

Aubrey Dunn 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

March 02, 2015

Dugan Production Corporation 709 E Murray Dr. PO Box 420 Farmington, NM 87499-0420

Attn:

Mr. John Alexander

Re:

2015 Plans of Development

West Besti Lower Gallup Sand Unit

San Juan County, New Mexico

R: 1591 C: 1866 CEIVED OCL

Dear Mr. Alexander:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

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

Very truly yours,

AUBREY DUNN

COMMISSIONER OF PUBLIC LANDS

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TERRY WARNELL, Director Oil, Gas and Minerals Division

AD/FW/sk xc: Reader File OCD-Daniel Sanchez BLM-Dave Mankiewicz