 18-22-6 1 P&A'd	30-043-20286	N-18-22N-6W	NM5452	FED	·	Rusty Chacra	7/16/1979	PA 12/13/01	<u> </u>			SW/4	8/17/98	10/13/99	8/31/98	9/8/98
Navajo 21-22-7 1 P&A'd	30-043-20282	A-21-22N-7W	NM6680	FED		Rusty Chacra	6/30/1978	PA 12/13/01				NE/4	8/17/98	10/13/99	8/31/98	9/8/98
Rusty Nail Com 90	30-043-20988	C-34-22N-6W	NOOC14205051		NMNM110562	Basin Fruitland Coal	6/21/2005	PA 12/17/01	1	0	0.0	N/2	6/20/06	8/14/06	7/24/06	7/25/06
State 32-22-6 1 P&A'd	30-043-20400	D-32-22N-6W	LG3923	st	110002	Rusty Chacra		PA 12/18/01		<u> </u>	0.0	N/2 NW/4	8/17/98	10/13/99	8/31/98	9/8/98
		L	1				0/1/1302	1 4 12/0/01	L	L~	L	1444/4	0/1/100	10/10/99	L 0/3//30	<u> </u>

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Notes: N/A = Not applicable or not needed NR = None Reported Note 1 - Well status as of 06/01/15 LOC = General location of potential infill well NC = Not connected to gathering system P = Producing P-DHC = Producing downhole commingled

PA = Plugged & Abandoned

SI = Shut in

TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during January, 2015.

Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Rusty Chacra Gathering System to facilitate gas sales which typically requires the surface commingting (SC) plus off-lease measurement (OLM) and sale(S) of produced natural gas. The NMOCD has issued commingling order PLC-147-A dated 7/25/06 for the Rusty Chacra Gas Gathering System.

Note 4 - Location is within the "Rusty Chacra Gas Gathering System Area" defined by NMOCD Order PLC-147-A dated 7/25/06 which provides that future wells completed in a pool covered by the order are also automatically included in the commingling authority of the order. Since only one of the eight wells/locations being added is covered by this provision, for simplicity, the Basie Com infill location is included with this application.

Note 5 - Gas deliveries to Rusty Chacra Gathering System (all gas volumes mcf @ 15.025 psi):

	1st gas to Rusty Chacra		Production 14 thru 01/15		Average Production		Cumulative Production 2/1/15		
Well	Gath. System	mcf	bw	days	mcfd	bwpd	mcf	bw	
Basin Fruitland Coal Pool			·	·					
Basie Com 1	11/1/2011	1,431	6,729	206	6.9	32.7	3,114	22,505	
Lombardo Com 1	1/19/2012	8,670	44,066	206	42.1	213.9	26,079	81,981	
Miller Com 1	1/19/2012	17,099	23,391	206	83.0	113.5	56,115	91,902	
Shaw Com 1	11/1/2011	587	2,761	207	2.8	13.3	2,043	8,756	
Pool Total		26,787	2,761	825	134.9	373.5	87,351	205,144	

ATTACHMENT NO. 1B BIG BAND GATHERING SYSTEM PAGE 2 OF 2

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	Big Band Lease Legend						
Letter	Lease Type	Lease Number	Lease Name				
Α	Federal	NM-93253	James				
В	Federal	NM-90471	Goodman				
С	Federal	NM-90472	Dorsey				
D	Federal	NM-94067	Ellington				
E	Federal	NM-116056	Satchmo				
F	Federal	NM-8902	Billie				
G	Federal	NM-57445	Zappa				
H	Federal	NM-89099	Harrison				
	Federal	NM-92738	Harrison				
J	Federal	NM-90477	Morrison				
К	Federal	NM-90476	Joplin				
L	Federal	NM-90475	Gaye				
М	State	VA-1121	Marley				
N	Federal	NM-43438	Cleve Kyle				
0	State	B-10894-8	Cochran				
Р	State	VA-1119	Cochran				
Q	Federal	NM-90469	Presley				
R	Federal	NM-55836	Hendrix				
S	Federal	NM-90468	Belushi				
T	Federal	NM-96798	Sage Creek				
U	Federal	NM-50999	Bear				
V	State	LH-174	LH-174				
W	State	LG-9090	Little b				
X	State	V-7769	Susana				
<u>.</u> Ү	State	V-7770	Susana				
Z	Federal	NM-116055	Unnamed				
AA	Federal	NM-048989-A	Federal G				
AB	Nav Alt	NOG-0902-1755	Wood Denn #2				
AC	Nav Alt	NOG-0902-1756	Wood Denn #1				
AD	Nav Alt	NOG-0902-1757	Tom Wood Denn #1				
AE	Nav Alt	NOG-0902-1758	Tom Wood Denn #2				
AF	Federal	NM-109396	Gillespie				
AG	Federal	NM-048989	Warner & Manein				
AH	Nav Alt	NOG-0912-1763	Lennon Com #2				
AI	Nav Alt	NOG-0912-1764	Lennon Com #1				
AJ	Nav Alt	NOG-0912-1762	Mary Rose				
AK	State	VA-1120	McCartney				
AL	Federal	NM-76842	Alamito ANR				
AM	Federal	NM-81638	Kite				
AN	Federal	NM-130771	XTO Lease				
AO	Nav Nation	NM-032341F1	Navajo Navajo Lease				
AP	Federal	NM-117569	Cross Timbers Lease				

ATTACHMENT NO. 3A - PAGE 1 OF 4

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Interest Ownership Summary - wells to be added Dugan Production Corp.'s Rusty Chacra Gas Gathering System

	Basie Com 1 & infill		Lombardo Com 1 & infill BPO		Lombardo Com 1 & infill APO		Miller Com 1 & infill		Shaw Com 1 & infill	
	(details or	n Pg. No. 2)	(details on Pg. No. 3)		(details on Pg. No. 3)		(details on Pg. No. 4)		(details on Pg. No. 4)	
	WI	NI	wi	NI	WI	NI	WI	NI	WI	NI
Working Interest		-						· · · · · · · · · · · · · · · · · · ·		
Dugan Production Corp.	100.000	82.844	92.969	78.206	85.938	71.194	100.000	83.330	100.000	83.333
Mark A. Chapman					7.031	5.825				
Moon Royalty, LLC			7.031	5.638	7.031	5.825				
Royalty Interest										
USA - Federal		12.500		12.500		12.500			_	
State of New Mexico								16.670	- · · · · · · · · · · · · · · · · · · ·	16.667
Navajo Allotted										[
Overriding Royalty Interest										- 13
Number of Owners		13		6		11		0		0
Total ORRI		4.656		3.656		4.656				
TOTALS	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000

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ATTACHMENT NO. 3A – PAGE 2 OF 4 Dugan Production Corp. Basie Com #1 & infill Basin Fruitland Coal Well Location: NWNW 21, T22N, R7W Infill Location: NE/4 21, T22N, R7W Spacing Unit: N/2-320.0A Sandoval County, New Mexico

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INTEREST_OWNER	INTEREST %		
	Gross	Net	
<u>Working Interest</u> Dugan Production Corp.	100.000000	82.843750	
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000	
<u>Overriding Royalty</u> Dugan Production Corp.	-0-	1.343750	
Black Stone Natural Resources II-B, L.P. P O Box 301407 Dallas, TX 75303-1407	-0-	0.153472	
Black Stone Natural Resources II, L.P. P O Box 301404 Dallas, TX 75303-1404	-0-	0.241485	
Paul Charles Ellison BAD ADDRESS 7973 South Vance Street Littleton, CO 80123	-0-	0.060000	
James S. Jameson 11611 Campos Houston, TX 77065	-0-	0.050000	
Kent A. Johnson 7862 South Valentia Way Englewood, CO-80112	-0-	0.500000	
Kochergen Enterprises Family LP 8163 W. McKinley Ave. Fresno, CA 93722	-0-	0.562500	
Magnum Hunter Production Inc. #774031 4031 Solutions Center Chicago, IL 60677-4000	-0-	0.750000	
Douglas B. McCallum 191 University Blvd. #839 Denver, CO 80206-4613	-0-	0.060000	
F. Michael Murphy 3364 Wabash Street Denver, CO 80238	-0-	0.020000	
Kurt T. Nelson BAD ADDRESS 695 South Corona Denver, CO 80209	-0-	0.250000	
O'Connell Partners, L.P. P O Box 301491 Dallas, TX 75303-1491	-0-	0.605043	
William T. & Betty Jean Philo, Jt. Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.060000	
TOTAL WELL	100.000000	100.000000	

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ATTACHMENT NO. 3A – PAGE 3 OF 4 Dugan Production Corp. Lombardo Com #1 & infill Basin Fruitland Coal Well Location: SWSW 29, T22N, R7W Infill Location: NW/4 29, T22N, R7W Spacing Unit: W/2-320.0A Sandoval County, New Mexico

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INTEREST OWNER		INT	EREST %	
Working Interest	Gross - BPO	Net - BPO	<u>Gross – APO</u>	Net - APO
Dugan Production Corp.	92.968750	78.205566	85.937500	71.193848
Mark A. Chapman P O Box 450 Sealy, TX 77474	-0-	-0-	7.031250	5.824951
Moon Royalty, LLC P O Box 720070 Oklahoma City, OK 73172-0070	7.031250	5.638184	7.031250	5.824951
<u>Rovalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000	-0-	12.500000
<u>Overriding Royalty</u> Dugan Production Corp.	-0-	1.343750	-0-	1.343750
Black Stone Natural Resources II-B, LP P O Box 301407 Dailas, TX 75303-1404	-0-	0.153472	-0-	-0-
Black Stone Natural Resources II, LP P O Box 301404 Dallas, TX 75303-1404	-0-	0.241485	-0-	-0-
Paul Charles Ellison BAD ADDRESS 7973 South Vance Street Littleton, CO 80123	-0-	-0-	-0-	0,060000
James S. Jameson 11611 Campos Houston, TX 77065	-0-	-0-	-0-	0.050000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	-0-	-0-	0.500000
Kochergen Enterprises Family LP 8163 W. McKinley Ava. Fresno, CA 93722	-0-	0.562500	•0•	0.562500
Magnum Hunter Production, Inc. #774031 4031 Solutions Center Chicago, IL 60677-4000	-0-	0.750000	-0-	0.750000
Douglas B. McCallum 191 University Blvd, #839 Denver, CO, 80206-4613	-0-	-0-	-0-	0.060000
F, Michael Murphy 3364 Wabash Street Denver, CO 80238	-0-	-0-	-0-	0.020000
Kurt T. Nelson BAD ADDRESS 695 South Corona Denver, CO 80209	-0-	-0•	-0-	0,250000
R.K. O'Connell Revocable Trust R.K. & Sue O'Connell, Co-Trustees P O Box 2003 Casper, WY 82602	-0-	0.605043	-0-	1.000000
William T. & Betty Jean Philo, Jt. Tenants 708 Sunny Lane Corsicana, TX-75110	-0-	-0-	-0-	0.060000
TOTAL WELL	100.000000	100.000000	100.000000	100.000000

ATTACHMENT NO. 3A – PAGE 4 OF 4 Dugan Production Corp. Miller Com #1 & infill Basin Fruitland Coal Well Location: NWNW 32, T22N, R7W Infill Location: SW/4 32, T22N, R7W Spacing Unit: W/2-320.0A Sandoval County, New Mexico

INTEREST OWNER	INTEREST %	
Net 10 1 7	Gross	Net
Working Interest Dugan Production Corp.	100.000000	83.330000
<u>Royalty</u> New Mexico State Land Office Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148	-0-	16.670000

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TOTAL WELL

100.000000

100.000000

Dugan Production Corp. Shaw Com #1 & infill Basin Fruitland Coal Well Location: SWSW 16, T22N, 7W Infill Location: NW/4 16, T22N, R7W Spacing Unit: W/2-320.0A Sandoval County, New Mexico

INTEREST OWNER	INTERES	Т %
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> New Mexico State Land Office Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148	-0-	16.666667
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3B - PAGE 1 OF 12
Interest Ownership Summary - wells to be added
Dugan Production Corp.'s Big Band Gas Gathering System

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Interest Ownership Summary - v	vells to be add	eđ																
Dugan Production Corp.'s Big B	and Gas Gath	ering System																
		te A & infill	Cleve Ky	rle B & infill	Cleve Kyle	e C & infill	Cleve Ky	le D & infill	Cochran	3 & infill	Gillespie C	Com 1 & Infill	Lennon	Com 1 & 2	Mancini 1,2,3,4,3	8, Warner Fed 1	Mancini C	com 5 & 6
	(details O	1 Pg. No. 2)	(details or	n Pg. No. 2)	(details on	Pg. No. 3)	(details on	1 Pg. No. 3)	(details on	Pg. No. 4)	(details or	n Pg. No. 4)	(details or	1 Pg. No. 5)	(details or	Pg. No. 6)	(details on	Pg. No. 7)
	WI	NI	WI	N	WI	N) wi	NI	WI	NI	WI	NI		NI	Wi	NI	WI	
Working Interest			· · · · · · · · · · · · · · · · · · ·									·			-			·
Dugan Production Corp.	75.000	61.875	87.500	72.188	87.500	72.188	75.000	61.875	100,000	87.500	50.000	40 625	100,000	83.333	100.000	85.000	100,000	83,438
Cross Timbers Energy LLC						-					50 000	43,750						
Navajo Nation					12.500	10.938	25,000	21.875			· · · · · · · · · · · · · · · · · · ·					· · · · ·		
XTO Energy Inc.	25.000	21.875	12.500	10.938		1		1										
Royatty Interest						·				• • • • • • •		· " ·		4		·		
USA - Federal		12.500		12.500		10.938		9.375				12.500				12 500	1	12,500
State of New Mexico										12.500		1	_	Ì	1			
Navajo Nation						1.5625		3.125						1				
Navajo Allotted						-					<u> </u>			16.666667				
Overriding Royalty Interest								× .										
Number of Owners		1		1		1		1				2				3		6
Total ORRI		3.750		4.375		4.375		3.750				3.125				2.500		4.063
TOTALS	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000

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		Com 2 & infill		rtney 1	Satchmo Ce		Satchmo C		Satchmo C			om 1 & infill		Denn 1 & 2		enn 1 & 2
	(details p	n Pg. No. B)	(details or	1 Pg. No. 8)	(details on	Pg. No. 9)	(details on	Pg. No. 10)	details on l	Pg. No. 10)	(détails on	Pg. No. 11)	(details on	Pg. No. 12)	details on	Pg No. 12)
	W	NI	WI .	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	Wi	NI
Working Interest			<u>ب</u>		ļ											
Dugan Production Corp.	100 000	81.917	100.000	87,500	100.000	85,000	100.000	83.012	100 000	83.007	100,000	63 333	100.000	83 333	100.000	83.333
Cross Timbers Energy LLC									_			_				
Navajo Nation										l i						
XTO Energy Inc.																
Royalty Interest		<u>r</u> .	1 7	· · · · · ·	l 🗠 .			,	-	/ w	1					
USA - Federal		6 250		12.500		12.500		12,500		12.500						
State of New Mexico												16 667				
Navajo Nation									_							_
Navajo Allotted		8.333334												16.667		16.667
Overriding Royalty Interest			u				· · · · · · · · · · · · · · · · · · ·		-							
Number of Owners		3				1		2		2						
Total ORRI		3 500				2.500		4.488		4.493						
TOTALS	100.000	100.000	100.000	100,000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100,000	100.000	100.000	100.000

ATTACHMENT NO. 3B – PAGE 2 OF 12 Dugan Production Corp. Cleve Kyle Location A & infill Basin Fruitland Coal Well Location: Well A = NE/4, infill = SE/4 Sec. 17, T22N, R8W Spacing Unit: E/2-320.0A San Juan County, New Mexico

INTEREST OWNER	INTEREST %	
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	75.00000-	61.875000
XTO Energy Inc. 810 Houston Street Fort Worth, TX 76102-6203	25.000000	21.875000
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000
<u>Overriding Royalty</u> Dugan Production Corp.	-0-	3.750000
TOTAL WELL	100.000000	100.000000

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Dugan Production Corp. Cleve Kyle Location B & infill Basin Fruitland Coal Well Location: Well B = NW/4, infill = SW/4 Sec. 17, T22N, R8W Spacing Unit: W/2-320.0A San Juan County, New Mexico

INTEREST_OWNER	INTERES	Т%
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	87.500000	72.187500
XTO Energy Inc. 810 Houston Street Fort Worth, TX 76102-6203	12.500000	10.937500
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000
Overriding Royalty Dugan Production Corp.	-0-	4.375000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3B – PAGE 3 OF 12 Dugan Production Corp. Cleve Kyle Location C & infill Basin Fruitland Coal Well Location: Well C = NE/4, infill = SE/4 Sec. 18, T22N, R8W Spacing Unit: E/2-320.0A San Juan County, New Mexico

INTEREST OWNER		%
····	Gross	Net
Working Interest Dugan Production Corp.	87.500000	72.187500
Navajo Nation P O Box 2350 Window Rock, AZ 86515	12.500000	10.937500
Royalty USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	10.937500
Navajo Nation P O Box 2350 Window Rock, AZ 86515	-0-	1.562500
Overriding Royalty Dugan Production Corp.	、 -0-	4.375000
TOTAL WELL	100.000000	100.000000

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Dugan Production Corp. Cleve Kyle Location D & infill Basin Fruitland Coal Well Location: Well D = NW/4, infill = SW/4 Sec. 18, T22N, R8W Spacing Unit: W/2-320.0A San Juan County, New Mexico

INTEREST OWNER	INTEREST	Г %
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	75.000000	61.875000
Navajo Nation P O Box 2350 Window Rock, AZ 86515	25.000000	21.875000
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	9.375000
Navajo Nation P O Box 2350 Window Rock, AZ_86515	-0-	3.125000
Overriding Royalty Dugan Production Corp.	-0	3.750000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3B – PAGE 4 OF 12 Dugan Production Corp. Cochran #3 & infill Basin Fruitland Coal Well Location: SWSE 16, T22N, R8W Infill Location: NE/4 16, T22N, R8W Spacing Unit: E/2-320.0A San Juan County, New Mexico

INTEREST OWNER	INTEREST %	
Working Interest	Gross	Net
Dugan Production Corp.	100.000000	87.500000
Royalty New Mexico State Land Office Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000

TOTAL WELL

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100.000000

100.000000

Dugan Production Corp. Gillespie Com #1 & infill Basin Fruitland Coal Well Location: SWNE 9, T22N, R8W Infill Location: NW/4 9, T22N, R8W Spacing Unit: N/2-320.0A San Juan County, New Mexico

INTEREST OWNER	INTEREST	%
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	50.000000	40.625000
Cross Timbers Energy, LLC 400 West Seventh Street Fort Worth, TX 76102	50.000000	43.750000
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000
<u>Overriding Royalty</u> The Blanco Company P O Box 25968 Albuquerque, NM 87125	-0-	2.375000
Philip L. White P O Box 25968 Albuquerque, NM 87125	-0-	0.750000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3B – PAGE 5 OF 12 Dugan Production Corp.

Well Name Lennon Com #1 Lennon Com #2	Pool Basin Fruitland Coal Basin Fruitland Coal	_	Location NENE 19-22N		Spacing Unit E/2-320.0A
INTEREST_OWNER		Gross	NESE 19-22N-	Net	E/2-320.0A
Working Interest Dugan Production Corp	D .	100.00	0000	83.333	333
<u>Royalty</u> Navajo Allotted c/o Federal Indian Mine 6251 College Blvd., Su Farmington, NM 87402	ite B	-0-		16.666	667
TOTAL WELL		100.00	0000	100.00	0000

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ATTACHMENT NO. 3B – PAGE 6 OF 12 Dugan Production Corp.

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<u>Well Name</u> Mancini #1 Mancini #2 Mancini #3 Mancini #4 Mancini #7 Mancini #8 Warner Federal #1	Pool Basin Fruitland Coal Basin Fruitland Coal Basin Fruitland Coal Basin Fruitland Coal Basin Fruitland Coal Basin Fruitland Coal East Bisti Chacra	Location SWNW 15-22N-8W NWSW 15-22N-8W NWNE 15-22N-8W NESE 15-22N-8W SESE 10-22N-8W NWNE 10-22N-8W NENE 10-22N-10W INTEREST %	Spacing Unit W/2-320.0A W/2-320.0A E/2-320.0A E/2-320.0A E/2-320.0A E/2-320.0A NE/4-160.0A
<u></u>		Gross	Net
<u>Working Interest</u> Dugan Production Cor	0.	100.000000	85.000000
<u>Rovalty</u> USA-c/o Bureau of Lar 6251 College Bivd. Farmington, NM 8740;	-	-0 -	12.500000
<u>Overriding Royalty</u> J. Roger Friedman 425 Park Avenue New York, NY 10022		-0-	0.066000
Patricia M. Friedman c/o Lebhar-Friedman 425 Park Avenue New York, NY 10022		-0-	0.066000
Thomaston, LLC Independence Plaza 1001 16 th Street, B-180 Denver, CO 80265)	-0-	2.368000
TOTAL WELL		100.000000	100.000000

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ATTACHMENT NO. 3B – PAGE 7 OF 12 Dugan Production Corp.

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<u>Well Name</u> Mancini Com #5 Mancini Com #6	Pool Basin Fruitland Coal Basin Fruitland Coal	Location SWSW 10-22N-8W SWNW 10-22N-8W	<u>Spacing Unit</u> W/2-320.0A W/2-320.0A
INTEREST OWNER		INTEREST %	N I - 4
<u>Working Interest</u> Dugan Production Cor	D.	<u>Gross</u> 100.000000	<u>Net</u> 83.437500
<u>Royalty</u> USA-c/o Bureau of Lar 6251 College Blvd. Farmington, NM 8740		-0-	12.500000
<u>Overriding Royalty</u> The Blanco Company P O Box 25968 Albuquerque, NM 871	25	-0-	1.187500
J. Roger Friedman 425 Park Avenue New York, NY 10022		-0-	0.033000
Patricia M. Friedman c/o Lebhar-Friedman 425 Park Avenue New York, NY 10022		-0-	0.033000
M.J. Harvey, Jr. 3811 Turtle Creek, Sui Dallas, TX 75219	te 2150	-0-	1.250000
Thomaston, LLC Independence Plaza 1001 16 th Street, B-180 Denver, CO 80265)	-0-	1.184000
Philip L. White Box 25968 Albuquerque, NM 871	25	-0-	0.375000
TOTAL WELL		100.000000	100.000000

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ATTACHMENT NO. 3B – PAGE 8 OF 12 Dugan Production Corp.

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<u>Well Name</u> Mary Rose Com #2 Mary Rose Com #2 Infill	<u>Pool</u> Basin Fruitlanc Basin Fruitlanc		Location SESE 20-22N-8W NE 20-22N-8W	<u>Spacing Unit</u> E/2-320.0A E/2-320.0A
INTEREST OWNER		INTER Gross	<u>EST %</u>	
Working Interest Dugan Production Corp.		100.000000	81.916666	
<u>Royalty</u> USA-c/o Bureau of Land Mana 6251 College Blvd. Farmington, NM 87402	gement	-0-	6.250000	
Navajo Allotted c/o Federal Indian Minerals Off 6251 College Blvd., Suite B Farmington, NM 87402	ïce	-0-	8.333334	
Overriding Royalty Dugan Production Corp.		-0-	2.000000	
Charles B. & Susan J. Adams BAD ADDRESS 979 Windflower San Diego, CA 92106		-0-	0.500000	
Unknown Interests		-0-	1.000000	
TOTAL WELL		100.000000	100.000000	

Dugan Production Corp. McCartney #1 Bisti Chacra Ext. Well Location: NENE 2, T22N, R9W Spacing Unit: NE/4-161.24A San Juan County, New Mexico

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

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ATTACHMENT NO. 3B – PAGE 9 OF 12 Dugan Production Corp. Satchmo Com #1 & infill Basin Fruitland Coal Well Location: SESW 3, T22N, R8W Infill Location: SE/4 3, T22N, R8W Spacing Unit: S/2-320.0A San Juan County, New Mexico

INTEREST OWNER	INTEREST %	
Marking Interact	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	85.000000
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000
<u>Overriding Royalty</u> Harvey Royalty Partners, LP . 1875 Laws Street Dallas, TX 75202-1700	-0-	2.500000
TOTAL WELL	100.000000	100.000000

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ATTACHMENT NO. 3B – PAGE 10 OF 12 Dugan Production Corp. Satchmo Com #2 & infill Basin Fruitland Coal Well Location: NWSE 4, T22N, R8W Infill Location: NE/4 4, T22N, R8W Spacing Unit: E/2-322.5A San Juan County, New Mexico

INTEREST OWNER	INTEREST %	
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.011628
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000
<u>Overriding Royalty</u> Harvey Royalty Partners, LP 1875 Laws Street Dallas, TX 75202-1700	-0-	3.720930
Cathy Jean Henrickson BAD ADDRESS 7375 Rolling Dell Drive #79 Cupertino, CA 95014	-0-	0.767442
TOTAL WELL	100.000000	100.000000

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Dugan Production Corp. Satchmo Com #3 & infill Basin Fruitland Coal Well Location: SWSW 4, T22N, R8W Infill Location: NW/4 4, T22N, R8W Spacing Unit: W/2-321.53A San Juan County, New Mexico

INTEREST OWNER	INTEREST %		
	Gross	Net	
Working Interest Dugan Production Corp.	100.000000	83.007137	
<u>Royalty</u> USA-c/o Bureau of Land Management 6251 College Blvd. Farmington, NM 87402	-0-	12.500000	
<u>Overriding Royalty</u> Harvey Royalty Partners, LP 1875 Laws Street Dallas, TX 75202-1700	-0-	3.732156	
Cathy Jean Henrickson BAD ADDRESS 7375 Rolling Dell Drive #79 Cupertino, CA 95014	0-	0.760707	
TOTAL WELL	100.000000	100.000000	

ATTACHMENT NO. 3B – PAGE 11 OF 12 Dugan Production Corp. Susana Com #1 & infill Basin Fruitland Coal Well Location: NWNW 2, T21N, R8W Infill Location: NE/4 2, T21N, R8W Spacing Unit: N/2-321.44A San Juan County, New Mexico

INTEREST_OWNER	INTEREST %		
	Gross	Net	
Working Interest	100 00000	00 000000	
Dugan Production Corp.	100.000000	83.333333	
Royalty			
New Mexico State Land Office Office of Commissioner of Public Lands	-0-	16.666667	
P O Box 1148			
Santa Fe, NM 87504-1148			
TOTAL WELL	100.000000	100.000000	

ATTACHMENT NO. 3B – PAGE 12 OF 12 Dugan Production Corp.

