



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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October 12, 2016

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

Case # 15435

RECEIVED
2016 OCT 17 PM 2:12

Attn: Mr. Kurt Fagrelius

Re: Sunflower Unit
Unit Suspension
San Juan County, New Mexico

Dear Mr. Fagrelius:

We are in receipt of your letter of September 22, 2016 wherein you have requested a Unit Suspension while awaiting permits and approvals from the Bureau of Land Management and the Navajo Nation.

While not granting the suspension, the Commissioner of Public Lands has of this date approved a six-month extension to April 30, 2017 of the spud date for the initial well due to unavoidable delay. In addition, the Commissioner has approved a six-month extension of the lease terms with in the unit. Please contact the unit office upon receiving the required notifications and approvals.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or Units Analyst Sue Keelin at 505.827.5783.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/sk
cc: Reader File,
OCD-Attention: Daniel Sanchez