



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

(1)

IN REPLY REFER TO:
3162.7-3
Designated Hitter Gas Gathering System

April 25, 2002

Pendragon Energy Partners
C/O Walsh Engineering & Production Corp.
7415 East Main
Farmington, NM 87402

Dear Mr. Thompson:

Reference is made to your application for surface commingling and off-lease measurement and sales of gas and associated liquid hydrocarbons from the hereafter designated Designated Hitter Gas Gathering System (DHGGS). You propose to measure production at an El Paso Field Services meter at the following location:

SWSW section 27, T26N, R12W, San Juan County, New Mexico.

Your application indicates that measurement at a central delivery point is necessary to effectively and economically operate these wells and extend the economic life of the properties. We have reviewed your application and concur with these findings. As such, you are hereby authorized to measure natural gas and associated liquid hydrocarbons in accordance with the procedure outlined in your application. The following are conditions of this approval:

- Allocation methodology must be made on an MMBTU basis.
- Operational requirements for Navajo allotted wells, found in attachment 1-3, must be adhered to.
- In order to prevent waste and conserve natural gas, periodic review of the gathering system's venting procedures must be conducted in accordance with the requirements outlined in NTL-ADO-93-1. In the event that line purging or venting becomes necessary, the purged fluids must be allocated proportionally to coincide with the established production allocations.
- Fuel use must be allocated proportionally to coincide with the established production allocations.
- In the event that line purging or venting becomes necessary, the purged fluids must be allocated proportionally to coincide with the established production allocations.
- No other wells can be added to this system of measurement without the prior approval of this office.
- Contact this office in the event of any lost hydrocarbons between the wells and the central delivery point.

Failure to operate this facility in accordance with the conditions outlined above may subject this approval to revocation. In addition, this office reserves the right to rescind this approval should future evaluation of this method of measurement indicate that federal royalties would be reduced. Attached is a list of the wells recognized as contributing to DHGGS.

If you have any questions regarding the above, contact Adrienne Garcia at (505) 559-6358 or Jim Lovato at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Lead, Petroleum Management Team

? Enclosure: List of contributing wells
Attachment 1-3

2

cc: NMOCD, Santa Fe
NMOCD, Aztec
FIMO

bcc: Designated Hitter Gas Gathering System CDP File
Well Files (2)
DOMR
07100:AGarcia:4/25/02:HitterCDP

3

Designated Hitter Gas Gathering System Well List

<u>Well Name and No.</u>	<u>API No./Lease No.</u>	<u>Formation</u>	<u>Location</u>
Designated Hitter #2	3004522638/NM 26354	WAW Fruitland PC	sec 27, T26N, R12W
Ruby #1	3004523839/NOO-C-14-20-7470	Basin Fruitland Coal	sec 34, T26N, R12W

Operational Requirements

After obtaining approval, the operator will meet the following requirements:

1. Gas analysis will be performed semiannually for all Navajo allotted wells
2. The gathering system will be tested once every two years with a 72-hour advance notice to the AO. The methods of testing will be at the discretion of the operator
3. All equipment used in selling, storing, and measuring combined production must as a minimum meet the Onshore Oil and Gas Orders No. 3, Site Security; No. 4, Oil Measurement; and No. 5, Gas Measurement.
4. When reporting under the Disposition Section of the Minerals Management Service Form 3160-6 the following formulas will be used for Navajo allotted wells producing:

Allotted Wells Less than 100 MCFD *

Produced	=	Well meter volume	+	Gas utilized between the wellhead and well meter
Sold	=	Allocated sales volume from CDP		
Used	=	Gas used between wellhead and well meter	+	Gas used between well meter and CDP Meter
Vented /Flared	=	Any gas vented or flared		
Other	=	Any product reported in this column must be identified		
Comments	=	Any pertinent information		

Allotted Wells 100 MCFD or greater *

Produced	=	Well meter volume	+	Gas utilized between the wellhead and well meter
Sold	=	Produced volume	-	gas used between well head and well meter + gas used between well meter and CDP meter + vented/flared
Used	=	Gas used between wellhead and well meter	+	Gas used between well meter and CDP Meter
Vented /Flared	=	Any gas vented or flared		
Other	=	Any product reported in this column must be identified		
Comments	=	Any pertinent information		

* Daily production equals Monthly production divided by number of days produced.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Pendragon Energy Partners

3. Address and Telephone No. **C/O Walsh Engineering & Production Corp.**
7415 East Main Farmington, NM 87402 505-327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
790' FNL & 1790' FWL, Section 34, T26N, R12W

5. Lease Designation and Serial No.
NOO-C-14-20-7470

6. If Indian, Allottee or Tribe Name
Navajo Allotted

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Ruby #1

9. API Well No.
30-045-23839

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

11. County or Parish, State
San Juan County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other Surface Commingle

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Pendragon Energy Partners request permission for surface commingling and off-lease measurement according to the attached application. Gas production from the Ruby #1 will be commingled with the gas production from the Designated Hitter #2 (NM26354) in order to save on compression costs.

