

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Dugan Production Corp*

**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 \_\_\_\_\_

- [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,  
*\* Attachment No. 5 presents copies of notification to interest owners - All sent certified - Return Receipt - upon receiving receipts, copies will be sent to*
- [F]  Waivers are Attached

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

[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.**

<u>John D. Roe</u> Print or Type Name	<u><i>John D Roe</i></u> Signature	<u>Engineering Manager</u> Title	<u>8-6-12</u> Date
		<u>johnroe@duganproduction.com</u> 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-149-E  
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. 1	Attachment No. 1	Attachment No. 1		Attachment No. 1	Attachment No. 1
8 gas pools &					
7 oil pools					

- (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. See Attachment No. 5  
(4) Measurement type:  Metering  Other (Specify) See Attachment No. 1  
(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

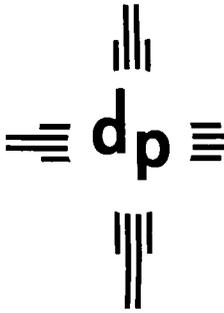
- (1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(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. 2  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 2  
(3) Lease Names, Lease and Well Numbers, and API Numbers. Attachment No. 3

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: August 6, 2012  
TYPE OR PRINT NAME John D. Roe TELEPHONE NO.: 505-325-1821  
E-MAIL ADDRESS: johnroe@duganproduction.com



# dugan production corp.

RECEIVED OGD

2012 AUG 13 P 12:33

August 6, 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 two wells  
Dugan Production's  
Goodtimes 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 two wells to Dugan Production's existing Goodtimes Gas Gathering System (GTGS), which will require the surface commingling of gas plus off-lease measurement and sale of produced natural gas. The GTGS was last approved by the BLM on 5/18/12, the NMOCD on 5/11/12 (PLC-149-E), and the NMSLO on 5/8/12, and currently has 245 wells (260 completions) approved for operation on the GTGS. The two wells to be added will be operated by Encana Oil & Gas (USA) Inc., one of which will be a horizontal completion in the Bisti Lower Gallup Oil Pool (5890), and one will be a horizontal completion in the South Bisti Gallup Oil Pool (5860). Production from each of these pools is currently authorized for operation on the GTGS and our last application dated 4/11/12 included four horizontal Gallup wells to be operated by Encana, two in the Bisti Gallup, and two in the South Bisti Gallup oil pools. All leasehold interest for the two wells to be added is State of New Mexico and includes the following leases: B-10889, V-1509, V-7918. The two 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 two wells to the GTGS. Attachment No. 8 presents the "Participation Statement" by Encana Oil & Gas (USA) Inc. requesting to include the gas production from these two wells in Dugan's GTGS. 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 GTGS and the allocation procedures used for all other wells will be used for the wells to be added. This addition should have little to no effect upon the interest of any well currently operating on the GTGS. Should production from Encana's wells exceed the available capacity of the GTGS, we will consider other options to facilitate gas sales from Encana's wells.

Dugan Production's GTGS currently has 245 wells (260 completions) approved for the gathering system and during December, 2011 & January, 2012, production from all wells averaged 1661 mcf plus 209 bbl of oil and condensate per day. Production comes from six gas pools and five oil pools. Production statistics for each pool and the CDP gas sales are presented on Attachment No. 1. Of the authorized completions, 103 (53 of which are active) are in gas pools and the per well average was 18.5 mcf plus little to no condensate. The oil pool completions averaged 5.2 mcf plus 1.6 BOPD. The peak production from any one well in the gas pools was 139.5 mcf and 18.6 mcf in the oil pools. Thus, for the most part, wells currently connected to the GTGS are considered to be low volume, marginal producing wells. We do anticipate higher volumes of gas to be produced from Encana's horizontal wells, however at this time, we have very limited production data from the two wells currently being production tested (Good Times P32-2410 #1H and the Escrito P16-2409 #1H). The GTGS currently has two central delivery gas sales meters (CDP's). CDP No. 1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources at their Meter No. 31103. CDP No. 2 is

located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services (previously El Paso Field Services) at their Meter No. 97228. During 2011, approximately 42% (448 mcf) of the gas sales went to Elm Ridge Resources and 58% (618 mcf) went to Enterprise. The split between Enterprise and Elm Ridge varies month to month depending primarily upon pipeline pressures and operating conditions on each system. There is not a significant difference in gas prices for either CDP. During 2011, the volumes going to Enterprise ranged from 37% to 74% and the corresponding volumes going to Elm Ridge ranged from 63% to 26% of the total sales volume. It should be noted that during 2011, 64% of the production was sold with the balance being used for lease and/or gathering system fuel requirements. This emphasized the marginal nature of most wells connected to the GTGS. All oil wells plus most Fruitland coal wells are equipped with rod pump artificial lift equipment requiring 3-1/2 to 5 mcf to fuel the pumping unit engines on lease. In addition, we currently operate four compressors to move gas through the ±80 miles of gathering system and maintain gathering system pressures of 10 to 50 psi. The current gathering system equipment and fuel requirements are presented in Attachment No. 7.

The GTGS was initially authorized in January of 1984 and this application will be the 17<sup>th</sup> expansion. NMOCD Form 107-B is attached in support of this application to add two wells. **Attachment No. 2** consists of five USGS Topo maps (Map No. 1 = Huerfano Trading Post SW, Map No. 2 = Pueblo Bonito NW, Map No. 3 = Blanco Trading Post, Map No. 4 = Kimbeto, and Map No. 5 = Crow Mesa West) and presents a map of the GTGS. The two wells being added are presented on Maps No. 1 & 3 with Maps No. 2, 4 & 5 being unchanged from our 4/11/12 application. Also presented on Attachment No. 2 (Maps No. 1, 2 & 3) is Dugan Production's Sesamee Street Gathering System (SSGS) which is presented for information purposes only. The SSGS is primarily for Dugan Production's current development program in the Basin Fruitland Coal which requires a gathering system for CBM gas plus the associated water production typical to the Fruitland Coal. We are currently preparing an application to expand the SSGS which will be submitted in a separate application. For convenience, the maps in Attachment No. 2 are reduced to 50% of the full scale which results in a map scale of approximately 1"=4000'. A full scale (1"=2000') copy of each map is included for your use should you prefer the full scale. In addition, leasehold interest is also presented which includes 81 federal leases, 16 state leases plus 23 Navajo Allotted leases. All leases presented are held by Dugan Production with the exception of one federal lease (NM-8005) which is held by QEP Energy Company (Questar E&P). Of the 245 wells currently authorized for the system, Dugan Production is the operator of all wells except the four Federal D lease wells operated by QEP Energy and the four Encana Oil & Gas (USA) Inc. wells. Information for each well and the associated leases is presented on **Attachment No. 3**.

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 and stored on the lease. Each well will be equipped with a continuous recording gas meter (or some form of approved alternative measurement) to be used for allocation purposes, which will be operated and maintained by Dugan Production. Considering that most wells produce natural gas volumes that qualify for some form of alternative measurement, 25 wells on the GTGS are currently using alternative measurement and a total of 84 wells have been approved to use alternative measurement. Prior to converting any gas measurement from a conventional gas 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 are utilized to determine factors for allocating CDP volumes, BTU's and revenues to the individual wells. The allocation procedures currently approved for the existing wells and to be used on the wells to be added are presented on Attachment No. 6.

**Attachment No. 4** presents the interest ownership in the two wells proposed to be added to the GTGS which includes two working interest owners (Dugan Production and Encana Oil & Gas), one royalty interest (state), plus three overriding royalty interest owners. As required by current Goodtimes Gathering System **Commingling Order, PLC-149 3<sup>rd</sup> Amendment**, all interest owners in the wells proposed to be added to the gathering system have been given notice that Dugan Production Corp. is proposing to add two wells to the GTGS. All working and royalty interest owners in the two wells to be added have been provided with a complete copy of this application. The overriding royalty interest owners received basic information about the subject application and were offered a complete copy of the application should they choose to have it. **Attachment No. 5** presents copies of all notice efforts regarding this application. Also included in Attachment No. 5 is a copy of the advertisement that was published in the Daily Times on August 5<sup>th</sup>, 2012 to further provide notice to all interest owners, anticipating that out of the notices mailed by certified mail, there will invariably be some receipts not returned.

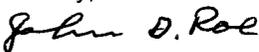
**Attachment No. 7** presents a description of the gathering system equipment and any fuel requirements along with a facility diagram for each of the six water disposal wells plus a water transfer facility. The water disposal wells along with the water transfer facility are important to the operation of a gas gathering system in that each facility receives fuel gas from the gathering system and also delivers gas recovered at the facility to the gathering system for sale at the CDP. The gas delivered to the gathering system comes from the water production that is delivered to the facility by pipeline primarily from wells completed in the Pictured Cliffs and Fruitland Coal. Typically these wells produce high volumes of water and in order to economically produce these wells, the water (and some gas) is produced up the tubing using a rod pump artificial lift and the gas is primarily produced up the casing-tubing annulus and is then metered and delivered to the gathering system in a line separate from the water. The fluid stream from the tubing is delivered to the water disposal and/or transfer facility by pipeline. At the facility the water and any associated gas are separated using a conventional 2 phase separator and the gas from the separator is measured with a conventional meter similar to that being used to measure gas production from each well. The volumes metered from the separator are used to allocate CDP gas volumes back to the separator using the same allocation procedure used for allocating gas on all other wells. The gas volumes allocated to the separator are then allocated to each well delivering water to the separator based upon the percentage of the total water delivered by each well. The fuel gas used by each facility is determined monthly either by using equipment specifications and run time on facilities with small volumes being needed (such as the Mesa No. 4, and Chaco facilities) and on facilities needing larger volumes of fuel such as the Sanchez O'Brien SWD facility the volume of gas being used for fuel is metered and sampled for BTU content. The gas meter is maintained by Dugan Production and the charts are integrated monthly by a commercial integration service. The volumes of gas used for fuel (mcf & mmbtu) are then sold to Dugan Production at the average gas price received, during the month of use, at the two CDP's. The gas volumes (mcf & mmbtu) and revenues are then added to the total gas volumes (mcf & mmbtu) and revenues for CDP No. 1 and CDP No. 2 for allocation to all wells on the gathering system. Each of the water disposal facilities and the water transfer facility are operated separately from the GTGS with Dugan Production purchasing all fuel used at each facility and including the gas volumes, mmbtu's and revenues for the fuel gas in the volumes allocated to individual wells on the gathering system so that there is no loss of volume or revenue to any interest owner. It should be noted that of the water disposal facilities listed, only three (the Chaco Water Transfer Station, Mesa No. 4 SWD, and the Sanchez O'Brien No. 1 SWD) operate on the GTGS (i.e., fuel gas comes from the GTGS and separator gas received at the facility is returned to the GTGS). Four of the facilities listed (the Frazzle No 1 SWD, Herry Monster No. 3 SWD, Mary Lou No. 1 SWD, and St. Moritz No. 2 SWD) operate on Dugan's Sesamee Street Gathering System and are included on Attachment No. 7 as each SWD well can be used for the disposal of water produced from GTGS wells.

To insure line integrity of our gathering systems, Dugan Production routinely monitors all gathering systems for leaks using portable gas detection equipment.

In summary, Dugan Production Corp. is requesting approval to add two horizontal oil wells to be operated by Encana Oil & Gas (USA) Inc. wells to the Goodtimes Gathering System which will require surface commingling, plus off-lease measurement and sale of produced gas. These two wells will be operated in the same manner that has been authorized for the 245 wells currently approved for operation on the gathering system (which includes four horizontal wells to be operated by Encana).

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  
Working & royalty interest owners – wells to be added



## 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  
Goodtimes GGS

September 11, 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 August 6, 2012, requesting the addition of two (2) wells to the previously approved Goodtimes Gas Gathering System (GGGS). The wells being added will be operated by Encana Oil and Gas (USA) under a Participation Statement to the GGGS. Both of the subject wells are located on State of New Mexico mineral estate.

Although these wells have not been completed for production and the well performance is yet to be determined, inclusion of these wells into the GGGS is considered to be in the public interest based on the following reasons:

- Resource recovery will be maximized from the two additional wells while eliminating waste.
- The environmental impacts would be limited to installation of new GGGS connections in lieu of a new and separate pipeline installation which would likely require public land access and issuance of new rights of way.

As such, Dugan Production Company is hereby authorized to expand the GGGS in accordance with the terms and conditions for the GGGS. 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 to the GGGS. 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  
FIMO

RECEIVED  
SEP 14 2012



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](http://www.nmstatelands.org)

August 16, 2012

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

Attn: Mr. John D. Roe

Re: Application to add Two Additional wells  
Dugan Production's Goodtimes Gas Gathering System  
State Lease Numbers B10889, V-1509 & V-7918  
San Juan County, New Mexico

Dear Mr. Roe:

We are in receipt of your letter of August 6, 2012 requesting our approval to add 2 Encana Oil & Gas wells to Dugan's existing Goodtimes Gas Gathering System, which will require the surface commingling of gas plus off-lease measurement and sale of produced natural gas.

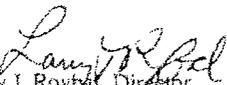
Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the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

**ATTACHMENT NO. 1  
PRODUCTION SUMMARY  
WELLS CONNECTED TO DUGAN PRODUCTION'S  
GOODTIMES 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
<b>Gas Pools</b>									
Basin Dakota (71599)	1385	10	6	28.4	0.6	4.7	0.1	7.7	0.4
Basin Fruitland Coal (71629)	1048	75	40	854.8	0	21.5	0	139.5	0
Bisti Chacra (96166)	1124	1	0	0	0	0	0	0	0
Bisti Pictured Cliffs (97073)	1061	1	1	1.6	0	1.6	0	1.6	0
Potwin Pictured Cliffs (83000)	1057	9	4	55.2	0	13.8	0	29.1	0
Witty Springs Pictured Cliffs (96872)	1027	2	2	39.1	0	20.0	0	37.2	0
Undesignated FR/PC	1020	4	0	0	0	0	0	0	0
Undesignated Dakota	1150	1	0	0	0	0	0	0	0
<b>Subtotal - gas pools</b>	<b>1057</b>	<b>103</b>	<b>53</b>	<b>979.1</b>	<b>0.6</b>	<b>18.5</b>	<b>0</b>	<b>139.5</b>	<b>0.4</b>
<b>Oil Pools</b>									
Bisti Lower Gallup (5890)	1498	38	30	188.4	45.8	6.3	1.5	18.6	6.5
Bisti Gallup, South (5860)	1492	94	89	420.2	144.0	4.7	1.6	11.8	4.1
Cuervo Gallup (15006)	1519	3	2	17.8	4.5	8.9	2.2	11.4	2.5
Cuervo Mesaverde (15010)	1350	2	0	0	0	0	0	0	0
Lybrook Gallup (42289)	1453	4	4	36.7	11.2	9.2	2.8	10.5	4.3
White Wash Mancos/Dakota (64290)	1556	5	5	19.1	1.7	3.8	0.3	6.4	1.1
White Wash Mesaverde (96552)	1408	1	1	0	1.4	0	1.4	0	1.4
<b>Subtotal - oil pools</b>	<b>1494</b>	<b>147</b>	<b>131</b>	<b>682.2</b>	<b>208.6</b>	<b>5.2</b>	<b>1.6</b>	<b>18.6</b>	<b>6.5</b>
<b>Total - All wells</b>	<b>1234</b>	<b>250</b>	<b>184</b>	<b>1661.3</b>	<b>209.2</b>	<b>9.0</b>	<b>1.1</b>	<b>139.5</b>	<b>6.5</b>

Calculated BTU of commingled production = **1234 btu/scf** (Average CDP BTU December, 2011 =**1156 btu/scf** & January, 2012 =**1152 btu scf**)

Calculated value of commingled production- commingling is necessary to get the gas produced from low volume wells to a gas sales meter. All CDP gas volumes and revenues will be allocated to each well contributing to production using allocation factors based upon individual well gas volumes and gas heating values. Each well will be equipped with an allocation meter or an approved method of alternative measurement. Allocation procedures previously approved (Attachment No. 6) will be used for all wells. During December, 2011 & January, 2012, of the 250 wells that have been approved for the Goodtimes Gas Gathering System, 184 were active (53 gas & 131 oil wells) and produced an average of 1,661.3 mcf plus 209.2 bbl of oil and condensate per day. The average per-well production for the 53 gas wells was 18.5 mcf and for the 131 oil wells, 1.6 BOPD and 5.2 mcf.

Notes:

① - Wells as of 2/1/12

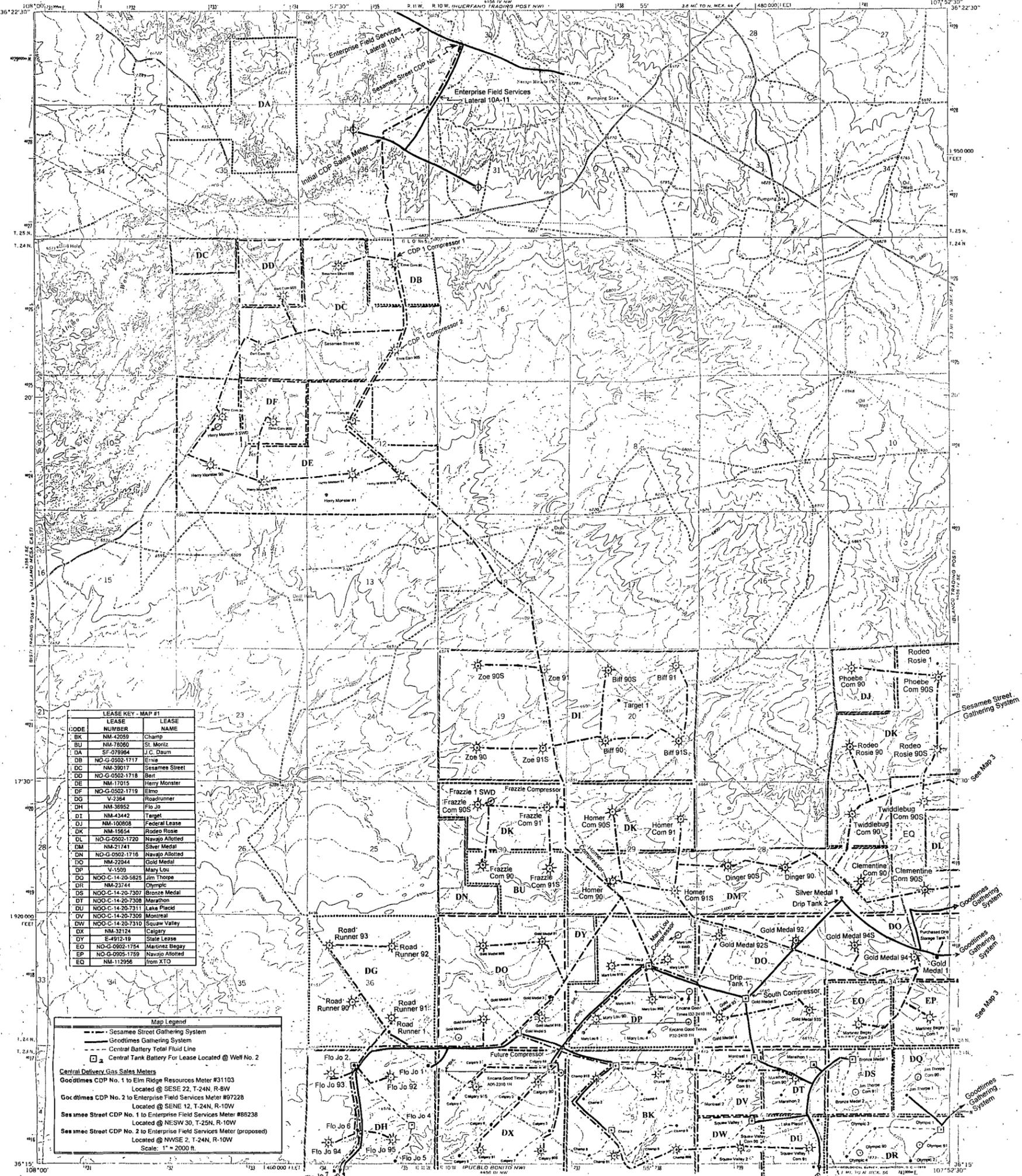
②- Average production December, 2011 & January, 2012. BC/BOPD = barrels of condensate or oil per day.

