

AS OF DATE: JAN98

NAME: MONA LISA NO. 2 DHC
FIELD: BLANCO MV & BASIN DAKOTA
LOCATION: J-14-T26N-R7W
FORMATION: MESAVERDE & DAKOTA
OPERATOR: DUGAN PROD. CORP.SE/4 ECONOMICS
S/2 - 320 A. SPACING UNIT
DOWNHOLE COMMINGLED
MV & DKNPV 5.0% 432.228 BFIT
NPV 10.0% 294.943 BFIT
NPV 15.0% 210.627 BFIT
NPV 20.0% 154.156 BFIT
NPV 25.0% 113.851 BFIT
IRR 56% BFIT
PAYOUT DEC99 BFIT
PI 4.25:1 BFIT

===== INTERESTS AND EFFECTIVE DATE =====					===== PRICES =====			===== GROSS RESERVES =====				
COST	OIL	GAS	COND	PRODT	DATE	BEGINING	ENDING	AVERAGE	CUMULATIVE	REMAINING	ULTIMATE	%REMAINING
0.50000	0.43750	0.43750	0.43750	0.43750	JAN98	OIL 0.00	0.00	0.00	0.000	0.000	0.000	0.00 OIL
						GAS 2.31	2.31	2.31	0.000	1081.198	1081.198	100.00 GAS
						COND 19.43	19.43	19.43	0.000	10.812	10.812	100.00 COND
						PRDT 0.00	0.00	0.00	0.000	0.000	0.000	0.00 PRDT

YEAR	GROSS WELLCOUNT	GROSS GAS PRODUCTION	AVERAGE COND YIELD	GROSS COND PRODUCTION	NET GAS PRODUCTION	NET COND PRODUCTION	AVERAGE GAS PRICE	AVERAGE COND PRICE	NET GAS SALES	NET COND SALES
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1998(12Mo)	1.000	139.938	10.000	1.399	61.223	0.612	2.310	19.430	141.425	11.896
1999	1.000	85.487	10.000	0.855	37.400	0.374	2.310	19.430	86.395	7.267
2000	1.000	73.681	10.000	0.737	32.236	0.322	2.310	19.430	74.464	6.263
2001	1.000	67.787	10.000	0.678	29.657	0.297	2.310	19.430	68.507	5.762
2002	1.000	62.364	10.000	0.624	27.284	0.273	2.310	19.430	63.026	5.301
2003	1.000	57.375	10.000	0.574	25.101	0.251	2.310	19.430	57.984	4.877
2004	1.000	52.785	10.000	0.528	23.093	0.231	2.310	19.430	53.346	4.487
2005	1.000	48.562	10.000	0.486	21.246	0.212	2.310	19.430	49.078	4.128
2006	1.000	44.677	10.000	0.447	19.546	0.195	2.310	19.430	45.152	3.798
2007	1.000	41.103	10.000	0.411	17.982	0.180	2.310	19.430	41.540	3.494
2008	1.000	37.815	10.000	0.378	16.544	0.165	2.310	19.430	38.216	3.214
2009	1.000	34.789	10.000	0.348	15.220	0.152	2.310	19.430	35.159	2.957
2010	1.000	32.006	10.000	0.320	14.003	0.140	2.310	19.430	32.346	2.721
2011	1.000	29.446	10.000	0.294	12.883	0.129	2.310	19.430	29.759	2.503
2012	1.000	27.090	10.000	0.271	11.852	0.119	2.310	19.430	27.378	2.303
SUBTOTAL	1.000	834.904	10.000	8.349	365.271	3.653	2.310	19.430	843.775	70.972
REMAINING	1.000	246.294	10.000	2.463	107.754	1.078	2.310	19.430	248.911	20.937
TOT 33.8Yr	1.000	1081.198	10.000	10.812	473.024	4.730	2.310	19.430	1092.686	91.909