<u>Well Name</u> Tom Wood Denn #1 Tom Wood Denn #2	<u>Pool</u> Basin Fruitland Basin Fruitland		Location NENE 8-22N-8W NENW 8-22N-8W	<u>Spacing Unit</u> N/2-320.0A N/2-320.0A
INTEREST OWNER			REST %	<u> </u>
Working Interest Dugan Production Corp.		<u>Gross</u> 100.000000	<u>Net</u> 83.333333	·
<u>Royalty</u> Navajo Allotted c/o Federal Indian Minerals Of 6251 College Blvd., Suite B Farmington, NM 87402	fice	-0-	16.666667	
TOTAL WELL		100.000000	100.000000	
	Dugan	Production Co	rp.	
<u>Well Name</u> Wood Denn #1 Wood Denn #2	<u>Pool</u> Basin Fruitlanc Basin Fruitlanc		Location NWSW 8-22N-8W SESE 8-22N-8W	<u>Spacing Unit</u> S/2-320.0A S/2-320.0A
INTEREST OWNER			REST %	_
<u>Working Interest</u> Dugan Production Corp.		<u>Gross</u> 100.000000	<u>Net</u> 83.333333	_
<u>Royalty</u> Navajo Allotted c/o Federal Indian Minerals Of 6251 College Blvd., Suite B	fice	-0-	16.666667	

6251 College Blvd., Suite B Farmington, NM 87402

TOTAL WELL

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100.000000

100.000000

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ATTACHMENT NO. 4 PRODUCTION SUMMARY WELLS CONNECTED OR TO BE CONNECTED TO DUGAN PRODUCTION'S BIG BAND & RUSTY CHACRA GAS GATHERING SYSTEMS

		W	ELLS OR	POOL PR	ODUCTION	AVERAGE	PRODUCTION
	AVERAGE BTU	COMP	LETIONS Ø	ALL WELL	LS - mcfd Ø	PER WEI	L-mcfd @
POOL NAME & CODE	btu/scf	EXISTING	G PROPOSED	EXISTING	PROPOSED	EXISTING	PROPOSED
Big Band Gathering System (BBGS)							
Basin Fruitland Coal Gas (71629)	1019	18 (17)	36 (21)	1247	1202	73	57
Bisti Chacra Gas (96166)	1056	9 (5)	1 (0)	10	0	2	0
East Bisti Chacra Gas (96384)	1107	0 (0)	1 (1)	0	3	0	3
Nageezi Gallup Oil (47540)	1280	1 (0)	0 (0)	0	0	0	0
Rusty Chacra Gas (84360)	1058	6 (6)	0 (0)	14	0	2	55
Subtotal - BBGS	1020	34:(28)	38 (22)	1271	1205	45	55)
Rusty Chacra Gathering System (RCGS	S)						
Alamito Gallup Oil (01039)	1266	1 (1)	0 (0)	17	0	17	0
Basin Fruitland Coal Gas (71629)	1024	1 (1)	8 (4)	1	91	1	23
Rusty Chacra Gas (84360)	1129	32 (26)	0 (0)		0	4	0
Rusty Gallup Oil (52860)	1306	4 (3)	0 (0)	18	0	6	0
South Rusty Gallup Oil (96236)	1133	1 (1)	0 (0)	3	0	3	0
Subtotal - RCGS	11.12	39 (32)	8 (4)	154	91	5	23
Total - All wells (BBGS & RCGS)	1028	73 (60)	46 (26)	1425	1296	24	50

<u>Calculated BTU of commingled production for BBGS & RCGS</u> = 1028 btu/scf for all wells (existing and proposed) which compares fairly closely to the actual BTU average at the CDP sales meter during January 2015 of 1025.

<u>Calculated value of commingled production</u>: commingling is necessary to get produced natural gas to a gas sales meter from 119 (73 existing & 46 proposed) low volume gas wells. CDP gas revenue and MMBTU will be allocated to individual wells using factors determined from the MMBTU produced from each well. Each well will be equipped with an allocation meter or an approved method of alterative measurement. During June 2015, CDP sales volume from all wells (50 from Big Band & 36 from Rusty Chacra) averaged 2616 mcfd and ranged from 2089 to 2860 mcfd. There should be no loss in value to any well as a result of this commingling. Allocation procedures approved for both systems are identical for gas & MMBTU's (reference Attachment No. 5).

Notes:

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- ① Wells as of 6-1-2015. Existing = wells currently approved for gathering system. Proposed = wells & locations to be added to gathering system. Active completions in parentheses.
- @ Production is average during January, 2015 (see Attachment 2A & 2B for individual well production) @ 15.025 psi.

Attachment No. 4 Dugan Production's Lease Summary

Big Band Gathering System

Federal Leases - NM-8902, NM-43438, NM-048989, NM-50999, NM-55836, NM-57445, NM-89099, NM-90468, NM-90469, NM-90471, NM-90472, NM-90475, NM-90476, NM-90477, NM-92738, NM-93253, NM-94067 & NM-96798, NM-109396

State Leases - VA-1119, VA-1120, VA-1121, V-7769, V-7770

Navajo Allotted Leases - NO-G-0902-1755, NO-G-0902-1756, NO-G-0902-1757, NO-G-0902-1758, NO-G-0912-1762, NO-G-0912-1763, NO-G-0912-1764

Navajo Nation Lease (Held by Navajo Nation) - NM-032341-F1

Rusty Chacra Gathering System

Federal Leases - NM-6676, NM-6680, NM-7262, NM-7776, NM-8641, NM-8899, NM-15649, NM-21455, NM-25821, NM-27163, NM-89023, NM-93448, NM-100285, NM-109385, NM-109391, NM-109392, NM-109393, NM-113069 & NM-0554433

State Leases (Dugan) - LG-3923, V-7846, V-7847, V-7860, V-7861

State Leases (Hicks) - K-04844

Navajo Allotted Leases - NOOC-14-20-5044, NOOC-14-20-5045, NOOC-14-20-5046, NOOC-14-20-5048, NOOC-14-20-5050, NOOC-14-20-5051, NOOC-14-20-5366, NOOC-14-20-5366, NOOC-14-20-5365, NOOC-14-20-5382, NOOC-14-20-5555, NOOC-14-20-5594 & NOOC-14-20-5595

ATTACHMENT NO. 5 Proposed Allocation Procedures Dugan Production Corp.'s Rusty Gathering System (Consolidated Big Band & Rusty Chacra Gathering Systems) CDP Gas Sales Meter: SENW 12, T-22N, R-7W Enterprise Field Services Meter No. 03049 Sandoval County, New Mexico

Note: This Allocation Procedure was presented in Attachment No. 8 to application dated 6/20/06 & approved by the BLM 8/14/06, NMOCD 7/24/06 & the NMSLO 7/24/06.

Base Data:

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U = Water Volume (BWPD) from Periodic Well Test x days operated during allocation period.

V = Water Volume (bbl) at Central Battery during allocation period.

W = Gas Volume (MCF) from allocation meters at individual wells and central battery separator during allocation period.

X = Gas Volume (MCF) from CDP Sales Meter during allocation period.

Y = BTU's from CDP Sales Meter during allocation period.

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

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

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions.

- C = Purged and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment specifications and pressures.
- D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by W/SUM W for the wells involved.
- E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by W/SUM W.
- F = Allocated gas sales volume (MCF) associated with water production = (A) in mcf for the central battery separator multiplied by a factor of (U/SUM U) for wells delivering gas and water to the central battery separator.
- <u>Allocated Individual Well 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 regulations (currently Onshore Order No. 5).
- 3. <u>Individual Well Water Production</u> = Allocated production volume, $bbl = (U/Sum U) \times V$.

ATTACHMENT NO. 6A DUGAN PRODUCTION CORP. RUSTY CHACRA GATHERING SYSTEM CONNECTION TO GATHERING SYSTEM VS DIRECT CONNECT TO PIPELINE

CONNE	CT TO GAT	HERING SYSTEM	DIRECT CONNECT TO PIPELINE						
PIPELINE L	ENGTH (1)	AREA DISTURBED 3	PIPELINE L	ENGTH 2	AREA DISTURBED (3)				
FT	MILES	ACRES	FT	MILES	ACRES				
1,796	0.34	1.65	19,000	3.60	17.45				
350	0.07	0.32	2,850	0.54	2.62				
3,729	0.71	3.42	28,350	5.37	26.03				
350	0.07	0.32	3,050	0.58	2.80				
2,407	0.46	2.21	29,900	5.66	27,46				
2,400	0.45	2.20	2,400	0.45	2.20				
2,589	0.49	2.38	18,250	3.46	16.76				
2,650	0.50	2.43	2,650	0.50	2.43				
16,271	3.08	14.94	106,450	20.16	97.75				
	PIPELINE L FT 1,796 350 3,729 350 2,407 2,407 2,400 2,589 2,650	PIPELINE LENGTH () FT MILES 1,796 0.34 350 0.07 3,729 0.71 350 0.07 2,407 0.46 2,400 0.45 2,589 0.49 2,650 0.50	FT MILES ACRES 1,796 0.34 1.65 350 0.07 0.32 3,729 0.71 3.42 350 0.07 0.32 2,407 0.46 2.21 2,400 0.45 2.20 2,589 0.49 2.38 2,650 0.50 2.43	PIPELINE LENGTH (1) AREA DISTURBED (3) PIPELINE L FT MILES ACRES FT 1,796 0.34 1.65 19,000 350 0.07 0.32 2,850 3,729 0.71 3.42 28,350 350 0.07 0.32 3,050 2,407 0.46 2.21 29,900 2,400 0.45 2.20 2,400 2,589 0.49 2.38 18,250 2,650 0.50 2.43 2,650	PIPELINE LENGTH (1) AREA DISTURBED (3) PIPELINE LENGTH (2) FT MILES ACRES FT MILES 1,796 0.34 1.65 19,000 3.60 350 0.07 0.32 2,850 0.54 3,729 0.71 3.42 28,350 5.37 350 0.07 0.32 3,050 0.58 2,407 0.46 2.21 29,900 5.66 2,400 0.45 2.20 2,400 0.45 2,589 0.49 2.38 18,250 3.46 2,650 0.50 2.43 2,650 0.50				

Notes:

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1. Pipeline length represents distance from survey, if available. If survey has not been taken, the pipeline length represents the distance to nearest gathering system line. For infill wells, the pipeline length represents the shorter of the distance to the gathering system line or to the initial spacing unit well.

- 2. Pipeline length represents the estimated distance to the nearest existing Enterprise pipeline, considering significant topographic features. For infill wells, the pipeline length represents the shorter of the distance to Enterprise's pipeline or to the initial spacing unit well.
- 3. The estimated area disturbed includes a 40' wide R-O-W which is typical for this area.

ATTACHMENT 6A

Page 2 of 2

DIRECT CONNECT VS CONNECTION TO RUSTY CHACRA GATHERING SYSTEM 8 WELLS PROPOSED FOR ADDITION TO RUSTY CHACRA GATHERING SYSTEM

	Connect to Gathering System	Direct Connect to PL
Wells to be added	8	8
# Lines Required	8	8 total (4 to PL + 4 to initial well)
Total PL length	16,271' = 3.08 miles	106,450' = 20.16 miles
Average PL length per well	2,033' = 0.39 miles	13,306' = 2.52 miles
Surface disturbance w/40' ROW	14.94A	97.75A
# additional compressors needed	0 (See Note 1)	4
Additional compressor hp	0 (See Note 1)	472 - 4 @ 118 hp
Additional compressor fuel	0 (See Note 1)	79.2 mcfd - 4 @ 19.8 mcfd/compressor
Additional compressor exhaust volume	0 (See Note 1)	3.5 mmcfd - 604 cfm/compressor
Value of fuel gas - \$/year	0 (See Note 1)	\$105,370 - \$3.00/mcf - 1215 btu
Additional Compressors	0 (See Note 1)	\$172,640 - 4@ \$43,160/compressor
Pipeline Tap, Meter Run & Meter	\$40,000 = 8 @ \$5,000/well	\$380,000 - 4 @ \$85,000/well + 8 @ \$5,000/well
Pipeline Installed	\$244,065 = 16,271' @ \$15/ft (4" poly)	\$4,045,100 - 106,450' @ \$38/ft (4" steel)
Pipeline Pigging System	0	\$40,000 - 4 @ \$10,000/line
Total Connection Cost	\$284,065	\$4,637,740

Other Considerations

Archaeological & Cultural - general area of significance

- Site LA-169201 Near Basie Com #1 (O-21-22N-7W) - Navajo Hogan & scatter of historic artifacts

- Great North-South Road along western side of R-10W (T-23 to 27N) & eastern side of R-11W (T23 to 24N)

- Anasazi Antelope Trap on Champ Lease (NW 6, T-23N, R-10W)

- Pierre's Site (T-23N, R-10 & 11W)
- Chaco Cultural Park (T-21N, R-10W)

Paleontology Significance

- Betonnie Tsosie Føssil Area (T-23N, R-9W)
- Carson Fossil Pocket (T-25N, R-13W)
- Fossil Forest (T-23N, R-13W)
- Lybrook Fossil Area (T-23N, R-7,8 & 9W)

Threatened & Endangered Species

- Brack's Cactus & Aztec Gila habitat (T-21N to 23N & R-5W to 9W)

Wilderness Area

- Ah-Shi-Sie-Pah Wilderness Area (T-22N, R-10W)

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

Note No. 1 - Of the 8 wells to be added to the RCGS, 4 wells & 91 mcfd were added in November 2011, and January 2012, and 4 wells and ±400 mcfd will be added when drilled. The central compression facility typically has sufficient volume capacity to handle gas being added. This is one of the significant benefits of operating a gathering system with central compression, i.e., daily volumes can fluctuate within the compressor range of operation and will not require compressors to be added. In order to maintain an optimum gathering system pressure (20 to 30 psig), we continually monitor compressor performance and when needed, either add compressors or install larger compressors. We currently operate the RCGS using two compressors, each equipped with 384 hp engines and having a combined capacity of 3,700 to 4,200 mcfd at the existing Enterprise gas sales line pressure of 325 psig. Average CDP sales during June 2015 = 2616 mcfd.

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ATTACHMENT NO. 6B DUGAN PRODUCTION CORP. BIG BAND GATHERING SYSTEM

	CONN	ECTION TO G	ATHERING SYSTEM VS	DIRECT CO	NNECT TO	PIPELINE
			HERING SYSTEM	DIRI	ECT CONNE	CT TO PIPELINE
		LENGTH ①	AREA DISTURBED 3	PIPELINE L	ENGTH 2	AREA DISTURBED 3
WELL	FT	MILES	ACRES	FT	MILES	ACRES
Cleve Kyle location A	1,850	0.35	1.70	50,850	9.63	46.69
Cleve Kyle Location A infill	3,400	0.64	3.12	3,400	0.64	3.12
Cleve Kyle Location B	2,000	0.38	1.84	52,800	10.00	48.48
Cleve Kyle Location B infill	2,200	0.42	2.02	2,200	0.42	2.02
Cleve Kyle Location C	2,800	0.53	2.57	55,700	10.55	51.15
Cleve Kyle Location C infill	2,300	0.44	2.11	2,300	0.44	2.11
Cleve Kyle Location D	600	0.11	0.55	58,500	11.08	53.72
Cleve Kyle Location D infill	2,050	0.39	1.88	2,050	0.39	1.88
Cochran 3	117	0.02	0.11	45,600	8.64	41.87
Cochran infill well	350	0.07	0.32	3,000	0.57	2.75
Gillespie Com 1	1,365	0.26	1.25	45,000	8.52	41.32
Gillespie Com infill well	600	0.11	0.55	2,600	0.49	2.39
Lennon Com 1	5,366	1.02	4.93	56,300	10.66	51.70
Lennon Com 2	2,356	0.45	2.16	2,356	0.45	2.16
Mancini 1	2,317	0.44	2.13	43,400	8.22	39.85
Mancini 2	2,089	0.40	1.92	2,089	0.40	1.92
Mancini 3	3 164	0.60	2.91	40,200	7.61	36.91
Mancini 4	3,356	0.64	3.08	3,000	0.57	2.75
Mancini Com 5	2,922	0.55	2.68	42,300	8.01	38.84
Mancini Com 6	2,317	0.44	2.13	2,317	0.44	2.13
Mancini 7	2,608	0.49	2.39	39, <u>50</u> 0	7.48	36.27
Mancini 8	2,718	0.51	2.50	2,900	0.55	2.66
Mary Rose Corn 2	5,881	1.11	5.40	51,750	9.80	47.52
Mary Rose Com infill well	2,900	0.55	2.66	2,900	0.55	2.66
McCartney #1	5,800	1.10	5.33	62,750	11.88	57.62
Satchmo Com #1	3,065	0.58	2.81	42,100	7.97	38.66
Satchmo Com #1 infill	2,300	0.44	2.11	2,300	0.44	2.11
Satchmo Com #2	2,968	0.56	2.73	45,100	8.54	41.41
Satchmo Com #2 infill	2,250	0.43	2.07	2,250	0.43	2.07
Satchmo Com 3	1,499	0.28	1.38	47,700	9.03	43.80
Satchmo Com infill well	2,750	0.52	2.53	2,750	0.52	2.53
Susana Com 1	2,922	0.55	2.68	45,100	8.54	41.41
Susana Com infill well	2,750	0.52	2.53	2,750	0.52	2.53
Tom Wood Denn 1	3,192	0.60	2.93	50,000	9.47	45.91
Tom Wood Denn 2	1,889	0.36	1.73	2,600	0.49	2.39
Warner Federal 1	701	0.13	0.64	39,500	7.48	36.27
Wood Denn 1	1,764	0.33	1.62	53,000	10.04	48.67
Wood Denn 2	5,768	1.09	5.30	3,300	0.63	3.03
TOTAL	97,244	18.42	89.30	1,014,212	192.09	931.32
Notes:						

Notes:

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1. Pipeline length represents distance from survey, if available. If survey has not been taken, the pipeline length represents the distance to nearest gathering system line. For infill wells, the pipeline length represents the shorter of the distance to the gathering system line or to the initial spacing unit well.

2. Pipeline length represents the estimated distance to the nearest existing Enterprise pipeline, considering significant topographic features. For infill wells, the pipeline length represents the shorter of the distance to Enterprise's pipeline or to the initial spacing unit well.

3. The estimated area disturbed includes a 40' wide R-O-W which is typical for this area.

Page 1 of 2

ATTACHMENT 6B

DIRECT CONNECT VS CONNECTION TO BIG BAND GATHERING SYSTEM 38 WELLS PROPOSED FOR ADDITION TO BIG BAND GATHERING SYSTEM

	Connect to Gathering System	Direct Connect to PL					
Wells to be added	38	38					
# Lines Required	38	38 total (20 to PL + 18 to initial well)					
Total PL length	97,244' = 18.4 miles	1,014,212' = 192.1 miles					
Average PL length per well	2,559' = 0.48 miles	26,690' = 5.1 miles					
Surface disturbance w/40' ROW	89.3A	931.3A					
# additional compressors needed	0 (See Note 1)	20					
Additional compressor hp	0 (See Note 1)	2360 - 20 @ 118 hp					
Additional compressor fuel	0 (See Note 1)	396.0 mcfd - 20 @ 19.8 mcfd/compressor					
Additional compressor exhaust volume	0 (See Note 1)	17.4 mmcfd - 604 cfm/compressor					
Value of fuel gas - \$/year	0 (See Note 1)	\$526,848 - \$3.00/mcf - 1215 btu					
Additional Compressors	0 (See Note 1)	\$863,200 - 20 @ \$43,160/compressor					
Pipeline Tap, Meter Run & Meter	\$190,000 = 38 @ \$5,000/well	\$1,880,000 - 20 @ \$85,000/well + 36 @ \$5,000/well					
Pipeline Installed	\$1,458,660 = 97,244 @ \$15/ft (4" poly)	\$38,540,056 - 1,014,212' @ \$38/ft (4" steel)					
Pipeline Pigging System	0	\$200,000 - 20 @ \$10,000/line					
Total Connection Cost	\$1,648,660	\$41,483,256					

Other Considerations

Archaeological & Cultural - general area of significance

- Site LA-169201 Near Basie Com #1 (O-21-22N-7W) - Navajo Hogan & scatter of historic artifacts

- Great North-South Road along western side of R-10W (T-23 to 27N) & eastern side of R-11W 9T23 to 24N)

- Anasazi Antelope Trap on Champ Lease (NW 6, T-23N, R-10W)

- Pierre's Site (T-23N, R-10 & 11W)

- Chaco Cultural Park (T-21N, R-10W)

Paleontology Significance

- Betonnie Tsosie Fossil Area (T-23N, R-9W)

- Carson Fossil Pocket (T-25N, R-13W)

- Fossil Forest (T-23N, R-13W)

- Lybrook Fossil Area (T-23N, R-7,8 & 9W)

Threatened & Endangered Species

- Brack's Cactus & Aztec Gila habitat (T-21N to 23N & R-5W to 9W)

Wilderness Area

- Ah-Shi-Sie-Pah Wilderness Area (T-22N, R-10W)

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

Note No. 1 - Of the 38 wells to be added to the BBGS, 22 wells & 1240 mcfd were added over a 6 year period between 10/12/07 & 9/30/13, with the gas volumes added at any one time ranging from 2.1 mcfd to 238.7 mcfd and averaging 56.4 mcfd/well (see Note 13 of Attachment No. 2B). In addition, 1 well + 15 locations will be added when drilled or the BBGS is extended (McCartney No. 1). The gathering system central compression facilities typically have sufficient volume to handle gas being added. This is one of the significant benefits of operating a gathering system with central compression, i.e., daily volumes can fluctuate within the compressor range of operation and will not require compressors to be added. In order to maintain an optimum gathering system pressure (20 to 30 psig), we continually monitor compressor performance and when needed, either add compressors or install larger compressors. We currently operate the BBGS using two compressor stations, one located at the Cochran No. 2 well which has a 295 hp engine, and one at the James No. 1 well which has a 384 hp engine.

