

10/1/07 DATE IN	10/22/07 SUSPENSE	W. Jones ENGINEER	10/3/07 LOGGED IN	PLC TYPE	APP NO. P TDS0727548992
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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-Qualified 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 \_\_\_\_\_

#### [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 & 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

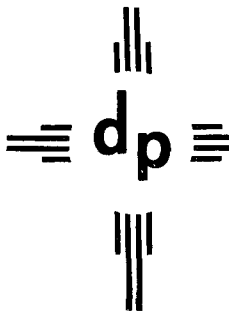
*\* - Required notification was sent by  
 certified mail w/ Return Receipt - upon  
 receiving receipts, they will be sent  
 to NMOCB*

#### [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	<i>John D. Roe</i> Signature	Engineering Manager Title	09/24/07 Date
		johnroe@duganproduction.com e-mail Address	



# dugan production corp.

September 24, 2007

Mr. Mark Fesmire, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

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

Mr. Steve Henke, Manager  
Bureau of Land Management  
1235 La Plata Highway, Suite A  
Farmington, NM 87401

Mr. James Stockbridge, Director  
Farmington Indian Minerals Office  
1235 La Plata Highway, Suite B  
Farmington, NM 87401

Re: Request for Surface Commingling, Off-lease Measurement and  
Sale of Produced Natural Gas – Twenty-two additional wells  
Dugan Productions, Goodtimes Gathering System  
San Juan County, New Mexico

Dear Mr. Fesmire, Mr. Lyons, Mr. Henke and Mr. Stockbridge,

We are writing to request your administrative approvals for the surface commingling, plus off-lease measurement and sale of natural gas produced from 22 wells to be added to Dugan Production's Goodtimes Gathering System (GGS). The 22 wells to be added include 13 Basin Fruitland Coal gas wells (three of which are proposed locations), two Potwin Pictured Cliffs gas wells, four Bisti Lower Gallup oil wells (one of which is a proposed location) and three South Bisti Gallup oil wells. Production from each of these four pools is currently authorized for operation on the GGS in one or more of the 221 wells currently authorized for the GGS. All leasehold interest for the 22 wells to be added is either state (3 wells), federal (14 wells) or Navajo Allotted (5 wells) and includes the following leases: Federal NM-2337, NM-10089, NM-12374, NM-24661, NM-36952, NM-40643, NM-65528, NM-80498, NM-83507, NM-96800, NM-97837 and SF-078860; State LG-5686, V-1360 and V-7918; Navajo Allotted NOG-0103-1462, NOG-0103-1464, NOG-0502-1714 and NOG-0502-1715. Of the 22 wells being added, Dugan Production operates 20 and Yates Petroleum Corporation operates two. Yates has requested, and Dugan Production has agreed, to add their Ristra AGW State No. 1 and Squash Blossom AFU State No. 1 to the GGS. **Attachment No. 8** presents a copy of the "Participation Statement" by Yates Petroleum Corporation to include the gas production from these two wells in Dugan's GGS. Gas produced from Yates' wells will be treated the same as the gas produced from all other wells, i.e., it will be measured by Dugan Production prior to entering the GGS and the allocation procedures used for all other wells will be used. This addition should have no affect upon the interest of any well currently operating on the GGS.

Dugan Production's GGS currently has 221 wells (236 completions) approved for the gathering system and during April, 2007 production from all wells averaged 1402 mcf/d plus 197 bbl of oil and condensate per day. Production comes from eight gas pools and seven oil pools. Production statistics for each pool are presented on **Attachment No. 1**. Of the 236 authorized completions, 96 (48 of which are active) are in gas pools and the per well average was 17.2 mcf/d plus little to no condensate. The 140 oil pool completions (129 of which are active) averaged 4.4 mcf/d plus 1.5 BOPD. The peak production from any one well in the gas pools was 73.5 mcf/d and 16.5 mcf/d in the oil pools. Thus, for the most part, all wells currently connected to the GGS are considered to be low volume, marginal producing wells. The GGS currently has two central delivery gas sales meters (CDP's). CDP No. 1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources at their Meter No. 31103. CDP No. 2

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is located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services (previously El Paso Field Services) at their Meter No. 97228. During 2006, approximately 29% (311 mcf) of the gas sales went to Elm Ridge Resources and 71% (766 mcf) went to Enterprise. The split between Enterprise and Elm Ridge varies month to month depending primarily upon pipeline pressures and operating conditions on each system. There is not a significant difference in gas prices for either CDP. During 2006, the volumes going to Enterprise ranged from 40% to 83% and the corresponding volumes going to Elm Ridge ranged from 60% to 17% of the total sales volumes. It should be noted that during April, 2007, 74% of the production was sold with the balance being used for lease and/or gathering system fuel requirements. This emphasizes the marginal nature of most wells connected to the GGS. All oil wells plus most Fruitland Coal wells are equipped with rod pump artificial lift equipment requiring 3-1/2 to 5 mcf to fuel the pumping unit engines on lease. In addition, we currently operate four compressors to move gas through the ±80 miles of gathering system and maintain a gathering system pressures of 10 to 50 psi. The current gathering system equipment and fuel requirements are presented in **Attachment No. 7**.

The GGS was initially authorized in January of 1984 and this application will be the 15<sup>th</sup> expansion. NMOCD Form 107-B is attached in support of this application to add 22 wells. **Attachment No. 2** consists of five USGS Topo maps (Map No. 1 = Huerfano Trading Post SW, Map No. 2 = Pueblo Bonito NW, Map No. 3 = Blanco Trading Post, Map No. 4 = Kimbeto and Map No. 5 = Crow Mesa West) and presents a map of the GGS with the proposed additions highlighted in yellow and blue. For convenience, the maps in Attachment No. 2 are reduced to 50% of the full scale which results in a map scale of approximately 1"=4000'. A full scale (1"=2000') copy of each map is included for your use should you prefer the full scale. In addition, leasehold interest is also presented which includes 81 federal leases, 16 state leases, plus 23 Navajo Allotted leases. All leases presented are held by Dugan Production with the exception of one federal lease (NM-8005) which is held by Questar E&P and two state leases (LG-5686 & V-1360) held by Yates Petroleum Corporation. Of the 221 wells currently authorized for the system plus the 22 wells proposed to be added, Dugan Production is the operator of all wells except the four Federal D lease wells operated by Questar E&P and two wells operated by Yates Petroleum Corporation, the Ristra AGW State No. 1 and the Squash Blossom AFU State No. 1. Information for each well and the associated leases is presented on **Attachment No. 3**. Of the 22 wells being added to the GGS, eight wells (which were initially planned for Dugan's Sesamee Street Gathering System) are being added to the GGS only for a temporary period since in an effort to sell the gas rather than vent the gas, upon completion they were connected to the GGS until they could be moved to Dugan Production Corp.'s Sesamee Street Gathering System (SSGS) which did occur on 6-13-07 upon completion of an expansion to the SSGS. These eight wells are identified on Map No. 2 with yellow highlighting. The 14 additional wells being added are identified on Maps 3, 4 & 5 with blue highlighting. Also presented on Attachment No. 2 (Maps No. 1 & 2) is Dugan Production's SSGS which is presented for information purposes only. The SSGS is being constructed primarily for Dugan Production's current development program in the Basin Fruitland Coal which requires a gathering system for CBM gas plus the associated water production typical to the Fruitland Coal. We are currently preparing an application to expand the SSGS which will be submitted within the next one to two weeks, and that application will also include the eight wells being proposed for temporary connection to the GGS.

We do not anticipate commingling oil or condensate. Each well producing oil or condensate will be equipped with separation equipment and all oil or condensate will be separated and stored on the lease. Each well will be equipped with a continuous recording gas meter (or some form of approved alternative measurement) to be used for allocation purposes, which will be operated and maintained by Dugan. Considering that most wells produce natural gas volumes that qualify for some form of alternative measurement, 24 wells on the GGS are currently using alternative measurement. Prior to converting any gas measurement from a conventional gas meter to an alternative measurement method, we will seek formal approvals. The charts from each allocation meter will be integrated monthly by a commercial integration service and the volumes recorded will be utilized to determine factors for allocating CDP volumes, BTU's and revenues to the individual wells. The allocation procedures currently approved for the existing wells and to be used on the wells to be added are presented on **Attachment No. 6**.

**Attachment No. 4** presents a summary of the interest owners in the 22 wells proposed to be added to the GGS. There are a total of 6 working interest, 3 types of royalty interest (state, federal and Navajo Allotted) plus 19 overriding royalty interest owners. As required by the current Goodtimes Gathering System "Commingling Order, PLC-149 3<sup>rd</sup> Amendment", all interest owners in the wells proposed to be added to the gathering system have been given notice that Dugan Production Corp. is proposing to add these wells to the GGS. All working and royalty interest owners have been provided with a complete copy of this application. The overriding royalty interest owners received basic information about the subject application and were offered a complete copy of the application should they choose to have it. In addition to the interest ownership in the wells being added, we also sent a notice and basic information for our application to the interest owners of the 221 wells currently approved for operation on the GGS. Each interest owner was offered a complete copy of our application should they choose to have it.

**Attachment No. 5** presents copies of all notice efforts regarding this application. Also included in Attachment No. 5 is a copy of the "Affidavit of Publication" for the advertisement which was published in the Daily Times on September 12, 2007 to further provide notice to all interest owners, anticipating that out of the 26 notices mailed by certified mail, there will invariably be some receipts not returned.

**Attachment No. 7** presents a description of the gathering system equipment and any fuel requirements along with a facility diagram for each of the three water disposal wells plus a water transfer facility. The water disposal wells along with the water transfer facility are important to the gas gathering system in that each facility receives fuel gas from the gathering system and also delivers gas recovered at the facility to the gathering system for sale at the CDP. The gas delivered to the GGS comes from the water production that is delivered to the facility by pipeline primarily from GGS wells completed in the Pictured Cliffs and Fruitland Coal. Typically these wells produce high volumes of water and in order to economically produce these wells, the water (and some gas) is produced up the tubing using a rod pump artificial lift and the gas is primarily produced upon the casing-tubing annulus and is then metered and delivered to the GGS in a line separate from the water. The fluid stream from the tubing is delivered to the water disposal and/or transfer facility by pipeline. At the facility the water and any associated gas are separated using a conventional 2 phase separator and the gas from the separator is measured with a conventional meter similar to that being used to measure gas production from each well. The volumes metered from the separator are used to allocate CDP gas volumes back to the separator using the same allocation procedure used for allocating gas on all other wells. The gas volumes allocated to the separator are then allocated to each GGS well delivering water to the separator based upon the percentage of the total water delivered by each well. The fuel gas used by each facility is determined monthly either by using equipment specifications and run time on facilities with small volumes being needed (such as the Mesa No. 4, Mary Lou No. 1 and Chaco facilities) and on facilities needing larger volumes of fuel such as the Sanchez O'Brien SWD facility the volume of gas being used for fuel is metered and sampled for BTU content. The gas meter is maintained by Dugan Production and the charts are integrated monthly by a commercial integration service. The volumes of gas used for fuel (mcf & mmbtu) are then sold to Dugan Production at the average gas price received, during the month of use, at the two CDP's. During July, 2007, a total of 244 mcf (247 mmbtu) was used at the Sanchez O'Brien No. 1 and an average gas price of \$5.7363/mmbtu was used for the sale to Dugan Production, which represents the average of \$5.6421/mmbtu @ CDP No. 1 and \$5.8423/mmbtu at CDP No. 2. The gas volumes (mcf & mmbtu) and revenues are then added to the total gas volumes (mcf & mmbtu) and revenues for CDP No. 1 and CDP No. 2 for allocation to all wells on the gathering system. Each of the water disposal facilities and the water transfer facility are operated separately from the GGS with Dugan Production purchasing all fuel used at each facility and including the gas volumes, mmbtu's and revenues for the fuel gas in the volumes allocated to individual wells on the GGS so that there is no loss of volume or revenue to any interest owner.

Included in this application are 16 wells that have been connected and have produced into the gathering system without prior approval to do so. We regret that this has occurred and do endeavor to see that all wells are formally approved prior to producing into a gathering system. As presented on Attachment No. 3 (note No. 5), these 16 wells have produced a total of 32,746 mcf and individually range in production from 2.6 mcf/d to 27.1 mcf/d. Ten of the wells are Fruitland Coal wells and upon completion, it was important to maintain production and rather than vent the gas, the wells were connected to the GGS since each well was relatively close to the existing gathering system. Production from each of these wells has

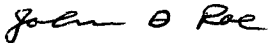
been accounted for using the same procedures as is approved for all other wells. There has been no loss of gas or revenue to any of the interest owners and since the gas was sold rather than vented, the interest owners for these wells will actually have added value as opposed to venting the gas.

To insure line integrity of our gathering systems, Dugan Production routinely monitors all gathering system lines for leaks using portable gas detection equipment. In June, 2007, we also conducted an aerial survey of all our gathering systems, using a service provided by Leak Surveys Inc. where the lines for each system were flown over in a helicopter and using an infrared camera, each line surveyed. Although we did detect some sites of methane loss at production equipment (valves and tanks), we did not find any losses from the gathering system lines on the GGS.

In summary, Dugan Production Corp. is requesting approval to add 22 wells to the Goodtimes Gathering System which will require surface commingling, plus off-lease measurement and sale of produced gas. These wells will be operated in the same manner that has been authorized for the 221 wells currently approved for operation on the gathering system. Of the 22 wells proposed for addition, eight are only for a temporary period from the date of their first delivery until 6-13-07 at which time they were moved to Dugan Production's SSGS upon completion of an expansion to that system. Included in the 22 wells are two low volume oil wells operated by Yates Petroleum Corporation, both of which have been producing for several years and this will provide an opportunity for them to sell gas produced from these wells.

Should you need additional information or have questions regarding any of this information, please feel free to contact me at the letterhead address.

Sincerely,



John D. Roe  
Engineering Manager

JDR/tmf

attachments

xc: NMOCD – Aztec  
All working & royalty interest owners

ATTACHMENT NO. 3  
DUGAN PRODUCTION CORP.  
GOODTIMES GAS GATHERING SYSTEM (08/01/07)  
CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP	API #	Well Location			Community Agreement No. (If Established)	Pool	Completion Date	Current Status ①	Production ②			Spacing Unit	Dates for SC, OLM & S ③							
			Sec-Twn-Rng	Lease No.	Lease Type					BPD	MCFD	BWPD		Application	APPROVAL						
															BLM	NMOC	NMSLO				
WELLS TO BE ADDED TEMPORARILY (8 WELLS)																					
Hop Sing 1	Note 6	2	29378	NWNE	27-23N-11W	NM65528	FED			BASIN FR COAL	5/25/04	Note 5	0.987	0.0	13.8	0.0	N/2	2/23/07	pending	pending	pending
Hoss 91	Note 6	2	33069	SESE	22-23N-11W	NM96800	FED			BASIN FR COAL	9/13/06	Note 5	0.983	0.0	27.1	189.9	E/2	2/23/07	pending	pending	pending
Hoss 91S	Note 6	2	33070	SENE	22-23N-11W	NM96800	FED			BASIN FR COAL	2/24/06	Note 5	1.020	0.0	2.7	11.7	E/2	2/23/07	pending	pending	pending
Hoss 92	Note 6	2	33068	SESW	22-23N-11W	NM96800	FED			BASIN FR COAL	9/19/06	Note 5	0.992	0.0	7.3	189.9	W/2	2/23/07	pending	pending	pending
Pierre Com 90	Note 6	2	33056	SWSW	23-23N-11W	NM80498	FED		pending	BASIN FR COAL	2/24/06	Note 5	0.989	0.0	13.5	10.5	W/2	2/23/07	pending	pending	pending
Pierre Com 90S	Note 6	2	33058	SENW	23-23N-11W	NM36952	FED		pending	BASIN FR COAL	3/1/06	Note 5	1.020	0.0	2.6	7.8	W/2	2/23/07	pending	pending	pending
Pierre Com 91	Note 6	2	33071	NWSE	23-23N-11W	NM80498	FED		pending	BASIN FR COAL	3/1/06	Note 5	0.959	0.0	7.9	11.7	E/2	2/23/07	pending	pending	pending
Pierre Com 91S	Note 6	2	33057	SENE	23-23N-11W	NM36952	FED		pending	BASIN FR COAL	3/7/06	Note 5	0.956	0.0	17.7	7.8	E/2	2/23/07	pending	pending	pending
WELLS TO BE ADDED (14 WELLS LOCATIONS)																					
Anvso 1		5	33943	NWSW	5-24N-8W	NM97837	FED			POTWIN PC	2/1/07	Note 5	1.156	0.0	7.2	100.0	SW/4	2/23/07	pending	pending	pending
Big Yazzie 1		3	33149	NWNE	6-23N-9W	NOG-0502-1715	NAV ALLTD			BISTI GALLUP SO.	1/13/06	Note 5	1.458	18.2	9.8	0.0	W/2 NE/4	2/23/07	pending	pending	pending
Bitsili 1		3	33186	SWNE	19-24N-9W	NOG-0103-1462	NAV ALLTD			BISTI LOWER GA	1/30/06	Note 5	1.535	7.2	15.5	0.0	S/2 NE/4	2/23/07	pending	pending	pending
Bitsili Com 90		3	33187	SWNE	19-24N-9W	NOG-0103-1462	NAV ALLTD			BASIN FR COAL	11/21/05	Note 5	1.022	0.0	11.5	18.7	E/2	2/23/07	pending	pending	pending
Bitsili Com 90S		3		SE	19-24N-9W	NM24661	FED			BASIN FR COAL		LOC		*	*	*	E/2				
Chaco 5		5	32272	SESE	6-24N-8W	NM2337	FED			POTWIN PC	6/8/05	Note 5		0.0	16.0	110.0	SE/4	2/23/07	pending	pending	pending
Honeybee 1		3		NESW	16-24N-9W	V-7918	STATE			BISTI LOWER GA		LOC A		*	*	*	N/2SW/4	2/23/07	pending	pending	pending
Largo Federal B 2		3	33173	NENW	22-24N-9W	SF078860	FED			BISTI LOWER GA	12/2/05	Note 5	1.437	4.5	18.1	0.0	N/2 NW/4	2/23/07	pending	pending	pending
Queen Nefertiti Com 90		5	33178	NWSW	21-24N-8W	NOG-0103-1464	NAV ALLTD			BASIN FR COAL	11/30/05	Note 5	1.086	0.0	4.1	2.0	W/2	2/23/07	pending	pending	pending
Verito #1		4	33382	NWSE	8-23N-9W	NOG-0502-1714	NAV ALLTD			BISTI GALLUP SO.	1/22/07	Note 5	1.378	*	*	*	W/2 SE/4	2/23/07	pending	pending	pending
Location U		3		SW/4	9-24N-9W	NM10089	FED			BASIN FR COAL		Loc		*	*	*	Note 11				
Location V		3		SW/4	28-24N-9W	NM12374	FED			BASIN FR COAL		Loc		*	*	*	Note 11				
Yates Ristra AGW State 1		3	27561	NWSE	32-24N-9W	V-1360	STATE			BISTI LOWER GA	3/7/90	NC		4.0	17.0	0.0	N/2SE/4	7/13/07	pending	pending	pending
Yates Squash Blossom AFU State 1		3	27053	SWSE	36-24N-10W	LG-5686	STATE			BISTI GALLUP SO.	10/31/88	NC		2.8	9.0	0.0	W/2SE/4	7/13/07	pending	pending	pending
WELLS PREVIOUSLY APPROVED FOR SYSTEM (221 WELLS COMPLETIONS)																					
Adobe A 1		5	21872	SE NW	29-24N-8W	SF078868	FED			CUERVO GALLUP	11/3/75	P	1.392	0.0	0.0	0.0	SE/4 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Angels Gate 90		5	29394	SW NE	21-24N-8W	NM93774	FED			BASIN FR COAL	9/11/96	P	1.057	0.0	12.8	25.0	E/2	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 2 DK		3	23892	NW SW	30-24N-9W	NM49558	FED			BASIN DAKOTA	3/27/80	TA 5/96	1.417	---	---	---	W/2	1-16-84	1-18-84		A
April Surprise 2 GA		3	23892	NW SW	30-24N-9W	NM49558	FED			BISTI LOWER GA	5/23/96	P	1.417	5.8	12.3	1.0	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 3		3	25122	NW NW	19-24N-9W	NM49558	FED			BISTI LOWER GA	8/19/82	P	1.465	1.1	4.8	0.0	N/2 NW/4	1-16-84	1-18-84		A
April Surprise 4 DK		3	25487	NW SW	19-24N-9W	NM49558	FED		NMA0006	BASIN DAKOTA	12/16/82	P-DHC	1.549	0.0	1.2	0.0	S/2	1-16-84	1-18-84		A
April Surprise 4 GA		3	25487	NW SW	19-24N-9W	NM49558	FED			BISTI LOWER GA	12/16/82	P-DHC	1.549	1.3	8.0	0.0	N/2 SW/4	1-16-84	1-18-84		A
April Surprise 5		4	25947	NW NE	7-23N-9W	NM49558	FED			BISTI GALLUP SO.	7/9/84	P	1.580	0.3	0.7	0.0	W/2 NE/4	7-1-85	7-11-85		A
April Surprise 6		4	26515	SE NE	7-23N-9W	NM49558	FED			BISTI GALLUP SO.	11/13/85	P	1.580	0.5	4.7	0.2	E/2 NE/4	11-12-85	11-21-85		A
April Surprise 7		3	29293	NW NE	31-24N-9W	NM49558	FED			BISTI LOWER GA	4/18/96	P	1.409	1.3	8.0	0.0	W/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 8		3	29419	SE SE	30-24N-9W	NM49558	FED			BISTI LOWER GA	3/4/97	P	1.356	3.0	9.8	0.0	S/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 9		3	33101	NW SE	31-24N-9W	NM49558	FED			BISTI GALLUP SO.	12/27/05	P	1.459	14.1	9.9	0.0	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
April Surprise 90		3	29188	NW SW	19-24N-9W	NM49558	FED			BASIN FR COAL	6/19/96	P	1.030	0.0	5.4	0.0	W/2	6-22-98	8-12-99	12-4-98	7-20-98
August 1		3	26520	SW SW	35-24N-10W	NM43443	FED			BISTI GALLUP SO.	10/22/85	P	1.308	2.0	7.0	0.1	W/2 SW/4	11-12-85	11-21-85		A
August 90		3	20184	NW SW	35-24N-10W	NM43443	FED			BASIN FR COAL	11/28/94	P	1.014	*	*	*	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Big Eight 1		3	21996	NW SW	8-24N-9W	NM25440	FED			BISTI LOWER GA	5/14/76	P	1.504	1.1	9.9	0.0	NW/4 SW/4	12-5-86	12-6-86		A
Big Eight 1E		3	25221	SW SE	8-24N-9W	NM25440	FED			BISTI LOWER GA	7/20/82	P	1.545	1.4	7.9	0.0	S/2 SE/4	12-5-86	12-5-86		A
Biliary 90		5	30248	SW SW	31-25N-8W	NM-56311	FED			BASIN FR COAL	6/24/05	P	1.181	0.0	2.0	4.2	W/2	7-23-03	8-29-03	8-17-03	7-30-03
Bianco Wash 1 MA/DK		3	22473	NW SE	2-24N-9W	142006031404	NAV ALLTD			WHITE WASH MA/DK	3/25/78	P-DHC	1.408	0.0	0.2	0.0	NW/4 SE/4	12-5-86	12-5-86		A
Bianco Wash 1 MV		3	22473	NW SE	2-24N-9W	142006031404	NAV ALLTD			WHITE WASH MV	5/3/96	P-DHC	1.408	0.0	0.0	0.0	NW/4 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Bianco Wash 2 FR		3	22482	SE NW	2-24N-9W	142006031403	NAV ALLTD			BASIN FR COAL	9/20/87	PA 11/15/96		---	---	---	N/2	12-5-86	12-5-86		A

