

NMOCD Case No. 11996
July 28, 1998

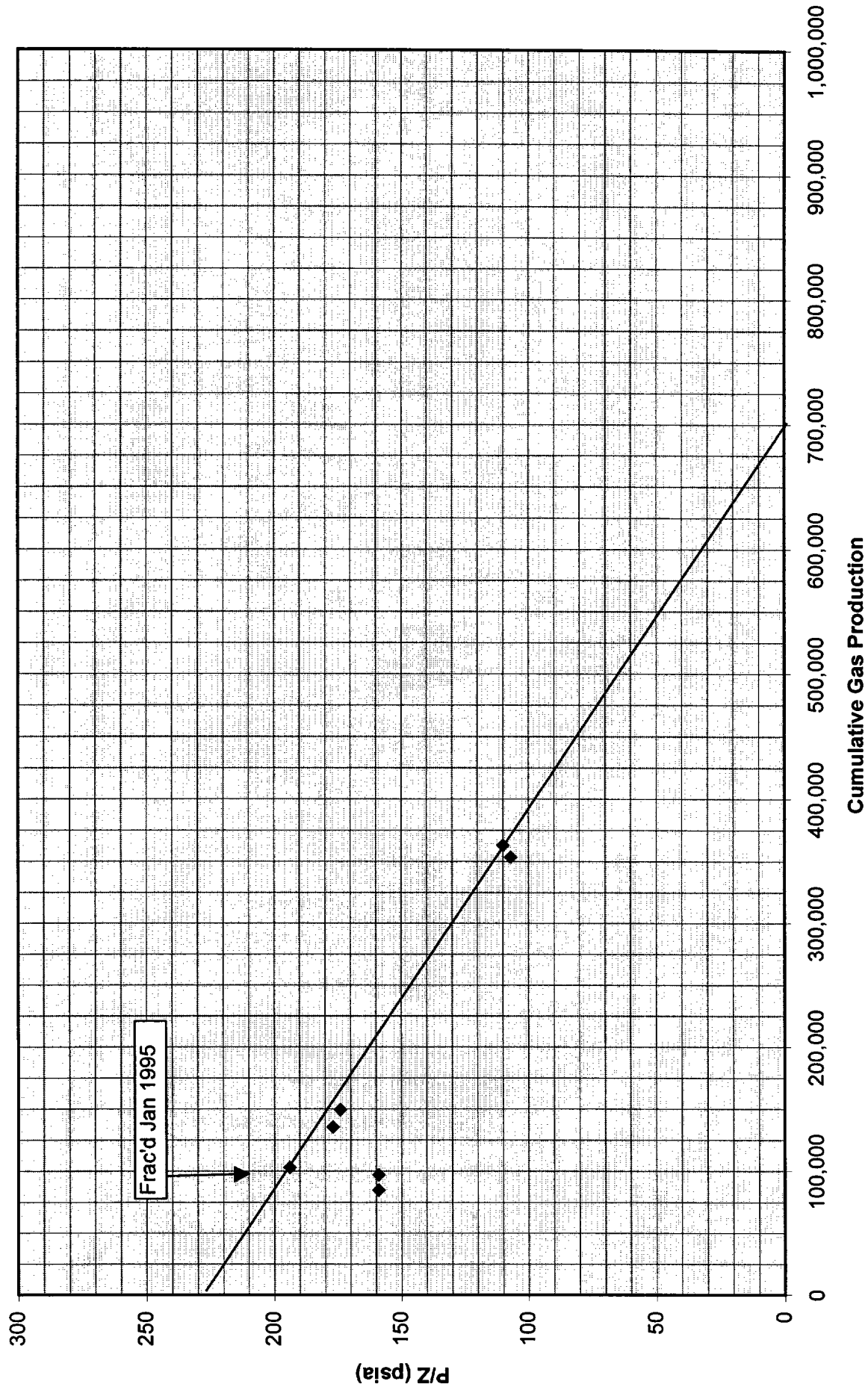
EXHIBITS RELATING TO PICTURED CLIFFS MATERIAL BALANCE

(7 PAGES)

