

Exhibit 'A'
Dugan Production Corporation
Goodtimes Gas Gathering System
Division Order PLC-149

Well Name	API # 30-045	Well Location 1/4 1/4 Sec-Twn-Rng	Lease No.	Type	Lease Type	Pool	Spacing Unit
WELLS TO BE ADDED TO SYSTEM							
Adobe A 1	21872	SE NW	29-24N-8W	FED	CUERVO GALLUP	SE/4 NW/4	
Angel's Gate 90	29394	SW NE	21-24N-8W	FED	BASIN FR COAL	E/2	
April Surprise 2 GA	23892	NW SW	30-24N-9W	FED	BISTI LOWER GA	N/2 SW/4	
April Surprise 7	29293	NW NE	31-24N-9W	FED	BISTI LOWER GA	W/2 NE/4	
April Surprise 8	29419	SE SE	30-24N-9W	FED	BISTI LOWER GA	S/2 SE/4	
April Surprise 9	LOC	NW SE	30-24N-9W	FED	BISTI LOWER GA	N/2 SE/4	
April Surprise 90	29188	NW SW	19-24N-9W	FED	BASIN FR COAL	W/2	
August 90	20184	NW SW	35-24N-10W	FED	BASIN FR COAL	W/2	
Blanco Wash 1 MV*	22473	NW SE	2-24N-9W	142006031404	1	WHITE WASH MV	NW/4 SE/4
Bowers 90	29194	SW SE	17-24N-8W	FED	BASIN FR COAL	S/2	
Buddha Temple 90	29239	NE NE	30-24N-8W	FED	BASIN FR COAL	N/2	
Champ 8	28637	SW SW	5-23N-10W	FED	BISTI GALLUP SO.	S/2 SW/4	
Champ 9	29287	SW SE	1-23N-10W	FED	BISTI GALLUP SO.	W/2 SE/4	
Champ 10	LOC	NE SE	1-23N-10W	FED	BISTI GALLUP SO.	E/2 SE/4	
December Dream 2	29360	SW NW	7-23N-9W	FED	BISTI GALLUP SO.	S/2 NW/4	
December Dream 3	29408	NE SW	7-23N-9W	FED	BISTI GALLUP SO.	N/2 SW/4	
Elwood P. Dowd Com 90	LOC	SE SW	12-24N-9W	FED	BASIN FR COAL	W/2	
Flo-Jo 4	28645	NE SE	1-23N-11W	FED	BISTI GALLUP SO.	E/2 SE/4	
Flo-Jo 5	29133	SW SE	1-23N-11W	FED	BISTI GALLUP SO.	W/2 SE/4	
Flo-Jo 6	29288	NE SW	1-23N-11W	FED	BISTI GALLUP SO.	E/2 SW/4	
Flo-Jo 7	29368	SW SW	1-23N-11W	FED	BISTI GALLUP SO.	W/2 SW/4	
Harvey 2 GA*	24420	SE NW	20-24N-9W	NM10755	FED	BISTI LOWER GA	S/2 NW/4
Hoss 1	29376	SE NE	11-23N-11W	NM96800	FED	BISTI GALLUP SO.	E/2 NE/4
Kaibab Trail 90	29393	SE SW	20-24N-8W	NOOC14204310	1	BASIN FR COAL	W/2
Largo Federal B 90	29428	NE NE	25-24N-9W	SF078860	FED	BASIN FR COAL	E/2
Lee's Ferry 90	29338	NW SE	19-24N-8W	NM41650	FED	BASIN FR COAL	E/2
Luna 3	29215	NE NW	16-23N-9W	LG9801	ST	BISTI GALLUP SO.	E/2 NW/4
Mary Anne 3	25050	NW SW	9-24N-9W	NM10089	FED	BISTI LOWER GA	S/2
McDougall 2	28619	NE SE	9-23N-10W	NM51005	FED	BISTI GALLUP SO.	E/2 SE/4
Merry Chase Com 90	LOC	SE SW	10-24N-9W	NM100302	FED	BASIN FR COAL	S/2
Mesa 1**	22055	SW NE	16-24N-8W	LG1917	ST	POTWIN PC	NE/4
Mesa 90	29159	SW SW	16-24N-8W	LG1917	ST	BASIN FR COAL	W/2
Mo Valley 90	29549	SW SW	5-24N-9W	NM23742	FED	BASIN FR COAL	S/2