ATTACHMENT NO. 3  
DUGAN PRODUCTION CORP.  
GOODTIMES GAS GATHERING SYSTEM (08/01/07)  
CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communitization Agreement No. (if Established)	Pool	Completion Date	Current Status ①	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③					
			1/4	Sec-Twn-Rng	Lease No.	Lease Type					BPD	MCFD	BWPD		Application	BLM	NMOCD	NMSLO		
Bianco Wash 2 PC	3	22482	SE NW	2-24N-9W	142006031403	NAV ALLTD		POTWIN PC	9/20/87	PA 11/15/96		---	---	---	NW/4	12-5-86	12-5-86	A	A	A
Bianco Wash 3	3	22939	NW SE	2-24N-9W	142006031406	NAV ALLTD		BASIN FR COAL/UNDES PC	9/18/97	PA 3/20/92		---	---	---	S/2	12-5-86	12-5-86	A	A	A
Bianco Wash 4	3	22938	NE NE	2-24N-9W	142006031405	NAV ALLTD		WHITE WASH MADC	4/20/78	P	1,481	0.0	1.1	0.2	NE/4 NE/4	12-5-86	12-5-86	A	A	A
Bianco Wash 5	5	22937	NW SW	1-24N-9W	142006031402	NAV ALLTD		WHITE WASH MADC	5/22/78	P	1,454	0.8	5.4	0.5	NW/4 SW/4	12-5-86	12-5-86	A	A	A
Bianco Wash 7	3	22940	SW NW	11-24N-9W	142006031408	NAV ALLTD		UNDES. FR & PC	10/20/78	PA 4/28/89		---	---	---	NW/4	12-5-86	12-5-86	A	A	A
Bowers 1	5	25486	NE NE	17-24N-8W	NM26047	FED		POTWIN PC	6/12/85	P	1,052	0.0	44.2	1.2	NE/4	12-5-86	12-5-86	A	A	A
Bowers 90	5	29194	SW SE	17-24N-8W	NM26047	FED		BASIN FR COAL	4/10/95	PA 12/4/01		---	---	---	S/2	6-22-98	8-12-99	12-4-98	7-20-98	
Bowers 91	5	31408	SW NE	17-24N-8W	NM-26047	FED		BASIN FR COAL	7/22/03	P	1,042	0.0	16.7	4.0	N/2	7-23-03	8-29-03	8-17-03	7-30-03	
Bowers 91S	5	31723	NE NW	17-24N-8W	NM-26047	FED		BASIN FR COAL	11/25/03	P	1,036	0.0	46.2	6.0	N/2	7-23-03	8-29-03	8-17-03	7-30-03	
Bright Angel 1	5	25035	NW SW	27-24N-8W	NOOC14204312	NAV ALLTD		LYBROOK GALLUP	7/25/81	P	1,415	2.4	11.3	0.2	NW/4 SW/4	12-5-86	12-5-86	A	A	A
Bronze Medal 1	1	26435	NW NW	3-23N-10W	NOOC14207307	NAV ALLTD		BISTI GALLUP SO.	10/3/85	P	1,332	0.4	2.2	0.2	N/2 NW/4	7-1-85	7-11-85	A	A	A
Bronze Medal 2	1	26925	SW NW	3-23N-10W	NOOC14207307	NAV ALLTD		BISTI GALLUP SO.	1/13/89	P	1,332	0.4	5.5	0.2	S/2 NW/4	9-6-88	9-27-88	A	A	A
Buddha Temple 1	5	26752	NE SE	30-24N-8W	NM54980	FED		POTWIN PC	6/10/87	PA 7/1/04	1,161	---	---	---	SE/4	12-5-86	12-5-86	A	A	A
Buddha Temple 90	5	29239	NE NE	30-24N-8W	NM54980	FED	NMNM94042	BASIN FR COAL	5/31/95	P	1,156	0.0	5.1	13.3	N/2	6-22-98	8-12-99	12-4-98	7-20-98	
Bumble 2	5	25163	NW NW	27-24N-8W	NOOC14204311	NAV ALLTD		CUERVO MESAVERDE	11/12/81	PA 5/14/90		---	---	---	NW/4 NW/4	12-5-86	12-5-86	A	A	A
Calgary 2	1	26821	SW NE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	2/5/88	P	1,444	1.2	4.5	0.0	W/2 NE/4	2-5-88	2-19-88	A	A	A
Calgary 3	1	27404	NE NW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	8/17/89	P	1,444	0.8	3.0	0.0	E/2 NW/4	1-17-90	2-12-90	A	A	A
Calgary 4	1	27418	SW NW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	11/26/89	P	1,444	0.9	2.4	0.0	W/2 NW/4	1-17-90	2-12-90	A	A	A
Calgary 5	1	27405	NE SE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	8/8/89	P	1,444	1.8	4.0	0.0	E/2 SE/4	1-17-90	2-12-90	A	A	A
Calgary 6	1	27822	NE SW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	11/2/90	P	1,444	1.5	2.9	0.0	E/2 SW/4	6-15-90	6-27-90	A	A	A
Calgary 7	1	28639	SW SE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	1/24/92	P	1,444	1.6	1.4	0.0	W/2 SE/4	1-23-92	1-31-92	A	A	A
Calgary 8	1	28638	SW SW	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	1/21/92	P	1,444	1.5	1.7	0.0	W/2 SW/4	1-23-92	1-31-92	A	A	A
Calgary 88	1	26784	NE NE	6-23N-10W	NM32124	FED		BISTI GALLUP SO.	7/9/87	P	1,444	1.5	5.2	0.0	E/2 NE/4	6-11-87	6-16-87	A	A	A
Chaco 3	5	22472	SE NW	1-24N-9W	NM2337	FED		WHITE WASH MADC	4/4/78	P	1,480	0.0	3.7	1.0	SE/4 NW/4	12-5-86	12-5-86	A	A	A
Chaco 90	5	32273	SE NW	6-24N-8W	NM-2337	FED		BASIN FR COAL	6/13/05	P	1,094	0.0	2.6	3.0	N/2	7-23-03	8-29-03	8-17-03	7-30-03	
Champ 1	1	26891	NE NW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	6/24/88	P	1,515	0.6	5.4	0.0	N/2 NW/4	9-6-88	9-27-88	A	A	A
Champ 2	1	26892	SW NW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	9/24/88	P	1,515	3.0	4.1	0.1	S/2 NW/4	9-6-88	9-27-88	A	A	A
Champ 3	1	26890	NE NE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	9/29/88	P	1,515	2.2	3.0	0.3	N/2 NE/4	9-6-88	9-27-88	A	A	A
Champ 4	1	26945	SW NE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	10/3/88	P	1,515	1.8	1.5	0.3	S/2 NE/4	9-6-88	9-27-88	A	A	A
Champ 5	1	27145	NE SE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	12/27/88	P	1,579	2.3	2.0	0.4	N/2 SE/4	5-30-89	7-31-89	A	A	A
Champ 6	1	27146	SW SE	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	4/25/89	P	1,579	2.3	4.5	0.0	S/2 SE/4	5-30-89	7-31-89	A	A	A
Champ 7	1	28241	NE SW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	5/8/91	P	1,579	0.5	4.8	1.8	N/2 SW/4	1-23-92	1-31-92	A	A	A
Champ 8	1	28637	SW SW	5-23N-10W	NM42059	FED		BISTI GALLUP SO.	9/19/94	P	1,579	2.6	5.1	0.4	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Champ 9	3	29287	SW SE	1-23N-10W	NM42059	FED		BISTI GALLUP SO.	4/3/96	P	1,434	0.0	0.0	0.0	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Champ 10	3	--	NE SE	1-23N-10W	NM42059	FED		BISTI GALLUP SO.	6/13/05	LOC		*	*	*	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
December Dream 1	4	25862	NE NW	7-23N-9W	NM19816	FED		BISTI GALLUP SO.	1/19/84	P	1,510	0.0	0.2	0.0	N/2 NW/4	7-1-85	7-11-85	A	A	A
December Dream 2	4	29360	SW NW	7-23N-9W	NM19816	FED		BISTI GALLUP SO.	8/15/96	P	1,510	0.0	0.1	0.0	S/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98	
December Dream 3	4	29408	NE SW	7-23N-9W	NM19816	FED		BISTI GALLUP SO.	3/11/97	P	1,510	0.0	0.1	0.0	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Elwood P. Dowd 1	3	23502	SE SE	10-24N-9W	NM9520	FED		BASIN FR COAL	4/23/83	PA 12/27/01		---	---	---	SE/4	12-5-86	12-5-86	A	A	A
Elwood P. Dowd 2	3	24905	SE SE	10-24N-9W	NM9520	FED		WHITE WASH MADC	5/5/81	P	1,047	0.0	0.4	0.0	SE/4 SE/4	12-5-86	12-5-86	A	A	A
Elwood P. Dowd Com 90	5	29634	SE SW	12-24N-9W	NM9520	FED		BASIN FR COAL		Note 4		*	*	*	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Elwood P. Dowd Com 90S	5	32271	SE NW	12-24N-9W	NM-100303	FED		BASIN FR COAL		Note 4		*	*	*	W/2	7-23-03	8-29-03	8-17-03	7-30-03	
Fabulous Feb 1	3	25920	NW NW	31-24N-9W	NM51000	FED		BISTI LOWER GA	7/10/84	P	1,571	0.0	7.8	0.0	N/2 NW/4	7-1-85	7-11-85	A	A	A
Fairway 1	3	26182	SW SW	1-23N-10W	NM23470	FED		BISTI GALLUP SO.	2/1/85	P	1,568	0.7	1.2	0.1	SW/4 SW/4	7-1-85	7-11-85	A	A	A
Flo-Jo 1	1	27463	NE NE	1-23N-11W	NM36952	FED		BISTI GALLUP SO.	11/22/89	P	1,231	0.8	6.8	1.0	E/2 NE/4	1-17-90	2-12-90	A	A	A
Flo-Jo 2	1	27441	NE NW	1-23N-11W	NM36952	FED		BISTI GALLUP SO.	4/23/90	P	1,684	0.5	5.1	2.1	E/2 NW/4	1-17-90	2-12-90	A	A	A
Flo-Jo 4	1	28645	NE SE	1-23N-11W	NM36952	FED		BISTI GALLUP SO.	11/8/93	P	1,684	3.5	3.9	2.3	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	



ATTACHMENT NO. 3  
DUGAN PRODUCTION CORP.  
GOODTIMES GAS GATHERING SYSTEM (08/01/07)  
CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location			Communization Agreement No. (if Established)	Pool	Completion Date	Current Status ①	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			Sec-Twn-Rng	Lease No.	Lease Type					BPD	MCFD	BWPD		Application	APPROVAL			
															BLM	NMOC	NMSLO	
Flo-Jo 5	1	29133	SW SE 1-23N-11W	NM36952	FED		BISTI GALLUP SO.	11/1/94	P	1.684	1.2	3.1	0.4	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Flo-Jo 6	1	29288	NE SW 1-23N-11W	NM36952	FED		BISTI GALLUP SO.	5/23/97	P	1.684	1.5	3.0	0.2	E/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Flo-Jo 7	2	29368	SW SW 1-23N-11W	NM36952	FED		BISTI GALLUP SO.	5/30/97	P	1.684	1.1	3.0	0.4	W/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Gold Medal 1	1	26035	SE NE 34-24N-10W	NM22044	FED		BISTI GALLUP SO.	8/29/84	P	1.391	1.7	9.1	0.7	E/2 NE/4	7-1-85	7-11-85	A	A
Gold Medal 2	1	26519	NE SW 33-24N-10W	NM22044	FED		BISTI GALLUP SO.	12/18/85	P	1.462	1.5	3.0	0.2	N/2 SW/4	11-12-85	11-21-85	A	A
Gold Medal 3	1	26822	NE SE 31-24N-10W	NM22044	FED		BISTI GALLUP SO.	1/16/88	P	1.434	1.0	0.7	0.0	E/2 SE/4	2-5-88	2-19-88	A	A
Gold Medal 4	1	26779	SW SW 33-24N-10W	NM22044	FED		BISTI GALLUP SO.	7/25/87	P	1.462	1.3	7.0	0.0	S/2 SW/4	6-11-87	6-16-87	A	A
Gold Medal 5	1	26823	SW SE 31-24N-10W	NM22044	FED		BISTI GALLUP SO.	12/20/87	P	1.434	1.3	4.3	0.0	W/2 SE/4	2-5-88	2-19-88	A	A
Gold Medal 6	1	26852	NE SW 31-24N-10W	NM22044	FED		BISTI GALLUP SO.	1/12/88	P	1.434	0.2	0.5	0.0	E/2 SW/4	2-5-88	2-19-88	A	A
Gold Medal 7	1	27864	SW SW 31-24N-10W	NM22044	FED		BISTI GALLUP SO.		LOC		*	*	*	W/2 SW/4	6-15-90	6-27-90	A	A
Harvey 2 DK	3	24420	SE NW 20-24N-9W	NM10755	FED		BASIN DAKOTA	6/6/81	P-DHC	1.369	0.0	2.2	0.0	N/2	12-5-86	12-5-86	A	A
Harvey 2 GA	3	24420	SE NW 20-24N-9W	NM10755	FED		BISTI LOWER GA	11/8/96	P-DHC	1.369	0.2	6.6	0.0	S/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Heisinki 52	2	27392	NE SW 9-23N-10W	NM36951	FED		BISTI GALLUP SO.	8/5/89	P	1.315	0.0	0.0	0.3	E/2 SW/4	1-17-90	2-12-90	A	A
Holly 1 DK	3	25149	NW SW 16-24N-9W	LG1035	ST		BASIN DAKOTA	11/20/81	PA 2/15/05	1.398	---	---	---	S/2	12-5-86	12-5-86	A	A
Holly 1 GA	3	25149	NW SW 16-24N-9W	LG1035	ST		BISTI LOWER GA	8/5/82	PA 2/15/05	1.398	---	---	---	N/2 SW/4	12-5-86	12-5-86	A	A
Hoss 1	2	29376	SE NE 11-23N-11W	NM96800	FED		BISTI GALLUP SO.	8/12/96	P	1.768	1.2	1.7	0.0	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Hoss Com 90	2	31360	NE NE 11-23N-11W	NM-96800	FED	NMNM108255	BASIN FR COAL	05/19/03	P	0.944	0.0	66.3	174.9	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Ivy League 1	3	26530	NE NE 17-24N-9W	NM45208	FED		BISTI LOWER GA	7/4/86	P	1.404	3.3	16.5	1.0	N/2 NE/4	12-5-86	12-5-86	A	A
January Jamboree 1	3	31229	NW SW 31-24N-9W	NM-91522	FED		BISTI GALLUP SO.	2/18/04	P	1.585	6.5	13.4	0.0	N/2 SW/4	7-23-03	8-29-03	8-17-03	7-30-03
Jim Thorpe 1	1	26587	SW NE 3-23N-10W	NOOC14205825	I		BISTI GALLUP SO.	12/21/85	P	1.432	0.3	4.5	0.0	W/2 NE/4	11-12-85	11-21-85	A	A
July Jubilee 1 DK	3	25051	SW NE 30-24N-9W	NM24661	FED	SCR-161	BASIN DAKOTA	8/31/81	P-DHC	1.588	1.1	16.4	0.0	E/2	1-16-84	1-18-84	A	A
July Jubilee 1 GA	3	25051	SW NE 30-24N-9W	NM24661	FED		BISTI LOWER GA	8/31/81	P-DHC	1.588	9.7	1.9	0.0	S/2 NE/4	1-16-84	1-18-84	A	A
July Jubilee 2	3	25123	NW NW 29-24N-9W	NM24661	FED		BISTI LOWER GA	8/25/82	P	1.441	1.0	5.2	0.0	N/2 NW/4	1-16-84	1-18-84	A	A
July Jubilee 3	3	25904	NW SW 29-24N-9W	NM24661	FED		BISTI LOWER GA	7/19/84	P	1.469	0	0	0	N/2 SW/4	4-25-86	4-30-86	A	A
June Joy 2 GA	3	23893	NW NE 25-24N-10W	NM5991	FED		BISTI LOWER GA	4/21/80	P	1.277	0.0	0.0	0.0	NW/4 NE/4	1-16-84	1-18-84	A	A
June Joy 2 DK	3	23893	NW NE 25-24N-10W	NM5991	FED		UNDES. DAKOTA	4/21/80	PA 5/2/86	1.277	---	---	---	NW/4 NE/4	1-16-84	1-18-84	A	A
June Joy 90	3	31585	SE NE 25-24N-10W	NM-5991	FED		BASIN FR COAL	05/19/03	P	1.019	0.0	5.9	146.0	E/2	7-23-03	8-39-04	8-17-03	7-30-03
Kaibab Trail 1	5	25034	SW SW 20-24N-8W	NOOC14204310	I		CUERVO GALLUP	7/25/81	P	1.448	1.5	11.9	0.3	SW/4 SW/4	12-5-86	12-5-86	A	A
Kaibab Trail 90	5	29393	SE SW 20-24N-8W	NOOC14204310	I	NMNM97673	BASIN FR COAL	9/5/96	P	1.038	0.0	73.5	6.0	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Kaibab Trail Com 90S	5	31806	SE NW 20-24N-8W	NM-83507	FED	NMNM97673	BASIN FR COAL	1/23/04	P	1.043	0.0	31.7	2.0	W/2	7-23-03	8-29-03	8-17-03	7-30-03
Lake Placid 1	1	26628	NE SE 4-23N-10W	NOOC14207311	I		BISTI GALLUP SO.	1/20/86	P	1.413	1.0	4.6	1.0	E/2 SE/4	11-12-85	11-21-85	A	A
Largo Federal B 1	3	05103	NE NE 22-24N-9W	SF078860	FED		BISTI LOWER GA	3/23/58	P	1.351	0.7	1.5	0.0	NE/4 NE/4	12-5-86	12-5-86	A	A
Largo Federal B 90	5	29428	NE NE 25-24N-9W	SF078860	FED		BASIN FR COAL	10/26/98	PA 1/17/02		---	---	---	E/2	6-22-98	8-12-99	12-4-98	7-20-98
Largo Federal B 91	5	31407	NE SE 24-24N-9W	SF-078860	FED		BASIN FR COAL	7/16/03	NC		0.0	1.0	0.7	S/2	7-23-03	8-29-03	8-17-03	7-30-03
Lava Falls 1	5	25164	NW SE 27-24N-8W	NOOC14204313	I		LYBROOK GALLUP	11/2/81	P	1.422	4.0	5.9	0.2	NW/4 SE/4	12-5-86	12-5-86	A	A
Lee's Ferry 1	5	26408	NW SW 19-24N-8W	NM41650	FED		CUERVO GALLUP	12/6/85	P	1.602	2.7	7.9	0.2	NW/4 SW/4	12-5-86	12-5-86	A	A
Lee's Ferry 90	5	29338	NW SE 19-24N-8W	NM41650	FED		BASIN FR COAL	4/30/96	NC		0.0	0.0	1.0	E/2	6-22-98	8-12-99	12-4-98	7-20-98
Louie Louie 1	4	26769	NW SW 8-23N-9W	NOG85051062	I		BISTI GALLUP SO.	6/26/87	P	1.676	2.8	7.2	0.1	W/2 SW/4	6-11-87	6-16-87	A	A
Luna 2	4	28522	NE NE 16-23N-9W	LG9801	ST		BISTI GALLUP SO.	5/22/91	P	1.597	0.0	1.9	0.0	E/2 NE/4	1-23-92	1-31-92	A	A
Luna 3	4	29215	NE NW 16-23N-9W	LG9801	ST		BISTI GALLUP SO.	4/1/96	P	1.657	4.3	5.4	0.1	E/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Marathon 1	1	26436	NE NE 4-23N-10W	NOOC14207308	I		BISTI GALLUP SO.	10/19/85	P	1.357	1.8	3.5	1.7	E/2 NE/4	7-1-85	7-11-85	A	A
Marathon 2	1	26927	SW NE 4-23N-10W	NOOC14207308	I		BISTI GALLUP SO.	7/6/88	P	1.357	1.7	1.7	1.7	W/2 NE/4	9-6-88	9-27-88	A	A
March On 1	3	26997	SE NW 32-24N-9W	LG5685	ST		BISTI LOWER GA	9/13/88	P	1.597	3.8	7.3	0.0	E/2 NW/4	9-6-88	9-27-88	A	A
Mary Anne 1	3	05121	SW SW 9-24N-9W	NM10089	FED		BISTI LOWER GA	10/10/57	PA 10/1/04	1.601	---	---	---	S/2 SW/4	12-5-86	12-5-86	A	A
Mary Anne 3	3	25050	NW SW 9-24N-9W	NM10089	FED		BISTI LOWER GA	8/24/83	NC		0.0	5.6	0.0	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Mary Lou 1 (cmlpd mesaverde swd)	1	26460	NE NE 32-24N-10W	V1509	ST		BISTI GALLUP SO.	10/9/85	Note 7		---	---	---	E/2 NE/4	11-12-85	11-21-85	A	A
Mary Lou 2	1	26497	SW NE 32-24N-10W	V1509	ST		BISTI GALLUP SO.	10/14/85	P	1.429	1.3	2.9	0.5	W/2 NE/4	11-12-85	11-21-85	A	A