14. I hereby certify that the foregoing is true and correct

Signed Paul C. Thompson Title Agent Date 4/4/02

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

April 4, 2002

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87504

Re: Application for Surface Commingling
Pendragon Energy Partners
Ruby #1 and Designated Hitter #2
Section 27 and 34, T26N, R12W
San Juan County, New Mexico

Dear Ms. Wrotenbery,

This is a request on behalf of Pendragon Energy Partners for approval to surface commingle the gas production from the above mentioned wells.

1. **Proposed System** The wells will be commingled upstream of a CDP meter so that they can reduce compression costs. Both wells will have allocation meters and the allocation formula is described below. Both wells have pumping units and separators. The gas flows into El Paso Field Services' gathering system and they will maintain the CDP meter. Neither well produces liquid hydrocarbons. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well.

2. **Location Map** Exhibit 1 is a topo map showing the location of the two wells.

3. **Wells, Locations, and Lease Numbers** Exhibit 2 is a C-102 for each well. The Ruby #1 is a Basin Fruitland Coal well on Navajo Allotted lease NOO-C-14-20-7470. The Designated Hitter #2 is a WAW Fruitland Sand - Pictured Cliffs well and is on a Federal Lease, NM 26354. Exhibit 3 is a list of the royalty, overriding royalty, and working interests in both wells.

4. **Schematic Diagram** Exhibit 4 is a schematic diagram of the facilities.

5. **Fuel Gas** Each well has a separator that uses approximately 0.5 MCFD of fuel gas and a pump jack which uses 5 MCFD. The two wells will share a compressor that burns approximately 20 MCFD of fuel gas.

6. **Mechanical Integrity** The flow line from the Ruby #1 to the CDP is 2" SDR-7 poly pipe with a pressure rating of 267 psig. This line and all of the connections were tested to wellhead pressure which was approximately 100 psig. The MAOP of El Paso's gathering system is 150 psig.



7. **Production - Gravity/BTU** Actual production from the Ruby #1 and Designated Hitter #2 is attached as Exhibit 5. Gas Analysis for each well are attached as Exhibit #6.

8. **Allocation Formula** The production assigned to each well will be the integrated volume from the allocation meter plus pump jack and separator fuel gas and the allocated volume of the compressor fuel as described in the attached spreadsheet (Exhibit #7). The Ruby #1 is on a Navajo Allotted lease and this allocation spreadsheet is a requirement of the BIA.

9. **Line Purging** We do not anticipate purging the system very often, but if it is purged, the lost gas will be allocated equally to each of the two wells.

10. **Purged Fluids** Any fluids purged will be natural gas, and condensed water vapor.

11. **Meter Calibration Schedule** El Paso Field Services will maintain the CDP meter and Walsh Engineering will maintain the allocation meters. The CDP meter will be calibrated once each quarter and the allocation meters will be calibrated annually.

12. **Gas Analysis Schedule** El Paso Field Service will analyze the gas from the commingled stream twice a year. Walsh will have a sample of the gas from the individual wells analyzed annually.

13. **Effective Date** The system will be placed in service as soon as this application is approved.

14. **Notification** The working and revenue interest owners have been notified of this application by certified mail. Copies of these letters are attached as Exhibit #8.

Sincerely,

A handwritten signature in black ink, reading "Paul C. Thompson", followed by a horizontal line.

Paul C. Thompson, P.E.