ATTACHMENT NO. 7 GATHERING SYSTEM FACILITIES DUGAN PRODUCTION'S BIG BAND & RUSTY CHACRA GATHERING SYSTEMS SAN JUAN & SANDOVAL COUNTIES, NEW MEXICO

Big Band Gathering System (San Juan County) – as of 8-1-15 Cochran #2 SWD well (See Pg. No. 2)

- Water Disposal Injection pump 151 hp, 817 Waukesha-38.05 mcfd fuel
- Gathering System Compressor Station 295 hp, Ajax 2202LE 47.18 mcfd fuel

Cochran #2 SWD water transfer station - located @ Zappa #92 well (See Pg. No. 3)

• Water Transfer Pump - 67 hp, Arrow 330CF - 16.88 mcfd fuel

James #1 well (See Pg. No. 4)

• Gathering System Compressor Station – 384 hp, Ajax 2802 LE – 60.86 mcfd fuel

Morrison #2 SWD well (See Pg. No. 5)

• Water Disposal Injection Pump – 49 hp, 5.9 Cummins – 10.32 mcfd fuel

Rusty Chacra Gathering System (Sandoval County) - as of 8-1-15

Gathering System Compressor Station (See Pg. No. 6) – two parallel compressors

- Compressor 1 384 hp, Ajax 2802 LE 60.86 mcfd fuel
- Compressor 2 384 hp, Ajax 2802 LE 60.86 mcfd fuel

Total Gathering System Fuel Needs (8/1/15)

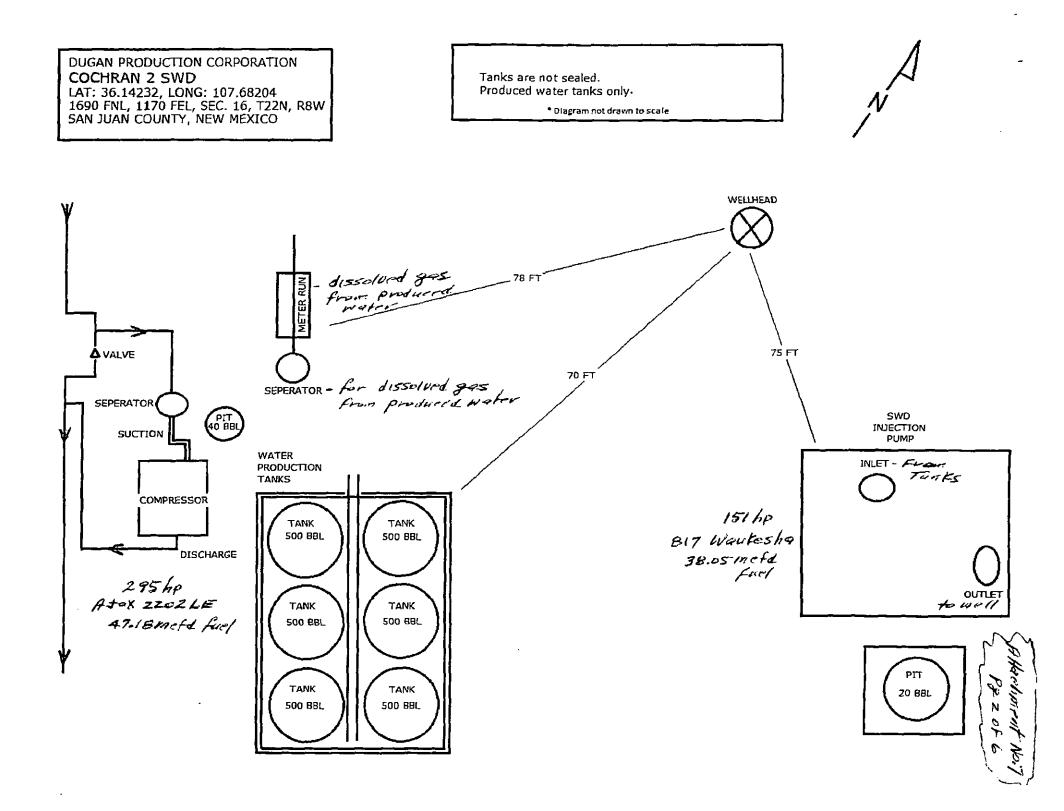
Big Band

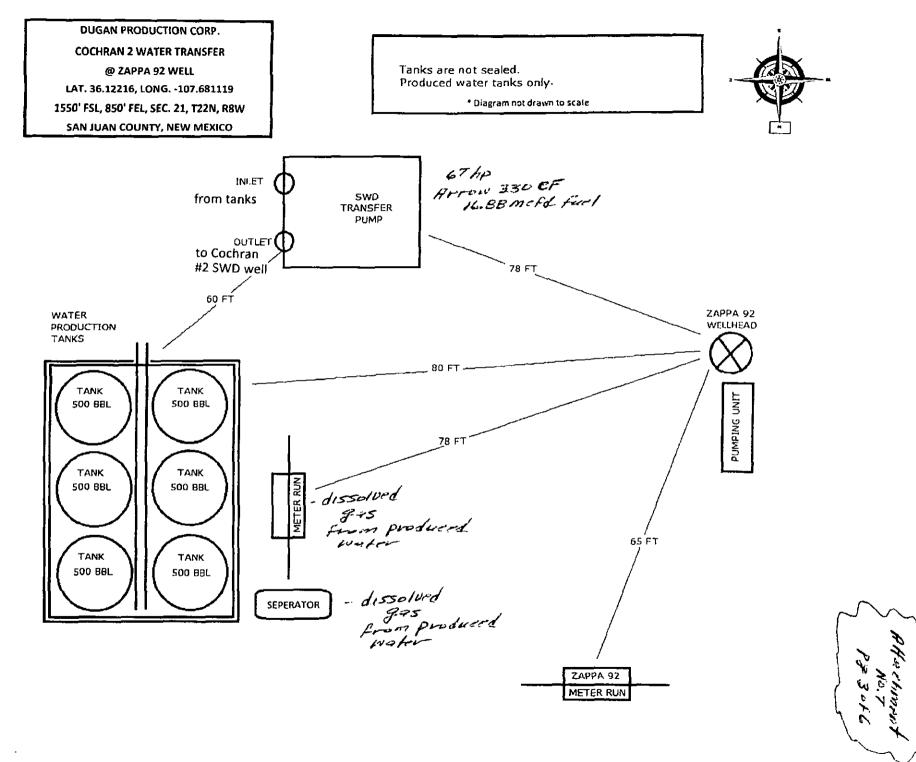
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- Gas Compression 108.04 mcfd
- Water Disposal 65.25 mcfd

Rusty Chacra

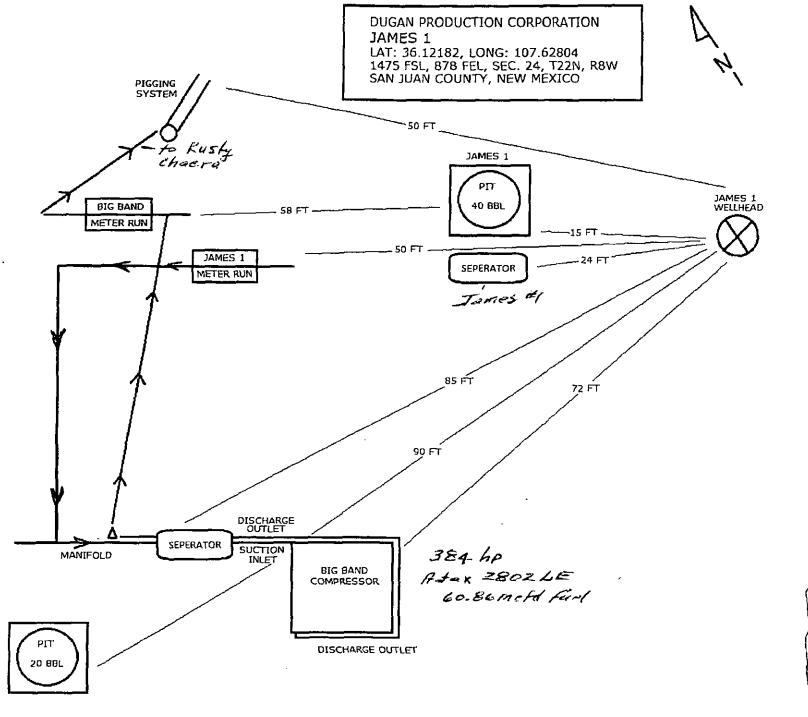
- Gas Compression <u>121.72 mcfd</u>
- Total 295.01 mcfd



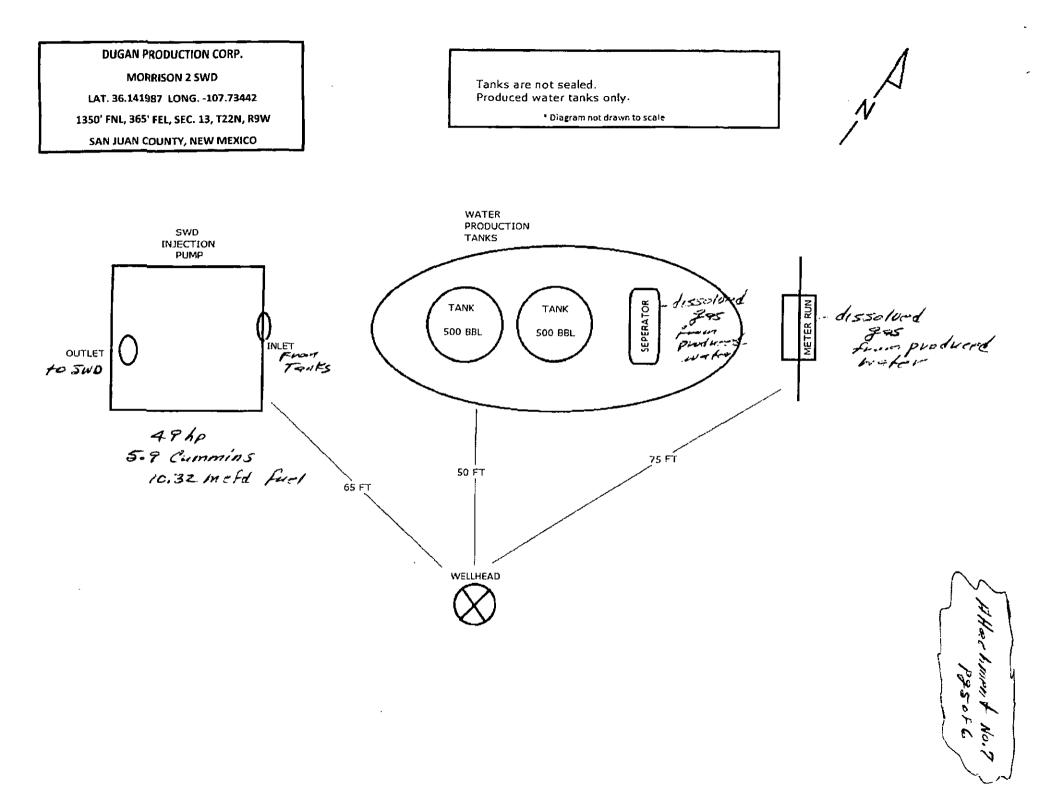


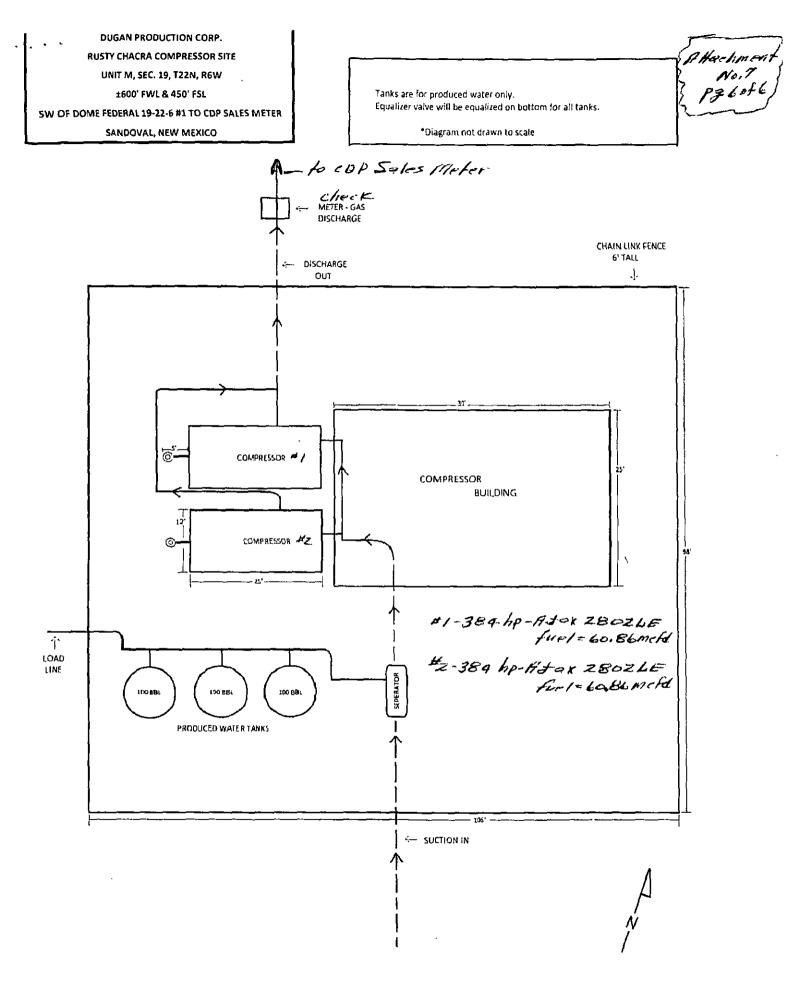
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Attachment No. 8 Interest Ownership Notification Dugan Production Corp.'s Application dated 8/14/15 Proposing:

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- 1. Addition of 38 wells (23 existing & 15 proposed locations) to Dugan Production's Big Band Gathering System (BBGS)
- Addition of 8 wells (4 existing & 4 proposed locations) to Dugan Production's Rusty Chacra Gathering System (RCGS)
 Consolidate Dugan Production's Big Band & Rusty Chacra Gathering Systems to form a new gathering system to be called the Rusty Gathering System (RGS) to be operated by Dugan Production Corp.
- 4. Requesting the NMOCD to include a provision in the order for the Rusty Gathering System regarding notice requirements to allow future additions to the Rusty gathering system following notice only to the interest owners of the wells being added.

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

Note: A tabulation presenting the interest ownership for all wells being added is presented on Attachment No. 3A for Rusty Chacra and Attachment 3B for Big Band. The interest ownership for all wells currently approved for both gathering systems is presented in the letter dated 8/14/15 to the subject interest owners (See #4 below).

- A copy of Dugan's transmittal letter dated 8/14/15 used to send copies of the subject application to the 5 working interest owners in addition to Dugan Production for the wells being added to the BBGS & RCGS. For the 38 wells/locations being added to the BBGS, Dugan Production holds 100% of the working interest in 28 of the wells and infill locations to be added. In addition, we have a majority working interest in eight of the wells and infill locations (four at 87½% and four at 75%), and we have a 50% working interest in one well and its infill location. For the 8 wells/locations being added to the RCGS Dugan Production holds 100% of the working interest in six wells/locations, plus we have a majority working interest (±93% before payout and ±86% after payout) in the fourth well and infill location. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
- 2. Copy of Dugan's transmittal letter dated 8/14/15 used to send information and notice of the subject application to the 23 overriding royalty interest owners in the wells being added to the BBGS & RCGS. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
- 3. All royalty interest for all wells being added on both gathering systems is either federal, state. Navajo Nation or Navajo Allotted. There is no fee acreage. In addition to the NMOCD, this application is also addressed to the Bureau of Land Management (BLM) for the federal and Navajo Nation & Navajo Allotted royalty interests and to the State Land Office (SLO) for the state royalty interests. All letters were sent by registered mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
- 4. Copy of Dugan's transmittal letter dated 8/14/15 used to send information and notice of the subject application to the 58 interest owners in the wells currently approved for the BBGS (33 wells) & RCGS (39 wells). All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
- 5. Copy of the legal advertisement published in the 8/12/15 issue of the Farmington Daily Times regarding the subject application. This publication was made in anticipation that of the 93 interest owners mailed, there will be at least one that is returned for some reason or the return receipt will be lost in the mail. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.

CERTIFIED MAIL RETURN RECEIPTS REQUESTED

dugan production corp.

Working Interest Owners Wells and locations to be added to Dugan Production Corp.'s Big Band & Rusty Chacra Gathering Systems (Address Lists Attached)

Re: Dugan Production's Application dated 8/14/15 to add 38 wells/locations to Big Band & 8 wells/locations to Rusty Chacra Gathering Systems plus Consolidate both gathering systems to form the Rusty Gathering System San Juan & Sandoval Counties, New Mexico

Dear Working Interest Owner,

st 14, 2015

According to our records, you have a working interest in one or more of the wells that is proposed to be added to Dugan's Big Band and/or Rusty Chacra Gathering Systems. The wells and interest owners are listed on the attached address lists. Attached for your information and review is a complete copy of the subject application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO). Adding these wells to the gathering systems will require surface commingling of gas production from the subject wells, plus the measurement and sale of gas at an off-lease central delivery sales meter (CDP). Each well will be equipped with a meter to measure gas production for allocation purposes. Attachment No. 1A & 1B presents a map of each gathering system. Attachment No. 2A & 2B presents information for each of the wells to be added plus the wells currently approved for the gathering system. Dugan Production will install all equipment and will operate and maintain each gathering system and central battery facilities. As a working interest owner in wells to be connected to either gathering system, your only costs associated with the gathering system will be a fee for gathering and compression charged monthly for production from each well. You will not be billed for any costs associated with installing the gathering system (including the allocation meters). Dugan Production's current company-wide gathering system fee is \$0.27/MMBTU, and our compression fee is \$0.09/MMBTU. These fees will be used until operating economics indicate the need for revisions. The wells to be added should not affect production in wells that are currently connected to the gathering system. Adding the subject wells to the Big Band and/or Rusty Chacra Gathering Systems will allow these wells to begin selling produced natural gas for the benefit of all interest owners. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (wells in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application, as permitted in the NMOCD rules, is a request that for future additions to either gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application. We anticipate that our application will be received by the NMOCD approximately 8/17 or 18/15.

Sincerely, In Smake

Kevin Smaka Production Engineer

KS/tmf

attachments

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

A Hach mein No.8 \$3 of 20

Wells to be Added Big Band Gas Gathering System Interest Owners Address List (wells with ownership interest in parentheses)

a=Cleve Kyle A & infill; b=Cleve Kyle B & infill; c=Cleve Kyle C & infill; d=Cleve Kyle D & infill; e=Cochran 3 & infill; f=Gillespie Com 1 & infill; g=Lennon Com 1 & 2; h=Mancini 1, 2, 3, 4, 7, 8 and Warner Federal 1; i=Mancini Com 5, 6; j=Mary Rose Com 2 & infill; k=McCartney 1; l=Satchmo Com 1 & infill; m=Satchmo Com 2 & infill; n=Satchmo Com 3 & infill; o=Susana Com 1 & infill; p=Tom Wood Denn 1, 2; g=Wood Denn 1, 2

Working Interest Owners

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

Navajo Nation (c,d) P O Box 2350 Window Rock, AZ 86515

Royalty Interest Owners

Navajo Nation (c,d) P O Box 2350 Window Rock, AZ 8651 Navajo Allotted (g,j,p,q) c/o Federal Indian Minerals Office 6251 College Blvd., Suite B Farmington, NM 87402

Cross Timbers Energy, LLC (f)

400 West Seventh Street

Fort Worth, TX 76102

USA-c/o Bureau of Land Management (a,b,c,d,e,f,g,h,i,j,k,l,m,n,p,q) 6251 College Blvd., Suite A Farmington, NM 87402

Overriding Royalty Interest Owners

Charles B. & Susan J. Adams (j) BAD ADDRESS 979 Windflower San Diego, CA 92106

Harvey Royalty Partners LP (I,m) 1875 Laws Street Dallas, TX 75202-1700

M. J. Harvey, Jr. (i) 3811 Turtle Creek, Suite 2150 Dallas, TX 75219

Philip L. White (f,i) P O Box 25968 Albuquerque, NM 87125 J. Roger Friedman (h) 425 Park Avenue New York, NY 10022

M. J. Harvey, Jr. (i) 3811 Turtle Creek, Suite 2150 Dallas, TX 75219

Cathy Jean Hendrickson (m,n) BAD ADDRESS 7375 Rolling Dell Drive #79 Cupertino, CA 95014

Dugan Production Corp. (a,b,c,d) P O Box 420 Farmington, NM 87499-0420 XTO Energy Inc. (a,b) 810 Houston Street Fort Worth, TX 76102-6203

Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148

New Mexico State Land Office (i,k,o)

Patricia M. Friedman (h) c/o Lebhar-Friedman 425 Park Avenue New York, NY 10022

Cathy Jean Hendrickson (m,n) BAD ADDRESS 7375 Rolling Dell Drive #79 Cupertino, CA 95014

The Blanco Company (f,j) 11611 Campos Houston, TX 77065

Unknown Interests (j)

A Harhment No.8 PJ 4 of 20

 Wells to be Added

 Rusty Chacra Gas Gathering System Interest Owners Address List

 (wells with ownership interest in parentheses)

 a=Basie Com 1 & infill; b=Lombardo Com 1 BPO & APO & infill; c=Miller Com 1 & infill; d=Shaw Com 1 & infill;

Working Interest Owners

Dugan Production Corp. (all) P. O. Box 420 Farmington, NM 87499-0420 Mark Chapman (b) P O Box 450 Sealy, TX 77474 Moon Royalty, LLC (b) P O Box 720070 Oklahoma City, OK 73172-0070

Royalty Interest Owners

New Mexico State Land Office (c,d) Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148 USA-c/o Bureau of Land Management (a,b) 6251 College Blvd., Suite A Farmington, NM 87402

Overriding Royalty Interest Owners

Black Stone Natural Resources II LP (a,b) P O Box 301404 Dallas, TX 75303-1404

Paul Charles Ellison (a,b) BAD ADDRESS 7973 South Vance Street Littleton, CO 80123

Kochergen Enterprises Family LP (a,b) 8163 W. McKinley Ave. Fresno, CA 95014

F. Michael Murphy (a,b) 3364 Wabash Street Denver, CO 80238

R.K. O'Connell Revocable Trust (e) R.K. & Sue O'Connell, Co-Trustees P O Box 2003 Casper, WY 82602 Black Stone Natural Resources II-B LP (a,b) P O Box 301407 Dallas, TX 75303-1407

James S. Jameson (a,b) 11611 Campos Houston, TX 75202-1700

Magnum Hunter Production Inc. (a,b) #774031 4031 Solutions Center Chicago, IL 60677-4000

Kurt T. Nelson (a,b) BAD ADDRESS 695 South Corona Denver, CO 80209

William T. & Betty Jean Philo (a,b) Joint Tenants 708 Sunny Lane Corsicana, TX 75110 Dugan Production Corp. (a,b) P. O. Box 420 Farmington, NM 87499-0420

Kent A. Johnson (a,b) 7862 South Valentia Way Englewood, CO 80112

Douglas McCallum (a,b) 191 University Blvd. #839 Denver, CO 80206-4613

O'Connell Partners LP (a) P O Box 301491 Dallas, TX 75303-1491

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dugan production corp.

CERTIFIED MAIL RETURN RECEIPTS REQUESTED

st 14, 2015

Overriding Royalty Interest Owners Wells and locations to be added to Dugan Production Corp.'s Big Band & Rusty Chacra Gathering Systems (Address Lists Attached)

Dugan Production's Application dated 8/14/15 to add 38 wells/locations to Re: Big Band & 8 wells/locations to Rusty Chacra Gathering Systems plus Consolidate both gathering systems to form the Rusty Gathering System San Juan & Sandoval Counties, New Mexico

Dear Overriding Royalty Interest Owner,

According to our records, you have an overriding royalty interest in one or more of the wells that is proposed to be added to the Big Band and/or Rusty Chacra Gathering System. The wells and interest owners are listed on the attached address lists. The subject application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requests their approvals to add 38 wells/locations to Dugan's Big Band and 8 wells/locations to Dugan's Rusty Chacra Gathering System. This will require surface commingling of gas production from the subject wells, plus the sale of gas at an off-lease central delivery sales meter (CDP). Each well will be equipped with a meter to measure production for allocation purposes. Attached for your information are copies of Attachments No. 2A (for Rusty Chacra) and 2B (for Big Band) from the subject application which provides detailed information for all wells to be added and all wells currently approved. In addition, we are requesting that the two gathering systems be consolidated into a new gathering system to be called the Rusty Gathering System. Since your interest in these wells is an overriding royalty, there are no costs chargeable to you. The wells to be added should not affect production from wells that are currently connected to the gathering system. Adding the subject wells to the Big Band and/or Rusty Chacra Gathering Systems will allow these wells to begin selling produced natural gas for the benefit of all interest owners. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (wells in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application, as permitted in the NMOCD rules, is a request that for future additions to either gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, desire to receive a complete copy of our application, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application. We anticipate that our application will be received by the NMOCD approximately 8/17 or 18/15.