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<i>Well Name</i>	<i>API # 30-045</i>	<i>Well Location 1/4 1/4 Sec-Twn-Rng</i>		<i>Lease No.</i>	<i>Lease Type</i>	<i>Pool</i>	<i>Spacing Unit</i>
November 24 1	29295	NE SE	27-24N-9W	NM12374	FED	BISTI LOWER GA	N/2 SE/4
November 24 2	28961	NW SW	28-24N-9W	NM12374	FED	BISTI LOWER GA EXT.	N/2 SW/4
Ohwada 1	28981	SW SW	33-24N-9W	NM90843	FED	W/C BISTI CHACRA	SW/4
Ohwada 2	29112	NE NW	33-24N-9W	NM90843	FED	BISTI LOWER GA	N/2 NW/4
Okie 2	22304	SE NW	8-24N-8W	NM19567	FED	BASIN FR COAL	N/2
Par 1	28968	NE NE	11-23N-10W	NM86485	FED	BISTI GALLUP SO.	E/2 NE/4
Phillips 1	26803	SE NE	5-24N-9W	NM30854	FED	W/C FR & PC	NE/4
Pierre 1	29237	NW NW	12-23N-11W	NM80498	FED	BISTI GALLUP SO.	N/2 NW/4
Roadrunner 90	28027	NE SW	36-24N-11W	V2364	ST	BASIN FR COAL	S/2
Rodeo Rosie Com 90	LOC	SE NE	29-24N-10W	NM15654	FED	BASIN FR COAL	E/2
Sanchez O'Brien 90	LOC	SW SW	6-24N-9W	NM97108	FED	BASIN FR COAL	W/2
Sapp 1	05095	NE NE	28-24N-8W	SF078868	FED	CUERVO MV	NE/4 NE/4
Sapp 2	29243	SE NE	28-24N-8W	SF078868	FED	LYBROOK GALLUP	SE/4 NE/4
Sapp 90	29192	NW NE	29-24N-8W	SF078868	FED	BASIN FR COAL	N/2
Sapp 91	29238	NE SW	29-24N-8W	SF078868	FED	BASIN FR COAL	S/2
Sapp 92	29290	NE SW	28-24N-8W	SF078868	FED	BASIN FR COAL	S/2
Sapp 93	29289	SW NE	28-24N-8W	SF078868	FED	BASIN FR COAL	N/2
September '15 GA*	26518	NE NE	24-24N-10W	NM54983	FED	BISTI LOWER GA	N/2 NE/4
Sheba Temple 1	26802	NE SW	30-24N-8W	NM54981	FED	UNDES FR PC	SW/4
Sixteen G's 4	29440	NE SW	7-24N-9W	NM25433	FED	BISTI LOWER GA	W/2
St. Moritz 1	28584	SW SW	26-24N-10W	NM78060	FED	BISTI GALLUP SO.	S/2 SW/4
Supai Point 1	28996	NE NE	20-24N-8W	NM83507	FED	BASIN FR COAL	E/2
Supai Point 91	LOC	NW NE	20-24N-8W	NM83507	FED	BASIN FR COAL	E/2
Target 90	LOC	NE SW	20-24N-10W	NM43442	FED	BASIN FR COAL	W/2
Sixteen G's 90	29709	SW NE	7-24N-9W	NM25433	FED	BASIN FR COAL	N/2
WELLS OPERATED BY OTHERS							
Universal Resources		NE NE	16-23N-9W	NM8005	FED	BISTI GALLUP SO.	
Federal 'D' CDP							
UR - Federal D 3	28455	SW SE	3-23N-9W	NM8005	FED	BISTI GALLUP SO.	W/2 SE/4
UR - Federal D 4	28376	NE NE	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	E/2 NE/4
UR - Federal D 5	28456	SW NW	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	W/2 NW/4
UR - Federal D 6	28377	SW SW	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	S/2 SW/4
WELLS CURRENTLY ON-LINE TO GGGS							
April Surprise 2 DK	23892	NW SW	30-24N-9W	NM4958	FED	BASIN DAKOTA	W/2
April Surprise 3	25122	NW NW	19-24N-9W	NM4958	FED	BISTI LOWER GA	W/2
April Surprise 4 DK*	25487	NW SW	19-24N-9W	NM4958	FED	BASIN DAKOTA	S/2

