



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery

Director
Oil Conservation Division

COMMINGLING ORDER PLC-153-B

Dugan Production Corporation
709 E. Murray Dr.
P.O. Box 420
Farmington, New Mexico 87499-0420

Attention: Mr. John D. Roe:

As per your application dated June 3, 2002, Division Order No. PLC-153 is hereby amended, adding the S/2 of Section 16 to the existing N/2 of section 16. Furthermore, Division Order No. PC-1012, which covered the S/2 of Section 16, is no longer in effect and is being supplanted by this order PLC-153-B which is specified as follows:

Dugan Production Corporation ("Dugan") is hereby authorized to surface commingle gas production and sell gas off lease from the following leases and locations within the following pools - all located within San Juan County:

Pools:

Blanco – Mesaverde (Prorated Gas 72319)
Basin – Fruitland Coal (Gas 71629)

Leases:

State Leases No. B-11571, E-3555-13, E-4426, LG-0038-1, and E-3555-13

Acreage:

All of Section 16, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.

Each well shall be equipped with gas allocation meters and these allocation meters shall be calibrated on a regular basis. The allocation procedures for each lease and well for production, sales, and BTU content shall be as outlined in the accompanying attachment included from Dugan's application.

The commingled natural gas production shall be delivered to the transporter's CDP located at the State Com No. 1 well in the SE/4 SW/4 of Section 16, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.

Oil or condensate shall not be commingled by this order. All liquids separation and sales shall occur from the well sites.

Administrative Commingling Order PLC-153-B

Dugan Production Corporation

June 25, 2002

Page 2

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Aztec district office prior to implementation of the commingling process.

PROVIDING: Approval of this surface commingling is subject to like approval by the State Land Office.

DONE at Santa Fe, New Mexico, on this 25th day of June 2002.

Lori Wrottenbery (WVJ)

LORI WROTENBERY,
Division Director

LW/WVJ

Attachment

cc: Oil Conservation Division – Aztec
State Land Office – Santa Fe

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Quaified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

JUN - 5 2002

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners

- [B] Offset Operators, Leaseholders or Surface Owner

- [C] Application is One Which Requires Published Legal Notice

- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,

- [F] Waivers are Attached

**- copy of Notice letter is presented as Attachment No. 6. Copies of Return Receipts will be mailed to NMOED upon receiving.*

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

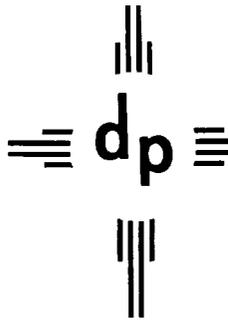
John D. Roe
 Print or Type Name

John D Roe
 Signature

Engineering Manager
 Title

06/03/02
 Date

dugan@cptnet.com
 e-mail Address



dugan production corp.

June 3, 2002

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

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

Re: Application to consolidate two gas gathering systems
Dugan Production Corp.'s
State Com No. 1 & State Com No. 2 CDP's
San Juan County, New Mexico

Dear Ms. Wrotenbery and Mr. Powell,

We are writing to request your administrative approvals to consolidate two gas gathering systems operated by Dugan Production Corp. and to convert the State Com No. 1 Central Delivery Gas Sales Meter (CDP) (currently serving as a gas sales meter for Dugan Production's State Com No. 1, 1A and 91 wells) to a CDP for the consolidated gathering systems serving as a sales meter for Dugan Production's State Com No. 1, 1A, 2, 90R and 91 wells.

The State Com No. 1 CDP (El Paso's Meter No. 87978) located in Unit N of Section 16, T-32N, R-12W at the State Com No. 1 well initially authorized the surface commingling of natural gas produced from Dugan's State Com No. 1 and 1A wells (both completed in the Blanco Mesaverde Pool) with the CDP volumes to be allocated between the wells using factors determined from annual testing. Dugan's State Com No. 91 (completed in the Basin Fruitland Coal Pool) was added to the State Com No. 1 CDP in our application dated 6-15-00 which was approved by the State Land Office on 6-19-00 and the NMOCD on 6-19-00 (Commingling Order PC-1012). Gas volumes from the CDP are allocated to the State Com No. 91 plus the State Com No. 1 and 1A wells using allocation factors determined from allocation meters measuring the State Com No. 91 plus the commingled State Com No. 1 and 1A. Then the volume allocated to the State Com 1 and 1A is allocated between these wells using well tests. All three wells share a south half, 320 acre spacing unit.