**ATTACHMENT NO. 1  
 CDP GAS SALES SUMMARY  
 GOODTIMES GAS GATHERING SYSTEM**

	2010 - mcf @ 14.73 psi			2011 mcf @ 14.73 psi		
	CDP 1	CDP 2	TOTAL	CDP 1	CDP 2	TOTAL
JANUARY	7610	12686	20296	12139	12761	24900
FEBRUARY	7414	10756	18170	8556	16544	25100
MARCH	7821	14138	21959	12105	24193	36298
APRIL	8773	16590	25363	13045	18738	31783
MAY	12244	16261	28505	13122	20455	33577
JUNE	12032	14528	26560	13305	22311	35616
JULY	11993	16081	28074	8659	24945	33604
AUGUST	11811	19533	31344	14031	22030	36061
SEPTEMBER	12974	17809	30783	14194	17707	31901
OCTOBER	13677	12320	25997	15209	17373	32582
NOVEMBER	8256	22921	31177	18266	10528	28794
DECEMBER	13262	19390	32652	16957	16030	32987
<b>TOTAL</b>	<b>127867</b>	<b>193013</b>	<b>320880</b>	<b>159588</b>	<b>223615</b>	<b>383203</b>
<b>Average mcf/d</b>	<b>350</b>	<b>529</b>	<b>879</b>	<b>448</b>	<b>618</b>	<b>1066</b>

Central Delivery Gas Sales Meter No. 1 (CDP 1) - Elm Ridge Resources Meter No. 31103 located SESE 22, T-24N, R-8W

Central Delivery Gas Sales Meter No. 2 (CDP 2) - Enterprise Field Services Meter No. 97228 located SENE 12, T-24N, R-10W



**LEASE KEY - MAP #1**

CODE	LEASE NUMBER	LEASE NAME
BK	NM-42059	Champ
BU	NM-78060	St. Moniz
DA	SF-07994	J.C. Daum
DB	NO-G-0502-1717	Ernie
DC	NM-39017	Sesamee Street
DD	NO-G-0502-1718	Bert
DE	NM-17015	Henry Monster
DF	NO-G-0502-1719	Elmo
DG	V-2384	Roadrunner
DH	NM-39852	Flo Jo
DI	NM-2442	Target
DJ	NM-10268	Federal Lease
DK	NM-15554	Rodeo Rosie
DL	NO-G-0502-1720	Navajo Allotted
DM	NM-21741	Silver Medal
DN	NO-G-0502-1716	Navajo Allotted
DO	NM-22044	Gold Medal
DP	V-1509	Mary Lou
DQ	NO-G-14-20-5825	Jim Thorpe
DR	NM-23744	Olympic
DS	NO-G-14-20-7307	Bronze Medal
DT	NO-G-14-20-7308	Marathon
DU	NO-G-14-20-7311	Lava Placid
DV	NO-G-14-20-7309	Montreal
DW	NO-G-14-20-7310	Squaw Valley
DX	NM-32124	Calgary
DY	E-4912-19	State Lease
EO	NO-G-0502-1754	Marionez Begay
EP	NO-G-0505-1759	Navajo Allotted
ED	NM-112956	from XTO

**Map Legend**

- Sesamee Street Gathering System
- Goodtimes Gathering System
- Central Battery Total Fluid Line
- Central Tank Battery For Lease Located @ Well No. 2

**Central Delivery Gas Sales Meters**

- Goodtimes CDP No. 1 to Elm Ridge Resources Meter #31103  
Located @ SESE 22, T-24N, R-10W
- Goodtimes CDP No. 2 to Enterprise Field Services Meter #97228  
Located @ SENE 12, T-24N, R-10W
- Sesamee Street CDP No. 1 to Enterprise Field Services Meter #86238  
Located @ NESW 30, T-25N, R-10W
- Sesamee Street CDP No. 2 to Enterprise Field Services Meter (proposed)  
Located @ NWSE 2, T-24N, R-10W

Scale: 1" = 2000 ft.

**Attachment No. 2**  
**Map No. 1**  
**Dugan Production Corp.**  
**Sesamee Street & Goodtimes Gathering System**  
**San Juan Co., NM**  
**As of August 6, 2012**

**ROAD CLASSIFICATION**

Light duty ————  
Unimproved dirt - - - - -

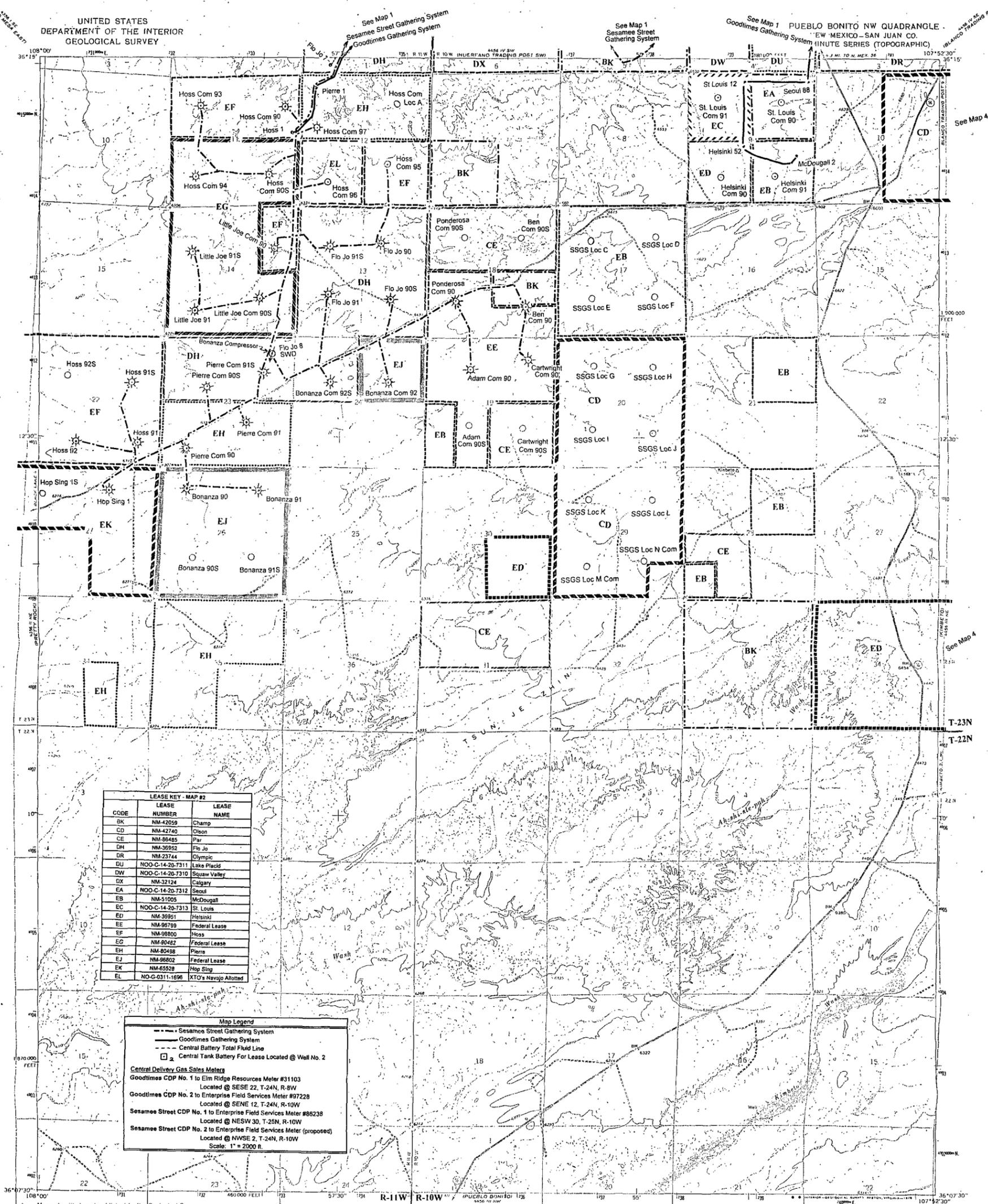
HUERFANO TRADING POST SW, N. MEX.  
N3615—W10752.5/7.5

1966  
AMS 4456 IV SW—SERIES 5081

Mapped, edited, and published by the Geological Survey  
Control by USGS and USGS/GS  
Topography by photogrammetric methods from aerial  
photographs taken 1965. Field checked 1966  
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 13, shown in blue

UTM GRID AND 1966 MAGNETIC NORTH  
DECLINATION AT CENTER OF SHEET

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY



LEASE KEY - MAP #2		
CODE	LEASE NUMBER	LEASE NAME
BK	NM-42059	Champ
CD	NM-42740	Olson
CE	NM-86485	Par
DH	NM-36952	Flo Jo
DR	NM-23744	Olympic
DW	NOO-C-14-20-7311	Lake Placid
DW	NOO-C-14-20-7310	Squaw Valley
DX	NM-32124	Calgary
EA	NOO-C-14-20-7312	Senal
EB	NM-51005	McDougall
EC	NOO-C-14-20-7313	St. Louis
ED	NM-36951	Helsinki
EE	NM-96799	Federal Lease
EF	NM-98800	Hoss
EG	NM-80482	Federal Lease
EH	NM-80498	Pierre
EJ	NM-98802	Federal Lease
EK	NM-65528	Hop Sing
EL	NOO-C-0311-1696	XTO's Navajo Allotted

**Map Legend**

- - - Sesamee Street Gathering System
- - - Goodtimes Gathering System
- - - Central Battery Total Fluid Line
- Central Tank Battery For Lease Located @ Well No. 2

**Central Delivery Gas Sales Meters**

- Goodtimes CDP No. 1 to Elm Ridge Resources Meter #31103  
Located @ SESE 22, T-24N, R-8W
- Goodtimes CDP No. 2 to Enterprise Field Services Meter #97228  
Located @ SENE 12, T-24N, R-10W
- Sesamee Street CDP No. 1 to Enterprise Field Services Meter #86238  
Located @ NESW 30, T-25N, R-10W
- Sesamee Street CDP No. 2 to Enterprise Field Services Meter (proposed)  
Located @ NWSE 2, T-24N, R-10W

Scale: 1" = 2000 ft.

Attachment No. 2  
Map No. 2  
Dugan Production Corp.  
Sesamee Street & Goodtimes Gathering System  
San Juan Co., NM  
As of March 1, 2012

**ROAD CLASSIFICATION**

- Light-duty
- Unimproved dirt
- Slate Route

PUEBLO BONITO NW, N. MEX.  
N3607.5-W10752.5/7.5  
1966  
AMS 455 III NW-SERIES V881

Mapped, edited, and published by the Geological Survey  
Control by USGS and USC&GS  
Topography by photogrammetric methods from aerial  
photographs taken 1965. Field checked 1966  
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 13, shown in blue  
Fine red dashed lines indicate selected fence lines

UTM GRID AND 1986 MAGNETIC NORTH  
DECLINATION AT CENTER OF SHEET

LEASE KEY - MAP #3	LEASE NUMBER	LEASE NAME	5/2000 FEET   1/52	LEASE NUMBER	LEASE NAME
A	NM-4956	April Surprise		BI	NO-G-0502-1715 Big Yazzie
B	NM-18759	Big Bird/Mo Valley		BJ	NM-1898 Wit's End
C	NM-3940	Big Eight		BK	NM-42059 Champ
D	NM-14-20-0603-1424	Blanco Wash 1		BL	NM-23470 Fairway
E	NM-14-20-0603-1403	Blanco Wash 2 (terminated)		BO	SF-078859-0 Federal Lease
F	NM-14-20-0603-1405	Blanco Wash 4		BP	NO-G-0103-1462 Bugh
G	NM-9520	Elwood P Dowd		BR	NM-18122 January Jamboree
H	NM-51000	Fabulous Feb		BS	NM-25942 Merry May
I	NM-10755	Harvey/July Jubilee		BT	NM-5891 June Joy
J	B-10889-16 R 23	Holy		BU	NM-78000 St. Moritz
K	V-7918-5	State Lease (replaced LG-1015-3)		BV	NM-43443 August
L	V-8491	Holly (replaced E-6544)		BW	LG-9804 Oktoberfest
M	NM-4509	Ivy League		CO	NM-8005 Orestar's Federal "D"
N	NM-100332	MC Crane (replaced SF-078859)		DK	NM-18954 Navajo Allotment
O	NM-24961	July Jubilee		DL	NM-22044 Gold Medal
P	SF-078860	Largo Federal B		DO	NM-112256 Lease from X10
Q	LG-5885	March On			
R	NM-10089	Mary Anne			
S	NM-18760	MF			
T	NM-26474	Muddy Mudda			
U	SF-078862-A	Nageezi			
V	NM-12374	November 24			
W	NM-60843	Ohwada			
X	NM-45207	Pac Ten			
Y	NM-32854	Philips			
Z	NM-63219	Philips			
AA	NM-25433	Sixteen G's			
AB	NM-23742	Mo Valley/Big Bird			
AC	NM-26473	Wac			
AD	NM-52973	September 15			
AE	NM-54983	September 15			
AF	NM-67108	Sanchez O'Brien			

**Map Legend**

- Sesame Street Gathering System
- Goodtimes Gathering System
- Central Battery Total Fluid Line
- Central Tank Battery For Lease Located @ Well No. 2

**Central Delivery Gas Sales Meters**

Goodtimes CDP No. 1 to Elm Ridge Resources Meter #31103  
Located @ SESE 22, T-24N, R-8W

Goodtimes CDP No. 2 to Enterprise Field Services Meter #97228  
Located @ SENE 12, T-24N, R-10W

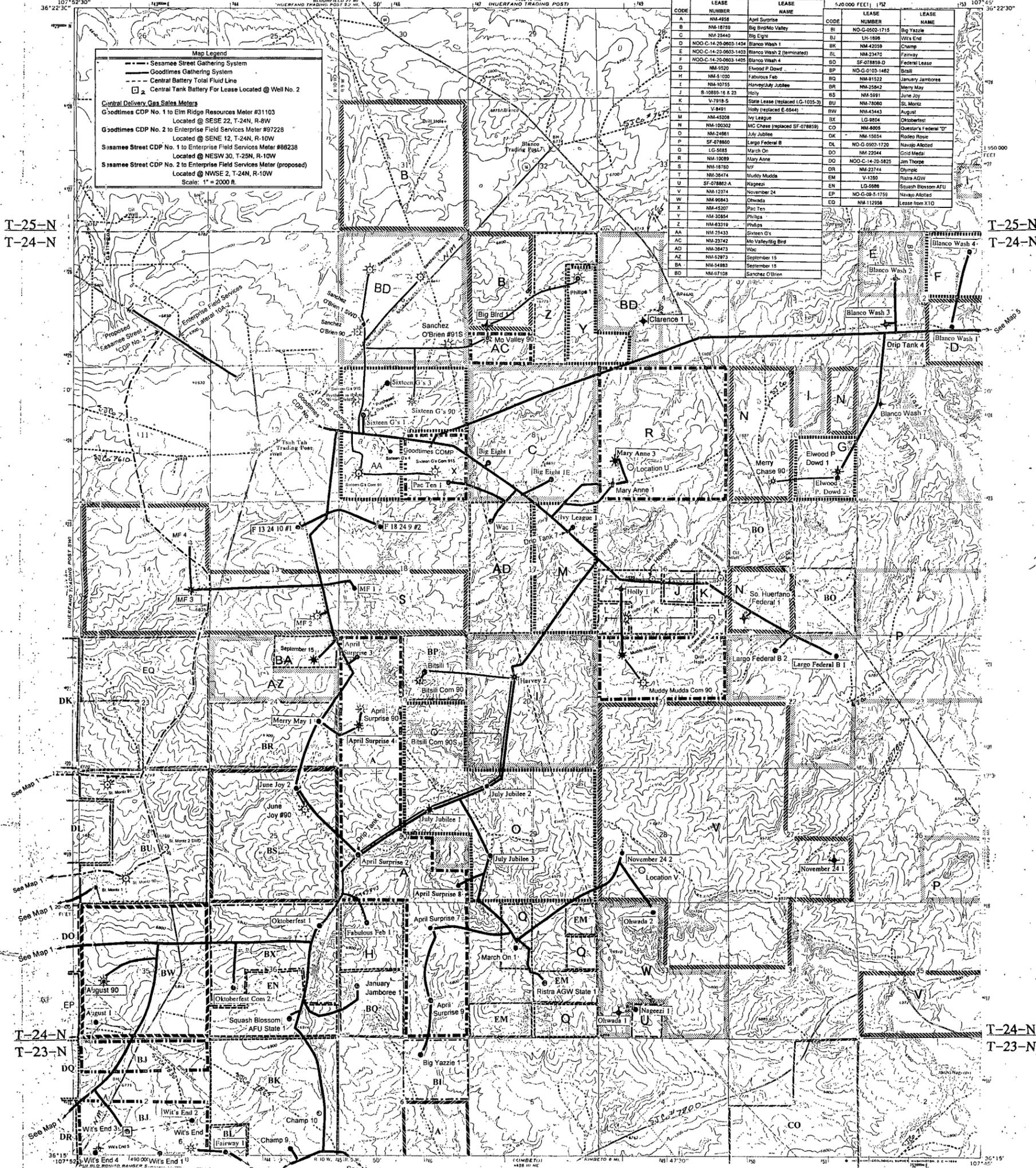
Sesame Street CDP No. 1 to Enterprise Field Services Meter #86238  
Located @ NESW 30, T-25N, R-10W

Sesame Street CDP No. 2 to Enterprise Field Services Meter (proposed)  
Located @ NWSE 2, T-24N, R-10W

Scale: 1" = 2000 ft.

