

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]

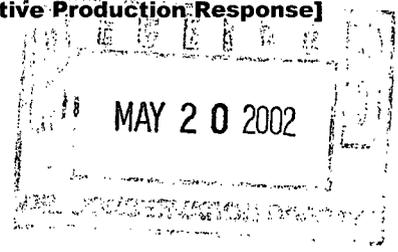
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

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 ~~or SLO~~
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

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

** - BLM is the only party requiring Notice. Certified return Receipt card will be sent to NMCD upon receipt.*

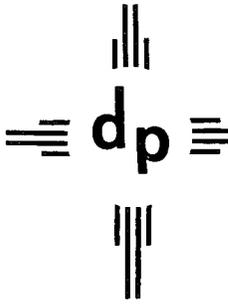
- [F] Waivers are Attached

[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.

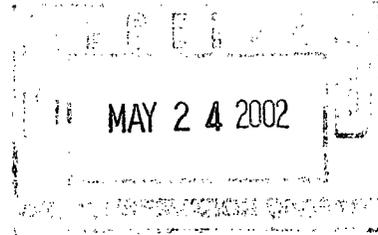
Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John D. Roe Print or Type Name	<i>John D. Roe</i> Signature	Engineering Manager Title	05/16/02 Date
		dugan@cptnet.com e-mail Address	



dugan production corp.

May 22, 2002



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

Re: Dugan Production's application dated 05/17/02
Surface commingling and off-lease measurement of natural gas
Dugan Production's No Doubt No. 90
Pet Inc Gas Gathering System
San Juan County, NM

Dear Ms. Wrotenbery,

Attached for your consideration in the captioned application is a copy of the return-receipt card from the BLM. Since all royalty interest is either Federal or Navajo Tribal, the BLM is the only interest owner requiring notice of the subject application. The BLM was provided with a copy, which at their discretion will be forwarded to the Navajo Nation. Dugan Production Corp. holds 100% of the working interest, and there are no over-riding royalty interest owners.

Should you have questions or need additional information, please let me know.

Sincerely,

John D. Roe
Engineering Manager

JDR:sh

Attachment

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

*Mr. Steve Henke
Bureau of Land Management
Farmington Field Office
1235 La Plata Hwy.,
Suite A
Farmington, NM 87401*

2. Article Number (Copy from service label)

7000 1670 0010 0492 5107

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Virginia Barber

B. Date of Delivery

5/20/02

C. Signature

Virginia Barber Agent Addressee

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

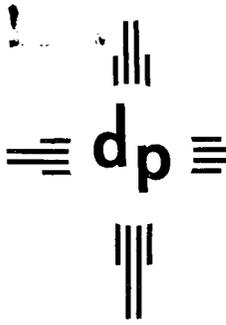
 No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes



dugan production corp.

May 17, 2002

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

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

Re: Proposed Surface Commingling and Off-Lease Measurement of Natural Gas
Dugan Production Corp.'s
No Doubt No. 90 (API No. 30-045-30781)
Dugan Production Corp.'s Pet Inc Gas Gathering System
San Juan County, New Mexico

Dear Ms. Wrotenbery and Mr. Henke:

We are writing to request your approvals for the surface commingling and off-lease measurement of natural gas produced from Dugan Production Corp.'s recently completed No Doubt No. 90. This well, located in the NWNE of Section 6, T-27N, R-13W, was completed on 04/11/02 in the Basin Fruitland Coal Pool and is located on Federal lease NM-89131. We are proposing to add the No Doubt No. 90 to Dugan Production's existing Pet Inc Gas Gathering System, which delivers natural gas to a central delivery sales (CDP) meter located in the SESW of Section 4, T-27N, R-13W (El Paso Meter No. 75470). In addition, we are requesting retroactive approval to move the CDP sales meter for the Pet Inc Gathering System from the NENW of Section 35, T-28N, R-14W to the SESW of Section 4, T-27N, R-13W.