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Well Name	API # 30-045	Well Location 1/4 Sec-Twn-Rng	Lease No.	Lease Type	Pool	Spacing Unit
April Surprise 4 GA*	25487	NW SW	19-24N-9W	NM4958	FED	BISTI LOWER GA
April Surprise 5	25947	NW NE	7-23N-9W	NM4958	FED	BISTI GALLUP SO.
April Surprise 6	26515	SE NE	7-23N-9W	NM4958	FED	BISTI GALLUP SO.
August 1	26520	SW SW	35-24N-10W	NM43443	FED	BISTI GALLUP SO.
Big Eight 1	21996	NW SW	8-24N-9W	NM25440	FED	BISTI LOWER GA
Big Eight 1E	25221	SW SE	8-24N-9W	NM25440	FED	BISTI LOWER GA
Blanco Wash 1 MA/DK*	22473	NW SE	2-24N-9W	142006031404	1	WHITE WASH MA/DK
Blanco Wash 2 FR**	22482	SE NW	2-24N-9W	142006031403	1	BASIN FR COAL
Blanco Wash 2 PC**	22482	SE NW	2-24N-9W	142006031403	1	POTWIN PC
Blanco Wash 3**	22939	NW SE	2-24N-9W	142006031406	1	S/2
Blanco Wash 4	22938	NE NE	2-24N-9W	142006031405	1	WHITE WASH MA/DK
Blanco Wash 5	22937	NW SW	1-24N-9W	142006031402	1	WHITE WASH MA/DK
Blanco Wash 7**	22940	SW NW	11-24N-9W	142006031408	1	NW/4
Bowers 1	25486	NE NE	17-24N-8W	NM26047	FED	POTWIN PC
Bright Angel 1	25035	NW SW	27-24N-8W	NOOC14204312	1	LYBROOK GALLUP
Bronze Medal 1	26435	NW NW	3-23N-10W	NOOC14207307	1	BISTI GALLUP, SO.
Bronze Medal 2	26925	SW NW	3-23N-10W	NOOC14207307	1	BISTI GALLUP, SO.
Buddha Temple 1	26752	NE SE	30-24N-8W	NM54980	FED	POTWIN PC
Bumble 2**	25163	NW NW	27-24N-8W	NOOC14204311	1	CUERVO MV
Calgary 2	26821	SW NE	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 3	27404	NE NW	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 4	27418	SW NW	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 5	27405	NE SE	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 6	27822	NE SW	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 7	28639	SW SE	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 8	28638	SW SW	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Calgary 88	26784	NE NE	6-23N-10W	NM32124	FED	BISTI GALLUP, SO.
Chaco 3	22472	SE NW	1-24N-9W	NM2337	FED	WHITE WASH MA/DK
Champ 1	26891	NE NW	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
Champ 2	26892	SW NW	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
Champ 3	26890	NE NE	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
Champ 4	26945	SW NE	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
Champ 5	27145	NE SE	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
Champ 6	27146	SW SE	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
Champ 7	28241	NE SW	5-23N-10W	NM42059	FED	BISTI GALLUP, SO.
December Dream 1	25862	NE NW	7-23N-9W	NM19816	FED	BISTI GALLUP, SO.
Elwood P. Dowd 1	23502	SE SE	10-24N-9W	NM9520	FED	BASIN FR COAL