T-25-N  
T-24-N

T-25-N  
T-24-N



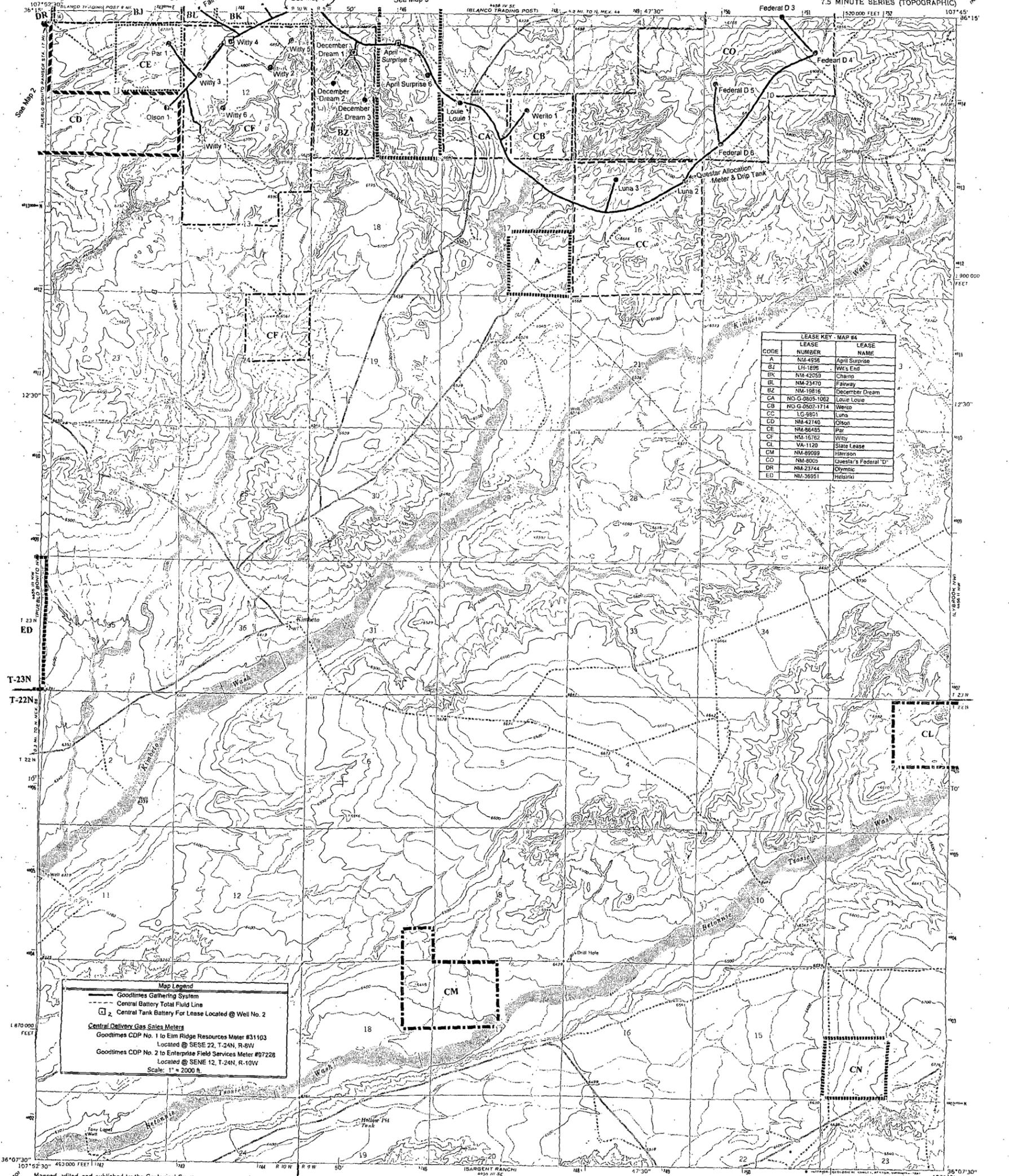
**Attachment No. 2**  
**Map No. 3**  
**Dugan Production Corp.**  
**Sesame Street & Goodtimes Gathering System**  
**San Juan Co., NM**  
**As of August 6, 2012**

ROAD CLASSIFICATION  
Medium-duty ——— Light-duty ———  
Unimproved dirt - - - - -  
State Route ○

BLANCO TRADING POST, N. MEX.  
N3615—W10745/7.5  
1966  
AMS 4450 IV SE—SERIES V881

Control by USGS and USC&GS  
Topography by photogrammetric methods from aerial photographs taken 1965. Field checked 1966  
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 13, shown in blue  
Fine red dashed lines indicate selected fence lines

UTM GRID AND 1966 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET



CODE	LEASE NUMBER	LEASE NAME
A	NM-4958	April Surprise
BZ	LH-1895	Willy End
BK	NM-42359	Champ
BL	NM-23470	Fairway
BZ	NM-19816	December Dream
CA	NG-G-0805-1062	Louie Louie
CB	NG-G-0502-1714	Wenop
CC	LG-9851	Luna
CD	NM-42145	Olson
CE	NM-26435	Par
CF	NM-16762	Willy
CL	VA-1120	Slate Lease
CM	NM-89099	Harrison
CO	NM-8005	Guestler's Federal D
DR	NM-23744	Olympic
ED	NM-36951	Holsink

**Map Legend**

- Goodtimes Gathering System
- Central Battery Total Fluid Line
- Central Tank Battery For Lease Located @ Well No. 2

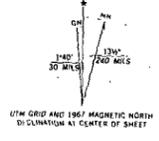
**Central Delivery Gas Sales Meters**

- Goodtimes CDP No. 1 to Elm Ridge Resources Meter #31103 Located @ SESE 22, T-24N, R-8W
- Goodtimes CDP No. 2 to Enterprise Field Services Meter #97228 Located @ SESE 12, T-24N, R-10W

Scale: 1" = 2000 ft.

Attachment No. 2  
Map No. 4  
Dugan Production Corp.  
Goodtimes Gathering Systems  
San Juan Co., NM  
As of March 1, 2012

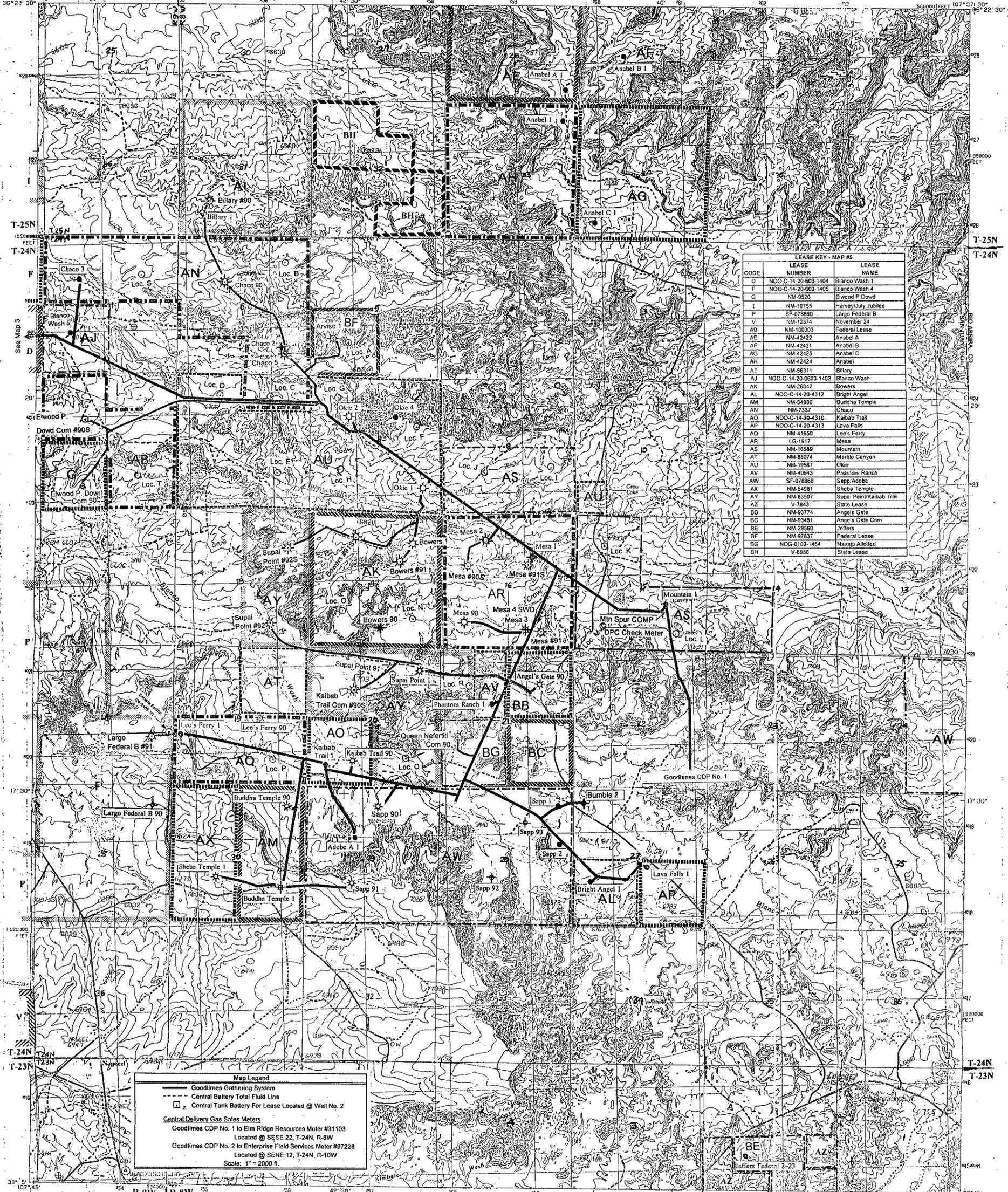
Mapped, edited, and published by the Geological Survey  
Control by USGS and USC&GS  
Topography by photogrammetric methods from aerial photographs taken 1965. Field checked 1967  
Polyconic projection. 1927 North American datum  
10,000-foot grid based on New Mexico coordinate system, west zone  
1000-meter Universal Transverse Mercator grid ticks, zone 13, shown in blue  
To place on the predicted North American Datum 1983 move the projection lines 1 meter north and 55 meters east as shown by dashed corner ticks  
Map photo inspected 1978  
No major culture or drainage changes observed



**ROAD CLASSIFICATION**

- Light-duty
- Unimproved dirt
- State Route

KIMBETO, N. MEX.  
N3607.5-W10745/7.5  
1967  
PHOTOINSPECTED 1978  
DMA 4456 III NS-SERIES V81



LEASE KEY - MAP #5	LEASE NUMBER	LEASE NAME
D	NOO-C-14-20-603-1404	Blanco Wash 1
F	NOO-C-14-20-603-1405	Blanco Wash 4
G	NM-9520	Elwood P Dowd
I	NM-10755	Harvey/July Jubilee
P	SF-078880	Largo Federal B
V	NM-12374	November 24
AB	NM-100303	Federal Lease
AE	NM-42422	Anabel A
AF	NM-42421	Anabel B
AG	NM-42425	Anabel C
AH	NM-42424	Anabel
AI	NM-56311	Billary
AJ	NOO-C-14-20-0603-1402	Blanco Wash
AK	NM-26947	Bowers
AL	NOO-C-14-20-4312	Bright Angel
AM	NM-54980	Buddha Temple
AN	NM-2337	Chaco
AO	NOO-C-14-20-4310	Kaibab Trail
AP	NOO-C-14-20-4313	Lava Falls
AQ	NM-41650	Lee's Ferry
AR	LG-1917	Mesa
AS	NM-16589	Mountain
AT	NM-88074	Marble Canyon
AU	NM-19567	Okie
AV	NM-40643	Phantom Ranch
AW	SF-078868	Sapp/Adobe
AX	NM-54981	Sheba Temple
AY	NM-83507	Supai Point/Kaibab Trail
AZ	V-7943	State Lease
BB	NM-93774	Angels Gate
BC	NM-93451	Angels Gate Com
BE	NM-29560	Jeffers
BF	NM-97837	Federal Lease
BG	NOG-0103-1484	Navajo Allotted
BH	V-8986	State Lease

**Map Legend**

- Goodtimes Gathering System
- Central Battery Total Fluid Line
- Central Tank Battery For Lease Located @ Well No. 2

**Central Delivery Gas Sales Meters**

- Goodtimes CDP No. 1 to Elm Ridge Resources Meter #31103  
Located @ SESE 22, T-24N, R-8W
- Goodtimes CDP No. 2 to Enterprise Field Services Meter #97228  
Located @ SENE 12, T-24N, R-10W

Scale: 1" = 2000 ft.

Attachment No. 2  
Map No. 5  
Dugan Production Corp.  
Goodtimes Gathering Systems  
San Juan Co., NM  
As of March 1, 2012

PROVISIONAL MAP  
Produced from original  
manuscript drawings. Information  
shown as of date of  
field check.

ROAD LEGEND

- Improved Road
- Unimproved Road
- Trail
- Interstate Route
- U.S. Route
- State Route

QUADRANGLE LOCATION

1	2	3
4	5	6
7	8	9

ADJOINING 7.5 QUADRANGLE MAPS

CROW MESA WEST, NEW MEXICO  
PROVISIONAL EDITION 1985

PRODUCED BY THE UNITED STATES GEOLOGICAL SURVEY  
CONTROLLED BY AERIAL PHOTOGRAPHS TAKEN BY THE  
GEOLOGICAL SURVEY IN 1983  
PRODUCTION MAP EDITED 1985  
PROJECTION TRANSVERSE MERCATOR  
GRID 1000-METER UNIVERSAL TRANSVERSE MERCATOR  
ZONE 10  
1000-FOOT STATE GRID TICS  
NEW MEXICO WEST ZONE  
AND CENTRAL ZONE  
UTM GRID DECLINATION 138° WEST  
1983 MAGNETIC NORTH DECLINATION 12° EAST  
VERTICAL DATUM 1927 NORTH AMERICAN DATUM  
HORIZONTAL DATUM 1927 NORTH AMERICAN DATUM  
To place on the predicted North American Datum of 1983,  
move the projection lines as shown by dashed corner ticks  
(1 meter north and 55 meters east).  
There may be private inholdings within the boundaries of any  
Federal and State Reservations shown on this map.  
All marginal data and lettering generated and positioned by  
automated type placement procedure.

GOODTIMES GAS GATHERING SYSTEM (8/6/12)  
 CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
 CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
 SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (If Established)	Pool	Completion Date	Current Status ①	BTU @ 15.025	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			30-045	¼ ¼	Sec-Twn-Rng	Lease No.						Lease Type	BPD	MCFD		BWPD	Application	APPROVAL		
																		BLM	NMOC	NMSLO
<b>WELLS TO BE ADDED (2 WELLS/LOCATIONS)</b>																				
Encana Good Times 132-2410 1H Note 13	1	35361	NESE	32-24N-10W	V1509	STATE		Bisti Gallup South	---	Note 13					S/2	8/6/12	pending	pending	pending	
Encana Escrito 116-2409 1H	3	35362	NESE	16-24N-9W	V7918	STATE	pending	Bisti Lower Gallup	---	Loc B					N/2 S/2	8/6/12	pending	pending	pending	
<b>WELLS PREVIOUSLY APPROVED FOR SYSTEM (245 WELLS-260 COMPLETIONS)</b>																				
Adobe A 1	5	21872	SE NW	29-24N-8W	SF078868	FED		CUERVO GALLUP	11/3/75	PA 11/19/07						6-22-98	8-12-99	12-4-98	7-20-98	
Angel's Gate 90	5	29394	SW NE	21-24N-8W	NM93774	FED		BASIN FR COAL	9/11/96	P	1065	0.0	10.4	25.8	E/2	6-22-98	8-12-99	12-4-98	7-20-98	
April Surprise 2 DK	3	23892	NW SW	30-24N-9W	NM4958	FED		BASIN DAKOTA	3/27/80	TA 5/96	---	---	---	---	W/2	1-16-84	1-18-84	A	A	
April Surprise 2 GA	3	23892	NW SW	30-24N-9W	NM4958	FED		BISTI LOWER GA	5/23/96	P	1482	2.1	12.3	0.7	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
April Surprise 3	3	25122	NW NW	19-24N-9W	NM4958	FED		BISTI LOWER GA	8/19/82	P	1482	1.0	5.3	0.5	N/2 NW/4	1-16-84	1-18-84	A	A	
April Surprise 4 DK	3	25487	NW SW	19-24N-9W	NM4958	FED	NMA0006	BASIN DAKOTA	12/16/82	P-DHC	1634	0.2	6.7	0.0	S/2	1-16-84	1-18-84	A	A	
April Surprise 4 GA	3	25487	NW SW	19-24N-9W	NM4958	FED		BISTI LOWER GA	12/16/82	P-DHC	1482	0.8	1.3	0.8	N/2 SW/4	1-16-84	1-18-84	A	A	
April Surprise 5	4	25947	NW NE	7-23N-9W	NM4958	FED		BISTI GALLUP SO.	7/9/84	P	1546	0.5	0.4	1.0	W/2 NE/4	7-1-85	7-11-85	A	A	
April Surprise 6	4	26515	SE NE	7-23N-9W	NM4958	FED		BISTI GALLUP SO.	11/13/85	P	1546	0.9	3.5	2.6	E/2 NE/4	11-12-85	11-21-85	A	A	
April Surprise 7	3	29293	NW NE	31-24N-9W	NM4958	FED		BISTI LOWER GA	4/18/96	P	1482	2.3	10.8	0.7	W/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
April Surprise 8	3	29419	SE SE	30-24N-9W	NM4958	FED		BISTI LOWER GA	3/4/97	P	1482	2.8	6.3	1.0	S/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
April Surprise 9	3	33101	NW SE	31-24N-9W	NM4958	FED		BISTI GALLUP SO.	12/27/05	P	1546	3.5	8.6	0.3	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
April Surprise 90	3	29188	NW SW	19-24N-9W	NM4958	FED		BASIN FR COAL	6/19/96	P	1027	0.0	3.3	10.3	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Arviso 1	5	33943	NWSW	5-24N-8W	NM97837	FED		POTWIN PC	2/1/07	P	1048	0.0	3.1	0.0	SW/4	9-24-07	12-13-07	11-21-07	11-7-07	
August 1	3	26520	SW SW	35-24N-10W	NM43443	FED		BISTI GALLUP SO.	10/22/85	P	1420	0.8	4.3	2.1	W/2 SW/4	11-12-85	11-21-85	A	A	
August 90	3	20184	NW SW	35-24N-10W	NM43443	FED		BASIN FR COAL	11/28/94	P	1039	0.0	2.5	0.1	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Big Eight 1	3	21996	NW SW	8-24N-9W	NM25440	FED		BISTI LOWER GA	5/14/76	P	1573	1.3	8.5	0.7	NW/4 SW/4	12-5-86	12-6-86	A	A	
Big Eight 1E	3	25221	SW SE	8-24N-9W	NM25440	FED		BISTI LOWER GA	7/20/82	P	1573	0.9	2.0	0.3	S/2 SE/4	12-5-86	12-5-86	A	A	
Big Yazzie 1	3	33149	NWNE	6-23N-9W	NOG-0502-1715	NAV ALLTD		BISTI GALLUP SO.	1/13/06	P	1585	3.8	3.1	0.7	W/2 NE/4	9-24-07	12-13-07	11-21-07	11-7-07	
Billary 90	5	30248	SW SW	31-25N-8W	NM-56311	FED		BASIN FR COAL	6/24/05	P	1020	0.0	2.6	1.4	W/2	7-23-03	8-29-03	8-17-03	7-30-03	
Bitsili 1	3	33186	SWNE	19-24N-9W	NOG-0103-1462	NAV ALLTD		BISTI LOWER GA	1/30/06	P	1459	1.4	7.9	0.6	S/2 NE/4	9-24-07	12-13-07	11-21-07	11-7-07	
Bitsili Com 90	3	33187	SWNE	19-24N-9W	NOG-0103-1462	NAV ALLTD	NMNM112708	BASIN FR COAL	11/21/05	P	1015	0.0	25.3	10.3	E/2	9-24-07	12-13-07	11-21-07	11-7-07	
Bitsili Com 90S	3		SE	19-24N-9W	NM24661	FED	NMNM112708	BASIN FR COAL		LOC		*	*	*	E/2	9-24-07	12-13-07	11-21-07	11-7-07	
Blanco Wash 1 MA/DK	3	22473	NW SE	2-24N-9W	142006031404	NAV ALLTD		WHITE WASH MA/DK	3/25/78	P-DHC	1556	0.2	3.6	0.2	NW/4 SE/4	12-5-86	12-5-86	A	A	
Blanco Wash 1 MV	3	22473	NW SE	2-24N-9W	142006031404	NAV ALLTD		WHITE WASH MV	5/3/96	P-DHC	1556	1.4	0.0	1.6	NW/4 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Blanco Wash 2 FR	3	22482	SE NW	2-24N-9W	142006031403	NAV ALLTD		BASIN FR COAL	9/20/87	PA 11/15/96					N/2	12-5-86	12-5-86	A	A	
Blanco Wash 2 PC	3	22482	SE NW	2-24N-9W	142006031403	NAV ALLTD		POTWIN PC	9/20/87	PA 11/15/96					NW/4	12-5-86	12-5-86	A	A	
Blanco Wash 3	3	22939	NW SE	2-24N-9W	142006031406	NAV ALLTD		BASIN FR COAL/UNDES PC	9/18/97	PA 3/20/92					S/2	12-5-86	12-5-86	A	A	
Blanco Wash 4	3	22938	NE NE	2-24N-9W	142006031405	NAV ALLTD		WHITE WASH MA/DK	4/20/78	P	1556	0.4	2.8	1.3	NE/4 NE/4	12-5-86	12-5-86	A	A	
Blanco Wash 5	5	22937	NW SW	1-24N-9W	142006031402	NAV ALLTD		WHITE WASH MA/DK	5/22/78	P	1556	1.1	6.4	1.0	NW/4 SW/4	12-5-86	12-5-86	A	A	
Blanco Wash 7	3	22940	SW NW	11-24N-9W	142006031408	NAV ALLTD		UNDES. FR & PC	10/20/78	PA 4/28/89					NW/4	12-5-86	12-5-86	A	A	
Bowers 1	5	25486	NE NE	17-24N-8W	NM26047	FED		POTWIN PC	6/12/85	P	1046	0.0	29.1	0.0	NE/4	12-5-86	12-5-86	A	A	
Bowers 90	5	29194	SW SE	17-24N-8W	NM26047	FED		BASIN FR COAL	4/10/95	PA 12/4/01					S/2	6-22-98	8-12-99	12-4-98	7-20-98	
Bowers 91	5	31408	SW NE	17-24N-8W	NM-26047	FED		BASIN FR COAL	7/22/03	P	1046	0.0	15.3	5.2	N/2	7-23-03	8-29-03	8-17-03	7-30-03	
Bowers 91S	5	31723	NE NW	17-24N-8W	NM-26047	FED		BASIN FR COAL	11/25/03	P	1046	0.0	139.5	17.4	N/2	7-23-03	8-29-03	8-17-03	7-30-03	
Bright Angel 1	5	25035	NW SW	27-24N-8W	NOOC14204312	NAV ALLTD		LYBROOK GALLUP	7/25/81	P	1439	1.3	7.0	8.0	NW/4 SW/4	12-5-86	12-5-86	A	A	
Bronze Medal 1	1	26435	NW NW	3-23N-10W	NOOC14207307	NAV ALLTD		BISTI GALLUP SO.	10/3/85	P	1379	1.0	3.6	0.7	N/2 NW/4	7-1-85	7-11-85	A	A	
Bronze Medal 2	1	26925	SW NW	3-23N-10W	NOOC14207307	NAV ALLTD		BISTI GALLUP SO.	1/13/89	P	1379	0.8	4.2	0.7	S/2 NW/4	9-6-88	9-27-88	A	A	
Buddha Temple 1	5	26752	NE SE	30-24N-8W	NM54980	FED		POTWIN PC	6/10/87	PA 7/1/04					SE/4	12-5-86	12-5-86	A	A	
Buddha Temple 90	5	29239	NE NE	30-24N-8W	NM54980	FED	NMNM94042	BASIN FR COAL	5/31/95	P	1150	0.0	76.9	10.3	N/2	6-22-98	8-12-99	12-4-98	7-20-98	
Bumble 2	5	25163	NW NW	27-24N-8W	NOOC14204311	NAV ALLTD		CUERVO MESAVERDE	11/12/81	PA 5/14/90					NW/4 NW/4	12-5-86	12-5-86	A	A	
Calgary 2	1	26821	SW NE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	2/5/88	P	1454	1.5	4.3	0.9	W/2 NE/4	2-5-88	2-19-88	A	A	
Calgary 3	1	27404	NE NW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	8/17/89	P	1454	0.9	4.5	2.7	E/2 NW/4	1-17-90	2-12-90	A	A	
Calgary 4	1	27418	SW NW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	11/28/89	P	1454	1.1	9.3	0.1	W/2 NW/4	1-17-90	2-12-90	A	A	

DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (8/6/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (If Established)	Pool	Completion Date	Current Status ①	BTU @ 15.025	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③			
			30-045	¼ ¼	Sec-Twn-Rng	Lease No.						Lease Type	BPD	MCFD		BWPD	APPROVAL		
																	Application	BLM	NMOCDD
Calgary 5	1	27405	NE SE	6-23N-10W	NM32124	FED	BISTI GALLUP SO.	8/8/89	P	1454	2.2	8.8	0.5	E/2 SE/4	1-17-90	2-12-90	A	A	
Calgary 6	1	27822	NE SW	6-23N-10W	NM32124	FED	BISTI GALLUP SO.	11/2/90	P	1454	1.8	4.8	0.4	E/2 SW/4	6-15-90	6-27-90	A	A	
Calgary 7	1	28639	SW SE	6-23N-10W	NM32124	FED	BISTI GALLUP SO.	1/24/92	P	1454	1.8	2.0	0.1	W/2 SE/4	1-23-92	1-31-92	A	A	
Calgary 8	1	28638	SW SW	6-23N-10W	NM32124	FED	BISTI GALLUP SO.	1/21/92	P	1454	1.7	2.2	0.9	W/2 SW/4	1-23-92	1-31-92	A	A	
Calgary 88	1	26784	NE NE	6-23N-10W	NM32124	FED	BISTI GALLUP SO.	7/9/87	P	1454	1.8	4.9	0.9	E/2 NE/4	6-11-87	6-16-87	A	A	
Chaco 3	5	22472	SE NW	1-24N-9W	NM2337	FED	WHITE WASH MA/DK	4/4/78	P	1550	0.0	4.3	0.0	SE/4 NW/4	12-5-86	12-5-86	A	A	
Chaco 5	5	32272	SESE	6-24N-8W	NM2337	FED	POTWIN PC	6/8/05	P	1031	0.0	22.2	21.8	SE/4	9-24-07	12-13-07	11-21-07	11-7-07	
Chaco 90	5	32273	SE NW	6-24N-8W	NM-2337	FED	BASIN FR COAL	6/13/05	P	1031	0.0	3.9	6.6	N/2	7-23-03	8-29-03	8-17-03	7-30-03	
Champ 1	1	26891	NE NW	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	6/24/88	P	1462	0.8	6.8	0.1	N/2 NW/4	9-6-88	9-27-88	A	A	
Champ 2	1	26892	SW NW	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	9/24/88	P	1462	3.8	4.8	4.3	S/2 NW/4	9-6-88	9-27-88	A	A	
Champ 3	1	26890	NE NE	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	9/29/88	P	1462	2.8	5.0	8.6	N/2 NE/4	9-6-88	9-27-88	A	A	
Champ 4	1	26945	SW NE	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	10/3/88	P	1462	2.4	6.0	8.6	S/2 NE/4	9-6-88	9-27-88	A	A	
Champ 5	1	27145	NE SE	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	12/27/88	P	1462	3.1	6.8	1.5	N/2 SE/4	5-30-89	7-31-89	A	A	
Champ 6	1	27146	SW SE	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	4/25/89	P	1462	3.0	5.3	0.1	S/2 SE/4	5-30-89	7-31-89	A	A	
Champ 7	1	28241	NE SW	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	5/8/91	P	1462	0.6	5.6	6.0	N/2 SW/4	1-23-92	1-31-92	A	A	
Champ 8	1	28637	SW SW	5-23N-10W	NM42059	FED	BISTI GALLUP SO.	9/19/94	P	1462	3.4	6.2	1.5	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Champ 9	3	29287	SW SE	1-23N-10W	NM42059	FED	BISTI GALLUP SO.	4/3/96	P	1462	2.8	6.6	1.0	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Champ 10	3	--	NE SE	1-23N-10W	NM42059	FED	BISTI GALLUP SO.	6/13/05	LOC		*	*	*	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
December Dream 1	4	25862	NE NW	7-23N-9W	NM19816	FED	BISTI GALLUP SO.	1/19/84	P	1565	0.9	6.1	0.1	N/2 NW/4	7-1-85	7-11-85	A	A	
December Dream 2	4	29360	SW NW	7-23N-9W	NM19816	FED	BISTI GALLUP SO.	8/15/96	P	1565	1.2	5.3	0.3	S/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98	
December Dream 3	4	29408	NE SW	7-23N-9W	NM19816	FED	BISTI GALLUP SO.	3/11/97	P	1565	2.2	1.1	0.6	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Elwood P. Dowd 1	3	23502	SE SE	10-24N-9W	NM9520	FED	BASIN FR COAL	4/23/83	PA 12/27/01		---	---	---	SE/4	12-5-86	12-5-86	A	A	
Elwood P. Dowd 2	3	24905	SE SE	10-24N-9W	NM9520	FED	WHITE WASH MA/DK	5/5/81	P	1550	0.0	2.0	3.0	SE/4 SE/4	12-5-86	12-5-86	A	A	
Elwood P. Dowd Com 90	5	29634	SE SW	12-24N-9W	NM9520	FED	NMNM108341	BASIN FR COAL	5/4/09	P	1061	0	18.3	16.0	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Elwood P. Dowd Com 90S	5	32271	SE NW	12-24N-9W	NM100303	FED	NMNM108341	BASIN FR COAL	5/6/09	P	1061	0	1.1	4.2	W/2	7-23-03	8-29-03	8-17-03	7-30-03
Fabulous Feb 1	3	25920	NW NW	31-24N-9W	NM51000	FED	BISTI LOWER GA	7/10/84	P	1516	1.4	9.8	0.3	N/2 NW/4	7-1-85	7-11-85	A	A	
Fairway 1	3	26182	SW SW	1-23N-10W	NM23470	FED	BISTI GALLUP SO.	2/1/85	P	1265	0.8	3.7	0.5	SW/4 SW/4	7-1-85	7-11-85	A	A	
Flo-Jo 1	1	27463	NE NE	1-23N-11W	NM36952	FED	BISTI GALLUP SO.	11/22/89	P	1574	0.4	6.5	1.9	E/2 NE/4	1-17-90	2-12-90	A	A	
Flo-Jo 2	1	27441	NE NW	1-23N-11W	NM36952	FED	BISTI GALLUP SO.	4/23/90	P	1574	0.5	6.3	6.9	E/2 NW/4	1-17-90	2-12-90	A	A	
Flo-Jo 4	1	28645	NE SE	1-23N-11W	NM36952	FED	BISTI GALLUP SO.	11/8/93	P	1574	3.4	5.0	6.5	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Flo-Jo 5	1	29133	SW SE	1-23N-11W	NM36952	FED	BISTI GALLUP SO.	11/1/94	P	1574	0.7	0.2	0.5	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Flo-Jo 6	1	29288	NE SW	1-23N-11W	NM36952	FED	BISTI GALLUP SO.	5/23/97	P	1574	1.4	1.9	0.0	E/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Flo-Jo 7	2	29368	SW SW	1-23N-11W	NM36952	FED	BISTI GALLUP SO.	5/30/97	P	1574	1.1	4.4	0.0	W/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Gold Medal 1	1	26035	SE NE	34-24N-10W	NM22044	FED	BISTI GALLUP SO.	8/29/84	P	1444	1.8	9.1	1.9	E/2 NE/4	7-1-85	7-11-85	A	A	
Gold Medal 2	1	26519	NE SW	33-24N-10W	NM22044	FED	BISTI GALLUP SO.	12/18/85	P	1444	0.9	3.9	0.3	N/2 SW/4	11-12-85	11-21-85	A	A	
Gold Medal 3	1	26822	NE SE	31-24N-10W	NM22044	FED	BISTI GALLUP SO.	1/16/88	P	1444	1.8	4.8	0.1	E/2 SE/4	2-5-88	2-19-88	A	A	
Gold Medal 4	1	26779	SW SW	33-24N-10W	NM22044	FED	BISTI GALLUP SO.	7/25/87	P	1444	0.8	4.0	0.0	S/2 SW/4	6-11-87	6-16-87	A	A	
Gold Medal 5	1	26823	SW SE	31-24N-10W	NM22044	FED	BISTI GALLUP SO.	12/20/87	P	1444	2.4	1.2	3.0	W/2 SE/4	2-5-88	2-19-88	A	A	
Gold Medal 6	1	26852	NE SW	31-24N-10W	NM22044	FED	BISTI GALLUP SO.	1/12/88	P	1444	0.3	4.6	1.5	E/2 SW/4	2-5-88	2-19-88	A	A	
Gold Medal 7	1	27864	SW SW	31-24N-10W	NM22044	FED	BISTI GALLUP SO.		LOC		*	*	*	W/2 SW/4	6-15-90	6-27-90	A	A	
Harvey 2 DK	3	24420	SE NW	20-24N-9W	NM10755	FED	BASIN DAKOTA	6/6/81	P-DHC	1414	0.0	2.7	0.0	N/2	12-5-86	12-5-86	A	A	
Harvey 2 GA	3	24420	SE NW	20-24N-9W	NM10755	FED	BISTI LOWER GA	11/8/96	P-DHC	1414	1.7	7.9	0.3	S/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Helsinki 52	2	27392	NE SW	9-23N-10W	NM36951	FED	BISTI GALLUP SO.	8/5/89	P	1724	0.9	5.7	2.6	E/2 SW/4	1-17-90	2-12-90	A	A	
Holly 1 DK	3	25149	NW SW	16-24N-9W	LG1035	ST	BASIN DAKOTA	11/20/81	PA 2/15/05		---	---	---	S/2	12-5-86	12-5-86	A	A	
Holly 1 GA	3	25149	NW SW	16-24N-9W	LG1035	ST	BISTI LOWER GA	8/5/82	PA 2/15/05		---	---	---	N/2 SW/4	12-5-86	12-5-86	A	A	
Holly Com 90	3	35279	SWSW	16-24N-9W	V8491	ST	STATE CA	BASIN FRUITLAND COAL	9/28/11	Note 4	1020	0	2.0	29.4	S/2	4/11/12	5/18/12	5/11/12	5/8/12
Honeybee 1	3		NESW	16-24N-9W	V-7918	STATE	BISTI LOWER GA		LOC A		*	*	*	N/2SW/4	9-24-07	12-13-07	11-21-07	11-7-07	
Hoss 1	2	29376	SE NE	11-23N-11W	NM96800	FED	BISTI GALLUP SO.	8/12/96	P	1769	0.9	5.1	1.3	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Hoss Com 90	Note 12	2	31360	NE NE	11-23N-11W	NM-96800	FED	NMNM108255	BASIN FR COAL	05/19/03	Note 12			E/2	7-23-03	8-29-03	8-17-03	7-30-03	

DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (8/6/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (If Established)	Pool	Completion Date	Current Status ①	BTU @ 15.025	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			30-045	¼ ¼	Sec-Twn-Rng	Lease No.						Lease Type	BPD	MCFD		BWPD	Application	APPROVAL		
																		BLM	NMOCD	NMSLO
Ivy League 1	3	26530	NE NE	17-24N-9W	NM45208	FED	BISTI LOWER GA	7/4/86	P	1554	2.8	13.2	1.3	N/2 NE/4	12-5-86	12-5-86	A	A		
January Jamboree 1	3	31229	NW SW	31-24N-9W	NM-91522	FED	BISTI GALLUP SO.	2/18/04	P	1493	3.3	10.2	0.8	N/2SW/4	7-23-03	8-29-03	8-17-03	7-30-03		
Jim Thorpe 1	1	26587	SW NE	3-23N-10W	NOOC14205825	I	BISTI GALLUP SO.	12/21/85	P	1468	1.7	3.0	1.0	W/2 NE/4	11-12-85	11-21-85	A	A		
July Jubilee 1 DK	3	25051	SW NE	30-24N-9W	NM24661	FED	SCR-161	BASIN DAKOTA	8/31/81	P-DHC	1225	0.4	7.7	0.1	E/2	1-16-84	1-18-84	A	A	
July Jubilee 1 GA	3	25051	SW NE	30-24N-9W	NM24661	FED	BISTI LOWER GA	8/31/81	P-DHC	1464	6.5	0.9	0.1	S/2 NE/4	1-16-84	1-18-84	A	A		
July Jubilee 2	3	25123	NW NW	29-24N-9W	NM24661	FED	BISTI LOWER GA	8/25/82	P	1464	1.0	3.5	0.6	N/2 NW/4	1-16-84	1-18-84	A	A		
July Jubilee 3	3	25904	NW SW	29-24N-9W	NM24661	FED	BISTI LOWER GA	7/19/84	PA 2/10/09	---	---	---	---	N/2 SW/4	4-25-86	4-30-86	A	A		
June Joy 2 GA	3	23893	NW NE	25-24N-10W	NM5991	FED	BISTI LOWER GA	4/21/80	P	1464	0.1	5.3	6.7	NW/4 NE/4	1-16-84	1-18-84	A	A		
June Joy 2 DK	3	23893	NW NE	25-24N-10W	NM5991	FED	UNDES. DAKOTA	4/21/80	PA 5/2/86	---	---	---	---	NW/4 NE/4	1-16-84	1-18-84	A	A		
June Joy 90	3	31585	SE NE	25-24N-10W	NM-5991	FED	BASIN FR COAL	05/19/03	P	1026	0.0	10.6	7.7	E/2	7-23-03	8-39-04	8-17-03	7-30-03		
Kaibab Trail 1	5	25034	SW SW	20-24N-8W	NOOC14204310	I	CUERVO GALLUP	7/25/81	P	1485	2.0	11.4	0.9	SW/4 SW/4	12-5-86	12-5-86	A	A		
Kaibab Trail 90	5	29393	SE SW	20-24N-8W	NOOC14204310	I	NMNM97673	BASIN FR COAL	9/5/96	P	1045	0.0	36.2	28.4	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Kaibab Trail Com 90S	5	31806	SE NW	20-24N-8W	NM-83507	FED	NMNM97673	BASIN FR COAL	1/23/04	P	1038	0.0	24.5	5.2	W/2	7-23-03	8-29-03	8-17-03	7-30-03	
Lake Placid 1	1	26628	NE SE	4-23N-10W	NOOC14207311	I	BISTI GALLUP SO.	1/20/86	P	1412	0.7	4.3	2.3	E/2 SE/4	11-12-85	11-21-85	A	A		
Largo Federal B 1	3	05103	NE NE	22-24N-9W	SF078860	FED	BISTI LOWER GA	3/23/58	P	1336	0.1	1.9	0.1	NE/4 NE/4	12-5-86	12-5-86	A	A		
Largo Federal B 2	3	33173	NENW	22-24N-9W	SF078860	FED	BISTI LOWER GA	12/2/05	P	1336	2.0	18.6	0.1	N/2 NW/4	9-24-07	12-13-07	11-21-07	11-7-07		
Largo Federal B 90	5	29428	NE NE	25-24N-9W	SF078860	FED	BASIN FR COAL	10/26/98	PA 1/17/02	---	---	---	---	E/2	6-22-98	8-12-99	12-4-98	7-20-98		
Largo Federal B 91	5	31407	NE SE	24-24N-9W	SF-078860	FED	BASIN FR COAL	7/16/03	NC	---	---	---	---	S/2	7-23-03	8-29-03	8-17-03	7-30-03		
Lava Falls 1	5	25164	NW SE	27-24N-8W	NOOC14204313	I	LYBROOK GALLUP	11/2/81	P	1399	2.6	10.5	0.3	NW/4 SE/4	12-5-86	12-5-86	A	A		
Lee's Ferry 1	5	26408	NW SW	19-24N-8W	NM41650	FED	CUERVO GALLUP	12/6/85	P	1552	2.5	6.4	0.3	NW/4 SW/4	12-5-86	12-5-86	A	A		
Lee's Ferry 90	5	29338	NW SE	19-24N-8W	NM41650	FED	BASIN FR COAL	4/30/96	NC	---	---	---	---	E/2	6-22-98	8-12-99	12-4-98	7-20-98		
Louie Louie 1	4	26769	NW SW	8-23N-9W	NOG85051062	I	BISTI GALLUP SO.	6/26/87	P	1505	3.2	8.7	0.0	W/2 SW/4	6-11-87	6-16-87	A	A		
Luna 2	4	28522	NE NE	16-23N-9W	LG9801	ST	BISTI GALLUP SO.	5/22/91	P	1586	2.9	3.7	0.1	E/2 NE/4	1-23-92	1-31-92	A	A		
Luna 3	4	29215	NE NW	16-23N-9W	LG9801	ST	BISTI GALLUP SO.	4/1/96	P	1586	4.1	6.2	0.3	E/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Marathon 1	1	26436	NE NE	4-23N-10W	NOOC14207308	I	BISTI GALLUP SO.	10/19/85	P	1370	1.1	4.8	0.0	E/2 NE/4	7-1-85	7-11-85	A	A		
Marathon 2	1	26927	SW NE	4-23N-10W	NOOC14207308	I	BISTI GALLUP SO.	7/6/88	P	1370	1.0	1.7	0.0	W/2 NE/4	9-6-88	9-27-88	A	A		
March On 1	3	26997	SE NW	32-24N-9W	LG5685	ST	BISTI LOWER GA	9/13/88	P	1621	2.1	7.2	0.1	E/2 NW/4	9-6-88	9-27-88	A	A		
Mary Anne 1	3	05121	SW SW	9-24N-9W	NM10089	FED	BISTI LOWER GA	10/10/57	PA 10/1/04	---	---	---	---	S/2 SW/4	12-5-86	12-5-86	A	A		
Mary Anne 3	Note 6	3	25050	NW SW	9-24N-9W	NM10089	FED	BISTI LOWER GA	8/24/83	PA 12/10/09	---	---	---	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Mary Anne 3	Note 6	3	25050	NWSW	9-24N-9W	NM10089	FED	BASIN FRUITLAND COAL	12/28/09	Note 4	1037	0	13.8	133.6	W/2	4/11/12	5/18/12	5/11/12	5/8/12	
Mary Lou 1	1	26460	NE NE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	10/9/85	Note 5	---	---	---	---	E/2 NE/4	11-12-85	11-21-85	A	A		
Mary Lou 2	1	26497	SW NE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	10/14/85	P	1664	2.2	4.5	2.6	W/2 NE/4	11-12-85	11-21-85	A	A		
Mary Lou 3	1	26775	NE SE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	7/25/87	P	1664	3.0	7.4	1.7	E/2 SE/4	6-11-87	6-16-87	A	A		
Mary Lou 4	1	26776	SW SE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	7/13/87	P	1664	3.0	6.1	0.9	W/2 SE/4	6-11-87	6-16-87	A	A		
Mary Lou 5	1	26813	NE SW	32-24N-10W	V1509	ST	BISTI GALLUP SO.	3/15/88	P	1664	1.7	5.6	1.3	E/2 SW/4	2-5-88	2-19-88	A	A		
Mary Lou 6	1	26814	SW SW	32-24N-10W	V1509	ST	BISTI GALLUP SO.	3/14/88	P	1664	2.2	1.4	0.0	W/2 SW/4	2-5-88	2-19-88	A	A		
Mary Lou 90	Note 12	1	28026	SW SW	32-24N-10W	V1509	ST	BASIN FR COAL	9/15/90	Note 12	---	---	---	S/2	1-23-92	1-31-92	A	A		
Mary Lou 90S	Note 12	1	31695	NW SE	32-24N-10W	V-1509	ST	BASIN FR COAL	10/2/03	Note 12	---	---	---	S/2	7-23-03	8-29-03	8-17-03	7-30-03		
Mary Lou Com 91	Note 12	1	31694	SE NE	32-24N-10W	V-1509	ST	STATE CA	6/12/06	Note 12	---	---	---	N/2	7-23-03	8-29-03	8-17-03	7-30-03		
Mary Lou Com 91S	Note 12	1	31696	SE NW	32-24N-10W	V-1509	ST	STATE CA	10/3/03	Note 12	---	---	---	N/2	7-23-03	8-29-03	8-17-03	7-30-03		
McDougall 2	2	28619	NE SE	9-23N-10W	NM51005	FED	BISTI GALLUP SO.	6/12/92	NC	1420	0.7	3.7	1.3	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Merry Chase 90	3	29650	SE SW	10-24N-9W	NM100302	FED	BASIN FR COAL	10/4/98	P	1044	0.0	25.4	7.7	W/2	6-22-98	8-12-99	12-4-98	7-20-98		
Merry May 1 GA	3	24421	NE SE	24-24N-10W	NM25842	FED	BISTI LOWER GA	12/6/80	P	1420	0.1	5.3	0.1	N/2 SE/4	1-16-84	1-18-84	A	A		
Merry May 1 DK	3	24421	NE SE	24-24N-10W	NM25842	FED	BASIN DAKOTA	12/6/80	PA 9/12/86	---	---	---	---	S/2	1-16-84	1-18-84	A	A		
Mesa 1	5	22055	SW NE	16-24N-8W	LG1917	ST	POTWIN PC	7/26/76	PA 9/18/97	---	---	---	---	NE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Mesa 2	5	22483	NE NW	16-24N-8W	LG1917	ST	POTWIN PC	7/13/77	P	1104	0.0	0.8	0.0	NW/4	12-5-86	12-5-86	A	A		
Mesa 3	5	22175	SW SE	16-24N-8W	LG1917	ST	POTWIN PC	12/7/76	PA 1/17/02	---	---	---	---	SE/4	12-5-86	12-5-86	A	A		
Mesa 90	5	29159	SW SW	16-24N-8W	LG1917	ST	BASIN FR COAL	3/17/95	P	1069	0.0	13.7	7.4	W/2	6-22-98	8-12-99	12-4-98	7-20-98		
Mesa 90S	5	31382	SW NW	16-24N-8W	LG-1917	ST	BASIN FR COAL	4/23/03	P	1069	0.0	10.0	5.3	W/2	7-23-03	8-29-03	8-17-03	7-30-03		

DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (8/6/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (If Established)	Pool	Completion Date	Current Status ①	BTU @ 15.025	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			30-045	¼ ¼	Sec-Twn-Rng	Lease No.						Lease Type	BPD	MCFD		BWPD	Application	APPROVAL		
																		BLM	NMOCD	NMSLO
Mesa 91	5	31210	SE SE	16-24N-8W	LG-1917	ST	BASIN FR COAL	01/17/03	P	1069	0.0	21.8	19.7	E/2	7-23-03	8-29-03	8-17-03	7-30-03		
Mesa 91S	5	31383	SW NE	16-24N-8W	LG-1917	ST	BASIN FR COAL	04/21/03	P	1069	0.0	12.7	5.5	E/2	7-23-03	8-29-03	8-17-03	7-30-03		
MF 1	3	24636	NW SW	18-24N-9W	NM16760	FED	BISTI LOWER GA	8/7/85	P	1422	0.7	4.7	1.3	N/2 SW/4	1-16-84	1-18-84	A	A		
MF 2	3	24995	SE SE	13-24N-10W	NM16760	FED	BASIN DAKOTA	6/11/81	P	1290	0.0	2.0	0.0	S/2	1-16-84	1-18-84	A	A		
MF 3 DK	3	25166	NE SE	14-24N-10W	NM16760	FED	BASIN DAKOTA	3/23/84	PA 9/1/92	---	---	---	---	S/2	1-16-84	1-18-84	A	A		
MF 3 GA	3	25166	NE SE	14-24N-10W	NM16760	FED	BISTI LOWER GA	3/23/84	PA 9/1/92	---	---	---	---	S/2	1-16-84	1-18-84	A	A		
MF 4	3	25165	SE NE	14-24N-10W	NM16760	FED	BISTI LOWER GA	5/1/82	P	1422	0.1	2.2	2.6	S/2 NE/4	1-16-84	1-18-84	A	A		
Montreal 1	1	26627	NE NW	4-23N-10W	NOOC14207309	I	BISTI GALLUP SO.	1/28/86	P	1392	1.4	4.7	0.0	E/2 NW/4	11-12-85	11-21-85	A	A		
Montreal 2	1	26926	SW NW	4-23N-10W	NOOC14207309	I	BISTI GALLUP SO.	7/5/88	P	1392	1.9	6.5	0.0	W/2 NW/4	9-6-88	9-27-88	A	A		
Mountain 1	5	22000	NW SE	15-24N-8W	NM16589	FED	POTWIN PC	5/7/76	PA 3/30/90	---	---	---	---	SE/4	12-5-86	12-5-86	A	A		
Mo Valley 90	3	29549	SW SW	5-24N-9W	NM23742	FED	NMNM99383	BASIN FR COAL	4/15/98	P	1042	0.0	3.1	21.1	S/2	6-22-98	8-12-99	12-4-98	7-20-98	
Muddy Mudda 1 DK	3	25919	NW NW	21-24N-9W	NM36474	FED	BASIN DAKOTA	5/24/84	P-DHC	1220	0.0	2.0	0.0	N/2	12-5-86	12-5-86	A	A		
Muddy Mudda 1 GA	3	25919	NW NW	21-24N-9W	NM36474	FED	BISTI LOWER GA	5/24/84	P-DHC	1420	0.1	1.0	0.1	N/2 NW/4	12-5-86	12-5-86	A	A		
Muddy Mudda Com 90	3	31767	SE NW	21-24N-9W	NM-36474	FED	NMNM110514	BASIN FR COAL	1/22/04	P	1027	0.0	5.3	10.3	W/2	7-23-03	8-29-03	8-17-03	7-30-03	
November 24 1	3	29295	NE SE	27-24N-9W	NM12374	FED	BISTI LOWER GA	4/1/82	PA 1/31/05	---	---	---	---	N/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98		
November 24 2	3	28961	NW SW	28-24N-9W	NM12374	FED	BISTI LOWER GA	12/22/93	P	1469	1.6	10.2	0.1	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Ohwada 1	3	28981	SW SW	33-24N-9W	NM90843	FED	COM W/SF078862A	BISTI CHACRA	6/22/94	PA 7/24/98	---	---	---	sw/4	6-22-98	8-12-99	12-4-98	7-20-98		
Ohwada 2	3	29112	NE NW	33-24N-9W	NM90843	FED	BISTI LOWER GA	9/14/94	P	1515	2.1	5.5	0.1	N/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Okie 1	5	22307	SE SE	8-24N-8W	NM19567	FED	BASIN FR COAL	2/10/94	P	1053	0.0	2.4	1.0	S/2	12-5-86	12-5-86	A	A		
Okie 2	5	22304	SE NW	8-24N-8W	NM19567	FED	BASIN FR COAL	10/28/96	P	1053	0.0	18.8	25.8	N/2	6-22-98	8-12-99	12-4-98	7-20-98		
Oktoberfest 1	3	26498	NE NE	36-24N-10W	LG9804	ST	BISTI GALLUP SO.	12/6/85	P	1460	1.6	7.9	1.9	E/2 NE/4	11-12-85	11-21-85	A	A		
Oktoberfest Com 2	3	27343	NW SW	36-24N-10W	LG9804	ST	STATE CA	BISTI GALLUP SO.	5/10/89	P	1421	1.6	5.5	0.3	N/2 SW/4	5-30-89	7-31-89	A	A	
Olson 1	4	26516	NE SE	11-23N-10W	NM42740	FED	BISTI GALLUP SO.	11/1/85	P	1348	1.7	3.8	1.0	E/2 SE/4	11-12-85	11-21-85	A	A		
Olympic 1	1	26007	NE SE	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	2/14/85	P	1393	1.3	4.3	2.6	E/2 SE/4	7-1-85	7-11-85	A	A		
Olympic 2	1	26778	SW SE	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	8/12/87	P	1393	0.1	4.1	0.0	W/2 SE/4	6-11-87	6-16-87	A	A		
Olympic 3	1	26811	NE SW	36-24N-10W	NM23744	FED	BISTI GALLUP SO.	2/13/88	P	1393	0.9	1.0	0.0	E/2 SW/4	2-5-88	2-19-88	A	A		
Olympic 4	1	26812	SW SW	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	2/20/88	P	393	0.6	0.5	0.0	W/2 SW/4	2-5-88	2-19-88	A	A		
Pac Ten 1	3	25917	SE SE	7-24N-9W	NM45207	FED	BISTI LOWER GA	6/30/84	P	1761	3.8	13.5	0.1	SE/4 SE/4	12-5-86	12-5-86	A	A		
Par 1	4	28968	NE NE	11-23N-10W	NM86485	FED	BISTI GALLUP SO.	12/20/93	P	1461	0.9	11.5	1.0	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Phantom Ranch 1	5	26409	SE NW	21-24N-8W	NM40643	FED	LYBROOK GALLUP	7/26/85	P	1490	3.0	9.7	0.9	SE/4 NW/4	12-5-86	12-5-86	A	A		
Phillips 1 FR	3	26803	SE NE	5-24N-9W	NM30854	FED	NMNM104957	BASIN FR COAL	10/7/87	P - DHC	1061	0.0	5.9	2.5	N/2	6-22-98	8-12-99	12-4-98	7-20-98	
Phillips 1 PC	3	26803	SE NE	5-24N-9W	NM30854	FED	NM015P3587C337	BISTI PC	10/7/87	P - DHC	1061	0.0	1.6	1.8	NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Pierre 1	2	29237	NW NW	12-23N-11W	NM80498	FED	BISTI GALLUP SO.	9/22/95	P	1687	1.1	3.2	0.3	N/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Queen Nefertiti Com 90	5	33178	NWSW	21-24N-8W	NOG-0103-1464	NAV ALLTD	NMNM112707	BASIN FR COAL	11/30/05	P	1084	0.0	4.7	2.3	W/2	9-24-07	12-13-07	11-21-07	11-7-07	
Ristra AGW State 1 Note 11	3	27561	NWSE	32-24N-9W	V-1360	STATE	BISTI LOWER GA	3/7/90	P	1577	3.2	8.6	0.1	N/2SE/4	9-24-07	12-13-07	11-21-07	11-7-07		
Road Runner 1	1	27693	SW SE	36-24N-11W	V2364	ST	BISTI GALLUP SO.	6/3/91	P	1562	0.3	4.5	0.3	W/2 SE/4	6-15-90	6-27-90	A	A		
Road Runner 2	1	27694	NE SW	36-24N-11W	V2364	ST	BISTI GALLUP SO.		LOC		*	*	*	E/2 SW/4	6-15-90	6-27-90	A	A		
Road Runner 3	1	27695	SW SW	36-24N-11W	V2364	ST	BISTI GALLUP SO.		LOC		*	*	*	W/2 SW/4	6-15-90	6-27-90	A	A		
Road Runner 90 Note 12	1	28027	NE SW	36-24N-11W	V2364	ST	BASIN FR COAL	7/30/97	Note 12		*	*	*	S/2	6-22-98	8-12-99	12-4-98	7-20-98		
Rodeo Rosie Com 90 Note 12	1	29651	SE NE	29-24N-10W	NM15654	FED	BASIN FR COAL		Note 12		---	---	---	E/2	6-22-98	8-12-99	12-4-98	7-20-98		
Sanchez O'Brien 90	3	29636	SW SW	6-24N-9W	NM97108	FED	BASIN FR COAL	10/26/98	P	1043	0.0	3.3	48.9	W/2	6-22-98	8-12-99	12-4-98	7-20-98		
Sanchez O'Brien 90S	3	35146	SWNW	6-24N-9W	NM97108	FED	BASIN FRUITLAND COAL	2/7/11	Note 4	1043	0	2.3	23.7	W/2	4/11/12	5/18/12	5/11/12	5/8/12		
Sanchez O'Brien 91	3	30729	SW NE	6-24N-9W	NM-97108	FED	BASIN FR COAL	6/11/02	P	1043	0.0	130.0	31.7	E/2	7-23-03	8-29-03	8-17-03	7-30-03		
Sanchez O'Brien 91S	3	31766	SE SE	6-24N-9W	NM-97108	FED	BASIN FR COAL	4/28/04	P	1043	0.0	2.0	21.1	E/2	7-23-03	8-29-03	8-17-03	7-30-03		
Sapp 1	5	05095	NE NE	28-24N-8W	SF078868	FED	CUERVO MV	11/17/56	PA 4/25/07	---	---	---	---	NE/4 NE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Sapp 2	5	29243	SE NE	28-24N-8W	SF078868	FED	LYBROOK GALLUP	9/15/95	P	1485	4.3	9.5	0.4	SE/4 NE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Sapp 90	5	29192	NW NE	29-24N-8W	SF078868	FED	BASIN FR COAL	11/3/94	P	1043	0.0	0.7	0.1	N/2	6-22-98	8-12-99	12-4-98	7-20-98		
Sapp 91	5	29238	NE SW	29-24N-8W	SF078868	FED	BASIN FR COAL	5/31/95	P	1043	0.0	8.8	1.0	S/2	6-22-98	8-12-99	12-4-98	7-20-98		
Sapp 92	5	29290	NE SW	28-24N-8W	SF078868	FED	BASIN FR COAL	11/17/95	PA 1/17/02	---	---	---	---	S/2	6-22-98	8-12-99	12-4-98	7-20-98		

DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (8/6/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (If Established)	Pool	Completion Date	Current Status ①	BTU @ 15.025	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			30-045	¼ ¼	Sec-Twn-Rng	Lease No.						Lease Type	BPD	MCFD		BWPD	Application	APPROVAL		
																		BLM	NMOCD	NMSLO
Sapp 93	5	29289	SW NE	28-24N-8W	SF078868	FED	BASIN FR COAL	3/6/96	PA 1/17/02	---	---	---	---	N/2	6-22-98	8-12-99	12-4-98	7-20-98		
Seoul 88	2	26630	NE NE	9-23N-10W	NOOC14207312	I	BISTI GALLUP SO.	2/10/86	P	1552	1.1	3.5	2.6	E/2 NE/4	6-22-98	11-21-85	A	A		
September 15 DK	3	26518	NE NE	24-24N-10W	NM54983	FED	NMO15P3586C51	BASIN DAKOTA	3/8/86	P-DHC	1527	0.0	7.3	0.0	N/2	4-25-86	4-30-86	A	A	
September 15 GA	3	26518	NE NE	24-24N-10W	NM54983	FED	BISTI LOWER GA	7/1/97	P-DHC	1527	0.8	2.5	0.1	N/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Sheba Temple 1	5	26802	NE SW	30-24N-8W	NM54981	FED	UNDES FR PC	10/21/87	PA 8/31/06	---	---	---	---	SW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Silver Medal 1	1	26034	SW SW	27-24N-10W	NM21741	FED	BISTI GALLUP SO.	9/1/84	P	1533	0.5	0.3	0.1	W/2 SW/4	7-1-85	7-11-85	A	A		
Sixteen G's 1	3	21995	SW NW	7-24N-9W	NM25433	FED	BISTI LOWER GA	8/7/76	P	1597	2.9	11.3	0.1	S/2 NW/4	12-5-86	12-5-86	A	A		
Sixteen G's 3	3	24560	NE NW	7-24N-9W	NM25433	FED	BISTI LOWER GA	8/6/81	P	1597	1.0	9.8	1.9	N/2 NW/4	12-5-86	12-5-86	A	A		
Sixteen G's 4	3	29440	NE SW	7-24N-9W	NM25433	FED	BISTI LOWER GA	6/20/97	P	1597	2.8	3.6	0.1	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Sixteen G's 90	3	29709	SW NE	7-24N-9W	NM25433	FED	BASIN FR COAL	10/6/99	P	1028	0.0	28.2	52.2	N/2	12-1-99	12-14-99	12-23-99	12-18-00		
Sixteen G's 90S	3	35143	NWNW	7-24N-9W	NM25433	FED	BASIN FRUITLAND COAL	2/16/11	Note 4	1028	0	27.9	34.2	N/2	4/11/12	5/18/12	5/11/12	5/8/12		
Sixteen G's Com 91	3	35144	SWSW	7-24N-9W	NM25433	FED	NMNM112629	BASIN FRUITLAND COAL	3/25/11	Note 4	1021	0	7.1	131.5	S/2	4/11/12	5/18/12	5/11/12	5/8/12	
Sixteen G's Com 91S	3	35145	SWSE	7-24N-9W	NM45207	FED	NMNM112629	BASIN FRUITLAND COAL	3/22/11	Note 4	1021	0	3.7	45.8	S/2	4/11/12	5/18/12	5/11/12	5/8/12	
So Huerfano Federal 1X	3	5107	SW SW	15-24N-9W	SF078859	FED	BISTI LOWER GA	09/57	PA 12/13/96	---	---	---	---	S/2 SW/4	12-5-86	12-5-86	A	A		
Squash Blossom AFU State 1	Note 11	3	27053	SWSE	36-24N-10W	LG-5686	STATE	BISTI GALLUP SO.	10/31/88	NC	1420	0.1	4.0	0.1	W/2SE/4	9-24-07	12-13-07	11-21-07	11-7-07	
Squaw Valley 1	1	26629	NE SW	4-23N-10W	NOOC14207310	I	BISTI GALLUP SO.	2/6/86	P	1369	1.7	6.0	2.6	E/2 SW/4	11-12-85	11-21-85	A	A		
Squaw Valley 2	1	26928	SW SW	4-23N-10W	NOOC14207310	I	BISTI GALLUP SO.	3/31/90	P	1369	1.8	3.7	0.1	W/2 SW/4	6-15-90	6-27-90	A	A		
St. Louis 12	2	26631	NE NW	9-23N-10W	NOOC14207313	I	BISTI GALLUP SO.	2/20/86	P	1542	1.2	4.8	2.3	E/2 NW/4	11-12-85	11-21-85	A	A		
St. Moritz 1	3	28584	SW SW	26-24N-10W	NM78060	FED	BISTI GALLUP SO.	4/21/92	P	1372	0.6	5.4	0.0	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Supai Point 1	5	28996	NE NE	20-24N-8W	NM83507	FED	BASIN FR COAL	17/94	P	1070	0.0	14.3	0.7	E/2	6-22-98	8-12-99	12-4-98	7-20-98		
Supai Point 91	5	29637	NW NE	20-24N-8W	NM83507	FED	BASIN FR COAL		LOC		*	*	*	E/2	6-22-98	8-12-99	12-4-98	7-20-98		
Supai Point 92	5	31414	SW SE	18-24N-8W	NM-83507	FED	BASIN FR COAL	8/25/03	P	1070	0.0	66.3	10.3	E/2	7-23-03	8-29-03	8-17-03	7-30-03		
Supai Point 92S	5	31724	SE NE	18-24N-8W	NM-83507	FED	BASIN FR COAL	11/24/03	P	1070	0.0	54.2	21.9	E/2	7-23-03	8-29-03	8-17-03	7-30-03		
Target 90	Note 12	1	29635	NE SW	20-24N-10W	NM43442	FED	BASIN FR COAL		LOC		*	*	*	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Wac 1	3	25918	NW NW	17-24N-9W	NM36473	FED	BISTI LOWER GA	7/23/84	P	1420	0.1	1.0	0.1	N/2 NW/4	12-5-86	12-5-86	A	A		
Werito #1	4	33382	NWSE	8-23N-9W	NOG-0502-1714	NAV ALLTD	BISTI GALLUP SO.	1/22/07	P	1462	4.0	8.8	1.3	W/2 SE/4	9-24-07	12-13-07	11-21-07	11-7-07		
Witty 1	4	25677	SW SW	12-23N-10W	NM16762	FED	WITTY SPRINGS PC	8/19/83	P	1027	0.0	37.2	6.5	SW/4	7-1-85	7-11-85	A	A		
Witty 2	4	25981	SW NE	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	7/11/84	P	1462	2.9	3.7	0.0	S/2 NE/4	7-1-85	7-11-85	A	A		
Witty 3	4	26043	SW NW	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	7/2/85	P	1462	0.2	6.0	0.0	S/2 NW/4	7-1-85	7-11-85	A	A		
Witty 4	4	26042	NE NW	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	9/10/84	P	1462	2.9	1.6	0.0	N/2 NW/4	7-1-85	7-11-85	A	A		
Witty 5	4	26545	NE NE	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	11/5/85	P	1462	0.4	3.0	3.3	N/2 NE/4	11-12-85	11-21-85	A	A		
Witty 6	4	26767	NE SW	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	8/25/87	P	1462	0.2	3.6	1.7	E/2 SW/4	11-12-85	11-21-85	A	A		
Wit's End 1	3	25677	SW SE	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	6/22/85	P	1537	2.4	4.6	0.8	S/2 SE/4	7-1-85	7-11-85	A	A		
Wit's End 2	3	25981	NE SE	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	6/28/85	P	1537	2.0	5.2	0.6	N/2 SE/4	7-1-85	7-11-85	A	A		
Wit's End 3	3	26043	NE SW	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	6/18/85	P	1537	0.8	6.6	0.6	N/2 SW/4	7-1-85	7-11-85	A	A		
Wit's End 4	3	26042	SW SW	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	6/13/85	P	1537	0.6	5.5	0.6	S/2 SW/4	7-1-85	7-11-85	A	A		
Wit's End 6	3	31010	SE SE	2-23N-10W	LH-1896	ST	WITTY SPRINGS PC	6/11/02	P	1028	0.0	1.9	13.6	SE/4	7-23-03	8-29-03	8-17-03	7-30-03		
Location A	5		SW	5-24N-8W	NM-97837	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location B	5		NE	6-24N-8W	NM-2337	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location C	5		NE	7-24N-8W	NM-2337	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location D	5		NW	7-24N-8W	NM-19567	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location E	5		SE	7-24N-8W	NM-19567	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location F	5		NE	8-24N-8W	NM-19567	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location G	5		NW	8-24N-8W	NM-19567	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location H	5		SW	8-24N-8W	NM-19567	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location I	5		SE	9-24N-8W	NM-16589	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location J	5		SW	9-24N-8W	NM-16589	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location K	5		NW	15-24N-8W	NM-16589	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location L	5		SE	15-24N-8W	NM-16589	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		