Attachment No. 1 presents Dugan's Pet Inc Gas Gathering System, along with the wells connected, and proposed to be connected, to the system. In addition, Dugan Production's leasehold interest for these wells is also presented. Attachment No. 2 presents well and lease information for each of the wells connected to the gathering system, plus the one well proposed to be added. Attachment No. 3 presents the C-102's for each of the wells, along with the dedicated spacing units and associated leases. Attachment No. 4 presents the ownership for each of the wells, and Attachment No. 5 presents the proposed allocation procedures. Attachment No. 6 presents gas analyses believed to be representative of the gas to be surface commingled. Gas from wells on the Pet Inc Lease (which represents a mix of gas from the Ojo Fruitland Sand-Pictured Cliffs, plus the Basin Fruitland Coal) is presented on Page No. 1, and since a gas analysis is not available from the No Doubt No. 90, a gas sample from Dugan's Bengal C #90, located \pm 8 miles to the southeast, is presented on Page No. 2 and is believed to be representative of the Basin Fruitland Coal completed in the No Doubt No. 90. It is our belief that these gases are compatible, and there will be no problems resulting from commingling.

Dugan Production is the operator and holds 100% of the working interest in all wells. Since the spacing units for each of the wells encompasses only Navajo or Federal leases, all royalty interest is represented by the Bureau of Land Management (BLM), and there are no over-riding royalty interest owners. Thus, the only notice requirement is to the BLM, which is receiving this letter by certified return receipt mail. Upon receiving the return receipt from the BLM, we will forward a copy to the New Mexico Oil Conservation Division (NMOCD) as proof of notice. We are sending an extra copy of this application to the BLM, which may be forwarded to the Navajo Nation for their review and file.

The Pet Inc Gas Gathering System was initially authorized by the USGS on February 10, 1967 to gather gas from three wells (two Gallup and one Dakota) operated by Dugan Production for delivery to El Paso Natural Gas at a CDP sales meter located in the NENW Section 35, T-28N, R-14W. (El Paso Meter No. 75470) (Attachment No. 7 presents a copy of this approval.) The Pet Inc Gathering System was initially known as the Raven Area Pipeline and served these three wells until the Raven No. 1 (NWNW 6, T-27N, R-14W) was P&A 01/22/69, and the Midwest No. 1 (SESE 31, T-28N, R-14W) was P&A 09/24/70. On October 10, 1972, the USGS approved the addition of several Pictured Cliffs wells located on Dugan's Pet Inc lease (Navajo Lease No. 14-20-603-2015) to the Pet Inc Gas Gathering System. (Attachment No. 8 presents a copy of the USGS approval.) The NMOCD also approved the operation of the Pet Inc Gas Gathering System on 12-19-72 with Order R-4453, which authorized the surface commingling and off-lease measurement of gas from one Gallup well (the Pet Inc #1 NWNW 6, T-28N, R14W), plus the Pictured Cliffs gas production from wells on Dugan's Pet Inc lease in Sections 25, 26, 35 and 36 in T-28N, R15W. (Attachment No. 9 presents a copy of NMOCD Order R-4453.) Thus, from August, 1973 (the date gas from Pictured Cliffs wells was first delivered) to the current time, the Pet Inc Gas Gathering System has delivered gas only from Dugan's Pet Inc lease (one Gallup well, plus sixteen wells completed in the Pictured Cliffs, Fruitland Sand and/or the Fruitland Coal pools). The CDP sales meter currently authorized is El Paso's meter No. 75470, which was initially located in the NENW of Section 35, T-28N, R-14W. This meter was connected to El Paso's high pressure gathering system, which routinely averaged 275psi and often approached 400psi. In order to produce wells on the Pet Inc lease, it was necessary to operate a 120hp two-stage compressor located on the lease, which provided a field gathering system pressure of 15 to 30psi. In the early part of 1993, Dugan Production was able to negotiate with El Paso to relocate the Pet Inc CDP sales meter from El Paso's high pressure system to El Paso's low pressure gathering system, which was being operated at 30 to 50psi. This entailed transferring ownership to Dugan Production for the section of El Paso's pipeline between the NENW of Section 35, T-28N, R-14W and the SWNW of Section 4, T-27N, R-13W. This section of line was then isolated from El Paso's high pressure system in the SWNW of Section 4, T-27N, R-13W, and Dugan Production laid approximately 3,000' of buried 3" line to connect the Pet Inc Gas Gathering System to El Paso's low pressure gathering system in the SESW of Section 4, T-27N, R-13W on the location of Dugan's Piney No. 1 well. The Piney No. 1 is located on Federal Lease No. NM-25454 and is directly connected to El Paso's low pressure gathering system (El Paso Meter No. 94383). The Piney No. 1 is not part of the Pet Inc Gathering System. Thus, on 02/19/93, gas from the Pet Inc Gathering System began delivery (using the same El Paso Meter No. 75470) into El Paso's low pressure gathering system at the new meter location in the SESW of Section 4, T-27N, R-13W. We inadvertently did not solicit approval for the new meter location and are now requesting approval from the NMOCD and BLM for the new meter location. Producing into El Paso's low pressure gathering system offers several benefits, with the primary benefits being that a smaller compressor could be used (reducing fuel requirements \pm 21mcf/d), and the field gathering system pressure was lowered from an average of 20psi to an average of 8psi. In addition, the average pressure in the \pm 9 miles of pipeline between the Pet Inc lease compressor and the CDP sales meter was reduced from an average of 275psi to an average of 45psi.