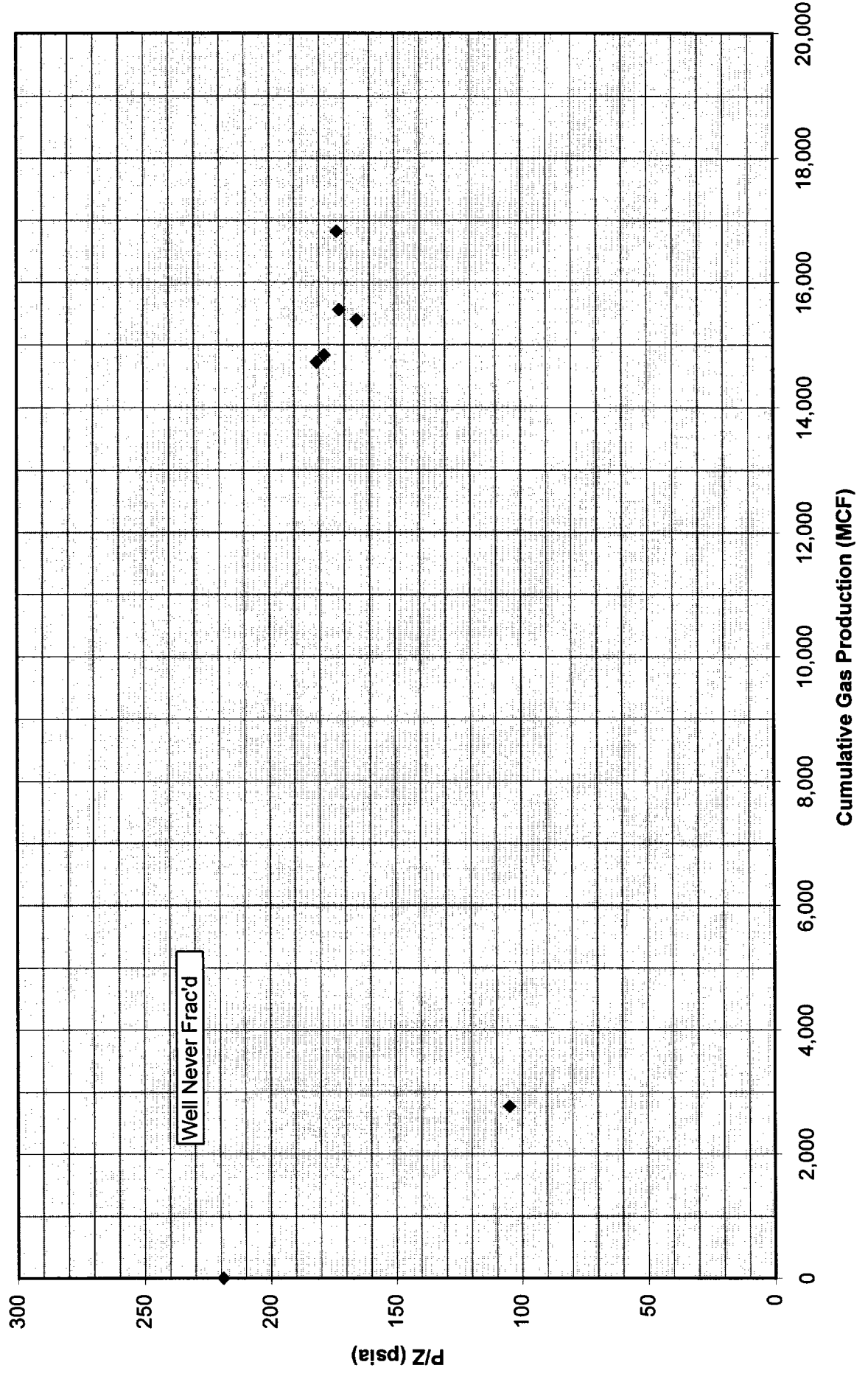
NMOCD CASE #11996
PENDRAGON ENERGY
EXHIBIT