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Well Name	API # 30-045	Well Location 1/4 Sec-Twn-Rng	Lease No.	Lease Type	Pool	Spacing Unit
Elwood P. Dowd 2	24905	SE SE	10-24N-9W	NM9520	FED	WHITE WASH M&DK
Fabulous Feb 1	25920	NW NW	31-24N-9W	NM51000	FED	BISTI LOWER GA
Fairway 1	26182	SW SW	1-23N-10W	NM23470	FED	BISTI GALLUP SO.
Flo-Jo 1	27463	NE NE	1-23N-11W	NM36952	FED	BISTI GALLUP SO.
Flo-Jo 2	27441	NE NW	1-23N-11W	NM36952	FED	BISTI GALLUP SO.
Gold Medal 1	26035	SE NE	34-24N-10W	NM22044	FED	BISTI GALLUP SO.
Gold Medal 2	26519	NE SW	33-24N-10W	NM22044	FED	BISTI GALLUP SO.
Gold Medal 3	26822	NE SE	31-24N-10W	NM22044	FED	BISTI GALLUP SO.
Gold Medal 4	26779	SW SW	33-24N-10W	NM22044	FED	BISTI GALLUP SO.
Gold Medal 5	26823	SW SE	31-24N-10W	NM22044	FED	BISTI GALLUP SO.
Gold Medal 6	26852	NE SW	31-24N-10W	NM22044	FED	BISTI GALLUP SO.
Gold Medal 7	27864	SW SW	31-24N-10W	NM22044	FED	BISTI GALLUP SO.
Harvey 2 DK*	24420	SE NW	20-24N-9W	NM10755	FED	BASIN DAKOTA
Helsinki 52	27392	NE SW	9-23N-10W	NM36951	FED	BISTI GALLUP SO.
Holly 1 DK*	25149	NW SW	16-24N-9W	LG1035	ST	BASIN DAKOTA
Holly 1 GA*	25149	NW SW	16-24N-9W	LG1035	ST	BISTI LOWER GA
Ivy League 1	26530	NE NE	17-24N-9W	NM45208	FED	BISTI LOWER GA
Jim Thorpe 1	26587	SW NE	3-23N-10W	NOOC14205825	—	BISTI GALLUP SO.
July Jubilee 1 DK*	25051	SW NE	30-24N-9W	NM24661	FED	BASIN DAKOTA
July Jubilee 1 GA*	25051	SW NE	30-24N-9W	NM24661	FED	BISTI LOWER GA
July Jubilee 2	25123	NW NW	29-24N-9W	NM24661	FED	BISTI LOWER GA
July Jubilee 3	25904	NW SW	29-24N-9W	NM24661	FED	BISTI LOWER GA
June Joy 2 GA	23893	NW NE	25-24N-10W	NM5991	FED	BISTI LOWER GA
June Joy 2 DK**	23893	NW NE	25-24N-10W	NM5991	FED	UNDES. DAKOTA
Kaibab Trail 1	25034	SW SW	20-24N-8W	NOOC14204310	—	CUERVO GALLUP
Lake Placid 1	26628	NE SE	4-23N-10W	NOOC14207311	—	BISTI GALLUP SO.
Largo Federal B 1	05103	NE NE	22-24N-9W	SF078860	FED	BISTI LOWER GA
Lava Falls 1	25164	NW SE	27-24N-8W	NOOC14204313	—	LYBROOK GALLUP
Lee's Ferry 1	26408	NW SW	19-24N-8W	NM41650	FED	CUERVO GALLUP
Louie Louie 1	26769	NW SW	8-23N-9W	NOG85051062	—	BISTI GALLUP SO.
Luna 2	28522	NE NE	16-23N-9W	LG9801	ST	BISTI GALLUP SO.
Marathon 1	26436	NE NE	4-23N-10W	NOOC14207308	—	BISTI GALLUP SO.
Marathon 2	26927	SW NE	4-23N-10W	NOOC14207308	—	BISTI GALLUP SO.
March On 1	26997	SE NW	32-24N-9W	LG5685	ST	BISTI LOWER GA
Mary Anne 1	05121	SW SW	9-24N-9W	NM10089	FED	BISTI LOWER GA
Mary Lou 1	26460	NE NE	32-24N-10W	V1509	ST	BISTI GALLUP SO.
Mary Lou 2	26497	SW NE	32-24N-10W	V1509	ST	BISTI GALLUP SO.