The Pet Inc No. 1 Gallup completion was initially designated as the Ojo Gallup Gas Pool on 03/01/67, and the wells completed in the Pictured Cliffs were initially designated as the Ojo Pictured Cliffs Gas Pool on 03/01/75. The Ojo Pictured Cliffs pool was re-designated as the Ojo Fruitland-Pictured Cliffs pool, and then as the Ojo Fruitland Sand-Pictured Cliffs gas pool upon establishing special pool rules for the Basin Fruitland Coal. Currently, the only Gallup completion (Pet Inc No. 1) is shut in with plans to plug and abandon the well bore. A total of nineteen Fruitland Sand-Pictured Cliffs and/or Basin Fruitland Coal wells have been drilled; however, only ten are currently active, averaging a total of \pm 85 mcf/d, (ranging from 0.2 to 30 mcf/d per well). Three wells were never connected to the gathering system (Pet Inc No. 4, 8, and 19) and have been plugged, plus four of the wells connected have also been plugged (No. 6, 9, 15, and 18). In addition, one well (No. 11) is approved to be plugged, and one well (No. 13) is shut in as a second Fruitland Coal completion within a 320 acre spacing unit. Attachment No. 10 presents the production from all wells on the Pet Inc lease which have been completed in the Pictured Cliffs, Fruitland Sand, and Fruitland Coal. We did not present the production from the individual pools since all wells have been downhole commingled since completion in the early to mid-1970s, as authorized by NMOCD Order R-5359 on 01/25/77 (which authorizes the downhole commingling of Fruitland and Pictured Cliffs in 361.25 sections throughout the southwestern portion of the San Juan Basin). Production presented is from a total of 16 wells and 24 completions, since 8 of the wells have the Fruitland Coal interval completed. Upon establishing the Basin Fruitland Coal pool in 1988, it has been necessary to allocate production in these 8 wells between the Ojo Fruitland Sand-Pictured Cliffs and the Basin Fruitland Coal pools. The allocation factors being used are presented on Attachment No. 2 (Note No. 4). The current production rate for each well is presented on Attachment

No. 2, and as can be seen, of the 10 wells currently producing, the average production is 8.5 mcf/well, and only one well produces more than the marginal well rate of 15 mcf. Although none of the wells produce significant daily volumes, production has been fairly steady and as of 02/01/02 a total of 1.6 billion cubic feet of gas have been produced (Reference Page 2 of Attachment No. 10 for individual well cumulatives.). The wells are all completed at depths of 350' to 850' and are within \pm 2 miles of the strip mining operation of San Juan Coal at the Navajo Coal Mine. Attachment No. 11 presents the Gallup production from the Pet Inc No. 1. The Gallup production has been fairly good, but it appears that production has declined to a level that will not support anticipated remedial costs on the Pet Inc No. 1, and upon abandonment of the Pet Inc. No. 1, there will no longer be any production from the Gallup.