m-5

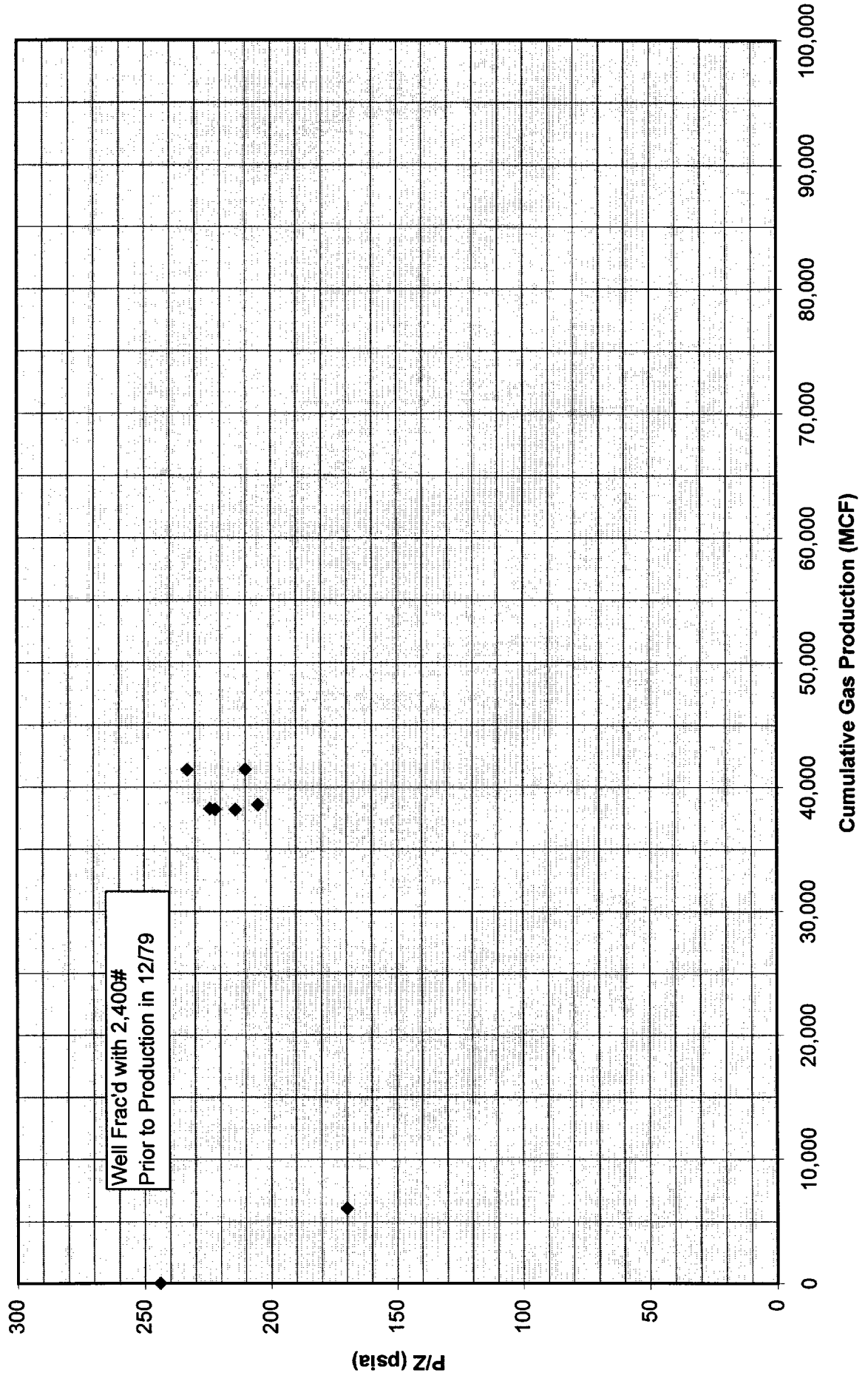
NMOCD Case No. 11996
Chaco #1
P/Z vs. Cumulative Gas Production



