

dugan production corp

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June 15, 2012

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. Larry Roybal
Oil, Gas & Minerals Division
New Mexico State Land Office
P O Box 1148
Santa Fe, NM 87504

Mr. Dave Evans, District Manager
Bureau of Land Management
6251 College Blvd., Suite A
Farmington, NM 87402

Re: Application to add 25 wells
Dugan Productions
Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Ms. Bailey, Mr. Evans & Mr. Roybal,

We are writing to request your administrative approvals to add 25 wells to Dugan Production's existing Turk's Toast Gas Gathering System (TTGS), which will require the surface commingling of gas plus off-lease measurement and sale of produced natural gas. The TTGS was last approved by the BLM on 2-20-04, the NMOCD on 8-28-01 (PLC-187), and the NMSLO on 1-27-04, and currently has 43 wells (48 completions) approved for operation on the TTGS. The 25 wells to be added include 20 completions operated by Dugan Production in the Basin Fruitland Coal Gas Pool (71629), two completions in the Harper Hill Fruitland Sand gas pool (78160), one completion in the Twin Mounds Fruitland Sand Pictured Cliffs gas pool (86620) and one completion in the Greek Gallup oil pool (96219), plus three wells to be operated by Encana Oil & Gas (USA) Inc., each of which will be completed as horizontal completions in the Greek Gallup oil pool (96219). Production from each of these four pools is currently authorized for operation on the TTGS in one or more of the 48 completions currently authorized for the TTGS. Of the 25 wells being added, three are located upon state leases E-3555, E-6714 and LG-3045; 17 are on federal leases NM-4465, NM-10561, NM-10875, NM-16057, NM-16765, NM-70298, NM-70299, NM-113433, NM-113973; and 5 are on fee leases. There is no Indian acreage associated with any of the wells to be added. The 3 wells to be operated by Encana Oil & Gas (USA) Inc. are located upon leases currently held by Dugan Production and will be jointly owned by Dugan Production and Encana Oil & Gas. Encana has requested and Dugan Production has agreed to add their 3 wells to the TTGS. **Attachment No. 8** presents a copy of the Participation Statement by Encana Oil & Gas (USA) Inc. to include the gas production from these 3 wells in Dugan's TTGS. Gas produced from Encana's wells will be treated the same as the gas produced from all other wells, i.e., it will be measured by Dugan Production prior to entering the TTGS and the allocation procedures used for all other wells will be used. This addition should have little to no effect upon the interest of any well currently operating on the TTGS. Should production from Encana's wells exceed the available capacity of the TTGS, we will consider other options to facilitate gas sales from Encana's wells.

Dugan Production's TTGS currently has 63 completions connected and during March, 2012 production from all wells averaged 1823 mcf/d plus 9.5 bbl of oil and condensate per day. Production comes from 4 gas pools and 4 oil pools. Production statistics for each pool and the CDP gas sales are presented on

Attachment No. 4. The 63 active completions includes 59 gas pool completions that average 30 mcf/d per well (ranging from 19 to 126 mcf/d per well), and 4 oil pool completions that average 1.7 BOPD + 7.6 mcf/d per well (the largest well producing 5.7 BOPD + 19.3 mcf/d gas). Thus, for the most part, all wells currently connected to the TTGS are considered to be low volume, marginal producing wells. The central delivery gas sales meter (CDP) for the TTGS is located in the SENE of Section 6, T-29N, R-14W and delivers gas to Enterprise Field Services at their Meter No. 14102.

The TTGS was initially authorized in September of 1988 and this application will be the 5th expansion. NMOCD Form C-107B is attached in support of this application. **Attachment No. 1** presents the 25 wells (27 completions) being proposed for addition to the TTGS. Of the 25 wells, 12 (listed as application status B) were included in an application dated 11-19-03 which was approved by the BLM on 2-20-04 and the NMSLO on 1-27-04, however we did not receive NMOCD approval for adding these 12 wells and are now including these 12 wells along with the 13 new wells being proposed for the TTGS. Our failure to receive NMOCD approval for the 11-19-03 application appears to be more a result of our letting the application get lost in our efforts to gather and sell coalbed methane (CBM) gas from the underground mining operations of San Juan Coal. Our 11-19-03 application did include our proposal to add CBM gas from San Juan Coal to the TTGS, however there were many issues to resolve and we have since terminated our efforts to add CBM gas from San Juan Coal to the TTGS.

Attachment No. 2 presents well, lease and production information for each of the 25 wells (27 completions) being added plus the 43 wells (48 completions) currently approved for the TTGS.

Attachment No. 3 presents a map of the TTGS. In addition, Dugan Production's leasehold interest is also presented which includes 22 federal leases, three state leases, plus nine fee leases. Dugan Production is the operator of all wells except the Kelly No. 1 which was initially operated by Redwolf Production Inc. and was plugged and abandoned by the Kelly Family Land Co. on 12-2-08. As presented above, 3 of the wells proposed for addition will be operated by Encana Oil & Gas (USA) Inc. which will be located upon leases currently held by Dugan Production. These wells and associated leases are also presented on Attachment No. 3. There are two types of gathering lines presented on Attachment No. 3. The solid line primarily represents connections to the wells typically producing little to no water. The dashed lines represent the gathering system installed to primarily gather gas and water (in separate pipelines) from completions in the Fruitland Coal and Pictured Cliffs. Typically these wells produce large volumes of water and the gathering system includes a separate pipeline for the water which is collected at the Turk's Toast No. 4 well for disposal into the Mesaverde formation (SWD-851). The natural gas from some of the Fruitland Coal wells in this area does contain hydrogen sulfide and is kept separate from the gas produced from the other wells until treating for H₂S removal. The gas from the Fruitland Coal wells is collected at the Monte Carlo No. 2 well site. This gas is treated for H₂S removal and then placed into the main gathering system line for sale. Any volume shrinkage associated with the H₂S removal will be credited only to the wells producing H₂S.

We do not anticipate commingling oil or condensate. Each well producing oil or condensate will be equipped with separation equipment and all oil or condensate will be separated, stored, and sold on the lease. Each well will be equipped with a continuous recording gas allocation meter (or some form of approved alternative measurement) operated and maintained by Dugan. Prior to converting any gas measurement from a conventional allocation meter to an alternative measurement method, we will seek formal approvals. The charts from each allocation meter are integrated monthly by a commercial integration service and the volumes recorded utilized to determine factors for allocating CDP volumes, BTU's and revenues to the individual wells. The allocation procedures are presented on **Attachment No. 7** and will also be used for the wells to be added.

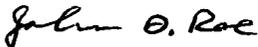
Attachment No. 5 presents a summary of the interest owners in the wells currently connected and the proposed additions to the TTGS. In addition to Dugan Production, there are three other working interest owners, three types of royalty interest (state, federal and fee), plus 41 overriding royalty interest owners. As required by OCD Rules, all interest owners in the wells currently approved plus the wells proposed to be added to the gathering system have been given notice of this application. **Attachment No. 6** includes a copy of the letter sent to the working interest owners. Complete copies of the application are also being

sent to the State Land Office (for state royalty), and Bureau of Land Management (for federal royalty) requesting their approvals. In addition, all fee royalty interest owners and all overriding royalty interest (ORRI) owners were provided with a detailed description of this application and were offered a complete copy of the application should they desire a copy. A copy of the notice letter sent to the fee royalty and ORRI owners is included in Attachment No. 6. All notice letters have been sent by certified, return receipt mail and upon receiving the receipts, copies will be forwarded to the NMOCD. Also included in Attachment No. 6 is a copy of the legal notice which is scheduled to be published in The Farmington Daily Times on June 17th, 2012 to further provide notice to all interest owners, anticipating that out of the 74 notices mailed, there will invariably be some receipts not returned. As provided by Rule 19.15.12.10C(4)(g)(i&ii), Dugan Production is requesting that the NMOCD Order issued for this application also include a provision that for future additions to the gathering system, only the interest owners in the wells being added need to be notified, provided that in reasonable probability the proposed additions will not adversely affect the interest owners in the wells already approved for the system. Our letters to each of the interest owners did include a notice of this request. This provision will be very helpful and will greatly reduce the work effort necessary to add wells to the TTGS.

In summary, Dugan Production Corp. is requesting approval to add 25 wells (27 completions) to the TTGS which will require surface commingling plus off-lease measurement and sale of produced gas. The wells and gas added will be operated in the same manner that has previously been authorized by the BLM, NMOCD and the State Land Office for the 43 wells currently approved for the operation on the gathering system. Included in the 25 wells are three proposed horizontal oil wells to be operated by Encana Oil & Gas (USA), Inc. In addition, we are requesting the NMOCD to amend the interest owner notice requirements such that only the interest owners in the wells being added are required to receive notice of our application.

Should you need additional information or have questions regarding any of this information, please feel free to contact me at the letterhead address.

Sincerely,



John D. Roe
Engineering Manager

JDR/tmf

attachments

xc: NMOCD – Aztec
All working interest owners

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- 06R ID 6515
 API Multiple (x66)
 W No. →
 Located 30N 14W
 30N 15W*

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached
- Attachment No. 6 presents copies of Notification to interest owners. - All Sent Certified - Return Receipt upon receiving Receipts, copies will be sent to NMOED.*

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John D. Roe Print or Type Name	<u>John D. Roe</u> Signature	Engineering Manager Title	6-15-12 Date
		johnroe@duganproduction.com e-mail Address	

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Dugan Production Corp.
OPERATOR ADDRESS: P O Box 420, Farmington, NM 87499-0420
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. PLC-187
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attachment No. 4 - Turk's Toast	Attachment No. 4	Attachment No. 4		Attachment No. 4	Attachment
Gathering System					No. 4

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify) - See Attachment No. 4
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location. See Attachment No. 3
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 3
(3) Lease Names, Lease and Well Numbers, and API Numbers. See Attachment No. 2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: John D. Roe TITLE: Engineering Manager DATE: 6/15/12

TYPE OR PRINT NAME John D. Roe TELEPHONE NO.: 505-325-1821

E-MAIL ADDRESS: johnroe@duganproduction.com

**ATTACHMENT NO. 1
WELLS TO BE ADDED TO
DUGAN PRODUCTION CORP.'S
TURK'S TOAST GAS GATHERING SYSTEM
SAN JUAN COUNTY, NEW MEXICO**

Well Name & Number	API No. 30-045-	Spacing Unit	Location				Allocation Meter No.	Application Status ①
			1/4 1/4	Sec.	Twn	Range		
Atlantis Com #4S	32564	E/2	SWSE	3	30N	14W	5058	A
Bi Knobs Com #3	31730	SW/4	NWSW	32	30N	14W	5036	B
Bi Knobs Com #90S	31761	S/2	SESE	32	30N	14W	5066	B
Bi Knobs #91S	31760	N/2	SWNW	32	30N	14W	5033	B
Big Field #91S	32483	W/2	SWNW	10	30N	14W	5059	A
Big Field Com #93	32565	W/2	SESW	3	30N	14W	5060	A
Cutie Patutie #90 FC/PC	33504	E/2	NENE	9	30N	14W	5062	A
Cutie Patutie #90S FC/PC	33494	E/2	NWSE	9	30N	14W	5063	A
High Dollar Com #90	30770	W/2	SESW	8	30N	14W	5029	B
High Finance #1	33172	NW/4 NW/4	NWNW	3	30N	14W	5065	A
Mayre #90S	31731	S/2	NESE	31	30N	14W	5038	B
Monte Carlo Com #90	31945	W/2	SWSW	7	30N	14W	5046	B
Monte Carlo Com #90S	32425	W/2	SWNW	7	30N	14W	5052	A
Nice Com #90	31956	E/2	SWSE	7	30N	14W	5047	B
Nice Com #91	32451	E/2	SWSE	4	30N	14W	5053	A
Nice Com #92	32464	W/2	SESW	4	30N	14W	5054	A
Pole's Paradise #90	31957	W/2	SWSW	9	30N	14W	5048	B
Pole's Paradise #90S	32450	W/2	SWNW	9	30N	14W	5055	A
Pole's Paradise #91	31959	E/2	SESE	8	30N	14W	5049	B
Sly Slav Com #3S	31946	W/2	SESW	13	30N	15W	5044	B
Sly Slav Com #90	31944	E/2	NENE	13	30N	15W	5045	B
Sly Slav Com #90S	31958	E/2	SESE	13	30N	15W	5050	B
Encana Meadows I08-3014 #1H	35320	N/2 S/2	NESE	8	30N	14W	20006	A
Encana Meadows L03-3014 #1H		N/2 S/2	NWSW	3	30N	14W		A
Encana Meadows D18-3014 #1H		N/2 N/2	NWNW	18	30N	14W		A

① - Dugan Production's application proposes the addition of 25 wells to the Turk's Toast Gathering System. Twelve of these wells (Application Status B) were included in an application dated 11-19-03 which was approved by the BLM 2-20-04 and the NMSLO 1-27-04, however as a result of other issues not related to these 12 wells, NMOCD approval was not obtained. These other issues have since been resolved and these 12 wells are now included in our current application to add 13 new wells (Application Status A) to the Turk's Toast Gathering System.

DUGAN PRODUCTION CORP.