The No Doubt No. 90 was initially planned as an extension to the WAW Fruitland Sand-PC gas pool; however, upon drilling, it was decided to attempt a completion in the Fruitland Coal. Based upon initial testing, the well will require rod pump artificial lift and has produced \pm 50 mcf. This is an area that has not been developed in the Fruitland Coal, and little information about productivity of the Fruitland Coal is available. We are anxious to get this well on production, and the Pet Inc Gathering System is within 1,500' of the well. El Paso's nearest line is \pm 5,500' to the southwest, and the No Doubt 90 does not qualify for a wellhead connection on El Paso's system.

To insure that gas volumes and revenues measured at the CDP sales meter are properly allocated to each lease, we plan to install and maintain conventional, continuous recording gas meters (Barton dry flow or equivalent) on each lease and will use a commercial integration service to integrate the individual charts each allocation period, which typically will be a calendar month. These volumes will then be used to determine allocation factors for each lease. Gas BTUs and revenues will be allocated from the CDP sales meter to each lease using allocation factors determined by applying gas heating values determined from gas samples taken from each lease to the volumes measured by each lease allocation meter. Attachment No. 5 presents the details of our proposed allocation procedures.

To insure the integrity of the Pet Inc Gas Gathering System, Dugan Production routinely surveys all pipelines of the Pet Inc Gas Gathering System (as we do on all of our gathering systems), using our portable gas detector. Should a leak be detected, we initiate repairs as soon as possible. Attachment No. 12 presents a sketch of the facilities on the Pet Inc lease and at the CDP sales meter.

In summary, Dugan Production Corp. is proposing to add one recently completed well to our existing Pet Inc Gas Gathering System. Dugan Production is the operator of all wells and operates the Pet Inc Gas Gathering System. This will allow the No Doubt No. 90 to be produced and should have no affect upon the Pet Inc wells. All wells are considered to be fairly low volume producers; however, hopefully they will have long producing lives and will develop significant gas reserves. (The Pet Inc wells all produce less than 30 mcf per well, and the No Doubt No. 90 has tested \pm 50 mcf.) All gas volumes, BTU's, and revenues will be allocated from the CDP to the individual leases, using allocation factors determined from gas volumes recorded by allocation meters located on each lease, and BTU's determined for each lease. This should help to insure that the proposed surface commingling and off-lease measurement will not diminish the production value for either of the leases.

Should you have questions or need additional information, please let me know.