The State Com No. 2 CDP, located in Unit G of Section 16, T-32N, R-12W at the State Com No. 2 well (El Paso's Meter No. 89175) initially authorized the surface commingling and off-lease measurement of natural gas produced from Dugan's State Com No. 2 (Blanco Mesaverde) and Dugan's State Com No. 90 (Basin Fruitland Coal). Production from the State Com No. 90 did

not meet our expectations and the State Com No. 90R was drilled in an effort to obtain a well capable of producing higher volumes from the Fruitland Coal than was occurring in the No. 90 well. Based upon testing to date, the State Com No. 90R does appear to be a better well and the No. 90 will be permanently abandoned. In Dugan's application dated 3-5-02, we proposed adding the State Com No. 90R to the State Com No. 2 CDP. This application was approved by the State Land Office on 4-2-02 and the NMOCD on 3-28-02 (Commingling Order PLC-153-A). All three wells share a north half, 320 acre spacing unit.

We are proposing to consolidate these two gathering systems which will allow the use of one central compressor located at the State Com No. 1 CDP and will eliminate the current use of three compressors (one at the No. 1 CDP, and two at the No. 2 CDP).

Attachment No. 1 presents a map of the consolidated gathering systems, along with the leases within Section 16. All liquids (water and condensate) will be separated, stored, and sold or disposed of at each well. Only natural gas will be commingled after being measured with conventional, continuous recording allocation meters located at each well. The commingled gas stream will then be compressed and delivered to the CDP sales meter, which is operated and maintained by El Paso Field Services (El Paso Meter No. 87978) and is located at the No. 1 well. The State Com No. 2 CDP sales meter (El Paso Meter No. 89175) located at the No. 2 well will be disconnected and removed from service. It should be noted that the State Com No. 1 and 1A wells are currently authorized to share production facilities and the same allocation meter. Upon consolidation of the State Com No. 1 and 2 CDP's, we plan to install separate production facilities and allocation meters for each well which will result in the State Com No. 1 and 1A wells having the same equipment as all other wells (i.e., all condensate and water will be separated, stored and sold or disposed of at each well), and will have the same allocation procedure as used for the other wells.

Attachment No. 2 presents well information for the wells currently approved for each CDP. Attachment No. 3 presents ownership information for all wells. The three wells in the south half spacing unit have common ownership, however, the ownership in the Mesaverde and the Basin Fruitland Coal in the north half spacing unit is not common. Since there is a difference in working interest ownership, all gas production will be individually metered prior to commingling using allocation meters installed and maintained at each well by Dugan Production Corp. The allocation meters will be continuous recording dry flow chart recorders, and the monthly charts will be integrated using a contract service to determine volumes for allocating CDP sales volumes to the individual wells.

Attachment No. 4 presents a drawing of the consolidated gathering system, along with individual wells and facilities. Attachment No. 5 presents the allocation procedure currently being used for the State Com No. 2 CDP and to be used for the consolidated system. As noted above, the allocation procedure currently authorized for the State Com No. 1 CPD includes using a common allocation meter for the State Com No. 1 and 1A wells and allocating between the wells using well tests. Once the systems are consolidated, each well will have its own allocation meter.

The gas streams from these wells are believed to be compatible and to date we have not encountered any problems resulting from surface commingling. The integrity of the gathering

lines will be monitored using Dugan Production's portable gas detector. All interest owners are being sent a copy of this application by certified, return-receipt mail. Attachment No. 6 is a copy of the transmittal letter. Upon receiving the return-receipts, we will forward copies to the NMOCD as evidence of interest owner notice.

In summary, Dugan Production Corp. is proposing to consolidate two gathering systems currently being operated by Dugan Production. This will be achieved by redirecting the natural gas currently being sold at the State Com No. 2 CDP to the State Com No. 1 CDP. We plan to continue operation of each system as it is currently authorized with the exception that the State Com No. 1 and 1A wells which are currently authorized to use a common allocation meter and production facilities will each be equipped with separate allocation meters and production facilities. This will result in all wells having the same allocation procedure. A central compressor will be used for all five wells which will eliminate the use of three compressors currently being used.

