



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:
NMNM135722X
3105 (F01100)

March 6, 2018

Dugan Production Corp.
Attn: John Alexander
P.O. Box 420
Farmington, NM 87499-0420


Dear Mr. Alexander:

The Dugan Production Corp. 2018 Plan of Development (POD) for the Sunflower Unit located in San Juan County, New Mexico is approved as of March 6, 2018. A POD is required to be filed yearly and not later than March 1 of each year. No extension of time will be granted unless an Unavoidable Delay where justified. The Sunflower Unit contains only Federal and State minerals.

It is noteworthy that Dugan in 2017 negotiated a settlement with the Navajo Nation regarding surface use and drilled the obligation well the Sunflower #1 located on State minerals in the SE/4 of section 2. The Sunflower #1 has had both the water and gas production pipelines installed and anticipates first production sometime in middle of March. The Sunflower Unit #2, #3, and #4 along with the SWD #1 wells are planned for 2018.

If you have questions regarding the above unit, please contact me at (505) 564-7740 or jhewitt@blm.gov.

Sincerely,


Richard Fields,
Farmington Field Manger

cc: Commissioner of Public Lands, Santa Fe, NM (SLO)
New Mexico Oil Conservation Division (NMOCD)