Sincerely.

un Smuth

Kevin Smaka **Production Engineer**

KS/tmf

attachments

XC:

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

FHachment No.8 Pg6ofzo

Wells to be Added Big Band Gas Gathering System Interest Owners Address List (wells with ownership interest in parentheses)

a=Cleve Kyle A & infill; b=Cleve Kyle B & infill; c=Cleve Kyle C & infill; d=Cleve Kyle D & infill; e=Cochran 3 & infill; f=Gillespie Com 1 & infill; g=Lennon Com 1 & 2; h=Mancini 1, 2, 3, 4, 7, 8 and Warner Federal 1; i=Mancini Com 5, 6; j=Mary Rose Com 2 & infill; k=McCartney 1; l=Satchmo Com 1 & infill; m=Satchmo Com 2 & infill; n=Satchmo Com 3 & infill; o=Susana Com 1 & infill; p=Tom Wood Denn 1, 2; g=Wood Denn 1, 2

Working Interest Owners

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

Navajo Nation (c,d) P O Box 2350 Window Rock, AZ 86515

Royalty Interest Owners

Navajo Nation (c,d) P O Box 2350 Window Rock, AZ 8651 Navajo Allotted (g.j.p.q) c/o Federal Indian Minerals Office 6251 College Blvd., Suite B Farmington, NM 87402

Cross Timbers Energy, LLC (f)

400 West Seventh Street

Fort Worth, TX 76102

USA-c/o Bureau of Land Management (a,b,c,d,e,f,g,h,i,j,k,l,m,n,p,q) 6251 College Blvd., Suite A Farmington, NM 87402

Overriding Royalty Interest Owners

Charles B. & Susan J. Adams (j) BAD ADDRESS 979 Windflower San Diego, CA 92106

Harvey Royalty Partners LP (I,m) 1875 Laws Street Dallas, TX 75202-1700

M. J. Harvey, Jr. (i) 3811 Turtle Creek, Suite 2150 Dallas, TX 75219

Philip L. White (f,i) P O Box 25968 Albuquerque, NM 87125 J. Roger Friedman (h) 425 Park Avenue New York, NY 10022

M. J. Harvey, Jr. (i) 3811 Turtle Creek, Suite 2150 Dallas, TX 75219

Cathy Jean Hendrickson (m,n) BAD ADDRESS 7375 Rolling Dell Drive #79 Cupertino, CA 95014

Dugan Production Corp. (a,b,c,d) P O Box 420 Farmington, NM 87499-0420 XTO Energy Inc. (a,b) 810 Houston Street Fort Worth, TX 76102-6203

P O Box 1148 Santa Fe, NM 87504-1148

Office of Commissioner of Public Lands

New Mexico State Land Office (i.k.o)

Patricia M. Friedman (h) c/o Lebhar-Friedman 425 Park Avenue New York, NY 10022

Cathy Jean Hendrickson (m,n) BAD ADDRESS 7375 Rolling Dell Drive #79 Cupertino, CA 95014

The Blanco Company (f,j) 11611 Campos Houston, TX 77065

Unknown Interests (j)

Attachment No.8 PZ70FZ0

 Wells to be Added

 Rusty Chacra Gas Gathering System Interest Owners Address List

 (wells with ownership interest in parentheses)

 a=Basie Com 1 & infill: b=Lombardo Com 1 BPO & APO & infill: c=Miller Com 1 & infill; d=Shaw Com 1 & infill;

Working Interest Owners

Dugan Production Corp. (all)	Mark Chapman (b)	M
Р. О. Box 420	P O Box 450	P
Farmington, NM 87499-0420	Sealy, TX 77474	O
Familyton, NW 07459-0420	Sealy, IX 11414	L L

Moon Royalty, LLC (b) P O Box 720070 Oklahoma City, OK 73172-0070

Royalty Interest Owners

New Mexico State Land Office (c,d) Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148 USA-c/o Bureau of Land Management (a,b) 6251 College Blvd., Suite A Farmington, NM 87402

Overriding Royalty Interest Owners

Black Stone Natural Resources II LP (a,b) P O Box 301404 Dallas, TX 75303-1404

Paul Charles Ellison (a,b) BAD ADDRESS 7973 South Vance Street Littleton, CO 80123

Kochergen Enterprises Family LP (a,b) 8163 W. McKinley Ave. Fresno, CA 95014

F. Michael Murphy (a,b) 3364 Wabash Street Denver, CO 80238

R.K. O'Connell Revocable Trust (e) R.K. & Sue O'Connell, Co-Trustees P O Box 2003 Casper, WY 82602 Black Stone Natural Resources II-B LP (a,b) P O Box 301407 Dallas, TX 75303-1407

James S. Jameson (a,b) 11611 Campos Houston, TX 75202-1700

Magnum Hunter Production Inc. (a,b) #774031 4031 Solutions Center Chicago, IL 60677-4000

Kurt T. Nelson (a,b) BAD ADDRESS 695 South Corona Denver, CO 80209

William T. & Betty Jean Philo (a,b) Joint Tenants 708 Sunny Lane Corsicana, TX 75110 Dugan Production Corp. (a,b) P. O. Box 420 Farmington, NM 87499-0420

Kent A. Johnson (a,b) 7862 South Valentia Way Englewood, CO 80112

Douglas McCallum (a,b) 191 University Blvd. #839 Denver, CO 80206-4613

O'Connell Partners LP (a) P O Box 301491 Dallas, TX 75303-1491

ATTACHMENT NO. 2A
DUGAN PRODUCTION CORP.
RUSTY CHACRA GATHERING SYSTEM (APPLICATION DATED 7/2015)
CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W
SAN JUAN COUNTY, NEW MEXICO

Dates for SC, OLM & S Communitization ŵ Well Location Well Location Agreement No Completion Well Current Prod. @ Spacing BLM NMSLO NMOCO Well Name API No UL-Sec-Twn-Ring Loase No. Lse. Type (If Established) MCFD BC/D BWPD Pool Date Status ① Unit Application Approval Approval Approval WELLS TO BE ADDED TO SYSTEM (4 WELLS +'4 LOCATIONS) Same had a set a strate and the same that a strate of the set of the S. S. Ser. Prairie WARTER TO PART AND AND Marth ST 3 3 -----(Note 5) 30-043-21112 D-21-22N-7W NM109393 FED NMNM112676 N/2-320A Basie Com 1 Basin Fruitland Coal 9/29/11 P a 0 26.1 Basie Com infill well (Note 4) pending NE/4-21-22N-7W NM6680 FED NMNM112676 Basin Fruitland Coal LOC N/2-320A NM6680 Lombardo Com 1 (Note 5) 30-043-21107 M-29-22N-7W FED NMNM112653 Basin Fruitland Coal 12/7/11 D 29 78,6 W/2-320A 0 NM109392 NMNM112653 LOC ombardo Com infill well pending NW/4-29-22N-7W FED Basin Fruitland Coal W/2-320A D-32-22N-7W Miller Com 1 (Note 5 30-043-21109 V7847 ST State CA-no # Basin Fruitland Coal 12/7/11 Þ 57 ō 54.8 W/2-320A Miller Com infull well pending SW/4-32-22N-7W V7861 ST State CA-no # Basin Fruitland Coal LOC W/2-320A M-16-22N-7W Shaw Com 1 (Note 5) 30-043-21108 V7860 ST State CA-no # 9/19/11 P W/2-320A Basin Fruitland Coal 0 10.5 pending NW/4-16-22N-7W Shaw Com Infill well V7846 ST State CA-no # Basin Fruitland Coal LOC W/2-320A مهريعهم والروري 30-043-20308 D-10-22N-7W NM25821 FED NW/4 8/17/96 10/13/99 8/31/98 9/8/98 0 35 Chacre 1 Rusty Chacra 2/9/1978 P 1 Chacra 2 30-043-20309 0-21-22N-7W NM25B21 FED **Rusly Chacra** 2/21/1978 P 0 0.0 SE/4 8/17/98 10/13/99 8/31/98 9/8/9B Dana State 1 (Hicks Oil & Gas) P&A'd 30-043-20165 G-16-22N-7W K04844 ST Rusty Gallup SW/4 NE/4 10/13/99 9/6/98 7/14/1975 PA 2/16/09 8/17/98 8/31/98 Dome Federal 01-21-7 1 30-043-20638 H-1-21N-7W NM15649 FED Rusty Chacra 7/2/1982 00 NE/4 8/17/98 10/13/99 6/31/98 9/8/98 Ρ 0 H-10-22N-7W Dome Federal 10-22-7 1 30-043-20484 NM6680 FED Rusty Chacra 10/23/1980 P 8 0 11.6 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Federal 15-22-7 1 30-043-20281 P-15-22N-7W NM8899 FED Rusty Chacra 6/15/1979 SE/4 8/17/98 10/13/99 8/31/98 9/6/98 P 10 0 0.0 Joing Federal 18-22-6 3 30-043-20481 E-18-22N-6W NM21455 FED Rusty Chacra 10/21/1980 Р 184 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 0 Dome Foderal 19-22-6 1 30-043-20404 M-19-22N-6W NM21455 FED **Rusty Chacra** 8/30/1979 0 0.0 SW/4 8/17/98 10/13/99 8/31/98 9/8/98 ់កោ 7 30-043-20406 K-29-22N-6W Dome Federal 29-22-6 2 NM6676 FED Rusty Chacra 10/10/1980 Þ 0 0 00 SW/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Federal 29-22-6 3 30-043-20483 H-29-22N-6W NM6676 FED **Rusty Chacra** 12/31/1980 р 0 0 0.0 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20407 C-30-22N-6W NM8641 FED Dome Federal 30-22-6 1 **Rusty Chacra** 8/30/1979 D б 0 0.0 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20449 J-3-22N-7W NOOC1420555 NW/4 SE/4 10/13/99 Pome Navajo 03-22-7 1 Alamito Gallup 3/21/1980 17 0 0.0 8/17/98 8/31/98 9/8/98 30-043-20480 K-17-22N-7W NOOC14205382 Dome Navajo 17-22-7 2 Rusty Chacra 10/28/1980 P 3 0 0,0 SW/4 B/17/98 10/13/99 8/31/98 9/8/98 0-18-22N-6W NM5452 SE/4 Dome Navajo 18-22-6 2 P&A'd 30-043-20474 FED Rusty Chacra 11/4/1980 8/17/98 10/13/99 8/31/98 9/8/98 PA 12/11/01 Dome Navajo 20-22-7 1 30-043-20408 H-20-22N-7W NOOC14205595 Rusty Chacra 7/25/1979 Ö 0.0 NE/4 8/17/98 10/13/99 8/31/98 9/6/9B P .1 Dome Navajo 27-22-6 1 30-043-20475 M-27-22N-6W NDOC14205046 1/16/1987 SW/4 8/17/98 10/13/99 8/31/98 9/8/98 **Busty Chacra** Р ö 0.0 2 Dome Navajo 28-22-6 2 30-043-20477 1-28-22N-6W NOOC14205044 SE/4 8/17/98 10/13/99 9/6/98 Rusty Chacra 10/13/1980 Ρ σ 0.0 8/31/98 Dome Navajo 28-22-6 4 30-043-20476 K-28-22N-6W NOOC14205045 8/17/98 12/31/1980 SW/4 10/13/99 9/8/98 **Rusty Chacra** 0 Ó. 25,8 6/31/98 Joma Navajo 33-22-6 1 P8A'd 30-043-20663 A-33-22N-6W NOOC14205050 10/13/99 **Rusty Chacra** 12/2/1982 PA 11/15/10 NE/4 B/17/9B 8/31/98 9/8/96 N-33-22N-6W NOOC14205048 Dome Navajo 33-22-6 2 30-043-20664 10/13/99 Rusty Chacra 12/2/1982 D 10 0 00 SW/4 8/17/98 8/31/9B 9/6/98 Dome Navajo 34-22-6 1 30-043-20478 C-34-22N-6W NOOC14205051 **Rusty Chacra** 1/23/1981 0 0.0 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20319 P-20-22N-7W FED Dome Rusty 20-22-7 1 NM7262 Rusty Chacra 8/28/1978 D 2 0 0.0 SE/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Rusty 24-22-7 1 P&A d 30-043-20320 J-24-22N-7W NM6680 FED Rusty Chacra 6/30/1978 PA 1/30/15 SE/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Rusty 30-22-6 1 30-043-2031B 8-30-22N-6W NM6676 FED Rusty Chacra 6/30/1978 a 10 0 0.0 NEA 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20470 LG3923 ST Rusty Chacra NE/4 8/17/98 10/13/99 9/8/96 Dome State 32-22-6 2 A-32-22N-6W 1/5/1981 р 11 0 0.0 B/31/98 C-22-22N-7W Dome Tesoro 22.4 30-043-20542 NOOC14205356 1 **Rusly Gallup** 4/30/1981 P 0.8 0.0 NE/4 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 Doine Tesore 23 1 NOOC14205360 NW/4 SW/4 8/17/98 10/13/99 30-043-20506 L-23-22N-7W 3.6 9/8/98 1 **Rusty Gallup** 11/29/1980 5 5 0.0 8/31/98 Doma Tesoro 27 3 30-043-20515 D-27-22N-7W NOOC14205365 **Rusty Gailup** 2/9/1981 Р 6 0.4 0.0 NW/4 NW/4 8/17/96 10/13/99 8/31/98 9/8/98 oderal 25-22-7 1 8/17/98 10/13/99 30-043-20398 B-25-22N-7W NM8899 FED **Rusty Chacra** 9/17/1982 р 0 0 0.0 NE/4 8/31/98 9/8/98 ederal 26-22-7 1 30-043-20363 A-26-22N-7W NM8899 FED Rusty Chacra 9/17/1978 0 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 Ρ 5 0.0 ederal 29-22-6 1 30-043-20344 1-29-22N-6W NM6676 FED **Rusty Chacra** 9/19/1978 Þ 4 0 0.0 SE/4 8/17/98 10/13/99 6/31/98 9/8/98 Fedoral 29-22-6 2 30-043-20393 E-29-22N-6W NM6676 FED 9/11/1982 P 22 0 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 **Rusty Chacra** 0.0 Federal 31-22-6 1 30-043-20383 J-31-22N-6W NM7776 FED Rusty Chacra 4/25/1979 0.0 SE/4 8/17/98 10/13/99 8/31/98 9/8/98 P 0 30-043-20797 NOOC14205048 Navaio 1 N-33-22N-6W Rusty So. Galiup 11/19/1985 р 0.3 0.0 SE/4 SW/4 8/17/98 10/13/99 8/31/98 9/9/98 1 з. 30-043-20346 Navajo 10-22-7 1 N-10-22N-7W NOOC14205594 Rusly Chacra 9/15/1978 P 0 0.0 SW/4 8/17/98 10/13/99 8/31/98 9/8/98 Navajo 18-22-6 1 P&A'd 30-043-20286 N-18-22N-6W NM5452 FED Rusty Chacra 7/16/1979 PA 12/13/01 SW/4 6/17/98 10/13/99 8/31/98 9/6/98 Navajo 21-22-7 P&A'd 30-043-20282 A-21-22N-7W NM6680 FED **Rusty Chacra** 6/30/1978 PA 12/17/01 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 Rusty Nail Com 90 30-043-20988 C-34-22N-6W NOOC1420505 NMNM110562 Basin Fruitland Coa 6/21/2005 N/2 6/20/06 8/14/06 р 0 0.0 7/24/06 7/25/06 P&A'd State 32-22-6 1 30-043-20400 D-32-22N-6W LG3923 **Rusty Chacra** 3/11/19B2 PA 12/18/01 NW/4 8/17/98 10/13/99 8/31/98 ST 9/8/98

Page 1 of 2

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Attachment No. 2A Page 2 of 2

INDIGS

N/A = Not applicable or not needed NR = None Reported

Note 1 - Well status as o! 06/01/15

LOC = General location of potential infill well

NC = Not connected to gathering system

P = Producing

P-DHC = Producing downhole commingled

PA = Plugged & Abandoned

SI = Shut in

TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during January, 2015.

Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Rusty Chacra Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (QLM) and sale(S) of produced natural gas. The NMOCD has issued commingling order PLC-147-A dated 7/25/06 for the Rusty Chacra Gas Gathering System.

Note 4 - Location is within the "Rusty Chacra Gas Gathering System Area" delined by NMDCD Order PLC-147-A dated 7/25/06 which provides that future wells completed in a pool covered by the order are also automatically included in the commingling authority of the order. Since only one of the eight wells/locations being added is covered by this provision, for simplicity, the Basic Com infill location is included with this application.

Note 5 - Gas delivenes to Rusty Chacra Gathering System (all gas volumes mot @ 15.025 psi):

	1st gas to Rusty Chacra					Average Production				
Well	Gath System	mal	bw	days	mcfa	bwpd	mcf	bw		
Basin Fruitland Coal Pool			····					·		
Basic Com 1	11/1/2011	1,431	6,729	206	69	32.7	3,114	22,505		
Lombardo Com 1	1/19/2012	6,670	44,066	206	42, t	213.9	26,079	61,981		
Miller Corn 1	1/19/2012	17,099	23,391	206	83.0	113.5	56,115	91,902		
Shaw Com 1	11/1/2011	567	2,761	207	2.8	13.3	2,043	8,756		
Pool Total		26,787	2,761	825	134.9	373.5	87,351	205,144		

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ATTACHMENT NO. 28
DUGAN PRODUCTION CORP.
BIG BAND GATHERING SYSTEM (APPLICATION DATED 7/2015)
CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W (4)
SAN JUAN COUNTY, NEW MEXICO

SAN JUAN COUNTY	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<u> </u>	·	<u> </u>		Communitization			I	r			r	<u>5</u>	ates for SC. (JLM & S	<u> </u>
(ļ	Well Location	Well Loca	ານດກ	Agreement No.	Į.	Completion	Well	Curre	ni Prod.	Ø	Spacing	تـــــــــــــــــــــــــــــــــــــ	BI.M	NMSLO	T NMOCO
Weli Nar	ne	API No.	UL-Sec-Twn-Rng	Lease No.	Lse, Type	(If Established)	Pool	Date	Status @	MCFD		BWPD	Unit	Application	Approval	Approval	Approval
WELLS TO BE ADDED.	TO SYSTEM (23 V	VELLS +.15 LOCATION		Con State State State			ALLAND TO LINER										and Strate and the We
Cleve Kyle location A		pending	NE/4-17-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LOC		1 10 10	Plat we with	E/2-320A				T T
Cleve Kyle location A inf	#	pending	SE/4-17-22N-8W	NM43438	FED	pending	Basin Frugiand Coal	<u>├-</u>	LOC	i	1		E/2-320A		·	·	
Cleve Kyle location B		pending	NW/4-17-22N-8W	NM43438	FEO	pendino	Basin Fruilland Coal	├────	LOC	+	+		W/2-328A	<u>├</u>	{ <u>-</u>		{
Cleve Kyle location B infi	18	pending	SW/4-17-22N-8W	NM43438	FED	реприя	Basin Fruitland Coal	<u>├~──</u> ──	- 100	<u> </u>		<u> </u>	W/2-320A		<u> </u>		{
Cleve Kyle location C	······································	pending	NE/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		LOC	+			E/2-320A		<u> </u>		
Cleve Kyle location C inf	hill	pending	SE/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal	{	LOC	<u> </u>			E/2-320A	<u>├──</u> -			<u>├</u>
Cieve Kyle location D	(Note 16)	pending	NW/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal		Loc	├─────			W/2-320A	<u> </u>	}	<u>├</u>	<u>├──</u> ─
Cleve Kyle location D infi		pending	SW/4-18-22N-8W	NM43438	FED	pending	Basin Fruitland Coal			f			W/2-320A				
Cochran 3	(Note 13)	30-045-34693	0-16-22N-8W	VA1119	sī	N/A	Basin Fruilland Coal	9/24/09	P	5	1-0-	85.7	E/2-320A			┝ ─ ──	
Cochran inhit well	(Note 16)	pending	NE/4-16-22N-8W	VA1119	ST	N/A	Basin Fruitland Coal	5-24/4,5	LOC	<u> </u>	Ť	00.,	E/2-320A	<u>├────</u> ·└─			<u> </u>
Cillespie Com 1	(Note 13)	30-045-34930	G-9-22N-8W	NM109396	FED	NMM112645	Basin Fruitland Coat	11/5/10		12	1-0-	59.6	N/2-320A	<u>├</u> ────		ļ	<u> </u>
Gillespie Com infill well		pending	NW/4-9-22N-BW	NM109396	FFO	NMNM112645	Basin Fruitland Coal	113/14	Loc	<u>``</u>	<u> </u>		N/2-320A				L
Lennori Com 1	(Note 13 & 15)	30-045-35149	A-19-22N-8W	ND-G-0912-1764	<u> </u>	NMNM112561	Basin Fruitland Coal	10/2/12		79	1-0-	52.4	E/2-320A			L	<u> </u>
Lennon Com 2	(Note 13 & 15)	30-045-35148	I-19-22N-8W	NO-G-0912-1763	<u>-</u>	NMNM112661	Basin Fruilland Coal	10/2/12	P P	239	1-8-	72.2	E/2-320A		├	┟╼─────┘	<u> </u>
Mancini 1	(Note 13 & 15)	30-045-34333	E-15 22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/26/07	p	17	1-0-	37.6	W/2-320A				I
Manceu 2	(Note 13 8 15)	30-045-34334	L-15-22N-8W	NM048989	FEO	t	Basin Fruitland Coal	9/25/07		49		64.7	W/2-320A				<u> </u>
Manemi 3	(Nole 13 & 15)	30-045-34757	B-15-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/9/13	P	79	1-6-1	91.9	E/2-320A	-			<u> </u>
Mancini 4	(Note 13 & 15)	30-045-34758	1-15-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	9/10/13		57	<u> </u>	101.7	E/2-320A	<u>ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا ا </u>	·		<u>├────</u>
Mancial Com 5	(Nole 13 & 15)	30-045-34761	M-10-22N-8W	NM048989	FED	NMNM130418	Basin Fruilland Coal	8/28/13		139		98.4	W/2-320A		·		I
Mancell Com 6	(Note 13 & 15)	30-045-34759	E-10-22N-8W	NM109396	FED	NMNM130418	Basin Fruitland Coal	8/21/13		56	1-0-	101.0	W/2-320A				i
Maricini 7	(Note 13 & 15)	30-045-34760	P-10-22N-8W	NM048989	PED	N/A	Basin Fruitand Coal	8/30/13	- <u>-</u>	60		75.5	E/2-320A				<u> </u>
Mancini 8	(Note 13 & 15)	30-045-34764	B-10-22N-8W	NM048989	FED	N/A	Basin Fruitland Coal	8/26/13		24		58.2	E/2-320A				h
Mary Flose Com 2	(Note 13)	30-045-35147	P-20-22N-8W	ND-G-0912-1762		NMNM112652	Basin Fruttland Coal	12/2/12		154		97.6	E/2-320A	·			<u> </u>
Mary Rose Com 2 mill w		pending	NE/4-20-22N-8W	NIA57445	FED	14441414112036	Basin Fruitland Coal	1212112			<u> _0_</u>	97.0	E/2-320A				L
McCarlney 1		30-045-29659	A-2-22N-9W	VA1120	ST	N/A	Bisti Chacra Ext.	10/12/98	SI-NC		<u> </u> _		NE/4				<u>↓</u>
Satchimo Com 1	(Nole 13)	30-045-34429	N-3-22N-8W	NM90468	FED	NMNM121554	Basin Fruilland Coal	5/27/08	P	14	1-0-	54.3	5/2-320A				ł
Satchmo Com Infili well	(Note 16)	pending	SE/4-3-22N-8W	NM96798	PED	NMNM121554	Basin Fruitland Coal	5/2//46		<u> </u>	<u>⊢°</u> –	24-3	S/2-320A				h
Satchmo Com 1110 Wer	(Note 13)	30-045-34425	J-4-22N-8W	NM90468	FED	NMNM121116	Basin Fruitland Coal	5/30/08			<u></u>	40.2	E/2-322.5A				I
Satchmo Com intil well	TNDIE 157	Gendard	NE/4-4-22N-8W	NM5583G	FED	NMNM121116	Basin Fruitland Coal	5/,30/08	Loc	16	0	46.2	E/2-322.5A				I
Satchmo Com 3	(Nola 13)	30-045-34402	M-4-22N-8W	NM90468	FED	NMNM121133	Basin Fruitland Coal	6/3/08		25	1	85.3	W/2-321,53A		L		<u> </u>
Satchmo Com infill well	(india io)	pending	NW/4-4-22N-8W	NM90468	FED	NMNM121133	Basin Fruilland Coal	0/3/08	1.0C		+ <u> </u>	65.5					<u> </u>
Susana Com 1	(Note 13)	30-045-35243	D-2-21N-8W	V7770	ST	Stale CA-no #	Basin Fruitland Coal	9/19/11	1.00	76		55.2	W/2-321.53A N/2-321.44A				<u>+</u>
Susana Com mill well	(10(6-15)	pendirlg	NE/4-2-21N-8W	V7769	sr	State CA-no #	Basin Fruitland Coal	9/19/11	ioc	<u> </u>	+ <u> </u>	22.4	N/2-321.44A				<u> </u>
Tom Wood Denn 1	(Nate 13 & 15)	30-045-34926	A-8-22N-8W	NO-G-0902-1757		NMNM112639	Basin Frutland Coal	9/20/10		12		966	N/2-320A				i
Tom Wood Denn 2	(Nole 13 & 15)		C-8-22N-8W	NO-G-0902-1758		NMNM112639	Basin Fruitland Coal	9/20/10	P	37		34,3	N/2-320A				h
Warner Federal 1	114010 13 0 13/1	30-045-05065	A-10-22N-8W	NM048989	FED	N/A	East Bisk Chacra	10/16/65		3		80.9	NE/4-160A				<u> </u>
Wood Denn 1	(Note 13 & 15)	30-045-34925	L-8-22N-8W	NO-G-0902-1756		NMNM112635	Basin Fruitland Coat	10/15/65		26		110.9	5/2-320A				ı———
Wood Denn 2	(Note 13 & 15)	30-045-34924	P-8-22N-8W	NO-G-0902-1755		NMNM112635	Basin Fruitland Coal	11/10/10	P	26	1 <u>0</u>	93.0	5/2-320A				
WELLS PREVIOUSLY.A							Dasin Fluidanu Coal				<u> </u>	0.50	SICIOCUM			Rear he a new inc	
Bear 2		30-045-28552	E-34-23N-8W	1 NM50999	FED		Nageezi Gallup	4/23/92	PNC	0	1 0	0.1	SW/4 NW/4	6/20/2006	8/14/2006		7/24/2006
Belushi 1	(Note 17)	30-045-31257	1-5-22N-8W	NM90468	FED	├	Bisti CH & Basin FR Coal	4/23/92 2/8/05			- 0 -	<u>0.1</u> 51.4	SE/4 8 E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2005
Billio 2	(Note 7)	30-045-24713	L-35-22N-8W	NM8902	FED		Rusty Chacra	1/31/81	<u> </u>			11.3	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001
Balke Corn 90	(NOR ()	30-045-33872	D-35-22N-8W	NM94067	FED	NMNM118430	Basin Fruilland Coal	5/17/07		33		75.4		6/20/2006	B/14/2002	7/24/2006	7/24/2006
Bille Com 91		30-045-33872	A-35-22N-8W	NM94067	FED	NMNM119554	Basin Fruitland Coal	9/27/07		3		50.6	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Cieve Kyle 2		30-045-29038	D-18-22N-8W	NM94007	FED	1100000110004	Bish Chacra Ext.						NV2/4	6/20/2008	8/14/2006		
Cieve Kyle 2 Cochran 1		30-045-29038	A-16-22N-8W	VA1119	ST	<u> </u>		5/12/94			0	1.0	NE/4	6/20/2006		7/24/2006	7/24/2006
	(Note 7)	30-045-29909		NM90472	FED		Bisti Chacra Ext. Rusty Chacra	6/24/98	<u>SI-NC</u>				<u>NW/4</u>	9/6/2005	R/14/2006	7/24/2006	7/24/2006
Dorsey 1 Dorsey Com 90		30-045-33861	E-26-22N-8W C-26-22N-8W	NM90472 NM90472	FED	NMNM118403	Basin Fruitland Coal	12/1/99 9/29/09	^P		0	00	W/2	6/20/2001	2/15/2002 8/14/2006	N/A	10/5/2001
Dorsey Com 905		30-045-33861	L-26-22N-8W	NM90472 NM94067	FED FED	NMNM118403	Basin Fruitland Coal		P	118	0	70.7				7/24/2006	7/24/2006
poracy com ava		30-0-13-0008	1 L.CO.5514.044	14(4)34007	CU	140000110403	Coasil Prokano Coal	5/10/07	<u> </u>	1.14	0	/0./	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006