Should there be questions or additional information needed, please let me know.

Sincerely,

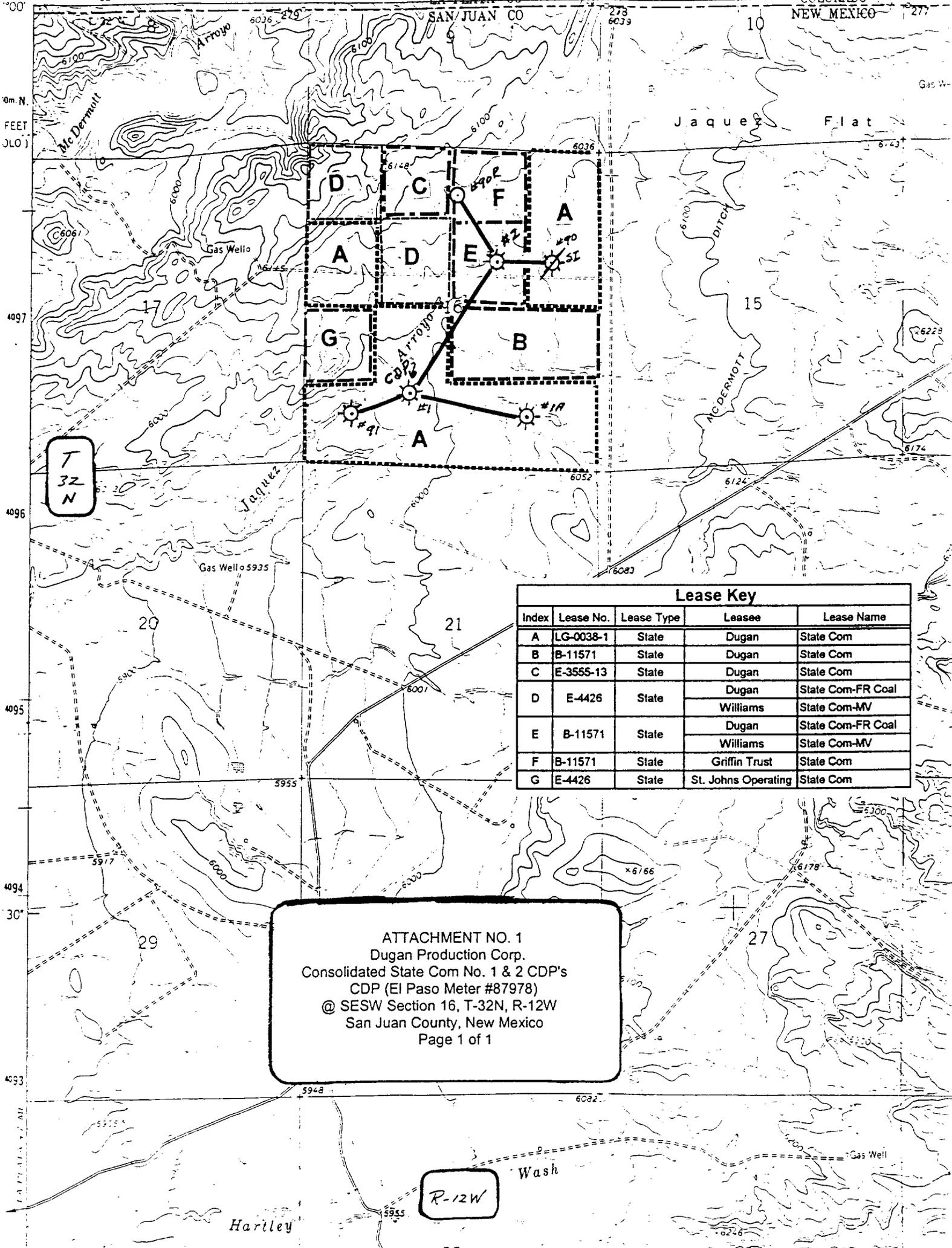


John D. Roe
Engineering Manager

JDR/tmf

cc: All interest owners (Attachment No. 6)
NMOCD – Aztec

Attachments



T
32
N

R-12W

ATTACHMENT NO. 1
 Dugan Production Corp.
 Consolidated State Com No. 1 & 2 CDP's
 CDP (El Paso Meter #87978)
 @ SESW Section 16, T-32N, R-12W
 San Juan County, New Mexico
 Page 1 of 1