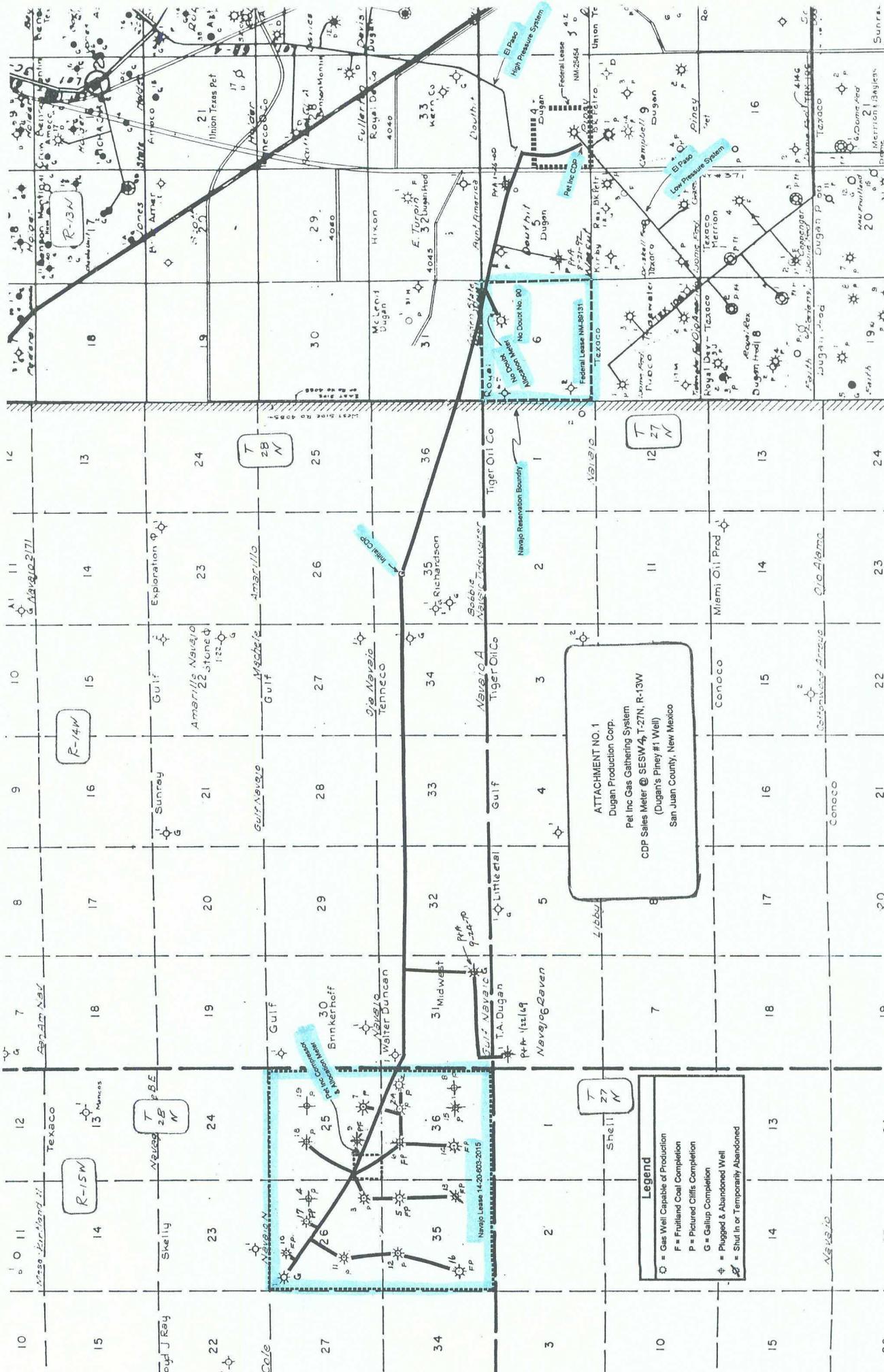
Sincerely,



John D. Roe
Engineering Manager

JDR:sh

xc: NMOCD-Aztec
Navajo Nation via the BLM



ATTACHMENT NO. 1
 Dugan Production Corp.
 Pet Inc Gas Gathering System
 CDP Sales Meter @ SESW #1 T-27N, R-13W
 (Dugan's Piney #1 Well)
 San Juan County, New Mexico

- Legend**
- ☉ = Gas Well Capable of Production
 - F = Fruitland Coal Completion
 - P = Pictured Cliffs Completion
 - G = Gallup Completion
 - X = Plugged & Abandoned Well
 - S = Shut In or Temporarily Abandoned Well

**ATTACHMENT NO. 2
DUGAN PRODUCTION CORP.
PET INC GAS GATHERING SYSTEM AND GDP
CDP Sales Meter @ N-4-T27N-R13W (EI Paso Meter No. 75470)
SAN JUAN COUNTY, NEW MEXICO**

