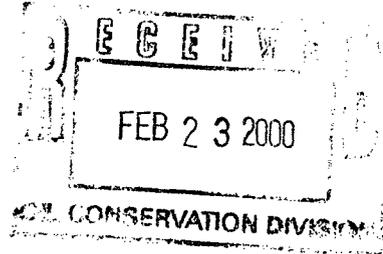


dugan production corp.

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February 21, 2000

Ms. Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, NM 87505



Re: Application for Downhole Commingling and Unorthodox Location Dated 2-11-00  
Basin Fruitland Coal and Bisti Chacra Gas Pools  
Dugan Production's Zappa No. 3 (API No. 30-045-29908)  
Unit P, Section 27, T-22N, R-8W  
Federal Lease NM 57445  
San Juan County, New Mexico

Dear Ms. Wrotenbery:

Attached for your file and use in considering the subject application is a copy of the return receipts from all owners of offsetting leases to Dugan Production's Zappa No. 3. Each lease owner received a complete copy of our 2-11-2000 application.

Should you have questions or need additional information, please let me know.

Sincerely,

*John D. Roe*

John D. Roe  
Engineering Manager

JDR/mm  
Enclosures

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

YATES PETROLEUM  
105 S. 4TH ST.  
ARTESIA NM 88210

2. Article Number (Copy from service label)

P 358 644 685

PS Form 3811, July 1999

Domestic Return Receipt

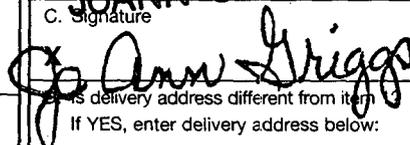
102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

JOANN GRIGGS

C. Signature


 Agent  
 Addressee

 Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

YATES DRILLING CO.  
105 S. 4th St.  
Artesia NM 88210

2. Article Number (Copy from service label)

P 358 644 687

PS Form 3811, July 1999

Domestic Return Receipt

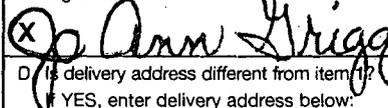
102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

JOANN GRIGGS

C. Signature


 Agent  
 Addressee

 Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DANIEL GONZALES  
P.O. BOX 2475  
SANTA FE NM  
87504-2475

2. Article Number (Copy from service label)

P 358 644 690

PS Form 3811, July 1999

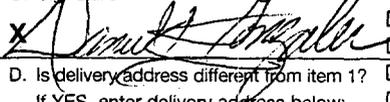
Domestic Return Receipt

102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature


 Agent  
 Addressee

 Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MYCO INDUSTRIES  
 105 S. 4th St  
 Artesia NM 88210

2. Article Number (Copy from service label)

P 358 644 689

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

JOANN GRIGGS

C. Signature

X *Jo Ann Griggs*  Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
 No  
 If YES, enter delivery address below:

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Abc Petroleum Corp  
 105 S. 4th St.  
 Artesia NM  
 88210

2. Article Number (Copy from service label)

P 358 644 686

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

JOANN GRIGGS

C. Signature

X *Jo Ann Griggs*  Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
 No  
 If YES, enter delivery address below:

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MYCO INDUSTRIES  
 P.O. BOX 840  
 Artesia NM  
 88210-0840

2. Article Number (Copy from service label)

P 358 644 688

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

Melissa Bell 2-16-00

C. Signature

X *Melissa Bell*  Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
 No  
 If YES, enter delivery address below:

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes