



dugan production corp.

RCVD NOV 18 '13
OIL CONS. DIV.
DIST. 3

November 15, 2013

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

Dear Mr. Perrin,

This letter is in response to Oil Conservation Division's District III Aztec office's letter dated Oct 22nd 2013, requesting information regarding wells which we observed communications at the wellbore, after the completion of drilling/stimulation operations of the offsetting horizontal wells.

Please see the attached list of wells with the respective API No., location information, producing formation, and the type of wellbore communication noted. We will notify the Division regarding any communication we might observe in future as a result of the adjacent ongoing drilling/stimulation operations.

In case of any questions or additional information needed please contact Mr. Aliph Reena, at 505-325-1821

Regards,

Aliph T Reena

Production Engineer
Dugan Production Corp.
P.O.Box 420
Farmington, NM
87499

List of wells that showed wellbore communication

	Well Name	API #	Location	Formation	Type of Communication
1	April Surprise #7	300-45-29293	B-31-24N-9W	Gallup	Nitrogen /Increased production
2	April Surprise #8	300-45-29419	P-30-24N-9W	Gallup	Nitrogen
3	April Surprise #9	300-45-29188	L-19-24N-9W	Gallup	Nitrogen
4	Big Yazzie # 1	300-45-33149	B-6-23N-9W	Gallup	Nitrogen
5	Champ # 1	300-45-26891	C-5-23N-10W	Gallup	Nitrogen
6	Champ # 3	300-45-26890	A-5-23N-10W	Gallup	Nitrogen
7	Champ # 9	300-45-29287	O-1-23N-10W	Gallup	Nitrogen
8	Calgary # 2	300-45-26821	G-6-23N-10W	Gallup	Nitrogen
9	Calgary # 3	300-45-27404	C-6-23N-10W	Gallup	Nitrogen
10	Calgary # 4	300-45-27418	E-6-23N-10W	Gallup	Nitrogen
11	Calgary # 88	300-45-26784	A-6-23N-10W	Gallup	Nitrogen
12	Fabulous Feb # 1	300-45-25920	D-31-24N-9W	Gallup	Nitrogen /Increased Production
13	Fairway # 1	300-45-26182	M-1-23N-10W	Gallup	Nitrogen
14	Flo Jo # 1	300-45-27463	A-1-23N-11W	Gallup	Nitrogen
15	Flo jo # 2	300-45-27441	C-1-23N-11W	Gallup	Nitrogen
16	Flo Jo # 4	300-45-28645	I-1-23N-11W	Gallup	Nitrogen
17	Flo Jo # 6	300-45-29288	K-1-23N-11W	Gallup	Nitrogen
18	Gold Medal # 3	300-45-26822	I-31-24N-10W	Gallup	Nitrogen
19	Gold Medal # 5	300-45-26823	O-31-24N-10W	Gallup	Nitrogen
20	Gold Medal # 6	300-45-26852	K-31-24N-10W	Gallup	Nitrogen
21	Gus YJ State # 1	300-43-20831	B-32-23N-6W	Gallup	Nitrogen /Increased production
22	January Jamboree #1	300-45-31229	L-31-24N-9W	Gallup	Nitrogen
23	Jeffers Federal 2-23	300-45-24439	K-2-23N-8W	Gallup	Nitrogen
24	Kenny # 1	300-43-20808	B-36-23N-7W	Gallup	Nitrogen /Increased production
25	Kinsale # 2	300-43-20674	I-26-23N-7W	Gallup	Nitrogen
26	Lee's Ferry # 1	300-45-26408	L-19-24N-8W	Gallup	Nitrogen
27	Little Sis # 1	300-43-20940	K-31-23N-6W	Gallup	Nitrogen /Increased production
28	Mary Lou # 2	300-45-26497	G-32-24N-10W	Gallup	Nitrogen /Increased production
29	Mary Lou # 3	300-45-26775	I-32-24N-10W	Gallup	Nitrogen
30	Mary Lou # 4	300-45-26776	O-32-24N-10W	Gallup	Nitrogen
31	Mary Lou # 5	300--45-26813	K-32-24N-10W	Gallup	Nitrogen
32	Mary Lou # 6	300-45-26814	M-32--24N-10W	Gallup	Nitrogen
33	Oktoberfest # 1	300-45-26498	A-36-24N-10W	Gallup	Nitrogen

34	Oktoberfest # 2	300-45-27343	L-36-24N-10W	Gallup	Nitrogen
35	Squash Blossom AFU State # 1	300-45-27053	O-36-24N-10W	Gallup	Nitrogen
36	Witty # 4 TB (Well # 2,3,4,5)	300-45-26042	C-12-23N-10W	Gallup	Nitrogen