

ATTACHMENT NO. 2
DUGAN PRODUCTION CORP.
CONSOLIDATION OF STATE COM 1 & STATE COM 2 GAS GATHERING SYSTEMS
CDP Sales Meter @ N-16-32N-12W (El Paso Meter No. 87978)
SAN JUAN COUNTY, NEW MEXICO

Well Name	API Number 30-045-	Well Location		CA Number	Pool	Completion Date	Current Production ①			Spacing Unit	Dates for SC, OLM & S ②		
		UL-Sec-Twn-Rng	Lease No.				Lse.Type	MC/D	BC/D		BW/D	Application	BLM Approval
WELLS PREVIOUSLY APPROVED FOR STATE COM 1 CDP (El Paso Meter No. 87978)													
State Com #1	21127	N-16-32N-12W	LG-0038	State	State CA	Blanco Mesaverde	09/05/73	38	0.2	0.8	S/2-320A	08/12/97	08/12/97
State Com #1A	22218	P-16-32N-12W	LG-0038	State	State CA	Blanco Mesaverde	12/28/76	72	0.4	0.2	S/2-320A	08/12/97	08/12/97
State Com #91	29681	M-16-32N-12W	LG-0038	State	State CA	Basin Fruitland Coal	07/06/00	205	0	17.2	S/2-320A	06/15/00	06/19/00
WELLS APPROVED FOR STATE COM 2 CDP (El Paso Meter 89175)													
State Com #2	21128	G-16-32N-12W	B-11571	State	State CA	Blanco Mesaverde	09/18/74	92	0.8	0.4	N/2 - 320A	01/29/99	02/22/99
State Com #90 ③	29680	H-16-32N-12W	LG-0038-1	State	State CA	Basin Fruitland Coal	02/02/99	0	0	0.0	N/2 - 320A	01/29/99	02/22/99*
State Com #90R ③	29739	B-16-32N-12W	B-11571	State	State CA	Basin Fruitland Coal	03/11/02	450	0	12.0	N/2 - 320A	03/05/00	03/28/02

Notes:

N/A - Not applicable or not needed.

Current production data represents daily average for 02/02 and 03/02. Production for the #90 & #90R represents average during 5/02.

Application for surface commingling, off-lease measurement and sale of natural gas. Applications are subject to approvals by the New Mexico State Land Office, and the New Mexico Oil Conservation Division (there are no BLM leases involved). NMOC's most recent order = Commingling Order PC-1012 dated 6/19/00 for the No. 1 CDP and Administrative Commingling Order PLC-153-A dated 3/28/02 for the No. 2 CDP. *NMOC Commingling Order PLC-153-A included a stipulation that upon completion of the #90R, the #90 would be dropped from commingling permit.

Production from the State Com No. 90 was disappointing, and the State Com No. 90R was drilled to produce a better well. The #90 has been shut in and will be temporarily or permanently abandoned. Only one well (the #90R) will be produced from the common N/2 spacing unit. The #90R was 1st delivered 04/05/02.