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Well Name	API #	30-045	Well Location	Lease No.	Lease Type	Pool	Spacing Unit
			1/4 1/4 Sec-Twn-Rng				
Mary Lou 3	26775	NE SE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	E/2 SE/4
Mary Lou 4	26776	SW SE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	W/2 SE/4
Mary Lou 5	26813	NE SW	32-24N-10W	V1509	ST	BISTI GALLUP SO.	E/2 SW/4
Mary Lou 6	26814	SW SW	32-24N-10W	V1509	ST	BISTI GALLUP SO.	W/2 SW/4
Mary Lou 90	28026	SW SW	32-24N-10W	V1509	ST	BASIN FR COAL	S/2
Merry May 1 GA	24421	NE SE	24-24N-10W	NM25842	FED	BISTI LOWER GA	N/2 SE/4
Merry May 1 DK**	24421	NE SE	24-24N-10W	NM25842	FED	BASIN DAKOTA	S/2
Mesa 2	22483	NE NW	16-24N-8W	LG1917	ST	POTWIN PC	NW/4
Mesa 3	22175	SW SE	16-24N-8W	LG1917	ST	POTWIN PC	SE/4
MF 1	24636	NW SW	18-24N-9W	NM16760	FED	BISTI LOWER GA	N/2 SW/4
MF 2	24995	SE SE	13-24N-10W	NM16760	FED	BASIN DAKOTA	S/2
MF 3 DK**	25166	NE SE	14-24N-10W	NM16760	FED	BASIN DAKOTA	S/2
MF 3 GA**	25166	NE SE	14-24N-10W	NM16760	FED	BISTI LOWER GA	S/2
MF 4	25165	SE NE	14-24N-10W	NM16760	FED	BISTI LOWER GA	N/2
Montreal 1	26627	NE NW	4-23N-10W	NOOC14207309	I	BISTI GALLUP SO.	E/2 NW/4
Montreal 2	26926	SW NW	4-23N-10W	NOOC14207309	I	BISTI GALLUP SO.	W/2 NW/4
Mountain 1**	?	NW SE	15-24N-8W	NM16589	FED	POTWIN PC	SE/4
Muddy Mudda 1 DK*	25919	NW NW	21-24N-9W	NM36474	FED	BASIN DAKOTA	N/2
Muddy Mudda 1 GA*	25919	NW NW	21-24N-9W	NM36474	FED	BISTI LOWER GA	N/2 NW/4
Okie 1	22307	SE SE	8-24N-8W	NM19567	FED	BASIN FR COAL	S/2
Oktoberfest 1	26498	NE NE	36-24N-10W	LG9804	ST	BISTI GALLUP SO.	E/2 NE/4
Oktoberfest Com 2	27343	NW SW	36-24N-10W	LG9804	ST	BISTI GALLUP SO.	N/2 SW/4
Olson 1	26516	NE SE	11-23N-10W	NM42740	FED	BISTI GALLUP SO.	E/2 SE/4
Olympic 1	26007	NE SE	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	E/2 SE/4
Olympic 2	26778	SW SE	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	E/2 SE/4
Olympic 3	26811	NE SW	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	E/2 SW/4
Olympic 4	26812	SW SW	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	W/2 SW/4
Pac Ten 1	25917	SE SE	7-24N-9W	NM45207	FED	BISTI LOWER GA	SE/4 SE/4
Phantom Ranch 1	26409	SE NW	21-24N-8W	NM40643	FED	LYBROOK GALLUP	SE/4 NW/4
Road Runner 1	27693	SW SE	36-24N-11W	V2364	ST	BISTI GALLUP SO.	W/2 SE/4
Road Runner 2	27694	NE SW	36-24N-11W	V2364	ST	BISTI GALLUP SO.	E/2 SW/4
Road Runner 3	27695	SW SW	36-24N-11W	V2364	ST	BISTI GALLUP SO.	W/2 SW/4
Seoul 88	26630	NE NE	9-23N-10W	NOOC14207312	I	BISTI GALLUP SO.	E/2 NE/4
September 15 DK*	26518	NE NE	24-24N-10W	NM54983	FED	BASIN DAKOTA	N/2 NE/4
Silver Medal 1	26034	SW SW	27-24N-10W	NM21741	FED	BISTI GALLUP SO.	W/2 SW/4
Sixteen G's 1	21995	SW NW	7-24N-9W	NM25433	FED	BISTI LOWER GA	S/2 NW/4
Sixteen G's 3	24560	NE NW	7-24N-9W	NM25433	FED	BISTI LOWER GA	N/2 NW/4

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Well Name	API #	Well Location		Lease No.	Lease Type	Pool	Spacing Unit
	30-045	1/4	1/4 Sec-Twn-Rng				
So Huerfano Federal 1X**	05107	SW SW	15-24N-9W	SF078859	FED	BISTI LOWER GA	S/2 SW/4
Squaw Valley 1	26629	NE SW	4-23N-10W	NOOC14207310	1	BISTI GALLUP SO.	E/2 SW/4
Squaw Valley 2	26928	SW SW	4-23N-10W	NOOC14207310	1	BISTI GALLUP SO.	W/2 SW/4
St. Louis 12	26631	NE NW	9-23N-10W	NOOC14207313	1	BISTI GALLUP SO.	E/2 NW/4
Wac 1	25918	NW NW	17-24N-9W	NM36473	FED	BISTI LOWER GA	W/2
Witty 1	25677	SW SW	12-23N-10W	NM16762	FED	UNDESIGNATED PC	SW/4
Witty 2	25981	SW NE	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	S/2 NE/4
Witty 3	26043	SW NW	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	S/2 NW/4
Witty 4	26042	NE NW	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	N/2 NW/4
Witty 5	26545	NE NE	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	N/2 NE/4
Witty 6	26767	NE SW	12-23N-10W	NM16762	FED	BISTI GALLUP SO.	E/2 SW/4
Wit's End 1	25677	SW SE	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	S/2 SE/4
Wit's End 2	25981	NE SE	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	N/2 SE/4
Wit's End 3	26043	NE SW	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	N/2 SW/4
Wit's End 4	26042	SW SW	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	S/2 SW/4