Lease Key				
Index	Lease No.	Lease Type	Leasee	Lease Name
A	LG-0038-1	State	Dugan	State Com
B	B-11571	State	Dugan	State Com
C	E-3555-13	State	Dugan	State Com
D	E-4426	State	Dugan	State Com-FR Coal
			Williams	State Com-MV
E	B-11571	State	Dugan	State Com-FR Coal
			Williams	State Com-MV
F	B-11571	State	Griffin Trust	State Com
G	E-4426	State	St. Johns Operating	State Com

**ATTACHMENT NO. 2
DUGAN PRODUCTION CORP.
CONSOLIDATION OF STATE COM 1 & STATE COM 2 GAS GATHERING SYSTEMS
CDP Sales Meter @ N-16-32N-12W (EI Paso Meter No. 87978)
SAN JUAN COUNTY, NEW MEXICO**

Well Name	API Number	Well Location			Pool	Completion Date	Current Production			Spacing		Dates for SC, OLM & S			
		UL-Sec-Twn-Rng	Lease No.	Lse.Type			CA Number	CA Number	MCFD	BC/D	BW/D	Unit	Application	Approval	NMSLO Approval
WELLS PREVIOUSLY APPROVED FOR STATE COM 1 CDP (EI Paso Meter No. 87978)															
State Com #1	21127	N-16-32N-12W	LG-0038	State	State CA	Blanco Mesaverde	09/05/73	38	0.2	0.8	S/2-320A	08/12/97	N/A	09/03/97	08/12/97
State Com #1A	22218	P-16-32N-12W	LG-0038	State	State CA	Blanco Mesaverde	12/28/76	72	0.4	0.2	S/2-320A	08/12/97	N/A	09/03/97	08/12/97
State Com #91	29681	M-16-32N-12W	LG-0038	State	State CA	Basin Fruitland Coal	07/06/00	205	0	17.2	S/2-320A	06/15/00	N/A	06/19/00	06/19/00
WELLS APPROVED FOR STATE COM 2 CDP (EI Paso Meter 89175)															
State Com #2	21128	G-16-32N-12W	B-11571	State	State CA	Blanco Mesaverde	09/18/74	92	0.8	0.4	N/2 - 320A	01/29/99	N/A	03/03/99	02/22/99
State Com #90	29680	H-16-32N-12W	LG-0038-1	State	State CA	Basin Fruitland Coal	02/02/99	0	0	0.0	N/2 - 320A	01/29/99	N/A	03/03/99	02/22/99
State Com #90R	29739	B-16-32N-12W	B-11571	State	State CA	Basin Fruitland Coal	03/11/02	450	0	12.0	N/2 - 320A	03/05/00	N/A	04/02/02	03/28/02

Notes:

N/A - Not applicable or not needed.

1. Current production data represents daily average for 02/02 and 03/02. Production for the #90 & #90R represents average during 5/02.
2. Application for surface commingling, off-lease measurement and sale of natural gas. Applications are subject to approvals by the New Mexico State Land Office, and the New Mexico Oil Conservation Division (there are no BLM leases involved). NMOCD's most recent order = Commingling Order PC-1012 dated 6/19/00 for the No. 1 CDP and Administrative Commingling Order PLC-153-A dated 3/28/02 for the No. 2 CDP. *NMOCD Commingling Order PLC-153-A included a stipulation that upon completion of the #90R, the #90 would be dropped from commingling permit.
3. Production from the State Com No. 90 was disappointing, and the State Com No. 90R was drilled to produce a better well. The #90 has been shut in and will be temporarily or permanently abandoned. Only one well (the #90R) will be produced from the common N/2 spacing unit. The #90R was 1st delivered 04/05/02.