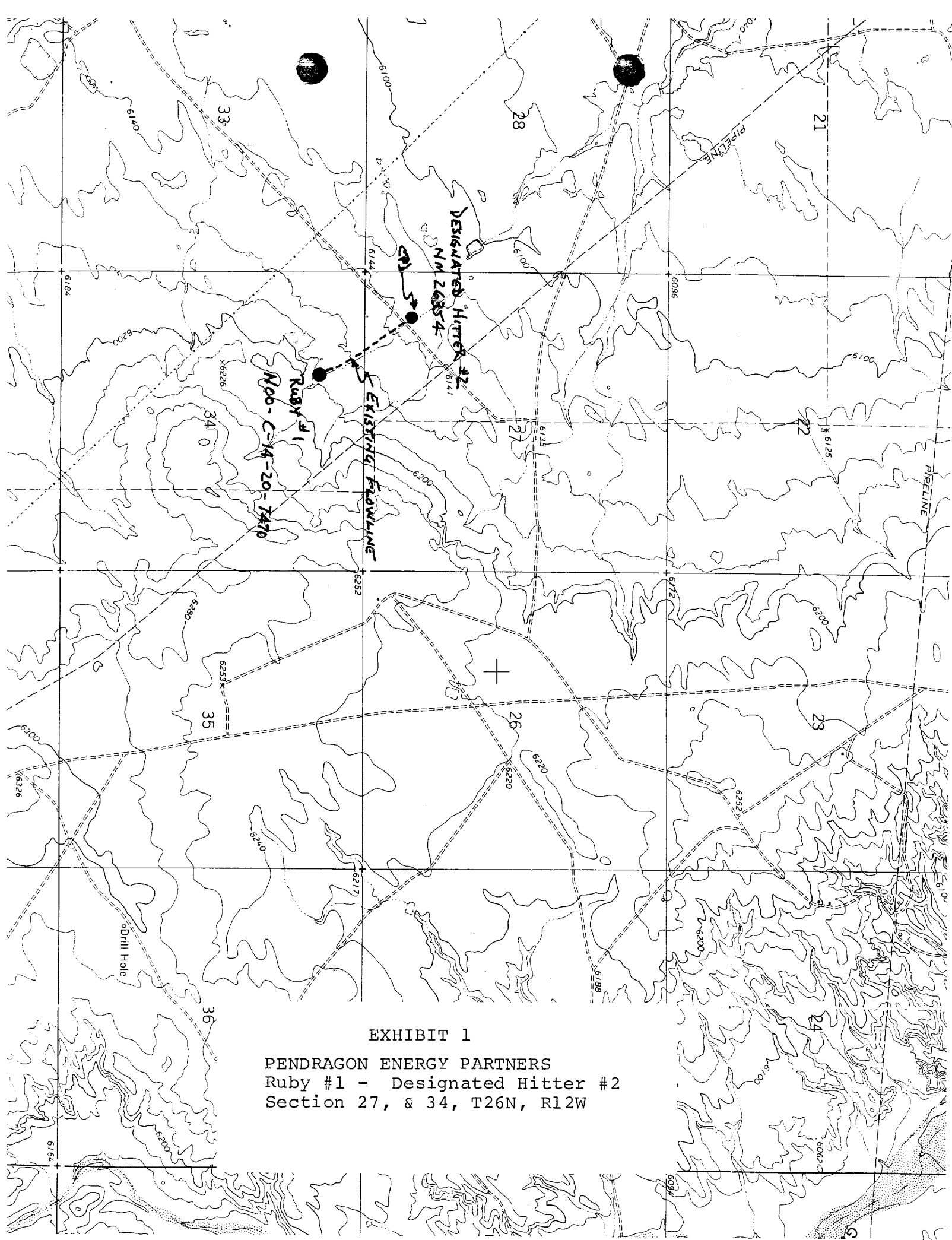


EXHIBIT 1

PENDRAGON ENERGY PARTNERS
Ruby #1 - Designated Hitter #2
Section 27, & 34, T26N, R12W

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name		⁶ Well Number	
⁷ OGRID No.		Ruby		⁹ Elevation	
⁸ Operator Name PENDRAGON ENERGY PARTNERS					

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	26N	12W		790	North	1790	West	SJ

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Paul C. Thompson Printed Name Agent Title 2/20/02 Date		
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. ORIGINAL ON FILE Date of Survey Signature and Seal of Professional Surveyor:		
	Certificate Number		

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-102
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State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

¹ API Number		² Pool Code		³ Pool Name	
				WAW Fruitland Sand - Pictured Cliffs	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		Designated Hitter			2
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
		PENDRAGON ENERGY PARTNERS			6132 GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	26N	12W		790	South	790	West	SJ

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Paul C. Thompson Printed Name Agent Title 2/20/02 Date
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. ORIGINAL ON FILE Date of Survey Signature and Seal of Professional Surveyor: Certificate Number



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

April 3, 1989

GARREY CARRUTHERS

GOVERNOR

Robert L. Bayless

P.O. Box 168

Farmington, NM 87499

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800Attention: Kevin H. McCord
Petroleum Engineer

Administrative Order NSP-1569

Dear Mr. McCord:

Reference is made to your application of January 3, 1989 and February 8, 1989, for a 160-acre non-standard gas proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 34: NW/4

It is my understanding that this unit is to be dedicated to your Ruby Well No. 1, which is presently producing from the WAW Fruitland-Pictured Cliffs Sand Pool and is located at a previously authorized unorthodox coal gas well location, pursuant to Decretory Paragraph No. 4 of Division Order No. R-8768, 790 feet from the North line and 1790 feet from the West line (Unit C) of said Section 34.

By authority granted me under the provisions of Rule 6 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by said Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "WJ LeMay".

for William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM Oil and Gas Engineering Committee - Hobbs
U.S. Bureau of Land Management - Farmington

Exhibit #3

Ruby #1

	Working Interest	Net Revenue Interest
R.W. Beck Plant Management Receiver for Edwards Energy Corp.	25.00	20.00
Pendragon Resources TI, LP	75.00	60.00
MMS - Indian		20.00
Totals	100.00	100.00