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<u>_</u>			Ţ			CommUnitization		<u></u>	<u> </u>	<u> </u>		·		7	ates for SC, I	OLM & S	a
			Well Location	Well Loc	ation	Agreement No.		Completion	Well	Currei	nt Prort.	Ø	Spacing		BLM	NMSLO	NMOCO
WellName		API No.	UL-Sec-Twn-Rog	Lease No.	Lsc.Type	(If Established)	Pool	Date	Status (0	MCFD	BC/D	OWPD	Unit	Application	Approval	Approval	Approval
Ellington 1	(Note 7)	30-045-29907	N-26-22N-8W	NM94067	FED		Rusly Chacra	10/6/99	P	1 1	0	15.9	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001
Ellington Com 90		30-045-33871	8-26-22N-8W	NM90472	FED	NMNM112646	Basin Fruitland Coal	10/20/09	P	11	D	53.8	Ε/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Ellington Com 905		30-045-33870	P-26-22N-8W	NM94067	FED	MNM112646	Basin Fruilland Coal	10/9/09	- P	204	0	150.4	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Gaye 1		30-045-29063	P-1-22N-9W	NM90475	FED		Bisti Chacra	6/7/94	P	1	0	1.9	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Goodman 2	(Note 7)	30-045-29191	L-23-22N-8W	NM90471	FED		Rusty Chacra	1/4/95	Ρ	0	0	0.0	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001
Goodman 90		30-045-30780	J-23-22N-8W	NL/90471	FED		Basin Fruitland Coal	12/9/03	8	10	0	39.0	E/2	6/20/2006	8/14/2006	7/24/20/06	7/24/2006
Hamson 1		30-045-31087	1-24-22N-9W	NM89099	FED		Bisti Chacra Ext.	2/5/03	P	1	0	1.1	5E/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Harrison Corn 90		30-045-31092	A-24-22N-9W	NM92738	FED	NMNM108160	Hasin Fruilland Coal	2/5/03	P	31	0	46.5	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Hendrix 1		30-045-28931	B-7-22N-8W	NM55836	FED		Bisli Chacra	5/11/93	P		0	1.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
James 1	(Nole 7)	30-045-29910	(-24-22N-8W	NM93253	FED		Rusty Chacra	12/31/99	P		0	0.0	SE/4	9/6/2001	2/15/2002	N/A	10/5/2001
James 90		30-045-30779	L-24-22N-8W	NM93253	FED		Basin Fruilland Coal	12/10/03	P	10	0	43.3	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Jopan 1		30-045-28976	A-12-22N-9W	NM90476	FED		Bisti Chacra	9/21/93	ri -	1	0	2.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Marley 1	(Note 10)	30-045-29158	N-36-23N-9W	VA1121	51		Basin Fruitland Coal	10/28/05	S				W/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Marrison 1		30-045-28980	H-13-22N-9W	NM90477	FED		Bisti Chacra	9/3/93	P	1 0-	0	1.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Presiev 1		30-045-29061	P-7-22N-8W	NM90469	FED		Bisti Chacra	5/23/94	- SI	0	0	0.0	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Sage Creek 1 PAA	d	30-045-26757	1-3-22N-8W	NM96798	FED		Basin Fruilland Coal	2/5/2007	PA 6/8/09		<u> </u>		E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 3 FG	(Note 7 & B)	30-045-20908	P-27-22N-8W	NM57445	FED		Basin Fruilland Coal	12/2/99	P-DHC	10	0	42.8	5/2	9/6/2001	2/15/2002	N/A	10/5/2001
Zappa 3 RC	(Nole 7 8 8)	30-045-29908	P-27-22N-8W	NM57445	FED		Rusty Chacra	12/2/99	P-DHC	10	0	42.8	SE/4	9/6/2001	2/15/2002	_N/A	10/5/2001
Zappa 3S		30-045-33855	L-27-22N-8W	NM57445	FEO		Basin Fruitland Coal	4/2/07	P	199	0	65.6	5/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 91		30-045-29997	A-27-22N-8W	NM57445	FED		Basin Fruitland Coal	2/2/01	P	12	0	35.1	N/2	9/6/2001	2/15/2002	N/A	10/5/2001
Zappa 915		30-045-33856	E-27-22N-8W	NM57445	FED		Hasin Fruilland Coal	4/2/07	9	307	0	92.0	N/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 92		30-045-33857	1-21-22N-8W	NM57445	FED	*• 	Basin Fruilland Coal	5/16/07	Р	163	0	74.8	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 93		30-045-33858	M-22-22N-8W	NM57445	FED		Basin Fruitland Coal	4/27/07	P	55	0	72.6	5/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
Zappa 93S		30-045-33859	P-22-22N-8W	NM57445	FED		Basin Frvilland Coal	4/27/07	P	57	0	69.8	5/2	6/20/2006	8/14/2006	7/24/2006	7/24/2006
SWD WELLS		NO TRACE TO CARGO		TANKA ADARC	A DERAM	Trans. Antone State	an area in march the	Same -	10-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	1 68.00	in La	Jane 1	2-1-		Wrestanding	2.5 2. 7. 1	
Cochran 2 SWD	(Nole 14)	30-045-33932	H-16-22N-8W	VA1119	ST		SWD; Morrison	3/20/07	SWD		T			r	<u> </u>	<u> </u>]
Morrison 2 SWD	(Nole 14)	30-045-33684	H-13-22N-9W	NM90477	FED		SWD: Entrada	9/12/12	SWD		<u>t</u>			†			

<u>Notes:</u> N/A = Not applicable or not needed

NR = None Reported

Note 1 - Well status as of 07/01/15

LOC = General location. The actual location will be staked and APD prepared at a later date.

NC = Not connected to gathering system

P = Producing

P-DHC = Producing downlike communated

PA = Plugged & Abandoned

SI = Shutin

1A = Temporarily aliandoned

Note 2 - Current production presents the average daily production during January, 2015.

Note 3 - Dates of application and regulatory approvals for permission to use Digian's Big Band Gathering System to fackitate gas sales which typically requires the surface comminging (SC) plus off-lease measurement (OLM) and sale(S) of produced natural gas. The NMOCD has issued comminging order PLC-191-A (Corrected) dated 4/17/07 for the Big Band Gathering System.

Note 4 Big Band Central Delivery Sales Mater (CDP) was initially authorized to be PNM's Muler no. 1335 located @ NENE 27, T-22N, R-BW with an option to deliver gas to the Rusty Charcia Gathering System & CDP (Enterprise Meter No. 03049 located @ SENW 12, T-22N, R-RW) should gas dollivery to PNM al their CDP not be possible. Dugan Production did attampt to deliver to PNM, however, we were not able to meet PNM's gas quality requirements since PNM is line was delivering gas to the Albuquerque area for residential consumption and PNM did not have trealment facilities. In addition, we found that the fuel requirement to operate a 3 stage compressor and the two dehydrators necessary to operate on PNMs 500 PSI pipeline were not economically feisable. Note 7 - The Chacta completion was initially believed to be in or an extension to the Bisti Chacta pool. NMOCD Order R+11445 tated 9-5-00 extended the Rusty Chacta pool to include the subject well and acceage.

Note 9 Production from the Rusty Charce and Basin Fruitand Coal are downhole commingled by NMOCD Order DHC-2673 Commingled production (gas and water) is allocated 50% to the Charce and 50% to the Basin Fruitand Coal.

Nole 10 - The Chacra completion was plugged 8/30/05 and the Fruitiand Coal perforated on 9/23/05. A gas rate of 24 mold has been tosted following a breakdown of the perforations. The Fruitiand Coal will be considered for fracture stimulation

upon obtaining a pipeline connection for gas sales.

0 NC

RHachment No.8 P& 120720

Noie 13 - Gas deliveries to Ausly Chacra Gathering System (all gas volumes mct @ 15 025 psi).

	Rusty Chacra		7/14 thru 01/15		Average Production	luction	Cumulative	Cumulative Production 2/1/2015
Well	Gath. System	met	1 ma	days	mcfd	bwpd	mcf	Mq
East Chacra Pool								
Warner Federal 1	1/12/2010	435	1 13,732	206	2.5	į 66.7	1 6,730	83,472
Basin Fruitland Coal Pool								
Cochran 3	10/28/2009	908	20.357	215	4.5	94.7	5,815	1 78.016
Gifespie Com 1	12/9/2010	2,169	11.337	206	10.5	55.0	16,902	143,230
Lennon Cam 1	10/23/2012	16,587	15,563	207	80.1	75.2	36,018	23,130
Lernon Com 2	10/23/2012	49,161	15,990	206	238.7	77.6	105,916	21.698
Mancini 1	10/12/2007	4.5.14	B,07B	184	24.7	43.9	62.823	196,211
Mancini 2	10/12/2007	6,743	11,167	206	32.7	54.2	71,435	176,656
Mancini 3	9/30/2013	16,922	18.383	206	82.1	39.2	34,810	44,737
Mancini 4	9/30/2013	11,864	18,531	206	57.6	0.06	27,462	28.449
Mancini Com 5	9/28/2013	35,685	17,763	206	1732	86.2	75,311	1 42.475
Mancell Com 6	9/11/2013	12,3/9	20.6/8	206	60.1	1004	45,351	44,225
Mancini 7	9/30/2013	13,077	16,452	206	63.5	6 62	27,956	36,991
Muncun B	9/11/2013	4,013	11,571	206	19.5	56.2	14,454	25,803
Mary Rose Com 2	10/24/2012	36,599	19,602	206	177.7	95.2	112,955	60.342
Salchmo Com 1	7/10/2008	2.930	11,647	206	14.2	565	24,144	180,300
Saidhmo Com 2	7/10/2008	1,833	6,464	206	8.9	31.4	14,211	134,811
Satchmo Com 3	1/10/2008	5,183	18,185	206	25.2	88.3	56.555	187.830
Susana Com 1	10/12/2011	18,943	12,295	206	92.0	59.7	102.617	104,762
Tom Wood Denn 1	9/23/2010	2,371	20.052	206	11.5	67.9	156,01	110.274
oin Wood Denn 2	10/14/2010	4,780	6,575	206	232	31.9	39,137	127,967
Wond Denn 1	10/23/2010	3,509	19,042	206	17.0	92.4	26,322	123,792
Wood Denn 2	11/10/2010	4,412	17,805	206	21,4	86.4	21.515	100,131
Pool Tool	tat	254 692	317 537 1		1240 5	1.608.3	961 011	1 991 030

Note 14 - NMOCD Administrative Order authorizing writer disposal by undergrouted infection: Cochran No. 2 SWD (SWD-10x1), Morrison No. 2 SWD (SWD - 1317) Note 15 - Dugan Production has changed from using the fielter "5" to designate a weil as boring a common spacing und are:

Wells	Common Spacing Unit
Lennon Com 1 & 2	E/2 19-22N-8W
Mailcun 1 & 2	WI2 15-22N-8W
Mercan 3 & 4	Er2 15-22N-BW
Mancin Com 5.8.6	WIZ 10-27N-BW
Mancerit 7 & B	E/2 10-22N-BV/
Tom Wood Denn 1.8.2	N/2 8-22N-BW
Wood Denn 1 & 2	S/2 8-22N 8W

Note 16 -Location is workn the "Bg Band Cas Gehering System Area" defined by MXOCD Order PLC-191-A (Corrected) dated 4/17/07, which provides that future wells completed in a pool covered by the order are also included in the commungling order. Since only 3 of the 38 wells/ocations being acted are covered by this provision, for simplicity, the acations for Cleve Kyo Location D, Cochara millit and Satchino Com 1 initia are included in this application. In simplicity, the acations for Cleve Kyo Location D, Cochara millit and Satchino Com 1 initia are included in this application.

Attachment No 2B Page 3 of 3

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AHochment No.B P3. 13 of 20

CERTIFIED MAIL RETURN RECEIPTS REQUESTED

August 14, 2015

Interest Owners Wells currently approved for operation on Dugan Production Corp.'s Big Band & Rusty Chacra Gathering Systems (Address List Attached)

Re: Dugan Production's Application dated 8/14/15 to add 38 wells/locations to Big Band & 8 wells/locations to Rusty Chacra Gathering Systems plus Consolidate both gathering systems to form the Rusty Gathering System San Juan & Sandoval Counties, New Mexico

dugan production corp.

Dear Interest Owner,

According to our records, you have an interest (working, royalty, or overriding royalty) in one or more of the wells that is currently approved for the Big Band and/or Rusty Chacra Gathering System. The wells and interest owners are listed on the attached address list. You are receiving this notice for your information as required by the New Mexico Oil Conservation Division (NMOCD) and this matter does not require any action on your part. The subject application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requests their approvals to add 38 wells/locations to Dugan's Big Band and 8 wells/locations to Dugan's Rusty Chacra Gathering System. This will require surface commingling of gas production from the subject wells, plus the sale of gas at an off-lease central delivery sales meter (CDP). Each well will be equipped with a meter to measure production for allocation purposes. Attached for your information are copies of Attachments No. 2A (for Rusty Chacra) and 2B (for Big Band) from the subject application which provides detailed information for all wells to be added and all wells currently approved. In addition, we are requesting that the two gathering systems be consolidated into a new gathering system to be called the Rusty Gathering System. Since your interest is in wells that are currently approved, there are no costs chargeable to you. The wells to be added should not affect production from wells that are currently connected to the gathering system.

This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (wells in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application, as permitted in the NMOCD rules, is a request that for future additions to either gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, desire to receive a complete copy of our application, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application. We anticipate that our application will be received by the NMOCD approximately 8/17 or 18/15.

Sincerely,

un Smale

Kevin Smaka Production Engineer

KS/tmf

attachments

XC:

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

Wells Approved for Gathering Systems Big Band/Rusty Chacra Gas Gathering System Interest Owners Address List

Big Band/Rusty Chacra Gas Gathering System Interest Owners Address List (wells with ownership interest in parentheses) a=Bear 2; b=Belushi 1; c=Billie 2; d=Chacra 1 & 2; e=Cleve Kvie 2; l=Cochran 1; h=Dome Federal 1-21-7 1; i=Dome Federal 10-22-7 1; l=Dome Federal 15-22-7 1; k=Dome Federal 18-22-6 3; m=Dome Federal 19-22-6 1; n=Dome Federal 29-22-6 2; p=Dome Federal 29-22-6 3; p=Dome Federal 30-22-6 1; a=Dome Navaio 3-22-7 1; r=Dome Navaio 17-22-7 2; t=Dome Navaio 20-22-7 1; u=Dome Navaio 28-22-6 1; w=Dome Navaio 28-22-6 1; a=Dome Navaio 33-22-6 2; w=Dome Navaio 34-22-6 1; z=Dome Rusty 20-22-7 1; a=Dome Rusty 30-22-6 1; a=Dome State 32-22-6 2; ad=Dome Tesoro 22 4; a==Dome Tesoro 23 1; ad=Dome Tesoro 27 3; ao=Dorsey 1; ah=Ellington 1; ai=Federal 25-22-7 1; ai=Federal 26-22-7 1; ak=Federal 29-22-6 1; a==Dome 1 42:00; a=Harrison 1; ag=Harrison Com 90; ar=Hendrix 1; as=James 1 & 2; at=James 90; au=Jopin 1; av=Marley 1; aw=Morrison 1; ax=Navajo 1; ay=Navajo 10-22-7 1; bb=Presley 1; bo=Rusty Nail Com 90; bl=Zappa 3, 35, 91, 91, 52, 93, 935; bg=Billing Com 90, 91; bh=Dorsey Com 90, 905; bi=Ellington Com 90, 905;

Working Interest Owners

Dugán Production Corp. (a thru bí) P. O. Box 420 Farmington, NM 87499-0420

Key Exploration (h.x) P O Box 52963 Lafavette, LA 70505

Santa Fe, NM 87504-1148

State Land Office P. O. Box 1148

Cynthia E. Huff (ax)

1912 Lancaster Drive Edmond, OK 73003

11611 Campos Houston, TX 77065

Jen-Son Oil (bc) 1505 116th Ave SE Lake Stevens, WA 98258

Rebecca Ann Jones (j.ai,aj) 119 Bedfords Bend Gun Barrel, TX 75156

Oklahoma City, OK 73101-0467

Robbie Riggs Kirkpatrick (j.ai.aj) 13615 CR 2919 Eustace, TX 75124

Kellie M. Kross (ah,ap,aq,bg,bh,bi) P. O. Box 1453 Roswell, NM 88202-1453

4031 Solutions Center Chicago IL 60677-4000

J. Paul Mathias (j.ai,aj) 8871 E. Easter Place Englewood, CO 80112

P O Box 1453 Roswell, NM 88202-1453

Denver, CO 80238

Merrion Oil & Gas Corp. (ax) 610 Reilly Ave. Farmington, NM 87401

F. Michael Murphy (z,ab,ai,aj,ak,al,ay) 3364 Wabash St.

Kurt T. Nelson (z,ab,ai,aj,ak,al,ay) 695 South Corona - BAD ADDRESS Denver, CO 80209

Jean C. Oakason, Marital Trust (p) Bank of America, NA, Successor Trustee P O Box 830308 Dallas, TX 75283-0308

Kochergen Ent, Fam, Ltd. Ptnrshp (J.n.o.ab,ak) 8163 W. McKinley Ave. Fresno, CA 93722

Magnum Hunter Production Inc. (I,n,aa,ab,ak) #774031

Douglas B. McCallum. (z,ab,ai,aj,ak,al,ay) 191 University Blvd. #839 Denver, CO. 80206-4613

Christine V. Grim Merchent (ah,ap,aq,bg,bh,bi)

JWD III, Inc. (bc) P O Box 467

State of New Mexico (f.g.ac.av,be)

Royalty Interest Owners

Overriding Royalty Interest Owners

Cathy Jean Hendrickson (ar) 7375 Rolline Dell Drive #79 – BAD ADDRESS Cupertino, CA 95014

James S. Jameson (z.aa.ab.ai,aj,ak.al.ay)

Kent A. Johnson (z,a,ab,ai,aj,ak,al,ay) 7862 South Valentia Way Englewood, CO 80112

Navajo Allotted (q.r.t thru y.ad,ae,af,ax,ay,bc) Farmington Indian Minerals Office c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401

Charles Breck & Susan J. Adams (bf) 979 Windflower Way – BAD ADDRESS San Diego, CA 92106

Blu-Chip Resoures, LLC (h) P. O. Box 504 Chevenne, WY 82003-0504

Sam Boltz Family Trust (j,ai,aj) Sam T. Boltz, Trustee 509 Princeton Drive Tyler, TX 75703-5164

Monty Brosious (j,ai,aj) 2484 W. Dolphin Drive Citrus Springs, FL 34434

Billie Cloak (j,al,aj) 529 N. Ridley Circle Morton, PA 19070 - BAD ADDRESS

David Family Oil & Gas Interest & Ptrishp (h) P O Box 1497 Cheyenne, WY 82003

Warren D. Driskell (j.ai,aj) 1252 Pine Street Wheatland, WY 82201

Dugan Production Corp. (h.I,n,o,p,u,x,z,ab,ai thru) P. Ö. Box 1497 Cheyenne, WY 82003 al.av)

Paul Charles Ellison (z,aa,ab,ai thru al, ay) 7973 South Vance Street – BAD ADDRESS Littleton, CO 80123

EMG Revocable Trust (ah,ap,aq,bh,bh,bi), Eileen M Grooms, Trustee 1000 W. Fourth Street Roswell, NM 88201

Irene R. Fellis (c,bg) 725 Calle Del Pajarito, NW Albuquerque, NM 87114

Geilser Family Ltd. Partnership (ab) c/o Michael Geister, President 5106 Springmeadow Drive Dallas, TX 75229

F. Andrew Grooms (bg.bh,ah,bi.ap,aq) P O Box 2328 Roswell, NM 88202-2328

Gene Grubitz III Trust (c,bg) Gene Grubitz, III Trustee P O Box 1245 Salem, VA 24153-1245

John M, Hali (j.ai,aj) Marty Boss, Power of Attorney 1300 Thoreau Lane Allen, TX 75002

Ann Lee Harris (o) 2100 Van Hess at Pacific San Francisco, CA 94109

Harvey Royalty Partners LP (b) 1875 Laws St. Dallas, TX 75202-1700

Hawthorn Oil Co. (ai, aj) c/o Black Stone Family Mineral Co. 1001 Fannin Suite 2020 Houston, TX 77002

The Oakason Jr. Co., LC (p) Bank of America NA, Agent P O Box B30308 Haymaker Minerals & Royalties, LLC (n l p 2.8b ak al) 4601 Washington Ave., Ste 220 Houston, TX 77007 Dallas, TX 75283-0308

USA - BLM (a thrule, h thrup, s,z,ab,ag thru 1235 La Plata Highway Farmington, NM 87401

O'Brien Family, LLC (ai,aj) 5461 W. Kent Place Denver, CO 80235

R.K. O'Connell (i) P O Box 2003 Casper, WY 82602

C. Pat Payne (j,ai,aj) 4242 Lomo Alto Dr., Apt S-37 Dallas, TX 75219

Ann Lisa Pearson (j,ai,aj) 7441 S. Fillmore Circle Littleton, CO 80122-1963

William T. & Betty Jean Philo (z.ai,aj,ak,al,ay) 708 Sunny Lane Corsicana, TX 75110

au, aw bc, bf)

R.W. Scott Investments, LLC (J.ai.aj) 1275 Lupine Way, Gennesse Golden, CO 80401

Ricard Properties, LLC (j,ai,aj) P. O. Box 1478 Parker, CO 80134

Margaret Schwartz (a) 115 Jones Street Gregory, SD 57533-1508

Sidwell Investments, LLC (h) P. O. Box 1560 Brewster, MA 02631

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Buck Stanley Family Trust (j.ai,aj,) R. H. Stanley & C. Sullivan, Trustees 38021 Fawn Meadows Trail Elizabeth, CO 80107

Elsie Stephens (j.ai,aj) Forestdell Apartments – BAD ADDRESS 11851 Highdale #1308 Daltas, TX 75234

Elzalene Sullivan (bc) P. O. Box 1001 Ft. Lauderdale, FL 33302

Dean Unruh (z.ai) 5911 So. Middlefield Rd., Suite 100 Littleton, CO 80123

RHq.eliment No.B P314.0720

ATTACHMENT NO. 2A DUGAN PRODUCTION CORP. RUSTY CHACRA GATHERING SYSTEM (APPLICATION DATED 7/2015) CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W SAN JUAN COUNTY, NEW MEXICO