Well Name	Well Location		Well Location Lse. Type	CA Number	Pool	Completion Date	Current Prod.		Spacing Unit	Date of First Delivery
	UL- Sec-Twn-Rng	Lease No.					MCFD	BC/D		
WELLS APPROVED FOR CDP										
Pet Inc. 1 (Note 2)	07235	D-26-28N-15W	14206032015	Navajo	N/A	OJO GALLUP	0	0	NW/4 - 160A	12/29/86
Pet Inc. 2	20735	A-36-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	11.2	0	NE/4 - 160A	08/21/73
Pet Inc. 2A	21741	B-36-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	0.4	0	NE/4 - 160A	05/02/75
Pet Inc. 3	20940	P-26-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	6.5	0	SE/4 - 160A	08/21/73
Pet Inc. 4 - P&A (Note 3)	21059	H-26-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	--	--	NE/4 - 160A	--
Pet Inc. 5 FC/PC (Note 4)	21060	A-35-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	8.5	0	(Note 4)	08/21/73
Pet Inc. 6 FC/PC - P&A (Note 3)	21061	C-36-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	--	--	(Note 4)	08/21/73
Pet Inc. 7	21062	O-25-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	29.9	0	SE/4 - 160A	08/21/73
Pet Inc. 8 - P&A (Note 3)	21739	I-36-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	--	--	SE/4 - 160A	--
Pet Inc. 9 FC/PC - P&A (Note 3 & 4)	21740	N-25-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	--	--	120A NSPU (Note 5)	05/02/75
Pet Inc. 10 FC/PC (Note 4)	22551	C-26-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	7.4	0	(Note 4)	08/13/77
Pet Inc. 11 (Note 3)	22553	K-26-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	0	0	SW/4 - 160A	08/15/77
Pet Inc. 12	22554	C-35-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	6.0	0	NW/4 - 160A	08/22/77
Pet Inc. 13 FC/PC (Note 4 & 6)	22555	I-35-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	0	0	(Note 4)	08/25/77
Pet Inc. 14 FC/PC (Note 4)	22558	K-36-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	0.2	0	(Note 4)	09/15/77
Pet Inc. 15 FC/PC - P&A (Note 3 & 4)	22557	J-36-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	--	--	(Note 4)	09/23/77
Pet Inc. 16 FC/PC (Note 4)	25400	L-35-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	0.6	0	(Note 4)	11/29/82
Pet Inc. 17 FC/PC (Note 4)	22552	G-26-28N-15W	14206032015	Navajo	N/A	BASIN FR COAL/OJO FR SAND PC	13.6	0	(Note 4)	08/13/77
Pet Inc. 18 - P&A (Note 3)	22549	F-25-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	--	--	NW/4 - 160A	08/16/77
Pet Inc. 19 - P&A (Note 3)	25399	G-25-28N-15W	14206032015	Navajo	N/A	OJO FRUITLAND SAND PC	--	--	NE/4 - 160A	--
WELLS TO BE ADDED TO SYSTEM										
No Doubt 90	30781	B-6-27N-13W	NM 89131	Federal	N/A	BASIN FR COAL	50	0	E/2 - 320A	--

Notes:
 N/A - Not applicable or not needed.
 1. Current production data represents daily average for 11/01 and 12/01. Rates for No Doubt 90 represent initial test. For wells downhole commingled, production represents total from both zones.
 2. Well is currently shut in with plans to P&A. The Gallup last produced 01/98 @ ± 20 mcf/d and 0.4 BOPD. Cumulative production = 793.7 mmcf and 6,160 bbl. condensate + 467 bbl. water.

3. Wells plugged and abandoned or approved for abandonment

Well	Date P&A	Cum. Wellbore Production at Abandonment	
		Gas mcf	Water bbl.
4	04/29/86	0	0
6	03/14/02	93016	5409
8	04/15/75	0	0
9	03/14/02	76895	0
11	Proposed P&A	37951	0
15	10/24/91	34007	0
18	03/14/02	52873	0
19	04/29/86	0	0

4. Wells downhole commingled - NMOC Order R-5359 dated 01/25/77 & R-8768 (Rule 12 & 13), plus R-8769 both dated 10/17/88.

Well	Allocation Factor		Spacing Unit	
	Fruitland Coal	Pictured Cliffs	Fruitland Coal	Pictured Cliffs
5	47	53	E/2 - 320A	NE/4 - 160A
6+	46	54	N/2 - 320A	NW/4 - 160A
9	63	37	(Note 5)	(Note 5)
10+	48	52	W/2 - 320A	NW/4 - 160A
13+	57	43	E/2 - 320A	SE/4 - 160A
14	50	50	S/2 - 320A	SW/4 - 160A
15+	*	*	S/2 - 320A	SE/4 - 160A
16	52	48	W/2 - 320A	SW/4 - 160A
17	64	36	E/2 - 320A	NE/4 - 160A

* No allocation factors determined as well was P&A at time the application for downhole commingling factors was prepared.
 + Fruitland Coal Completion existed at time of special Pool rules and NSL was approved under Order No. (4) of Special Pool Rules (NMOC Order R-8768).