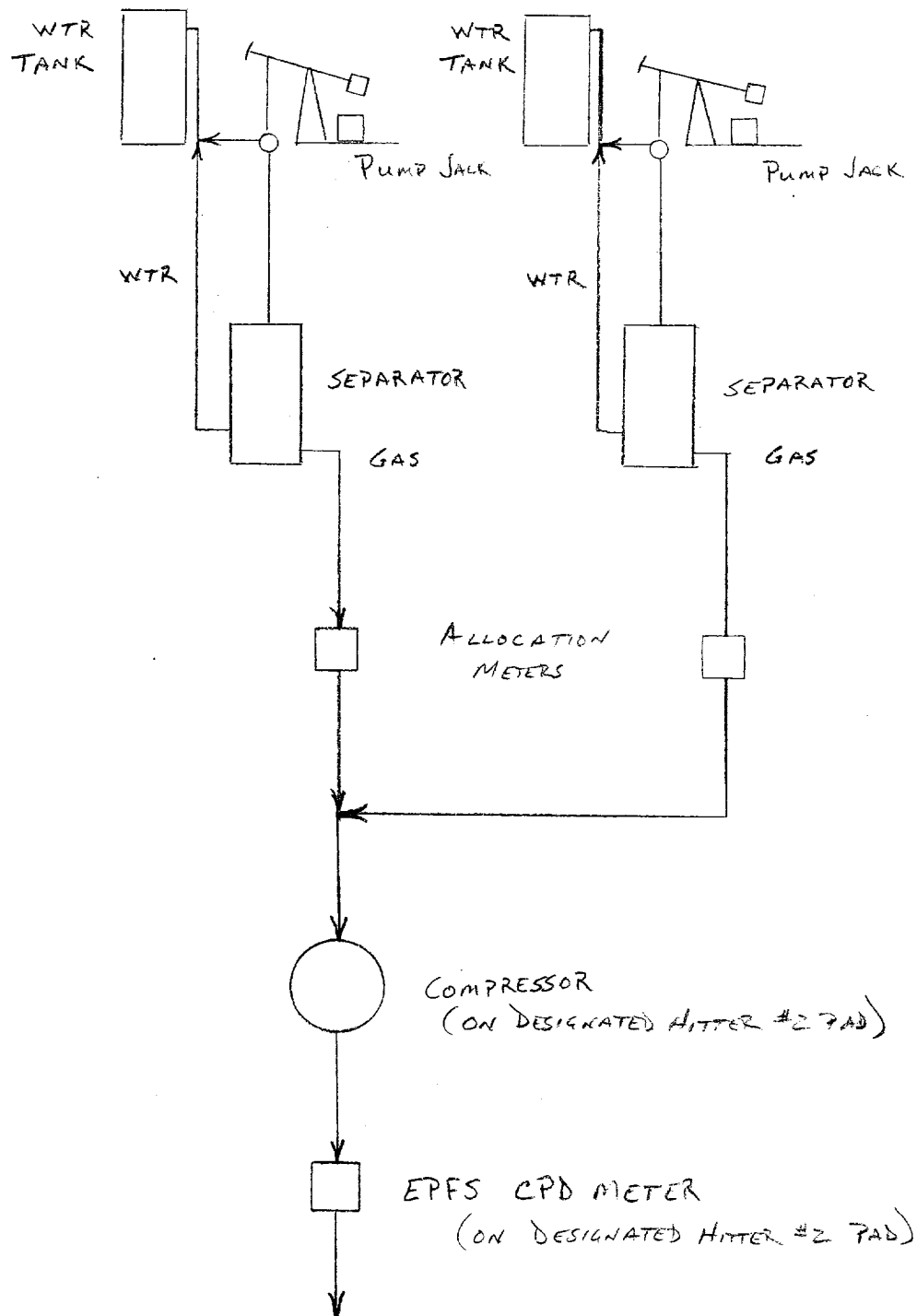
Designated Hitter #2

R.W. Beck Plant Management Receiver for Edwards Energy Corp.	25.00	18.75
Pendragon Resources TI, LP	75.00	56.25
MMS		12.50
William Clegg		1.50
Abbie Moody Cliff		0.25
McBride Oil and Gas Corp.		2.25
Flame Royalties, Inc.		8.50
Totals	100.00	100.00

EXHIBIT 4

RUBY #1

DESIGNATED HITTER #2



22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS



EXHIBIT #5

SAN JUAN NM

DESIGNATED HITTER 2

PENDRAGON ENERGY PARTNERS INCORPORATED

ACTIVE

Production Report

Lease Name:	DESIGNATED HITTER	Well Number:	2
Lease Number:	21489	Cum Oil:	
Operator Name:	PENDRAGON ENERGY PARTNER	Cum Gas:	832,760
State:	NEW MEXICO	Cum Water:	6,368 since JUN 1998
County:	SAN JUAN	First Production Date:	AUG 1978
Field:	WAW	Last Production Date:	OCT 2001
Sec Twn Rng:	27M 26N 12W	Spot:	NE SW SW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	21489	Completion Date:	
API:	30045226380000	Total Depth:	
Production ID:	2300430452263887190	Upper Perforation:	
Reservoir Name:	FRUITLAND PICTURED CLIFF	Lower Perforation:	
Prod Zone:	FRUITLAND-PICTURED CLIFFS	Gas Gravity:	
Prod Zone Code:	604FRPCL	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	ELPS	N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		GAS

Annual Production			(24 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:

1978	8,182	
1979	107,334	
1980	102,939	
1981	83,948	
1982	61,686	
1983	45,539	
1984	67,153	
1985	67,335	
1986	60,542	
1987	57,704	
1988	12,862	
1989	10,475	
1990	531	
1991	365	
1992	133	
1993	633	
1994	646	
1995	15,555	
1996	19,769	
1997	21,540	
1998	26,459	1,253
1999	24,756	3,246