ATTACHMENT NO. 3  
DUGAN PRODUCTION CORP.  
GOODTIMES GAS GATHERING SYSTEM (08/01/07)  
CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location			Communication Agreement No. (if Established)	Pool	Completion Date	Current Status ①	Current Average Production ②			Spacing Unit	Dates for SC, OLM & S ③				
			Sec-Twn-Ring	Lease No.	Lease Type					BPD	MCFD	BWPD		Application	APPROVAL			
															BLM	NMOCD NMSLO		
Mary Lou 3	1	26775	NE SE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	7/25/87	P	1,429	1.9	4.8	0.4	E/2 SE/4	6-11-87	6-16-87	A	A
Mary Lou 4	1	26776	SW SE	32-24N-10W	V1509	ST	BISTI GALLUP SO.	7/13/87	P	1,429	1.9	2.5	0.2	W/2 SE/4	6-11-87	6-16-87	A	A
Mary Lou 5	1	26813	NE SW	32-24N-10W	V1509	ST	BISTI GALLUP SO.	3/15/88	P	1,429	1.1	5.5	0.3	E/2 SW/4	2-5-88	2-19-88	A	A
Mary Lou 6	1	26814	SW SW	32-24N-10W	V1509	ST	BISTI GALLUP SO.	3/14/88	P	1,429	1.3	5.5	0.0	W/2 SW/4	2-5-88	2-19-88	A	A
Mary Lou 90	1	28026	SW SW	32-24N-10W	V1509	ST	BASIN FR COAL	9/15/90	P	0.950	0.0	0.0	1.3	S/2	1-23-92	1-31-92	A	A
Mary Lou 90S	1	31695	NW SE	32-24N-10W	V-1509	ST	BASIN FR COAL	10/2/03	P	0.973	0.0	30.5	4.4	S/2	7-23-03	8-29-03	8-17-03	7-30-03
Mary Lou Com 91	1	31694	SE NE	32-24N-10W	V-1509	ST	BASIN FR COAL	6/12/06	P	0.994	0.0	22.1	1.7	N/2	7-23-03	8-29-03	8-17-03	7-30-03
Mary Lou Com 91S	1	31696	SE NW	32-24N-10W	V-1509	ST	BASIN FR COAL	10/3/03	P	0.955	0.0	41.8	3.9	N/2	7-23-03	8-29-03	8-17-03	7-30-03
McDougal 2	2	28619	NE SE	9-23N-10W	NM51005	FED	BISTI GALLUP SO.	6/12/92	NC	2.0	0.4	2.0	E/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Merry Chase 90	3	29650	SE SW	10-24N-9W	NM100302	FED	BASIN FR COAL	10/4/98	P	1,047	0.0	59.8	37.3	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Merry May 1 GA	3	24421	NE SE	24-24N-10W	NM25842	FED	BISTI LOWER GA	12/6/80	P	1,443	1.1	9.7	0.0	N/2 SE/4	1-16-84	1-18-84	A	A
Merry May 1 DK	3	24421	NE SE	24-24N-10W	NM25842	FED	BASIN DAKOTA	12/6/80	PA 9/12/86	1,443	---	---	---	S/2	1-16-84	1-18-84	A	A
Mesa 1	5	22055	SW NE	16-24N-8W	LG1917	ST	POTWIN PC	7/26/76	PA 9/18/97	---	---	---	---	NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Mesa 2	5	22483	NE NW	16-24N-8W	LG1917	ST	POTWIN PC	7/13/77	P	1,131	0.0	3.4	1.3	NW/4	12-5-86	12-5-86	A	A
Mesa 3	5	22175	SW SE	16-24N-8W	LG1917	ST	POTWIN PC	12/7/76	PA 1/17/02	---	---	---	---	SE/4	12-5-86	12-5-86	A	A
Mesa 90	5	29159	SW SW	16-24N-8W	LG1917	ST	BASIN FR COAL	3/17/95	P	1,055	0.0	40.6	13.3	W/2	6-22-98	8-12-99	12-4-98	7-20-98
Mesa 90S	5	31382	SW NW	16-24N-8W	LG-1917	ST	BASIN FR COAL	4/23/03	P	1,159	0.0	69.3	30.0	W/2	7-23-03	8-29-03	8-17-03	7-30-03
Mesa 91	5	31210	SE SE	16-24N-8W	LG-1917	ST	BASIN FR COAL	01/17/03	P	1,063	0.0	19.4	1.0	E/2	7-23-03	8-29-03	8-17-03	7-30-03
Mesa 91S	5	31383	SW NE	16-24N-8W	LG-1917	ST	BASIN FR COAL	04/21/03	P	1,093	0.0	6.2	2.3	E/2	7-23-03	8-29-03	8-17-03	7-30-03
MF 1	3	24636	NW SW	18-24N-9W	NM16760	FED	BISTI LOWER GA	8/7/85	P	1,532	0.0	0.9	0.0	N/2 SW/4	1-16-84	1-18-84	A	A
MF 2	3	24995	SE SE	13-24N-10W	NM16760	FED	BASIN DAKOTA	6/11/81	P	1,206	0.0	2.3	0.0	S/2	1-16-84	1-18-84	A	A
MF 3 DK	3	25166	NE SE	14-24N-10W	NM16760	FED	BASIN DAKOTA	3/23/84	PA 9/1/92	---	---	---	---	S/2	1-16-84	1-18-84	A	A
MF 3 GA	3	25166	NE SE	14-24N-10W	NM16760	FED	BISTI LOWER GA	3/23/84	PA 9/1/92	---	---	---	---	S/2	1-16-84	1-18-84	A	A
MF 4	3	25165	SE NE	14-24N-10W	NM16760	FED	BISTI LOWER GA	5/1/82	P	1,400	2.6	5.3	0.0	S/2 NE/4	1-16-84	1-18-84	A	A
Montreal 1	1	26627	NE NW	4-23N-10W	NOOC14207309	I	BISTI GALLUP SO.	1/28/86	P	1,355	2.7	7.2	1.7	E/2 NW/4	11-12-85	11-21-85	A	A
Montreal 2	1	26926	SW NW	4-23N-10W	NOOC14207309	I	BISTI GALLUP SO.	7/5/88	P	1,355	2.7	12.8	0.0	W/2 NW/4	9-6-88	9-27-88	A	A
Mountain 1	5	22000	NW SE	15-24N-8W	NM16589	FED	POTWIN PC	5/7/76	PA 3/30/90	---	---	---	---	SE/4	12-5-86	12-5-86	A	A
Mo Valley 90	3	29549	SW SW	5-24N-9W	NM23742	FED	BASIN FR COAL	4/15/98	P	1,038	0.0	1.5	0.0	S/2	6-22-98	8-12-99	12-4-98	7-20-98
Muddy Mudda 1 DK	3	25919	NW NW	21-24N-9W	NM36474	FED	BASIN DAKOTA	5/24/84	P-DHC	1,373	0.0	0.0	0.0	N/2	12-5-86	12-5-86	A	A
Muddy Mudda 1 GA	3	25919	NW NW	21-24N-9W	NM36474	FED	BISTI LOWER GA	5/24/84	P-DHC	1,373	0.0	0.0	0.0	N/2 NW/4	12-5-86	12-5-86	A	A
Muddy Mudda Com 90	3	31767	SE NW	21-24N-9W	NM-36474	FED	BASIN FR COAL	1/22/04	P	1,025	0.0	3.7	34.0	W/2	7-23-03	8-29-03	8-17-03	7-30-03
November 24 1	3	29295	NE SE	27-24N-9W	NM12374	FED	BISTI LOWER GA	4/1/82	PA 1/31/05	---	---	---	---	N/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
November 24 2	3	28961	NW SW	28-24N-9W	NM12374	FED	BISTI LOWER GA	12/22/93	P	1,450	0.0	0.8	0.0	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Ohwada 1	3	28981	SW SW	33-24N-9W	NM90843	FED	BISTI CHACRA	6/22/94	PA 7/24/98	---	---	---	---	SW/4	6-22-98	8-12-99	12-4-98	7-20-98
Ohwada 2	3	29112	NE NW	33-24N-9W	NM90843	FED	BISTI LOWER GA	9/14/94	P	1,368	0.1	2.1	0.0	N/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Okie 1	5	22307	SE SE	8-24N-8W	NM19367	FED	BASIN FR COAL	2/10/94	P	1,049	0.0	2.5	0.0	S/2	12-5-86	12-5-86	A	A
Okie 2	5	22304	SE NW	8-24N-8W	NM19367	FED	BASIN FR COAL	10/28/96	P	1,127	0.0	15.0	21.7	N/2	6-22-98	8-12-99	12-4-98	7-20-98
Oktoberfest 1	3	26498	NE NE	36-24N-10W	LG9804	ST	BISTI GALLUP SO.	12/6/85	P	1,451	0.9	7.0	0.0	E/2 NE/4	11-12-85	11-21-85	A	A
Oktoberfest Com 2	3	27343	NW SW	36-24N-10W	LG9804	ST	BISTI GALLUP SO.	5/10/89	P	1,389	0.0	5.4	0.0	N/2 SW/4	5-30-89	7-31-89	A	A
Olson 1	4	26516	NE SE	11-23N-10W	NM42740	FED	BISTI GALLUP SO.	1/11/85	P	1,549	0.9	3.6	0.1	E/2 SE/4	11-12-85	11-21-85	A	A
Olympic 1	1	26007	NE SE	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	2/14/85	P	1,469	1.9	4.8	0.2	E/2 SE/4	7-1-85	7-11-85	A	A
Olympic 2	1	26778	SW SE	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	8/12/87	P	1,469	0.1	4.3	0.0	W/2 SE/4	6-11-87	6-16-87	A	A
Olympic 3	1	26811	NE SW	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	2/13/88	P	1,469	1.3	0.8	0.0	E/2 SW/4	2-5-88	2-19-88	A	A
Olympic 4	1	26812	SW SW	3-23N-10W	NM23744	FED	BISTI GALLUP SO.	2/20/88	P	1,469	0.8	0.4	0.0	W/2 SW/4	2-5-88	2-19-88	A	A
Pac Ten 1	3	25917	SE SE	7-24N-9W	NM45207	FED	BISTI LOWER GA	6/30/84	P	1,657	0.5	8.1	0.0	SE/4 SE/4	12-5-86	12-5-86	A	A
Par 1	4	28968	NE NE	11-23N-10W	NM86485	FED	BISTI GALLUP SO.	12/20/93	P	1,522	0.0	0.6	0.0	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98

ATTACHMENT NO. 3  
DUGAN PRODUCTION CORP.  
GOODTIMES GAS GATHERING SYSTEM (08/01/07)  
CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location			Communitization Agreement No. (if Established)	Pool	Completion Date	Current Status ①	Current Average Production ②				Spacing Unit	Dates for SC, OLM & S ③				
			Sec-Twn-Rng	Lease No.	Lease Type										Application	APPROVAL			
			1/4 1/4													BLM	NMOC	NMSLO	
Phantom Ranch 1	5	26409	SE NW	NM40643	FED		LYBROOK GALLUP	7/26/85	P	1.558	1.8	7.2	0.2	SE/4 NW/4	12-5-86	12-5-86	A	A	
Phillips 1 PC	3	26803	SE NE	NM30854	FED	NM015P3587C337	BISTI PC	10/7/87	P - DHC	1.072	0.0	0.6	0.0	NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Phillips 1 FR	3	26803	SE NE	NM30854	FED	NMNM104957	BASIN FR COAL	10/7/87	P - DHC	1.072	0.0	2.3	0.0	N/2	6-22-98	8-12-99	12-4-98	7-20-98	
Pierre 1	2	29237	NW NW	NM80498	FED		BISTI GALLUP SO.	9/22/95	P	1.535	4.1	5.3	2.0	N/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Road Runner 1	1	27693	SW SE	36-24N-11W	ST		BISTI GALLUP SO.	6/3/91	P	1.505	0.1	0.9	0.0	W/2 SE/4	6-15-90	6-27-90	A	A	
Road Runner 2	1	27694	NE SW	36-24N-11W	ST		BISTI GALLUP SO.		LOC		*	*	*	E/2 SW/4	6-15-90	6-27-90	A	A	
Road Runner 3	1	27695	SW SW	36-24N-11W	ST		BISTI GALLUP SO.		LOC		*	*	*	W/2 SW/4	6-15-90	6-27-90	A	A	
Road Runner 90	1	28027	NE SW	36-24N-11W	ST		BASIN FR COAL	7/30/97	TA		*	*	*	S/2	6-22-98	8-12-99	12-4-98	7-20-98	
Rodeo Rosie Com	1	29651	SE NE	NM15654	FED		BASIN FR COAL		Note 9		---	---	---	E/2	6-22-98	8-12-99	12-4-98	7-20-98	
Sanchez O'Brien 90	3	29636	SW SW	NM97108	FED		BASIN FR COAL	10/26/98	P	1.027	0.0	47.5	61.1	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Sanchez O'Brien 9 1	3	30729	SW NE	NM-97108	FED		BASIN FR COAL	6/11/02	P	1.032	0.0	22.4	13.9	E/2	7-23-03	8-29-03	8-17-03	7-30-03	
Sanchez O'Brien 9 1S	3	31766	SE SE	NM-97108	FED		BASIN FR COAL	4/28/04	P	1.028	0.0	4.5	52.1	E/2	7-23-03	8-29-03	8-17-03	7-30-03	
Sapp 1	5	05095	NE NE	SE078868	FED		CUERVYO MV	11/17/56	NC		0.0	0.0	0.0	NE/4 NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Sapp 2	5	29243	SE NE	SE078868	FED		LYBROOK GALLUP	9/15/95	P	1.529	6.9	10.9	0.2	SE/4 NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Sapp 90	5	29192	NW NE	SE078868	FED		BASIN FR COAL	11/3/94	P	1.056	0.0	2.5	0.0	N/2	6-22-98	8-12-99	12-4-98	7-20-98	
Sapp 91	5	29238	NE SW	SE078868	FED		BASIN FR COAL	5/31/95	P	1.038	0.0	7.2	2.0	S/2	6-22-98	8-12-99	12-4-98	7-20-98	
Sapp 92	5	29290	NE SW	SE078868	FED		BASIN FR COAL	11/17/95	PA 1/17/02		---	---	---	S/2	6-22-98	8-12-99	12-4-98	7-20-98	
Sapp 93	5	29289	SW NE	SE078868	FED		BASIN FR COAL	3/6/96	PA 1/17/02		---	---	---	N/2	6-22-98	8-12-99	12-4-98	7-20-98	
Seoul 88	2	26630	NE NE	NOOC14207312	I		BISTI GALLUP SO.	2/10/86	P	1.509	0.0	2.9	2.0	E/2 NE/4	6-22-98	11-21-85	A	A	
September 15 DK	3	26518	NE NE	NM54983	FED	NM015P3586C51	BASIN DAKOTA	3/8/86	P-DHC	1.458	0.0	6.8	0.0	N/2	4-25-86	4-30-86	A	A	
Sheba Temple 1	5	26802	NE SW	NM54981	FED		BISTI LOWER GA	7/1/97	P-DHC	1.458	1.6	3.5	0.0	N/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98	
Silver Medal 1	1	26034	SW SW	NM21741	FED		UNDES FR PC	10/21/87	TA		---	---	---	SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Sixteen G's 1	3	21995	SW NW	NM25433	FED		BISTI GALLUP SO.	9/1/84	P	1.364	0.6	5.5	0.7	W/2 SW/4	7-1-85	7-11-85	A	A	
Sixteen G's 3	3	24560	NE NW	NM25433	FED		BISTI LOWER GA	8/7/76	P	1.722	3.4	11.6	0.0	S/2 NW/4	12-5-86	12-5-86	A	A	
Sixteen G's 4	3	29440	NE SW	NM25433	FED		BISTI LOWER GA	8/6/81	P	1.722	1.2	10.4	0.0	N/2 NW/4	12-5-86	12-5-86	A	A	
Sixteen G's 90	3	29709	SW NE	NM25433	FED		BISTI LOWER GA	6/20/97	P	1.722	3.3	9.8	0.0	N/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
So Huerrano Federal 1X	3	5107	SW SW	SE078859	FED		BASIN FR COAL	10/6/99	P	1.024	0.0	18.0	378.2	N/2	12-1-99	12-14-99	12-23-99	12-18-00	
Squaw Valley 1	1	26629	NE SW	NOOC14207310	I		BISTI LOWER GA	09/57	PA 12/13/96		---	---	---	S/2 SW/4	12-5-86	12-5-86	A	A	
Squaw Valley 2	1	26928	SW SW	NOOC14207310	I		BISTI GALLUP SO.	2/6/86	P	1.337	0.0	0.5	0.1	E/2 SW/4	11-12-85	11-21-85	A	A	
St. Louis 12	2	26631	NE NW	NOOC14207313	I		BISTI GALLUP SO.	3/31/90	P	1.337	0.1	3.7	0.0	W/2 SW/4	6-15-90	6-27-90	A	A	
St. Moritz 1	3	28584	SW SW	NM78060	FED		BISTI GALLUP SO.	2/20/86	P	1.399	1.0	3.4	0.3	E/2 NW/4	11-12-85	11-21-85	A	A	
Supai Point 1	5	28996	NE NE	NM83507	FED		BISTI GALLUP SO.	4/21/92	P	1.337	1.4	9.0	0.0	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98	
Supai Point 91	5	29637	NW NE	NM83507	FED		BASIN FR COAL	1/7/94	P	1.155	0.0	17.9	0.7	E/2	6-22-98	8-12-99	12-4-98	7-20-98	
Supai Point 92	5	31414	SW SE	NM-83507	FED		BASIN FR COAL	8/25/03	LOC		*	*	*	E/2	6-22-98	8-12-99	12-4-98	7-20-98	
Supai Point 92S	5	31724	SE NE	NM-83507	FED		BASIN FR COAL	11/24/03	P	1.165	0.0	30.3	5.0	E/2	7-23-03	8-29-03	8-17-03	7-30-03	
Target 90	1	29635	NE SW	NM43442	FED		BASIN FR COAL		LOC	1.046	0.0	57.4	14.0	E/2	7-23-03	8-29-03	8-17-03	7-30-03	
Wac 1	3	25918	NW NW	NM36473	FED		BISTI LOWER GA				*	*	*	W/2	6-22-98	8-12-99	12-4-98	7-20-98	
Witty 1	4	25677	SW SW	NM16762	FED		WITTY SPRINGS PC	7/23/84	P	1.529	0.0	0.0	0.0	N/2 NW/4	12-5-86	12-5-86	A	A	
Witty 2	4	25981	SW NE	NM16762	FED		BISTI GALLUP SO.	8/19/83	P	1.027	0.0	0.0	0.0	SW/4	7-1-85	7-11-85	A	A	
Witty 3	4	26043	SW NW	NM16762	FED		BISTI GALLUP SO.	7/11/84	P	1.520	1.7	5.2	0.0	S/2 NE/4	7-1-85	7-11-85	A	A	
Witty 4	4	26042	NE NW	NM16762	FED		BISTI GALLUP SO.	7/2/85	P	1.520	0.4	4.0	0.5	S/2 NW/4	7-1-85	7-11-85	A	A	
Witty 5	4	26545	NE NE	NM16762	FED		BISTI GALLUP SO.	9/10/84	P	1.520	1.7	5.0	0.0	N/2 NW/4	7-1-85	7-11-85	A	A	
Witty 6	4	26767	NE SW	NM16762	FED		BISTI GALLUP SO.	11/5/85	P	1.520	1.1	4.5	1.0	N/2 NE/4	11-12-85	11-21-85	A	A	
Wit's End 1	3	25677	SW SE	LH1896	ST		BISTI GALLUP SO.	8/25/87	P	1.520	1.2	3.2	0.5	E/2 SW/4	11-12-85	11-21-85	A	A	
Wit's End 2	3	25981	NE SE	LH1896	ST		BISTI GALLUP SO.	6/22/85	P	1.467	1.6	2.4	0.2	S/2 SE/4	7-1-85	7-11-85	A	A	
Wit's End 3	3	26043	NE SW	LH1896	ST		BISTI GALLUP SO.	6/28/85	P	1.467	1.3	2.6	0.2	N/2 SE/4	7-1-85	7-11-85	A	A	
	3	26043	NE SW	LH1896	ST		BISTI GALLUP SO.	6/18/85	P	1.467	0.5	4.6	0.2	N/2 SW/4	7-1-85	7-11-85	A	A	