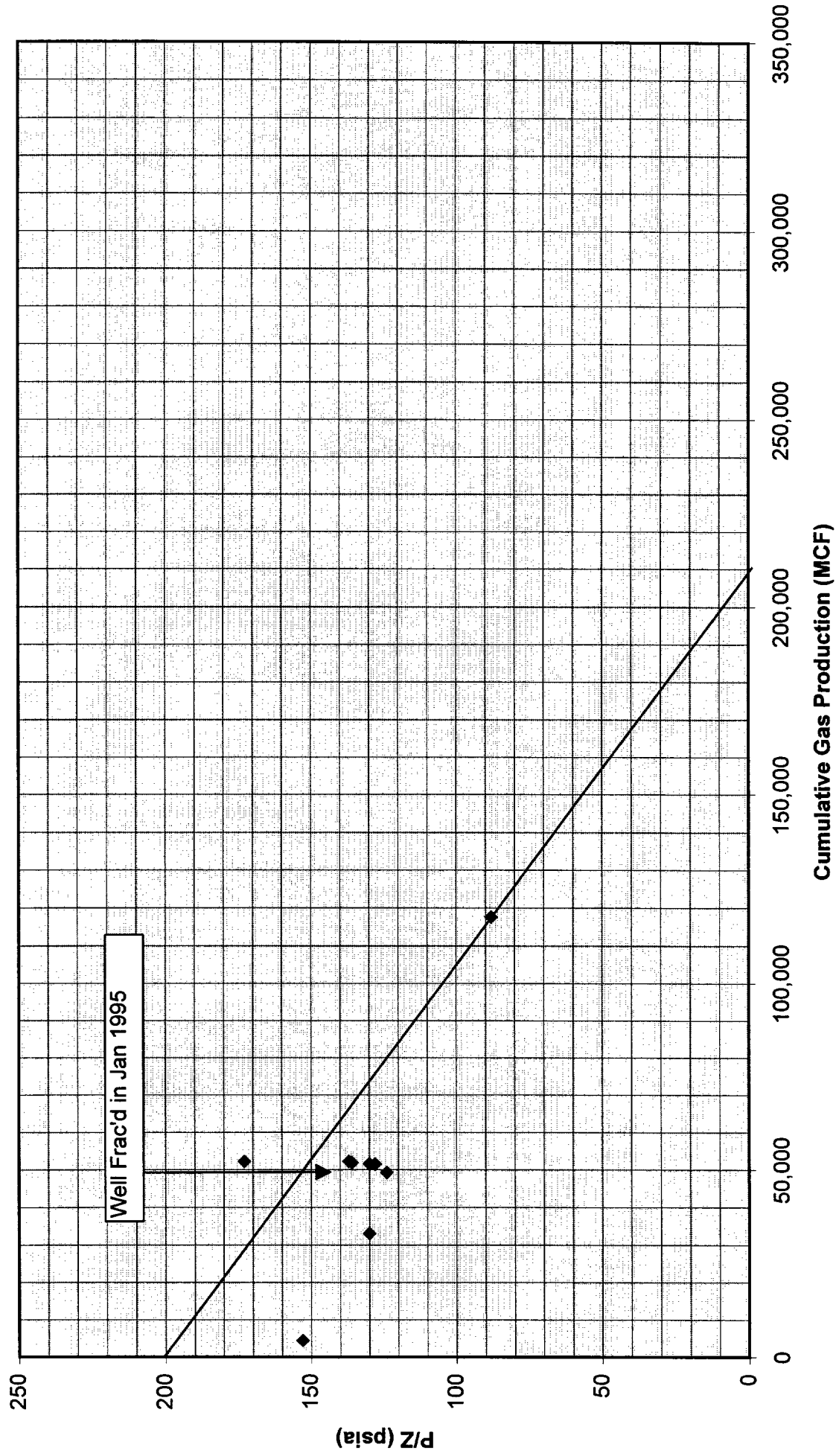
NMOCD Case No. 11996
Chaco #1J
P/Z vs Cumulative Gas Production