2000	16,222	1,869
2001	20,452	
Totals:	<u>832,760</u>	<u>6,368</u>

Monthly Production (Most recent 48 of 279 months)

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	Cond Yld BBLS/MCF	% Water	# of Wells	Days on
OCT 1997		788				1	30
NOV 1997		1,667				1	30
DEC 1997		2,136				1	31
Totals: 1997		<u>21,540</u>					
JAN 1998		2,217	0			1	31
FEB 1998		1,950	0			1	27
MAR 1998		2,029	0			1	31
APR 1998		1,993	0			1	29
MAY 1998		2,051	0			1	30
JUN 1998		1,926	145			1	29
JUL 1998		2,174	156			1	26
AUG 1998		1,785	147			1	21
SEP 1998		2,450	196			1	28
OCT 1998		2,776	210			1	30
NOV 1998		2,405	189			1	27
DEC 1998		2,703	210			1	30
Totals: 1998		<u>26,459</u>	<u>1,253</u>				
JAN 1999		2,486	210			1	30
FEB 1999		2,235	189			1	27
MAR 1999		2,175	210			1	30
APR 1999		1,954	261			1	29
MAY 1999		1,971	270			1	30
JUN 1999		2,160	261			1	29
JUL 1999		1,426	154			1	22
AUG 1999		2,413	261			1	29
SEP 1999		1,963	747			1	30
OCT 1999		2,222	270			1	30
NOV 1999		2,002	210			1	30
DEC 1999		1,749	203			1	29
Totals: 1999		<u>24,756</u>	<u>3,246</u>				
JAN 2000		1,165	203			1	29
FEB 2000		1,351	196			1	28
MAR 2000		1,597	210			1	30
APR 2000		1,112	175			1	25
MAY 2000		474	119			1	17
JUN 2000		649	133			1	19
JUL 2000		543	0			1	0
AUG 2000		0	0			0	0
SEP 2000		2,171	203			1	29
OCT 2000		2,513	217			1	31

NOV 2000	2,257	203	1	29
DEC 2000	2,356	210	1	30
Totals:				
2000	16,222	1,869		
JAN 2001	2,206		1	27
FEB 2001	2,206		1	27
MAR 2001	2,198		1	28
APR 2001	2,261		1	30
MAY 2001	2,253		1	30
JUN 2001	1,165		1	15
JUL 2001	2,228		1	27
AUG 2001	1,846		1	23
SEP 2001	1,949		1	24
OCT 2001	2,140		1	30
Totals:				
2001	20,452			

Lease Name: DESIGNATED HITTER
County, State: SAN JUAN, NM
Operator: PENDRAGON ENERGY PARTNERS INCORPORAT
Field: WAW
Reservoir: FRUITLAND PICTURED C
Location: 27 26N 12W NE SW SW