ATTACHMENT NO. 3  
DUGAN PRODUCTION CORP.  
GOODTIMES GAS GATHERING SYSTEM (08/01/07)  
CENTRAL DELIVERY SALES METER NO. 1 (ELM RIDGE METER #31103) SESE 22, T24N-R8W  
CENTRAL DELIVERY SALES METER NO. 2 (ENTERPRISE FIELD SERVICE METER #97228) SENE 12, T-24N, R-10W  
SAN JUAN COUNTY, NEW MEXICO

Well Name	MAP #	API #	Well Location				Communication Agreement No. (if Established)	Pool	Completion Date	Current Status ①	Current Average Production ②				Spacing Unit	Dates for SC, OLM & S ③			
			1/4	1/2	Sec-Twn-Rng	Lease No.													
			SW	SW	2-23N-10W	LH1896					BPD	MCFD	BWPD	S/2 SW/4		Application	BLM	NMOC	NMSLO
Wits End 4	3	26042	SW	SW	2-23N-10W	LH1896	ST	BISTI GALLUP SO.	6/13/85	P	1.467	0.4	3.5	0.2	S/2 SW/4	7-1-85	7-11-85	A	A
Wits End 6	3	31010	SE	SE	2-23N-10W	LH1896	ST	WITTY SPRINGS PC	6/11/02	P	0.989	0.0	0.8	10.7	SE/4	7-23-03	8-29-03	8-17-03	7-30-03
Location A	5		SW		5-24N-8W	NM-97837	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location B	5		NE		6-24N-8W	NM-2337	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location C	5		NE		7-24N-8W	NM-2337	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location D	5		NW		7-24N-8W	NM-19567	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location E	5		SE		7-24N-8W	NM-19567	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location F	5		NE		8-24N-8W	NM-19567	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location G	5		NW		8-24N-8W	NM-19567	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location H	5		SW		8-24N-8W	NM-19567	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location I	5		SE		9-24N-8W	NM-16589	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location J	5		SW		9-24N-8W	NM-16589	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location K	5		NW		15-24N-8W	NM-16589	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location L	5		SE		15-24N-8W	NM-16589	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location M	5		SW		15-24N-8W	NM-16589	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location N	5		SE		17-24N-8W	NM-26047	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location O	5		SW		17-24N-8W	NM-26047	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location P	5		SE		19-24N-8W	NM-41650	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location Q	5		SE		20-24N-8W	NM-83507	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location R	5		NW		21-24N-8W	NM-83507	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location S	5		NE		1-24N-9W	NM-2337	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
Location T	5		SE		12-24N-9W	NM-100303	FED	BASIN FR COAL		LOC	*	*	*	*		7-23-03	8-29-03	8-17-03	7-30-03
WELLS OPERATED BY OTHERS																			
Questar E&P - Fed. D CDP (4 wells)			NE	NE	16-23N-9W	NM8005	FED		6/16/92		1.423					6-22-98	8-12-99	12-4-98	7-20-98
Federal D 3		4	SW	SE	3-23N-9W	NM8005	FED	BISTI GALLUP SO.	7/22/91	P		2.4	15.5	0.0	W/2 SE/4	6-22-98	8-12-99	12-4-98	7-20-98
Federal D 4		4	NE	NE	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	7/11/91	P		0.0	1.8	2.0	E/2 NE/4	6-22-98	8-12-99	12-4-98	7-20-98
Federal D 5		4	SW	NW	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	5/1/91	P		0.0	1.5	0.0	W/2 NW/4	6-22-98	8-12-99	12-4-98	7-20-98
Federal D 6		4	SW	SW	10-23N-9W	NM8005	FED	BISTI GALLUP SO.	6/25/91	P		7.9	1.0	1.3	S/2 SW/4	6-22-98	8-12-99	12-4-98	7-20-98
WATER DISPOSAL WELLS																			
Mesa 4 SWD		5	NE	SE	16-24N-8W	LG-1719	STATE	MESAVERDE SWD	6/12/04										
Mary Lou 1 SWD		1	NE	NE	32-24N-10W	V-1509	STATE	MESAVERDE SWD	9/23/03										
Sanchez O'Brien 1 SWD		3	NW	SW	6-24N-9W	NM97108	FED	MESAVERDE SWD	12/5/97										

Notes:  
N/A = Not Applicable  
NR = None Reported  
1 - Status of completed interval 8/1/07  
LOC = proposed general location  
LOC A = proposed location - staked  
LOC B = proposed location - APD submitted  
NC = not connected to gathering system  
P = producing, includes wells temporarily shut in but able to produce  
P-DHC = producing downhole commingled  
PA = plugged & abandoned  
TA = temporarily abandoned

2 - production during April, 2007. BPD = bbl of condensate or oil produced per day, MCFD = MCF of gas produced per day, BWPD = bbl of water per day.

\* = well not producing 4/30/07. For wells not completed, rates represent anticipated production. Basin Fruitland Coal = 150 mcf/d + 150 BWPD and no oil or condensate. Bisti Lower Gallup & Bisti Gallup, South = 20 BOPD + 30 mcf/d + 0.5 BWPD. Potwin Pictured Cliffs = 45 mcf/d + 1.0 BWPD

3 - Dates of application and approval for permission to use Dugan's Goodtimes Gas Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sales (S) of produced natural gas. (A) = Prior to 6/22/98, all applications solicited only BLM approval with the NMOCD and NMSLO receiving informational copies. The NMOCD initially considered the allocation meters to meet the OCD requirements for measurement on lease and prior to commingling. The application dated 6-22-98 did solicit NMOCD and NMSLO approvals for surface commingling and off-lease measurement, not only for the wells being added to the gathering system, but also all wells currently on the system.

The 6/22/98 application was approved by the NMOCD on 12/4/98 and the NMSLO on 7/20/98. The wells operated by Questar E&P did have BLM approval for off-lease measurement at the Federal D CDP (allocation meter) located in NE NE 16, T-23N, R-9W, obtained by application dated 4/15/92 and submitted by BCO, Inc. The current NMOCD approval is under Order PLC-149 (3rd Amended) dated 8/17/03.

4 - Well Name	Spud Date	Well Status as of 8-1-07
Elwood P Dowd Com 90	1/22/01	Waiting on completion - 4 1/2" casing cemented @ 1822'
Elwood P Dowd Com 90S	9/14/04	Waiting on completion - 4 1/2" casing cemented @ 1950'

5 - Well Name	Date of 1st Delivery	Cumulative Production 8-1-07*	
Arviso 1	3/26/07	MCF 1198 BO 0 BW 5622	
Big Yazzie 1	4/13/06	2345 1825 17	
Bisti 1	3/3/06	2406 672 0	
Bisti 1 Com 90	2/7/06	1769 0 2607	
Chaco 5	9/5/06	1655 0 6000	
Hop Sing 1	9/23/06	3951 0 10815	well moved to Sesamee Street Gathering System 6-13-07
Hoss 91	10/4/06	3542 0 16526	well moved to Sesamee Street Gathering System 6-13-07
Hoss 91S	10/13/06	384 0 1003	well moved to Sesamee Street Gathering System 6-13-07
Hoss 92	10/2/06	940 0 16671	well moved to Sesamee Street Gathering System 6-13-07
Largo Federal B 2	12/30/05	2454 793 0	
Pierre Com 90	10/27/06	2942 0 1881	well moved to Sesamee Street Gathering System 6-13-07
Pierre Com 90S	10/31/06	452 0 5451	well moved to Sesamee Street Gathering System 6-13-07
Pierre Com 91	10/23/06	1704 0 2002	well moved to Sesamee Street Gathering System 6-13-07
Pierre Com 91S	10/18/06	2446 0 1698	
Queen Neferiti Com 90	1/20/06	1021 0 1020	well moved to Sesamee Street Gathering System 6-13-07
Werito 1	3/1/07	3537 1166 1030	

\* - Production data from ONGARD thru 5/07 (most current month available) and estimated for June & July using individual well field data.

6 - Upon completion of gathering system expansion @ Dugan Production's Sesamee Street Gathering System, production from this well was removed from the Goodtimes Gas Gathering System and transferred to the Sesamee Street Gathering System on 6-13-07. Regulatory approval to add this well to the Sesamee Street Gathering System will be obtained under a separate application.

7 - Mary Lou #1 converted to Mesaverde water disposal on 9-23-03 under NMOCD Order SWD-884-B. Gallup completion plugged & abandoned.

8 - The APD has been rescinded. It is likely the proposed spacing unit and leases will be developed under a new APD.

9 - Rodeo Rosie Com #90 (API No. 30-045-29651) was proposed in the NE1/4 of Section 29, T-24N, R-10W as an E/2 Basi Fruitland Coal well and has not been drilled. The APD dated 6/16/98 has been rescinded and plans to drill this well cancelled. The E/2 spacing unit will now be developed with the Homer Com 91 and 91S wells which will be connected to the Sesamee Street Gathering System. Dugan Production does plan to drill a well named Rodeo Rosie No. 90 which will be located in Section 22, T-24N, R-10W and will be connected to the Sesamee Street Gathering System.

10-Target 90 (API No. 30-045-29635) was proposed in the SW1/4 of Section 20, T-24N, R-10W as a W/2 Basin Fruitland Coal well and has not been drilled. The APD dated 6/17/98 has been rescinded and plans to drill this well cancelled. The W/2 spacing unit will now be developed with the Biff 90 & 90S wells which will be connected to DPC's Sesamee Street Gathering Systems.

11-The spacing unit will be a standard 320 Acres and the orientation has not been decided, however whether W/2 or S/2, only one lease and ownership will be involved and is the same for either orientation.

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

### OIL CONSERVATION DIVISION

1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

#### APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Dugan Production Corp.

OPERATOR ADDRESS: P. O. Box 420, Farmington, NM 87499-0420

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☒ Federal Plus Navajo Allotted

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-149 3<sup>rd</sup> Amendment  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

#### (A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attachment No. 1	Attachment No. 1	Attachment No. 1		Attachment No. 1	Attachment No. 1

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No. See Attachment No. 5

(4) Measurement type: ☒ Metering ☒ Other (Specify) See Attachment No. 1

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

#### (B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

#### (C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

#### (D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☒ No See Attachments No. 1 & 3

(2) Include proof of notice to all interest owners. See Attachment No. 5

#### (E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See Attachment No. 2

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 2

(3) Lease Names, Lease and Well Numbers, and API Numbers. Attachment No. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: John D. Roe

TITLE: Engineering Manager

DATE: September 24, 2007

TYPE OR PRINT NAME John D. Roe

TELEPHONE NO.: 505-325-1821

E-MAIL ADDRESS: johnroe@duganproduction.com

**ATTACHMENT NO. 1**  
**PRODUCTION SUMMARY**  
**WELLS CONNECTED TO DUGAN PRODUCTION'S**  
**GOODTIMES GAS GATHERING SYSTEM**

POOL NAME & CODE	AVERAGE BTU NONCOMMINGLED PRODUCTION	WELLS OR COMPLETIONS ①		POOL PRODUCTION ALL WELLS ②		AVERAGE PRODUCTION PER WELL ②		PEAK RATE PER WELL ②	
		TOTAL	ACTIVE	MCFD	BC/BOPD	MCFD	BC/BOPD	MCFD	BC/BOPD
Gas Pools									
Basin Dakota (71599)	1509	10	6	28.9	1.1	4.8	0.2	16.4	1.1
Basin Fruitland Coal (71629)	1039	70	37	750.0	0	20.3	0	73.5	0
Bisti Chacra (96166)	1124	1	0	0	0	0	0	0	0
Bisti Pictured Cliffs (97073)	1072	1	1	0.6	0	0.6	0	0.6	0
Potwin Pictured Cliffs (83000)	1058	7	2	47.6	0	23.8	0	44.2	0
Witty Springs Pictured Cliffs (96872)	989	2	2	0.8	0	0.4	0	0.8	0
Undesignated FR/PC	1020	4	0	0	0	0	0	0	0
Undesignated Dakota	1150	1	0	0	0	0	0	0	0
Subtotal - gas pools	1056	96	48	827.9	1.1	17.2	0	73.5	1.1
Oil Pools									
Bisti Lower Gallup (5890)	1516	34	29	169.6	47.5	5.8	1.6	16.5	9.7
Bisti Gallup, South (5860)	1503	91	86	338.3	128.3	3.9	1.5	15.5	14.1
Cuervo Gallup (15006)	1510	3	3	19.8	4.2	6.6	1.4	11.9	2.7
Cuervo Mesaverde (15010)	1350	2	1	0	0	0	0	0	0
Lybrook Gallup (42289)	1481	4	4	35.2	15.0	8.8	3.8	11.3	6.9
White Wash Mancos/Dakota (64290)	1448	5	5	10.8	0.8	2.2	0.2	5.4	0.8
White Wash Mesaverde (96552)	1408	1	1	0	0	0	0.0	0	0.0
Subtotal - oil pools	1505	140	129	573.7	195.8	4.4	1.5	16.5	14.1
Total - All wells	1240	236	177	1401.6	196.9	7.9	1.1	73.5	14.1

Calculated BTU of commingled production = 1240 bbl/scf

Calculated value of commingled production: commingling is necessary to get produced natural gas to a gas sales meter. CDP gas revenue and mmbtu will be allocated to individual wells using factors determined from the mmbtu produced from each well. Each well will be equipped with an allocation meter or an approved method of alternative measurement. During April, 2007, production from the 236 existing authorized completions averaged 7.9 mcf plus 1.1 bopd. There should be no loss in value to any well as a result of this commingling. Allocation procedures previously approved (reference Attachment No. 6) will also be used for all new wells added.

Notes:

① - Wells as of 8/1/07

② - Average production 4/07. BC/BOPD = barrels of condensate or oil per day.



*from Application dated 7-23-03*  
**Attachment No. 6 (Amended 8-2-99)**

**Allocation Procedures**

**Dugan Production Corp.'s**

**Goodtimes Gas Gathering System**

**CDP #1 = Elm Ridge Resources - SE SE 22, T24N, R8W**

**CDP #2 = El Paso Field Services - SE NE 12, T24N, R10W**

**San Juan County, New Mexico**

*Attachment  
No. 6  
pg 1 of 2*

**Base Data for Gas Allocations:**

W=Gas Volume (MCF) from Well or Battery Allocation Meter

X=Total Gas Volume (MCF) from CDP Sales Meters (CDP1 + CDP2)

Y=Total BTU's from CDP Sales Meters (CDP1 + CDP2)

Y1=BTU's from CDP1 Sales Meter

Y2=BTU's from CDP2 Sales Meter

**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 specifications, operating conditions, and days operated.

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. Individual Well Allocated 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's Onshore Order No. 5. Wells on Navajo Allotted leases will be sampled as stipulated in the current guidelines for surface commingling and off-lease measurement on Navajo Allotted leases.. Computations to be based upon dry BTU @ 14.73 psi.

3. Individual Well Allocated Drip Volumes & Revenues. All liquid hydrocarbon volumes and revenues recovered from 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 well's 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 well's 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. Using annual gas production rather than actual months of production will simplify this calculation and will not significantly affect the accuracy or validity of this factor.

**Base Data for Drip Allocations:**

S = Volume of drip (bbl) removed from system drip storage tank.