YEAR	NET TOTAL REVENUE	NET TOTAL LOE	NET TOTAL PROD TAX	NET TOTAL LOE+TAX	NET LEASE REVENUE	NET TOTAL INVESTMENTS	NET BFIT CASHFLOW	CUM BFIT CASHFLOW	BFIT CF DISC 10.0%	CUM BFIT CF DISC 10.0%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1998(12Mo)	153.321	5.400	14.012	19.412	133.909	210.250	-76.341	-76.341	-80.607	-80.607
1999	93.662	5.400	8.560	13.960	79.702	0.000	79.702	3.361	68.959	-11.649
2000	80.727	5.400	7.377	12.777	67.950	0.000	67.950	71.311	53.389	41.741
2001	74.269	5.400	6.787	12.187	62.082	0.000	62.082	133.393	44.345	86.085
2002	68.328	5.400	6.244	11.644	56.683	0.000	56.683	190.077	36.808	122.893
2003	62.862	5.400	5.745	11.145	51.717	0.000	51.717	241.794	30.530	153.423
2004	57.833	5.400	5.285	10.685	47.147	0.000	47.147	288.941	25.302	178.725
2005	53.206	5.400	4.862	10.262	42.944	0.000	42.944	331.885	20.951	199.677
2006	48.950	5.400	4.473	9.873	39.076	0.000	39.076	370.961	17.332	217.008
2007	45.034	5.400	4.116	9.516	35.518	0.000	35.518	406.479	14.321	231.330
2008	41.431	5.400	3.786	9.186	32.245	0.000	32.245	438.723	11.820	243.149
2009	38.116	5.400	3.483	8.883	29.233	0.000	29.233	467.956	9.742	252.891
2010	35.067	5.400	3.205	8.605	26.462	0.000	26.462	494.419	8.017	260.908
2011	32.262	5.400	2.948	8.348	23.913	0.000	23.913	518.332	6.586	267.494
2012	29.681	5.400	2.712	8.112	21.568	0.000	21.568	539.901	5.400	272.894
SUBTOTAL	914.747	81.000	83.596	164.596	750.151	210.250	539.901	539.901	272.894	272.894
REMAINING	269.847	101.250	24.661	125.911	143.937	0.000	143.937	683.837	22.049	294.943
TOT 33.8Yr	1184.594	182.250	108.257	290.507	894.087	210.250	683.837	683.837	294.943	294.943

NMOCD Case Nos. 11897 & 11899
January 8, 1998
Dugan Production Corp.

Exhibit No. 10

EVALUATION MONALISA.2

DUGAN PRODUCTION CORP.
P.O. BOX 420
FARMINGTON, NM 87499-0420

RUN DATE: 12-30-1997

RUN TIME: 11:18:31

AS OF DATE: JAN98

NAME: MONA LISA NO. 2 DHC
FIELD: BLANCO MV & BASIN DAKOTA
LOCATION: J-14-T26N-R7W
FORMATION: MESAVERDE & DAKOTA
OPERATOR: DUGAN PROD. CORP.

SW/4 ECONOMICS
S/2 - 320 A. SPACING UNIT
DOWNHOLE COMMINGLED
MV & DK

NPV 5.0% 130.391 BFIT
NPV 10.0% 63.711 BFIT
NPV 15.0% 21.128 BFIT
NPV 20.0% -8.026 BFIT
NPV 25.0% -29.089 BFIT
IRR 19% BFIT
PAYOUT JUL02 BFIT
PI 2.16:1 BFIT

===== INTERESTS AND EFFECTIVE DATE =====					===== PRICES =====			===== GROSS RESERVES =====				
COST	OIL	GAS	COND	PRODT	DATE	BEGINING	ENDING	AVERAGE	CUMULATIVE	REMAINING	ULTIMATE	%REMAINING
0.50000	0.25580	0.25580	0.25580	0.25580	JAN98	OIL 0.00	0.00	0.00	0.000	0.000	0.000	0.00 OIL
						GAS 2.31	2.31	2.31	0.000	1035.039	1035.039	100.00 GAS
						COND 19.43	19.43	19.43	0.000	10.350	10.350	100.00 COND
						PRDT 0.00	0.00	0.00	0.000	0.000	0.000	0.00 PRDT

YEAR	GROSS WELLCOUNT	GROSS GAS PRODUCTION	AVERAGE COND YIELD	GROSS COND PRODUCTION	NET GAS PRODUCTION	NET COND PRODUCTION	AVERAGE GAS PRICE	AVERAGE COND PRICE	NET GAS SALES	NET COND SALES
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1998(12Mo)	1.000	139.938	10.000	1.399	35.796	0.358	2.310	19.430	82.689	6.955
1999	1.000	85.487	10.000	0.855	21.867	0.219	2.310	19.430	50.514	4.249
2000	1.000	73.681	10.000	0.737	18.848	0.188	2.310	19.430	43.538	3.662
2001	1.000	67.787	10.000	0.678	17.340	0.173	2.310	19.430	40.055	3.369
2002	1.000	62.364	10.000	0.624	15.953	0.160	2.310	19.430	36.851	3.100
2003	1.000	57.375	10.000	0.574	14.676	0.147	2.310	19.430	33.903	2.852
2004	1.000	52.785	10.000	0.528	13.502	0.135	2.310	19.430	31.190	2.624
2005	1.000	48.562	10.000	0.486	12.422	0.124	2.310	19.430	28.695	2.414
2006	1.000	44.677	10.000	0.447	11.428	0.114	2.310	19.430	26.400	2.221
2007	1.000	41.103	10.000	0.411	10.514	0.105	2.310	19.430	24.288	2.043
2008	1.000	37.815	10.000	0.378	9.673	0.097	2.310	19.430	22.345	1.879
2009	1.000	34.789	10.000	0.348	8.899	0.089	2.310	19.430	20.557	1.729
2010	1.000	32.006	10.000	0.320	8.187	0.082	2.310	19.430	18.912	1.591
2011	1.000	29.446	10.000	0.294	7.532	0.075	2.310	19.430	17.399	1.464
2012	1.000	27.090	10.000	0.271	6.930	0.069	2.310	19.430	16.007	1.346
SUBTOTAL	1.000	834.904	10.000	8.349	213.569	2.136	2.310	19.430	493.343	41.496
REMAINING	1.000	200.135	10.000	2.001	51.194	0.512	2.310	19.430	118.259	9.947
TOT 27.3Yr	1.000	1035.039	10.000	10.350	264.763	2.648	2.310	19.430	611.602	51.443