DESIGNATED HITTER - WAW

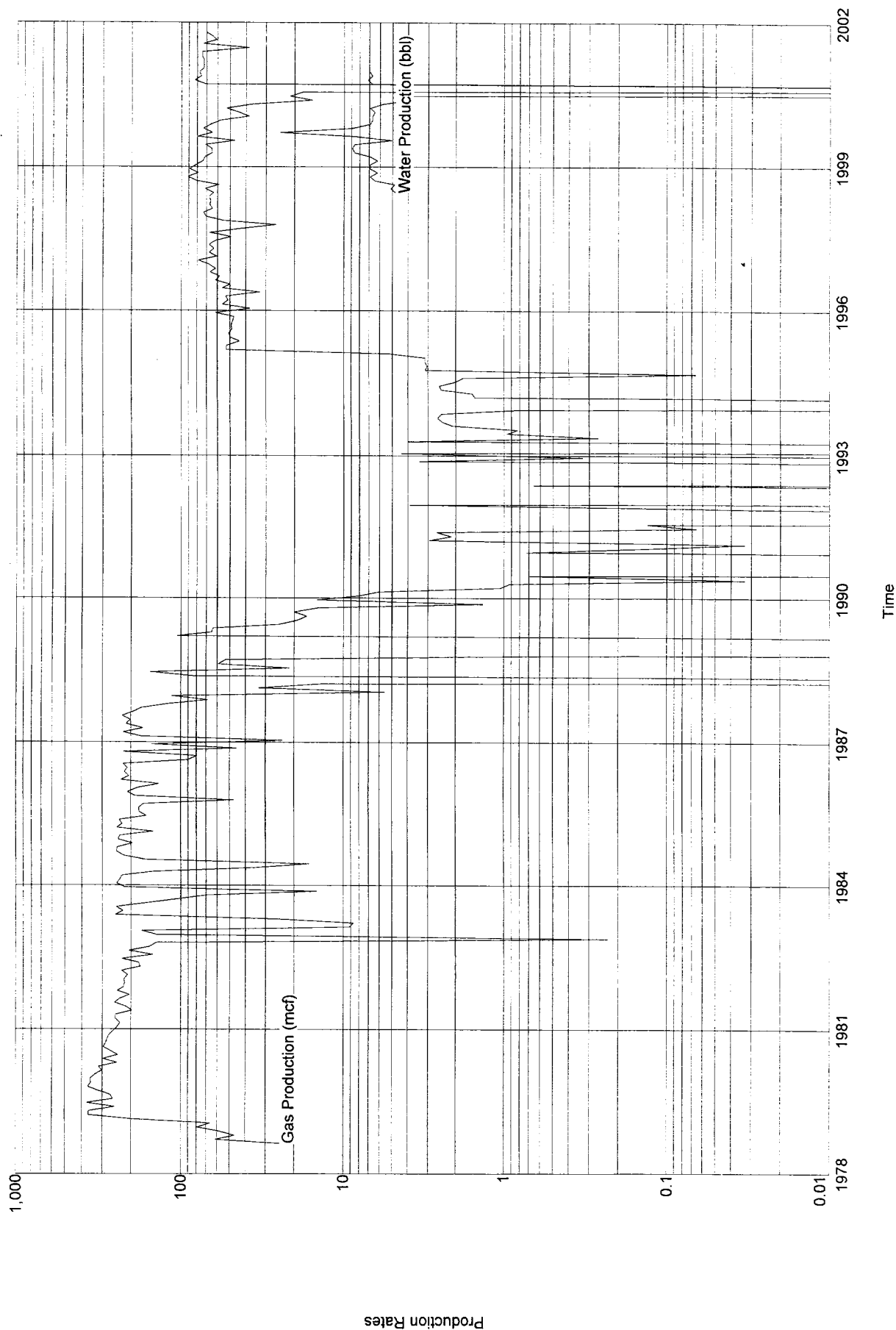


EXHIBIT 15

SAN JUAN NM

RUBY 1

PENDRAGON ENERGY PARTNERS INCORPORATED

ACTIVE

Production Report

Lease Name:	RUBY	Well Number:	1
Lease Number:	21705	Cum Oil:	
Operator Name:	PENDRAGON ENERGY PARTNER	Cum Gas:	208,376
State:	NEW MEXICO	Cum Water:	5,595
County:	SAN JUAN	First Production Date:	MAR 1989
Field:	BASIN	Last Production Date:	OCT 2001
Sec Twn Rng:	34C 26N 12W	Spot:	SW NE NW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	21705	Completion Date:	
API:	30045238390000	Total Depth:	
Production ID:	2300430452383971629	Upper Perforation:	
Reservoir Name:	FRUITLAND COAL	Lower Perforation:	
Prod Zone:	FRUITLAND COAL	Gas Gravity:	
Prod Zone Code:	604FRLDC	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	ELPS	N Factor:	0.0
Liquid Gatherer:		GOR:	
Status:	ACTIVE		

Annual Production			(13 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:

1989	1,262	10
1990	255	11
1991	258	11
1992	991	1
1993	1,044	1
1994	2,843	
1995	6,896	
1996	15,883	
1997	53,182	
1998	41,348	1,180
1999	24,028	3,717
2000	35,014	664
2001	25,372	
Totals:	208,376	5,595

Monthly Production (Most recent 48 of 152 months)

Date	Oil	Gas	Water	Cond Yld	% Water	# of	Days
MO/YR	BBLs	MCF	BBLs	BBLs/MCF		Wells	on

OCT 1997	5,071		1	31
NOV 1997	5,044		1	29
DEC 1997	5,095		1	29
Totals:				
1997	53,182			
JAN 1998	4,980	0	1	31
FEB 1998	4,397	0	1	28
MAR 1998	4,602	0	1	31
APR 1998	4,551	0	1	29
MAY 1998	3,411	0	1	26
JUN 1998	4,233	145	1	29
JUL 1998	1,338	0	1	13
AUG 1998	1,685	0	1	13
SEP 1998	4,832	252	1	28
OCT 1998	4,132	270	1	30
NOV 1998	1,458	243	1	27
DEC 1998	1,729	270	1	30
Totals:				
1998	41,348	1,180		
JAN 1999	2,313	270	1	30
FEB 1999	1,585	243	1	27
MAR 1999	2,247	270	1	30
APR 1999	1,961	319	1	29
MAY 1999	1,981	319	1	29
JUN 1999	2,051	330	1	30
JUL 1999	1,396	264	1	24
AUG 1999	2,236	319	1	29
SEP 1999	1,995	935	1	30
OCT 1999	2,184	330	1	30
NOV 1999	2,014	58	1	29
DEC 1999	2,065	60	1	30
Totals:				
1999	24,028	3,717		
JAN 2000	2,158	50	1	25
FEB 2000	2,639	56	1	28
MAR 2000	3,362	58	1	29
APR 2000	3,394	60	1	30
MAY 2000	3,557	62	1	31
JUN 2000	3,189	56	1	28
JUL 2000	2,823	52	1	26
AUG 2000	2,814	48	1	24
SEP 2000	3,148	56	1	28
OCT 2000	2,806	54	1	27
NOV 2000	2,210	52	1	26
DEC 2000	2,914	60	1	30
Totals:				
2000	35,014	664		
JAN 2001	2,760		1	28
FEB 2001	2,760		1	28
MAR 2001	2,564		1	28
APR 2001	2,348		1	26
MAY 2001	2,729		1	27
JUN 2001	1,831		1	21