**ATTACHMENT 3
INTEREST OWNERS
DUGAN PRODUCTION'S STATE COM WELLS
NO. 1, 1A & 91**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
State Com #1	Blanco Mesaverde	SESW 16, T-32N, R12W	S/2 - 320A
State Com #1A	Blanco Mesaverde	SESE 16, T-32N, R12W	S/2 - 320A
State Com #91	Basin FR Coal	SWSW 16, T-32N, R12W	S/2 - 320A

<u>INTEREST OWNER</u>	<u>STATE COM #1, #1A & #91</u>	
	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	87.500000	72.812500
St. John's Operating #1, LP	12.500000	10.937500
<u>Royalty</u>		
State of New Mexico	0.000000	12.500000
<u>Overriding Royalty Interest</u>		
Ronald I. Albin	0.000000	0.083325
Energen Resources Corp.	0.000000	1.375000
EOG Resources	0.000000	1.375000
Francine Sue Gold	0.000000	0.083325
Rene Lippman	0.000000	0.083325
Rene Parmet	0.000000	0.166680
Jay Silverman	0.000000	0.083325
Benjamin Stern	0.000000	0.083330
Harold Stern	0.000000	0.166680
Steven Stern	0.000000	0.083330
Roxanne Tuerk	0.000000	0.166680
TOTAL WELL	100.000000	100.000000

Addresses:

Ronald I. Albin 627 Sea Pine Way (D-2) West Palm Beach, FL 33415	Rene Parmet 2409 Appaloosa Circle 811 Sarasota, FL 34240
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	Jay Silverman 899 Jeffery St. 111-1 Boca Raton, FL 33487
Energen Resources Corp. 605 Richard Arrington, Jr. Blvd. North Birmingham, AL 35203-2707	St. John's Operating #1, LP General Partner of Merchant Resources 16800 Greenspoint Park Drive, Suite 380-S Houston, TX 77060
EOG Resources, Inc. P. O. Box 4362 Houston, TX 77210-4362	Benjamin Stern 27 Congress, Apt. 7 Nashua, NH 03062
Francine Sue Gold 64 Westminster Road Yorktown Heights, NY 10598	Harold Stern 800 Bell Trace Circle, Apt. 160 Bloomington, IN 47408-4412
Rene Lippman 899 Jeffery Street 111-1 Boca Raton, FL 33487	Steven Stern 226 Arrowhead Ct. Johnstown, PA 15905-2960
New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148	Roxanne Tuerk (last known address) 14700 N. Beckley Square Davie, FL 33325

**ATTACHMENT 3
INTEREST OWNERS
DUGAN PRODUCTION'S STATE COM WELLS
NO. 2, 90 & 90R**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
State Com #2	Blanco Mesaverde	SWNE 16, T-32N, R-12W	N/2 - 320A
State Com #90	Basin Fruitland Coal	SENE 16, T-32N, R12W	N/2 - 320A
State Com #90R	Basin Fruitland Coal	NWNE 16, T-32N, R12W	N/2 - 320A

<u>INTEREST OWNER</u>	<u>STATE COM #2 INTEREST%</u>		<u>STATE COM #90 & #90R INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>				
Dugan Production Corp.	50.000000	43.375000	87.500000	74.937500
Paul T. Griffin Trust	12.500000	10.937500	12.500000*	10.937500*
Williams Production Co.	37.500000	32.812500	0.000000	0.000000
<u>Royalty</u>				
State of New Mexico	0.000000	12.500000	0.000000	12.500000
<u>Overriding Royalty Interest</u>				
W.H. Atkins	0.000000	0.026367	0.000000	0.026381
Lewis T. Barringer, Jr.	0.000000	0.140625	0.000000	0.765600
John W. Barringer	0.000000	0.140625	0.000000	0.765600
JoAnne Callan	0.000000	0.043945	0.000000	0.043969
Megan Callan	0.000000	0.011719	0.000000	0.011725
Lynn Shaw	0.000000	0.011719	0.000000	0.011725
TOTAL WELL	100.000000	100.000000	100.000000	100.000000

*Interest owner elected to go non-consent and is being carried by Dugan Production during payout