T = Revenue resulting from multiplying the volume of drip 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 Drip Volume, bbl

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

G = Individual Well Allocated Drip Revenues, \$

$$G = F \times \text{current posted oil price}$$

# ATTACHMENT NO. 7

## GATHERING SYSTEM & WATER DISPOSAL FACILITIES

### DUGAN PRODUCTION CORP'S GOODTIMES GAS GATHERING SYSTEM

#### Gas Sales Meters

<u>Name</u>	<u>Description</u>	<u>Location</u>	<u>Map No.</u>
CDP No. 1	gas sales to Elm Ridge Resources Meter #31103	SESE 22-24N-8W	5
CDP No. 2	gas sales to Enterprise Field Services Meter #97228	SENE 12-24N-10W	3
SOB 1 Fuel	gas sales for fuel @ SOB No. 1 water disposal facility	NWSW 6-24N-9W	3

#### Compressors

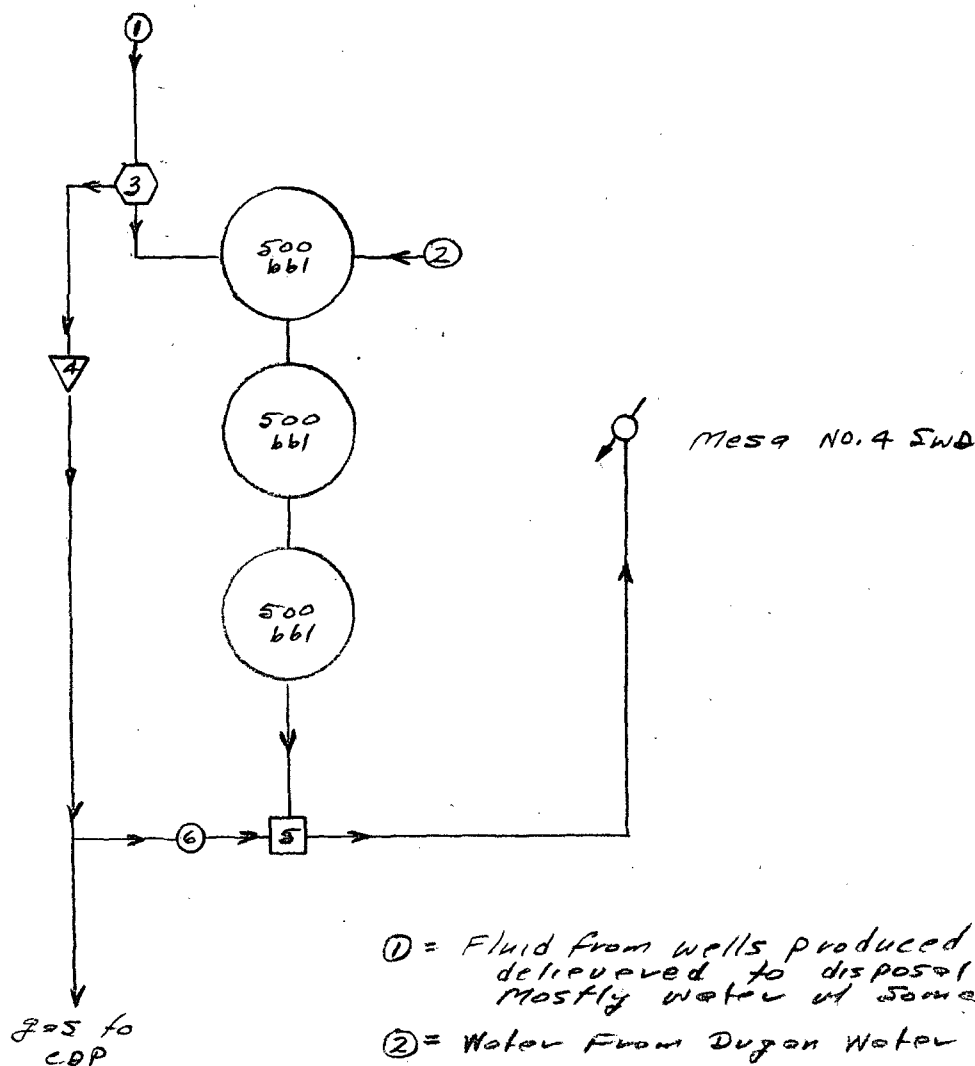
<u>Index</u>	<u>Name</u>	<u>Location</u>	<u>Map No.</u>	<u>Make &amp; Model</u>	<u>Engine HP</u>	<u>Fuel-mcfd</u>
GT-A	Goodtimes CDP 2	SENE 12-24N-10W near CDP #2	3	Caterpillar 3306TA	194	33.7
GT-B	Goodtimes Mountain Spur	NWSE 15-24N-8W near CDP #1	5	Caterpillar 3306TA	194	33.7
GT-C	Goodtimes South	NESW 33-24N-10W @ Gold Medal #2	1	Waukesha 135	60	15.12
GT-D	Goodtimes Old	NWSE 7-24N-9W near Drip Tank #3	3	Cummings 495	88	22.18

#### Gathering System Drip Tanks

<u>Name</u>	<u>Number</u>	<u>Size</u>	<u>Location</u>	<u>Map No.</u>
Drip Tank No. 1	3926	300 bbl	NESW 33-24N-10W @ Gold Medal #2	1
Drip Tank No. 2	6036	210 bbl	SWSW 27-24N-10W @ Silver Medal #1	1
Drip Tank No. 3	3379A	300 bbl	SWNW 8-24N-9W near Big Eight #1	3
Drip Tank No. 4	----	60 bbl	SESW 2-24N-9W near Blanco Wash #3	3
Drip Tank No. 5	6647	210 bbl	NENE 13-24N-10W near MF #1	3

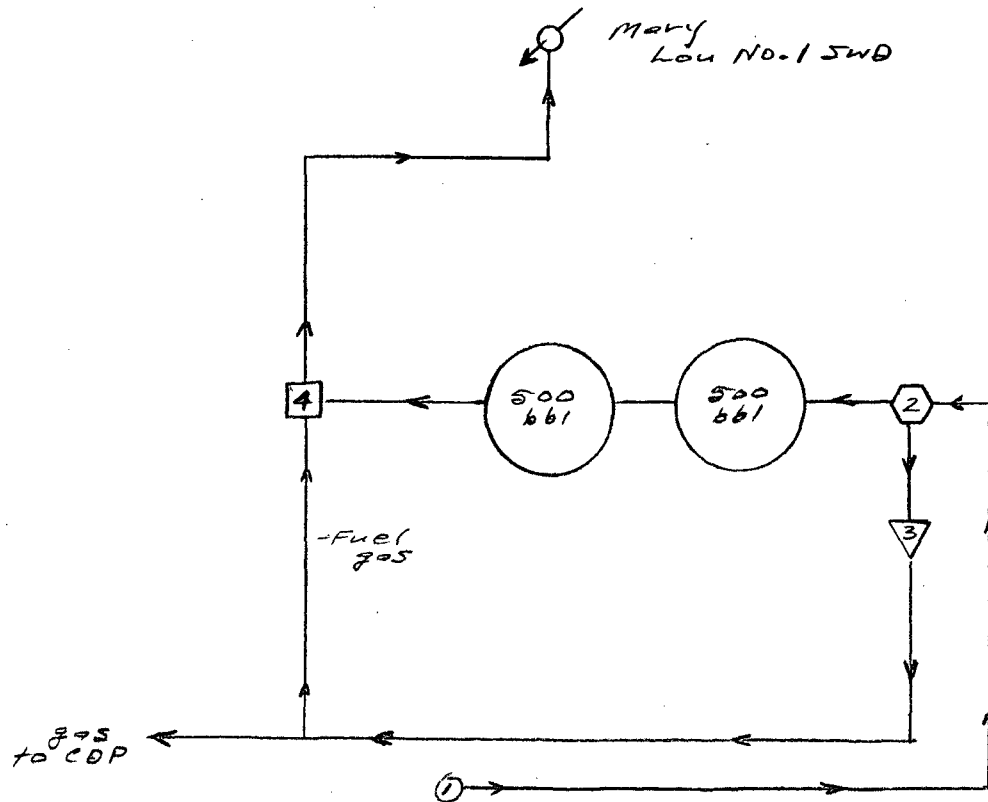
#### Tanks for Storing Drip/Condensate Purchased for Paraffin Control Program

<u>Name</u>	<u>Number</u>	<u>Size</u>	<u>Location</u>	<u>Map No.</u>
Purchased Drip Tank #1	7750	300 bbl	SENE 34-24N-10W @ Gold Medal #1	1
Purchased Drip Tank #2	1717	300 bbl	SWNW 7-24N-9W @ Sixteen G's #1	3



DUGAN PRODUCTION CORP.  
 MESA NO. 4 SWD  
 NESE SECTION 16, T-24N, R-8W  
 ADMINISTRATIVE ORDER SWD-918  
 SAN JUAN COUNTY, NM

North  
 ↑

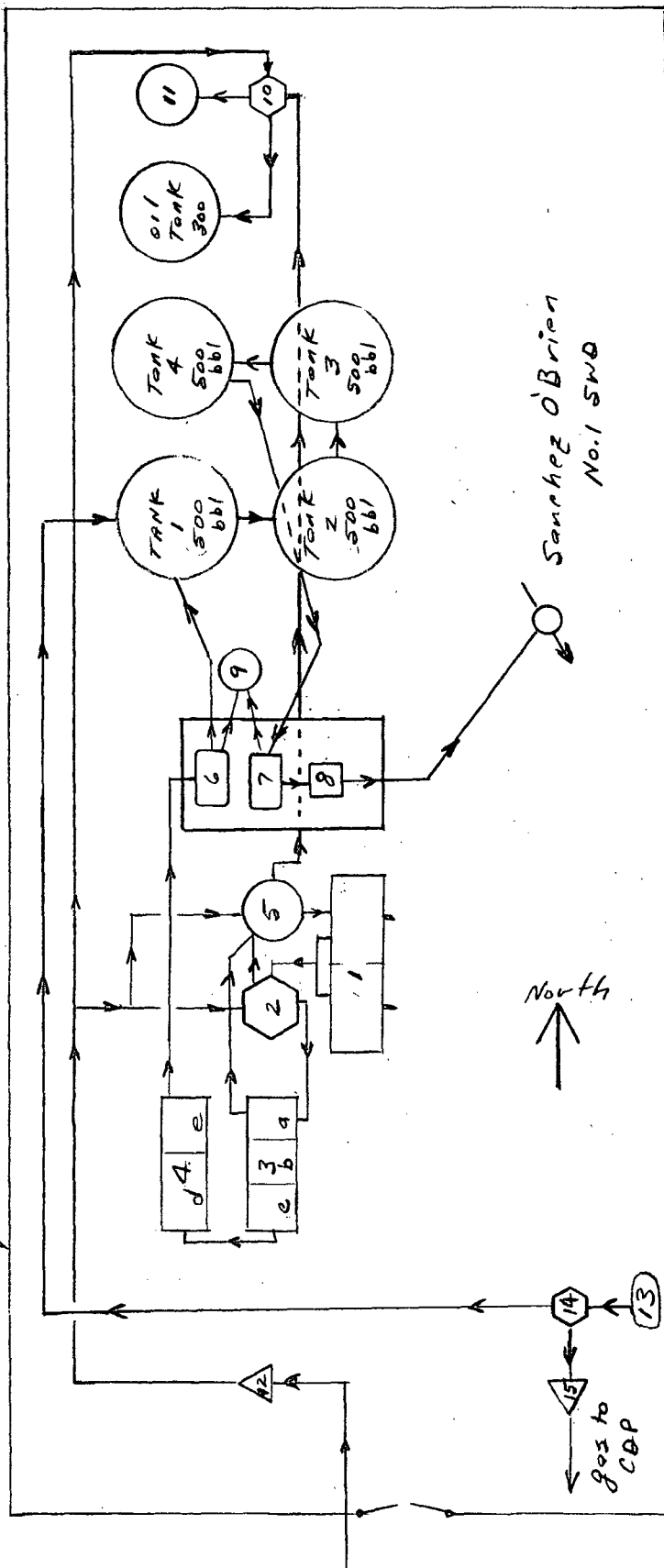


- ① = Fluid from wells produced up tubing  
+ delivered to disposal facility by  
pipeline - mostly water w/ some gas.
- ② = gas/water separator
- ③ = gas Allocation Meter
- ④ = Water Injection pump - 5.9 Cummins  
- 49 hp - 10.32 mcf/d

North  
↑

DUGAN PRODUCTION CORP.  
MARY LOU NO. 1 SWD  
NENE SECTION 32, T-24N, R-10W  
ADMINISTRATIVE ORDER SWD-884-B  
SAN JUAN COUNTY, NM

Perimeter fence w/ locking gate



DUGAN PRODUCTION CORP.  
SANCHEZ O'BRIEN NO.1 SWD  
NWSW SECTION 6, T-24N, R-9W  
ADMINISTRATIVE ORDER SWD-694  
SAN JUAN COUNTY, NM

Attachment  
No. 7  
P8405

Sanchez O'Brien  
No. 1 SWD

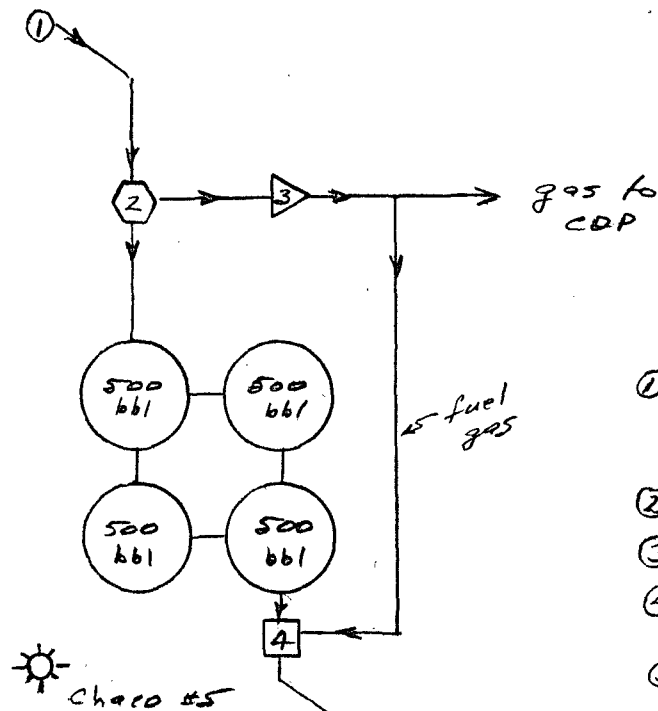
North

# General Facility Information - Sanchez O'Brien No. 1 SWD Facility Diagram

Area within fence is underlain with 12 mil pit liner  $\pm 12"$  below ground level. Fluids from water trucks are received only when DPC plant operator is onsite and supervising operations, typically 6:00 a.m. to 9:00 p.m. 7 days per week and/or as needed. During times plant operator is not onsite the entrance gates and valves to unloading tank are closed and locked.

1. Truck unloading tank - fluid received is typically from DPC's well site production pits, mostly water with possibly some oil. Typically fluids are transported by DPC owned and operated water trucks and only from DPC wells. All trucks are gauged and weighed for content prior to unloading. A record of each load is maintained. If needed, chemical is added to aid in breaking emulsions and dropping solids. Fluid is transferred to the separator (#2) by an electric pump controlled by fluid level in the unloading tank. Accumulated solids removed manually as needed.
2. The water/oil separator is heated if needed. Oil is transferred to the oil treatment tank (#5) based upon fluid level in the separator. Water is transferred to Section A of the first settling tank.
3. First settling tank - divided into 3 sections each separated by a weir designed to allow oil flotation. An oil skimmer is located in Section A and transfers accumulated oil to the oil treatment tank (#5). Water moves from Section A to B to C and then to the 2<sup>nd</sup> settling tank (#4). Accumulated solids removed manually as needed.
4. Second settling tank - divided into 2 sections, each separated by a weir. Water is transferred to Tank #1 after moving through filters (#6) for solid removal. Water then moves from Tank #1 to #2, #3 & then #4 where it is filtered (#7) and then moved to the water injection pump (#8) for injection. Accumulated solids removed manually as needed.
5. Oil Treatment Tank - closed 100 bbl above ground steel tank. Receives oil from the skimmer in the 1<sup>st</sup> settling tank (#3) plus from the water/oil separator (#2). Equipped with a fire tube to heat the oil plus a circulation system to continuously circulate the fluid and add chemicals for treatment of emulsion and to break solids. Water is transferred to the unloading tank (#1) and oil to the heater treater (#10) based upon fluid level in the treatment tank.
6. Filter bank for solids removal from water transported to disposal facility by water truck.
7. Filter bank for solids removal prior to injection into disposal well.
8. Water injection pump - 84 hp 5.9 Cummins - 17.52 mcf/d.
9. 60 bbl below grade steel tank with closed top and double wall for leak detection. Receives water from filter headers (#6 & #7) released while changing filters and any leaks that may occur within the building. Accumulated water is removed by water truck and transferred to the unloading tank (#1).
10. Heater treater for final treatment of oil recovered from water disposal facility. Oil is transferred to 300 bbl storage tank and water is transferred to water storage tank (#11).
11. 100 bbl sub-grade (sides open) steel tank with open top, covered with expanded metal. Receives water recovered at heater treater (#10) and accumulated water is removed by water truck and is transferred to the truck unloading tank (#1).
12. Gas meter to measure natural gas needed for fuel to treat fluids at the disposal facility. Fuel gas is used at the water/oil separator (#2), oil treatment tank (#5) and the heater treater (#10).
13. Fluid from wells produced up tubing (mostly water with some gas) and transported to disposal facility by pipeline.
14. Gas/water separator - gas to Goodtimes Gathering System CDP for sale and allocation to wells delivering fluid to separator.
15. Gas allocation meter.





Approx. 14 miles from Chaco 5 to Okie 1 - Elevation change = +229'.



DUGAN PRODUCTION CORP.  
CHACO WATER TRANSFER STATION  
SESE SECTION 6, T-24N, R-8W  
SAN JUAN COUNTY, NM

## ATTACHMENT NO. 8

Participation Statement of Yates Petroleum Corporation  
Dugan Production's Goodtimes Gas Gathering System  
San Juan County, New Mexico


Yates Petroleum Corporation is the operator of two wells in the vicinity of Dugan Production's Goodtimes Gas Gathering System and desires to use this gas gathering system to transport natural gas produced from our wells to a central delivery sales meter for the gathering system.

We have reviewed Dugan's current allocation procedures and believe the described operation and allocation procedures are consistent with standard industry practices and are acceptable to Yates Petroleum Corporation.