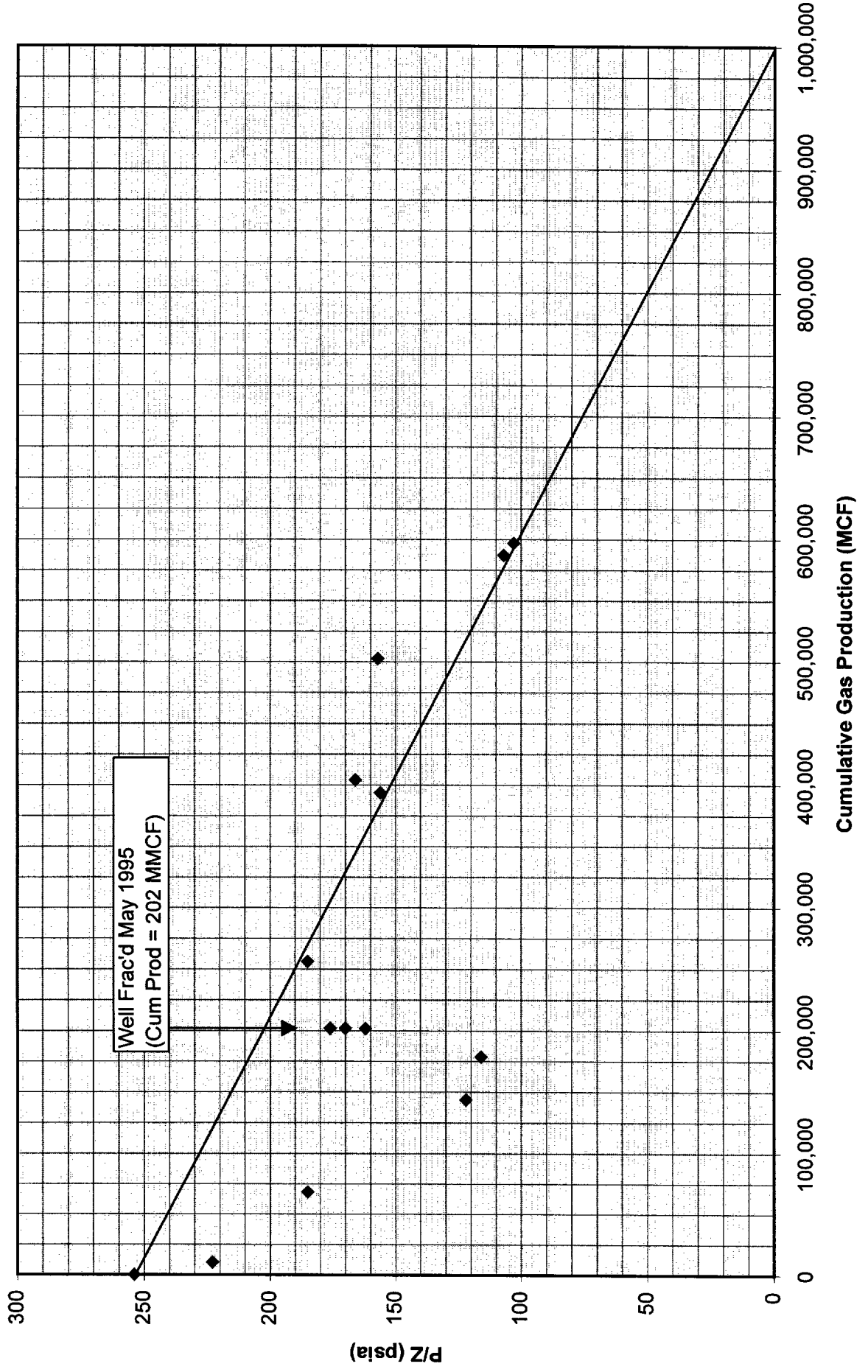
NMOCD Case No. 11996
Chaco #2J
P/Z vs. Cumulative Gas Production