* - In Well Name column = Downhole Commingled

** - In Well Name column = Currently Plugged and Abandoned
LOC - In API No. column = Proposed Location

Exhibit 'B'
Dugan Production Corporation
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1) Allocation Method for Gas Production

Base Data for Gas Allocation

- A = Allocated Sales Volume, MCF. $(W/(Sum\ W)) \times X$
- B = On-lease fuel usage, MCF. Determined from equipment specification, operating conditions, and days operated.
- C = Purged and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment specification and pressures.
- D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $(W/(Sum\ W))$ for the wells involved.
- E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by $(W/(Sum\ W))$.

Where:

- W = Gas Volume (MCF) from Well or Battery Allocation Meter
- X = Total Gas Volume (MCF) from CDP Sales Meters (CDP1 + CDP2)

Therefore: Individual Well Gas Production = A+B+C+D+E

2) Allocation Method for Condensate Production

All liquid hydrocarbon volumes recovered from the system drip traps will be allocated to the individual wells producing gas through the drip trap from which the hydrocarbons were recovered using a factor to be determined by dividing the individual wells' theoretical liquids by the total theoretical liquids from all wells producing into the system from which liquids were recovered. The theoretical liquids will be calculated by multiplying the individual wells' produced gas volumes by the individual wells' gas stream liquids content (GPM) of isobutane and heavier. This allocation is to be made at the time the liquids are removed and will be based upon the most recent annual gas volumes produced from the wells involved and an average GPM during the same period.

Base Data for Condensate Allocation

- S = Volume of drip condensate (bbl) removed from system drip storage tank.
T= Revenue resulting from multiplying the volume of condensate by the existing posted oil price in the field at the time of drip removal.
U = GPM (Gallons per MCF) of isobutane and heavier from a current individual well gas analysis.
V = Most recent calendar year of gas production from the individual well MCF. If a full 12 months is not available, an annual volume will be determined using an average production rate from the data available.
F = Individual Well Allocated Condensate Volume (bbl),

Therefore: F= $((V \times U) / \text{Sum } (V \times U)) \times S$



December 13, 2000

Mark Ashley
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

FAX NO.: 505-827-8177

Dear Mark,

Attached is a copy of an application I submitted 12-1-99 to add Dugan's Sixteen G's No. 90 (API No. 30-045-29709) to Dugan's Goodtimes Gas Gathering System.

Upon reviewing our files, it appears that to date we have had no response from the NMOCD.

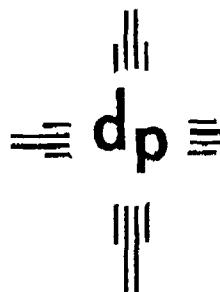
Please check your files for the status of this application. Should you need additional information please let me know.

Sincerely,

John D. Roe

John D. Roe
Engineering Manager

JDR/tmf



dugan production corp.

December 1, 1999

Ms. Lori Wrotenberry, Director
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Mr. Ray Powell
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Mr. Lee Otteni, District Manager
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Re: Addition of one well to existing approvals for Surface Commingling,
Off-lease Measurement, Storage, and Sale of Produced Natural Gas plus
Gathering System Drip Accumulations
Dugan Production's Goodtimes Gas Gathering System
San Juan County, New Mexico

Dear Ms. Wrotenberry, Mr. Powell, and Mr. Otteni:

We are writing to request your approvals for the addition of one well to Dugan's Goodtimes Gas Gathering System (GGGS) which will require the surface commingling, plus off-lease measurement and sale of natural gas production along with a small amount of liquid hydrocarbons (drip) that may accumulate in the gathering system drip traps. This application is the thirteenth expansion to the GGGS which was initially approved by the BLM on 1-18-84 and was most recently approved (Dugan's 6-22-98 application) by the NMSLO on 7-20-98, the NMOCD on 12-4-99 (Commingling Order PLC-149), and the BLM on 8-12-99.