We request that approval of Dugan's current application to add wells to the Goodtimes Gas Gathering System and for the associated surface commingling and the off-lease measurement and sale of produced natural gas also be an approval for the following two wells operated by Yates Petroleum Corporation:

<u>Well</u>	<u>Location</u>	<u>API No.</u>	<u>Type Lease &amp; No.</u>	<u>Pool</u>
Ristra AGW State No. 1	NWSE 32, T24N, R9W	30-045-27561	State V-1360	Bisti Lower Gallup
Squash Blossom AFU State No. 1	SWSE 36, T24N, R10W	30-045-27053	State LG-5686	South Bisti Gallup

Signed by:   
for Yates Petroleum Corporation

 Title: Vice President  
Date: 7-9-07

**ATTACHMENT NO. 4**  
**Interest Ownership Summary**  
Wells to be added to  
Dugan Production Corp.'s Goodtimes Gas Gathering System

	Anviso #1 (details on Pg. No. 2)		Big Yazzie #1 (details on Pg. No. 2)		Bitsili #1 (details on Pg. No. 3)		Bitsili Com #90 & #90S (details on Pg. No. 3)		Chaco #5 (details on Pg. No. 4)		Honeybee #1 (details on Pg. No. 4)		Hop Sing #1 (details on Pg. No. 5)	
	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI
<b>Working Interest</b>	100.000	87.500	100.000	83.333	100.000	83.333	100.000	79.167	100.000	87.500	100.000	83.333	100.000	84.500
Dugan Production Corp.														
<b>Royalty Interest</b>		12.500						6.250		12.500				12.500
USA - Federal								8.333						
Navajo Allotted				16.667								16.667		
State of New Mexico														
<b>Overriding Royalty Interest</b>														
Number of Owners								5						3
Total ORRI								6.250						3.000
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

	Hoss #91, #91S, #92 (details on Pg. No. 5)		Largo Federal B #2 (details on Pg. No. 6)		Pierre Com #90, #90S, #91 & #91S (details on Pg. No. 7)		Queen Neferitti Com #90 (details on Pg. No. 8)		Werito #1 (details on Pg. No. 8)		Location U (details on Pg. No. 9)		Location V (details on Pg. No. 9)	
	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI
<b>Working Interest</b>	100.000	87.500	100.000	86.125	87.500	77.656	100.000	85.417	100.000	80.000	100.000	85.500	100.000	80.000
Dugan Production Corp.														
Key Production					12.500	4.844								
<b>Royalty Interest</b>														
USA - Federal		12.500		12.500				6.250				12.500		12.500
Navajo Allotted								8.333						
<b>Overriding Royalty Interest</b>														
Number of Owners				4		3						1		2
Total ORRI				1.375		5.000						2.000		7.500
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

	Yates - Ristra AGW State #1 (details on Pg. No. 10)		Yates - Squash Blossom AFU State #1 (details on Pg. No. 10)	
	WI	NI	WI	NI
<b>Working Interest</b>				
Yates Petroleum Corp.	70.000000	58.33333	25.00000	21.87500
Yates Drilling Co.	10.00000	8.33333	25.00000	21.87500
ABO Petroleum Corp.	10.00000	8.33334	25.00000	21.87500
MYCO Industries, Inc.	10.00000	8.33333	25.00000	21.87500
<b>Royalty Interest</b>				
State of New Mexico		16.66667		12.50000
<b>Overriding Royalty Interest</b>				
Number of Owners				
Total ORRI				
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

**Attachment No. 4**  
**Dugan Production Corp.**  
**Arviso #1**  
**Potwin Pictured Cliffs**  
**Well Location: NWSW 5, T-24N, R-8W**  
**Spacing Unit: SW/4 (160.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

**Dugan Production Corp.**  
**Big Yazzie #1**  
**Bisti Gallup So.**  
**Well Location: NWNE 6, T-23N, R-9W**  
**Spacing Unit: W/2NE/4 (80.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

**ATTACHMENT NO. 4**  
**Dugan Production Corp.**  
**Bitsili #1**  
**Bisti Lower Gallup**  
**Well Location: SWNE 19, T-24N, R-9W**  
**Spacing Unit: S/2NE/4 (80.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Bitsili Com #90	Basin Fruitland Coal	SWNE 19-24N-9W	E/2-320.0A
Bitsili Com #90S	Basin Fruitland Coal	SE 19-24N-9W	E/2-320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000*	79.166667*
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	6.250000
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	8.333333
<u>Overriding Royalty Interest</u> Wanda Burness 75535 Fern Hill Road Ranier, OR 97048	-0-	0.375000
ConocoPhillips P. O. Box 4289 Farmington, NM 87499	-0*	3.750000*
DK Investments 828 East Edgehill Road Salt Lake City, UT 84103	-0-	0.125000
Green Ribbon, Inc. 46-5 E St. Lilliendahl & Marienhoj St. Thomas US Virgin Islands, 00802	-0-	1.000000
Yellow Ribbon, Inc. P. O. Box 6901 Denver, CO 80206	-0-	1.000000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

\* - ConocoPhillips's interest after payout may convert to 25% WI & 20.625% NI and Dugan Production's interest will correspondingly convert to 75% WI & 62.291667% NI.

**Attachment No. 4**  
**Dugan Production Corp.**  
**Chaco #5**  
**Potwin Pictured Cliffs**  
**Well Location: SESE 6, T-24N, R-8W**  
**Spacing Unit: SE/4 (160.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

**Dugan Production Corp.**  
**Honeybee #1**  
**Bisti Lower Gallup**  
**Well Location: NESW 16, T-24N, R-9W**  
**Spacing Unit: N/2SW/4 (80.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> State of New Mexico P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	16.666667
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>



**Attachment No. 4**  
**Dugan Production Corp.**  
**Hop Sing #1**  
**Basin Fruitland Coal**  
**Well Location: NWNE 27, T-23N, R-11W**  
**Spacing Unit: N/2 (320.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNERS</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	84.500000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Robert Eckels Family Trust P. O. Box 30 Cedaredge, CO 81413	-0-	1.350000
Barbara E. Hannifin P. O. Box 182 Roswell, NM 88201	-0-	1.350000
Francis A. Hannifin 49315 E. 88 <sup>th</sup> Ave. Bennett, CO 80102	-0-	0.300000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Hoss #91	Basin Fruitland Coal	SESE 22-23N-11W	E/2-320.0A
Hoss #91S	Basin Fruitland Coal	SENE 22-23N-11W	E/2-320.0A
Hoss #92	Basin Fruitland Coal	SESW 22-23N-11W	W/2-320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

**Attachment No. 4**  
**Dugan Production Corp.**  
**Largo Federal B #2**  
**Bisti Lower Gallup**  
**Well Location: NENW 22, T-24N, R-9W**  
**Spacing Unit: N/2NW/4 (80.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	86.125000
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
DHB Partnership 8144 Walnut Hill Lane Suite 982 LB51 Dallas, TX 75231	-0-	0.500000
Hardin Simmons University c/o Baptist Foundation of Texas 1601 Elm, Suite 1700 Dallas, TX 75201-7241	-0-	0.250000
Ben M. Patterson, Jr. 613 NW Loop 410, Suite 680 San Antonio, TX 78216	-0-	0.250000
Preston Hollow United Methodist Church 6315 Walnut Hill Lane Dallas, TX 75230	-0-	0.375000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

**ATTACHMENT NO. 4  
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Pierre Com #90	Basin Fruitland Coal	SWSW 23-23N-11W	W/2-320.0A
Pierre Com #90S	Basin Fruitland Coal	SENW 23-23N-11W	W/2-320.0A
Pierre Com #91	Basin Fruitland Coal	NWSE 23-23N-11W	E/2-320.0A
Pierre Com #91S	Basin Fruitland Coal	SENE 23-23N-11W	E/2-320.0A

**INTEREST OWNER****INTEREST%**

	<u>Gross</u>	<u>Net</u>
<b><u>Working Interest</u></b>		
Dugan Production Corp.	87.500000	77.656250
Key Production Co., Inc. 1700 Lincoln Street, Suite 1800 Denver, CO 80203-4518	12.500000	4.843750
<b><u>Royalty</u></b>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<b><u>Overriding Royalty Interest</u></b>		
V.M. Breecher 23430 Cattail Lane Barrington, IL 60010	-0-	0.250000
Cramer Oil Company 410 17 <sup>th</sup> Street, Suite 1340 Denver, CO 80202	-0-	4.500000
Virginia M. Huck c/o V.M. Breecher 23430 Cattail Lane Barrington, IL 60010	-0-	0.250000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

Attachment No. 4  
**Dugan Production Corp.**  
**Queen Nefertiti Com #90**  
**Basin Fruitland Coal**  
**Well Location: NWSW 21, T-24N, R-8W**  
**Spacing Unit: W/2 (320.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	85.416667
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	6.250000
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	8.333333
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

**Dugan Production Corp.**  
**Werito #1\***  
**Bisti Gallup, South**  
**Well Location: NWSE 8, T-23N, R-9W**  
**Spacing Unit: W/2SE/4 (80.0A)**  
**San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.000000
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway, Suite B Farmington, NM 87401	-0-	20.000000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

\* - Well initially proposed as a development well in the Basin Dakota gas and South Bisti Gallup oil pools and since the 320 acre Dakota spacing unit required communitization of two leases, the well was named Werito Com #1. The Dakota completion attempt produced only water and no gas. The Dakota was abandoned and the well completed in the South Bisti Gallup oil pool which did not require communitizing leases to form the Gallup spacing unit. The well name was changed from Werito Com #1 to Werito #1 on 7-6-07.

Attachment No. 4  
Dugan Production Corp.  
Location U  
Basin Fruitland Coal  
Well Location: SW/4 9, T-24N, R-9W  
Spacing Unit: 320.0A – W/2 or S/2\*  
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	81.125000**
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Jim & Mary Lou Jacobs Living Trust 3505 Crescent Avenue Farmington, NM 87401	-0-	2.000000
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	-0-	4.375000**
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

Dugan Production Corp.  
Location V  
Basin Fruitland Coal  
Well Location: SW/4 28, T-24N, R-9W  
Spacing Unit: 320A – W/2 or S/2\*  
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.000000
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> R. F. Partnership, LLLC 2732 S Fillmore Street Denver, CO 80210	-0-	3.750000
Billie Robinson P. O. Box 1281 Santa Fe, NM 87501-1281	-0-	3.750000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

\* - The spacing unit will be a standard 320A and the orientation has not been decided, however whether W/2 or S/2, only one lease and ownership will be involved and will be the same for either orientation.

\*\* - Dugan Production's net beneficial interest = 85.500%

**ATTACHMENT NO. 4**  
**Yates Petroleum Corporation**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Ristra AGW State No. 1	Bisti Lower Gallup	NWSE 32-24N-9W	N/2SE/4-80.0A
Squash Blossom AFU State #1	South Bisti Gallup	SWSE 36-24N-10W	W/2SE/4-80.0A

INTEREST OWNERINTEREST%

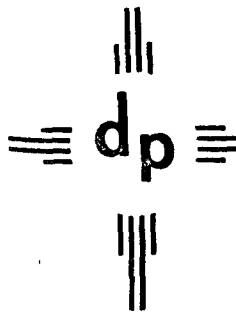
	<u>Ristra AGW State #1</u>		<u>Squash Blossom AFU State #1</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>				
Yates Petroleum Corp. 105 South 4 <sup>th</sup> Street Artesia, NM 88210	70.00000	58.33333	25.00000	21.87500
Yates Drilling Co. 105 South 4 <sup>th</sup> Street Artesia, NM 88210	10.00000	8.33333	25.00000	21.87500
ABO Petroleum Corp. 105 South 4 <sup>th</sup> Street Artesia, NM 88210	10.00000	8.33334	25.00000	21.87500
MYCO Industries, Inc. 105 South 4 <sup>th</sup> Street Artesia, NM 88210	10.00000	8.33333	25.00000	21.87500
<u>Royalty</u>				
State of New Mexico P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	16.66667	-0-	12.50000
 <b>TOTAL WELL</b>	 <u>100.000000</u>	 <u>100.00000</u>	 <u>100.00000</u>	 <u>100.000000</u>



**Attachment No. 5**  
**Interest Ownership Notification**  
**Dugan Production Corp.'s Application dated 9/24/07**  
**Proposing the Addition of 22 Wells to**  
**Dugan Production's Goodtimes Gas Gathering System**

Presenting evidence that interest ownership in the Goodtimes Gathering System and the subject wells have been given notice of Dugan's application, attached is:

1. A copy of Dugan's transmittal letters dated 9/24/07 used to send copies of the subject application to the working interest owners in the 22 wells being added to Dugan Production's Goodtimes Gathering System. Of the 22 wells being added, Dugan Production is the operator of 20 and holds 100% of the working interest in 16 of the wells plus 87½% working interest in four of the wells. Two of the wells being added are operated by Yates Petroleum Corp who has executed a Participation Statement which is presented as Attachment No. 8 to the subject application. Dugan Production has no interest in the two wells operated by Yates, but is willing to include the production from their two wells in the Goodtimes Gas Gathering System. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
2. The royalty interest for all 22 wells being added is either Navajo Allotted, federal or state. There is no fee royalty. Since the subject application is addressed to the Farmington Field Office of the Bureau of Land Management (for federal and Indian leases), Farmington Indian Minerals Office (for Navajo Allotted leases) and the New Mexico State Land Office (for state leases) a separate notice to royalty interest owners was not needed. The applications were sent by certified mail with a return receipt requested and upon receiving the receipts, copies will be sent to the NMOCD.
3. Copy of Dugan's transmittal letter dated 9/24/07 used to send notice of the subject application to the 19 overriding royalty interest owners in the 22 wells being added to Dugan Production's Goodtimes Gathering System. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
4. Copy of the letter dated 9/24/07 used to provide notice of the subject application to interest owners (11 WI, 3 RI & 144 ORRI) in the 221 wells (236 completions) currently authorized for the Goodtimes Gas Gathering System. The current commingling order "PLC-149 3<sup>rd</sup> Amendment" includes a provision that interest owners in wells previously authorized for the gathering system are not required to be notified of wells being added, however this notice is being provided to hopefully address any concerns that may exist as to what constitutes proper notice.
5. Copy of the "Affidavit of Publication" for our advertisement published in the Legal Notice section of the 9/12/07 issue of the Farmington Daily Times regarding the subject application to add 22 wells to Dugan's Goodtimes Gas Gathering System. This publication was made in anticipation that of the notice mailed to 26 interest owners, there will be at least one either returned for some reason or the return receipt will be lost in the mail.



# dugan production corp.

Attachment  
NO. 5  
pg 2 of 16

September 24, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Key Production Company, Inc.  
Department 1102  
Denver, CO 80263-1102

Re: Dugan Production's proposed addition of wells to  
Dugan's Goodtimes Gathering System  
San Juan County, New Mexico

Dear Sir or Madam,

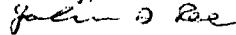
According to our records, you have a working interest in four wells (Dugan Production's Pierre Com wells No. 90, 90S, 91 & 91S) proposed to be connected to Dugan's Goodtimes Gathering System (GGS). Attached for your information and review is a complete copy of Dugan's application to the New Mexico Oil Conservation Division, Bureau of Land Management and State Land Office, requesting their approvals to add these four wells plus 18 others to the GGS which currently has 221 wells approved for the system. This will require surface commingling of gas production from the subject wells, plus the off-lease sale of gas at one of two central delivery sales meters (CDP). Dugan Production will install, operate and maintain the gathering system and will pay all costs associated with this proposal. As a working interest owner in wells connected or to be connected to the GGS, your only costs associated with the gathering system will be a monthly fee charged for gathering and compression. You will not be billed for any costs associated with installing the gathering system (including the allocation meters). Dugan Production's current gathering system fee is \$0.27/MMBTU, and our compression fee is \$0.09/MMBTU. These fees will be used until operating economics indicate the need for revisions.

This proposal should not affect your interest in the wells being added or in any wells currently approved for the gathering system and should allow for optimum operations on all wells. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, which will allow all interest owners to recover more of the gas reserves from each well.

It should be noted that our application to add these four wells to the GGS is only for a temporary period from the time each well is completed and ready to produce and until an expansion to Dugan Production's Sesamee Street Gathering System (SSGS) is completed and production from these four wells can be transferred to the SSGS. Regulatory approval to transfer these four wells to the SSGS will be done under a separate and forthcoming application.

This matter does not require any action 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 in Santa Fe, New Mexico 87505, and we would appreciate receiving a copy of your objection.

Sincerely,

  
John D. Roe  
Engineering Manager

JDR/tmf

Attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office



# dugan production corp.

Attachment  
No. 5  
Pg 3 of 16

September 24, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Yates Petroleum Corp.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

ABO Petroleum Corp.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Yates Drilling Co.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

MYCO Industries, Inc.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Re: Dugan Production's application to add  
Yates Petroleum Corporation's Ristra AGW State No. 1 & Squash Blossom AFU State No. 1 to  
Dugan's Goodtimes Gathering System  
San Juan County, New Mexico

Dear Sir or Madam,

Attached for your information and review is a complete copy of Dugan's application to the New Mexico Oil Conservation Division, Bureau of Land Management and State Land Office, requesting their approvals to add the captioned wells plus 20 others to Dugan Production's Goodtimes Gathering System (GGS) which currently has 221 wells approved for the system. This will require surface commingling of gas production from the subject wells, plus the off-lease sale of gas at one of two central delivery sales meters (CDP). Dugan Production will obtain the necessary rights-of-way and will install, operate and maintain the gathering system. The specific details for connecting these two wells to the GGS were presented in Dugan's letter dated 5-25-07 to Mr. Kane Horner.

All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, which will allow all interest owners to recover more of the gas reserves from each well.

This matter does not require any action 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 in Santa Fe, New Mexico 87505, and we would appreciate receiving a copy of your objection.

Sincerely,

John D. Roe  
Engineering Manager

JDR/tmf

attachments

xc: New Mexico Oil Conservation Division-Aztec, Bureau of Land Management, State Land Office



# dugan production corp.

Attachment  
No. 5  
Pg 4 of 16



**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

September 24, 2007

Overriding Royalty Interest Owners  
22 wells proposed for addition to  
Dugan Production's Goodtimes Gathering System  
(Address List Attached)

Re: Dugan Production's Application to add 22 wells to  
Dugan's Goodtimes Gathering System  
San Juan County, New Mexico

Dear Sir or Madam,

According to our records, you have an overriding royalty interest in one or more of the wells that is proposed to be added to Dugan's Goodtimes Gathering System. The wells in which you have an interest are presented on the attached interest owner list. Dugan Production is submitting an application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requesting their approvals to add 22 wells to the Goodtimes Gathering System which currently has 221 wells authorized for the system. This will require surface commingling of gas production from the subject wells, plus the sale of gas at an off-lease central delivery sales meter (CDP). Dugan Production will install all equipment and will operate and maintain the gathering system. Since your interest in these wells is an overriding royalty, there are no costs chargeable to you. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

This matter does not require any action on your part. Should you have any questions, need additional information, desire to receive a complete copy of our application, 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. Objections should be filed within 20 days after the NMOCD receives our application which will be approximately 9-26-07.

Sincerely,

  
John D. Roe  
Engineering Manager

JDR/tmf

Attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office

Attachment  
No. 5  
pg 5 of 16

**Goodtimes Gas Gathering System Interest Owners Address List**

*(wells with ownership interest in parentheses)*

A=Arviso #1; B=Big Yazzie #1; C=Bitsili #1; D=Bitsili Com #90 & 90S; E=Chaco #5; F=Honeybee #1; G=Hop Sing #1;  
H=Hoss #91, #91S & #92; I=Largo Federal B #2; J=Pierre Com #90, #90S, #91 & #91S; K=Queen Nefertiti Com #90; L=Verito #1;  
M=Location U; N=Location V; O=Yates-Ristra AGW State #1; P=Yates-Squash Blossom AFU State #1

**Working Interest Owners**

Dugan Production Corp. (A thru N)  
P. O. Box 420  
Farmington, NM 87499-0420

Yates Drilling Co. (O, P)  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Key Production Co., Inc. (J)  
1700 Lincoln Street, Suite 1800  
Denver, CO 80203-4518

ABO Petroleum Corp. (O, P)  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Yates Petroleum Corp. (O, P)  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

MYCO Industries, Inc. (O, P)  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

**Royalty Interest Owners**

Navajo Allotted (B, C, D, K, L)  
Farmington Indian Minerals Office  
c/o Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401

USA (A,D,E,G thru K, M, N)  
c/o Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401

NM State Land Office (F, O, P)  
P. O. Box 1148  
Santa Fe, NM 87504-1148

**Overriding Royalty Interest Owners**

V. M. Breecher (J)  
23430 Cattail Lane  
Barrington, IL 60010

Cramer Oil Company (J)  
410 17<sup>th</sup> Street, Suite 1340  
Denver, CO 80202

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

Barbara E. Hannifin (G)  
P. O. Box 182  
Roswell, NM 88201

Virginia M. Huck (J)  
c/o V. M. Breecher  
23430 Cattail Lane  
Barrington, IL 60010

Preston Hollow United Methodist Church (I)  
6315 Walnut Hill Lane  
Dallas, TX 75230

Yellow Ribbon, Inc. (D)  
P. O. Box 6901  
Denver, CO 80206

Wanda Burness (D)  
75535 Fern Hill Road  
Ranier, OR 97048

DHB Partnership (I)  
8144 Walnut Hill Lane  
Suite 982 LB51  
Dallas, TX 75231

Robert Eckels Family Trust (G)  
P. O. Box 30  
Cedaredge, CO 81413

Francis A. Hannifin (G)  
49315 E. 88<sup>th</sup> Ave.  
Bennett, CO 80102

Jim & Mary Lou Jacobs Living Trust (M)  
3505 Crescent Avenue  
Farmington, NM 87401

R. F. Partnership LLLC (N)  
2732 S. Fillmore Street  
Denver, CO 80210

ConocoPhillips (D)  
P. O. Box 4289  
Farmington, NM 87499-4289

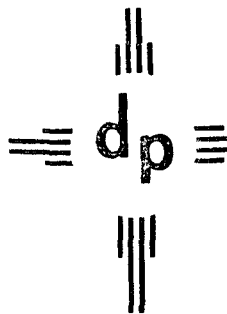
DK Investments (D)  
828 East Edgehill Road  
Salt Lake City, UT 84103

Green Ribbon, Inc. (D)  
46-5 E. St. Lilliendahl & Marienhoj  
St. Thomas  
US Virgin Islands, 00802

Hardin Simmons University (I)  
c/o Baptist Foundation of Texas  
1601 Elm, Suite 1700  
Dallas, TX 75201-7241

Ben M. Patterson (I)  
613 NW Loop 410, Suite 680  
San Antonio, TX 78216

Billie Robinson (N)  
P. O. Box 1281  
Santa Fe, NM 87501-1281



# dugan production corp.

Attachment  
No. 5  
Pg 6 of 16

September 24, 2007

Interest Owners (Address List Attached)  
Wells Currently authorized for operation on  
Dugan Production's Goodtimes Gathering System  
San Juan County, New Mexico

Re: Dugan Production Corp.'s  
Application to add 22 wells to  
Dugan's Goodtimes Gathering System

Dear Interest Owner,

According to our records, you have an interest in one or more of the 221 wells that are currently authorized for operations on Dugan Production's Goodtimes Gathering System (GGS). The wells and your interest ownership are presented on the attached address list.