YEAR	NET TOTAL REVENUE	NET TOTAL LOE	NET TOTAL PROD TAX	NET TOTAL LOE+TAX	NET LEASE REVENUE	NET TOTAL INVESTMENTS	NET BFIT CASHFLOW	CUM BFIT CASHFLOW	BFIT CF DISC 10.0%	CUM BFIT CF DISC 10.0%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1998(12Mo)	89.644	5.400	8.192	13.592	76.052	210.250	-134.198	-134.198	-135.890	-135.890
1999	54.763	5.400	5.005	10.405	44.358	0.000	44.358	-89.840	38.382	-97.507
2000	47.200	5.400	4.314	9.714	37.487	0.000	37.487	-52.353	29.455	-68.052
2001	43.424	5.400	3.968	9.368	34.056	0.000	34.056	-18.297	24.327	-43.726
2002	39.950	5.400	3.651	9.051	30.899	0.000	30.899	12.602	20.066	-23.660
2003	36.754	5.400	3.359	8.759	27.995	0.000	27.995	40.597	16.527	-7.132
2004	33.814	5.400	3.090	8.490	25.324	0.000	25.324	65.921	13.591	6.459
2005	31.109	5.400	2.843	8.243	22.866	0.000	22.866	88.787	11.157	17.616
2006	28.620	5.400	2.616	8.016	20.605	0.000	20.605	109.391	9.140	26.755
2007	26.330	5.400	2.406	7.806	18.524	0.000	18.524	127.916	7.470	34.225
2008	24.224	5.400	2.214	7.614	16.610	0.000	16.610	144.526	6.089	40.314
2009	22.286	5.400	2.037	7.437	14.849	0.000	14.849	159.375	4.949	45.263
2010	20.503	5.400	1.874	7.274	13.229	0.000	13.229	172.605	4.008	49.272
2011	18.863	5.400	1.724	7.124	11.739	0.000	11.739	184.344	3.234	52.505
2012	17.354	5.400	1.586	6.986	10.368	0.000	10.368	194.712	2.596	55.102
SUBTOTAL	534.840	81.000	48.878	129.878	404.962	210.250	194.712	194.712	55.102	55.102
REMAINING	128.206	66.600	11.716	78.317	49.890	0.000	49.890	244.602	8.609	63.711
TOT 27.3Yr	663.046	147.600	60.594	208.194	454.852	210.250	244.602	244.602	63.711	63.711

INCREMENTAL SUMMARY

DUGAN PRODUCTION CORP.
P.O. BOX 420
FARMINGTON, NM 87499-0420

RUN DATE: 12-30-19
RUN TIME: 11:38:33

AS OF DATE: JAN98

NPV 5.0% 301.837 BFIT
NPV 10.0% 231.233 BFIT
NPV 15.0% 189.499 BFIT
NPV 20.0% 162.182 BFIT
NPV 25.0% 142.940 BFIT
IRR >100% BFIT
PAYOUT JAN98 BFIT
PI 2.04:1 BFIT

===== PRICES =====				===== GROSS RESERVES =====			
	BEGINING	ENDING	AVERAGE	CUMULATIVE	REMAINING	ULTIMATE	%REMAINING
OIL	0.00	0.00	0.00	0.000	0.000	0.000	0.00 OIL
GAS	0.00	2.31	2.31	0.000	46.159	46.159	100.00 GAS
COND	0.00	19.43	19.43	0.000	0.462	0.462	100.00 COND
PRDT	0.00	0.00	0.00	0.000	0.000	0.000	0.00 PRDT