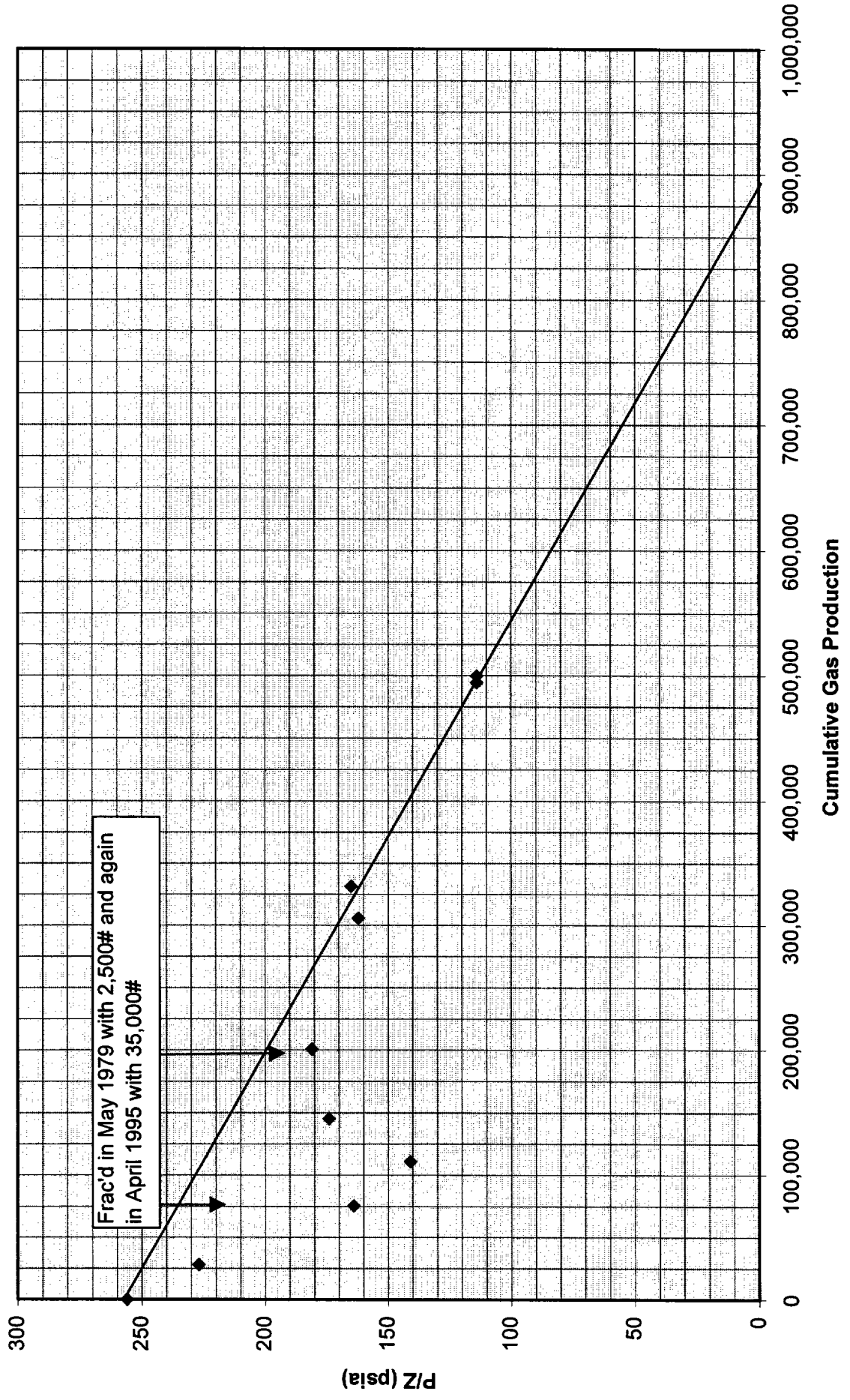
NMOCD Case No. 11996
Chaco #2R
P/Z vs. Cumulative Gas Production



NMODC Case No. 11996
Chaco #4
P/Z vs. Cumulative Gas Production



NMODC Case No. 11996
Chaco #5
P/Z vs. Cumulative Gas Production



PICTURED CLIFFS MATERIAL BALANCE ANALYSES

WELL NAME	LOCATION	MATERIAL BALANCE ESTIMATED OGIP (MCF)	ESTIMATED GAS RECOVERY TO 25 PSIG (%GIP)	ESTIMATED AREA PERF'D ZONE (ACRES)	ESTIMATED AREA ALL ZONES (ACRES)
CHACO #1	SE NW Section	18-26N-12W 700,000	575,000	253	165
CHACO #2R	NE SW Section	7-26N-12W 210,000	170,000	Insufficient Log Data to Determine	
CHACO #4	NW NW Section	7-26N-12W 1,000,000	835,000		203
CHACO #5	SE SE Section	1-26N-13W 890,000	752,000		229
TOTALS		2,800,000	2,332,000	332	198

COMMENTS:

MATERIAL BALANCE RESERVES ARE IN CLOSE AGREEMENT WITH THOSE DETERMINED FROM DECLINE CURVE ANALYSIS.
 PROBABLE SOURCE OF RECHARGE IS THE PICTURED CLIFFS FORMATION LOWER ZONES AND WATER WATER INFLUX.