DUGAN PRODUCTION CORP.

GOODTIMES GAS GATHERING SYSTEM (8/6/12)

CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W

CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W

SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (If Established)	Pool	Completion Date	Current Status ①	BTU @ 15.025	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			30-045	¼ ¼	Sec-Twn-Rng	Lease No.						Lease Type	BPD	MCFD		BWPD	APPROVAL			
																	Application	BLM	NMOC	NMSLO
Location M	5		SW	15-24N-8W	NM-16589	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location N	5		SE	17-24N-8W	NM-26047	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location O	5		SW	17-24N-8W	NM-26047	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location P	5		SE	19-24N-8W	NM-41650	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location Q	5		SE	20-24N-8W	NM-83507	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location R	5		NW	21-24N-8W	NM-83507	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location S	5		NE	1-24N-9W	NM-2337	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location T	5		SE	12-24N-9W	NM-100303	FED	BASIN FR COAL		LOC		*	*	*		7-23-03	8-29-03	8-17-03	7-30-03		
Location U	3		SW/4	9-24N-9W	NM10089	FED	BASIN FR COAL		Loc		*	*	*		9-24-07	12-13-07	11-21-07	11-7-07		
Location V	3		SW/4	28-24N-9W	NM12374	FED	BASIN FR COAL		Loc		*	*	*		9-24-07	12-13-07	11-21-07	11-7-07		
<b>WELLS OPERATED BY OTHERS</b>																				
Encana Escrito P16-2409 1H	3	35313	SESE	16-24N-9W	V8941	ST	BISTI LOWER GALLUP		Note 9					S/2	4/11/12	5/18/12	5/11/12	5/8/12		
Encana Escrito I24-2409 1H	5	35322	NESE	24-24N-9W	SF078860	FED	BISTI LOWER GALLUP		LOC B					S/2	4/11/12	5/18/12	5/11/12	5/8/12		
Encana Good Times A06-2310 1H	1	35319	NENE	6-23N-10W	NM32124	FED	SOUTH BISTI GALLUP		LOC B					Note 7	4/11/12	5/18/12	5/11/12	5/8/12		
Encana Good Times P32-2410 1H	1	35315	SESE	32-24N-10W	V1509	ST	SOUTH BISTI GALLUP	4/22/12	Note 9					Note 8	4/11/12	5/18/12	5/11/12	5/8/12		
QEP - Fed. D CDP (4 wells) Note 14																				
Federal D 3	4	28455	SW SE	3-23N-9W	NM8005	FED	BISTI GALLUP SO.	7/22/91	P	1471	2.1	11.8	0.1	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Federal D 4	4	28376	NE NE	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	7/11/91	P	1471	0.2	0.9	0.3	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98		
Federal D 5	4	28456	SW NW	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	5/1/91	P	1471	2.9	1.0	0.5	W/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98		
Federal D 6	4	28377	SW SW	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	6/25/91	P	1471	2.7	1.1	0.5	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98		
<b>WATER DISPOSAL WELLS</b>																				
Frazzle 1 SWD Note 10	1	33865	NE NW	30-24N-10W	NM15654	FED	ENTRADA SWD	2/9/07	SWD											
Herry Monster 3 SWD Note 10	1	33217	SE NW	11-24N-11W	NM17015	FED	ENTRADA SWD	11/14/05	SWD											
Mary Lou 1 SWD Note 10	1	26460	NE NE	32-24N-10W	V-1509	STATE	MESAVERDE SWD	9/23/03	SWD											
Mesa 4 SWD Note 10	5	32086	NE SE	16-24N-8W	LG-1719	STATE	MESAVERDE SWD	6/12/04	SWD											
Sanchez O'Brien 1 SWD Note 10	3	25298	NWSW	6-24N-9W	NM97108	FED	MESAVERDE SWD	12/5/97	SWD											
St. Moritz 2 SWD Note 10	3	35281	NW SE	26-24N-10W	NM78060	FED	ENTRADA SWD	Note 10	COMPL											

Notes:

N/A = Not Applicable

NR = None Reported

1 - Status of completed interval 2/1/12

- 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
- PA = plugged & abandoned
- TA = temporarily abandoned
- SWD = Active water disposal well

2 - Production during December, 2011 & January, 2012. BPD = bbl of condensate or oil produced per day, MCFD = MCF of gas produced per day, BWPD = bbl of water per day.

\* = well not producing 2/1/12. For wells not completed, rates represent anticipated production: Basin Fruitland Coal = 150 mcf + 150 BWPD and no oil or condensate. Bisti Lower Gallup & Bisti Gallup, South = 20 BOPD + 30 mcf + 0.5 BWPD.

Potwin Pictured Cliffs = 45 mcf + 1.0 BWPD

- 3 - Dates of application and approval for permission to use Dugan's Goodtimes Gas Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sales (S) of produced natural gas. (A) = Prior to 6/22/98, all applications solicited only BLM approval with the NMOCD and NMSLO receiving informational copies. The NMOCD initially considered the allocation meters to meet the OCD requirements for measurement on lease and prior to commingling. The application dated 6-22-98 did solicit NMOCD and NMSLO approvals for surface commingling and off-lease measurement, not only for the wells being added to the gathering system, but also all wells currently on the system. The 6/22/98 application was approved by the NMOCD on 12/4/98 and the NMSLO on 7/20/98. The wells operated by Questar E&P did have BLM approval for off-lease measurement at the Federal D CDP (allocation meter) located in NE NE 16, T-23N, R-9W, obtained by application dated 4/15/92 and submitted by BCO, Inc. The current NMOCD approval is under Order PLC-149-E dated 5/11/12.

4 - Well Name	Date of	Cumulative Production 1-1-12		
	1st Delivery	MCF	BO	BW
Holly Com 90	11/1/11	72	0	1,150
Sanchez O'Brien 90S	2/24/11	1,341	0	14,283
Sixteen G's 90S	3/23/11	8,918	0	19,202
Sixteen G's 91	4/11/11	2,086	0	22,200
Sixteen G's 91S	4/4/11	1,422	0	20,359
Mary Anne 3	11/7/10	4,516	0	45,634
Total		18,355	0	122,828

- 5 - Mary Lou #1 converted to Mesaverde water disposal on 9-23-03 under NMOCD Order SWD-884-B. Gallup completion plugged & abandoned 9/2/03.

- 6 - Mary Anne #3 plugged back from Bisti Lower Gallup 12/10/09 and completed in Basin Fruitland Coal 12/28/09.

- 7 - Encana's Good Times A06-2310 #1H has a 636.72A spacing unit comprising all of Section 6, T-23N, R-10W. This same acreage is also dedicated to Dugan Production's Calgary wells No. 2 thru 8 and Calgary No. 88 (8 wells @ ±80A each), which will require simultaneous dedication for Encana's well and Dugan's eight wells.

- 8 - Encana's Good Times P32-2410 #1H has a 320A spacing unit comprising the S/2 of Section 32, T-24N, R-10W. This same acreage is also dedicated to Dugan Production's Mary Lou wells No. 3, 4, 5, & 6, each having a 80A spacing unit which will require a simultaneous dedication for Encana's well and Dugan's four wells.

- 9 - Encana's Good Times P32-2410 #1H and Escrito P16-2409 #1H have both been connected to the GTGS for production testing which is underway.

10 - Water Disposal Wells

Well	NMOCD SWD Order	Date	SWD Order Amendments/Corrections
	Number		
1 Frazzle 1 SWD	SWD-1048-0	10/4/06	
2 Herry Monster 3 SWD	SWD-994-0	9/22/05	
3 Mary Lou 1 SWD	SWD-884-0	7/10/03	SWD-884-A (1/6/04), SWD-884-B (2/8/06)
4 Mesa 4 SWD	SWD-918-0	3/17/04	
5 Sanchez O'Brien 1 SWD	SWD-694-0	2/23/98	IPI 2002 (7/23/02)
6 St. Moritz 2 SWD	SWD-1318-0	2/10/12	SWD-1318 (3/5/12) - completion in progress, well spud 10/1/11.

- 11 - Yates Petroleum's Ristra AGW State No. 1 & Squash Blossom AFU State No. 1 were acquired by Dugan Production effective 1/3/11.

- 12 - 8 wells approved for Goodtimes Gas Gathering System were subsequently moved to Dugan Production's Sesamee Street Gas Gathering System and will not be connected to the Goodtimes Gas Gathering System. The wells are: Hoss Com 90 Mary Lou 90 & 90S, Mary Lou Com 91 & 91S, Road runner 90, Rodeo Rosie Com 90, Target 90.

- 13 - Encana's Good Times I32 was spudded on 7/11/12 and completion will start ±8/6/12.

14. Effective 7/1/10 operator name changed from Questar E&P to QEP Energy Company.

**ATTACHMENT NO. 4  
Dugan Production Corp.  
San Juan County, New Mexico**

	Good Times I32-2410 1H NESE 32, T24N, R10W South Bisti Gallup S/2 (320.0A)* INTEREST%		Escrito I16-2409 1H NESE 16, T24N, R9W Bisti Lower Gallup N/2 S/2 (160.0A) INTEREST%	
<u>INTEREST OWNER</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	50.000000	41.665000	50.000000	40.625000
Encana Oil & Gas (USA), Inc. Attn: Brenda Linster 370 17 <sup>th</sup> Street, Suite 1700 Denver, CO 80202	50.000000	41.665000	50.000000	40.625000
<u>Royalty</u> State Of New Mexico P. O. Box 1149 Santa Fe, NM 87504-1148	-0-	16.670000	-0-	15.625000
<u>Overriding Royalty Interest</u> Belco Development Corp. c/o EOG Resources Inc. P O Box 840321 Dallas, TX 75284	-0-	-0-	-0-	2.078124
Gates Properties, Ltd. P O Box 81119 Midland, TX 79708-1119	-0-	-0-	-0-	0.750000
QEP Energy Company P. O. Box 8375 Savannah, GA 31412-8375	-0-	-0-	-0-	0.296876
<b>TOTAL WELL</b>	<u>100.000000</u>	<u>100.000000</u>	<u>100.000000</u>	<u>100.000000</u>

\* - S/2 spacing unit shared with Encana's Good Times P32-2410 #1H, plus Dugan's Mary Lou wells No. 3, 4, 5 & 6

**Attachment No. 5**  
**Interest Ownership Notification**  
**Dugan Production Corp.'s Application dated 8/6/12**  
**Proposing the Addition of 2 Wells to**  
**Dugan Production's Goodtimes Gas Gathering System**

Presenting evidence that 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 8/6/12 used to send a copy of the subject application to Encana Oil & Gas (USA) Inc. which is the only working interest owner, other than Dugan Production in the 2 wells being added to Dugan Production's Goodtimes Gathering System. The 2 wells being added will be operated by Encana Oil & Gas and Dugan Production holds 50% of the working interest. Encana's letter was sent by certified mail with a return receipt requested. Upon receiving the receipt, a copy will be sent to the NMOCD.
2. The royalty interest for both wells being added is 100% State of New Mexico. There is no federal, fee or Indian royalty in the 2 wells being added. Since the subject application is addressed to the New Mexico State Land Office (for state leases) a separate notice to royalty interest owners was not needed. The application was sent by certified mail with a return receipt requested and upon receiving the receipt, a copy will be sent to the NMOCD. Although there are no federal leases associated with the 2 wells being added, we are requesting BLM's approval since there is a significant federal royalty interest in the 260 completions currently approved for the gathering system.
3. Copy of Dugan's transmittal letter dated 8/6/12 used to send notice of the subject application to the 3 overriding royalty interest owners in the 2 wells being added to Dugan Production's Goodtimes Gathering System. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
4. Copy of the advertisement published in the Legal Notice section of the 8/5/12 issue of the Farmington Daily Times regarding the subject application to add 2 wells to Dugan's Goodtimes Gas Gathering System. This publication was made in anticipation that of the notice mailed to the interest owners, there will be at least one either returned for some reason or the return receipt will be lost in the mail.



dugan production corp.

Attachment  
No. 5  
pg 2 of 5



August 6, 2012

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Encana Oil & Gas (USA) Inc.  
Attn: Brenda Linster  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

Re: Dugan Production's application to add  
Encana's Good Times I32-2410 #1H and  
Escrito I16-2409 #1H  
Dugan's Goodtimes Gathering System  
San Juan County, New Mexico

Dear Ms. Linster,

Attached for your information, review and file is a complete copy of Dugan's application to the New Mexico Oil Conservation Division, Bureau of Land Management and New Mexico State Land Office, requesting their approvals to add the captioned wells to Dugan Production's Goodtimes Gathering System (GTGS) which currently has 245 (260 completions) wells approved for the system. This will require surface commingling of gas production from the subject wells, plus the off-lease measurement and sale of gas at one of two central delivery sales meters (CDP). Dugan Production will obtain the necessary rights-of-way and will install, operate and maintain the gathering system. Although there are no federal leases within the spacing units of the two wells being added, we are requesting BLM approval since there is a significant federal lease interest in the 245 wells currently approved for operation on the gathering system.

All wells will be equipped with individual gas measurement equipment for allocation purposes and 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. Should you have any questions, need additional information, 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 in Santa Fe, New Mexico 87505, and we would appreciate receiving a copy of your objection.

Sincerely,

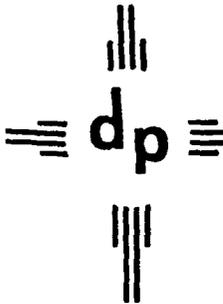
*John D. Roe*

John D. Roe  
Engineering Manager

JDR/tmf

attachments

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



dugan production corp.

Attachment  
No. 5  
pg 3 of 5

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

August 6, 2012

**Overriding Royalty Interest Owners**  
2 wells proposed for addition to  
Dugan Production's Goodtimes Gathering System  
(Address List Attached)

Re: Dugan Production's Application to add 2 wells to  
Dugan's Goodtimes Gathering System  
San Juan County, New Mexico

Dear Sir or Madam,

According to our records, you have an overriding royalty interest in one of the wells that is proposed to be added to Dugan's Goodtimes Gathering System. The well in which you have an interest is presented on the attached interest owner list. Dugan Production is submitting an application to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM), and the State Land Office (SLO), requesting their approvals to add 2 wells (to be operated by Encana Oil & Gas (USA) Inc.) to Dugan Production's Goodtimes Gathering System which currently has 245 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). Although there is no federal royalty interest in the two wells being added, we are also requesting approval from the Bureau of Land Management (BLM) since there is a significant federal royalty associated with the 245 wells currently approved for operation on the gathering system. Dugan Production will install all equipment and will operate and maintain the gathering system. Since your interest in these wells is an overriding royalty, there are no costs chargeable to you. 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. 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 8-7-12.