YEAR	GROSS WELLCOUNT	GROSS GAS PRODUCTION	AVERAGE COND YIELD	GROSS COND PRODUCTION	NET GAS PRODUCTION	NET COND PRODUCTION	AVERAGE GAS PRICE	AVERAGE COND PRICE	NET GAS SALES	NET COND SALES
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1998(12Mo)	0.000	0.000	0.000	0.000	25.427	0.254	0.000	0.000	58.736	4.940
1999	0.000	0.000	0.000	0.000	15.533	0.155	0.000	0.000	35.881	3.018
2000	0.000	0.000	0.000	0.000	13.388	0.134	0.000	0.000	30.926	2.601
2001	0.000	0.000	0.000	0.000	12.317	0.123	0.000	0.000	28.452	2.393
2002	0.000	0.000	0.000	0.000	11.332	0.113	0.000	0.000	26.176	2.202
2003	0.000	0.000	0.000	0.000	10.425	0.104	0.000	0.000	24.082	2.026
2004	0.000	0.000	0.000	0.000	9.591	0.096	0.000	0.000	22.155	1.864
2005	0.000	0.000	0.000	0.000	8.824	0.088	0.000	0.000	20.383	1.714
2006	0.000	0.000	0.000	0.000	8.118	0.081	0.000	0.000	18.752	1.577
2007	0.000	0.000	0.000	0.000	7.468	0.075	0.000	0.000	17.252	1.451
2008	0.000	0.000	0.000	0.000	6.871	0.069	0.000	0.000	15.872	1.335
2009	0.000	0.000	0.000	0.000	6.321	0.063	0.000	0.000	14.602	1.228
2010	0.000	0.000	0.000	0.000	5.816	0.058	0.000	0.000	13.434	1.130
2011	0.000	0.000	0.000	0.000	5.350	0.054	0.000	0.000	12.359	1.040
2012	0.000	0.000	0.000	0.000	4.922	0.049	0.000	0.000	11.370	0.956
SUBTOTAL	0.000	0.000	0.000	0.000	151.702	1.517	0.000	0.000	350.432	29.476
REMAINING	0.000	46.159	10.000	0.462	56.559	0.566	2.310	19.430	130.652	10.989
TOT 33.8Yr	0.190	46.159	10.000	0.462	208.261	2.083	2.310	19.430	481.083	40.465

YEAR	NET TOTAL REVENUE	NET TOTAL LOE	NET TOTAL PROD TAX	NET TOTAL LOE+TAX	NET LEASE REVENUE	NET TOTAL INVESTMENTS	NET BFIT CASHFLOW	CUM BFIT CASHFLOW	BFIT CF DISC 10.0%	CUM BFIT CF DISC 10.0%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1998(12Mo)	63.676	0.000	5.819	5.819	57.857	0.000	57.857	57.857	55.282	55.282
1999	38.899	0.000	3.555	3.555	35.344	0.000	35.344	93.201	30.577	85.859
2000	33.527	0.000	3.064	3.064	30.463	0.000	30.463	123.665	23.934	109.793
2001	30.845	0.000	2.819	2.819	28.026	0.000	28.026	151.691	20.018	129.811
2002	28.377	0.000	2.593	2.593	25.784	0.000	25.784	177.475	16.742	146.553
2003	26.107	0.000	2.386	2.386	23.721	0.000	23.721	201.196	14.002	160.555
2004	24.019	0.000	2.195	2.195	21.824	0.000	21.824	223.020	11.711	172.266
2005	22.097	0.000	2.019	2.019	20.078	0.000	20.078	243.098	9.795	182.061
2006	20.329	0.000	1.858	1.858	18.472	0.000	18.472	261.569	8.192	190.253
2007	18.703	0.000	1.709	1.709	16.994	0.000	16.994	278.563	6.851	197.105
2008	17.207	0.000	1.572	1.572	15.634	0.000	15.634	294.198	5.730	202.835
2009	15.830	0.000	1.447	1.447	14.384	0.000	14.384	308.581	4.793	207.628
2010	14.564	0.000	1.331	1.331	13.233	0.000	13.233	321.814	4.008	211.636
2011	13.399	0.000	1.224	1.224	12.174	0.000	12.174	333.988	3.352	214.989
2012	12.327	0.000	1.127	1.127	11.200	0.000	11.200	345.189	2.804	217.792
SUBTOTAL	379.908	0.000	34.719	34.719	345.189	0.000	345.189	345.189	217.792	217.792
REMAINING	141.641	34.650	12.944	47.594	94.047	0.000	94.047	439.236	13.440	231.232
TOT 33.8Yr	521.549	34.650	47.663	82.313	439.236	0.000	439.236	439.236	231.232	231.232