We are proposing to add 22 additional wells and will be submitting applications to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requesting their approvals to add these wells to the GGS. This notice is being sent for your information as an interest owner in wells that are currently authorized for the GGS and does not require any action on your behalf. The 22 wells being added are all similar to the existing wells in type and volume of production and it is our belief they will have little to no affect upon the wells that are currently producing into the GGS. During April of 2007, of the 221 wells approved for the GGS, 177 were active and produced an average of 7.9 mcf/d plus 1.1 BOPD per well.

The production from the wells being added will be individually measured prior to entering the GGS (as is the practice on existing wells) and sales volumes and revenues from the central delivery sales meters (CDP) will be allocated to the individual wells using the allocation procedures currently approved and being used for all wells currently approved for the GGS.

Should you have any questions, need additional information, desire to receive a complete copy of our application, or have any concern as to our proposal, please let me know.

Sincerely,

John D. Roe  
Engineering Manager

JDR/tmf

attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office

*Attachment  
No. 5  
Pg 7 of 16*

ATTACHMENT NO. 4 to Application dated 7/23/03  
INTEREST OWNERS OF WELLS  
CONNECTED OR PROPOSED TO BE CONNECTED TO  
DUGAN PRODUCTION CORP.'S  
GOODTIMES GAS GATHERING SYSTEM  
AS OF 7-1-03 - updated to 9/24/07 for  
Application dated  
9-24-07

OWNER NAME & ADDRESS

WELLS & INTEREST OWNERSHIP (DECIMAL)

Working Interest Owners

ABO Petroleum Corp. P O Box 900 Artesia, NM 88211-0900	Oktoberfest Com 2 (.10937500)
ConocoPhillips <del>600 North Dairy Ashford</del> P.O. Box 2197 Houston, TX 77079-4475 77252-2197	July Jubilee 1DK (.20625000)
Dugan Production Corp. P O Box 420 Farmington, NM 87499-0420	All wells except Federal D 3,4,5,6 wells
Fullerton, James B. <del>1645 Court Place, Suite 400</del> 621 17 <sup>th</sup> , Suite 1040 Denver, CO 80202-4508 80293	Mo Valley 90 (.00148093) Rodeo Rosie 1 (.00375000), 90 (.00166666)
Key Production Company, Inc. - ownership Department 1102 changed to Denver, CO 80263-1102 Bolack Minerals - (A)	Champ 1,2,3,4,5,6,7,8,9 (.20625000)
MYCO Industries, Inc. P O Box 840 Artesia, NM 88211-0840	Oktoberfest Com 2 (.10937500)
Questar E&P P O Box 45601 Salt Lake City, UT 84145-0601	MF 2 (.41250000), Federal D 3, 4, 5, 6 (1.00000000)
SECO Energy Corp. 1801 Broadway, Suite 900 Denver, CO 80202	Olympic 1,2,3,4 (.01050000)
Yates Drilling Company 207 South 4th Street Artesia, NM 88210	Oktoberfest Com 2 (.10937500)
Yates Petroleum Corp. P O Box 1395 Artesia, NM 88211-1395	Oktoberfest Com 2 (.10937500)
Unleased - Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	Location T (.25000000)

Royalty Interest Owners

Navajo Allotted Bureau of Land Management Farmington Field Office 1235 La Plata Highway Farmington, NM 87401	Blanco Wash 1,2,3,4,5,7 (.16666700), Bright Angel 1 (.16666700), Bronze Medal 1, 2 (.16670000), Jim Thorpe 1 (.16666670), Bumble 2 (.166666670) Kaibab Trail 1 (.16666700), Kaibab Trail 90,90S (.083333330) Lake Placid 1 (.16670000), Lava Falls 1 (.16666670), Louie Louie 1 (.20000000) Marathon 1,2 (.16670000), Montreal 1,2 (.16670000), Seoul 88 (.16670000) Squaw Valley 1,2 (.16670000), St Louis 12 (.16670000), Location R (.08333330)
Department of the Interior Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	169 wells, all except Blanco Wash 1,2,3,4,5,7, Bright Angel 1, Bronze Medal 1,2, Bumble 2, Holly 1, Jim Thorpe 1, Kaibab Trail 1, Lake Placid 1, Lava Falls 1, Louie Louie 1, Luna 2,3, Marathon 1,2, March On 1, Mary Lou 1,2,3,4,5,6,90,90S, Com 91, Com 91S, Mesa 1,2,3,90,90S, Montreal 1,2, Oktoberfest 1, Oktoberfest Com 2, Roadrunner 1,2,3,90, Seoul 88, Squaw Valley 1,2, St. Louis 12, Wit's End 1,2,3,4,6
State of New Mexico P O Box 1148 Santa Fe, NM 87504-1148	Holly 1, Luna 2,3, March On 1, Mary Lou 1,2,3,4,5,6,90,90S, Com 91, Com 91S, Mesa 1,2,3,90,90S, Oktoberfest 1, Oktoberfest Com 2, Roadrunner 1,2,3,90, Wit's End 1,2,3,4,6

Overriding Royalty Interest Owners

A. G. Andrikopoulos Res. Inc. P O Box 788 Cheyenne, WY 82003	Angel's Gate 90 (.01128906)
ABC Oil & Gas Properties 3208 Boyd Midland, TX 79705	Adobe A 1 (.02000000)
Adams, Mary Bernice 9743 Bon Haven Lane Owings Mills, MD 21117	Target 1 (.05000000)

(A) Bolack Minerals  
3901 Bloomfield Hwy  
Farmington, NM 87401

ATTACHMENT NO. 4  
INTEREST OWNERS OF WELLS  
CONNECTED OR PROPOSED TO BE CONNECTED TO  
DUGAN PRODUCTION CORP.'S  
GOODTIMES GAS GATHERING SYSTEM  
AS OF 7-1-03

*Attachment  
No. 5  
pg 8 of 16*

**OWNER NAME & ADDRESS**

**WELLS & INTEREST OWNERSHIP (DECIMAL)**

*Overriding Royalty Interest Owners (cont.)*

Albanese, David A. & Rebecca L. 2301 Whitcomb Place Falls Church, VA 22046	Fabulous Feb 1 (.06250000)
Altrogge Resources Company 6901 East Walsh Place Denver, CO 80224	Helsinki 52 (.01100000)
Amato, Anne 37290 Stanton Point Road Ingelside, IL 60041	Mo Valley 90 (.00007813), Phillips 1 (.00007776), 1FR (.00003887)
Andrikopoulos, John G. & Judy K. P O Box 670 Saratoga, WY 82331	Angel's Gate 90 (.00035156)
Apache Corporation P O Box 840133 Dallas, TX 75284-0133	Muddy Mudda 1DK (.03000000)
Attebery, R. Tucker P O Box 2351 Bartlesville, OK 74005	Lee's Ferry 1 (.02000000), Lee's Ferry 90 (.01000000) Muddy Mudda 1GA, 1DK (.02000000), Muddy Mudda Com 90 (.01000000), Location P (.02000000)
Bayer, Elizabeth <del>2812 Westminster</del> 14975 E. Wagon Trail Dr. <del>Dallas, TX 75205</del> Aurora, CO 80015-2101	Adobe A 1 (.00064930), Sapp 1,2,90,91 (.00064930)
Belco Development Corp. c/o Enron Oil & Gas Co. P O Box 840321 Dallas, TX 75284-0321	Holly 1GA (.08312500), 1DK (.05195310)
Black, Martha N. Family Trust c/o Norwest Bank Attn: Oil & Gas Trust Department 40 NE Loop 410, Suite 300 San Antonio, TX 78216 <i>Bad Address</i>	Adobe A 1 (.00016280), Sapp 1,2,90,91 (.00016280)  ORRI Revenue Held in Suspense
Black, Martha Nobles c/o Wells Fargo Attn: OGSM Administration P. O. Box 5383 Denver, CO 80270 <i>Bad Address</i>	Adobe A 1 (.00016290), Sapp 1,2,90,91 (.00016290)  ORRI Revenue Held in Suspense
Bowers, Alexander S. Estate Robert M. Musselman, Executor = Philip Bowers P. O. Box 254 Charlottesville, VA 22902	Bowers 1,90, 91, 91S (.03250000), Locations N,O (.03250000)
BP America Production Company P O Box 3092 Houston, TX 77253	Mary Lou Com 91, 91S (.02125000)
Breecher, V.M. 23430 Cattail Lane Barrington, IL 60010	Flo Jo 1,2,4,5,6,7 (.00500000)
Brennan, Laura L. Schaller McLeod, Laura Christine P O Box 1333 Bules Creek, NC 27506	Silver Medal 1 (.00500000)
Burness, Wanda 75535 Fern Hill Road Rainier, OR 97048	April Surprise 4DK (.00124900), July Jubilee 2,3,1GA, (.00250000) July Jubilee 1DK (.00125000)
Campbell, Lewis O. P O Box 51508 Albuquerque, NM 87181-1508	Mo Valley 90 (.00045455), Phillips 1 (.00045240), 1FR (.00022600)
Carpenter, B.K. & D.L. 2935 Nob Hill Drive Casper, WY 82601	December Dream 1,2,3 (.00500000)
Colwill, Kathleen 2254 Shawnee South-East 4189 Sabal Pointe Ct, SE Grand Rapids, MI 49506-49546	Adobe A 1 (.00048700), Sapp 1,2,90,91 (.00048700)



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WELLS & INTEREST OWNERSHIP (DECIMAL)

Overriding Royalty Interest Owners (cont.)

Cometra Oil & Gas Inc. <i>ownership changed to Pearlstone Energy Partners - (B)</i> 210 West 8th Street, Suite 1001 Fort Worth TX 76102	Holly 1DK (.01250000)
ConocoPhillips 600 North Dairy Ashford P.O. Box 2197 Houston, TX 77248-1040 77252-2197	April Surprise 4 DK (.03747700), July Jubilee 2,3,1GA, (.00750000) Mesa 1,3 (.12500000)
Cotter, Jane H. - <i>Revocable Trust</i> 6625 Barber Place, NE 4221 Indian Springs Dr., NE Albuquerque, NM 87109-1911	Mo Valley 90 (.00045455), Phillips 1 (.00045240), 1FR (.00022600)
Cramer Oil 410 17th Street, Suite 1340 Denver, CO 80202	Flo Jo 1,2,4,5,6,7 (.04093750)
Guesta Production Company <i>Gorham properties, LLC</i> P O Box 451 Albuquerque, NM 87103	March On 1 (.05000000)
Cummins, Patsy R. 5110 A Shadylane Midland, TX 79703	Adobe A 1 (.00045180), Sapp 1,2,90,91 (.00045180)
D & J Trust 4544 Cathedral Drive Dallas, TX 75214	Calgary 2,3,4,5,6,7,8,88 (.05000000)
Dahl, Mildred O. 4731 Lemon Hill Ave. <i>Bad Address - ORRI Returns Held in Suspense</i> Sacramento, CA 95824	Rodeo Rosie 1 (.00500000)
DeCarlo, Linda 14516 Casey Lane Lockport, IL 60441	Mo Valley 90 (.00007813), Phillips 1 (.00007776), 1FR (.00003887)
Deemar, Irving Trust - Irving R. Deemar Trustee UAD 9/23/92 <i>ownership change to Ira M. Deemar Trust (.00500) + Sharon Deemar Szachowicz (.00500)</i> (I) P O Box 566 Morton Grove, IL 60053	Silver Medal 1 (.01000000)
DHB Partnership 8144 Walnut Hill Lane Suite 982, LB 51 Dallas, TX 75231	Largo Federal B 1,91 (.00500000)
Dickey, Brian 3810 West County Road 118 Midland, TX 79703	Adobe A 1 (.00015060), Sapp 1,2,90,91 (.00015060)
Dickey, Dianna 3810 West County Road 118 Midland, TX 79703	Adobe A 1 (.00015060), Sapp 1,2,90,91 (.00015060)
Dickey, John 3810 West County Road 118 Midland, TX 79703	Adobe A 1 (.00015060), Sapp 1,2,90,91 (.00015060)
DK Investments 828 East Edgehill Road Salt Lake City, UT 84103	April Surprise 4 DK (.00374700), July Jubilee 2,3,1GA (.02000000) July Jubilee 1DK (.00375000)
Dow, Arthur 324 Yucca NW Albuquerque, NM 87105	Mo Valley 90 (.00170454), Phillips 1 (.00169648), 1FR (.00084900)
Dugan Production Corp. P O Box 420 Farmington, NM 87499-0420	Flo Jo 1,2,4,5,6,7 (.02062500), Jim Thorpe 1 (.00999990) Largo Federal B 1 (.13265600), Lee's Ferry 1 (.03000000) Largo Federal B 90 (.01500000), Muddy Mudda 1GA (.03000000) Olympic 1,2,3,4 (.01950000), Location P (.03000000)
Emmerson, Ann Home Trustee of the Ann Emmerson Trust 1495 SW Clifton Portland, OR 97201	Adobe A 1 (.00238260), Sapp 1,2,90,91 (.00238260)

(B) - Pearlstone Energy Partners, 1460 Main St, Suite 245, Southlake, TX 76092

(I) Ira M. Deemar Trust, P.O. Box 325, Glenview, IL, 60025

Sharon Deemar Szachowicz, P.O. Box 2805, Glenview, IL, 60025-6305

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**WELLS & INTEREST OWNERSHIP (DECIMAL)**

*Overriding Royalty Interest Owners (cont.)*

Energen Resources Corporation 2198 Bloomfield Highway Farmington, NM 87401	Mo Valley 90 (.00312500)
Excalibur Energy Company P O Drawer 25045 Albuquerque, NM 87125	Mo Valley 90 (.00295454), Phillips 1 (.00294057), 1FR (.00147100)
Fasken Clearing Wells Fargo OGM Op. AU 10291 #5115100 P O Box 5383 Denver, CO 80217	Adobe A 1 (.00072150), Sapp 1,2,90,91 (.00072150)
Fasken Foundation P O Box 162786 Austin, TX 78716-2786	Adobe A 1 (.00017314), Sapp 1,2,90,91 (.00017314)
Fasken, Celeste Management Trust c/o Wells Fargo P O Box 5383 Denver, CO 80217	Adobe A 1 (.00065040), Sapp 1,2,90,91 (.00065040)
Fasken, Frank Andrew 4095 Sunset View Paris, TX 75460	Adobe A 1 (.00012812), Sapp 1,2,90,91 (.00012812)
Fasken, G. R. 230 Johnson Woods Drive Paris, TX 75460	Adobe A 1 (.00004502), Sapp 1,2,90,91 (.00004502)
Fasken, Murray & Celeste Trust c/o Wells Fargo Bank of TX, NA P O Box 5383 Denver, CO 80217	Adobe A 1 (.00082354), Sapp 1,2,90,91 (.00082354)
Fasken, Steven Price Revocable Trust Steven Price Fasken, Trustee P O Box <del>6088</del> 32687 Colorado Springs, CO <del>80934-6088</del> Santa Fe, NM 80217	Adobe A 1 (.00031744), Sapp 1,2,90,91 (.00031744)
Feil Living Trust, Marie A. Feil Successor Trustee 6096 Upland Terrace S Seattle, WA 98118	Gold Medal 1,2,3,4,5,6 (.03000000)
Felter, Jack L. 5501 Drayton Street, NE Albuquerque, NM 87111	Mo Valley 90 (.00170454), Phillips 1 (.00169648), 1FR (.00084900)
Flame Royalties P O Box 702281 Tulsa, OK 74170-2281	June Joy 2,90 (.03500000), Largo Federal B 1 (.07921900) Mo Valley 90 (.00625000), Phillips 1FR (.01249600) Rodeo Rosie 1 (.07500000)
Foster, Timothy G. & Darlene V. Living Trust CR 6100 #576 Kirtland, NM 87417	Holly 1DK (.00039062)
Four Star Oil & Gas Company P O Box 845896 Dallas, TX 75284-5896	Jim Thorpe 1 (.02333310)
Fullerton, James B. <del>1845 Court Place, Suite 406</del> 621 17 <sup>th</sup> St, Suite 1040 Denver, CO <del>80202-4508</del> 80293	Phillips 1FR (.00012500)
Fundingsland, E.L. Jr. P O Box 1157 Littleton, CO 80160-1157	Holly 1DK (.01750000)
Gainey, Daniel C. Marital Trust Bank of Oklahoma, Agent AC#25277720 P O Box 1588 Tulsa, OK 74101	So Huerfano Federal 1 (.00500000)
Gates Properties, Ltd. P O Box 81119 Midland, TX 79708-1119	Holly 1GA (.03000000), 1DK (.01875000)

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**WELLS & INTEREST OWNERSHIP (DECIMAL)**

**Overriding Royalty Interest Owners (cont.)**

Geisler Family Ltd. Partnership c/o Geisler Property Management Corp. 4706 North Lindhurst Ave. Dallas, TX 75229-6518	Adobe A 1 (.00259770), Sapp 1,2,90,91 (.00259770)
Gentle, Glenn R. Living Trust George H. Didlake & Willie Horton, Trustees 635 Via Santa Cruz Vista, CA 92083-6336 92081	April Surprise 2,3,5,6,7,8,4GA,90 (.00500000), 4DK (.00250200) July Jubilee 1DK (.00187500)
Charles B. Gonzales P O Drawer 2509 Santa Fe, NM 87504-2509 <i>ownership changed to Connie Morrison - (C)</i>	Mary Lou Corn 91, 91S (.01000000)
Green Ribbon Inc. 46-5 Est. Lilliendahl & Marienhof St. Thomas US Virgin Islands, 00802	April Surprise 4DK (.00999400), July Jubilee 2,3,1GA (.02000000) July Jubilee 1DK (.01000000)
Haefele, James W. & Estelle C. 7000 Ranger Drive Cheyenne, WY 82009	Angel's Gate 90 (.00070312)
Hanson-McBride Petroleum Co. A New Mexico Limited Partnership P O Box 1515 Roswell, NM 88201-1515	April Surprise 2,3,5,6,7,8,4GA,90 (.03600000), 4DK (.01801100) July Jubilee 1DK (.01350000)
Hardin-Simmons University c/o Baptist Foundation of Texas 1601 Elm, Suite 1700 Dallas, TX 75201-7241	Largo Federal B 1 (.00250000)
C.B. Harrison, Jr., Trustee Spindletop Oil & Gas Co. 9319 LBJ Freeway, #205 Dallas, TX 75243 <i>Bad Address</i>	Okie 1,2,4 (.01750000), Locations D, F (.01750000) <i>- ORRI Returns Held in Suspense</i>
Hartin, Susan Faiken Trust c/o Wells Fargo OGM Operations AU 10291 P O Box 5383 Denver, CO 80217	Adobe A 1 (.00017314), Sapp 1,2,90,91 (.00017314)
Harvey, M.J. & W.J. P O Box 12705 Dallas, TX 75225	Harvey 2 (.07500000)
Harvey, M.J. Jr. P O Box 12705 Dallas, TX 75225	Elwood P Dowd 1,2 (.07500000), Elwood P Dowd Corn 90, 90S (.03750000) July Jubilee 1 DK (.00937500)
Hendley, William R. P O Box 45373 Rio Rancho, NM 87174	Mo Valley 90 (.00045454), Phillips 1 (.00045240), 1FR (.00022600)
Home, Teresa 2850 Baseline Ave Santa Ynez, CA 93460 <i>Home, Burtis Ltd, LP</i>	Adobe A 1 (.00517580), Sapp 1,2,90,91 (.00517580)
Honey, Mary Ann 10303 Ocotillo Drive Sun City, AZ 85373 <i>ownership changed to Lucy W. James - (D)</i>	Adobe A 1 (.00090360), Sapp 1,2,90,91 (.00090360)
Hood, Lisa K. c/o Wells Fargo OGM P O Box 5383 Denver, CO 80217 <i>1413 Ploy Sonada, NW Albuquerque, NM 87107</i>	Witty Lease (.01500000)
Hood, Robin c/o Wells Fargo OGM P O Box 5383 Denver, CO 80217 <i>Liberal, KS 67905</i>	Witty Lease (.01500000)
House, Wesley T. - Estate 1201 Bedford Drive Midland, TX 79701-4110	Adobe A 1 (.00259880), Sapp 1,2,90,91 (.00259880)

(C) Connie Morrison, P.O. Box 172, 5 Elvanda, CA 91739

(D) Lucy W. James, 6464 South Downing, Centennial, CO 80121

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Overriding Royalty Interest Owners (cont.)

