

January 8, 1998

Dugan Production Corp.

Exhibit No. 2

Mona Lisa #2
S/2 14-26N-7W
Rio Arriba County, New Mexico

<u>DATE</u>	<u>PARTY CALLED</u>	<u>DESCRIPTION OF DISCUSSION</u>
10/16	Steve Daniels-Marathon Oil	Called regarding Marathon's ownership
10/17	Steve Daniels-Marathon Oil	Discussed ownership.
10/31	Pat Robinson-Caulkins	Discussed-same story-they want to operate. 2. He called-who are we using to tie-in this well? EPNG-They will only use Williams. 3. He stated that they were discussing w/Partners and also reviewed AFE, they use only 5-1/2" casing where we propose 4-1/2" I told him we wanted to amiably work this out.
10/31	Rusty Waters-Louis Dreyfuss	Followup on Exhibits. Rusty said they had been contacted by Caulkins for support as Operator (Caulkins).
10/31	Steve Daniels-Marathon Oil	Followup on Exhibits.
10/31	Ernie Busch-NMOCD	I called to discuss the NMOCD requirements for Force Pooling- he said Bobby Verquer (Caulkins) had called asking same questions.
10/31	Florine Davidson-NMOCD	No Pooling Application filed yet by Caulkins.
10/31	Steve Mason-BLM	No Notice of Staking (NOS) has been filed by Caulkins for S14-26-7.
11/7	Rusty Waters-Louis Dreyfuss	Still working on review of well proposal..
11/7	Steve Daniels-Marathon Oil	Sending it around, no decision yet, as to joinder.
11/7	Bobby Verquer-Caulkins	Phone cutting out, will call back in 1/2 hour, around 9:00 am.
11/7	Pat Robinson-Caulkins	Do not want to pursue commingling at this time. Will consider going to hearing on a NSP.

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<u>DATE</u>	<u>PARTY CALLED</u>	<u>DESCRIPTION OF DISCUSSION</u>
12/5	Steve Daniels-Marathon Oil	Called regarding potential farmout of Marathon's ownership.
12/9	Pat Robinson-Caulkins	Notified Continuing of Hearing January 8, 1998.
12/11	Steve Daniels-Marathon	Notified Continuing of Hearing January 8, 1998.
12/12	Rusty Waters-Louis Dreyfuss	Notified Continuing of Hearing January 8, 1998.

Notes:

12/5	Letter, AFE and Operating Agreement from Caulkins.
12/18	Date initial hearing on Force Pooling scheduled. Filed on 11/25/97.