



dugan production corp.

Mr. Charlie Perrin
New Mexico Oil Conservation Division
Aztec District III
1000 Rio Brazos Road
Aztec, New Mexico 87410

8/4/2014

Dear Mr. Perrin,

This is to inform the NMOCD that we observed wellbore communication in the below mentioned Dugan Production Corp.'s wells after the stimulation operations of offsetting wells. The well details and type of wellbore communication noted are listed in the following table.

	Well Name	API #	Location	Formation	Type of Communication Noted
1	January Jamboree # 1	300-45-31229	L31-24N-09W	Gallup	Nitrogen
2	Olson # 1	300-45-26516	I11-23N-10W	Gallup	Nitrogen
3	Witty # 2	300-45-25981	G12-23N-10W	Gallup	Nitrogen
4	Witty # 3	300-45-26043	E12-23N-10W	Gallup	Nitrogen
5	Witty #5	300-45-26545	A12-23N-10W	Gallup	Nitrogen
6	Witty # 6	300-45-26767	K12-23N10W	Gallup	Nitrogen

The wellbore communication was noted and confirmed by 07/13/14 7 7/14/2014. In case of any questions or need additional information, please contact Marty Foutz, with Dugan production at 505-326-4548.

Regards,

Marty Foutz

Marty Foutz
Production Analyst

Dugan Production Corp.

P.O. Box 420, Farmington, NM

OIL CONS. DIV DIST. 3

AUG 05 2014