Sincerely,

John D. Roe  
Engineering Manager

JDR/tmf

Attachments

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

**Goodtimes Gas Gathering System Interest Owners Address List**

*(wells with ownership interest in parentheses)*

A=Encana's Escrito 116-2409 #1H; B=Encana's Good Times 132-2410 #1H

Attachment  
No. 5  
Pg 4 of 5

**Working Interest Owners**

Dugan Production Corp. (A & B)  
P O Box 420  
Farmington, NM 87499-0420

Encana Oil & Gas (USA), Inc. (A & B)  
Attn: Brenda Linster  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

**Royalty Interest Owners**

NM State Land Office (A & B)  
P. O. Box 1149  
Santa Fe, NM 87504

**Overriding Royalty Owners**

Belco Development Corp. (A)  
c/o EOG Resources, Inc.  
P O Box 840321  
Dallas, TX 75284-0321

Gates Properties, Ltd. (A)  
P O Box 81119  
Midland, TX 79708-1119

QEP Energy Co. (A)  
P O Box 45601  
Salt Lake City, UT 84145-0601

Attachment  
No. 5  
pg 5 of 5

Please place in the legal ads for the Sunday, August 5th publication of the Farmington Daily Times. 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 2 proposed wells to Dugan Production Corp.'s Goodtimes Gathering System (GTGS). This will require the surface commingling of produced natural gas plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. The wells to be added and the existing gathering system are located within Sections 3,6 thru 10,16,17 of Township 23N, Range 9W; plus Sections 1 thru 6, 9 thru 13 of T-23N, R-10W; plus Sections 1,11,12 of T-23N, R-11W; plus Sections 5 thru 10, 14 thru 22, 27 thru 30 of T-24N, R-8W; plus Sections 1 thru 22, 24 thru 33 of T-24N, R-9W; plus Sections 12,13,14,24 thru 27, 31 thru 36 of T-24N, R-10W; plus Section 36 of T-24N, R-11W plus Section 31 of T-25N, R-8W all located in San Juan County, New Mexico. There are two central delivery gas sales meters (CDP's). CDP #1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources. CDP #2 is located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services. The gathering system currently has 245 wells (260 completions) which are completed in the following 15 pools; Basin Dakota gas (10 wells), Basin Fruitland Coal gas (81 wells), Bisti Lower Gallup oil (40 wells), South Bisti Gallup oil (96 wells), Bisti Chacra gas (1 well), Bisti Pictured Cliffs gas (1 well), Cuervo Gallup oil (3 wells), Cuervo Mesaverde oil (2 wells), Lybrook Gallup oil (4 wells), Potwin Pictured Cliffs gas (9 wells), White Wash Mancos/Dakota oil (5 wells), White Wash Mesaverde oil (1 well), Witty Springs Pictured Cliffs gas (2 wells), Undesignated FR/PC (4 wells) and Undesignated Dakota (1 well). It is proposed to add 2 additional wells, 1 in the Bisti Lower Gallup oil pool and 1 in the South Bisti Gallup oil pool. The wells to be added are located upon, or the spacing units include the following leases held by Dugan Production Corp.; Federal Lease B-10889; and State Leases V-1509 and V-7918. The wells to be added will operated by Encana Oil & Gas (USA) Inc. and are: Encana's Escrito I16-2409 1H, and Good Times I32-2410 1H. The 260 wells currently authorized for the GTGS typically produce marginal volumes of natural gas and the 2 wells to be added are anticipated to produce natural gas volumes similar to the wells currently authorized for the GTGS. Any person holding an interest in any of these leases or wells 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 date of this publication. In the absence of objection, Dugan Production Corp. is requesting that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

**ATTACHMENT NO. 7  
GATHERING SYSTEM &  
WATER DISPOSAL FACILITIES  
DUGAN PRODUCTION CORP'S  
GOODTIMES GAS GATHERING SYSTEM**

**Gas Sales Meters**

<u>Name</u>	<u>Description</u>	<u>Location</u>	<u>Map No.</u>
CDP No. 1	gas sales to Elm Ridge Resources Meter #31103	SESE 22-24N-8W	5
CDP No. 2	gas sales to Enterprise Field Services Meter #97228	SENE 12-24N-10W	3
SOB 1 Fuel	gas sales for fuel @ SOB No. 1 water disposal facility	NWSW 6-24N-9W	3

**Compressors**

<u>Index</u>	<u>Name</u>	<u>Location</u>	<u>Map No.</u>	<u>Make &amp; Model</u>	<u>Engine HP</u>	<u>Fuel-mcfd</u>
GT-A	Goodtimes CDP 2	SENE 12-24N-10W near CDP #2	3	Caterpillar 3306TA	194	33.7
GT-B	Goodtimes Mountain Spur	NWSE 15-24N-8W near CDP #1	5	Caterpillar 3306	125	31.5
GT-C	Goodtimes South	NESW 33-24N-10W @ Gold Medal #2	1	Waukesha	58	14.62
GT-D	Goodtimes Old	NWSE 7-24N-9W near Drip Tank #3	3	Cummings 495	88	22.18

**Gathering System Drip Tanks**

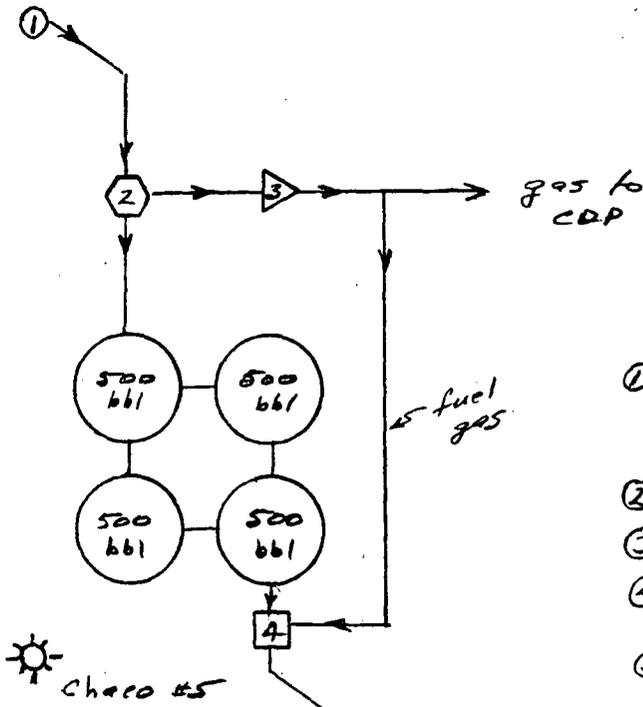
<u>Name</u>	<u>Tank</u>		<u>Location</u>	<u>Map No.</u>
	<u>Number</u>	<u>Size</u>		
Drip Tank No. 1	3926	300 bbl	NESW 33-24N-10W @ Gold Medal #2	1
Drip Tank No. 2	6036	210 bbl	SWSW 27-24N-10W @ Silver Medal #1	1
Drip Tank No. 3	3379A	300 bbl	SWNW 8-24N-9W near Big Eight #1	3 - Removed from service
Drip Tank No. 4	---	60 bbl	SESW 2-24N-9W near Blanco Wash #3	3
Drip Tank No. 5	6647	210 bbl	NENE 13-24N-10W near MF #1	3
Drip Tank No. 6	---	300 bbl	NWSW 30-24N-9W near April Surprise #2	3
Drip Tank No. 7	---	100 bbl	NENE 17-24N-9W near Ivy League #1	3

**Tanks for Storing Drip/Condensate Purchased for Paraffin Control Program**

<u>Name</u>	<u>Tank</u>		<u>Location</u>	<u>Map No.</u>
	<u>Number</u>	<u>Size</u>		
Purchased Drip Tank #1	7750	300 bbl	SENE 34-24N-10W @ Gold Medal #1	1
Purchased Drip Tank #2	1717	300 bbl	SWNW 7-24N-9W @ Sixteen G's #1	3
Purchased Drip Tank #2	11272	300 bbl	SWNW 7-24N-9W @ Sixteen G's #1	3

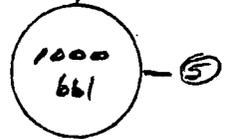
**Water Disposal Facilities**

<u>Facility</u>	<u>Location</u>	<u>Map No.</u>	<u>Injection Make &amp; Model</u>	<u>Engine HP</u>	<u>Fuel-mcfd</u>
Chaco Water Transfer	SESE 6, T-24N, R-8W	5	Witty	12	3.02 (from Goodtimes)
Frazzle No. 1 SWD	NENW 30, T-24N, R-11W	1	Electric	150	0
Frazzle No. 1 SWD	NENW 30, T-24N, R-11W	1	Electric	150	0
Herry Monster No. 3 SWD	SENE 11, T-24N, R-11W	1	Cummins 5.9	84	17.52 (from Sesamee Street)
Mary Lou No. 1 SWD	NENE 32, T-24N, R-10W	1	Cummins 5.9	49	10.32 (from Sesamee Street)
Mary Lou No. 1 SWD	NENE 32, T-24N, R-10W	1	Waukesha 330	67	16.88 (from Sesamee Street)
Mesa No. 4 SWD	NESE 16, T-24N, R-8W	5	Cummins 5.9	49	10.32 (from Goodtimes)
Sanchez O'Brien No. 1 SWD	NWSW 6, T-24N, R-9W	3	Waukesha	151	38.05 (from Goodtimes)
St. Moritz No. 2 SWD	NWSE 26, T-24N, R-10W	3	Electric	150	0



- ① - Fluid from wells produced up tubing & delivered to transfer facility by pipeline - mostly water w/ some gas
- ② gas/water separator
- ③ gas allocation meter
- ④ water transfer pump - 12 hp NHTY 8-12 - 3.02 mcf/d.
- ⑤ water hauled by truck to SWD facility - typically Mesa #4.

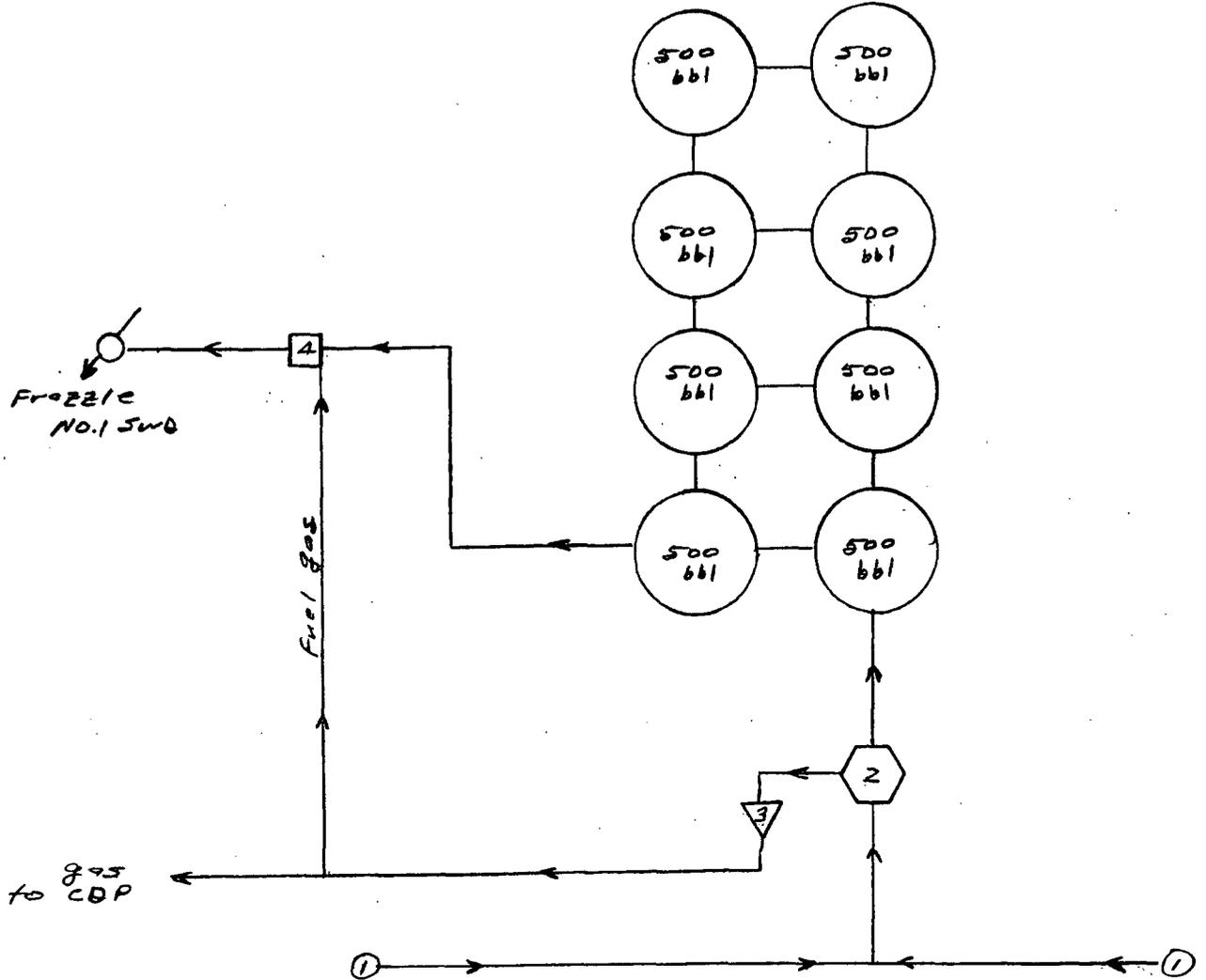
Approx. 17.2 miles from Chaco to Okie #1 - Elevation change = +229'



Okie #1



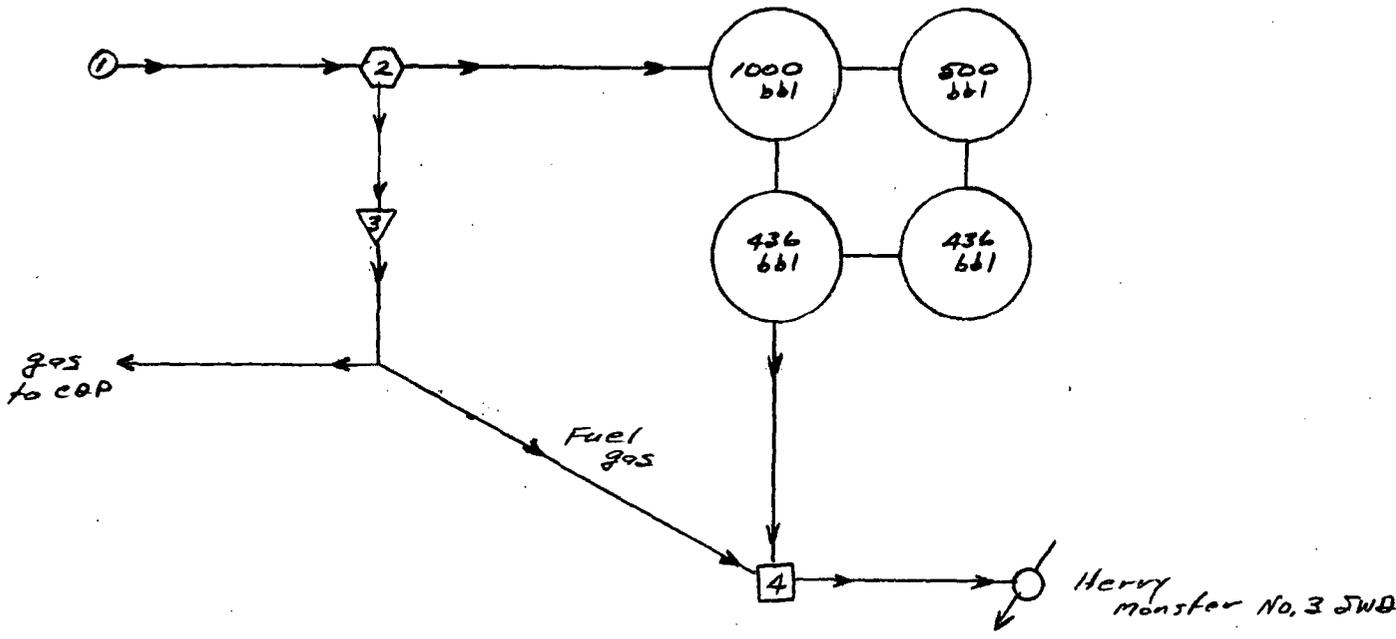
DUGAN PRODUCTION CORP.  
CHACO WATER TRANSFER STATION  
SESE SECTION 6, T-24N, R-8W  
SAN JUAN COUNTY, NM



- ① = Fluid from wells produced up tubing & delivered to disposal facility by pipeline - mostly water w/ some gas.
- ② = gas/water separator
- ③ = gas Allocation Meter
- ④ = water injection pumps  
pump #1 - 150 hp electric motor  
pump #2 - 150 hp electric motor

DUGAN PRODUCTION CORP.  
FRAZZLE NO. 1 SWD  
NENW SECTION 30, T-24N, R-10W  
ADMINISTRATIVE ORDER SWD-1048  
SAN JUAN COUNTY, NM



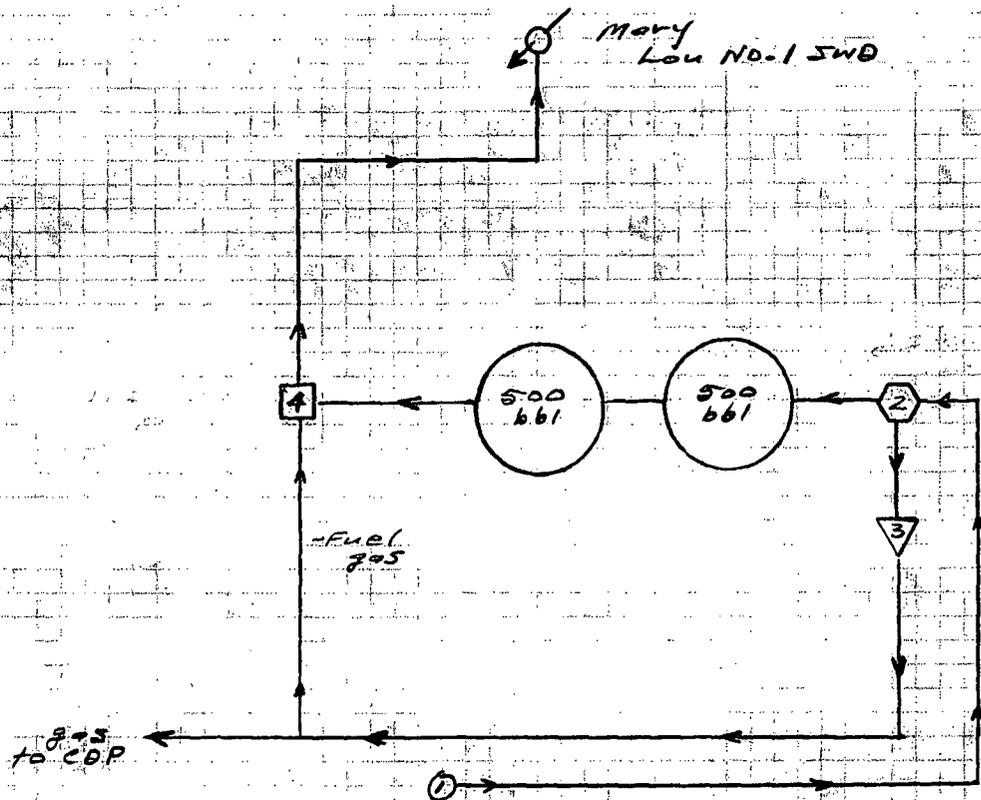


- ① = Fluid from wells produced up tubing & delivered to disposal Facility by Pipeline - mostly water w/ some gas
- ② = gas/water Separator
- ③ = gas Allocation Meter
- ④ = Water injection pump - 84hp 5.9 Cummins 17.52 mcf/d fuel fuel gas From Sesame Street Gathering System.

DUGAN PRODUCTION CORP.  
HERRY MONSTER NO. 3 SWD  
SENW SECTION 11, T-24N, R-11W  
ADMINISTRATIVE ORDER SWD-994  
SAN JUAN COUNTY, NM



Attachment  
No. 7  
Pgs. 1-8



① = Fluid from wells produced up tubing & delivered to disposal facility by pipeline - mostly water w/ some gas.

