

May 10, 2002

New Mexico Oil Conservation Division Attn: Michael E. Stogner 1220 South St. Francis Drive Santa Fe, New Mexico 87504

Case 12875

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: Objection to Administrative Approval of the Texakoma Black Hills 16 #1 Unorthodox Fruitland Coal Well (Sec. 16, T26N, R13W).

Dear Mr. Sluetz:

By copy of this letter, Dugan Production Corp. hereby objects to Texakoma's request for administrative approval for the Black Hills #1 unorthodox Fruitland Coal gas well in the S/2 of Section 16, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico. Dugan Production is notifying Texakoma of its objection to the application and requests that the New Mexico Oil Conservation Division schedule this matter for public hearing.

Sincerely,

Kurt H. Fagrelius Geologist