Addresses

W. H. Atkins
2209 N. Parkwood
Harlingen, TX 78550

Lynn Shaw
1490 Memory Lane
KalisPELL, MT 59901-5108

John W. Barringer
1054 Lynnwood Blvd.
Nashville, TN 37215

State of New Mexico
P. O. Box 1148
Santa Fe, NM 87504-1148

Lewis T. Barringer, Jr.
192 Sayre Drive
Princeton, NJ 08540

Williams Production Co.
P. O. Box 58900
Salt Lake City, UT 84158-0900

JoAnne Callan
1028 Santa Florencia
Solano Beach, CA 92075

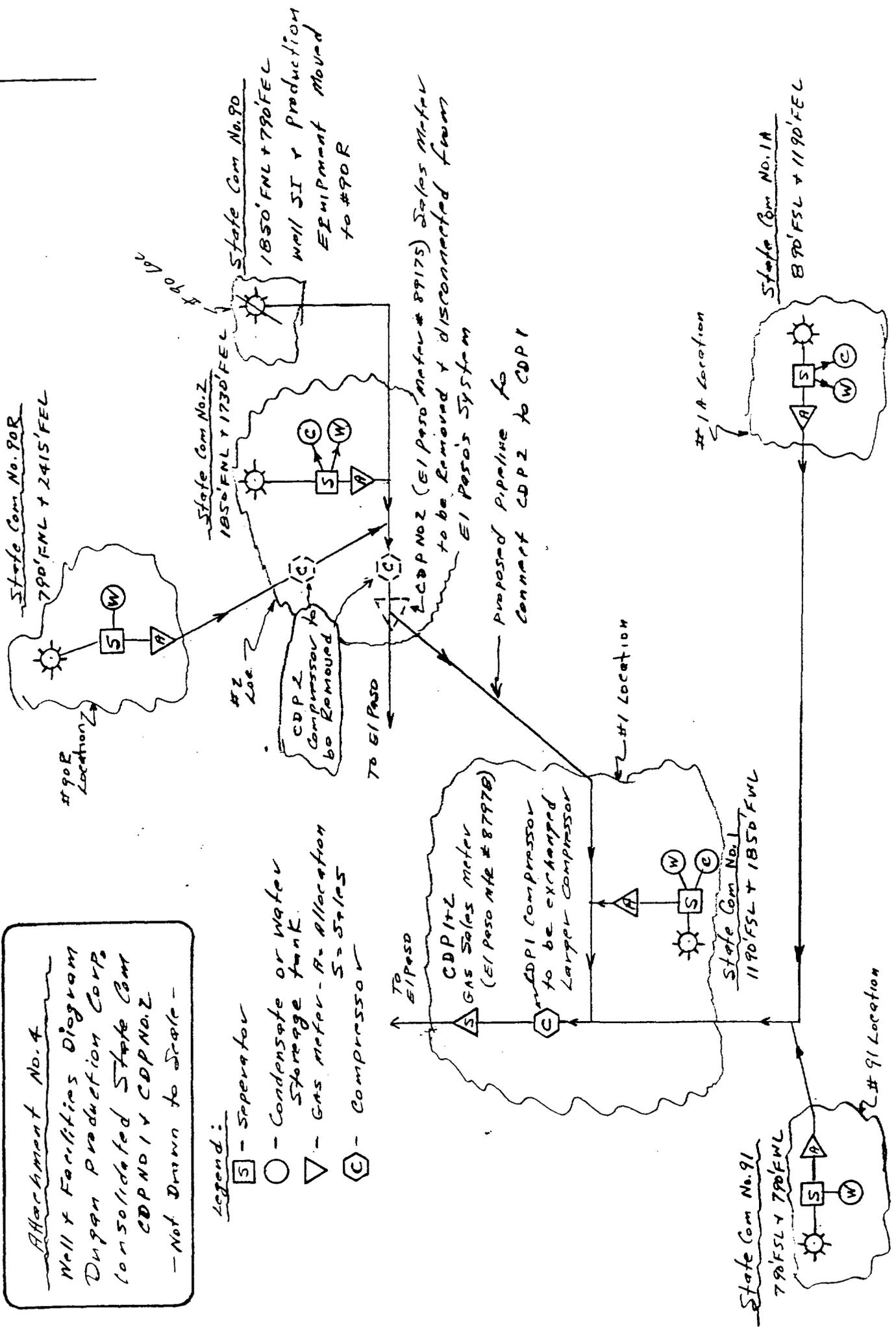
Megan Callan
3578 Seahorn Circle
San Diego, CA 92130