② = gas/water separator

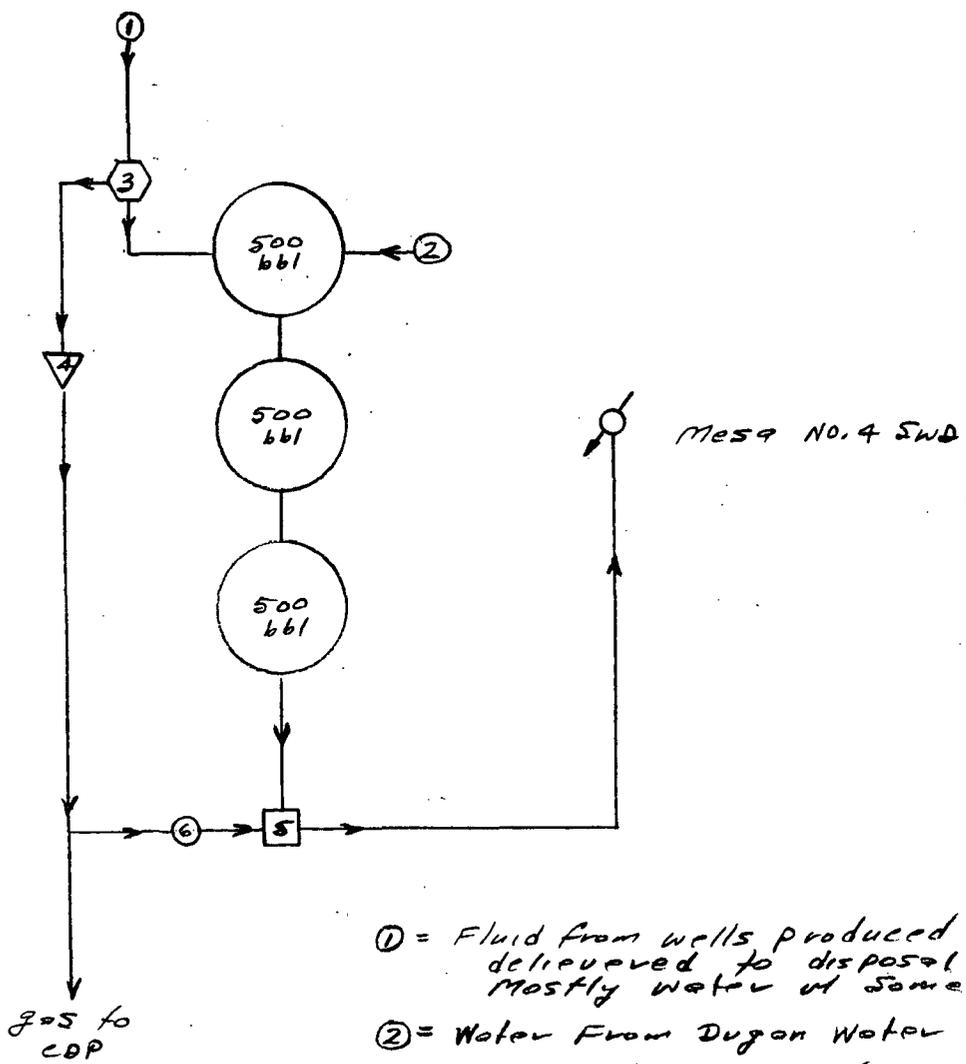
③ = gas Allocation Meter

④ = Water Injection Pump -  
Pump #1 - 47hp - fuel = 10.32 mcf/d  
Pump #2 - 67hp - fuel = 16.88 mcf/d

- fuel gas from  
Sesame Street  
Gathering System

DUGAN PRODUCTION CORP.  
MARY LOU NO. 1 SWD  
NENE SECTION 32, T-24N, R-10W  
ADMINISTRATIVE ORDER SWD-884-B  
SAN JUAN COUNTY, NM

North  
↑

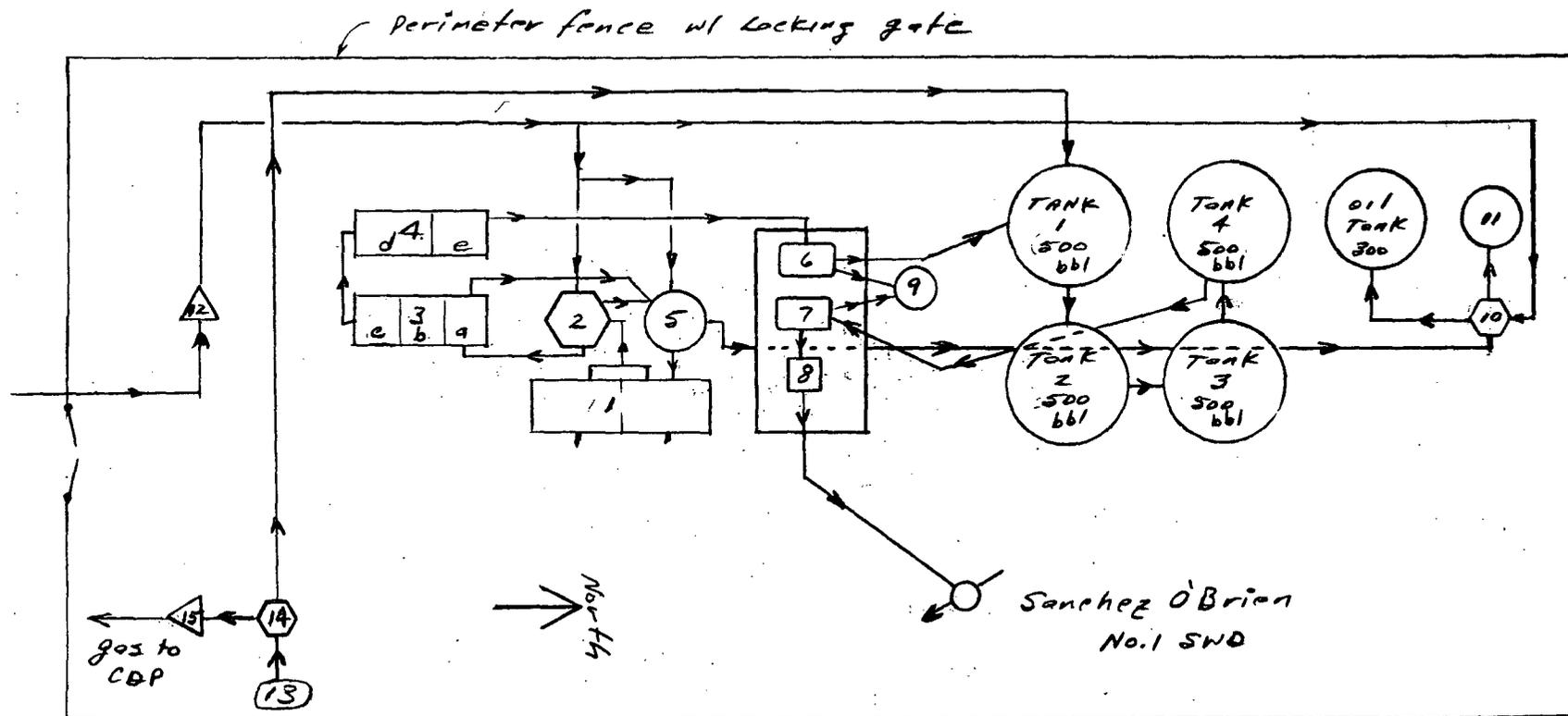


- ① = Fluid from wells produced up tubing & delivered to disposal facility by pipeline - mostly water w/ some gas.
- ② = Water From Dugan Water trucks
- ③ = gas water Separator
- ④ = gas Allocation meter
- ⑤ = Water injection pump - 49 hp - fuel = 10.32 mcf/d  
fuel gas from Goodfirms gathering system

DUGAN PRODUCTION CORP.  
MESA NO. 4 SWD  
NESE SECTION 16, T-24N, R-8W  
ADMINISTRATIVE ORDER SWD-918  
SAN JUAN COUNTY, NM



DUGAN PRODUCTION CORP.  
 SANCHEZ O'BRIEN NO. 1 SWD  
 NWSW SECTION 6, T-24N, R-9W  
 ADMINISTRATIVE ORDER SWD-694  
 SAN JUAN COUNTY, NM



**General Facility Information - Sanchez O'Brien No. 1 SWD Facility Diagram**

Area within fence is underlain with 12 mil pit liner ±12" below ground level. Fluids from water trucks are received only when DPC plant operator is onsite and supervising operations, typically 6:00 a.m. to 9:00 p.m. 7 days per week and/or as needed. During times plant operator is not onsite the entrance gates and valves to unloading tank are closed and locked.

1. Truck unloading tank - fluid received is typically from DPC's well site production pits, mostly water with possibly some oil. Typically fluids are transported by DPC owned and operated water trucks and only from DPC wells. All trucks are gauged and thieved for content prior to unloading. A record of each load is maintained. If needed, chemical is added to aid in breaking emulsions and dropping solids. Fluid is transferred to the separator (#2) by an electric pump controlled by fluid level in the unloading tank. Accumulated solids removed manually as needed.
2. The water/oil separator is heated if needed. Oil is transferred to the oil treatment tank (#5) based upon fluid level in the separator. Water is transferred to Section A of the first settling tank.
3. First settling tank - divided into 3 sections each separated by a weir designed to allow oil flotation. An oil skimmer is located in Section A and transfers accumulated oil to the oil treatment tank (#5). Water moves from Section A to B to C and then to the 2<sup>nd</sup> settling tank (#4). Accumulated solids removed manually as needed.
4. Second settling tank - divided into 2 sections, each separated by a weir. Water is transferred to Tank #1 after moving through filters (#6) for solid removal. Water then moves from Tank #1 to #2, #3 & then #4 where it is filtered (#7) and then moved to the water injection pump (#8) for injection. Accumulated solids removed manually as needed.
5. Oil Treatment Tank - closed 100 bbl above ground steel tank. Receives oil from the skimmer in the 1<sup>st</sup> settling tank (#3) plus from the water/oil separator (#2). Equipped with a fire tube to heat the oil plus a circulation system to continuously circulate the fluid and add chemicals for treatment of emulsion and to break solids. Water is transferred to the unloading tank (#1) and oil to the heater treater (#10) based upon fluid level in the treatment tank.
6. Filter bank for solids removal from water transported to disposal facility by water truck.
7. Filter bank for solids removal prior to injection into disposal well.
8. Water injection pump - 151 hp - 38.05 mcf/d fuel.
9. 60 bbl below grade steel tank with closed top and double wall for leak detection. Receives water from filter headers (#6 & #7) released while changing filters and any leaks that may occur within the building. Accumulated water is removed by water truck and transferred to the unloading tank (#1).
10. Heater treater for final treatment of oil recovered from water disposal facility. Oil is transferred to 300 bbl storage tank and water is transferred to water storage tank (#11).
11. 100 bbl sub-grade (sides open) steel tank with open top, covered with expanded metal. Receives water recovered at heater treater (#10) and accumulated water is removed by water truck and is transferred to the truck unloading tank (#1).
12. Gas meter to measure natural gas needed for fuel to treat fluids at the disposal facility. Fuel gas is used at the water/oil separator (#2), oil treatment tank (#5) and the heater treater (#10).
13. Fluid from wells produced up tubing (mostly water with some gas) and transported to disposal facility by pipeline.
14. Gas/water separator - gas to Goodtimes Gathering System CDP for sale and allocation to wells delivering fluid to separator.
15. Gas allocation meter.

Attachment  
 No. 7  
 PS 7 of 8

DUGAN PRODUCTION CORP

ST. MORITZ SWD # 2  
E/2 SEC. 23, T24N, R10W, NMPM  
SAN JUAN COUNTY, NEW MEXICO

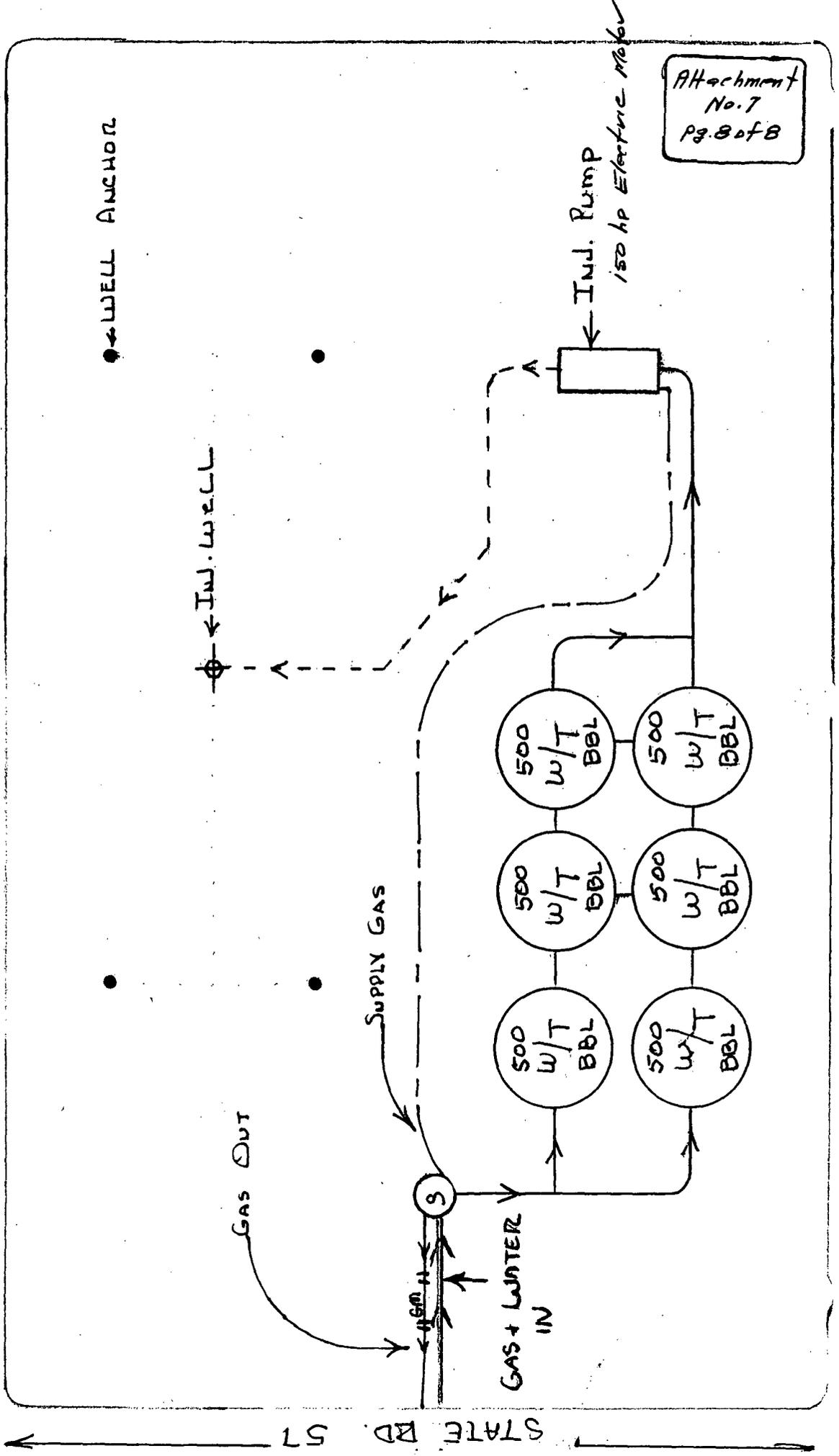
NORTH

WELL ANCHOR

IND. WELL

IND. PUMP  
150 HP ELECTRIC MOTOR

Attachment  
No. 7  
Pg. 8 of 8



**ATTACHMENT NO. 8**

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

Encana Oil & Gas (USA) Inc. is the operator of two wells to be drilled in the vicinity of Dugan Production's Goodtimes 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.

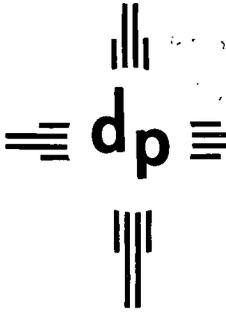
To date, Encana has four wells approved for operation on Dugan Production's Goodtimes Gas Gathering System and we request that the following two wells operated by Encana Oil & Gas (USA) Inc. be approved for operation on the Goodtimes Gas Gathering System and the associated surface commingling and off-lease measurement and sale of produced natural gas:

<u>Well</u>	<u>Location</u>	<u>API No.</u>	<u>Type Lease &amp; No.</u>	<u>Pool</u>
Good Times 132-2410 No. 1H	NESE 32, T24N, R10W	30-045-35381	State V-1509	South Bisti Gallup (5860)
Escrito 116-2409 No. 1H	NESE 16, T24N, R9W	30-045-35362	State V-7918-S	Bisti Lower Gallup (5890)

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

Title: Regulatory Lead

Date: 08-02-12



# dugan production corp.

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RECEIVED OGD

2012 AUG 20 P 12:44

August 17, 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 8/6/12  
Add Two Wells to Goodtimes Gas Gathering System

Dear Ms. Bailey,

Attached for your consideration of the captioned application are copies of the certified mail return receipts for our notice given to interest owners in the wells proposed to be added to Dugan Production's Goodtimes Gas Gathering System. We have received receipts for all working, royalty, and overriding royalty interest. In addition, also attached is the "Affidavit of Publication" for our legal advertisement presented in the Sunday, 8/5/12 publication of the Farmington Daily Times.

To date, we have not had any comment or objection from any interest owner.

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

Sincerely,

John D. Roe  
Engineering Manager

JDR/tmf

Attachments

bedtimes app 8/12

**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:

Caracra Del + Son (USA) Inc.  
 Attn: Brenda Luster  
 370 17th St, Suite 1700  
 Denver, CO 80202

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
 x Brenda Luster

B. Received by (Printed Name) C. Date of Delivery  
 Brenda Luster 08-07

D. Is delivery address different from item 1?  Yes  No 12  
 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 1940

Working Interest

bad times CD case 8/12

**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:

NM State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *[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

AUG - 9 2012

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 0721

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Royalty interest

**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:

Bureau of Land Mgmt  
6251 College Blvd, Ste A  
Farmington, NM 87402

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *[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

6251 College Blvd  
Farmington, NM 87402

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 1919

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

headtimes CDP app 8/12

**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:  
 Deleo Development Corp.  
 c/o EOG Resources, Inc  
 P.O. Box 840321  
 Dallas, TX 75284-0321

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *Eric Robison*  Agent  Addressee

B. Received by (Printed Name) *ERRIC ROBISON* C. Date of Delivery *8/1/2012*

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

ORRI

2. Article Number (Transfer from service label) 7011 2970 0003 7599 0738

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

headtimes CDP app 8/12

**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:  
 Sales Properties, Ltd.  
 P.O. Box 81119  
 Midland, TX 79708-1119

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *Larry Gates*  Agent  Addressee

B. Received by (Printed Name) *Larry Gates* C. Date of Delivery *8/10/2012*

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 1933

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

headtimes CDP app 8/12

**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 Company  
 P.O. Box 45601  
 Salt Lake City, UT  
 84145-0601

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *Shawn Walter*  Agent  Addressee

B. Received by (Printed Name) *Shawn Walter* C. Date of Delivery *8/9/2012*

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

DOWN TO  
 SALT LAKE CITY, UT 84101  
 LAKE CITY, UT 84101  
 9 2011

2. Article Number (Transfer from service label) 7011 2970 0003 7599 1926

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

**AFFIDAVIT OF PUBLICATION**

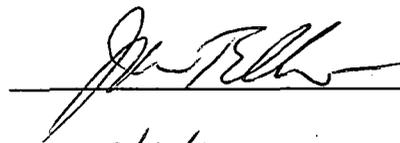
**Ad No. 67954**

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

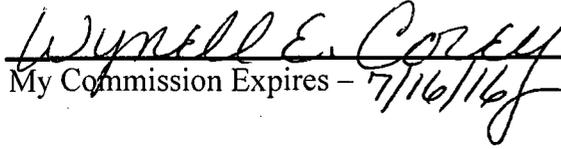
JOHN ELCHERT, being duly sworn says:  
That HE is the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily 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):

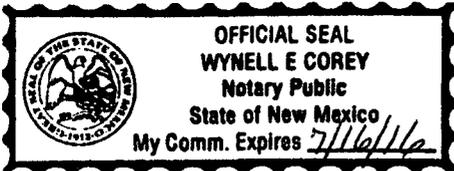
Sunday, August 05, 2012

And the cost of the publication is \$138.72

  
\_\_\_\_\_

ON 8/6/12 JOHN ELCHERT  
appeared before me, whom I know personally  
to be the person who signed the above  
document.

  
My Commission Expires - 7/16/16



**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 2 proposed wells to Dugan Production Corp.'s Goodtimes Gathering System (GTGS). This will require the surface commingling of produced natural gas plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. The wells to be added and the existing gathering system are located within Sections 3,6 thru 10,16,17 of Township 23N, Range 9W; plus Sections 1 thru 6, 9 thru 13 of T-23N, R-10W; plus Sections 1,11,12 of T-23N, R-11W; plus Sections 5 thru 10, 14 thru 22, 27 thru 30 of T-24N, R-8W; plus Sections 1 thru 22, 24 thru 33 of T-24N, R-9W; plus Sections 12,13,14,24 thru 27, 31 thru 36 of T-24N, R-10W; plus Section 36 of T-24N, R-11W plus Section 31 of T-25N, R-8W all located in San Juan County, New Mexico. There are two central delivery gas sales meters (CDP's). CDP #1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources. CDP #2 is located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services. The gathering system currently has 245 wells (260 completions) which are completed in the following 15 pools; Basin Dakota gas (10 wells), Basin Fruitland Coal gas (81 wells), Bisti Lower Gallup oil (40 wells), South Bisti Gallup oil (96 wells), Bisti Chacra gas (1 well), Bisti Pictured Cliffs gas (1 well), Cuervo Gallup oil (3 wells), Cuervo Mesaverde oil (2 wells), Lybrook Gallup oil (4 wells), Potwin Pictured Cliffs gas (9 wells), White Wash Mancos/Dakota oil (5 wells), White Wash Mesaverde oil (1 well), Witty Springs Pictured Cliffs gas (2 wells), Undesignated FR/PC (4 wells) and Undesignated Dakota (1 well). It is proposed to add 2 additional wells, 1 in the Bisti Lower Gallup oil pool and 1 in the South Bisti Gallup oil pool. The wells to be added are located upon, or the spacing units include the following leases held by Dugan Production Corp.; Federal Lease B-10889; and State Leases V-1509 and V-7918. The wells to be added will be operated by Encana Oil & Gas (USA) Inc. and are: Encana's Escrito 116-2409 1H, and Good Times 132-2410 1H. The 260 wells currently authorized for the GTGS typically produce marginal volumes of natural gas and the 2 wells to be added are anticipated to produce natural gas volumes similar to the wells currently authorized for the GTGS. Any person holding an interest in any of these leases or wells 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 date of this publication. In the absence of objection, Dugan Production Corp. is requesting that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 67954 published in The Daily Times on August 05, 2012.

**RECEIVED**  
AUG 10 2012