

NMOCD CASE NO. 9359

9-14-88

Dugan Production Corp.

Exhibit No. 3

OFFSET OPERATOR WAIVERS
IN RESPONSE TO DUGAN PRODUCTION CORP.'S
JULY 27, 1988 LETTER

Non-Standard Unit Application
NMOCD Case #9359, Hearing Scheduled for 9-14-88
Dugan's Husky Federal #2 Well
Township 21 North, Range 4 West, NMPM
Section 25: NW/4 NW/4
Sandoval County, New Mexico

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

A. E. INVESTMENTS

Melinda L. Blatter
Melinda L. Blatter
Asst. Secy.

Jonathan M. Lucia
By: Jonathan M. Lucia
Title: Asst. Vice Pres.

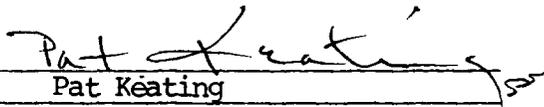
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
heretby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:

GARY WILLIAMS OIL PRODUCER


By: Pat Keating
Title: Attorney-in-Fact

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 1st day of
August 1988, by Pat Keating, as Attorney-in-Fact of Gary-Williams Oil
Producer, Inc., a Delaware Corporation.

Witness my hand and official seal.


Notary Public: Sharon R. McDonald
Address: 115 Inverness Drive East
Englewood, CO 80112

My Commission Expires:
February 18, 1992

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

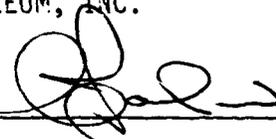
APPLICATION OF DUGAN PRODUCTION CORP.
FOR 160.0 ACRE NON-STANDARD PRORATION UNIT
CONSISTING OF THE NW/4 OF SECTION 25,
TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM
SANDOVAL COUNTY, NEW MEXICO
HUSKY FEDERAL #2 WELL, UNIT D

The undersigned, being an offset interest owner to the above acreage,
having received notice and a copy of the Application in this matter, does
hereby waive any objection to the granting of the non-standard proration
unit as requested in said application.

ATTEST:



ICG PETROLEUM, INC.



By: _____
Title: C.J. Palmer Vice-President

ICG
CONTENT

FORM

EXECUTION