Dugan Production Corp.
P. O. Box 420
Farmington, NM 87499-0420

Paul T. Griffin Trust
Charles E. Griffin, Trustee
732 Bison Ave.
Newport Beach, CA 92660

Attachment No. 4
 Well & Facilities Diagram
 Dugan Production Corp.
 Consolidated State Com
 CDP No. 1 & CDP No. 2
 - Not Drawn to Scale -

- Legend:
- [S] - Separator
 - - Condensate or water storage tank
 - △ - Gas meter - R. Allocation S = 54125
 - ⬢ - Compressor



**ATTACHMENT 5
ALLOCATION PROCEDURES
DUGAN PRODUCTION CORP.'S
CONSOLIDATED STATE COM 1 & 2 CDP
CDP GAS SALES METER: SE SW 16-32N-12W (El Paso Meter No. 87978)
SAN JUAN COUNTY, NEW MEXICO**

Base Data:

W = Gas Volume (MCF) from allocation meters at individual wells during allocation period.

X = Gas Volume (MCF) from CDP Sales Meter during allocation period.

Y = BTU's from CDP Sales Meter during allocation period.

Allocation Period is typically a calendar month and will be the same for all wells.

1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, MCF. = $(W/\text{SUM } W) \times X$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions.

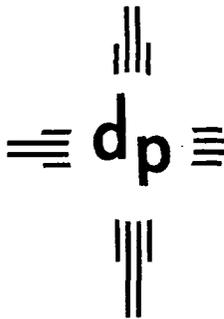
C = Purged and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment specifications and pressures.

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 $W/\text{SUM } W$ 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 $W/\text{SUM } W$.

2. Allocated Individual Well BTU's = $(W \times \text{Individual well BTU}) / \text{Sum } (W \times \text{individual well BTU}) \times Y$.

Individual well gas heating values to be determined in accordance with BLM regulations (currently On shore Order No. 5).



dugan production corp.

Attachment
No. 6
Pg 1 of 3

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 3, 2002

Interest Owners (Address List Attached)
Dugan Production Corp.'s
State Com Wells No. 1, 1A, 2, 90R & 91
Section 16, T32N, R12W
San Juan County, New Mexico

Dear Interest Owner,

Attached for your information and file is a copy of our application requesting authorization to consolidate the two gas gathering systems currently authorized to gather and sell gas from five wells (State Com No. 1, 1A, 2, 90R & 91) operated by Dugan Production Corp.

The changes we are proposing should have no affect upon your interest in these wells and will allow Dugan Production Corp. increased compressor capacity which may allow for production improvements in some of the wells.

This matter does not require any action or expenditure on your part. Should you have any questions, need additional information, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection.

Sincerely,

John D. Roe
Engineering Manager

JDR:tmf

attachments

INTEREST OWNERS
DUGAN PRODUCTION'S STATE COM WELLS
NO. 1, 1A & 91

Attachment
No. 6
Pg 2 of 3

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
State Com #1	Blanco Mesaverde	SESW 16, T-32N, R12W	S/2 - 320A
State Com #1A	Blanco Mesaverde	SESE 16, T-32N, R12W	S/2 - 320A
State Com #91	Basin FR Coal	SWSW 16, T-32N, R12W	S/2 - 320A

<u>INTEREST OWNER</u>	<u>STATE COM #1, #1A & #91</u>	
	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	87.500000	72.812500
St. John's Operating #1, LP	12.500000	10.937500
<u>Royalty</u>		
State of New Mexico	0.000000	12.500000
<u>Overriding Royalty Interest</u>		
Ronald I. Albin	0.000000	0.083325
Energen Resources Corp.	0.000000	1.375000
EOG Resources	0.000000	1.375000
Francine Sue Gold	0.000000	0.083325
Rene Lippman	0.000000	0.083325
Rene Parmet	0.000000	0.166680
Jay Silverman	0.000000	0.083325
Benjamin Stern	0.000000	0.083330
Harold Stern	0.000000	0.166680
Steven Stern	0.000000	0.083330
Roxanne Tuerk	0.000000	0.166680
TOTAL WELL	100.000000	100.000000

