

encana

June 25, 2014

Dugan Production Corp.  
Kurt Fagrelus  
709 East Murray Drive  
Farmington, NM 87401

30.045-35440

OIL CONS. DIV DIST. 3  
JUL 07 2014

RE: Hydraulic Fracturing Notice  
Encana Escrito D34-2409-01H  
Surface Location: T24N-R09W Sec. 34; 1109' FNL, 509' FWL  
Bottom Hole Location: T24N-R09W Sec. 33; 585' FNL, 330' FWL  
Project Area T24N-R09W Sec. 34: N2NE4; T24N-R09W Sec. 33: N2NW4  
San Juan County, NM

Gentlemen:

The purpose of this letter is to provide you notice that Encana plans to commence hydraulic fracturing operations for its Escrito D34-2409-01H well located in Township 24 North, Range 09 West, San Juan County, New Mexico (T24N-R09W Sec. 34:N2NE2; T24N-R09W Sec. 33:N2NW4) from on or about 8/30/2014 to on or about 9/16/14. Since the completed interval for this well is located near one or more wells operated by your company, this courtesy notice is provided so that you, as operator, can undertake appropriate action to protect your well(s).

If you would like more information regarding Encana's hydraulic fracturing operations schedule for this well, please contact Mona Binion at 720-876-5325.

Sincerely,  
Encana Oil & Gas (USA) Inc.  
Acting by and through its authorized agent,  
Encana Services Company Ltd.

*Mona Binion*

Mona Binion  
Land Negotiator, NRB

Cc: Jim Lovato, BLM  
William Hoppe, NMOCD

7-1-14 well name changed to Nageezi unit D34-2409