TURK'S TOAST GAS GATHERING SYSTEM 6/15/12

CENTRAL DELIVERY GAS SALES METER (ENTERPRISE METER NO. 14102) H-6-29N-14W

SAN JUAN COUNTY NEW MEXICO

Well Name	Well Location		API No. 30-045-	Well Location Lease Number	Type Lease	Communitization Agreement Number	Pool	Completion Date	Current Status ①	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③			
	1/4 1/4	Sec-Twn-Rng								oil/cond. BPD	gas MCFD	water BWPD		Application	BLM Approval	SLO Approval	NMOCD Approval
WELLS TO BE ADDED TO SYSTEM (25 wells - 27 completions)																	
Atlantis Com #45	SWSE	3-30N-14W	32564	NM-70298	Federal	NMNM112581	Basin Fruitland Coal	6/3/05	P-Note 7	0	74.4	16.6	E/2	6/15/12	pending	pending	pending
Big Field #91S	SWNW	10-30N-14W	32483	NM-10561	Federal		Basin Fruitland Coal	12/9/04	P-Note 7	0	13.0	52.3	W/2	6/15/12	pending	pending	pending
Big Field Com #93	SESW	3-30N-14W	32565	NM-10561	Federal	NMNM112590	Basin Fruitland Coal	6/7/05	P-Note 7	0	39.3	50.9	W/2	6/15/12	pending	pending	pending
Cutie/Patutie #90 FC - Note 8	NENE	9-30N-14W	33504	NM-113433	Federal		Basin Fruitland Coal	4/19/06	P-DHC Note 7	0	15.7	6.6	E/2	6/15/12	pending	pending	pending
Cutie/Patutie #90 PC - Note 8	NENE	9-30N-14W	33504	NM-113433	Federal		Harper Hill FR SN PC	4/19/06	P-DHC Note 7	0	16.2	6.6	NE/4	6/15/12	pending	pending	pending
Cutie/Patutie #90S FC - Note 8	NWSE	9-30N-14W	33494	NM-113433	Federal		Basin Fruitland Coal	4/18/06	P-DHC Note 7	0	16.9	24.6	E/2	6/15/12	pending	pending	pending
Cutie/Patutie #90S PC - Note 8	NWSE	9-30N-14W	33494	NM-113433	Federal		Harper Hill FR SN PC	4/18/06	P-DHC Note 7	0	17.6	24.6	SE/4	6/15/12	pending	pending	pending
High Finance #1	NWNW	3-30N-14W	33172	NM-113973	Federal		Greek Gallup	11/14/06	P-Note 7	0.1	4.8	0.7	NWNW	6/15/12	pending	pending	pending
Monte Carlo Com #90S	SWNW	7-30N-14W	32425	Fee (10023-J)	Fee	NMNM115281	Basin Fruitland Coal	9/29/04	P-Note 7	0	16.0	32.9	W/2	6/15/12	pending	pending	pending
Nice Com #91	SWSE	4-30N-14W	32451	NM-70299	Federal	NMNM110602	Basin Fruitland Coal	12/15/04	P-Note 7	0	31.0	48.0	E/2	6/15/12	pending	pending	pending
Nice Com #92	SESW	4-30N-14W	32464	NM-70299	Federal	NMNM112530	Basin Fruitland Coal	11/29/04	P-Note 7	0	19.6	26.7	W/2	6/15/12	pending	pending	pending
Pole's Paradise #90S	SWNW	9-30N-14W	32450	NM-16057	Federal		Basin Fruitland Coal	11/20/04	P-Note 7	0	60.3	49.1	W/2	6/15/12	pending	pending	pending
Encana Meadows I08-3014 #1H	NESE	8-30N-14W	35320	NM-16057	Federal	NMNM128059	Greek Gallup		Note 6	---	---	---	N/2 S/2	6/15/12	pending	pending	pending
Encana Meadows L03-3014 #1H	NWSW	3-30N-14W		NM-10561	Federal		Greek Gallup		Loc	---	---	---	N/2 S/2	6/15/12	pending	pending	pending
Encana Meadows D18-3014 #1H	NWNW	18-30N-14W		Fee	Fee		Greek Gallup		Loc	---	---	---	N/2 N/2	6/15/12	pending	pending	pending
Bi Knobs Com #3	NWSW	32-30N-14W	31730	E-3555	State	STATE CA	Twin Mounds FR SN PC	10/10/03	P-Note 7	0	48.6	2.6	SW/4	11/19/03	2/20/04	1/27/04	pending
Bi Knobs Com #90S	SESE	32-30N-14W	31761	E-6714	State	STATE CA	Basin Fruitland Coal	8/26/03	P-Note 7	0	100.8	12.6	S/2	11/19/03	2/20/04	1/27/04	pending
Bi Knobs #91S	SWNW	32-30N-14W	31760	LG-3045-1	State		Basin Fruitland Coal	8/21/03	P-Note 7	0	36.1	12.3	N/2	11/19/03	2/20/04	1/27/04	pending
High Dollar Com #90	SESW	8-30N-14W	30770	NM-16057	Federal	NMNM101942	Basin Fruitland Coal	12/4/02	P-Note 7	0	16.3	16.5	W/2	11/19/03	2/20/04	1/27/04	pending
Mayre #90S	NESE	31-30N-14W	31731	NM-4465	Federal		Basin Fruitland Coal	10/14/03	P-Note 7	0	68.0	5.0	S/2	11/19/03	2/20/04	1/27/04	pending
Monte Carlo Com #90	SWSW	7-30N-14W	31945	Fee	Fee	NMNM115281	Basin Fruitland Coal	3/23/04	P-Note 7	0	24.3	2.2	W/2	11/19/03	2/20/04	1/27/04	pending
Nice Com #90	SWSE	7-30N-14W	31956	NM-16765	Federal	NMNM112521	Basin Fruitland Coal	3/22/04	P-Note 7	0	31.8	20.3	E/2	11/19/03	2/20/04	1/27/04	pending
Pole's Paradise #90	SWSW	9-30N-14W	31957	NM-16057	Federal		Basin Fruitland Coal	4/1/04	P-Note 7	0	18.1	39.1	W/2	11/19/03	2/20/04	1/27/04	pending
Pole's Paradise #91	SESE	8-30N-14W	31959	NM-16057	Federal		Basin Fruitland Coal	4/14/04	P-Note 7	0	64.6	41.8	E/2	11/19/03	2/20/04	1/27/04	pending
Sly Slav Com #35	SENE	13-30N-15W	31946	Fee	Fee	N/A	Basin Fruitland Coal	3/2/04	P-Note 7	0	44.6	27.2	W/2	11/19/03	2/20/04	1/27/04	pending
Sly Slav Com #90	NENE	13-30N-15W	31944	Fee	Fee	NMNM112520	Basin Fruitland Coal	2/27/04	P-Note 7	0	35.7	30.7	E/2	11/19/03	2/20/04	1/27/04	pending
Sly Slav Com #90S	SESE	13-30N-15W	31958	NM-10875	Federal	NMNM112520	Basin Fruitland Coal	4/28/04	P-Note 7	0	29.7	40.8	E/2	11/19/03	2/20/04	1/27/04	pending
WELLS PREVIOUSLY APPROVED FOR SYSTEM (43 wells - 48 completions)																	
Atlantis #4	NWNE	3-30N-14W	27094	NM-10561	Federal		Basin Fruitland Coal	1/15/93	P	0	13.4	49.1	E/2	5/17/95	6/22/95	7/17/95	Note 4
Bi Knobs #1	SENE	32-30N-14W	26256	LG-3045-1	State		Twin Mounds FR SN PC	6/13/85	P	0	7.6	2.9	NE/4	8/17/88	9/7/88	7/17/95	Note 4
Bi Knobs #2 - P&A	SWNW	32-30N-14W	26255	LG-3045-1	State		Twin Mounds FR SN PC		PA 3/30/01	---	---	---	NW/4	8/17/88	9/7/88	7/17/95	Note 4
Bi Knobs #2R	NENW	32-30N-14W	30558	LG-3045-1	State		Twin Mounds FR SN PC	3/15/01	P	0	13.6	12.1	NW/4	5/25/01	6/20/01	6/11/01	8/28/2001
Bi Knobs Com #90	SWSW	32-30N-14W	29660	LG-3045-1	State		Basin Fruitland Coal	2/19/99	P	0	54.2	2.0	S/2	5/25/01	6/20/01	6/11/01	8/28/2001
Bi Knobs #91	NWNE	32-30N-14W	30557	LG-3045-1	State		Basin Fruitland Coal	3/15/01	P	0	51.6	111.2	N/2	5/25/01	6/20/01	6/11/01	8/28/2001
Centennial #1	NESE	24-30N-15W	30722	NM-21465	Federal		Twin Mounds FR SN PC		Aband. Loc.	---	---	---	SE	5/25/01	6/20/01	6/11/01	8/28/2001
Centennial Com #90	NWSW	24-30N-15W	30720	NM-21465	Federal		Basin Fruitland Coal		Aband. Loc.	---	---	---	S/2	5/25/01	6/20/01	6/11/01	8/28/2001
Centennial Com #91	NWNE	24-30N-15W	30718	NM-10875	Federal	NMNM112518	Basin Fruitland Coal	6/27/03	P	0	42.6	5.5	N/2	5/25/01	6/20/01	6/11/01	8/28/2001
Centennial Com #91S FC - Note 8	SENE	24-30N-15W	30721	NM-21465	Federal	NMNM112522	Basin Fruitland Coal	6/30/03	P-DHC	0	10.8	0.1	N/2	5/25/01	6/20/01	6/11/01	8/28/2001
Centennial Com #91S PC - Note 8	SENE	24-30N-15W	30721	NM-21465	Federal	NMNM112522	Twin Mounds FR SN PC	6/30/03	P-DHC	0	8.8	0.1	NW/4	5/25/01	6/20/01	6/11/01	Note 4
Gibraltar #1 - P&A	SWNE	9-30N-14W	26850	NM-55114	Federal		Basin FR/CL/Un.FR SN	4/7/88	PA 9-12-97	---	---	---	NE/4	5/17/95	6/20/01	7/17/95	Note 4
Greek's Fete #2	NWNE	24-30N-15W	25255	NM-10875	Federal		Basin Dakota	12/19/81	P	0.02	30.7	3.9	N/2	8/17/88	6/22/95	7/17/95	Note 4
Kelly #1 P&A - Note 5	SESE	25-30N-15W	26494	Fee	Fee		Grassy Gallup/Basin Dakota	7/31/85	P&A 12/2/08	---	---	---	SESE	8/17/88	9/7/88	7/17/95	Note 4

Well Name	Well Location		API No. 30-045-	Well Location Lease Number	Type Lease	Communitization Agreement Number	Pool	Completion Date	Current Status ①	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③			
										oil/cond. BPD	gas MCFD	water BWPD		Application	BLM Approval	SLO Approval	NMOCD Approval
	1/4 1/4	Sec-Twn-Rng															
Lisbon Com #1	NESE	5-30N-14W	28768	NM-70300	Federal	NMNM89333	Basin Dakota	11/20/92	P	0.23	10.0	0.2	E/2	5/17/95	9/7/88	7/17/95	Note 4
Mayre #1	SESE	31-30N-14W	09083	NM-4465	Federal		Twin Mounds FR SN PC	5/26/68	P	0	3.3	4.2	SE/4	8/17/88	6/22/95	7/17/95	Note 4
Mayre #90R	SESW	31-30N-14W	30246	NM-4465	Federal		Basin Fruitland Coal	7/27/00	P	0	38.0	5.8	S/2	5/25/01	6/20/01	6/11/01	8/28/2001
Monte Carlo #1	NESW	7-30N-14W	25866	Fee	Fee		Basin Dakota	3/18/84	P	0.34	18.3	0.3	W/2	8/17/88	6/20/01	7/17/95	Note 4
Monte Carlo #2 DK - Note 8	SWSW	24-30N-15W	26077	Fee	Fee		Basin Dakota	3/11/85	P-DHC-Note 7	0.26	5.1	0.2	S/2	8/17/88	9/7/88	7/17/95	Note 4
Monte Carlo #2 GA - Note 8	SWSW	24-30N-15W	26077	Fee	Fee		Gamblers Mesa Gallup	10/9/90	P-DHC-Note 7	1.0	3.4	0.2	SWSW	8/17/88	9/7/88	7/17/95	Note 4
Nice #1	SESE	7-30N-14W	26499	NM-16765	Federal		Basin Dakota	9/19/85	P	0.16	27.3	0.1	E/2	8/17/88	9/7/88	7/17/95	Note 4
Nice #2	NWNE	4-30N-14W	27025	NM-16765	Federal		Basin Dakota	1/25/89	P	0.23	7.5	0.6	E/2	2/2/90	2/13/90	7/17/95	Note 4
Pittam Pond #5 - P&A	SWNE	35-30N-15W	29599	NM-10758	Federal		Meadows Gallup	7/20/98	PA 8/13/04	---	---	---	SWNE	5/25/01	6/20/01	6/11/01	8/28/2001
Pittam Pond #90 - P&A	NENE	35-30N-15W	29995	NM-10758	Federal		Basin Fruitland Coal	12/21/99	PA 8/31/05	---	---	---	N/2	5/25/01	6/20/01	6/11/01	8/28/2001
Pole's Paradise #2 DK - Note 8	NESW	9-30N-14W	25408	NM-16057	Federal		Basin Dakota	7/30/82	P-DHC-Note 7	0.07	4.8	2.3	W/2	8/17/88	9/7/88	7/17/95	Note 4
Pole's Paradise #2 GA - Note 8	NESW	9-30N-14W	25408	NM-16057	Federal		Greek Gallup	8/8/91	P-DHC-Note 7	0.11	2.7	0.4	NESW	8/17/88	9/7/88	7/17/95	Note 4
Riviera #1	NWNE	18-30N-14W	25819	NM-19403	Federal		Basin Dakota	12/14/83	P	0.17	43.4	0.3	N/2	8/17/88	9/7/88	7/17/95	Note 4
Riviera Com #2	SWNW	18-30N-14W	30732	NM-19403	Federal	NMNM108158	Twin Mounds FR SN PC	12/5/01	P	0	25.9	26.9	NW/4	5/25/01	6/20/01	6/11/01	8/28/2001
Riviera Com #90	SWNE	18-30N-14W	30733	NM-19403	Federal	NMNM112519	Basin Fruitland Coal	3/21/03	P	0	10.0	11.0	N/2	5/25/01	6/20/01	6/11/01	8/28/2001
Sly Slav #1	SWSE	13-30N-15W	25354	Fee	Fee		Basin Dakota	5/27/82	P	0.01	19.4	0.2	E/2	8/17/88	9/7/88	7/17/95	Note 4
Sly Slav #2	SESW	13-30N-15W	25353	Fee	Fee		Basin Dakota	5/27/82	P	0.23	14.5	0.1	W/2	8/17/88	9/7/88	7/17/95	Note 4
Sly Slav #3	SESW	13-30N-15W	28003	Fee	Fee		Basin Fruitland Coal	12/14/01	P	0	48.1	11.5	W/2	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #1	SWSW	18-30N-14W	25430	NM-19163	Federal		Basin Dakota	1/10/83	P	0.32	21.7	1.3	S/2	8/17/88	9/7/88	7/17/95	Note 4
Turk's Toast #2	NWNNW	19-30N-14W	25431	NM-19163	Federal		Basin Dakota	7/30/83	P	0.58	31.1	1.0	N/2	8/17/88	9/7/88	7/17/95	Note 4
Turk's Toast #3	NWNNW	17-30N-14W	27321	NM-19163	Federal		Basin Dakota	8/4/89	P	0.03	25.4	0.7	N/2	2/2/90	2/13/90	7/17/95	Note 4
Turk's Toast #4 WDW	NWSW	17-30N-14W	27360	NM-19163	Federal		Basin Dakota	1/15/90	PA 11/8/02	---	---	---	S/2	2/2/90	2/13/90	7/17/95	Note 4
Turk's Toast #6	SWSW	18-30N-14W	30586	NM-19163	Federal		Gamblers Mesa Gallup	11/23/01	P	5.7	19.3	0.3	SWSW	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #9	SESE	18-30N-14W	30731	NM-19163	Federal		Twin Mounds FR SN PC	12/14/01	P	0	19.2	32.9	SE	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #10	NESW	19-30N-14W	30724	NM-19163	Federal		Twin Mounds FR SN PC	12/20/01	P	0	14.2	16.5	NW/4	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #90	NESW	17-30N-14W	30723	NM-19163	Federal		Basin Fruitland Coal	12/4/02	P	0	56.8	53.5	W/2	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #90S FC - Note 8	SWNW	17-30N-14W	30771	NM-19163	Federal		Basin Fruitland Coal	3/11/03	P-DHC-Note 7	0	23.1	42.4	W/2	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #90S PC - Note 8	SWNW	17-30N-14W	30771	NM-19163	Federal		Harper Hill FR SN PC	3/11/03	P-DHC-Note 7	0	18.9	42.4	NW	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #91	SWNE	17-30N-14W	30738	NM-19163	Federal		Basin Fruitland Coal	11/19/02	P	0	73.1	87.8	E/2	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #91S FC - Note 8	NWSE	17-30N-14W	30737	NM-19163	Federal		Basin Fruitland Coal	3/11/03	P-DHC-Note 7	0	13.9	33.3	E/2	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #91S PC - Note 8	NWSE	17-30N-14W	30737	NM-19163	Federal		Harper Hill FR SN PC	3/11/03	P-DHC-Note 7	0	17.0	33.3	SE	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast Com #92	SESW	18-30N-14W	30730	NM-19163	Federal		Basin Fruitland Coal	11/9/01	P	0	126.2	64.8	S/2	5/25/01	6/20/01	6/11/01	8/28/2001
Turk's Toast #93 - Note 8	SWNE	19-30N-14W	30719	NM-19163	Federal		Basin Fruitland Coal	7/29/03	P	0	6.0	4.4	N/2	5/25/01	6/20/01	6/11/01	8/28/2001

Notes:

1 - Status of completed interval 5-31-12

LOC = proposed general location

LOC A = proposed location - staked

LOC B = proposed location - APD submitted

NC = not connected to gathering system

P = producing, includes wells temporarily shut in but able to produce

P-DHC = producing downhole commingled - Allocation factors presented in Note 8

2 - Average producing during 3/12. BPD = bbl of condensate or oil produced per day, MCFD = MCF of gas produced per day, BWPD = bbl of water produced per day.

3 - Applications for surface commingling plus off-lease measurement & sale of natural gas.

4 - NMOCD received copies of all applications but since allocation meters were installed at each well, formal NMOCD approval was not solicited until 6/27/95. Application of 6/27/95 was apparently lost and inadvertently, no approval occurred. Application was resubmitted 6/1/01 and approved 8/28/01.

5 - Kelly No. 1 was operated by Kelly Family Land Co. and was plugged and abandoned 12/2/08.

6 - Well Name Spud Date Well Status as of 6/15/12
 Encana Meadows 108-3014 #1H 4/15/2012 Completion in Greek Gallup oil pool is in progress.