The well to be added is Dugan Production's Sixteen G's No. 90 (API No. 30 045 29709) which was spudded on 6-21-99 and completed in the Basin Fruitland Coal Pool on 10-6-99. The Fruitland Coal perforations 1705'-1715' were stimulated using a foam frac and testing to date has been limited to the recovery of frac fluids. The well was shut in on 10-18-99 after swab testing 65 bbl of highly gas cut water and a shut in surface pressure of 340 psig. We are encouraged by our testing to date and prior to further testing and venting of produced natural gas, we propose to connect this well to our GGGS so that the produced natural gas can be sold.

Based upon our experience with the other Fruitland Coal wells in this area, we anticipate gas production to average \pm 50 MCFD with a heating value of \pm 1020 BTU/cf. The gas is believed to be compatible with other gasses in the GGGS. Water production will probably average \pm 70 BWPD initially and hopefully will decrease as production continues. We do not anticipate any liquid hydrocarbons will be produced, however should there be some, they will be separated, stored and sold at the well. It is possible that there

may be some drip, condense from the gas stream and accumulate in the GGGs system drip traps. If this occurs, the drip will be allocated back to the wells producing the drip based upon individual well gas stream liquid content (GPM's) as outlined in the allocation procedures presented as Attachment No. 6 of our application dated 6-22-98. Gas production from the Sixteen G's No. 90 will flow through GGGs drip traps No. 3 and 4 and the Goodtimes and Mountain Spur System Compressors.

The Sixteen G's No. 90 is located in SW NE (Unit G) of Section 7, T-24N, R-9W and the 320.64 acre spacing unit comprises the north half of Section 7. Federal Lease No. NM-25433 makes up the entire spacing unit and the working interest is held 100% by Dugan Production Corp. Attachment A is a copy of a portion of Map No. 2 from our 6-22-98 application. On Attachment A, we've indicated the Sixteen G's No. 90 along with the pipelines necessary to connect this well to the GGGs. Also indicated are the pipelines which will connect the Phillips No. 1, the Sanchez O'Brien No. 90 and the Mo Valley No. 90 to the GGGs. All three of these wells were included in our 6-22-98 application, however none of the lines were installed at the time of our 6-22-98 application. All new lines subsequent to our 6-22-98 application are highlighted in blue.

The Sixteen G's No. 90 will be operated and production allocated as set out in our detailed application dated 6-22-98. The addition of the Sixteen G's No. 90 will bring the total number of wells approved for the GGGs to 180 (188 completions), 176 of which are operated by Dugan Production and 4 of which are operated by Questar Exploration & Production Co. (successor to Universal Resources Corp.). Attachment No. 1 to our 6-22-98 application was a participation statement by Universal Resources Corp. We have discussed this proposed addition of Dugan's Sixteen G's No. 90 to the GGGs with Questar and it is our understanding that Questar has no objections. We will provide a copy of this application to Questar and should there be a problem, we will work with Questar to resolve any concerns that might exist.

Should there be any questions, or if additional information is needed, please let us know.