đ Dates for SC, OLM & S Communitization Well Location Current Prod. @ BLM NMSLO NMOCO Well Location Adreement No Completion Well Spacino API No. UL-Sec-Twn-Rng MCFD BC/D BWPD Well Name Lease No. Lse.Type (If Established) Status @ Unit Application Approval Approval Approval Pool Date WELLS, TO BE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE TO BE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE TO BE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE TO BE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE TO BE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADDED TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WELLS + 4 LOCATIONS) * " WE WE ADD TO SYSTEM (4 WE A and the second (Note 5) 30-043-21112 D-21-22N-7W NM109393 FED N/2-320A Basie Com 1 NMNM112676 Basin Fruitland Coal 9/29/11 P 4 0 26.1 Basie Com mlill well (Note 4) NE/4-21-22N-7W NI. 6680 FEO NMNM112676 LOC N/2-320A pending Basin Fruitland Coal Lombardo Com 1 (Note 5) 30-043-21107 M-29-22N-7W NM6680 FED NMNM112653 Basin Fruilland Coal 12/7/11 Р 29 78.6 W/2-320A 0 panding Basin Fruitland Coal Lombardo Com infill well NW/4-29-22N-7W NM109392 FED NMNM112653 LOC W/2-320A Basin Fruitland Coal Miller Com 1 iNole 5 30-043-21109 D-32-22N-7W V7847 ST State CA-no # 12/7/11 P 57 ō 54,8 W/2-320A SW/4-32-22N-7W V7861 ST LOC W//2-320A Miller Com infill well pending State CA-no # Basin Fruitland Coal 30-043-21108 W/2-320A Shaw Com 1 (Note 5) M-16-22N-7W V7860 ST State CA no # Basin Fruitland Cgal 9/19/11 D 10,5 ST LOC NW/4-16-22N-7W Shaw Com infill well penoing V7846 State CA-no # Basin Fruitland Coa W/2-320A WELLSPRAEVIOUSLY APPROVED FOR RUSTY GATHERING SYSTEM (39 WELLS) COMPANY A COMPAN THERE FARMARKED - THERE'S WE STATED TO THERE AND THERE AND THE TO THE THE REAL STREET 9/8/98 Chacra 1 30-043-20308 D-10-22N-7W NM25821 FED **Busty Chacra** 2/9/1978 5 1 0 3.5 NW/4 8/17/98 10/13/99 8/31/98 30-043-20309 NM25821 FED **SE/4** 10/13/99 9/8/98 Chacra 2 0.21-22N-7W 2/21/1978 Р 8/17/98 8/31/98 Rusty Chacra 3 0 0.0 Dana Slate 1 (Hicks Oil & Gas) P&A'd 30-043-20165 G-16-22N-7W K04844 ST Rusty Gallup 7/14/1975 PA 2/16/09 SW/4 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20638 9/8/98 H-1-21N-7W FED NF/4 10/13/99 8/31/98 Dome Federal 01-21-7 1 NM15649 **Rusty Chacra** 7/2/1982 0 00 8/17/98 \mathbf{p} 1 Rusty Chacra Dome Federal 10-22-7 1 30-043-20484 H-10-22N-7W NM6680 FED 10/23/1980 P я 0 11.6 NF/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Federal 15-22-7 1 30-043-20281 P-15-22N-7W NM8899 FED **Husly Chacra** 6/15/1979 10 0 0.0 SE/4 8/17/98 10/13/99 6/31/98 9/8/98 ρ 30-043-20481 E-18-22N-6W NM21455 FED NW/4 B/17/98 10/13/99 8/31/98 9/8/98 Dome Federal 18-22-63 ρ 2 18.4 **Rusty Chacra** 10/21/1980 0 30-043-20404 M-19-22N-6W NM21455 FED SW/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Federal 19-22-6 1 Rusty Chacra B/30/1979 0 0.0 Dome Federal 29-22-6 2 30-043-20406 K-29-22N-6W NM6676 FED p D 0 SW/4 8/17/98 10/13/99 B/31/98 9/8/98 Rusty Chacra 10/10/1980 0.0 Dome Federal 29-22-6 3 30-043-20483 H-29-22N-6W NM6676 FED Rusty Chacra 12/31/1980 p 0 0 0.0 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Federal 30-22-6 1 30-043-20407 C-30-22N-6W NM8641 FED **Rusty Chacra** 6/30/1979 6 0 0.0 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 р Dome Navajo 03-22-7 1 30-043-20449 J-3-22N-7W NOOC1420555 Ŧ Atamilo Gallur 3/21/1980 Р 17 0 0.0 NW/4 SE/4 6/17/98 10/13/99 8/31/98 9/8/98 Dome Navajo 17-22-7 2 30-043-20480 K-17-22N-7W NOOC14205382 **Rusly Chacra** 10/28/1980 з 0 0.0 SW/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Navajo 18-22-6 2 0-18-22N-6W 30-043-20474 NM5452 FED SE/4 8/17/98 10/13/99 8/31/98 9/8/98 P8A'd **Rusty Chacra** 11/4/1980 PA 12/11/0 Dome Navajo 20-22-7 1 30-043-20408 H-20-22N-7W NOOC1420559 NE/4 B/17/98 10/13/99 8/31/98 9/8/98 **Rusty Chacra** 7/25/1979 ÷₽ 4 0 0.0 M-27-22N-6W **SW/4** 10/13/99 R/31/98 9/8/98 30-043-20475 NOOC14205046 2 8/17/98 Dome Navajo 27-22-6 1 Т **Husty Chacra** 1/16/1987 Р 0 00 SE/4 8/31/98 9/8/98 Dome Navajo 28-22-6 2 30-043-20477 1-28-22N-6W NOOC14205044 **Rusty Chacra** 10/13/1980 P 0 0.0 6/17/98 10/13/99 T. SW/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Navajo 28-22-6 4 30-043-20476 K-28-22N-6W NOOC14205045 **Rusty Chacra** 12/31/1980 0 0 25.8 Dome Navajo 33-22-6 1 PSAd 30-043-20663 A-33-22N-6W NOOC14205050 1 **Austy Chacra** 12/2/1982 PA 11/15/10 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 N-33-22N-6W Dome Navajo 33-22-6 2 30-043-20664 NOOC14205048 1 Rusty Chacra 12/2/1982 P 10 0 0.0 SW/4 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20478 NW//4 8/17/98 10/13/99 8/31/98 9/8/96 C-34-22N-6W NOOC14205051 ö 0.0 Dome Navajo 34-22-6 1 1 **Rusty Chacra** 1/23/1981 P 1 Dome Rusly 20-22-7 1 30-043-20319 P-20-22N-7W NM7262 FED **Husty Chacra** 8/28/1978 р 2 0 0.0 SE/4 8/17/95 10/13/99 8/31/98 9/8/98 SE/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Rusty 24-22-7 1 P8A'd 30-043-20320 J-24-22N-7W NM6680 FEO Rusty Chacra 6/30/1978 PA 1/30/1 Dome Rusly 30-22-6 1 30-043-20316 B-30-22N-6W NM6676 FED **Rusly Chacra** 6/30/1978 P 10 0 0.0 NE/4 6/17/98 10/13/99 6/31/98 9/8/98 Dome State 32-22-6 2 30-043-20470 A-32-22N-6W LG3923 ST Rusty Chacra 1/5/1981 D 11 0 0.0 NE/4 8/17/98 10/13/99 8/31/98 9/B/98 30-043-20542 C-22-22N-7W NOOC14205356 **Husty Gallup** 4/30/1981 Р 7 0.8 0.0 NE/4 NW/4 8/17/98 10/13/99 8/31/98 9/8/98 Dome Tesoro 22 4 Т Dome Tesoro 23 1 30-043-20506 L-23-22N-7W NOOC14205360 Rusty Gallup 11/29/1980 Р 5 3.6 0.0 NW/4 SW/4 8/17/98 10/13/99 B/31/98 9/8/98 NW/4 NW/4 30-043-20515 NOOC14205365 8/17/98 10/13/99 8/31/98 9/8/98 Dome Tesoro 27 3 D-27-22N-7W **Husty Gallup** 2/9/1981 р 6 04 0.0 Federal 25-22-7 1 30-043-20398 NM8899 FED 9/17/1982 0 0.0 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 B-25-22N-7W Rusty Chacra Ρ 0 30-043-20363 NE/4 10/13/99 8/31/98 9/8/98 Federal 26-22-7 1 A-26-22N-7W NM8899 FED 0 0.0 B/17/98 **Rusty Chacra** 9/17/1978 Р 5 10/13/99 8/31/98 Federal 29-22-6 1 30-043-20344 1-29-22N-6W NM6576 FED 9/19/1978 Ρ 4 0.0 \$E/4 8/17/96 9/8/98 Rusty Chacra 0 10/13/99 8/31/98 NW/4 8/17/98 9/8/98 30-043-20393 E-29-22N-6W NM6676 FED 9/11/1982 P 22 ถ 0.0 Federal 29-22-6 2 **Rusty Chacra** 10/13/99 8/31/98 30-043-20383 NM7776 FED Rusty Chacra 4/25/1979 ч 0 0.0 SE/4 8/17/98 9/8/98 Federal 31-22-6 J-31-22N-6W 10/13/99 8/31/98 30-043-20797 N-33-22N-6W NOOC142050-11/19/1985 0.3 0.0 SE74 SW/A 8/17/98 9/8/98 Navaio Rusty So. Gallup P 3 8/17/98 10/13/99 8/31/98 9/8/98 30-043-20346 N-10-22N-7W NOOC14205594 9/15/1978 0 0.0 SW/4 Navajo 10-22-7 1 Rusty Chacra Þ 1 Navajo 18-22-6 1 7/16/1979 **SW/4** 8/17/98 10/13/99 8/31/98 9/8/9B P8A'd 30-043-20286 N-18-22N-6W NM5452 FED **Rusty Chacra** PA 12/13/0 NE/4 8/17/98 10/13/99 8/31/98 9/8/98 P&A'd 30-043-20282 FED 6/30/1978 PA 12/17/01 Navajo 21-22-7 1 A-21-22N-7W NM6680 Rusty Charm Rusty Nail Com 90 N/2 6/20/06 8/14/06 7/24/06 7/25/06 30-043-20988 C-34-22N-6W NOOC1420505 NMNM110562 Basin Fruitland Coal 6/21/2005 Ð 0 0.0 P8A'd 30-043-20400 PA 12/18/01 NW/4 8/17/98 10/13/99 8/31/98 9/8/9B State 32-22-6 1 D-32-22N-6W LG3923 ST Rusty Chacra 3/11/1982

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NC.

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N C NOTES

N/A = Not applicable or not needed

NR = None Reported

Note 1 - Well status as of 06/01/15

LOC = General location of potential infill woll

NC = Not connected to gathering system

P = Producing

P-DHC = Producing downhole commingled

PA = Plugged & Abandoned

SI = Shut in

TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during January, 2015.

Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Husty Chacra Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sale(S) of produced natural gas - The NMOCD has issued commingling order PLC-147-A dated 7/25/06 for the Rusty Chacra Gas Gathering System.

Note 4 - Location is within the "Rusty Chacra Gas Gathering System Area" defined by NMOCD Order PLC-147-A dated 7/25/06 which provides that future wells completed in a pool covered by the order are also automatically included in the commingling authority of the order. Since only one of the eight wells/locations being added is covered by this provision, for simplicity, the Basie Com infall location is included with this application.

Note 5 - Gas deliveries to Rusty Chacra Gathering System (all gas volumes met @ 15.025 psi);

	1st gas to Husty Chacra		Production 14 thru 01/15		Average	Production	Cumulative 2/1/	
Well	Gath. System	hot	bw	days	mefd	bwpd	mcf	bw
Basin Fruitland Coal Pool								<u> </u>
Basic Com 1	11/1/2011	1,431	6,729	206	6.9	32.7	3,114	22,505
Lombardo Com 1	1/19/2012	8,670	44,066	206	42.1	213.9	26.079	81,961
Miller Com 1	1/19/2012	17,099	23,391	206	83.0	113.5	56,115	91,902
Shaw Com 1	11/1/2011	587	2,761	207	2.B	13.3	2,043	8,756
Pool Total		26,787	2,761	825	134.9	373.5	87,351	205,144

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Altachmeni No 2A

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Cleve Kyle location C pending NE/4-18-22N-8W NM43438 FED Basin Fruttand Coal LOC E/2-320A pendato Baser Fruitland Coal Clove Kyle location C infill pending SE/4-18-22N-8W NM43438 FED LOC E/2-320A pending Cieve Kyle location D (Note 18) pending NW/4-18-22N-8W NI-43438 FED W/2-320A Basin Fruttand Coal 100 pending Cleve Kyle location D infil SW/4-18-22N-8W NM43438 FED W/2-320A pendint pending Basin Fruitland Coal 100 (Note 13) 30-045-34693 VA1110 9/24/09 F/2-320A Cochran 3 0-16-22N-8W 57 NI/A Basin Fruilland Coal ----5 ρ 85.7 Cochran infill well (Note 16) pending NE/4-16-22N-8W VA1110 ST N/A Basin Fruitland Coal LÓC E/2-320A Gillespie Com 1 (Note 13) 30-045-34930 G-9-22N-8W NM109396 N/2-320A FED NMNM112645 Basin Fruitland Coal 11/5/10 ρ 12 0 59 6 Galaspie Cont infill well NW/4-9-22N-8W NM109396 FED NMNM112645 LOC N/2-320A Dendina Basin Edutland Coal 30-045-35149 (Note 13 & 15) A-19-22N-8W NMNM112661 10/2/12 ŻΩ 52.4 F/2-320A Lennon Com NO-G-0912-1764 1 Basin Fruitland Coal Ð D Lennon Com 2 (Note 13 & 15) 30-045-35148 1-19-22N-8W NO-G-0912-1763 NMNM112661 Basin Fruitland Coal 10/2/12 L7 239 Ó 72.2 E/2-320A (Note 13 & 15) 30-045-34333 E-15-22N-8W NM048989 FED W/2-32DA Mancini 1 N/A Basin Fruittand Coal 9/26/07 Þ 17 0 37.6 30-045-34334 Mancini a (Note 13 & 15) L-15-22N-8W NI/048989 FED N/A Basin Fruitland Coat P 49 64.7 W/2-320A 9/25/07 0 (Note 13 & 15) 30-045-34757 8-15-22N-8W NM048989 FED N/A n 91.9 E/2-320A Mancini 3 Basin Fruthand Coal 9/9/13 P 79 Mancim 4 30/045-34758 1 57 (Nole 13 & 15) 1-15-22N-8W NM048989 FED N/A Basin Fruitland Coal 9/10/13 Ø 101.7 E/2-320A Mancini Com 5 (Note 13 & 15) 30-045-34761 M-10-22N-8W NM048989 FED NMNM130418 Basin Fruitland Coal 8/28/13 139 0 98.4 W/2-320A (Note 13 8 15) 30-045-34759 E-10-22N-8W NM109396 Mancini Com 6 FED NMN1130418 Basin Fruitland Coal 8/21/13 ο 56 101.0 W/2-320A α FED Mancini 7 (Nole 13 & 15) 30-0-15-34760 P-10-22N-8W NM048989 N/A Basin Fruitland Coal Þ 60 D 75.5 E/2-320A 8/30/13 (Note 13.8 15) 30-045-34764 FED Mancin B 8-10-22N-8W NMOJRURG N/A Basin Fruitland Coal 8/26/13 Ť 24 0 58.2 E/2-320A Mary Rose Coin 2 (Note 13) 30-045-35147 P-20-22N-8W NO-G-0912-176 NMNM112652 Basin Fruitland Coal 154 97.6 E/2-320A 12/2/12 P D Mary Rose Com 2 infa well pending NE/4-20-22N-8W NM57445 FED Basin Fruitland Coal LOC E/2-320A McCariney 1 30-045-29659 A-2-22N-9W VA1120 ST N/A Bisti Chacra Ext. 10/12/98 NE/4 SI-NC ------Satchmo Com 1 (Note 13) FED 14 5/2-320A 30-045-34429 N-3-22N-8W MM90J65 NMNM121554 Р Basio Frutland Coal 5/2//08 0 54.3 **G**34 Salchmo Com infill wet 5/2-320A (Note 16) pending SE/4-1.22N-8W MM067D6 MMN84121554 Basin Frudland Coal LOC Satchmo Corri 2 (Note 13) 30-045-34425 J-4-22N-8W NM90468 FED NMNM121116 Baser Fruilland Coal 5/30/0B р 16 n 46.2 E/2-322.5A Satchmo Com infill well pending NE/4-4-22N-8W NM55836 FED NMNM121116 Basin Fruitland Coal LOC E/2-322.5A (Note 13) 30-045-34402 M-4-22N-8W Satchmo Com 3 NM90468 FED NMNM121133 Basin Fruitland Coal 6/3/0B 25 85.3 W/2-321,53A a Satchmo Com infill well NW/4-4-22N-8W NM304G8 FEO NMNM121133 Basin Fruitland Coal LOC W/2-321.53A prinding (Note 13) 30-045-35243 D-2-21N-8W V7770 ST Stale CA-no # Basin Fruitland Coal 9/19/11 55.2 Susana Com 1 Р 76 0 N/2-321 44A pending ST Susana Com nilil well NE/4-2-21N-8W V7769 State CA-no # Basin Frudland Coal LOC N/2-321,44A forn Wood Denn 1 (Note 13 & 15 30-045-34926 A-8-22N-8W NO-G-0902+175 NMNM112639 9/20/10 Basin Fruitland Coal Р 12 D 96.6 N/2-32DA (Note 13 & 15 30-045-34933 C-8-22N-8W om Wood Denn 2 NO-G-0902-1758 NMNM112639 Basin Fruitland Coal 9/20/10 P 34.3 N/2-320A 37 0 Warner Federal 30-045-05065 A-10-22N-8W NM048989 FED NI/A Ô NE/4-160A East Bish Chacra 10/16/65 D 3 80.9 (Note 13.6.15 NMNM112635 Wood Denn 3 30 045 34925 1-8-22N-8W NO-G-0902-1756 1 Basin Fruitland Coal 10/23/10 0 26 0 1109 5/2-320A Wood Denn 2 (Note 13 & 15 30-045-34924 P-8-22N-8W NO-G-0902-1755 NMNM112635 Basin Fruitland Coal 11/10/10 26 0 930 5/2-320A T WELLS PREVIOUSLY, APPROVED FOR BIO BAND GATHERING SYSTEM (33 WELLS & 34 completions) The second second and the second second Barring and a start and a start and - Set Ann A man Jawa A Sumplify & Ser Bear 2 30-045-28552 E-34-23N-8W NM50999 FED SW/4 NW/4 6/20/2006 8/14/2006 7/24/2006 7/24/2006 Nageezi Gallup 4/23/92 P-NC 0 0 0.1 Bolushi 1 30-045-31257 ō (Note 17) 6/20/2006 8/14/2006 7/24/2006 7/24/2006 J-5-22N-8W NM90468 FED Bisti CH & Basin FR Coa 2/8/05 - 11 2 51.4 SE/4 8 F/2 Bino 2 (Note 7) 30-045-24713 1-35-22N-8W NM8902 ÉED. Rusty Chacta 1/31/81 Ð З D 113 SW/4 9/6/2001 2/15/2002 NIA 10/5/2001 7/24/2006 Balle Com 90 30-045-33872 D-35-22N-8W NM94067 FED N55NM118430 Basin Fruitland Coal 5/17/07 P 33 0 754 W/2 6/20/2006 B/14/2006 7/24/2006 Bilke Coin 91 30-045-33873 A-35-22N-8W NM94067 FED NMNM119554 Basin Fruitland Coul 9/27/07 0 50.6 É/2 6/20/2006 8/14/2006 7/24/2006 7/24/2006 3 Cleve Kyle 2 30-045-29038 D-18-22N-6W FED Р 0/20/2006 8/14/2006 7/24/2006 7/24/2006 NM43438 Bistr Charra Ext 5/12/94 4 0 10 NW/A 6/20/2006 8/14/2006 7/24/2006 7/24/2006 Cocliran 1 30-045-24465 A-16-22N-6W VA1119 -91 Bisti Chacra Ext. 6/24/98 SI-NC NE/4 00 Dorsey 1 (Note 7) 30-045-29909 E-26-22N-8W NM90472 FED Rusty Chacra 12/1/99 ρ Q 0 NW/4 9.6/2001 2/15/2002 N/A 10/5/2001 Dorsey Com 90 30-045-33861 C-20-22N-8W NM90472 FED NMNM118403 Basin Fruitland Coal 9/29/09 р 24 0 145.9 W/2 6/20/2006 8/14/2006 7/24/2006 7/24/2006 Porsey Com 905 30-045-33862 L-26-22N-8W NM94067 FED NMNM118403 Basin Fruitland Coal 5/10/07 118 0 70.7 W/2 6/20/2006 8/14/2006 7/24/2006 7/24/2006 P

Pool

Basin Fruitland Coal

Basin Fruitland Coal

Basin Erudland Coal

Basin Fruitland Coal

Well

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Current Prod. Ø

NAMES OF THE OWNER OF THE OWNER OF THE OWNER OF THE

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Unit

E/2-320A

E/2-320A

W/2-320A

W/2-320A

Communatization

Apreement No.

(II Established)

pending

pending

pending

pending

SAN JUAN COUNTY, NEW MEXICO

CENTRAL DELIVERY SALES METER (ENTERPRISE METER NO. 03049) SENW 12, T-22N, R-7W (4)

API NO

pending

pending

Dending

Denduid

Well Location

UI -Sec-Twn-Rno

NE/4-17-22N-8W

SE/4-17-22N-8W

NW/4-17-22N-8W

WIA-17-22N-8W

Well Location

NM43438

NM43438

NM43438

MM43438

Lease No. Lse.Type

PED

FEO

FED

660

BIG BAND GATHERING SYSTEM (APPLICATION DATED 7/2015)

WELLS TO BE ADDED TO SYSTEM (23 WELLS +15 LOCATIONS)

DUGAN PRODUCTION CORP.

ATTACHMENT NO. 2B

Cleve Kyle location A

Cleve Kyle location E

Cleve Kyle location A infi

Cleve Kyle location B infil

Attarkment No.8 P2 170520

Page 1 of 3

Dates for SC, OLM & S

BLM

Approval

Application

<u>a</u>

NMOCO

Approval

NMSLO

Approval

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						Communitization									ales for SC, 0	DLM&S_	0
	1		Well Location	WellLoo	ation	Agreement No.		Completion	Wet	Gutte	nt Prod.	0	Spacing		BLM	NMSLO	NMOCD
w	/eli Name	API No.	UL-Sec-Two-Ring	Lease No.	Lse.Type	(If Established)	Pool	Date	Status @	MCFD	BC/D	BWPD	Unit	Application	Approval	Approval	Approva
Ellington 1	(Note 7)	30-045-29907	N-26-22N-8W	NM94067	FED		Rusty Chacra	10/6/99	P	1	0	15.9	SW/4	9/6/2001	2/15/2002	N/A	10/5/200
Ellington Com 98		30-045-33871	B-26-22N-8W	NM90472	FED	NMNM112646	Basin Fruitland Coal	10/20/09	P	11	0	538	ER	6/20/2006	8/14/2006	7/24/2006	7/24/2000
Ellington Corn 905	S	30-045-33870	P-26-22N-8W	NM94067	FED	MNM112646	Basin Fruitland Coal	10/9/09	Ρ	204	0	150.4	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
Gaye 1		30-045-29063	P-1-22N-9W	NM90475	FED		Bisti Chacra	6/7/94	P	1	0	1.9	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2000
Goodman 2	(Note 7)	30-045-29191	L-23-22N-8W	NM90471	FED		Flusty Chacta	1/4/05	P	0	0	0.0	SWIA	9/6/2001	2/15/2002	N/A	10/5/200
Goodman 90		30-045-30780	J-23-22N-8W	NM90471	FED		Basin Fruilland Coal	12/9/03	- P	10	0	39.0	E/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
Harrison 1		30-045-31087	1-24-22N-9W	NM89099	FED		Bisti Chacra Ext.	2/5/03	P	1	0	1.1	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/2000
famson Com 90		30-045-31092	A-24-22N-9W	NM92738	FED	NMNM108160	Basin Fruitland Coal	2/5/03	8	31	0	46.5	E/2	6/20/2006	B/14/2006	7/24/2006	7/24/2004
lendrix 1		30-045-26931	8-7-22N-8W	NM55836	FED		Bisk Chacra	5/11/93		0	0	1.0	NE/4	6/20/2006	R/14/2006	7/24/2006	7/24/200
James 1	(Nole 7)	30-045-29910	1-24-22N-8W	NM93253	FED	·····	Husty Chacra	12/31/99	P P	0	Ö	0.0	SE/4	9/6/2001	2/15/2002	N/A	10/5/200
James 90		30-045-30779	L-24-22N-8W	NM93253	FED		Basin Fruitand Coal	12/10/03	P	10	10	433	W/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
lopin 1		30-045-28976	A-12-22N-9W	N//90476	FED		Bisb Chacra	9/21/93	P	1	0	2.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/200
Varley 1	(Nole 1D)	30-045-29158	N-36-23N-9W	VA1121	sr		Basin Fruilland Coal	10/28/05	Si		1		W/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
Morrison 1		30-045-28980	H-13-22N-9W	NM90477	FED		Bisti Chacra	9/3/93	P	0	D	1.0	NE/4	6/20/2006	8/14/2006	7/24/2006	7/24/200
Presley 1	_,	30-045-29061	P-7-22N-8W	NM90469	FED		Bisli Chacra	5/23/94	51	0	0	0.0	SE/4	6/20/2006	8/14/2006	7/24/2006	7/24/200
Sage Creek 1	P&A'd	30-045-26757	1-3-22N-6W	NM96798	FED		Basin Fruilland Coal	2/5/2007	PA 6/8/09	h	1		6/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
Zappa 3 FC	(Note 7 & 6) (30-045-29908	P-27-22N-8W	NM57445	FED		Basin Frudland Coal	12/2/99	P-DHC	10	0	42.8	5/2	9/6/2001	2/15/2002	N/A	10/5/200
Cappa 3 RC	(Note 7 8 8)	30-045-29908	P-27-22N-8W	NM57445	FED		Rusty Chacra	12/2/99	P-DHC	10	0	42.8	SE/4	9/6/2001	2/15/2002	N/A	10/5/200
/appa 3S		30-045-33855	L-27-22N-8W	NM57445	FED		Basin Fruitland Coal	4/2/07	P	199	0	65 6	\$/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
appa 91		30-045-29997	A-27-22N-8W	NM57445	FED		Basin Fruitland Coal	2/2/01	9	12	0	35.1	N/2	9/6/2001	2/15/2002	N/A	10/5/200
appa 91S		30-045-33856	E-27-22N-8W	NM57445	FED		Basin Fruitland Coal	4/2/07	9	307	0	92.0	N/2	6/20/2006	8/14/2006	7/24/2006	7/24/2000
appa 92	/	30-045-33857	1-21-22N-8W	NM57445	FED		Basin Fruitiand Coal	5/16/07	Р	163	0	74.8	6/2	6/20/2006	B/14/2006	7/24/2006	7/24/2000
appa 93		30-045-33858	M-22-22N-8W	NM57445	FLD		Basin Frintland Coal	4/27/07	P	55	0	726	5/2	6/20/2006	8/14/2006	7/24/2006	7/24/200
appa 93S		30-045-33859	P-22-22N-8W	NM57445	FED		Basin Fruitland Coal	4/27/07		57	0	69.6	5/2	6/20/2006	8/14/2006	7/24/2006	7/24/2000
	\$24749705 TTTY 7777 405 W 1447 248		New Property and the second	THE R. A. LANDAN			A Simon mining of		A A A A A A A A A A A A A A A A A A A	ADA TRUE		CALL N	Martin Martin	K That I want	Part Lat	CALCER V	- French
Cochran 2 SWD	(Note 14)	30-045-33932	H-16-22N-8W	VA1119	ST I		SWD; Morrison	3/20/07	5WD	1	r	T		1			
Aorrison 2 SWD	(Note 14)	30-045-33684	H-13-22N-9W	NM90477	FED		SWD; Entrada	9/12/12	SWD		1	11		1		·	

Notes:

N/A = Not applicable or not needed

NR = None Reported

Note 1 - Well status as of 07/01/15

LOC . General location. The actual location will be staked and APD prepared at a later date. NC = Not connected to gathering system

P = Producing

P-OHC = Producing downhole commingled

PA = Plugged & Auandoned

SI Shot II

TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during January, 2015.

Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Big Band Gathering System to facilitate gas sales which typically requires the surface comminging (SC) plus off-fease measurement (OLM)

and sale(S) of produced natural gas. The NMOCD has issued commingling order PLC-191-A (corrected) dated 4/17/07 for the Big Band Galhering System. Note 4 - Big Band Central Delivery Sales Meter (CDP) was initially authorized to be PNMs Meter no. 1335 located & NENE 27, T-22N, R-8W with an option to deliver gas to the Rusty Chacra Gathering System & CDP (Enterprise Meter No. 03049 located & SENW 12, T-22N, R-7W) should gas delivery to PNM at their CDP not be possible. Dugan Production did attempt to deliver to PNM, however, we were not able to meet PNM s gas quality requirements since PNMs line was delivering gas to the Abuquerque area for residential consumption and PNM did not have treatment lacklies. In addition, we found that the fuel requirement to operate a 3 staye compressor and the two dehydrators necessary to operate on PNM 500 PSI ppeking were not economically feisable Note 7 - The Chacra completion was initially believed to be in or an extension to the Bist Chacra pool. NMOCD Order R-11445 dated 9-5-00 extended the Busty Chacra pool to include the subject well and acreage.

Note 8 - Production from the Rusty Chacra and Basin Fruitland Coal are downhole commingled by NMOCD Order DHC-2673. Commingled production (gas and water) is allocated 50% to the Chacra and 50% to the Basin Fruitland Coal

Note 10 - The Chacta completion was plugged 8/30/05 and the Fruitiand Coal pertorated on 9/23/05. A gas rate of 24 motif has been tested tollowing a breakdown of the pertorations. The Fruitiand Coal will be considered for fracture stimulation upon obtaining a pipeline connection for gas sales

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Note 13 - Gas deliveries to Rusty Chacra Gathering System (all gas volumes mot @ 15.025 psi).

	1st gas to		Production				Cumulative	Production
1	Rusty Chacra		7/14 thru 01/15	l	Average Pro	duction	2/17	2015
Weti	Gath. System	mcf	bw	days	meld	bwpd	mcf	bw
East Chacra Pool					_			
Warner Federal 1	1/12/2010	435	13,732	206	2.1	66.7	6.730	83,472
Basin Fruitland Coal Pool	t		I			_ <u></u>		I
Cochran 3	10/28/2009	968	20,357	215	4.5	94,7	5,816	78,016
Gillespie Com 1	12/9/2010	2.169	11,337	206	10 5	55.0	16,902	143.230
Lennon Com 1	10/23/2012	16,587	15,563	20/	80.1	75.2	36,018	23,130
Lennon Com 2	10/23/2012	49.181	15,990	206	238.7	77.6	105,916	21,898
Mancini t	10/12/2007	4,514	8,078	184	24.7	43.9	82,823	196.211
Mancini 2	10/12/2007	6,743	11,167	206	32.7	54 2	71,435	176,656
Mancini 3	9/30/2013	16.922	18,383	206	82.1	89.2	34,810	44,737
Maricini 4	9/30/2013	11,864	18,531	206	57.6	90.0	27,462	28,449
Mancini Com 5	9/28/2013	35.685	17,763	206	173 2	86.2	75,311	42,475
Mancku Coni 6	9/11/2013	12,379	20,678	206	50.1	100.4	45,351	44,225
Mancini 7	9/30/2013	13.077	16,452	206	63.5	79.9	27,956	36,991
Mancini B	9/11/2013	4,013	11,571	206	19.5	56.2	14,454	25,803
Mary Rose Com 2	10/24/2012	36,599	19,602	206	177.7	95,2	112,955	69,342
Satchmo Coin 1	7/10/2008	2,930	11,647	206	14.2	56.5	24,144	180,300
Satchmo Com 2	7/10/2008	1.833	6,464	206	8.9	31.4	14,211	131.811
Satchmo Com 3	7/10/2008	5.183	18,185	206	25.2	88.3	56.555	187.830
Susana Com 1	10/12/2011	18,943	12,295	206	92.0	59.7	102,617	104,762
Tom Wood Denn 1	9/23/2010	2,371	20.052	206	11.5	97.3	19,321	110.274
Tom Wood Denn 2	10/14/2010	4,780	6,575	206	23 2	31.9	39,137	127,967
Wood Denn 1	10/23/2010	3.509	19,042	206	17.0	92.4	26,322	123,792
Wood Denn 2	11/10/2010	4,412	17,805	206	21.4	66.4	21.515	90,131
Pool To	stat	254,692	317,537		1240.5	1,608.3	961,031	1,991,030

Note 14 - NMOCD Administrative Order authorizing water disposal by underground injection: Cochran No, 2 SWD (SWD-1047), Morrison No. 2 SWD (SWD - 1317)

Note 15 - Dugan Production has changed from using the letter "5" to designate a well as being a Frinkland Coqi inflit and initiated using undue numbers for each well. The wells using undue numbering and sharing a common spacing unit are:

Common Spacing Unit
E/2 19-22N-8W
W/2 15-22N-8W
E/2 15-22N-8W
W/2 10-22N-RW
E/2 10-22N-8W
N/2 8-22N-BW
5/2 8-22N-BW

Note 16 - Location is writtin the "Bry Band Gas Gathering System Area" defined by NMOCO Order PLC-191-A (Corrected) dated 4/17/07, which provides that future wells completed in a pool covered by the order are also included in the commingling order. Since only 3 of the 38 wells/locations being added are covered by this provision, for simplicity, the locations for Cleve Kyle Location D, Cochran infill and Satchino Com 1 infill are included in this application.

Note 17 - The Basin Fruitland Coal interval has not been completed, but it is being considered for completion, and upon completion, an application to downhole commingie with the Bisti Chacra will be submitted.

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Legal Advertisement Published In the Wednesday, August 12, 2015 Publication of the Farmington Daily Times

Legal Notices 152 Legal Notices 152 Dugan Production Corp. (DPC) is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM) and the New Mexico State Land Office (BLM) and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 38 natural gas wells (23 existing & 15 proposed) to the Big Band. Gathering System (BBGS) and 8 natural gas wells (4) existing & 4 proposed) to the Rusty Chacra 'Gathering System '(RCGS). Both systems are operated by DPC. In addition, DPC is requesting approval to consolidate the BBGS & RCGS into a new gathering System to be called the Rusty Gathering System (RGS) to be operated by DPC. Gas sales for the RGS will continue to be at the central deliver sales me continue to be at the central deliver sales me-ter (CDP) established for the RCGS & currently serving both BBGS & the RCGS. The CDP for the RCGS is located in the SENW of Section 12, T-22N, R-7W and delivers gas to Enterprise Field Services Meter No. 03049. This CDP is al-ro authorized to be used as poorded by the Field Services Mater No. 03049. This CDP is al-so authorized to be used as needed by the BBGS in the event gas deliveries to PNM at the CDP sales meter established for the BBGS were not feasible. The BBGS CDP to PNM has been abandoned as not being feasible for operation on the BBGS, and all gas from BBGS is now de-livered to the RCGS as authorized by NMOCD Order PLC-191-A, dated 4/17/07. This will re-quire the surface commingling of natural gas and produced water plus the off-lease meas-urement and sale of natural gas. There will not be any commingling of oil or condensate. DPC and produced water plus the off-lease meas-urement and sale of natural gas. There will not be any commingling of oil or condensate. DPC is also requesting that the NMOCD include a provision-in-the order for the consolidated RGS to allow future; additions following notice only to the interest owners being added, provided it is reasonably certain that the proposed faddi-tions. "will mot affect the wells previously au-thorized for the gathering. systems will be added and three existing gathering systems are located, as follows: /BBGS : Section 2 of T-21N/R;8W; Sections, 3 (thru 10),15 (thru 24, 26, 27, 34 (of 1223), R;8W; Sections 1, 2, 12, 13 & 24 of 1322N, R;8W; Sections 1, 2, 21, 21 & 24 of 1322N, R;8W; Sections 1, 2, 12, 13 & 24 of 1322N, R;8W; Sections 1, 2, 02 & 27 (thru 34 of 122N, R;6W; Sections, 3, 10, 12, 13; 15 thru 17, 19 thru 27, 29, 30 & 32 of T-22N, R-7W; Section 1, of T-21N, R-7W, all located in San Juan or Sandoval Counties of New Mexico. The BBGS currently thas 33 wells (34 completions) which are(completed in the following 3 gas pools; Ba-sin JFrültland 'Coal (18' wells). Bisti' Chacra (9 wells): "K austy Chacra (6 wells), plus one well in the Nageezi oil pool. Of the 38 wells to be added to the 'BBGS, one is in the Bisti Chacra, one in the Bast Bisti' Chacra (9 wells): The gas pools; Basin Dakota (1 well). Rusty Chacra gas (32 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (4 wells). Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (1 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (2 wells), Alamito Gallup oil (1 well), Rusty Gallup be any commingling of oil or condensate. DPC is also requesting that the NMOCD include a tion. In the absence of objection, Dugan Pro-duction Corp. has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

The Daily Times, Wednesday, August 12, 2015

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Legal No. 71810 published in The Daily times on August 12, 2015.

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District I 1625 N. French Dr., Hobbs, NM 88240	State of New Mexico Energy, Minerals & Natural Resources Department		Form C-102 Revised October 12, 2005
District II 1301 W. Grand Avenue, Artesia. NM 88210		Submit	Instructions on back to Appropriate District Office
District III 1000 Rio Brazos Rd., Aztec, NM 87410	OIL CONSERVATION DIVISION 1220 South St. Francis Dr.		State Lease - 4 Copies Fee Lease - 3 Copies
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87	Santa Fe, NM 87505 505		AMENDED REPORT
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W	ELL	LOCATION	AND	ACREAGE	DEDICATION	PLAT
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District II 1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe. NM 87505

Form C-102 Revised October 12, 2005 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name Pool Code API Number 71629 BASIN FRUITLAND COAL <u>30.045.</u> 34169 Property Code Well Number Property Name COCHRAN 3 3625 Operator Name Elevation 006515 DUGAN PRODUCTION CORPORATION 6643 ¹⁰ Surface Location ul or bot no. Section North/South Isre وزراوهما Lot Ion et from the Foot from the Fast/Ment live Country 0 **55**N SOUTH 1380 EAST 16 8W 1195 SAN JUAN ¹¹Bottom Hole Location If Different From Surface North/South line UL or lot no. Section (owneh) o Porte Lort Ion Feet from the Feat from the East/Mest live County ¹² Dedicated Acres [[[the m theol TOndar No M Consolidation Code 320 0 Acres -(E/2) NU ALLUWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION " OPERATOR CERTIFICATION 15 " UPEHAIUH UEHIITILAIIUN Thereby contif, that the information undured herein is true and complete to the best of my knowledge and belief, and that this organization aither owns a working interest or unleased mineral interest in the land including the proceed bottom-hole location or res a right to drill this well at this location period to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division 5257.56 DUGAN VA-1119 3/17/2008 Sur 1 Signature / Date Kurt Fagrelius Printed Name ¹⁸ SURVEYOR CERTIFICATION I hereby centify that the well location shown on this plat was plotted from field notes of actual surveys made by me or und my supervision, and that the same is true and connect to the best of my belief. 95 ß 6 5285. 5284. Survey Date: FEBRUARY 26, 2008 Signature and Seal of Professional Surveyor C. EDWARDS JASON MEXICO JEW . LAT: 36.13573 N LONG: 107.68299 W DATUM: NAD83 Staller Brost 15269 B TENER 1380' AGESSION Ē O 1317.69 1317.69 2632.74 Centificate Number 15269

District I 1625 N French Dr., Hobbs, NM 88240

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District III 1000 Rio Brazos Rd. Aztec, NM 87410

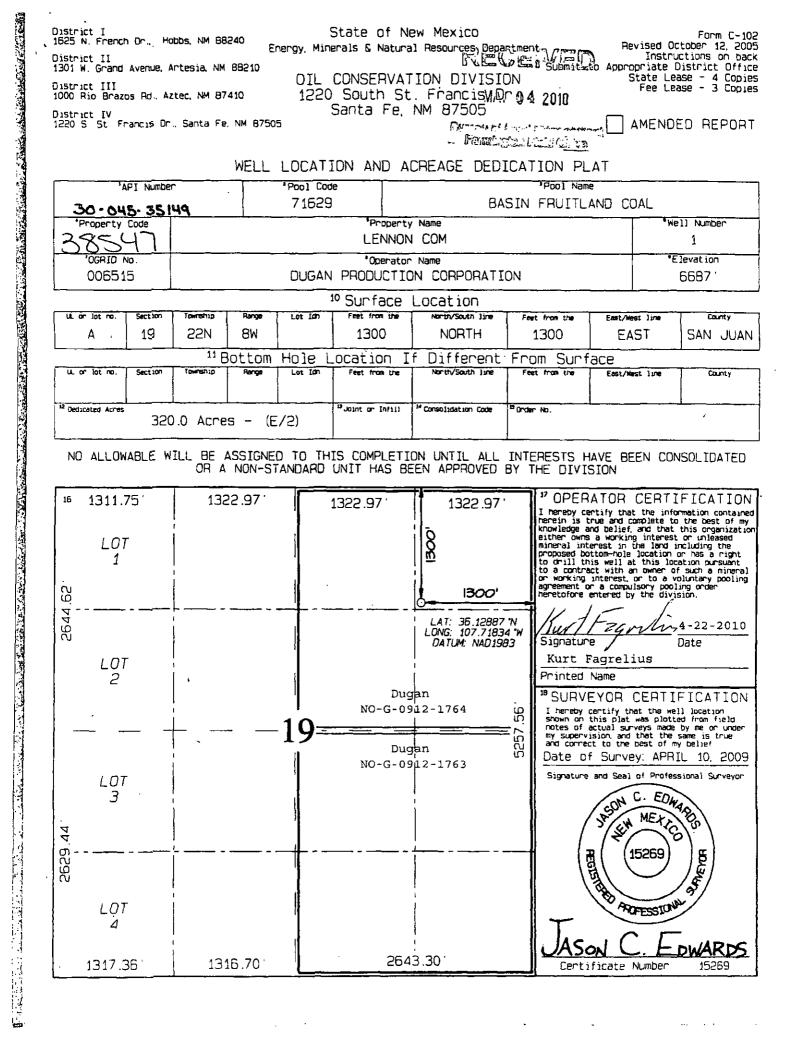
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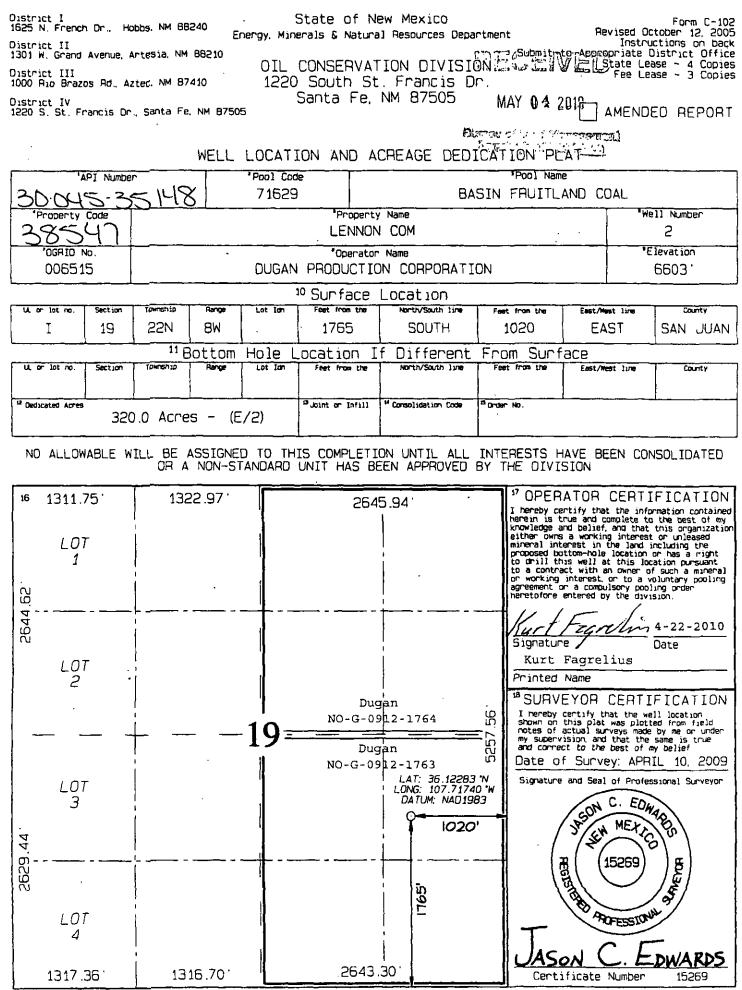
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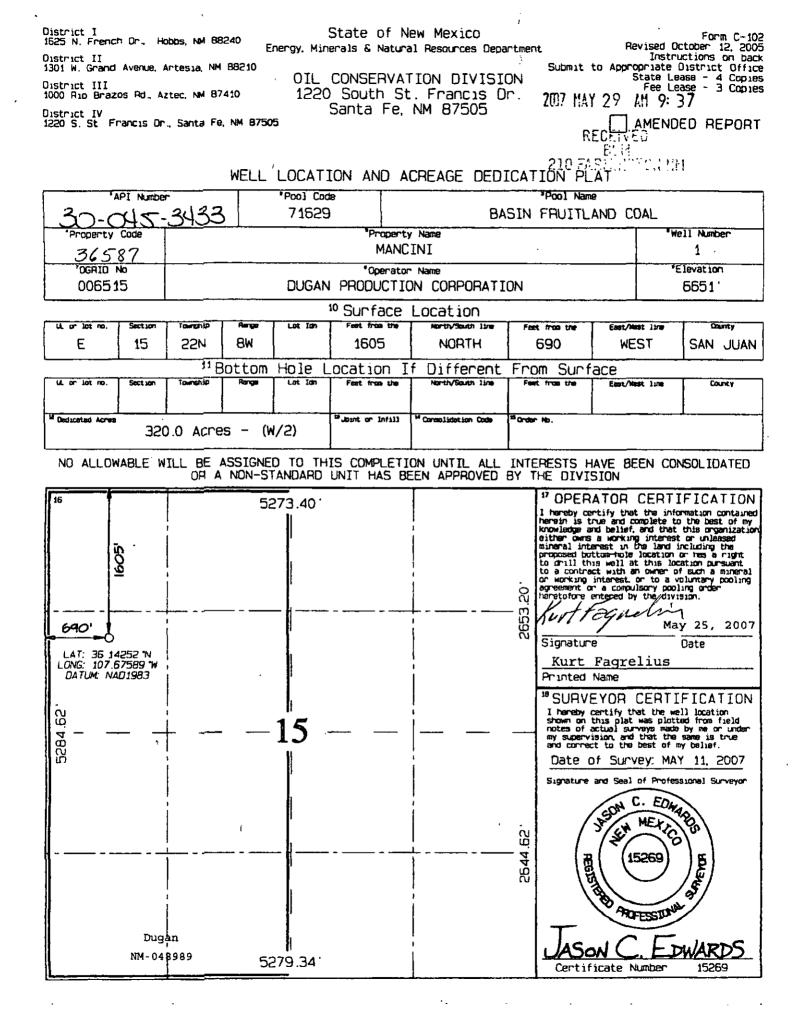
State of New Mexico Energy, Minerals & Natural Resources		Form C-102 Revised October 12, 2005 Instructions on back
OIL CONSERVATION DIV 1220 South St. Francis Santa Fr. NM 87505	ISION 5 DrMAR 3 0 2009	State Lease - 4 Copies Fee Lease - 3 Copies
505	Bureau of Land Manage Farmington Field Office	MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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UL or lat no. Section	11 Botto Township Rang				Sunface	est June	County
* Dedicated Acres		Libint pr	(nf1)) ³⁴ Consolidation Cod	e ¹⁵ Order N).	L	
<u>ع</u> د	0.0 Acres -	(W/2)					
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			WELL	LOCAT	ION AND A	CREAGE DE	ICATION RE	A)Tment			
	PI Number			Pool Coc 71629			arminglag Field SIN FRUITL				
Property			<u> </u>		Well Number						
3658	Vo		····		·	'Elevation					
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API Number		Pool Code	F;	attaington Field C	Pool Nam	8		
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UL or lot no. Section	11 Bottom	Hole Locatio	·	f Different	From Surf			۰
	romonop Maryo			warayyoun ine	าของเกายะ 2018	East/Ma	et 1148	County
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	5	5279.34'				icate N	<u> E I</u>	15269

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Bureau of Lano Management Well LOCATION AND ACREAGE DEDICATION PEAT Methods Very Note: Projection 30:0015:30:001 71529 BASIN FRUITLAND COAL 37:0015:30:001 Progenty Name Mell Nation 37:0015:30:001 DUGAN PRODUCTION COMPORATION 6587 00501:50:0016:001 DUGAN PRODUCTION COMPORATION 6587 00501:50:0016:001 DUGAN PRODUCTION COMPORATION 6587 10:0017:0017:0017:0017:0017:0017:0017:0	District I 1625 N. French O District II. 1301 W. Grand Av District III 1000 Rio Brazos District IV 1220 S. St. Fran	RCI., AZ	ntesia, NM itec. NM 874	88210 410	nergy, Min OIL 1220	erais & : CONSE : Souti	Natura RVAT n St	ew Mexico 11 Resources Depa 10N DIVISI . Francisti NM 87505 JU	on Crie	Submit	to Approg	Instru priate State Le Fee Le	Form C-102 ctober 12, 2005 uctions on back District Office case - 4 Copies case - 3 Copies	
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		TION AND A	Bureau of L CREAGEF®DEDI		AT	
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Property Code 36587	- +	*Property MANCIN	ICOM.	1		5 B
OGRID No. 006515	DUG	*Operator AN PRODUCTIO		ON	"6	flevation 6794
		¹⁰ Sun face	Location		·····	
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'API Numbe 30.045.36	+710C		*Pool Coo 71629)		Pool Nam SIN FRUITL			· · · · · · · · · · · · · · · · · · ·
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District III 1000 Rio Brazos Ad., District IV	Energy, Minerals & Natural Resources Department NUE, Artesia, NM 88210 OIL CONSERVATION DIVISION d., Aztec, NM 87410 Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLATES WELL LOCATION AND ACREAGE DEDICATION PLATES *Pool Code *Pool Code *Pool Name							uctions on back District Office ase - 4 Copies ase - 3 Copies		
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State of New Mexico Euergy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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AMENDED REPORT

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District I 1625 N. French Dr. Hobbs. NM 88240

District II 1301 W Grand Avenue, Artesia, NM 88210

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

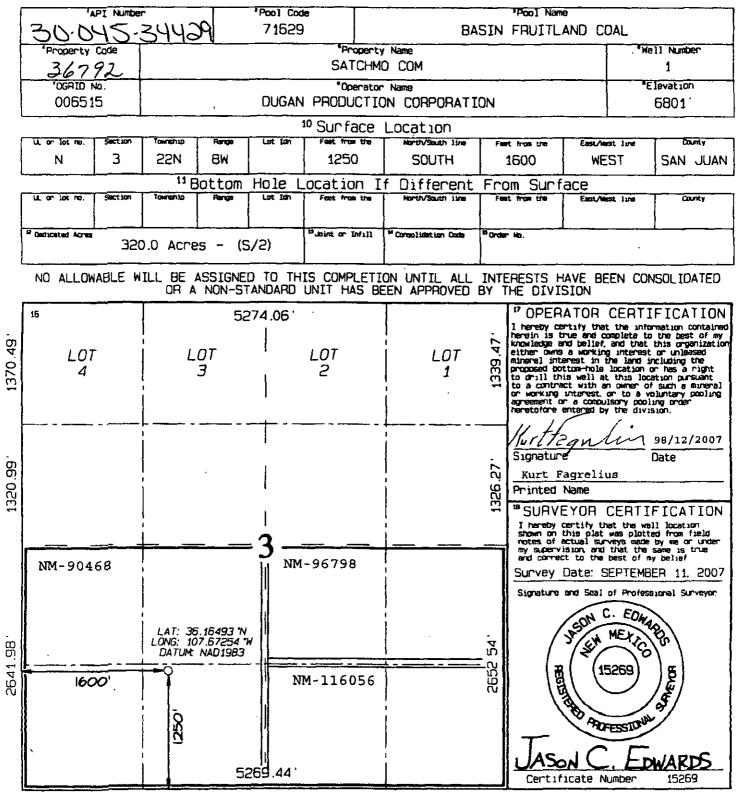
Energy, Minerals & Natural Resources Department

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

		Form C-102
		Revised October 12, 2005
		Instructions on back
Submit	to	Appropriate District Office
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT



District II 1301 W. Gran District III 1000 Rio Bra	d Avenue, A Izos Rd., Az	obbs, NM 8824 vrtesia. NM 84 rtec, NM 8741 , Santa Fe, N	s & Natura NSERVAT Duth St	W Mexico Di Resources D TION DIVIS , Francis NM 87505	SION Dr.	Submit EIVE	to Approg	Instru priate (State Lea Fee Lea	Form C-102 Ctober 12, 2005 District Office ase - 4 Copies ase - 3 Copies ED REPORT		
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2642.64				LONG: 107	.16575 TN 7.68253 TW NAD 1983	1350	2641.98	Date of Signature	and Seal	MEXIC	JST 3, 2007 Islandi Surveyor

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District I 1625 N. French Dr., Hobbs, NM 88240

District II 1301 W. Grand Avenue, Artesia, NM 88210

District III 1000 Rio Brazos Rd., Aztec, NM 87410

Oistrict IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

\$ WELL LOCATION AND ACREAGE DEDICATION PLAT AP1 Number Pool Code Ppol Name 71629 BASIN FRUITLAND COAL 240 30.045 Property Code Well Number Property Name 36792 SATCHMO COM 3 OGRID No. Elevation "Operator Name DUGAN PRODUCTION CORPORATION 006515 6781 ¹⁰ Surface Location Township UL or lot no. Section Lot Idn Foot from the North/South line County Feet, from the East/West larm 4 22N BW 1000 1250 Μ SOUTH WEST SAN JUAN ¹¹Bottom Hole Location If Different From Surface UL or lot no. Section Township Lot Ion North/South line Rance Fort from the ant from the County East/Mast lune ¹² Dedicated Acres Joint on Infill ⁵⁴ Consoludation Code ¹⁵ Order No. 321.53 Acres -(W/2)NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION "OPERATOR CERTIFICATION 2637.361 16 2624.82 OPENATOR CERTIFICATION I hereby cartify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order meretofore entered by the division. 夺 48 LOT LOT LOT LOT 370 . 338. 3 2 Δ 1 NM-55836 NM-90468 Egypt wrl 8-16-2007 Signature Date R g Kurt Fagrelius 200 Printed Name 1321 "SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: MAY 16, 2007 Signature and Seal of Professional Surveyor SON C. EDWARDS MEXICO 64 , SEM 2642. 86 2641 15269 £ S LAT: 36.16425 N LONG: 107.69157 W TENER **EALE** 1250 DATUM: NAD1983 ADFESSION 000 dwARDS 5265.48 15269 Certificate Number

District 1 1825 N. French Dr., Hobbs, N.M. 88240

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DISTRICT I 1301 W. Grand Avenue , Artesia. NM 88210

DISTRICT (II 1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT Nº 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

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

Form C-102 Revised October 12, 2005

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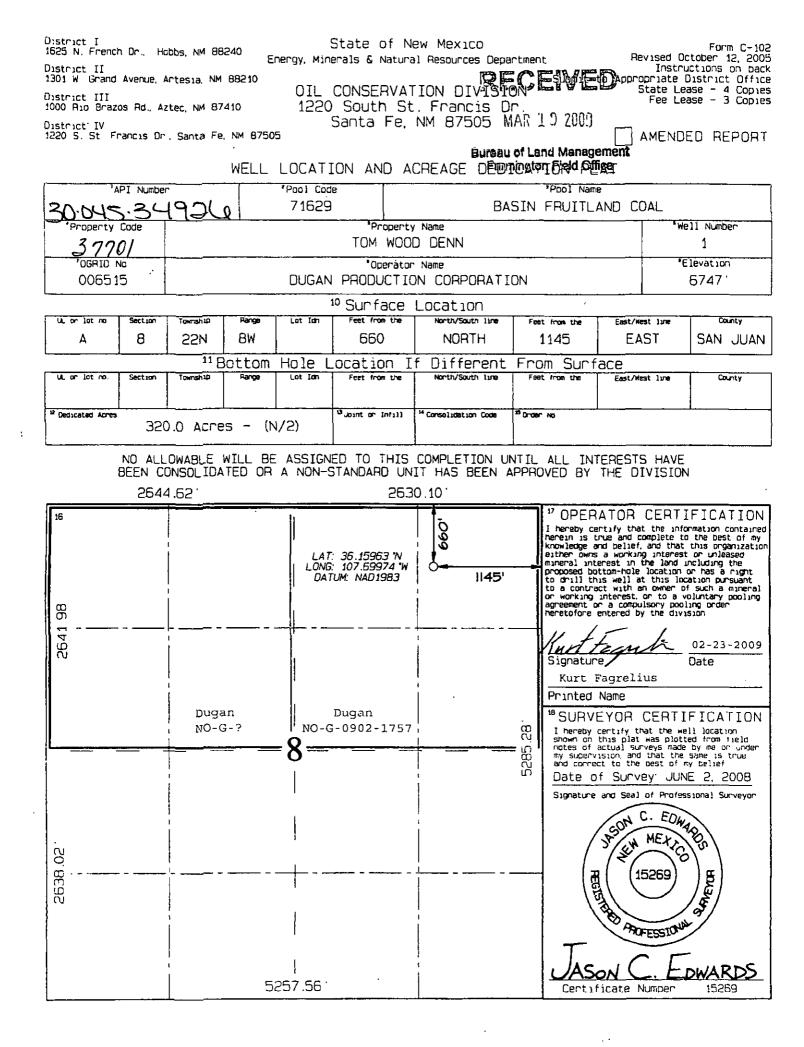
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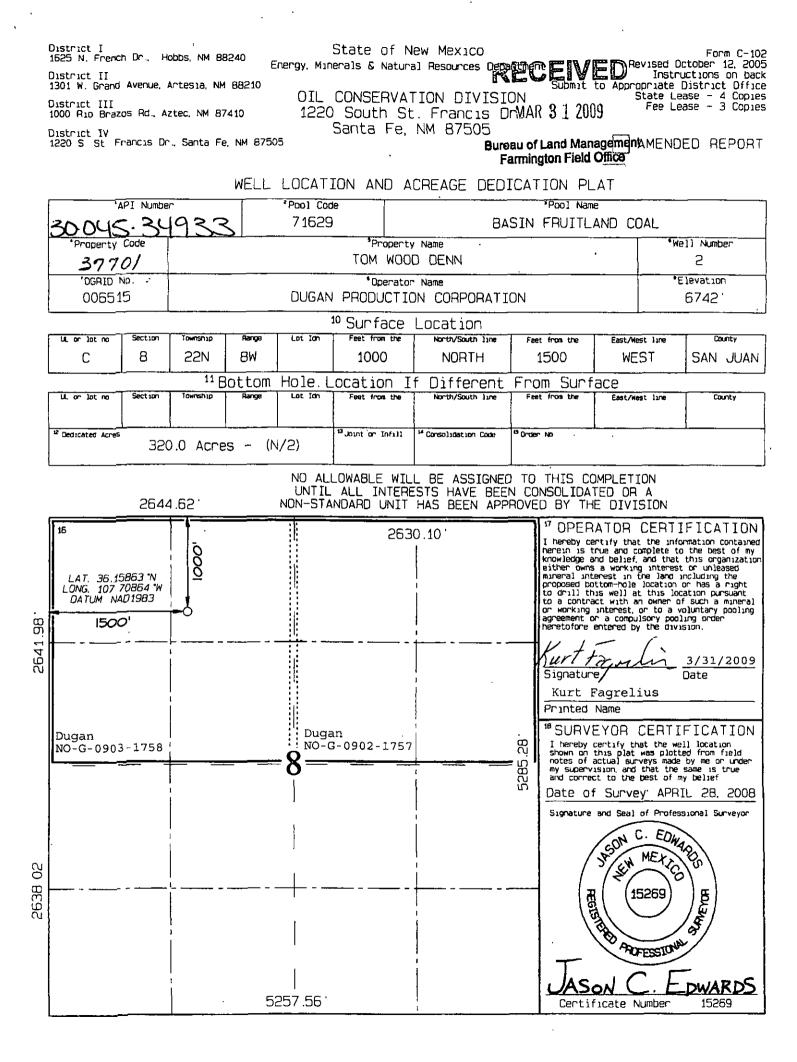
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□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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·					¹⁰ Surfa	ace	Location					
UL or lot no.	Section	· · · ·	Range	Lot Idn	Feet from t	the	North/South line	Feet	from the	East/Wes	st line	County
D	2	21-N	8-W		790'		NORTH	· · · · · ·	1200'	WES	ST	SAN JUAN
			¹¹ Bott	tom Ho	le Locatio	on I	f Different From	m Su	ırface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet	from the	East/We	st line	County
" Dedicated Acre	<u> </u>		Joint or In	511 HC-		4.						<u> </u>
32 320 ACR	1.44	· · · · ·	JOIDL OF M		isolidation Co	e Do	¹⁰ Order No.					
320 ACR	RES - (N/2)										
No allowable w division.	ili be as:	signed to this	completion	until ati	interest hav	a be	en consolidated or	a nor	-standard	unit has	been op	proved by the
				G				78				
16 FD 2 1/2		S89"36'26"E 2628.29'(M)	FD 2 1/2 BRASS CAP		589*36'4	15"E	2629.40'(M) FD BRAS	2 1/2 5 CAP 1947	1 " OPI	ERATOR	R CER	FIFICATION
FD 2 1/2 BRASS CAP GLD 1947	06		GO 1947 9*37*₩ 79	 .61 Choins	(R)		ab	1947				tion contained
LOT	4 ^K	LOT	r 3	Ì.	LOT 2	ļ	LOT 1				-	the out of my
		DUGAN PRO	DUCTION	CORPOR	RATION					-		r universed mineral a proposed bottom
1200' S &		SUSANA CO							hole location	n or has a	right to a	brill this well at
50'02'38"E 2642.28'(N) 50'02'E 80.0 Chains'(R)		LAT. 36.08641" LONG. 107.6577	70°W					8		-		ract with an owner Nerest, or to a
		DATUM: NAD 19	963	<u> </u>	· · · · · · · · · · · · · · · · · · ·							a compulsory by the division
м Маралия С									11	1 _		7
2,38,						ĺ			Kurt	+ F = 4	ub	1/10/2011
50.03 20.03									Signatur			Date
		Du	ıgan	Duga				l	Kur Printed		<u>jreli</u>	us
		V-	7770	V-7'	769	ļ						
				2 ===-		- 4						
FD 2 1/2 BRASS CAP GLO 1947	•		•	ł					18 SU	RVEYO	R CER	TIFICATION
												tion shown on this pla
		•										hal surveys made by that the same is true
	:								and correct			
				1				}	1	100	VARA /	Soro
			·						Date of		ME	4
			-						Signature			and Surfeyor:
		6		1					⊔ <i>1</i> ,¥	マママノ	> \ 1	14 T





District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised October 15,2009 Submit one copy to appropriate District Office

AMENDED REPORT

1220 S. St. Francis Dr., Santa Fe, NM 87505

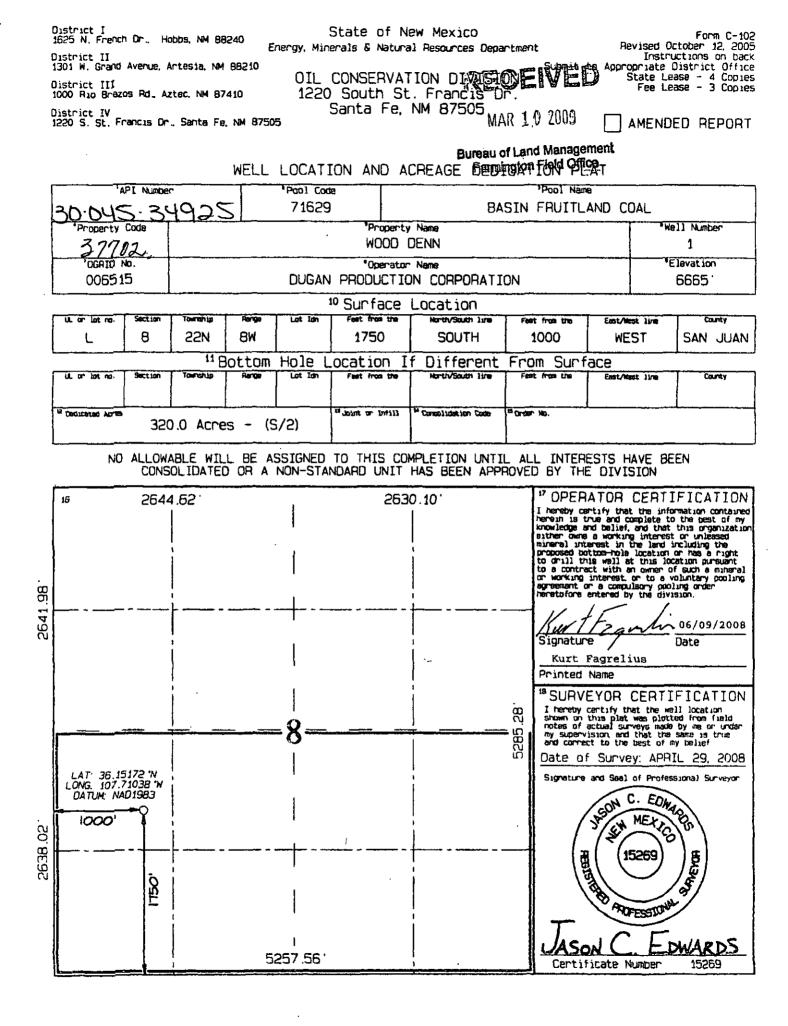
3

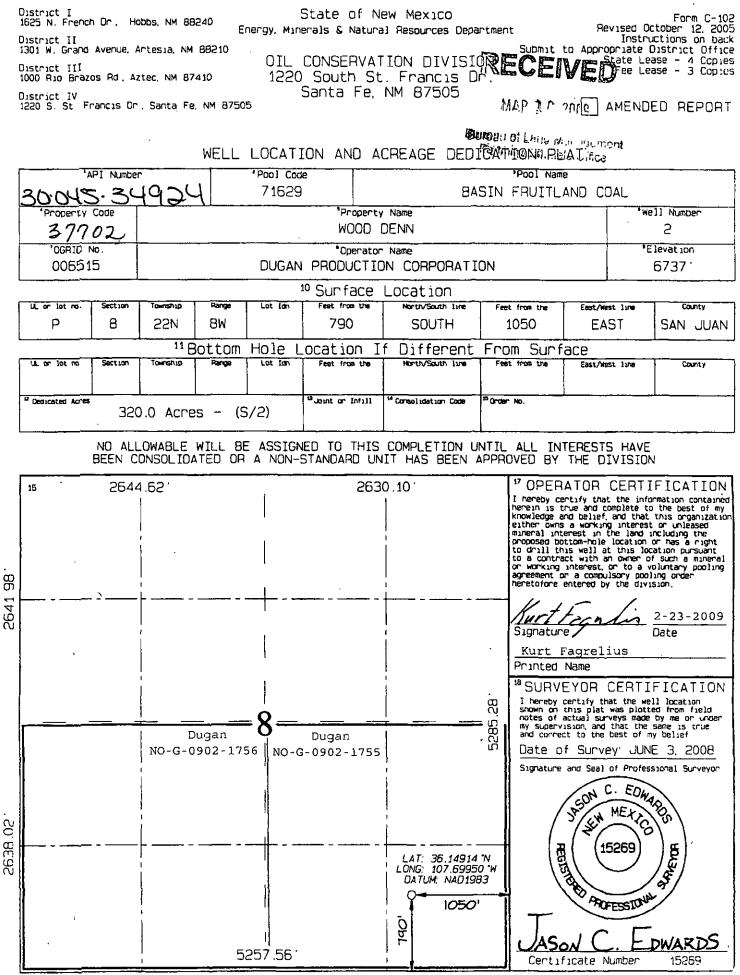
WELL LOCATION AND ACREAGE DEDICATION PLAT

· · · ·	API Numbe	r		¹ Puol Code			³ Pool Na	ne		
30	-045-0506	5		96384		Bisti; Chacra, East				
* Property (Code				³ Property	Name	6 Well Number			
17313	• I				Warner F	ederal		1		
'OGRID	No.				¹ Operator	Name			* Elevation	
00651:	5				Dugan Produc	tion Corp.		1	6858' DF	
-		• • • •			¹⁰ Surfacé	Location		, ·, ·		
UL, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Α	10	22N	8W		1130	North	1130	East	San Juan	
			π _{Be}	ottom Ho	le Location I	f Different From	m Surface		· • • • • • • • • • • • • • • • • • • •	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line RCV	County D JAN 4'10	
² Dedicated Acre 160	s ¹³ Joint o	r Infill ¹⁴ C	ensolidation	Code ¹⁵ Oa	der No.	* *** * ****	•		CONS. DIV.	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16		R 1130'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unlessed mineral interest in the land including the proposed bottom hole location or bas a right to drill this well of this location parsuant to a contract with an owner of such a mineral or working interest, or to a voluntary peoling agreement or a compulsary peoling order hereitype entercy by the physion,
			John C. Alexander Printed Name
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. May 22, 1957 Date of Survey
			Signature and Seal of Professional Surveyor: Original survey signed by W. S. Westerfeld 1382 Certificate Number





AFFIDAVIT OF PUBLICATION

Ad No. 71810

STATE OF NEW MEXICO County of San Juan:

SAMMY LOPEZ, being duly sworn eays: That he IS the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, August 12, 2015

And the cost of the publication is \$195.42

ON $\frac{8/17/15}{1000}$ SAMMY LOPEZ appeared before inc, whom I know personally to be the person who signed the above document.

Aristre Seller



COPY OF PUBLICATION

Legal No. 71810 published in The Daily times on August 12, 2015 (



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

COMMINGLING ORDER PLC-147-A

Dugan Production Corporation P. O. Box 420 Farmington, New Mexico 87499-0420

Attention: Mr. John D. Roe

The above-named company is hereby authorized to surface commingle gas production from the following-described pools within the following-described area (hereinafter referred to as Dugan Production Corporation's Rusty Chacra Gas Gathering System Area):

Pool NamePool CodeRusty-Chacra Gas Pool(Gas - 84360)Basin-Fruitland Coal Gas Pool(Gas - 71629)Alamito-Gallup Pool(Oil - 01039)Rusty-Gallup Pool(Oil - 52860)Wildcat South Rusty-Gallup Pool(Oil - 96236)

Rusty Chacra Gas Gathering System Area

Township 21 North, Range 7 West, NMPM

Section 1: NE/4

Township 22 North, Range 6 West, NMPM

Section 18: Section 19;	S/2, NW/4 SW/4
Section 27:	SW/4
Section 28:	S/2
Section 29:	All
Section 30:	N/2
Section 31:	SE/4
Section 32:	N/2
Section 33:	NE/4, SW/4
Section 34:	N/2

Administrative Order No. PLC-147-A Dugan Production Corporation July 25, 2006 Page 2

Township 22 North, Range 7 West, NMPM

Section 3:	NW/4 SE/4
Section 10:	N/2, SW/4
Section 15:	SE/4
Section 16:	SW/4 NE/4
Section 17:	SW/4
Section 20:	E/2
Section 21:	E/2
Section 22:	NE/4 NW/4
Section 23:	NW/4 SW/4
Section 24:	SE/4
Section 25:	NE/4
Section 26:	NE/4
Section 27:	NW/4 NW/4

This area contains all or portions of **Federal Leases No**. NM-6676, NM-6680, NM-7262, NM-7776, NM-8641, NM-8899, NM-15649, NM-21455, NM-25821, NM-27163, NM-89023, NM-93448, NM-100285, NM-109385, NM-109391, NM-109392, NM-109393, NM-113069 and NM-0554433, all or portions of **State Leases No**. LG-3923 and K-04844, and all or portions of **Navajo Allotted Leases No**. NOOC-14-20-5044, NOOC-14-20-5045, NOOC-14-20-5046, NOOC-14-20-5048, NOOC-14-20-5050, NOOC-14-20-5051, NOOC-14-20-5356, NOOC-14-20-5360, NOOC-14-20-5365, NOOC-14-20-5382, NOOC-14-20-5555, NOOC-14-20-5594 and NOOC-14-20-5595.

This area currently contains, or will contain, subsequent to completion of additional drilling operations, thirty-nine (39) wells that are either singly completed within the Rusty-Chacra, Rusty-Gallup, Wildcat South Rusty-Gallup, Alamito-Gallup or Basin-Fruitland Coal Gas Pool, or downhole commingled within these pools. All wells within the area, with the exception of the Dana State Well No. 1 (API No. 30-043-20165) which is operated by Hicks Oil & Gas, are currently operated by Dugan Production Corporation.

Production shall be allocated by metering the gas production from each of the wells within the Rusty Chacra Gas Gathering System Area utilizing individual allocation meters. Gas production shall then be commingled and transported to an Enterprise Field Services gas sales meter located in the SE/4 NW/4 of Section 12, Township 22 North, Range 7 West, NMPM. Production shall be allocated back to each well utilizing allocation and sales meter volume data, and shall be determined in accordance with the procedure set forth in Exhibit "A" attached to this order.

Water production from the wells within the Rusty Chacra Gas Gathering System Area may be commingled and collected at a central facility. Any gas that is recovered from the produced water shall be allocated back to the wells in accordance with the procedure set forth in Exhibit "A".

Administrative Order No. PLC-147-A Dugan Production Corporation July 25, 2006 Page 3

Additional existing or wells that may be drilled in the future can be added to the commingling authority granted by the order without additional application or notice to interest owners provided that:

- a) the well(s) are located within the Rusty Chacra Gas Gathering Area defined by this order; and
- b) the well(s) produce from one or more of the five pools approved by this order.

To obtain approval to add wells, Dugan Production Corporation shall file a C-103 (Sundry Notice) with the Santa Fe and Aztec Offices of the Division that describe the well(s) to be included. Additional notice may be required to the Bureau of Land Management.

Dugan is further authorized to periodically, and when necessary, deliver gas from its Rusty Chacra Gas Gathering System to the Big Band Gas Gathering System (approved by Division Order No. PLC-191, as amended). When this occurs, Dugan shall allocate production to the wells in the Rusty Chacra Gas Gathering System and the Big Band Gas Gathering System in accordance with the procedure set forth in Exhibit "A".

NOTE: This installation shall be installed and operated in accordance with the applicable rules and regulations of the Division applicable to surface commingling. It is the responsibility of the producer to notify the transporter of this commingling authority.

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

MARK E. FESMIRE, P.E. Director

MEF/drc

ee: Oil Conservation Division – Aztec Bureau of Land Management-Farmington File: PLC-191