7 - Well Name Connection Date Estimated Cumulative Production 2/1/12

		<u>MCF</u>	<u>BO</u>	<u>BW</u>
Current Application (10 wells - 12 completions)				
Atlantis Com 4S	6/28/2005	339,244	0	146,494
Big Field 91S	4/21/2005	72,834	0	141,689
Big Field Com 93	6/27/2005	449,131	0	254,638
Cutie Patutie 90 HHFS	6/6/2006	52,171	0	63,477
Cutie Patutie 90 BFC	6/6/2006	50,631	0	63,440
Cutie Patutie 90S HHFS	6/6/2006	69,279	0	70,232
Cutie Patutie 90S BFC	6/6/2006	67,318	0	70,193
High Finance 1	12/21/2006	14,187	0	3,232
Monte Carlo Com 90S	11/4/2004	57,301	0	60,721
Nice Com 91	4/21/2005	9,605	0	180,439
Nice Com 92	4/21/2005	64,972	0	201,348
Pole's Paradise 90S	4/21/2005	183,120	0	204,004
Subtotal		1,429,793		1,459,907
Application 11/19/03 (12 wells)				
Bi Knobs Com 3	11/3/2003	238,021	0	92,591
Bi Knobs Com 90S	9/26/2003	359,906	0	92,451
Bi Knobs 91S	9/26/2003	137,323	0	110,655
High Dollar Com 90	1/15/2003	107,252	0	122,043
Mayre 90S	11/11/2003	306,846	0	62,514
Monte Carlo Com 90	4/13/2004	190,761	0	53,614
Nice Com 90	4/13/2004	78,186	0	36,039
Pole's Paradise 90	4/30/2004	85,309	0	141,594
Pole's Paradise 91	5/4/2004	159,124	0	109,600
Sly Slav Com 3S	4/2/2004	174,812	0	49,644
Sly Slav Com 90	4/6/2004	154,463	0	31,363
Sly Slav Com 90S	5/10/2004	117,072	0	92,671
Subtotal		2,109,075		994,779
TOTAL		3,538,868		2,454,686

Allocation Factors

<u>Well Name</u>	<u>DHC Order</u>	<u>Gas</u>	<u>Upper Completion</u>			<u>Lower Completion</u>		
			<u>Oil</u>	<u>Water</u>	<u>Gas</u>	<u>Oil</u>	<u>Water</u>	
Centennial Com 91S	1283AZ		55%	0	50%	45%	0	50%
Cutie Patutie 90	DHC2215AZ		49%	0	50%	51%	0	50%
Cutie Patutie 90S	DHC2216AZ		49%	0	50%	51%	0	50%
Monte Carlo 2	781		40%	80%	0	60%	20%	0
Pole's Paradise 2	815		35%	60%	0	65%	40%	0
Turk's Toast 90S	1115AZ		55%	0	50%	45%	0	50%
Turk's Toast 91S	1114AZ		55%	0	50%	45%	0	50%

**ATTACHMENT NO. 4
PRODUCTION SUMMARY
WELLS CONNECTED TO DUGAN PRODUCTION'S
TURK'S TOAST GAS GATHERING SYSTEM**

POOL NAME & CODE	AVERAGE BTU NONCOMMINGLED PRODUCTION	WELLS OR COMPLETIONS ①		POOL PRODUCTION ALL WELLS ②		AVERAGE PRODUCTION PER WELL ②		PEAK RATE PER WELL ②	
		TOTAL	ACTIVE	MCFD	BC/BOPD	MCFD	BC/BOPD	MCFD	BC/BOPD
Gas Pools									
Basin Dakota (71599)	1337	14	13	259	2.6	19.9	0.20	31.5	0.6
Basin Fruitland Coal (71629)	1023	36	34	1323	0	38.9	0	126.2	0
Harper Hill FR SN PC (78160)	1025	4	4	70	0	17.4	0	18.9	0
Twin Mounds FR SN PC (86620)	1019	10	8	141	0	17.7	0	48.6	0
Subtotal - gas pools	1068	64	59	1793	2.6	30.3	0.04	126.2	0.6
Oil Pools									
Gamblers Mesa Gallup (96357)	1318	2	2	22.7	6.7	11.3	3.3	19.3	5.7
Grassy Gallup (96339)	1258	1	0	0.0	0	0.0	0	0.0	0
Greek Gallup (96219)	1264	5	2	7.5	0.2	3.7	0.1	4.8	0.1
Meadows Gallup (45450)	1217	1	0	0	0	0	0	0	0
Subtotal - oil pools	1305	9	4	30.2	6.9	7.6	1.7	19.3	5.7
Total - All wells	1072	73	63	1823	9.5	28.9	0.15	126.2	5.7

Calculated BTU of commingled production = 1072 btu/scf (actual CDP during March & April 2012 = 1041 btu/scf)

Calculated value of commingled production : commingling in the gathering system is necessary to get produced natural gas to a gas sales meter. CDP gas revenue and mmbtu will be allocated to individual wells using factors determined from the mmbtu produced from each well. Each well will be equipped with an allocation meter or an approved method of alternative measurement. During March 2012, production from the **73 existing completions averaged 28.9 mcf/d & 0.15 bpd oil or condensate**. There should be no loss in value to any well as a result of this commingling. Allocation procedures previously approved (reference Attachment No. 7) will also be used for all new wells added.

Notes:

① - Wells as of 6-15-2012

② - Average production during 3/12. BC/BOPD = barrels of condensate or oil per day.

Interest Ownership Summary

Dugan Production Corp.'s Turks Toast Gas Gathering System

	Turks Toast 2,3,4,6,8,10,90,90S,91,91S,93 (details on Pg. No. 32)		Meadows 08-3014 1H, L03-3014 1H, 018-3014 1H (details on Pg. No. 33)	
	VM	NI	VM	NI
Dugan Production Corp.	100,000	75,000	50,000	43,750
Encana Oil & Gas (USA) Inc.			50,000	43,750
Merrion Oil & Gas Corp.				
Redwolf Production Inc.				
XTO Energy Inc.				
USA - Federal		12,500		12,500
State of New Mexico				
Emery C. & Melba Arnold				
Mildred Dewey				
Judy Fell Living Trust utia 10/24/05				
John L. Gardner				
Margaret A. Gardner				
Twila M. Gooding Trust				
Lucille L. Greer Family Trust				
C.R. (Rod) Hancock Co-Trustee				
Alfred R. Kiby				
Clement & Elsie Koogler				
Dana Landreth				
Annetta Lehigh				
David H. Lesser, Tenants in Common				
Matthew Lesser, Tenants in Common				
Mildred C. & Jim Martin				
James R. McKinney				
Owen L. McKinney				
Dana L. Norton				
Louis E. Norton				
Sarah M. Pierce				
Nancy D. Pitters				
James C. & Parsey I. Sheek				
Mollie F. Smouse				
Samuel T. & Frances Smouse				
St. Paul's English Lutheran				
Bailey T. Strain				
Revae M. Wells				
Mildred Wright, et al				
Number of Owners		3		
Total ORRI		12,500		
Detail on Page No.				
TOTALS	100.00	100.00	100.00	100.00

ATTACHMENT NO. 3 – PAGE 5 of 33
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Atlantis Com #4	Basin Fruitland Coal	NWNE 3-30N-14W	E/2 – 320A
Atlantis Com #4S	Basin Fruitland Coal	SWSE 3-30N-14W	E/2 – 320A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	82.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Jennifer Jones Black BAD ADDRESS 11714 Sharpview Houston, TX 77072	-0-	1.500000
Southern Sky Investment, Inc. P O Box 2167 Roswell, NM 88201	-0-	1.000000
Vance Partnership, LLLP 26395 Rea Avenue Conifer, CO 80433	-0-	2.500000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

**ATTACHMENT 3 – PAGE 6 of 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Bi Knobs No. 1	Twin Mounds FR Sand PC	SENE 32-30N-14W	NE/4-160A
Bi Knobs No. 2	Twin Mounds FR Sand PC	SWNW 32-30N-14W	NW/4-160A*
Bi Knobs No. 2R	Twin Mounds FR Sand PC	NENW 32-30N-14W	NW/4-160A
Bi Knobs No. 91	Basin Fruitland Coal	NWNE 32-30N-14W	N/2-320A
Bi Knobs No. 91S	Basin Fruitland Coal	SWNW 32-30N-14W	N/2-320A

*Well No. 2 P&A'd 3-30-01

INTEREST OWNERS

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	82.500000
<u>Royalty</u>		
State of New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Chevron Services Company P. O. Box 730436 Dallas, TX 75373-0436	-0-	1.250000
ConocoPhillips 22295 Network Place Chicago, IL 60673-1222	-0-	3.750000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 3 – PAGE 7 OF 33
Dugan Production Corp.
Bi Knobs Com #3
Twin Mounds Fruitland Sand PC
Well Location: NWSW 32, T-30N, R-14W
Spacing Unit: SW/4 (164.64A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	75.704568	62.456269
XTO Energy Inc. P O Box 730586 Dallas, TX 75373-0586	24.295432	19.557823
<u>Royalty</u> State of New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u> Martha Jane Atkins 2209 N. Parkwood Drive Harlingen, TX 78550-8024	-0-	0.303693
John W. Barringer 1054 Lynnwood Blvd Nashville, TN 37215	-0-	0.455540
Lewis T. Barringer, Jr. 2422 Windrow Drive Princeton, NJ 08540	-0-	0.455540
Chevron Services Company P O Box 730436 Dallas, TX 75373-0436	-0-	0.946307
ConocoPhillips 22295 Network Place Chicago, IL 60673-1222	-0-	3.324828
TOTAL WELL	100.000000	100.000000

**ATTACHMENT 3 – PAGE 8 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Bi Knobs Com #90	Basin Fruitland Coal	SWSW 32-30N-14W	S/2 – 330.80A
Bi Knobs Com #90S	Basin Fruitland Coal	SESE 32-30N-14W	S/2 – 330.80A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	61.862152	52.245465
XTO Energy Inc. P O Box 730586 Dallas, TX 75373-0586	38.137848	30.700967
<u>Royalty</u>		
State of New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Martha Jane Atkins 2209 N. Parkwood Drive Harlingen, TX 78550-8024	-0-	0.151148
John W. Barringer 1054 Lynnwood Blvd. Nashville, TN 37215	-0-	0.226723
Lewis T. Barringer, Jr. 2422 Windrow Drive Princeton, NJ 08540	-0-	0.226723
Chevron Services Company P O Box 730436 Dallas, TX 75373-0436	-0-	0.470980
ConocoPhillips 22295 Network Place Chicago, IL 60673-1222	-0-	3.477994
TOTAL WELL	100.000000	100.000000

*We do not have overriding royalty information on State Leases E-3555 & E-6714-8 held by Richardson Operating Co. All production proceeds attributable to Richardson's leasehold interest is paid to Richardson for distribution.

**ATTACHMENT 3 – PAGE 9 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Big Field #91S	Basin Fruitland Coal	SWNW 10-30N-14W	W/2 – 319.11A
Big Field Com #93	Basin Fruitland Coal	SESW 3-30N-14W	W/2 – 320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	82.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Jennifer Jones Black BAD ADDRESS 11714 Sharpview Houston, TX 77072	-0-	1.500000
Southern Sky Investment, Inc. P O Box 2167 Roswell, NM 88201	-0-	1.000000
Vance Partnership, LLLP 26396 Rea Avenue Conifer, CO 80433	-0-	2.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3 – PAGE 10 OF 33
Dugan Production Corp.
Centennial #1
Twin Mounds Fruitland Sand PC
Well Location: NESE 24, T-30N, R-15W
Spacing Unit: SE/4 (160A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	75.000000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Lillian Gibson FBO Pamela S. Angell P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.200000
Lillian Gibson FBO T. L. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.200000
Lillian Gibson FBO W. P. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.200000
R. K. O'Connell P. O. Box 2003 Casper, WY 82602	-0-	0.600000
George H. & Shirley Oelschig 12 Sandy Point Road Savannah, GA 31404	-0-	1.800000
Questar E & P 1331 17 th Street, Suite 800 Denver, CO 80202	-0-	9.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3 – PAGE 11 OF 33
Dugan Production Corp.
Centennial Com #90
Basin Fruitland Coal
Well Location: NESE 24, T-30N, R-15W
Spacing Unit: S/2 (320A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	75.000000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	10.937500
Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	0.666120
Mildred C & Jim Maitten P. O. Box 365 Waterflow, NM 87421	-0-	0.137747
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.345390
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.137747
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.137748
Revae M. Wells 46 Calle Esperanza Tijeras, NM 87059	-0-	0.137748
<u>Overriding Royalty Interest</u> Lillian Gibson FBO Pamela S. Angell P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.175000
Lillian Gibson FBO T. L. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.175000
Lillian Gibson FBO W. P. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.175000
R. K. O'Connell Revocable Trust R. K. & Sue O'Connell, Co-Trustees P. O. Box 2003 Casper, WY 82602	-0-	0.525000
George H. & Shirley Oelschig 12 Sandy Point Road Savannah, GA 31404	-0-	1.575000
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	9.875000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT 3 – PAGE 12 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Centennial Com #91	Basin Fruitland Coal	NWNE 24-30N-15W	N/2 – 320A
Centennial Com #91S	Basin Fruitland Coal	SENW 24-30N-15W	N/2 – 320A
Centennial Com #91S	Twin Mounds FR SN PC	SENW 24-30N-15W	NW/4 – 160A

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	77.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> John W. Gates, LLC 706 West Grand Ave. Artesia, NM 88210	-0-	0.500000
Lillian J. Gibson FBO Pamela S. Angell P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.100000
Lillian J. Gibson FBO T. L. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.100000
Lillian J. Gibson FBO W. P. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.100000
R. K. O'Connell Revocable Trust R. K. & Sue O'Connell, Co-Trustees P. O. Box 2003 Casper, WY 82602	-0-	0.300000
George H. & Shirley Oelschig 12 Sandy Point Road Savannah, GA 31404	-0-	0.900000
Leland Price, Inc. 1511 Northgate Place Artesia, NM 88210	-0-	0.500000
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	6.000000
Madonna I. Walker P. O. Box 112 Eunice, NM 88231	-0-	1.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

**ATTACHMENT 3 – PAGE 13 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Cutie Patutie #90	Basin Fruitland Coal	NENE 9-30N-15W	E/2 – 320A
Cutie Patutie #90S	Basin Fruitland Coal	NWSE 9-30N-15W	E/2 – 320A

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	50.000000	43.750000
Merrion Oil & Gas Corp.	50.000000	43.750000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

**Dugan Production Corp.
Gibraltar No. 1
Basin Fruitland Coal/Undes. Fruitland Sand
Well Location: SWNE 9, T-30N, R-14W
Spacing Unit: NE/4 (160.0A)
San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	87.500000*
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000*
<u>Overriding Royalty Interest</u>	-0-	-0-
TOTAL WELL	100.000000	100.000000

*Well P&A'd 9-5-97 & leases terminated.

ATTACHMENT NO. 3 – PAGE 14 OF 33
Dugan Production Corp.
Greek's Fete #2
Basin Dakota
Well Location: NWNE 24, T-30N, R-15W
Spacing Unit: N/2 (320.0A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	77.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> John W. Gates, LLC 706 W. Grand Avenue Artesia, NM 88210	-0-	0.500000
Lillian J. Gibson FBO Pamela S. Angell P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.100000
Lillian J. Gibson FBO T. L. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.100000
Lillian J. Gibson FBO W. P. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.100000
R. K. O'Connell Revocable Trust R. K. & Sue O'Connell, Co-Trustees P. O. Box 2003 Casper, WY 82602	-0-	0.300000
George H. & Shirley Oelschig 12 Sandy Point Road Savannah, GA 31404	-0-	0.900000
Leland Price, Inc. 1511 Northgate Place Artesia, NM 88210	-0-	0.500000
QEP Energy Col P O Box 45601 Salt Lake City, UT 84145-0601	-0-	6.000000
Madonna I. Walker P. O. Box 112 Eunice, NM 88231	-0-	1.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3 – PAGE 15 OF 33
Dugan Production Corp.
High Dollar Com #90
Basin Fruitland Coal
Well Location: SESW 8, T-30N, R-14W
Spacing Unit: W/2 (320A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.750000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> AFI Royalty LLC P. O. Box 794548 Dallas, TX 75379-4548	-0-	3.750000
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

Dugan Production Corp.
High Finance #1
Greek Gallup
Well Location: NWNW 3, T-30N, R-14W
Spacing Unit: NW/4 NW/4 (40A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

ATTACHMENT NO. 3 – PAGE 16 OF 33
Kelly Family Land Co.
Kelly #1
Grassy Gallup Oil Pool
Well Location: SESE 25, T-30N, R-15W
Spacing Unit: SESE (40A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Redwolf Production, Inc.	100.000000	100.00000*

*The Kelly No. 1 was located on a fee lease owned by Kelly Family Land Co. There were no separate royalty or overriding royalty interest owners. This well was plugged and abandoned 12/2/08.