Addresses:

Ronald I. Albin
627 Sea Pine Way (D-2)
West Palm Beach, FL 33415

Rene Parmet
2409 Appaloosa Circle 811
Sarasota, FL 34240

Dugan Production Corp.
P. O. Box 420
Farmington, NM 87499-0420

Jay Silverman
899 Jeffery St. 111-1
Boca Raton, FL 33487

Energen Resources Corp.
605 Richard Arrington, Jr. Blvd. North
Birmingham, AL 35203-2707

St. John's Operating #1, LP
General Partner of Merchant Resources
16800 Greenspoint Park Drive, Suite 380-S
Houston, TX 77060

EOG Resources, Inc.
P. O. Box 4362
Houston, TX 77210-4362

Benjamin Stern
27 Congress, Apt. 7
Nashua, NH 03062

Francine Sue Gold
64 Westminster Road
Yorktown Heights, NY 10598

Harold Stern
800 Bell Trace Circle, Apt. 160
Bloomington, IN 47408-4412

Rene Lippman
899 Jeffery Street 111-1
Boca Raton, FL 33487

Steven Stern
226 Arrowhead Ct.
Johnstown, PA 15905-2960

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

Roxanne Tuerk (last known address)
14700 N. Beckley Square
Davie, FL 33325

**INTEREST OWNERS
DUGAN PRODUCTION'S STATE COM WELLS
WELLS NO. 2, 90 & 90R**

*Attachment
No. 6
Pg 3 of 3*

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
State Com #2	Blanco Mesaverde	SWNE 16, T-32N, R-12W	N/2 - 320A
State Com #90	Basin Fruitland Coal	SENE 16, T-32N, R12W	N/2 - 320A
State Com #90R	Basin Fruitland Coal	NWNE 16, T-32N, R12W	N/2 - 320A

<u>INTEREST OWNER</u>	<u>STATE COM #2 INTEREST%</u>		<u>STATE COM #90 & #90R INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>				
Dugan Production Corp.	50.000000	43.375000	87.500000	74.937500
Paul T. Griffin Trust	12.500000	10.937500	12.500000*	10.937500*
Williams Production Co.	37.500000	32.812500	0.000000	0.000000
<u>Royalty</u>				
State of New Mexico	0.000000	12.500000	0.000000	12.500000
<u>Overriding Royalty Interest</u>				
W. H. Atkins	0.000000	0.026367	0.000000	0.026381
Lewis T. Barringer, Jr.	0.000000	0.140625	0.000000	0.765600
John W. Barringer	0.000000	0.140625	0.000000	0.765600
JoAnne Callan	0.000000	0.043945	0.000000	0.043969
Megan Callan	0.000000	0.011719	0.000000	0.011725
Lynn Shaw	0.000000	0.011719	0.000000	0.011725
TOTAL WELL	100.000000	100.000000	100.000000	100.000000

*Interest owner elected to go non-consent and is being carried by Dugan Production during payout

Addresses

W. H. Atkins
2209 N. Parkwood
Harlingen, TX 78550

Lynn Shaw
1490 Memory Lane
Kalispell, MT 59901-5108

John W. Barringer
1054 Lynnwood Blvd.
Nashville, TN 37215

State of New Mexico
P. O. Box 1148
Santa Fe, NM 87504-1148

Lewis T. Barringer, Jr.
192 Sayre Drive
Princeton, NJ 08540

Williams Production Co.
P. O. Box 58900
Salt Lake City, UT 84158-0900

JoAnne Callan
1028 Santa Florencia
Solano Beach, CA 92075

Megan Callan
3578 Seahorn Circle
San Diego, CA 92130

Dugan Production Corp.
P. O. Box 420
Farmington, NM 87499-0420

Paul T. Griffin Trust
Charles E. Griffin, Trustee
732 Bison Ave.
Newport Beach, CA 92660