JUL	2001	2,368	1	25
AUG	2001	2,499	1	25
SEP	2001	2,494	1	25
OCT	2001	3,021	1	30
Totals:				
	2001	25,372		

=====

Lease Name: RUBY
County, State: SAN JUAN, NM
Operator: PENDRAGON ENERGY PARTNERS INCORPORAT
Field: BASIN
Reservoir: FRUITLAND COAL
Location: 34 26N 12W SW NE NW

RUBY - BASIN

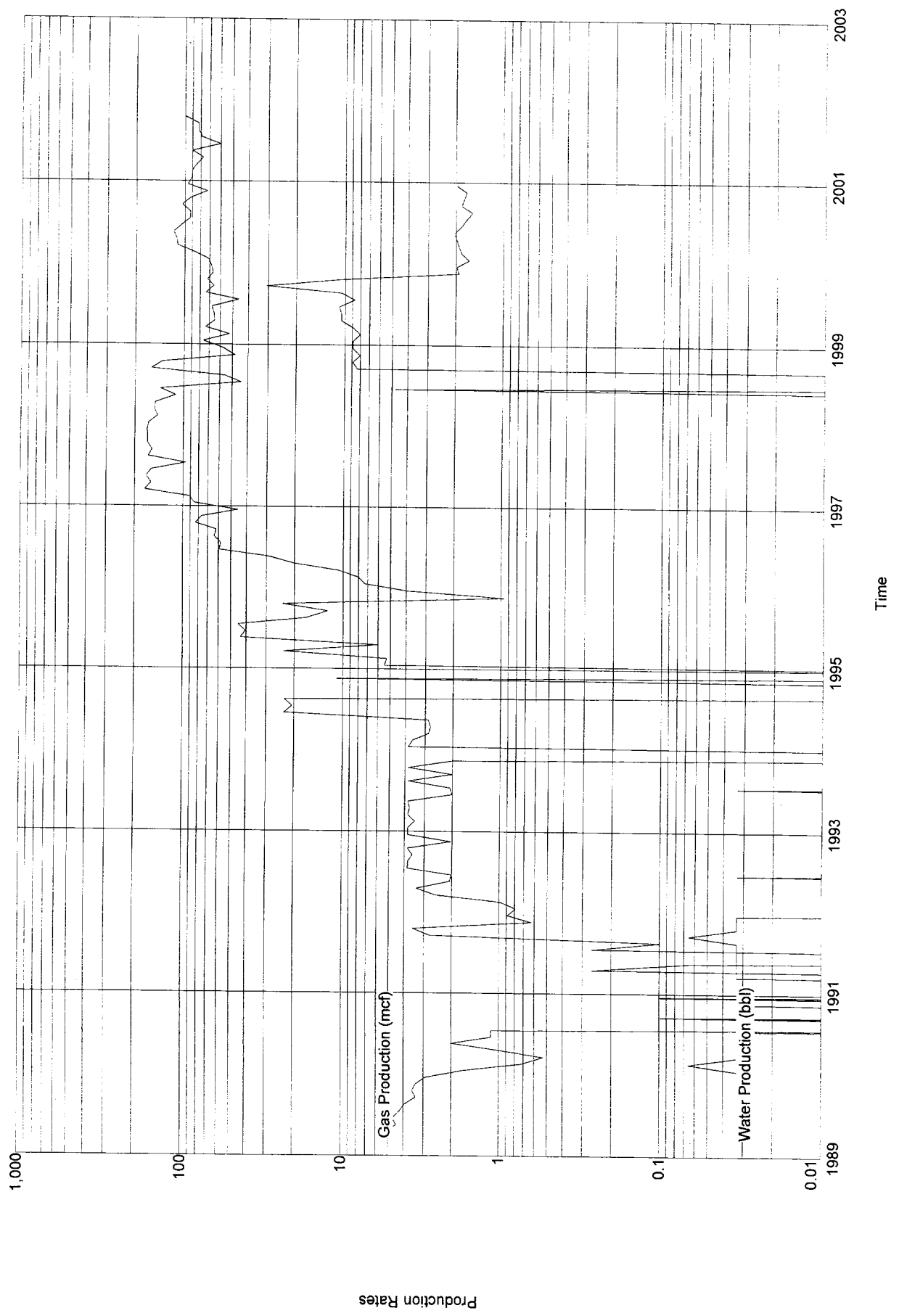


EXHIBIT #6

CORPORATE MEASUREMENT SYSTEM
GPM CERTIFICATE REPORT

02/19/2002 09:25:17

Prod Date : 07/01/2001 00:00:00

Page 1 of 1

EP FIELD SERVICES-SAN JUAN

Certificate of Gas Analysis

Sample Desc: DESIGNATED HITTER #2

Sample Id: 90163

Effective Date: 7/1/01 00:00:00

Sample Type: Spot

Sample Date: 6/14/01 00:00:00

Sampled By:

Chromatograph Id: N/A

Analyzed Date:

Analyzed By: FSLAB

Analysis Id:

Sample Frequency: SEMIANNUALLY

GPA Version: GPA 2145-97

Temperature:

Pressure Base: 14.73

Pressure:

Component	Mole %	GPM
Methane:	92.7100	
Ethane:	2.8100	0.7515
Propane:	0.4700	0.1295
Iso Butane:	0.0900	0.0294
Butane:	0.0800	0.0252
Iso Pentane:	0.0400	0.0146
Pentane:	0.0200	0.0072
Neo Pentane:	0.0000	0.0000
Hexane:	0.0300	0.0131
Heptane:	0.0000	0.0000
Nonane:	0.0000	0.0000
Octane:	0.0000	0.0000
Decane:	0.0000	0.0000
H2s:	0.0000	
Sub Total GPM:	96.2500	0.9707

Inerts	Mole %
Carbon Dioxide:	3.5500
Nitrogen:	0.2000
Hydrogen:	0.0000
Oxygen:	0.0000
Helium:	0.0000
Argon:	0.0000
Carbon Monoxide:	0.0000
Total Mole %:	100.0000

Gravity: 0.6130

BTU: 1012.0

Saturated BTU: 994.4

Remarks:

EXHIBIT #6

CORPORATE MEASUREMENT SYSTEM
GPM CERTIFICATE REPORT

02/19/2002 09:28:07

Prod Date : 07/01/2001 00:00:00

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EP FIELD SERVICES-SAN JUAN

Certificate of Gas Analysis

Sample Desc: RUBY #1 PC,- FRT

Sample Id: 14378

Effective Date: 7/1/01 00:00:00

Sample Type: Spot

Sample Date: 6/14/01 00:00:00

Sampled By:

Analyzed Date:

Analyzed By: FSLAB

Chromatograph Id: N/A

Analysis Id:

Sample Frequency: SEMIANNUALLY

GPA Version: GPA 2145-97

Temperature:

Pressure Base: 14.73

Pressure:

Component	Mole %	GPM
Methane:	93.7900	
Ethane:	2.4400	0.6526
Propane:	0.0000	0.0000
Iso Butane:	0.0000	0.0000
Butane:	0.0000	0.0000
Iso Pentane:	0.0000	0.0000
Pentane:	0.0000	0.0000
Neo Pentane:	0.0000	0.0000
Hexane:	0.0000	0.0000
Heptane:	0.0000	0.0000
Nonane:	0.0000	0.0000
Octane:	0.0000	0.0000
Decane:	0.0000	0.0000
H2s:	0.0000	
Sub Total GPM:	96.2300	0.6526

Inerts	Mole %
Carbon Dioxide:	3.5200
Nitrogen:	0.2500
Hydrogen:	0.0000
Oxygen:	0.0000
Helium:	0.0000
Argon:	0.0000
Carbon Monoxide:	0.0000
Total Mole %:	100.0000

Gravity: 0.6020

BTU: 995.0

Saturated BTU: 977.6

Remarks:

Allocation Spreadsheet for Navajo Allotted Wells

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Well Name	Wellhead Meter Integration MCF	Volume Ratio	Wellhead Btu Content	Wellhead Metered MMBtu	Wellhead MMBtu Ratio	MMBtu for Low Volume Wells (<100 MCFD)	Low Volume Ratio OTHER (1)	iscrepanc Allocation (MCF)	Discrepancy Allocation 100 MCFD OTHER (2)	ompresso Use Allocation (Vol)	Lease Use MCF (Vol)	Wellhead (MCF) Produced	Allocated (MCF) Sold	Allocated (MCF) Sold (2)	Allocated Btu Content
Ruby #1															
Designated Hitter #2															
Totals															

Formulas:
B=A/(Sum A)
D=A*C
E=D/(Sum D)
F: If >=100 MCFD and well is Allotted, F = 0.
If < 100 MCFD and well is Allotted, or well is Federal, F = 0.
G= F/(Sum F)
H= E*W (this column used if NO allotted well producing >= 100 MCFD); otherwise use I
I= G*W
J= B*Z
K = Gas used on lease upstream of well allocation meter
L = A+K
M = B*X (this column is used if NO allotted wells producing >+ 100 MCFD); otherwise use N
N = A_L_J
O = E*Y/M

W = Discrepancy Calculation ((Sum A)-X-Z)
X = CDP Volume Sold (MCF)
Y = CDP MMBtu Sold
Z = CDP Compressor Use (MCF)
CDP Btu Content

Well #
Ruby #1
Designated Hitter #2

Days Produced
Production (L)
MCFD

Note: Columns to be reported on the MMS-3160 are Bolded
Produced: Column L
UOL: both Compressor Use Allocation (J) and Lease Use (K)
Other (1) and SOLD (1): Allotted wells < 1000 MCFD and all Federal wells (columns H and M)
Other (2) and SOLD (2): Allotted wells >= 1000 MCFD (columns I and N)
Btu Content: weighted average of Column O * Column M or N/CDP Volume Sold, by lease or Case Number.