ATTACHMENT NO. 3 – PAGE 17 of 33
Dugan Production Corp.
Lisbon Com #1
Basin Dakota
Well Location: NESE 5, T-30N, R-14W
Spacing Unit: E/2 (320A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	INTEREST%	
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3 – PAGE 18 OF 33
Dugan Production Corp.
Mayre #1
Twin Mounds Fruitland Sand PC
Well Location: SESE 31, T-30N, R-14W
Spacing Unit: SE/4 (163A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	81.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> F.L. & Mary O. Crane Living Trust F.L. & Mary O. Crane, Trustees 5203 Largo Street Farmington, NM 87402	-0-	2.000000
Virginia Gass c/o Sherman 1113 The Crossing Road O'Fallon, MO 63366-4455	-0-	1.000000
Jim L. & Mary Lou Jacobs Living Trust 3505 Crescent Avenue Farmington, NM 87401	-0-	2.000000
Bob Kenny 2518 Wembley Drive St. Louis, MO 63125-3617	-0-	1.000000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

**ATTACHMENT 3 – PAGE 19 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Mayre No. 90	Basin Fruitland Coal	SESW 31-30N-14W	S/2-320A
Mayre No. 90R	Basin Fruitland Coal	SESW 31-30N-14W	S/2-320A
Mayre No. 90S	Basin Fruitland Coal	NESE 31-30N-14W	S/2-323.88A

INTEREST OWNERS

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	85.500000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Jim & Mary Lou Jacobs Living Trust P. O.Box 36366 Houston, TX 77236	-0-	2.000000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT 3 – PAGE 20 OF 33
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Monte Carlo No. 1	Basin Dakota	NESW 7-30N-14W	W/2-320A
Monte Carlo Com No 90	Basin Fruitland Coal	SWSW 7-30N-14W	W/2-320A
Monte Carlo Com No 90S	Basin Fruitland Coal	SWNW 7-30N-14W	W/2-320A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	77.625000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	3.125000
Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	1.998350
Twila M. Gooding Trust 1009 Crestview Circle Farmington, NM 87401	-0-	0.390625
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.413240
Mildred Wright, et al UNKNOWN ADDRESS	-0-	4.140625
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	1.036190
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.413240
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.413240
St. Paul's English Lutheran 130 South Walnut Bucyrus, OH 44820	-0-	0.156250
Revae M. Wells 46 Calle Esperanza Tijeras, NM 87059	-0-	0.413240
<u>Overriding Royalty Interest</u>		
Chesapeake Exploration Limited Partnership P O Box 960161 Oklahoma City, OK 73196-0161	-0-	0.618750
Moon Royalty LLC P. O. Box 720070 Oklahoma City, OK 73172-0070	-0-	0.412500
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84156-0601	-0-	6.562500
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	1.250000
Jackie D. Willis P O Box 367 Snyder, OK 73566	-0-	1.031250
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 3 – PAGE 21 OF 33
Dugan Production Corp.
Monte Carlo No. 2
Well Location: SWSW 24, T-30N, R-15W
Spacing Unit: Basin Dakota = S/2 (320A); Gamblers Mesa Gallup = SWSW 40A
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>DAKOTA INTEREST%</u>		<u>GALLUP INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	75.000000	100.000000	83.750000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	10.937500	-0-	2.187500
Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	0.666120	-0-	0.666120
Mildred C. & Jim Maitten P. O. Box 365 Waterflow, NM 87421	-0-	0.137748	-0-	0.137748
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.345390	-0-	0.345390
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.137748	-0-	0.137748
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.137747	-0-	0.137747
Revae M. Wells 56 Abby Road Tijeras, NM 87059	-0-	0.137747	-0-	0.137747
<u>Overriding Royalty Interest</u> Lillian J. Gibson FBO Pamela S. Angell P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.175000	-0-	0.175000
Lillian J. Gibson FBO T. J. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.175000	-0-	0.175000
Lillian J. Gibson FBO W. P. Sharpley P. O. Box 8375 Savannah, GA 31412-8375	-0-	0.175000	-0-	0.175000
R. K. O'Connell Revocable Trust R. K. & Sue O'Connell Co-Trustees P. O. Box 2003 Casper, WY 82602	-0-	0.525000	-0-	0.525000
George H. & Shirley Oelschig 12 Sandy Point Road Savannah, GA 31404	-0-	1.575000	-0-	1.575000
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	9.875000	-0-	9.875000
TOTAL WELL	100.000000	100.000000	100.000000	100.000000

ATTACHMENT 3 – PAGE 22 of 33
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Nice No 1	Basin Dakota	SESE 7-30N-14W	E/2-320A
Nice Com No 90	Basin Fruitland Coal	SWSE 7-30N-14W	E/2-320A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	73.125000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	9.375000
Emery C. & Melba N. Arnold 200 Crandall Aztec, NM 87410	-0-	0.223213
Alfred R. Kilby 106 Athens Blvd Madison, AL 35758	-0-	0.111612
Dana Landreth P. O. Box 328 Mancos, CO 81328-0328	-0-	0.223225
Annetta Lehigh 3434 S. Pierce Street Lakewood, CO 80227-5313	-0-	0.892850
James R. McKinney 2101 41½ Lane Avondale, CO 81022	-0-	0.111613
Owen L. McKinney 1444 Camino De Los Ranchos Lane W Pueblo, CO 81007-2085	-0-	0.111612
Dana L. Norton P. O. Box 344 Pleasant View, CO 81331	-0-	0.223213
Louis E. Norton 1420 County Road 526 Bayfield, CO 81122	-0-	0.223200
Sara M. Pierce 2112 Eastlawn Avenue Durango, CO 81301	-0-	0.446425
Nancy D. Pitters 2303 Chadwick Circle Boynton Beach, FL 33436	-0-	0.111613
Bailey T. Strain 7351 Miller Avenue Gilroy, CA 95020	-0-	0.446424
<u>Overriding Royalty Interest</u> Emery C. & Melba N. Arnold 200 Crandall Aztec, NM 87410	-0-	1.250000
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	9.375000
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	3.750000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT NO. 3 – PAGE 23 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Nice No 2	Basin Dakota	NWNE 4-30N-14W	E/2-320A
Nice Com No 91	Basin Fruitland Coal	SWSE 4-30N-14W	E/2-320A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.375000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Marshall & Winston, Inc. P. O. Box 50880 Midland, TX 79710-0880	-0-	0.843750
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	2.906250
Thomas Michael Sicola 6629 Clawson Houston, TX 77055	-0-	1.125000
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	1.875000
Mary Nan Spear Revocable Trust c/o Jeannie Medlin 174 Timber Creek Rd. Hendersonville, NC 28739	-0-	0.375000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 3 – PAGE 24 OF 33
Dugan Production Corp.
Nice Com No. 92
Basin Fruitland Coal
Well Location: SESW 4, T-30N, R-14W
Spacing Unit: W/2 (320A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	86.000000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Gerald Cadorette, JoAnne E. Barry, Lionel S. Cadorette Gerald Cadorette, Agent 3637 Kirby Mountain Road Concord, VT 05824	-0-	0.375000
Robert J. Gronstal P O Box 487 Treyvor, IA 51575	-0-	1.125000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

**ATTACHMENT 3 – PAGE 25 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Pittam Pond #5*	Meadows Gallup	SWNE 35-30N-15W	SWNE – 40A
Pittam Pond #90**	Basin Fruitland Coal	NENE 35-30N-15W	N/2 – 320A

*Well No. 5 P&A'd 8/13/04

**Well No. 90 P&A'd 8/31/05

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.000000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Altrogge Resources Company 15899 W. Ellsworth Drive Golden, CO 80401	-0-	0.500000
Mitchell White, LLC c/o Kathryn & Burton Mitchell 9038 Old Tome Morris Circle Highlands Ranch, CO 80129	-0-	1.750000
R. E. Puckett 5460 South Quebec Street, Suite 250 Greenwood Village, CO 80111-1917	-0-	1.750000
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	3.500000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT 3 – PAGE 26 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Pole's Paradise No. 2	Basin Dakota/Greek GA	NESW 9-30N-14W	W/2 – 320A & NESW – 40 A
Pole's Paradise No. 90	Basin Fruitland Coal	SWSW 9-30N-14W	W/2 – 320A
Pole's Paradise No. 90S	Basin Fruitland Coal	SWNW 9-30N-14W	W/2 – 320A
Pole's Paradise No. 91	Basin Fruitland Coal	SESE 8-30N-14W	E/2 – 320A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.000000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> AFI Royalty LLC P. O. Box 794548 Dallas, TX 75379-4548	-0-	7.500000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

**ATTACHMENT 3 – PAGE 27 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Riviera No. 1	Basin Dakota	NWNE 18-30N-14W	N/2-320A
Riviera Com No. 90	Basin Fruitland Coal	SWNE 18-30N-14W	N/2-320A

INTEREST OWNERS

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	75.000000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	10.937500
Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	0.666120
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.137748
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.345390
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.137748
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.137747
Revae M. Wells 46 Calle Esperanza Tijeras, NM 87059	-0-	0.137747
<u>Overriding Royalty Interest</u>		
Marshall & Winston, Inc. P. O. Box 50880 Midland, TX 79710-0880	-0-	1.968750
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	7.031250
Thomas Michael Sicola 6629 Clawson Houston, TX 77055	-0-	2.625000
Mary Nan Spear Revocable Trust c/o Jeannie Medlin 174 Timber Creek Road Hendersonville, NC 28739	-0-	0.875000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 3 – PAGE 28 OF 33
Dugan Production Corp.
Riviera Com #2
Twin Mounds Fruitland Sand PC
Well Location: SWNW 18, T-30N, R-14W
Spacing Unit: NW/2 (160A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	75.000000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	9.375000
Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	1.332240
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.275492
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.690790
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.275492
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.275493
Revae M. Wells 56 Abby Road Tijeras, NM 87059	-0-	0.275493
<u>Overriding Royalty Interest</u>		
Marshall & Winston, Inc. P. O. Box 50880 Midland, TX 79710-0880	-0-	1.687500
QEP Energy Co P O Box 45601 Salt Lake City, UT 84145-0601	-0-	7.812500
Thomas Michael Sicola 6629 Clawson Houston, TX 77055	-0-	2.250000
Mary Nan Spear Revocable Trust c/o Jeannie Medlin 174 Timber Creek Road Hendersonville, NC 28739	-0-	0.750000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT 3 -- PAGE 29 OF 33
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Sly Slav No. 1	Basin Dakota	SWSE 13-30N-15W	E/2-320A
Sly Slav Com No. 90	Basin Fruitland Coal	NENE 13-30N-15W	E/2-320A
Sly Slav Com No. 90S	Basin Fruitland Coal	SESE 13-30N-15W	E/2-320A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	76.875000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	6.250000
Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	1.998280
Judy Feil Living Trust ut a 10/24/05 4 Road 3071 Aztec, NM 87410	-0-	0.260415
Lucille L. Greer Family Trust 580 S. Gilbert Road #301 Gilbert, AZ 85296	-0-	0.520830
C. R. (Rod) Hancock Co-Trustee #4 Road 3071 Aztec, NM 87410	-0-	0.260415
Clement & Elsie Koogler 10501 LaGrima De Oro NE Albuquerque, NM 87111	-0-	0.520830
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.413210
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	1.036410
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.413210
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.413200
Revae M. Wells 48 Calle Esperanza Tijeras, NM 87059	-0-	0.413200
<u>Overriding Royalty Interest</u> John W. Gates, LLC 706 West Grand Avenue Artesia, NM 88210	-0-	0.375000
Leland Price, Inc. 1511 Northgate Place Artesia, NM 88210	-0-	0.375000
QEP Energy Co. P O Box 45801 Salt Lake City, UT 84145-0601	-0-	7.750000
Lon V. Smith Foundation 9440 Santa Monica Blvd, Suite 300 Beverly Hills, CA 90210	-0-	0.625000
Madonna I. Walker P. O. Box 112 Eunice, NM 88231	-0-	1.125000
XTO Energy Inc. P O Box 730586 Dallas, TX 75373-0586	-0-	0.375000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT 3 – PAGE 30 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Sly Slav No. 2	Basin Dakota	SESW 13-30N-15W	W/2-320A
Sly Slav No. 3	Basin Fruitland Coal	SESW 13-30N-15W	W/2-320A
Sly Slav No. 3S	Basin Fruitland Coal	SENW 13-30N-15W	W/2-320A

INTEREST OWNERS

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	79.165000
<u>Royalty</u> Mildred Dewey 1304 Fairview Avenue Farmington, NM 87401	-0-	1.332190
Judy Feil Living Trust u/v/a 10/24/05 4 Road 3071 Aztec, NM 87410	-0-	0.260415
John L. Gardner 713 N. Adams Street Glendale, CA 91206	-0-	4.167495
Margaret Ann Gardner 26934 Eastwood Olmsted Twp., OH 44138	-0-	4.167505
Lucille L. Greer Family Trust 580 S. Gilbert Road #301 Gilbert, AZ 85296	-0-	0.520840
C. R. (Rod) Hancock Co-Trustee 5 Road 3071 Aztec, NM 87410	-0-	0.260415
Clement & Elsie Koogler 10501 LaGrima De Oro NE Albuquerque, NM 87111	-0-	0.520830
David H. Lesser Tenants in Common 2616 Cathedral Avenue Washington, DC 20008	-0-	0.781250
Matthew L. Lesser Tenants in Common 2616 Cathedral Avenue Washington, DC 20008	-0-	0.781250
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.275467
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.690940
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.275467
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416-0093	-0-	0.275468
Revae M. Wells 36 Calle Esperanza Tijeras, NM 87059	-0-	0.275468
<u>Overriding Royalty Interest</u> QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	5.500000
XTO Energy Inc. P O Box 730586 Dallas, TX 75373-0586	-0-	0.750000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT NO. 3 – PAGE 31 OF 33
Dugan Production Corp.
San Juan County, New Mexico**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Turk's Toast 1	Basin Dakota	SWNW 18-30N-14W	S/2-320A
Turk's Toast Com No. 92	Basin Fruitland Coal	SESW 18-30N-14W	S/2-320A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	76.250000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Christian Relief Services, Inc. 2550 Huntington Ave., Suite 200 Alexandria, VA 22303-1499	-0-	1.250000
Energen Resources Corp. 2198 Bloomfield Highway Farmington, NM 87401	-0-	0.625000
Lisa K. Hood 2004 Sydney Lane NW Albuquerque, NM 87107	-0-	1.125000
Robin J. Hood Box 636 Liberal, KS 67905	-0-	1.125000
QEP Energy Co P O Box 45601 Salt Lake City, UT 84145-0601	-0-	7.125000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

**ATTACHMENT 3 – PAGE 32 OF 33
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Turk's Toast No. 2	Basin Dakota	NWNW 19-30N-14W	N/2-320A
Turk's Toast No. 3	Basin Dakota	NWNW 17-30N-14W	N/2-320A
Turk's Toast No. 4*	Basin Dakota	NWSW 17-30N-14W	S/2-320A
Turk's Toast No. 6	Gamblers Mesa Gallup	SWSW 18-30N-14W	SWSW 40A
Turk's Toast No. 9	Twin Mounds FR Sand PC	SESE 18-30N-14W	SE 160A
Turk's Toast No. 10	Twin Mounds FR Sand PC	NENW 19-30N-14W	NW 160A
Turk's Toast No. 90	Basin Fruitland Coal	NESW 17-30N-14W	W/2 320A
Turk's Toast No. 90S	Basin Fruitland Coal	SWNW 17-30N-14W	W/2 320A
Turk's Toast No. 90S	Harper Hill FR SN PC	SWNW 17-30N-14W	NW/4 – 160A
Turk's Toast No. 91	Basin Fruitland Coal	SWNE 17-30N-14W	E/2 320A
Turk's Toast No. 91S	Basin Fruitland Coal	NWSE 17-30N-14W	E/2 320A
Turk's Toast No. 91S	Harper Hill FR SN PC	NWSE 17-30N-14W	SE/4 – 160A
Turk's Toast No. 93	Basin Fruitland Coal	SWNE 19-30N-14W	N/2 320A

*Turk's Toast No. 4 converted to Mesaverde water disposal well.

