

ELK COM #4-7
RIO ARriba COUNTY, NEW MEXICO

TOWNSHIP 25 NORTH, RANGE 2 WEST, N.M.P.M.

Section 4: LOTS 1, 2, S/2NE/4, SE/4 (E/2), below the base of the Pictured Cliffs formation
containing 320.73 acres, more or less

JANUARY 26, 1999

Working Interest Owners:

	<u>BPO</u>	<u>APO</u> ¹
T.H. McElvain Oil & Gas Limited Partnership P.O. Box 2148 Santa Fe, New Mexico 87501-2148	21.825210%	21.825211%
Dennis Hopper, as his separate property c/o Grove Burnett, Attorney at Law P.O. Box 368 Taos, New Mexico 87571	24.943098%	24.943098%
Noseco Corporation, a Nevada corporation 7400 Lakeside Drive Reno, NV 89511	16.957093%	15.367365%
Richard L. Harris, Trustee of the Neumann Family Trust 1924 South Utica, Suite 700 Tulsa, OK 74104	13.427633%	12.168792%
Gavilan Dome Properties, a California Limited Partnership 1180 Cedarwood Drive Moraga, CA 94556	10.843309%	9.826749%
Mesa Grande Resources, Inc., an Oklahoma corporation 1200 Philtower Bldg. Tulsa, Oklahoma 74103	4.579094%	4.149804%
NM & O Operating Company 6 E. 5th Street, Suite 200 Tulsa, OK 74103	3.523647%	3.193305%
James B. Fullerton, et ux. 1645 Court Place, suite 406 Denver, CO 80202	1.558944%	1.558944%
Huntington T. Walker, et ux. 2961 S. Fillmore Way Denver, CO 80210	1.558944%	1.558944%
Johansen Energy Partnership P.O. Box 1773 Whitefish, MT 59937	0.783028%	0.709619%

Williams Production Company Attn: Mr. M. Vern Hansen P.O. Box 3102 Tulsa, Oklahoma 74101	00.000000%	4.698169%
Dugan Production Corporation P.O. Box 420 Farmington, NM 87499-5820	0.000000%	0.000000% ²
Totals:	100.000000%	100.000000%

¹ Payout is defined in that certain Agreement for Purchase and Sale dated August 1, 1986, between Northwest Pipeline Corporation and Mesa Grande Resources, Inc..

² Under Assignment of Oil and Gas Lease from Dugan Production Corporation to Mesa Grande Resources, Inc., dated March 3, 1988, recorded BK 122, PG 5, Dugan reserved a 2.125% of 8/8ths ORRI, 0.5% of which *may* be converted to a 12.5% WI upon payout as defined in that certain Farmout Agreement dated December 31, 1987. The interests of Mesa Grande Resources, Inc., and its assigns, acquired from Dugan Production Corporation are subject to a reassignment provision in favor of Dugan under the terms of said farmout agreement.

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

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Case No. 12172 Exhibit No. 2

Submitted by: McElvain Oil & Gas Properties, Inc.

Hearing Date: April 29, 1999