Sincerely,

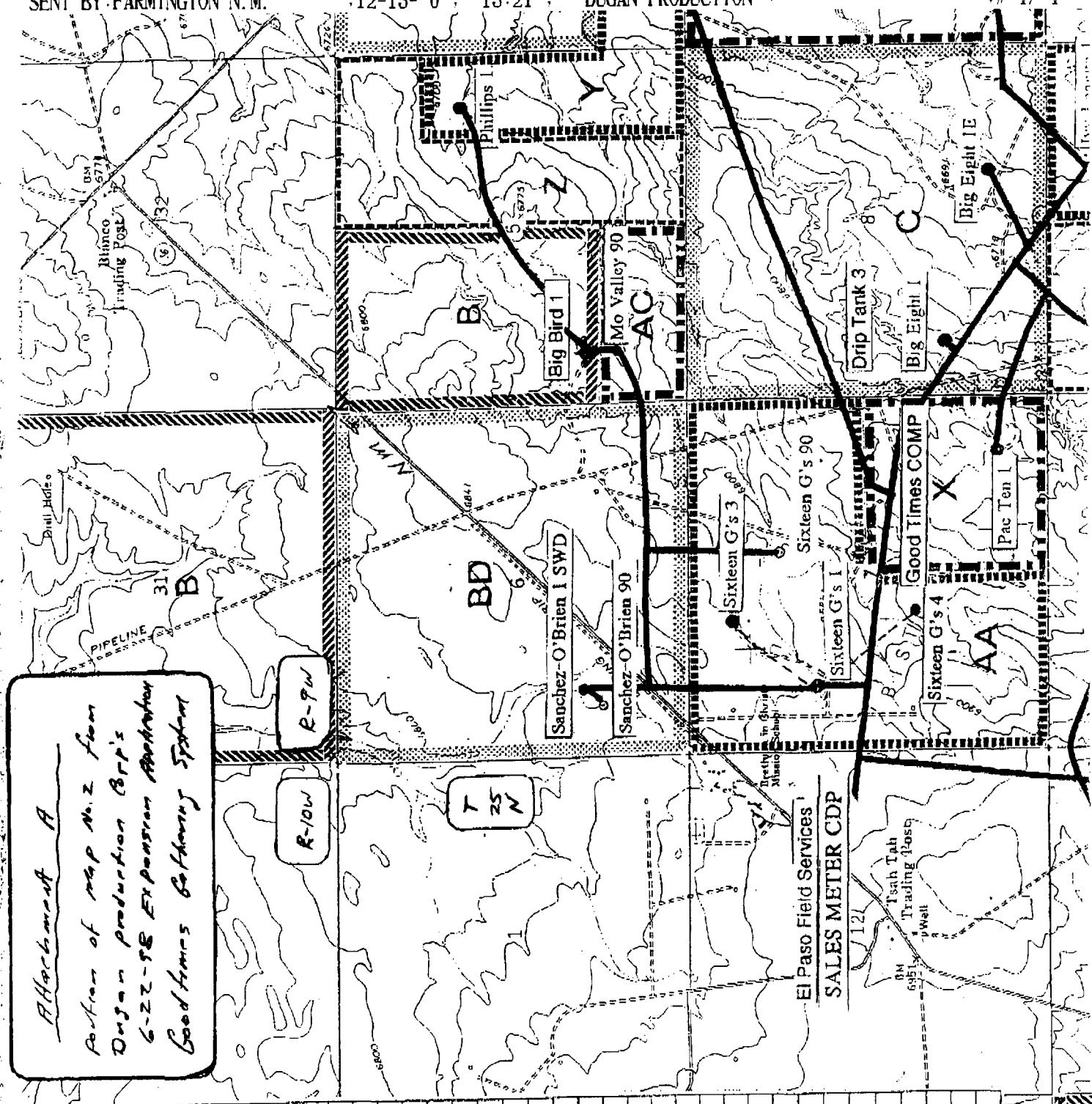
John D. Roe.

John D. Roe
Engineering Manager

JDR/imf

attachments

xc: NMOCD - Aztec
Questar Exploration & Production Co.

**LEGEND**

CODE	LEASE NAME & NUMBER
A	April Surprise NM-4958
B	Big Bird NM-16759
C	Big Eight NM-25440
D	Blanco Wash 1 14-20-0603-1404
E	Blanco Wash 2 14-20-0603-1403
F	Blanco Wash 4 14-20-0603-1405
G	Elwood P. Dowd NM-9520
H	Fabulous Feb NM-51000
I	Harvey NM-10755
J	Holly B-10889-16 & 23
K	Holly LG-1035-3
L	Holly Valex E-6644-14 & 12
M	Ivy League NM-45208
N	Merry Chase NM-100302
O	July Jubilee NM-24661
P	Largo Federal B SF-078860
Q	March On NM-LG5685
R	Mary Anne NM-10089
S	MF NM-6760
T	Muddy Mudda NM-36474
U	Nageezi SF-078862-A
V	November 24 NM-12374
W	Ohwada NM-90843
X	Pac Ten NM-45207
Y	Phillips NM-30854
Z	Phillips NM-63319
AA	Sixteen G's NM-25433
AB	NM-100303
AC	Mo Valley NM-23742
AD	Wac NM-36473
AZ	September Com'd NM-62973
BA	September NM-54983
BD	Sanchez - O'Brien NM-97108