INTEREST OWNERS

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	75.000000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Lisa K. Hood 2004 Sydney Lane NW Albuquerque, NM 87107	-0-	1.500000
Robin J. Hood Box 636 Liberal, KS 67905	-0-	1.500000
QEP Energy Co. P O Box 45601 Salt Lake City, UT 84145-0601	-0-	9.500000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT 3 – PAGE 33 OF 33
Encana Oil & Gas (USA) Inc.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Meadows I08-3014 1H	Greek Gallup	NESE 8-30N-14W	N/2S/2
Meadows L03-3014 1H	Greek Gallup	NWSW 3-30N-14W	N/2S/2*
Meadows D18-3014 1H	Greek Gallup	NWNW 18-30N-14W	N/2N/2*

<u>INTEREST OWNER</u>	<u>Meadows I08-3014 1H</u>		<u>Meadows L03-3014 1H & D18-3014 1H</u>	
	<u>INTEREST%</u>		<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>				
Dugan Production Corp.	50.000000	40.937500	50.000000	43.750000
Enana Oil & Gas (USA) Inc.	50.000000	40.937500	50.000000	43.750000
<u>Royalty</u>				
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000	-0-	12.500000
<u>Overriding Royalty</u>				
AFI Royalty, LLC P O Box 794548 Dallas, TX 75379-4548	-0-	5.625000		
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>	<u>100.000000</u>	<u>100.000000</u>

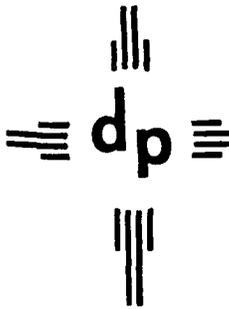
* - Well locations are tentative. Interest owner details will be determined upon finalizing and preparing drilling plans.

Attachment No. 6
Interest Ownership Notification
Dugan Production Corp.'s Application dated 6/15/12
Proposing the Addition of 25 Wells to
Dugan Production's Turk's Toast Gas Gathering System

As evidence that all interest ownership in the subject wells have been given notice of Dugan's application, attached is:

1. A copy of Dugan's transmittal letter dated 6/15/12 used to send copies of the subject application to the 3 working interest owners in addition to Dugan Production. Of the 68 wells, (43 existing and 25 proposed), only 8 proposed wells (Bi Knobs Com No. 3, 90 & No. 90S, Cutie Patutie 90 & 90S, and Encana's Meadows I08-3014 1H, L03-3014 1H, and D18-3014 1H) have working interest owners other than Dugan Production Corp. Dugan Production holds 100% of the working interest in 60 of the 68 wells. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
2. Copy of Dugan's letter dated 6/15/12 used to send notice and a detailed description of the subject application to the 30 fee royalty plus 41 overriding royalty interest owners. Complete copies of the application were offered to any of the fee royalty or ORRI owners desiring to receive a copy. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
3. Copy of the legal ad published in the 6/17/12 issue of the Farmington Daily Times regarding the subject application. This publication was made in anticipation that of the 74 interest owners mailed, there will be at least one either returned for some reason or the return receipt will be lost in the mail.

Note: A tabulation presenting the interest ownership for all existing wells plus the wells to be added is presented on Attachment No. 5.



dugan production corp.

Attachment
No 6
Pg 2 of 7

June 15, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Re: Proposed addition of 25 wells to
Dugan's Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Interest Owner,

According to our records, you have a working interest in one or more of the wells that is either currently connected or proposed to be connected to Dugan's Turk's Toast Gas Gathering System. The wells and your interest are as follows: Meadows I08-3014 #1H (50.00%), Meadows L03-3014 #1H (50.00%), and Meadows D18-3014 #1H (50.00%). Attached for your information and review is a complete copy of Dugan's application to the NMOCD, BLM and State Land Office (SLO), requesting their approvals to add 25 wells to the Turk's Toast Gas Gathering System which currently has 43 wells approved for the system. This will require surface commingling of gas production, plus the sale of gas at an off-lease central delivery sales meter (CDP). Dugan Production will install, operate and maintain the gathering system and will pay all costs associated with this proposal. As a working interest owner, your only costs associated with the gathering system will be a fee charged for gathering and compression. You will not be billed for any costs associated with installing the gathering system (including the allocation meters). Dugan Production's current company-wide gathering system fee is \$0.27/MMBTU, and our compression fee is \$0.09/MMBTU. These fees will be used until operating economics indicate the need for revisions.

This proposal should not affect your interest in these wells and should allow for optimum operations on all wells, especially the Fruitland Coal wells. All wells will benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, which will allow all interest owners to recover more of the gas reserves from each well.

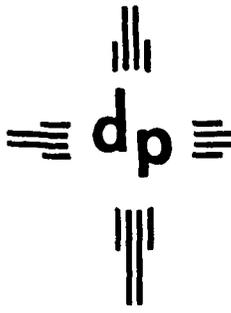
This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (those in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application is a request that for future additions to the gathering system, only the interest owners in the wells to be added will require notification provided that the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, or have any concern as to our application, please let me know. Should you have an objection to our application, please let me know and you should contact the New Mexico Oil Conservation Division directly within 20 days from the date the NMOCD receives our application which will be approximately 6/18/12. The mailing address for the NMOCD is 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. We would appreciate receiving a copy of your objection.

Sincerely,

John D. Roe
Engineering Manager

Attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office



dugan production corp.

Attachment
No. 6
pg 3 of 7

June 15, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, NM 87401

Re: Proposed addition of 25 wells to
Dugan's Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Interest Owner,

According to our records, you have a working interest in one or more of the wells that is either currently connected or proposed to be connected to Dugan's Turk's Toast Gas Gathering System. The wells and your interest are as follows: Cutie Patutie No. 90 & 90S (50.0%). Attached for your information and review is a complete copy of Dugan's application to the NMOCD, BLM and State Land Office (SLO), requesting their approvals to add 25 wells to the Turk's Toast Gas Gathering System which currently has 43 wells approved for the system. This will require surface commingling of gas production, plus the sale of gas at an off-lease central delivery sales meter (CDP). Dugan Production will install, operate and maintain the gathering system and will pay all costs associated with this proposal. As a working interest owner, your only costs associated with the gathering system will be a fee charged for gathering and compression. You will not be billed for any costs associated with installing the gathering system (including the allocation meters). Dugan Production's current company-wide gathering system fee is \$0.27/MMBTU, and our compression fee is \$0.09/MMBTU. These fees will be used until operating economics indicate the need for revisions.

This proposal should not affect your interest in these wells and should allow for optimum operations on all wells, especially the Fruitland Coal wells. All wells will benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, which will allow all interest owners to recover more of the gas reserves from each well.

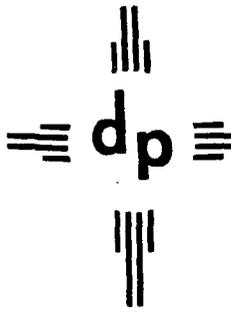
This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (those in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application is a request that for future additions to the gathering system, only the interest owners in the wells to be added will require notification provided that the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, or have any concern as to our application, please let me know. Should you have an objection to our application, please let me know and you should contact the New Mexico Oil Conservation Division directly within 20 days from the date the NMOCD receives our application which will be approximately 6/18/12. The mailing address for the NMOCD is 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. We would appreciate receiving a copy of your objection.

Sincerely,

John D. Roe
Engineering Manager

Attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office



dugan production corp.

Attachment
No. 6
pg 4 of 7

June 15, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

XTO Energy Inc.
810 Houston Street
Houston, TX 76102-6298

Re: Proposed addition of 25 wells to
Dugan's Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Interest Owner,

According to our records, you have a working interest in one or more of the wells that is either currently connected or proposed to be connected to Dugan's Turk's Toast Gas Gathering System. The wells and your interest are as follows: Bi Knobs #3 (24.3%), and Bi Knobs 90 & 90S (38.1%). Attached for your information and review is a complete copy of Dugan's application to the NMOCD, BLM and State Land Office (SLO), requesting their approvals to add 25 wells to the Turk's Toast Gas Gathering System which currently has 43 wells approved for the system. This will require surface commingling of gas production, plus the sale of gas at an off-lease central delivery sales meter (CDP). Dugan Production will install, operate and maintain the gathering system and will pay all costs associated with this proposal. As a working interest owner, your only costs associated with the gathering system will be a fee charged for gathering and compression. You will not be billed for any costs associated with installing the gathering system (including the allocation meters). Dugan Production's current company-wide gathering system fee is \$0.27/MMBTU, and our compression fee is \$0.09/MMBTU. These fees will be used until operating economics indicate the need for revisions.

This proposal should not affect your interest in these wells and should allow for optimum operations on all wells, especially the Fruitland Coal wells. All wells will benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, which will allow all interest owners to recover more of the gas reserves from each well.

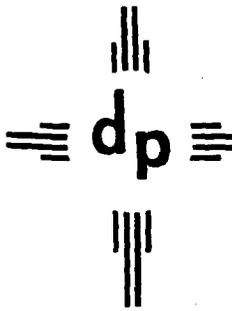
This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (those in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application is a request that for future additions to the gathering system, only the interest owners in the wells to be added will require notification provided that the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, or have any concern as to our application, please let me know. Should you have an objection to our application, please let me know and you should contact the New Mexico Oil Conservation Division directly within 20 days from the date the NMOCD receives our application which will be approximately 6/18/12. The mailing address for the NMOCD is 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. We would appreciate receiving a copy of your objection.

Sincerely,

John D. Roe
Engineering Manager

Attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office



dugan production corp.

Attachment
No. 6
Pg 5 of 7

June 15, 2012

Royalty & Overriding Royalty Interest Owners
Wells connected or to be connected to
Dugan Production's Turk's Toast Gas Gathering System
(Address List Attached)

Re: Proposed addition of 25 wells to
Dugan's Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Interest Owner,

According to our records, you have a royalty and/or overriding royalty interest in one or more of the wells that is either currently connected or proposed to be connected to Dugan's Turk's Toast Gas Gathering System. The wells and interest owners are listed on the attached address list. Dugan Production is currently preparing an application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requesting their approvals to add 25 wells to the Turk's Toast Gas Gathering System which currently has 43 wells authorized for the system. This will require surface commingling of gas production from the subject wells, plus the sale of gas at an off-lease central delivery sales meter (CDP). Dugan Production will install all equipment and will operate and maintain the gathering system and central battery facilities. Since your interest in these wells is either a royalty or overriding royalty, there are no costs chargeable to you. The wells to be added should not affect your interest in wells that are currently connected to the gathering system. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (those in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application is a request that for future additions to the gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, desire to receive a complete copy of our application, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application which will be approximately 6-18-12.

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

Attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office

Turk's Toast Gas Gathering System Interest Owners Address List

(wells with ownership interest in parentheses)

A=Atlantis 4,4S;b=Bi Knobs 1,2,2R,91,91S;c=Bi Knobs 3;d=Bi Knobs 90,90S;e=Big Field 91S,93;f=Centennial 1;g=Centennial Com 90;h=Centennial Com 91,91S;
i=Cutie Patulle 90,90S;j=Gibraltar 1;k=Greek's Fete 2;l=High Dollar Com 90;m=High Finance 1;n=Kelly 1;o=Libson Com 1;p=Mayre 1;q=Mayre 90,90R,90S;
r=Monte Carlo 1,Com 90,Com 90S;s=Monte Carlo Com 2;t=Nice 1,Com 90;u=Nice 2,Com 91;v=Nice Com 92;w=Pittam Pond 5,90;x=Pole's Paradise 2,90,90S,91;
y=Riviera 1,Com 90; z=Riviera Com 2; aa=Sly Slav 1,90,90S; ab=Sly Slav 2,3,3S, ac=Turks Toast 1, Turk's Toast Com 92; ad=Turks Toast 2,3,4,6,9,10,90,90S,91,91S,93,
ae=Encana's Meadows 108-3014 1H, Meadows L03-3014 1H, Meadows D18-3014 1H

Working Interest Owners

Dugan Production Corp. (all) P O Box 420 Farmington, NM 87499-0420	Encana Oil & Gas (USA) Inc. (ae) 370 17 th Street, Suite 1700 Denver, CO 80202	Merrion Oil & Gas Corp (l) 810 Reilly Avenue Farmington, NM 87401	XTO Energy Inc. (c,d) 810 Houston Street Houston, TX 78102-8299
--	---	---	---

Royalty Interest Owners

Emery C. & Melba N. Arnold (t) c/o Annette Randlemon 2107 Sierra Avenue Aztec, NM 87410	Alfred R. Kilby (t) 108 Athens Blvd Madison, AL 35758	Owen L. McKinney (t) 1444 Camino De Los Ranchos Lane W Pueblo, CO 81007-2085	St. Paul's English Lutheran (r) 130 South Walnut Bucyrus, OH 44820
Mildred Dewey (g,r,s,y,z,aa,ab) 1304 Fairview Avenue Farmington, NM 87401	Clement & Elsie Koogler (aa,ab) 10501 Lagrima De Oro NE #270 Albuquerque, NM 87111	Dana Norton (t) 1508 Montezuma Avenue Cortez, CO 81321	State of New Mexico (b,c,d,r,s, State Land Office aa.ab) P O Box 1148 Santa Fe, NM 87504-1148
Judy Feil Living Trust uta 10/24/05 (aa,ab) Judy Feil, Trustee 4 Road 3071 Aztec, NM 87410	Dana Landreth (t) P O Box 328 Mancos, CO 81328-0328	Louis E. Norton (t) 1420 CR 528 Bayfield, CO 81122	Bailey T. Strain (t) 7351 Miller Avenue Gilroy, CA 95020
John L. Gardner (ab) 713 N. Adams Street Glendale, CA 91208	Annetta Lehigh (t) 3434 S. Pierce Street Lakewood, CO 80227-5313	Sarah M. Pierce (t) 2112 Eastlawn Avenue Durango, CO 81301	USA-BLM (a,e thru l,k,l,m,o,p,q,t,u,v,w 8251 College Blvd x,y,z,ac,ad,ae) Farmington, NM 87402
Margaret Ann Gardner (ab) 26934 Eastwood Olmsted Twp, OH 44138	David H. Lesser (ab) Tenants in Common 2616 Cathedral Avenue Washington, DC 20008	Nancy D. Pitters (t) 2303 Chadwick Cr Boynton Beach, FL 33438	Revae M. Wells (g,r,s,y,z,aa,ab) 46 Calle Esperanza Tijeras, NM 87059
Twila M. Gooding Trust (r) 1009 Crestview Circle Farmington, NM 87401	Matthew Lesser (ab) Tenants in Common 2616 Cathedral Avenue Washington, DC 20008	James C. & Pansey I Sheek (g,r,s,y,z,aa,bb) 11019 County Road 44 Mancos, CO 81328	
Lucille L. Greer Family Trust (aa,ab) 580 S Gilbert Road #301 Gilbert, AZ 85298	Mildred C. & Jim Maitlen (g,r,s,y,z,aa,ab) P O Box 365 Waterflow, NM 87421-0365	Mollie Francis Smouse (g,r,s,y,z,aa,ab) P O Box 93 Fruitland, NM 87416	
C. R. (Rod) Hancock, Co-Trustee (aa,ab) 5 Road 3071 Aztec, NM 87410	James R. McKinney (t) 2101 4 1/2 Lane Avondale, CO 81022	Samuel T. & Fran Smouse (g,r,s,y,z,aa,ab) P O Box 93 Fruitland, NM 87416	