Huck, Virginia M. c/o Virginia M. Breecher 23430 W Cattail Lane Barrington, IL 60010	Flo Jo 1,2,4,5,6,7 (.00500000)
Jacobs, Jim L. & Mary Lou Living Trust 3505 Crescent Avenue Farmington, NM 87401	Big Eight 1,1E (.02000000), Mary Anne 1,3 (.02000000) Sixteen G's 1,3,4,90 (.02000000)
Kauzlarich, Therese 13728 Santa Fe Trail Orland Park, IL 60462	Mo Valley 90 (.00007813), Phillips 1 (.00007775), 1FR (.00003888)
Kelly Revocable Trust P O Box 2097 Cheyenne, WY 82003	Angel's Gate 90 (.00070313)
Kennedy, Carl L. <del>7349 S Ingalls Court</del> 6839 Raspberry Run Littleton, CO 80123-4650 80125	Helsinki 52 (.00200000)
Key Production Company, Inc. Department 1102 Denver, CO 80263-1102	December Dream 1,2,3 (.02500000) * Flo Jo 1,2,4,5,6,7 (.00343750), Silver Medal 1 (.02250000) * * - ownership changed to Royalty Repository - (E)
Keyser, Cassandra 94 Teal Dr. <del>7170 Isabelle Court</del> P.O. Box 162 Windsor, Ontario Canada N8S 4J7 Blenheim, Ontario, Canada, NOPIAO	Adobe A 1 (.00146100), Sapp 1,2,90,91 (.00146100)
Kidd, Barron U. 3838 Oak Lawn Ave., Suite 725 Dallas, TX 75219	Adobe A 1 (.00129950), Sapp 1,2,90,91 (.00129950)
Joe Kim 1645 Court Place #201 Denver, CO 80202	Billary 90 (.01000000)
Koch Exploration Co. <del>P.O. Box 27224</del> 20 E. Greenway Plaza Houston, TX 77046	Holly 1 DK (.00937500)
Lane, Harry & Sharon M. Living Trust Sharon M. Lane, Trustee P O Box 243 Farmington, NM 87499-0243	Holly 1 DK (.00039063)
Lansdale, William M. P O Box 27 Seal Beach, CA 90740	* MF 1,2,4,3GA,3DK (.05000000), Mountain 1 (.05000000), Locations I,J,K,L,M (.05000000) * - ownership changed to Lonsome Dove Petro Co. - (F)
Larson, Janet 22 Independence Lake Oswego, OR 97034 <i>B+d Address -</i>	Helsinki 52 (.00500000) <i>ORRI Revenues held in suspense</i>
Longcope, Charles Jr. 7157 Joyce Way Dallas, TX 75225	Adobe A 1 (.00014430), Sapp 1,2,90,91 (.00014430)
Longcope, Ed 400 W Hopkins Street, Suite 101 San Marcos, TX 78666-4462	Adobe A 1 (.00014430), Sapp 1,2,90,91 (.00014430)
Longcope, Kay - Estate of <del>1312 Travis Heights Blvd</del> 1706 Crooked Lane Austin, TX 78704-7525	Adobe A 1 (.00014430), Sapp 1,2,90,91 (.00014430)
Lowe Royalty Partners, LP P O Box 4887 Department 4 Houston, TX 77210-4887	Adobe A 1 (.00130000), Sapp 1,2,90,91 (.00130000)
Maltz, Jerome P. 21535 Erwin Street Woodland Hills, CA 91367 <i>B+d Address</i>	Mo Valley 90 (.01125000), Phillips 1FR (.02249400) <i>ORRI Revenues held in suspense</i>

(E) Royalty Repository, P.O. Box 41027, Houston, TX 77241-1027

(F) Lonsome Dove Petro Co. 6

34-38 Kronprindsens Gade  
GERS Bldg, 2nd Floor, St. Thomas, Virgin Islands

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<i>Overriding Royalty Interest Owners (cont.)</i>	
Martin, James M. & Blanche D. 943 T Avenue Rural Route 1 Box 321 Council Grove, KS 66846-8777	August 1 (.05000000)
McBride Oil & Gas Corporation P O Box 1515 Roswell, NM 88202-1515	April Surprise 2,3,5,6,7,8,4GA,90 (.00900000), 4DK (.00450300) July Jubilee 1DK (.00337500)
McBride, Frank J. Trust #1 c/o Sunflower Bank AC#105769458 P O Box 800 Salina, KS 67401-0800	Mo Valley 90 (.00170454), Phillips 1 (.00169648), 1FR (.00084900)
McDougall, John W. P O Box 267997 Weston, FL 33326	McDougall 2 (.06250000)
McKenna, Deborah M. 7555 South Biscay Street Aurora, CO 80016	Holly 1 DK (.00125000)
Miller, Robert M. 5358 South Havana Court Englewood CO 80111	Helsinki 52 (.00200000)
Ninlan Oil Co. P O Box 297166 <i>Bad Address</i> Houston, TX 77297	Holly 1 DK (.00156250) <i>OPRI Revenues held in Suspense</i>
Oakason, John E. & Jean C. Trusts c/o Wells Fargo, T. Davies Oil/Gas <del>1700 Lincoln Street</del> <i>P.O. Box 5383</i> <del>Salt Lake City, UT 84130</del> <i>Danver, CO 80217</i>	Rodeo Rosie 1 (.04500000)
Oklahoma Oil Co. Attn: Wheeler Sears 4925 Greenville Ave., Suite 717 Dallas, TX 75206	Okie 1,2,4 (.03250000), Locations D,F (.03250000)
Olson, Maurice G. & Lorraine R. <i>James R.</i> 1007 Farnam Street Omaha, NE 68102	Olson 1 (.04000000)
Ostiller, Rosemarie 1847 Noel Place Beverly Hills, CA 90210	Mo Valley 90 (.00125000), Phillips 1 FR (.0002499)
Patterson, Ben M. Jr. 613 NW Loop 410, Suite 680 San Antonio, TX 78216	Largo Federal B 1 (.00250000)
Phillips, Clare M. 1315 E Bello Circle Lockport, IL 60441	Mo Valley 90 (.00078125), Phillips 1 (.00077756), 1FR (.00038875)
Phillips, James 3400 Bob-O-Link Denton, TX 76209	Mo Valley 90 (.00007813), Phillips 1 (.00007775), 1FR (.00003888)
Preston Hollow United Methodist Church 6315 Walnut Hill Lane Dallas, TX 75230	Largo Federal B 1 (.00375000)
Puckett Energy Company 5460 South Quebec Street, Suite 250 Greenwood Village, CO 80111-1917	Helsinki 52 (.01100000)
Questar E&P P O Box 45601 Salt Lake City, UT 84145-0601	Bronze Medal 1,2 (.03330000), December Dream 1,2,3 (.04500000) Fairway 1 (.04500000), Gold Medal 1,2,3,4,5,6 (.04500000) Holly 1 DK (.00156250), Lake Placid 1 (.03330000) Marathon 1,2 (.03330000), MF 4,3GA,3DK (.07500000) Montreal 1,2 (.03330000), Mountain 1 (.10000000) Olympic 1,2,3,4 (.04500000), Seoul 88 (.03330000) Squaw Valley 1,2 (.03330000), St Louis 12 (.03330000) Witty Lease (.04500000), Locations I,J,K,L,M (.10000000)

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*Overriding Royalty Interest Owners (cont.)*

R.F. Partnership, Ltd. 755 S Elizabeth <i>2732 S. Fillmore Street</i> Denver, CO 80209 <i>80210</i>	Muddy Mudda Com 90 (.01875000), November 24 1, 24 2 (.03750000)
Resource Enterprises Inc. 345 East 4500 South, Suite 300 Salt Lake City, UT 84107	Helsinki 52 (.00400000)
Robins, Melvin P O Drawer 2225 Albuquerque, NM 87102	Mo Valley 90 (.00045455), Phillips 1 (.00045240), 1FR (.00022600)
Robinson, Billie P O Box 1281 Santa Fe, NM 87501-1281	Muddy Mudda Com 90 (.01875000), November 24 1, 24 2 (.03750000)
Roman, Kathleen P O Box 1055 Buena Vista, CO 81211	Angel's Gate 90 (.00125000)
James J. & Nickola A. Rubow <i>Jt Tenants</i> 200 S. Main Street Aztec, NM 87410	Billary 90 (.01500000)
San Juan Basin Properties, LLC 1499 Blake Street, #7K-10 C Denver, CO 80202	Luna 3 (.02500000), Rodeo Rosie 1 (.00500000)
Sapp, John Dillon 1993 Trust <del>Chase Bank of Texas, Trustee</del> <i>c/o Mary Sapp Fisher</i> <del>P O Box 201884</del> <i>3726 Sunset Blvd.</i> Houston, TX <del>77216-1884</del> <i>77005</i>	Adobe A 1 (.00333334), Sapp 1,2,90,91 (.00333333)
Sapp, Mary Margaret 1993 Trust <del>Chase Bank of Texas, Trustee</del> <i>c/o Carl Frank Sapp Fisher</i> <del>P O Box 201884</del> <i>3726 Sunset Blvd</i> Houston, TX <del>77216-1884</del> <i>77005</i>	Adobe A 1 (.00333333), Sapp 1,2 (.00333334), 90 (.00333333), 91 (.00333334)
Sapp, William Dean 1993 Trust <del>Chase Bank of Texas, Trustee</del> <i>c/o Carol Lynn Sapp</i> <del>P O Box 201884</del> <i>1302 Walsh, Box 616</i> Houston, TX <del>77216-1884</del> <i>77219</i>	Adobe A 1 (.00333333), Sapp 1,2 (.00333333), 90 (.00333334), 91 (.00333333)
Sealy & Company, LP P O Box 9557 Fort Worth, TX 76147	Adobe A 1 (.00195430), Sapp 1,2,90,91 (.00195430)
SECO Energy Corp. 1801 Broadway, Suite 900 Denver, CO 80202	Bowers 1,90,91,91S (.01750000), Locations N,O (.01750000)
Sheridan, Susan C. 151 South Birch Street Denver, CO 80246-1016	Calgary 2,3,4,5,6,7,8,88 (.01000000)
Slemp, C.B. Family Trust #1501172 Lillian Slemp & Chase Bank of Texas P O Box 201884 Houston, TX 77216-1884	So Huerfano Federal 1 (.00500000)
Spear, Howell & Mary Nan - <i>Revocable Trust</i> <del>DBA Paradox Oil &amp; Gas Co. c/o Wachovia Bank</del> <del>P.O. Box 30169</del> <i>22 53rd Street</i> Pensacola, FL <del>32503</del> <i>Gulfport, MS 39507</i>	Fairway 1 (.03000000)
Stewart, Viola I. P O Box 291245 Kerrville TX 78029-1245	Adobe A 1 (.00043290), Sapp 1,2,90,91 (.00043290)
David J. & Jennie F. Steyard, Joint Tenants 19456 E. Nassau Drive <i>Steyert</i> Aurora, CO 80013	Billary 90 (.02500000)
Stubbeman, <del>Violet Graves Family Foundation</del> c/o David Stubbeman P O Box 3473 Abilene, TX 79604	Adobe A 1 (.00032570), Sapp 1,2,90,91 (.00032570)

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Sweeney, Lisa 152 Mary Lynn Lane Newman, GA 30265	Mo Valley 90 (.00007813), Phillips 1 (.00007776), 1FR (.00003887)
Target Exploration Inc. <del>0480 Ramsey Road</del> 9467 Hickory Limb Columbia, MD 21045	Target 1 (.01000000)
Ternes, Stella 1275 Sierra Ridge New Lenox, IL 60451	Mo Valley 90 (.00007813), Phillips 1 (.00007776), 1FR (.00003888)
Texas Commerce Bank Trustee, Acct 5067200 P O Box 209871 Houston, TX 77216-9871	Sapp 90,91 (.00017314)
Trujillo, Rosita P O Box 1225 Cheyenne, WY 82003	Silver Medal 1 (.01250000)
Tucker, Dorothy J. Trust 200 Cascade Ave. Cheyenne, WY 82009	Angel's Gate 90 (.00070313)
Unknown Interest Owners c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	Holly DK (.01171875) & (.00312500) <i>- well PTA</i>
Volie, George 519 Glen Arbor Grosse Pointe, MI 48236	Champ 1,2,3,4,5,6,7,8,9 (.05000000)
Westway Petro <del>500 N. Akard, Suite 200</del> 4514 Cole Ave, Suite 1005, LB15 Dallas, TX 75201-75205	Holly 1GA (.01187500), 1DK (.00742190)
Wieland, William K. 7831 Academy Trail NE Albuquerque, NM 87109	Mo Valley 90 (.00045455), Phillips 1 (.00045240), 1FR (.00022600)
Wilkinson, Jack B. Jr. P O Box 305 Midland, TX 79702	Adobe A 1 (.00129950), Sapp 1,2,90,91 (.00129950)
Williams, J.L. 7700 La Condesa NE Albuquerque, NM 87110	Mo Valley 90 (.00045455), Phillips 1 (.00045240), 1FR (.00022600)
Williamson, Martha K. 4949 Skillman #155 Dallas, TX 75206	Adobe A 1 (.00064930), Sapp 1,2,90,91 (.00064930)
Willie, Guy M. <i>ownership changed to</i> P O Box 823447 Dallas, TX 75382	Mo Valley 90 (.01250000) Guy Wade Willis (.00081250) & Vicky Sue Hoover (.0004375) } (H)
Wood, Patti Peck P O Box 1099 Rising Star, TX 76471	Adobe A 1 (.00178850), Sapp 1,2,90,91 (.00178850)
Yellow Ribbon Inc. P O Box 6901 Denver, CO 80206	April Surprise 4DK (.00999400), July Jubilee 2,3,1GA (.02000000) July Jubilee 1DK (.01000000)
Zimmerman, Richard c/o Advantage Trust Company P O Box 1337 Salina, KS 67402-1337	Mo Valley 90 (.00045455), Phillips 1 (.00045240), 1FR (.00022600)

⑥ McLown, Cathie Cone

P.O. Box 658

Dripping Springs, TX 78620-0658

⑦ Guy Wade Willis, 5367 Edwards Road, Denton, TX 76208

Vicky Sue Hoover, P.O. Box 854, Littleton, CO, 80160

Affidavit  
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## AFFIDAVIT OF PUBLICATION

Ad No. 55652

### STATE OF NEW MEXICO County of San Juan:

ROBIN ALLISON, being duly sworn says:  
That she is the CLASSIFIED MANAGER of  
THE DAILY TIMES, a daily newspaper of  
general circulation published in English at  
Farmington, said county and state, and that  
the hereto attached Legal Notice was  
published in a regular and entire issue of the  
said DAILY TIMES, a daily newspaper duly  
qualified for the purpose within the meaning of  
Chapter 167 of the 1937 Session Laws of the  
State of New Mexico for publication and  
appeared in the Internet at The Daily Times  
web site on the following day(s):

Wednesday September 12, 2007

And the cost of the publication is \$161.04

ON 9/12/07 ROBIN ALLISON  
appeared before me, whom I know personally  
to be the person who signed the above  
document.

Wynell Corey  
My Commission Expires November 17, 2008

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<p>Dugan Production Corp. is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM) and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 18 existing plus 4 proposed wells to Dugan Production Corp.'s Goodtimes Gathering System (GGS). This will require the surface commingling of produced natural gas and water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. The wells to be added and the existing gathering system are located within Sections 3,6,7,8,10,16,17 of Township 23N, Range 9W; plus Sections 1 thru 6, 9,11,12 of T-23N, R-10W; plus Sections 1,11,12 of T-23N, R-11W; plus Sections 5 thru 9, 15 thru 22, 27 thru 30 of T-24N, R-8W; plus Sections 1 thru 12, 14 thru 22, 24,25, 27 thru 33 of T-24N, R-9W; plus Sections 12,13,14,24 thru 27; 31 thru 36 of T-24N, R-10W; plus Section 36 of T-24N, R-11W plus Section 31 of T-25N, R-8W all located in San Juan County, New Mexico. There are two central delivery gas sales meters (CDP's). CDP #1 is located in the SE/4 SE/4 of Section 22, T-24N, R-8W and delivers gas to Elm Ridge Resources. CDP #2 is located in the SE/4 NE/4 of Section 12, T-24N, R-10W and delivers gas to Enterprise Field Services. The gathering system currently has 221 wells (236 completions) which are completed in the following 15 pools; Basin Dakota gas (10 wells), Basin Fruitland Coal gas (70 wells), Bisti Lower Gallup oil (34 wells), South Bisti Gallup oil (91 wells), Bisti Chacra gas (1 well), Bisti Pictured Cliffs gas (1 well), Cuervo Gallup oil (3 wells), Cuervo Mesaverde oil (2 wells), Lybrook Gallup oil (4 wells), Potwin Pictured Cliffs gas (7 wells), White Wash Mancos/Dakota oil (5 wells), White Wash Mesaverde oil (1 well), Witty Springs Pictured Cliffs gas (2 wells), Undesignated FR/PC (4 wells) and Undesignated Dakota (1 well). It is proposed to add 22 additional wells, 13 in the Basin Fruitland Coal gas pool, 2 in the Potwin Pictured Cliffs gas pool, 4 in the Bisti Lower Gallup oil pool and 3 in the South Bisti Gallup oil pool. Twenty of the wells to be added are located upon, or the spacing units include the following leases held by Dugan Production Corp.; Federal Leases NM-2337, NM-10089, NM-12374, NM-24661, NM-36952, NM-40643, NM-65528, NM-80498, NM-83507, NM-96800, NM-97837, SF-078860; State Lease V-7918; Navajo Allotted Leases NOG-0103-1462, NOG-0103-1464, NOG-0502-1714 &amp; NOG-0502-1715. Two of the wells to be added are operated by Yates Petroleum Corporation and are located on State leases LG-5686 &amp; V-1360. The wells to be added are: Dugan Production's Arviso 1; Big Yazzie 1; Bit sili 1, Com 90, Com 90S; Chaco 5; Honeybee 1; Hop Sing 1; Hoss 91, 91S, 92; Largo Federal B 2; Pierre Com 90, 90S, 91, 91S; Queen Infertiti Com 90; Werito 1; undrilled locations SW/4 9-24N-9W and SW/4 28-24N-9W; plus Yates Petroleum Corporation's Ristra AGW State 1 &amp; Squash Blossom AFU State 1. The 236 wells currently authorized for the GGS typically produce marginal volumes of natural gas and the 22 wells to be added are anticipated to produce natural gas volumes similar to the wells currently authorized for the GGS. Any person holding an interest in any of these leases or wells may contact Dugan Production Corp. for additional information. Inquiries should be directed to John Roe at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the date of this publication. In the absence of objection, Dugan Production Corp. is requesting that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.</p> <p>Legal No. 55652 published in The Daily Times, Farmington, New Mexico on Wednesday, September 12, 2007</p>		