Overriding Royalty Interest Owners

AFI Royalty LLC (l,x,ae) P O Box 794548 Dallas, TX 75379-4548	Chevron Services Company (b,c,d) P O Box 730438 Dallas, TX 75373-0438	Lisa K. Hood (ac,ad) 2004 Sydney Lane NW Albuquerque, NM 87107	R.K. O'Connell Revocable Tst (f,g,h,k,s) R.K. & Sue O'Connell Co-Trustees P O Box 2003 Casper, WY 82802
Altrogge Resources Co (w) 15899 W Ellsworth Drive Golden, CO 80401	Christian Relief Services Inc. (ac) 2550 Huntington Ave., Suite 200 Alexandria, VA 22303-1499	Robin J. Hood (ac,ad) Box 838 Liberal, KS 67905	George H. & Shirley Oelschig (g,h,k,s) 12 Sandy Point Rd Savannah, GA 31404
Emery C. & Melba N. Arnold (t) c/o Annette Randlemon 2107 Sierra Avenue Aztec, NM 87410	ConocoPhillips (b,c,d) 22295 Network Place Chicago, IL 60673-1222	Jim L. & Mary Lou Jacobs (p,q) Living Trust uta 11/6/97 3505 Crescent Ave. Farmington, NM 87401	R. E. Puckett (w) 5460 South Quebec St, Ste 250 Greenwood Village, CO 80111
Bobby H. Anglin (x) P O Box 794548 Dallas, TX 75379-4548	F. O. & Mary O. Crane Living Tst (p) 5203 Largo Street Farmington, NM 87402	John W. Gates LLC (h,k,aa) 706 West Grand Ave. Artesia, NM 88210	QEP Energy Co (f,g,h,k,r,s,t,u,w,y, P O Box 45601 z,aa,ab,ac,ad) Salt Lake City, UT 84145-0601
Martha Jane Atkins (c,d) 2209 N Parkwood Drive Harlingen, TX 78550-8024	Energen Resources Corp. (ac) 605 Richard Arrington Blvd North Birmingham, AL 35203-2707	Bob Kenny (p) 2518 Wembley Drive St. Louis, MO 63125-3617	Thomas Michael Sicola (u,y,z) 6829 Clawson Houston, TX 77055
John W. Barringer (c,d) 1054 Lynnwood Blvd Nashville, TN 37215	Virginia Gass (p) c/o Sherman 1113 The Crossing Road O'Fallon, MO 63368-4455	Leland Price Inc. (h,k,aa) 1511 Northgate Place Artesia, NM 88210	Southern Sky Investment Inc (a,e) P O Box 2187 Roswell, NM 88201
Lewis T. Barringer, Jr. (c,d) 2422 Windrow Drive Princeton, NJ 08540	Lillian Gibson FBO (f,g,h,k,s) Pamela S. Angell P O Box 8375 Savannah, GA 31412-8375	Lon V. Smith Foundation (r,t,u,aa) 9440 Santa Monica Blvd, Ste 300 Beverly Hills, CA 90210	Mary Nan Spear Rev Tst (u,y,z) c/o Jeannie Medlin 174 Timber Creek Road Hendersonville, NC 28739
Jennifer Jones Black BAD ADDRESS 11714 Sharpview Houston, TX 77072	Lillian Gibson FBO (f,g,h,k,s) Thomas L. Sharpley P O Box 8375 Savannah, GA 31412-8375	Marshall & Winston Inc. (u,y,z) P O Box 50880 Midland, TX 79710-0880	Vance Partnership LLLP (a,e) 28396 Rea Avenue Conifer, CO 80433
Gerald Cadorette, JoAnne E. Barry (v) Lionel S. Cadorette, Gerald Cadorette, Agent 3837 Kirby Mountain Road Concord, VT 05824	Lillian Gibson FBO (f,g,h,k,s) Wallace P. Sharpley P O Box 8375 Savannah, GA 31412-8375	Mitchell White LLC (w) c/o Kathryn & Burton Mitchell 9038 Old Tom Morris Circle Highlands Ranch, CO 80129	Madonna I. Walker (h,k,aa) P O Box 112 Eunice, NM 88231
Chesapeake Exploration Ltd. Partnership (r) P O Box 960181 Oklahoma City, OK 73196-0181	Robert J. Gronstal (v) P O Box 487 Treynor, IA 51575	Moon Royalty LLC (r) P O Box 720070 Oklahoma City, OK 73172-0070	Jackie D. Willis (r) P O Box 367 Snyder, OK 73566

Attachment No 6
Pg 6 of 7

XTO Energy Inc. (aa, ab)
810 Houston Street
Houston, TX 78102-8298

Attachment
No. 6
pg 7 of 7

Please place in the legal ads for Sunday, 6/17/12. Once the ad has been run, please send Affidavit of Publication to Dugan Production Corp., Attn: John Roe, P. O. Box 420, Farmington, NM 87499-0420.

Dugan Production Corp. is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM) and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 22 existing wells all operated by Dugan Production, plus 3 proposed wells to be drilled and operated by Encana Oil & Gas (USA) Inc., to Dugan Production Corp.'s Turk's Toast Gas Gathering System. This will require the surface commingling of natural gas and produced water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. Dugan Production is also requesting that the NMOCD amend the existing surface commingling order to allow future additions to the gathering system following notice only to the interest owners being added, provided it is reasonably certain that the proposed additions will not affect the wells previously authorized for the gathering system. The wells to be added and the existing gathering system are located within Section 6 of Township 29N, Range 14W; plus Sections 3, 4, 5, 7, 8, 9, 10, 17, 18, 19, 31 & 32 of T-30N, R-14W; plus Sections 13, 24, 25, 35 & 36 of T-30N, R-15W, all located in San Juan County, New Mexico. The current central delivery gas sales meter (CDP) is located in the SE/4 NE/4 of Section 6, T-29N, R-14W and delivers gas to Enterprise Field Services at their Meter No. 14102. The gathering system currently has 43 wells (48 completions) which are completed in the following 9 pools; Basin Dakota gas (14 wells), Basin Fruitland Coal gas (17 wells), Gamblers Mesa Gallup oil (2 wells), Grassy Gallup oil (1 well), Greek Gallup oil (1 well), Harper Hill Fruitland Sand Pictured Cliffs gas (2 wells), Meadows Gallup oil (1 well), Twin Mounds Fruitland Sand Pictured Cliffs gas (9 wells) and Undesignated Fruitland Sand/PC (1 well). Of the 25 wells (27 completions) proposed to be added, 20 are in the Basin Fruitland Coal gas pool, 4 will be in the Greek Gallup oil pool, two in the Harper Hill Fruitland Sand-Pictured Cliffs, and 1 well in the Twin Mounds Fruitland Sand Pictured Cliffs gas pool. The wells to be added are; Dugan Production's Atlantis Com #4S, Bi Knobs Com #3, Bi Knobs Com #90S, Bi Knobs #91S, Big Field #91S, Big Field Com #93, Cutie Patutie #90 FC/PC, Cutie Patutie #90S FC/PC, High Dollar Com #90, High Finance #1, Mayre #90S, Monte Carlo Com #90, Monte Carlo Com #90S, Nice Com #90, Nice Com #91, Nice Com #92, Pole's Paradise #90, Pole's Paradise #90S, Pole's Paradise #91, Sly Slav Com #3S, Sly Slav Com #90, Sly Slav Com #90S, plus Encana's Meadows I08-3014 #1H, Meadows L03-3014 #1H, and Meadows D18-3014 #1H. All wells are located upon one of the following leases held by Dugan Production Corp.; Federal Leases NM-4465, NM-9788, NM-10561, NM-10758, NM-10875, NM-12086, NM-16057, NM-16765, NM-19163, NM-19403, NM-21463, NM-21465, NM-55114, NM-70298, NM-70299, NM-70300, NM-71716, NM-76870, NM-113433, NM-113973, SF-078110; State Leases E-3555, E-6714, LG-3045-1, VA-1696 and numerous fee leases. Any person holding an interest in any of these lands or leases may contact Dugan Production Corp. for additional information. Inquiries should be directed to John Roe at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the initial date of this publication. In the absence of objection, Dugan Production Corp. has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

ATTACHMENT NO. 7
(ATTACHMENT NO. 6 to application dated 11-19-03)
(ATTACHMENT NO. 4 to application dated 6-1-01)
Allocation Procedures
Dugan Production Corp.'s
Turk's Toast Gas Gathering System
CDP Gas Sales Meter: SENE 6-29N-14W (El Paso Meter #14102)
San Juan County, New Mexico

Base Data:

U = Water Volume (BWPD) from Periodic Well Test x days operated during allocation period.

V = Water Volume (bbl) at Central Battery during allocation period.

W = Gas Volume (MCF) from allocation meters at individual wells and central battery separator during allocation period.

X = Gas Volume (MCF) from CDP Sales Meter during allocation period.

Y = BTU's from CDP Sales Meter during allocation period.

Allocation Period is typically a calendar month and will be the same for all wells

1. Individual Well Gas Production = A + B + C + D + E + F

A = Allocated Sales Volume, MCF = $(W/\text{SUM } W) \times X$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $W/\text{SUM } W$ for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by $W/\text{SUM } W$.

F = Allocated gas volume (MCF) associated with water production = (A) in mcf for the central battery separator multiplied by a factor of $(U/\text{SUM } U)$ for wells delivering gas and water to the central battery separator.

2. Allocated Individual Well BTU's = $((W \times \text{Individual well BTU})/\text{Sum } (W \times \text{individual well BTU})) \times Y$. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order No. 5).

3. Individual Well Water Production = Allocated production volume, bbl = $(U/\text{Sum } U) \times V$.

ATTACHMENT NO. 8

**Participation Statement of Encana Oil & Gas (USA) Inc.
Dugan Production's Turk's Toast Gas Gathering System
San Juan County, New Mexico**

Encana Oil & Gas (USA) Inc. is the operator of three wells to be drilled in the vicinity of Dugan Production's Turk's Toast Gas Gathering System and desires to use this gas gathering system to transport natural gas produced from our wells to a central delivery sales meter for the gathering system.

We have reviewed Dugan's current allocation procedures and believe the described operation and allocation procedures are consistent with standard industry practices and are acceptable to Encana Oil & Gas (USA) Inc.

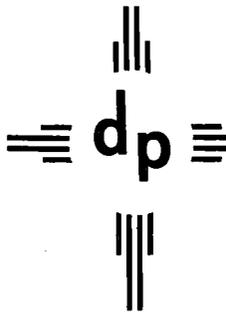
We request that approval of Dugan's current application to add wells to the Turk's Toast Gas Gathering System and for the associated surface commingling and the off-lease measurement and sale of produced natural gas also be an approval for the following three wells operated by Encana Oil & Gas (USA) Inc.:

<u>Well</u>	<u>Location</u>	<u>API No.</u>	<u>Type Lease & No.</u>	<u>Pool</u>
Meadows D18-3014 No. 1H	NWNW 18, T30N, R14W	30-045-	Fee	Greek Gallup Oil (96219)
Meadows I08-3014 No. 1H	NESE 8, T30N, R14W	30-045-35320	Federal NM-16057	Greek Gallup Oil (96219)
Meadows L03-3014 No. 1H	NWSW 3, T30N, R14W	30-045-	Federal NM-10561	Greek Gallup Oil (96219)

Signed by: Brenda R Linsler
for Encana Oil & Gas (USA) Inc.

Title: Regulatory Advisor

Date: 06/14/12



dugan production corp.

RECEIVED OCD

2012 JUN 27 P 2:40

June 26, 2012

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. Larry Roybal
Oil, Gas & Minerals Division
New Mexico State Land Office
P O Box 1148
Santa Fe, NM 87504

Mr. Dave Evans, District Manager
Bureau of Land Management
6251 College Blvd., Suite A
Farmington, NM 87402

Re: Dugan Production's Application dated 6/15/12
Add 25 wells to Dugan's Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Ms. Bailey, Mr. Evans, and Mr. Roybal,

Enclosed is Attachment No. 3 for the subject application which was not included in the initial mailing of the application. I apologize for any inconvenience this may have caused. In addition, for your convenience and use in reviewing our application, I am also including a full scale copy of Attachment No. 3 which may be easier to use.

Should you have any questions, please let me know.

Sincerely,

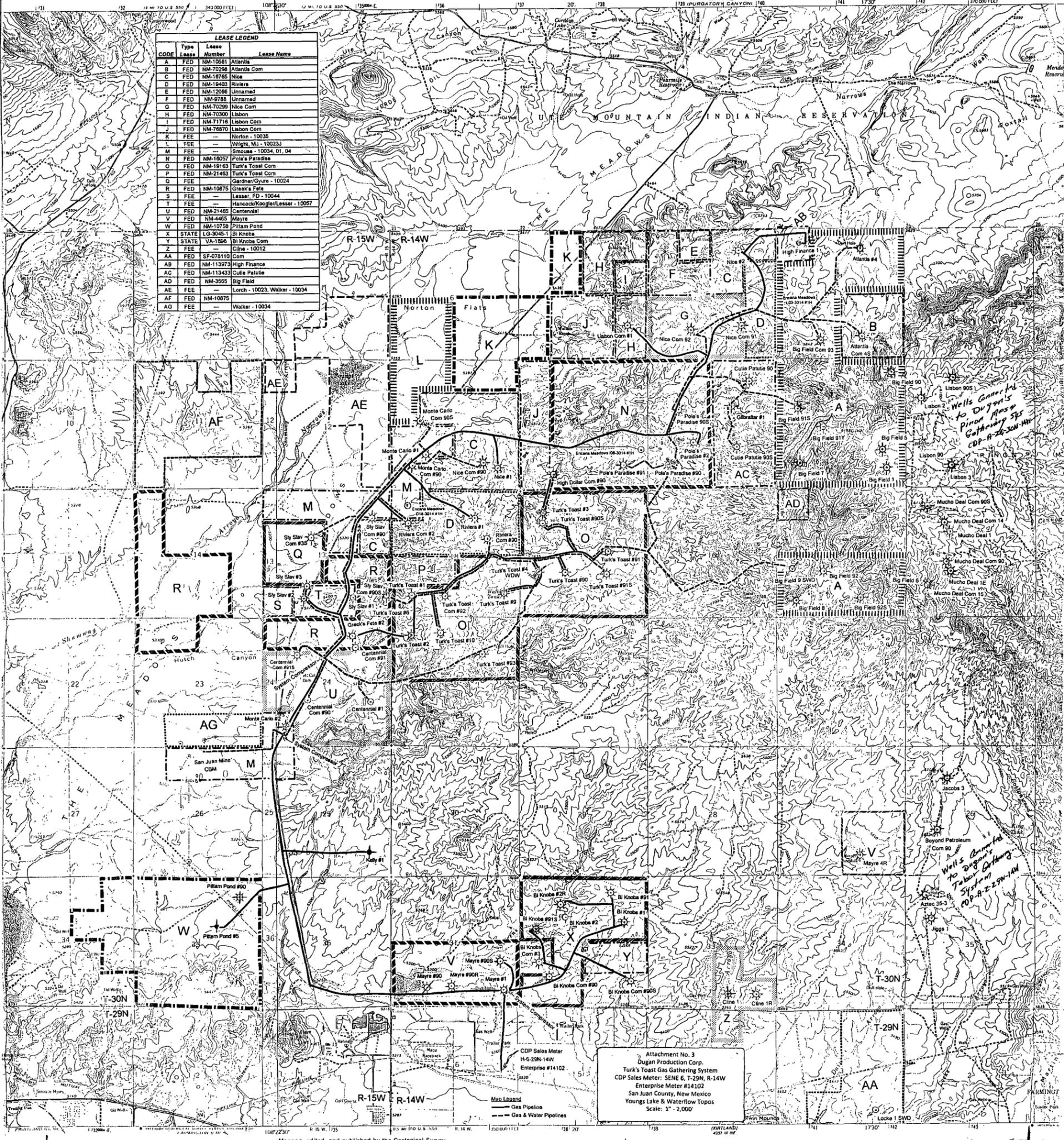
John D. Roe
Engineering Manager

JDR/tmf

attachment

WATERFLOW QUADRANGLE YOUNGS LAKE QUADRANGLE
 NEW MEXICO-SAN JUAN CO. DEPARTMENT OF THE INTERIOR
 7.5 MINUTE SERIES (TOPOGRAPHIC) GEOLOGICAL SURVEY

CODE	Type	Lease Number	Lease Name
A	FED	NM-1561	Atlanta
B	FED	NM-70294	Atlanta Com
C	FED	NM-16765	Nice
D	FED	NM-19403	Riviera
E	FED	NM-12086	Unnamed
F	FED	NM-9788	Unnamed
G	FED	NM-70299	Nice Com
H	FED	NM-10300	Lisbon
I	FED	NM-71718	Lisbon Com
J	FED	NM-76870	Lisbon Com
K	FEE	Norton - 10035	
L	FEE	Wright - 100233	
M	FEE	Smouse - 10034, 01, 04	
N	FED	NM-18057	Pole's Paradise
O	FED	NM-19163	Turk's Toast Com
P	FED	NM-21463	Turk's Toast Com
Q	FEE	Gardner/Gjure - 10024	
R	FED	NM-10875	Greek's Fels
S	FEE	Lesser, FD - 10044	
T	FEE	Hanaco/Kogler/Lesser - 10057	
U	FED	NM-21465	Centennial
V	FED	NM-4465	Mayre
W	FED	NM-10759	Pitman Pond
X	STATE	LG-3045-1	Bi Knobs
Y	STATE	VA-1896	Bi Knobs Com
Z	FEE	Cline - 10012	
AA	FED	SF-078110	Com
AB	FED	NM-113973	High Finance
AC	FED	NM-113433	Cutie Patulie
AD	FED	NM-3565	Big Flak
AE	FEE	Lorch - 10023, Walker - 10034	
AF	FED	NM-10875	
AG	FEE	Walker - 10034	

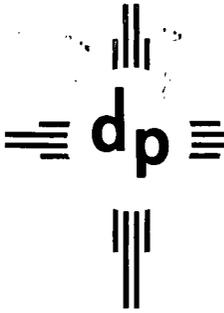


ROAD CLASSIFICATION
 Heavy duty ——— Light-duty - - - - -
 Medium-duty - - - - - Unimproved dirt - - - - -
 U.S. Route
 QUADRANGLE LOCATION
 WATERFLOW, N. MEX. 36108-G4-1F-024
 1963
 PHOTO REVISOR 1979
 DMA 4357 1V SW-SERIES 1981

Mapped, edited, and published by the Geological Survey
 Control by USGS, NOS/NOAA, and U. S. Bureau of Reclamation
 Topography by photogrammetric methods from aerial
 photographs taken 1958 and 1962. Field checked 1963
 Polyconic projection. 1927 North American Datum
 10,000-foot grid based on New Mexico coordinate system, west zone
 1000-meter Universal Transverse Mercator grid ticks,
 zone 12, shown in blue
 UTM GRID AND 1979 MAGNETIC NORTH
 DECLINATION AT CENTER OF SHEET
 To place on the predicted North American Datum 1983
 move the projection lines 2 meters north and
 37 meters east as shown by dashed corner ticks
 Revisions shown in purple compiled from aerial photographs
 taken 1978 and other source data. This information not
 field checked. Map edited 1979

SCALE 1:24,000
 1000 0 1000 2000 3000 4000 5000 6000 7000 FEET
 0 1 2 3 4 5 6 7 8 9 10 KILOMETER
 CONTOUR INTERVAL 20 FEET
 NATIONAL GEODETIC VERTICAL DATUM OF 1929
 THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
 FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

QUADRANGLE LOCATION
 NEW MEXICO



dugan production corp.

June 28, 2012

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Dugan Production's Application dated 6/15/12
Add 25 Wells to our Turk's Toast Gathering System

RECEIVED OGD
2012 JUN 29 P 2:51

Dear Ms. Bailey,

Attached for your consideration of the captioned application are copies of the certified mail return receipts for our application notice given to interest owners. We have received receipts for all working interest and 26 of the 29 royalty interest owners (including the BLM and NM State Land Office). Upon checking the US Postal Services (USPS) tracking system, of the three royalty interest owners for which we do not have receipts, notice has been left but not picked up for one (James & Pansey Sheek), plus our notice to two (David Lesser and Matthew Lesser) has been returned due to the address not being current. In addition, we have received receipts for 33 of the 41 overriding royalty interest owners. Of the eight ORRI owners with no receipts, two (Emery & Melba Arnold, plus XTO Energy) did receive our notice as royalty or working interest owners, two have been delivered (Martha Atkins on 6/22/12 and Lillian Gibson on 6/25/12), but their receipts not returned, three (Jim & Mary Lou Jacobs, John Gates and Madonna Walker) were all provided with notice on 6/19/12, but as of 6/27/12 had not picked up their notices. In addition, one ORRI (Jennifer Jones Black) did not receive our notice as her address is not current. Also attached is an "Affidavit of Publication" for the legal notice of our application published in the Farmington Daily Times on Sunday, June 17, 2012 as an effort to hopefully provide notice to any interest owner not receiving our notice by mail. Copies of the USPS tracking system information are attached for your review and file.

To date, we have not had any comment or objection from any of these interest owners.

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

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

Attachments

Jurks Coast CDP

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:
 Inceana Oil + Gas (USA) Inc.
 370 17th St, Suite 1700
 Denver, CO 80202

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) _____ C/ Date of Delivery *6/21*

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0707

Working Interests

Jurks Coast CDP

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:
 MERRION OIL & GAS CORP
 610 REILLY AVENUE
 FARMINGTON NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) *P. Garcia* C/ Date of Delivery *6/19*

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0677

Jurks Coast CDP

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:
 XTO ENERGY INC

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) _____ C/ Date of Delivery *JUN 20 2004*

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0660

Santa Fe NM CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature
X  Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

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

3. Service Type *USPS*
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

 STATE OF NEW MEXICO
 STATE LAND OFFICE
 P O BOX 1148
 SANTA FE NM 87504-1148

SANTA FE NM
JUN 19 2012
SAINT JAMES

Royalty Interests

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0684

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Santa Fe NM CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature
X  Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. 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

1. Article Addressed to:

 USA - BLM
 6251 COLLEGE BLVD SUITE A
 FARMINGTON NM 87402

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0691

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Coast CDP

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:

EMERY C & MELBA N ARNOLD
C/O ANNETTE RANDLEMON
2107 SIERRA AVENUE
AZTEC NM 87410

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) Agent Addressee
 FOR ANNETTE RANDLEMON *6-29-12*

C. Date of Delivery

D. 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

Royalty
Interests

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0295

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1840

Juris Coast CDP

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:

MILDRED DEWEY
1304 FAIRVIEW AVENUE
FARMINGTON NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) Agent Addressee
 Amanda Tatroje *6-29-12*

C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0011

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Coast CDP

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:

JOHN L GARDNER
713 N ADAMS STREET
GLENDALE CA 91206

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) Agent Addressee
 John Gardner *6-26-12*

C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0035

Jurks Least CDP

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:
 MARGARET ANN GARDNER
 26934 EASTWOOD
 OLMSTED TWP OH 44138

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X Margaret Gardner
 B. Received by (Printed Name) M. GARDNER
 C. Date of Delivery 6-25-12
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No
 9850 Minyoung Rd
 Ravenna, OH 44266

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0042

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Royalty
Interests

Jurks Least CDP

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:
 TWILA M GOODING
 1009 CRESTVIEW CIRCLE
 FARMINGTON NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X Jurks Least
 B. Received by (Printed Name)
 C. Date of Delivery 6-9-12
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0059

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Jurks Least CDP

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:
 LUCILLE L GREEK FAMILY TRUST
 580 S GILBERT ROAD #301
 GILBERT AZ 85296

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X Mitzi Klerahon
 B. Received by (Printed Name)
 C. Date of Delivery
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0066

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Joast CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature Agent
 Addressee
 X *[Signature]*

B. Received by (Printed Name) *CR Rod Howard* C. Date of Delivery *10/20*

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

1. Article Addressed to:

C R (ROD) HANCOCK, CO-TRUSTEE
5 ROAD 3071
AZTEC NM 87410

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0073

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Royalty Interests

Juris Joast CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature Agent
 Addressee
 X *[Signature]*

B. Received by (Printed Name) *ALFRED R. KILBY* C. Date of Delivery *5/5*

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

1. Article Addressed to:

ALFRED R KILBY
106 ATHENS BLVD
MADISON AL 35758

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0080

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Joast CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature Agent
 Addressee
 X *[Signature]*

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *06-19*

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

1. Article Addressed to:

CLEMENT & ELSIE KOGLER
10501 LAGRIMA DE ORO NE #270
ALBUQUERQUE NM 87111

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0097

PS Form 3811, February 2004 Domestic Return Receipt

Juris Coast CDP

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:

DANA LANDRETH
P O BOX 328
MANCOS CO 81328-0328

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Dana Landreth

B. Received by (Printed Name) C. Date of Delivery
 DANA LANDRETH 6-22-12

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0103

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Royalty
Interests

Juris Coast CDP

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:

ANNETTA LEHIGH
3434 S PIERCE STREET
LAKEWOOD CO 80227-5313

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Anneta Lehigh

B. Received by (Printed Name) C. Date of Delivery
 ANNETTA LEHIGH 6-20

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0110

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Coast CDP

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:

MILDRED C & JIM MAITLEN
P O BOX 364
WATERFLOW NM 87421-0365

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Mildred C Maitlen

B. Received by (Printed Name) C. Date of Delivery
 Mildred C Maitlen 6/21/12

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0141

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Jacks Coast CDP

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:

JAMES R MCKINNEY
2101 41 1/2 LANE
AVONDALE CO 81022

COMPLETE THIS SECTION ON DELIVERY

- A. Signature
 Beth McKinney Agent
 Addressee
- B. Received by (Printed Name) *Beth McKinney* C. Date of Delivery *6-20-12*
- D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0158

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Royalty Interests

Jacks Coast CDP

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:

OWEN L MCKINNEY
1444 CAMINO DE LOS RANCHOS LANE W
PUEBLO CO 81007-2085

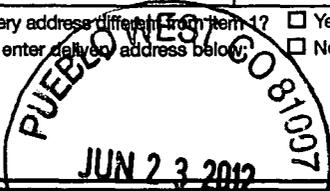
COMPLETE THIS SECTION ON DELIVERY

- A. Signature
 Owen McKinney Agent
 Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0165

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Jacks Coast CDP

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:

DANA NORTON
1508 MONTEZUMA AVENUE
CORTEZ CO 81321

COMPLETE THIS SECTION ON DELIVERY

- A. Signature
 Dana Norton Agent
 Addressee
- B. Received by (Printed Name) *DANA NORTON* C. Date of Delivery
- D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0172

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

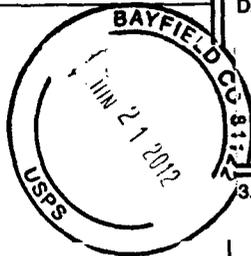
Jurks Coast CDP

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:

LOUIS E NORTON
1420 CR 526
BAYFIELD CO 81122



COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee
Louis Norton

B. Received by (Printed Name)
 LOUIS NORTON

C. Date of Delivery
 6-21

D. 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

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0189

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Royalty Interests

Jurks Coast CDP

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:

SARAH M PIERCE
2112 EASTLAWN AVENUE
DURANGO CO 81301

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee
Margaret Benjamin
Daugherty

B. Received by (Printed Name)
 Margaret Benjamin Daugherty

C. Date of Delivery
 6-20-12

D. 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

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0196

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Jurks Coast CDP

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:

NANCY D PITTERS
2303 CHADWICK CR
BOYNTON BEACH FL 33436

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee
Nancy D Pitters

B. Received by (Printed Name)
 NANCY D. PITTERS

C. Date of Delivery
 6/21/12

D. 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

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0202

PS Form 3811, February 2004

Domestic Return Receipt

Juris Jeast CDP

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:

MOLLIE FRANCIS SMOUSE
P O BOX 93
FRUITLAND NM 87416

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
** Fran Smouse*

B. Received by (Printed Name) *Fran Smouse* C. Date of Delivery *10-25-12*

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0226

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Jeast CDP

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:

SAMUEL T & FRAN SMOUSE
P O BOX 93
FRUITLAND NM 87416

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
** Fran Smouse*

B. Received by (Printed Name) *Fran Smouse* C. Date of Delivery *10-25-12*

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0233

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Jeast CDP

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:

ST PAUL'S ENGLISH LUTHERAN
130 SOUTH WALNUT
BUCYRUS OH 44820

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
** Phyllis Hummer*

B. Received by (Printed Name) C. Date of Delivery

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0240

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Royalty
Interests

Julia Coast CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

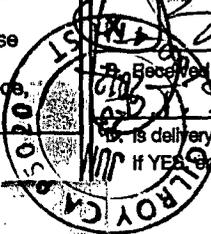
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature *[Signature]* Agent Addressee

B. Received by (Printed Name) **STRAIN** C. Date of Delivery **6/23/12**

D. Is delivery address different from item 1? Yes No

If YES, enter delivery address below:



1. Article Addressed to:

BAILEY T STRAIN
7351 MILLER AVENUE
GILROY CA 95020

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0257

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

*Royalty
Interests*

Julia Coast CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature *[Signature]* Agent Addressee

B. Received by (Printed Name) **REVAE WELLS** C. Date of Delivery **6-19-12**

D. Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

1. Article Addressed to:

REVAE M WELLS
46 CALLE ESPERANZA
TIJERAS NM 87069

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0264

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Janko Coast CDP

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:
JUDY FEIL LIVING TRUST UTA 10/24/05
JUDY FEIL TRUSTEE
4 ROAD 3071
AZTEC NM 87410

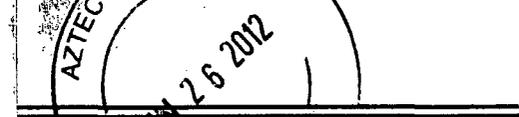
COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Judy Feil* Agent
 Addressee

B. Received by (Printed Name)
Judy Feil

C. Date of Delivery

D. 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

2.
PS

102595-02-M-1540

Judy's Coast CDP

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:

AFI ROYALTY-LLC
P O BOX 794548
DALLAS TX 75379-4548



COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X Cathy Peterson
 B. Received by (Printed Name) Cathy Peterson
 C. Date of Delivery 6-20
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0271

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ORRI
OWAPUS

Judy's Coast CDP

SENDER: COMPLETE THIS SECTION

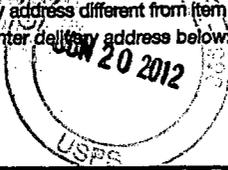
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ALTROGE RESOURCES CO
15899 WELLSWORTH DRIVE
GOLDEN CO 80401

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X Judy Harber
 B. Received by (Printed Name) J Harber
 C. Date of Delivery 6/20/12
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0288

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

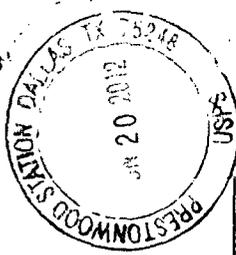
Judy's Coast CDP

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:

BOBBY H ANGLIN
P O BOX 794548
DALLAS TX 75379-4548



COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X Cathy Peterson
 B. Received by (Printed Name) Cathy Peterson
 C. Date of Delivery 6-20
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0301

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Justo Least CDP

SENDER: COMPLETE THIS SECTION

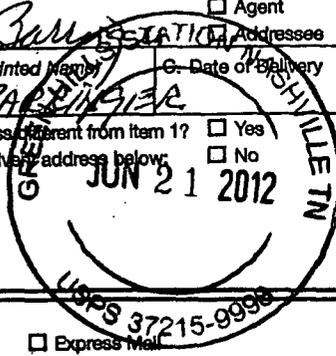
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JOHN W BARRINGER
1054 LYNNWOOD BLVD
NASHVILLE TN 37215

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
 Addressee
 B. Received by (Printed Name) C. Date of Delivery
 JOHN W. BARRINGER JUN 21 2012
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0325

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ORRI
DUNN

Justo Least CDP

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:

Lewis J. Barringer
2422 Windrow Drive
Princeton, NJ 08540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
 Addressee
 B. Received by (Printed Name) C. Date of Delivery
 LYNDIA LOWE
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0332

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Justo Least CDP

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:

GERALD CADORETTE, JOANNE E BARRY,
LIONEL S CADORETTE,
GERALD CADORETTE, AGENT
3637 KIRBY MOUNTAIN ROAD
CONCORD VT 05824

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
 Addressee
 B. Received by (Printed Name) C. Date of Delivery
 Gerald Cadorette 6/21/12
 D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0349

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Justin Seast CDP ASI BOK

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:

CHESAPEAKE EXPLORATION LTD PTP
P O BOX 960161
OKLAHOMA CITY OK 73196-0161

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0356

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1840

*ORRI
DWPUS*

Justin Seast CDP

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:

CHEVRON SERVICES COMPANY
P O BOX 730436
DALLAS TX 75373-0436

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0363

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Justin Seast CDP

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:

CHRISTIAN RELIEF SERVICES INC
2550 HUNTINGTON AVENUE SUITE 200
ALEXANDRIA VA 22303-1499

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0370

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Jurko Coast CDP

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:
CONOCOPHILLIPS
22295 NETWORK PLACE
CHICAGO IL 60673-1222

COMPLETE THIS SECTION ON DELIVERY.
A. Signature Agent Addressee
[Signature]
B. Received by (Printed Name) *[Signature]*
C. Date of Delivery
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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0387
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ORRI OWNERS

Jurko Coast CDP

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:
F O & MARY O CRANE LIVING TRUST
5203 LARGO STREET
FARMINGTON NM 87401

COMPLETE THIS SECTION ON DELIVERY.
A. Signature Agent Addressee
[Signature]
B. Received by (Printed Name) *[Signature]*
C. Date of Delivery *[Signature]*
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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0394
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Jurko Coast CDP

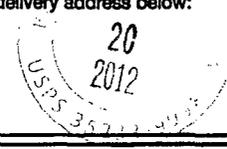
SENDER: COMPLETE THIS SECTION
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
ENERGEN RESOURCES CORP
605 RICHARD ARRINGTON BLVD NORTH
BIRMINGHAM AL 35203-2707

COMPLETE THIS SECTION ON DELIVERY.
A. Signature Agent Addressee
[Signature]
B. Received by (Printed Name) *[Signature]*
C. Date of Delivery
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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0400
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Juris Least CDP

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:

VIRGINIA GASS
C/O SHERMAN
1113 THE CROSSING ROAD
O'FALLON MO 63366-4455

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0417

ORRI OWNERS

Juris Least CDP

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:

LILLIAN GIBSON FBO
THOMAS L SHARPLEY
P O BOX 8375
SAVANNAH GA 31412-8375



COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0431

Juris Least CDP

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:

Lillian Gibson FBO
Wallace P. Sharpley
P.O. Box 8375
Savannah, GA 31412-8375



COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0448

Juris Least CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name) *Robert Gronstal* C. Date of Delivery *6-20-12*

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

1. Article Addressed to:
ROBERT J GRONSTAL
P O BOX 487
TREYNOR IA 51575

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0455

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ORRI OWNERS

Juris Least CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name) *Lisa K Hood* C. Date of Delivery *6/20/12*

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

1. Article Addressed to:
LISA K HOOD
2004 SYDNEY LANE NW
ALBUQUERQUE NM 87107

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0462

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Juris Least CDP

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *[Signature]*

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

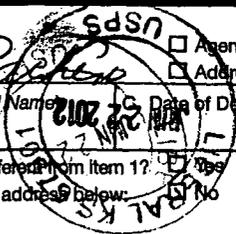
1. Article Addressed to:
ROBIN J HOOD
BOX 636
LIBERAL KS 67905

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0479

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Jurks Coast CDP

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:
 SUBRENT - Bob Kenny
 2518 WEMBLEY DRIVE
 ST LOUIS MO 63125-3617

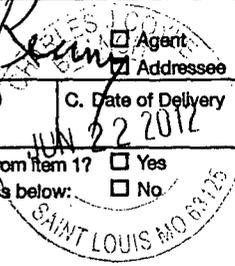
COMPLETE THIS SECTION ON DELIVERY

A. Signature
 x Robert F Kenny Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery
 JUN 22 2012

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0509

ORRI OWNERS

Jurks Coast CDP

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:
 LELAND PRICE INC - Leland Price Inc
 1511 NORTHGATE PLACE
 ARTESIA NM 88210

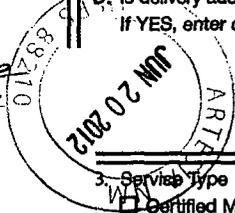
COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Richard Price Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0516

Jurks Coast CDP

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:
 LON V SMITH FOUNDATION
 9440 SANTA MONICA BLVD STE 300
 BEVERLY HILLS CA 90210

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X S. A. KANTHAUDIA Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery
 6-22-12

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0523

Jurks Coast CDP

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:

MARSHALL & WINSTON INC
 P O BOX 50880
 MIDLAND TX 79710-0880

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) *Gina Brooks* C. Date of Delivery *1/21*

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0530

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ORRI OWNERS

Jurks Coast CDP

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:

MITCHELL WHITE LLC
 C/O KATHRYN & BURTON MITCHELL
 9038 OLD TOM MORRIS CIRCLE
 HIGHLANDS RANCH CO 80129

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0547

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Jurks Coast CDP

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:

MOON ROYALTY LLC
 P O BOX 720070
 OKLAHOMA CITY OK 73172-0070

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) *C S Collier* C. Date of Delivery

D. 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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0554

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Jurks Coast CDP

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:

R/K O'CONNELL REVOCABLE TRUST
 R K & SUE O'CONNELL CO-TRUSTEES
 P O BOX 2003
 CASPER WY 82602

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
 B. Received by (Printed Name) C. Date of Delivery
 GAYLE DAWSON 6-20-12
 D. 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

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0561

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

ORRI OWNERS

Jurks Coast CDP

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:

GEORGE H & SHIRLEY OELSCHIG
 12 SANDY POINT ROAD
 SAVANNAH GA 31404

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
 B. Received by (Printed Name) C. Date of Delivery
 Shirley Oelschig
 D. 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

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0578

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Jurks Coast CDP

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:

R E PUCKETT
 5460 SOUTH QUEBEC ST SUITE 250
 GREENWOOD VILLAGE CO 80111

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
 B. Received by (Printed Name) C. Date of Delivery
 LeBaron 6/25/12
 D. 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

2. Article Number

(Transfer from service label)

7011 2970 0003 7599 0585

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Jurks Coast CDP

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:

QEP ENERGY CO
P O BOX 45601
SALT LAKE CITY UT 84145-0601

COMPLETE THIS SECTION ON DELIVERY:

A. Signature
 Bothwell Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 6/20/12

D. 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
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4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label) 7011 2970 0003 7599 0592

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102595-02-M-1540

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1. Article Addressed to:

THOMAS MICHAEL SICOLA
6629 CLAWSON
HOUSTON TX 77005

COMPLETE THIS SECTION ON DELIVERY:

A. Signature
 DM Sicola Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. 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

2. Article Number

(Transfer from service label) 7011 2970 0003 7599 0608

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Jurks Coast CDP

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1. Article Addressed to:

SOUTHERN SKY INVESTMENTS
P O BOX 2167
ROSWELL NM 88201

COMPLETE THIS SECTION ON DELIVERY:

A. Signature
 [Signature] Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 [Signature]

D. 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

2. Article Number

(Transfer from service label) 7011 2970 0003 7599 0615

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Jurks Coast CDA

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1. Article Addressed to:

MARY NAN SPEAR REVOCABLE TRUST
 C/O JEANNIE MEDLIN
 174 TIMBER CREEK ROAD
 HENDERSONVILLE NC 28739

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Jeannie Medlin

B. Received by (Printed Name) C. Date of Delivery
Jeannie Medlin *6-21-12*

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
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4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0622

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ORRI OWNERS

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1. Article Addressed to:

VANCE PARTNERSHIP LLLP
 26356 REA AVENUE
 CONIFER CO 80433

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Marc D. Vance

B. Received by (Printed Name) C. Date of Delivery
MARC D. VANCE *6-21-12*

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

3. Service Type
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4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0639

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Jurks Coast CDA

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1. Article Addressed to:

JACKIE D WILLIS
 P O BOX 367
 SNYDER OK 73566

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Jackie D Willis

B. Received by (Printed Name) C. Date of Delivery
Jackie D Willis *6-20-12*

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

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0653

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70112970000375990318

Martia Gene Atkins

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STATUS OF YOUR ITEM

DATE & TIME

LOCATION

FEATURES

Delivered

June 22, 2012, 11:39 am

HARLINGEN, TX 78550

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70112970000375990424

*Lillian Simpson FBO
Pamela S. Angel*

SERVICE

STATUS OF YOUR ITEM

DATE & TIME

Delivered

June 25, 2012, 12:57 pm

Notice Left

June 25, 2012, 8:33 am

Depart USPS Sort Facility

June 21, 2012

Processed through USPS Sort Facility

June 20, 2012, 10:12 pm

LOCATION

SAVANNAH, GA 31401

SAVANNAH, GA 31412

WAYCROSS, GA 31501

WAYCROSS, GA 31501

FEATURES

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AFFIDAVIT OF PUBLICATION

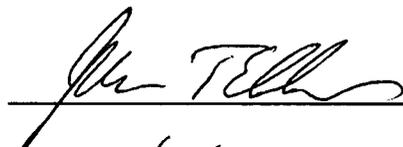
Ad No. 67752

**STATE OF NEW MEXICO
County of San Juan:**

JOHN ELCHERT, being duly sworn says:
That HE is the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Sunday, June 17, 2012

And the cost of the publication is \$158.01

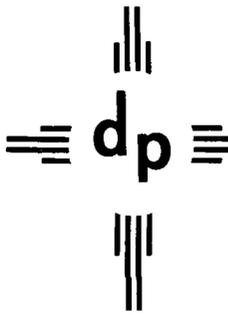

ON 6/17/12 JOHN ELCHERT
appeared before me, whom I know personally to be the person who signed the above document.


My Commission Expires 10-24-2015

COPY OF PUBLICATION

Dugan Production Corp. is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM) and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 22 existing wells all operated by Dugan Production, plus 3 proposed wells to be drilled and operated by Encana Oil & Gas (USA) Inc., to Dugan Production Corp.'s Turk's Toast Gas Gathering System. This will require the surface commingling of natural gas and produced water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. Dugan Production is also requesting that the NMOCD amend the existing surface commingling order to allow future additions to the gathering system following notice only to the interest owners being added, provided it is reasonably certain that the proposed additions will not affect the wells previously authorized for the gathering system. The wells to be added and the existing gathering system are located within Section 6 of Township 29N, Range 14W; plus Sections 3, 4, 5, 7, 8, 9, 10, 17, 18, 19, 31 & 32 of T-30N, R-14W; plus Sections 13, 24, 25, 35 & 36 of T-30N, R-15W, all located in San Juan County, New Mexico. The current central delivery gas sales meter (CDP) is located in the SE/4 NE/4 of Section 6, T-29N, R-14W and delivers gas to Enterprise Field Services at their Meter No. 14102. The gathering system currently has 43 wells (48 completions) which are completed in the following 9 pools; Basin Dakota gas (14 wells), Basin Fruitland Coal gas (17 wells), Gamblers Mesa Gallup oil (2 wells), Grassy Gallup oil (1 well), Greek Gallup oil (1 well), Harper Hill Fruitland Sand Pictured Cliffs gas (2 wells), Meadows Gallup oil (1 well), Twin Mounds Fruitland Sand Pictured Cliffs gas (9 wells) and Undesignated Fruitland Sand/PC (1 well). Of the 25 wells (27 completions) proposed to be added, 20 are in the Basin Fruitland Coal gas pool, 4 will be in the Greek Gallup oil pool, two in the Harper Hill Fruitland Sand-Pictured Cliffs, and 1 well in the Twin Mounds Fruitland Sand Pictured Cliffs gas pool. The wells to be added are; Dugan Production's Atlantis Com #4S, Bi Knobs Com #3, Bi Knobs Com #90S, Bi Knobs #91S, Big Field #91S, Big Field Com #93, Cutie Patutie #90 FC/PC, Cutie Patutie #90S FC/PC, High Dollar Com #90, High Finance #1, Mayre #90S, Monte Carlo Com #90, Monte Carlo Com #90S, Nice Com #90, Nice Com #91, Nice Com #92, Pole's Paradise #90, Pole's Paradise #90S, Pole's Paradise #91, Sly Slav Com #3S, Sly Slav Com #90, Sly Slav Com #90S, plus Encana's Meadows 108-3014 #1H, Meadows L03-3014 #1H, and Meadows D18-3014 #1H. All wells are located upon one of the following leases held by Dugan Production Corp.; Federal Leases NM-4465, NM-9788, NM-10561, NM-10758, NM-10875, NM-12086, NM-16057, NM-16765, NM-19163, NM-19403, NM-21463, NM-21465, NM-55114, NM-70298, NM-70299, NM-70300, NM-71716, NM-76870, NM-113433, NM-113973, SF-078110; State Leases E-3555, E-6714, LG-3045-1, VA-1696 and numerous fee leases. Any person holding an interest in any of these lands or leases may contact Dugan Production Corp. for additional information. Inquiries should be directed to John Roe at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the initial date of this publication. In the absence of objection, Dugan Production Corp. has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 67752 published in The Daily Times on June 17, 2012.



dugan production corp.

July 2, 2012

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Dugan Production's Application dated 6/15/12
Add 25 Wells to our Turk's Toast Gathering System

Dear Ms. Bailey,

Attached for your consideration of the captioned application is a copy of the approval dated 6/27/12 from the New Mexico State Land Office.

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

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

Attachments

RECEIVED OGD
2012 JUL -3 A 11:51



Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

June 27, 2012

Dugan Production Corporation
P.O. Box 420
Farmington, New Mexico 87499-0420

Attention: Mr. John D. Roe

Re: Application to add 25 wells
Dugan Production Corp.'s
Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Mr. Roe:

We are in receipt of your letter of June 15, 2012 requesting approval for surface commingling, off-lease measurement and sale of natural gas produced from 25 wells to be added to Dugan Production's Turk's Toast Gas Gathering System.

The 25 wells to be added include 20 completions operated by Dugan Production in the Basin Fruitland Coal Gas Pool (71629), two completion in the Harper Hill Fruitland Sand gas pool (78160), one completion in the Twin Mounds Fruitland Sand Pictured Cliff gas pool (86620) and one completion in the Greek Gallup oil pool (96219), plus three wells to be operated by Encana Oil and Gas (USA) Inc. to be drilled in the Greek Gallup Oil pool.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 dollar filing has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
Larry J. Roybal, Director
Oil, Gas and Minerals Division
(505) 827-5744

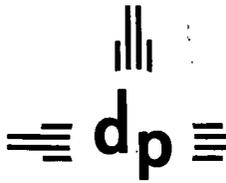
RP/LR/pm

cc: Reader File,

OCD-Attention: Mr. Ed Martin

BLM-Farmington

JUL 02 2012



dugan production corp.

RECEIVED OCD

2012 JUL 10 P 12:55

July 9, 2012

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Dugan Production's Application dated 6/15/12
Add 25 Wells to our Turk's Toast Gathering System

Dear Ms. Bailey,

Attached for your consideration of the captioned application is a copy of the approval dated 7/9/12 from the Bureau of Land Management. In addition, attached are copies of the certified mail-return receipts for three overriding royalty interest owners which brings our interest owner notice to 100% of working interest owners, 26 of 29 royalty interest and 38 of 41 overriding royalty interest owners.

With BLM's approval, we now have regulatory approvals for all Federal and State royalty interest and to date have not received any objection from any interest owner.

Sincerely,

John D. Roe
Engineering Manager

JDR/cao

Attachments



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



In Reply Refer To:
3162.7-3
Turk's Toast GGS

July 9, 2012

John Roe
Dugan Production Company
P.O. box 420
Farmington, New Mexico 87499-0420

Dear Mr. Roe:

Reference is made to your application dated June 15, 2012, and supplemented by letter dated June 26, 2012, requesting approval to add 25 wells to the previously approved Turk's Toast Gas Gathering System (TTGGS). Of the 25 wells being added, three (3) wells will be operated by Encana Oil and Gas (USA) under a Participation Statement to the TTGGS. The remaining wells to be added to the system are Dugan operated wells.

Dugan Production Company is hereby authorized to expand the TTGGS in accordance with the terms and conditions previously issued. This authorization is for produced gas only. In addition, Encana will also be required to adhere to all terms and conditions of the original approval and any subsequent amendments. Please provide Encana with a copy of this authorization. If you have any questions regarding the above, please contact me at (505) 564-7735.

Jim Lovato

Senior Technical Advisor,
Petroleum Engineer

Cc: NMOCD: Santa Fe

RECEIVED
JUL 10 2012

Jurks Coast CDP

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<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) SARAH BIRD</p> <p>C. Date of Delivery JUN 25 2012</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>LILLIAN GIBSON FBO PAMELA S ANGELL P O BOX 8375 SAVANNAH GA 31412-8375</p>	<p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7011 2970 0003 7599 0424</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

ORRI

Jurks Coast CDP

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<p>1. Article Addressed to:</p> <p>JIM L & MARY LOU JACOBS LIVING TRUST UTA 11/6/97 3505 CRESCENT AVENUE FARMINGTON NM 87401</p>	<p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7011 2970 0003 7599 0486</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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Jurks Coast CDP

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<p>1. Article Addressed to:</p> <p>JOHN W GATES LLC 706 WEST GRAND AVENUE ARTESIA NM 88210</p>	<p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7011 2970 0003 7599 0493</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

ORRI