5. 120 acre NSPU for Pet Inc No. 9 authorized by NSP - 992 dated 04/11/75 consisting of N/2 SW/4 plus SESW.
 6. Well is shut in as the second well in the E/2 spacing unit with plans for long-term shut in pending 160A infill approval for Fruitland Coal. Wellbore potential = 4.5 mcf/d + .03 BWPD.

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 1 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

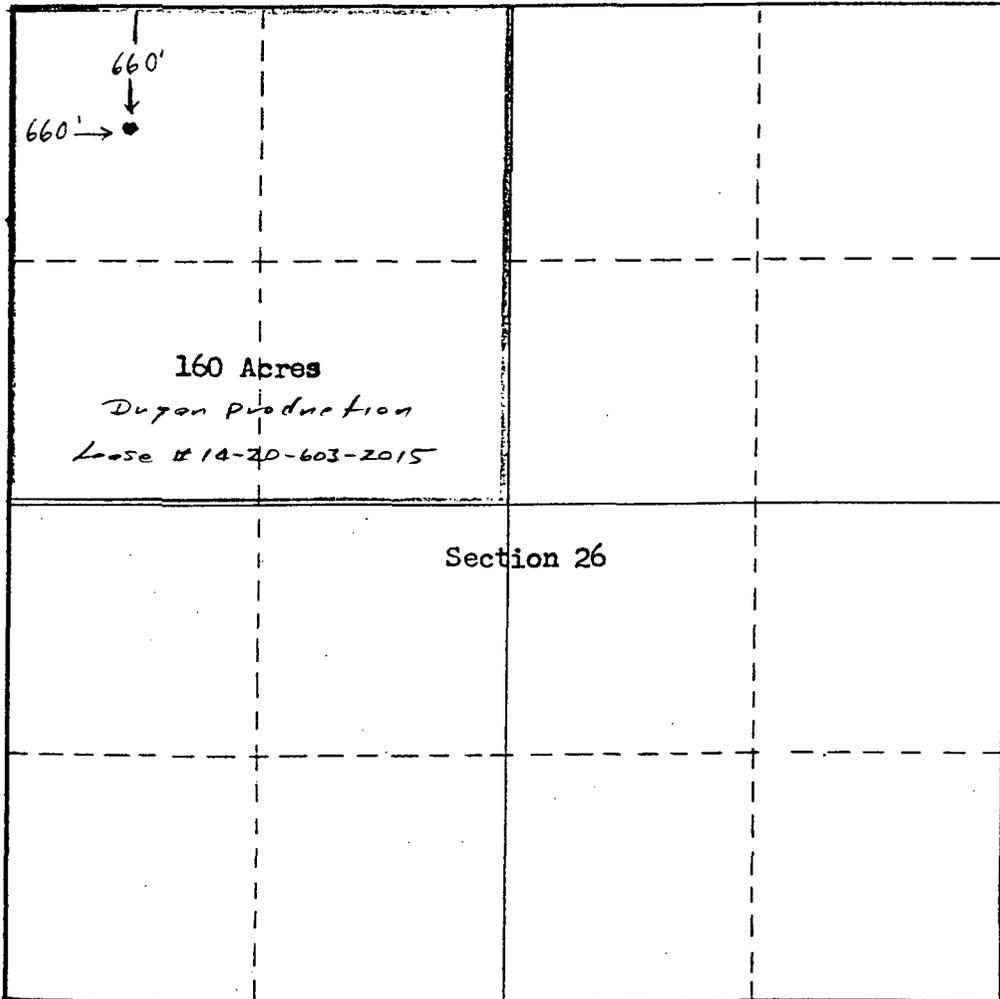
Operator Thomas A. Dugan		Lease Pet. Inc.			Well No. 1
Unit Letter D	Section 26	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the West line					
Ground Level Elev: 5553'	Producing Formation Gallup	Pool Oil Gallup Undesignated	Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name Thomas A. Dugan
Position Operator
Company
Date 1/12/67

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

Certificate No.



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Attachment
No. 3
Pg. 2 of 30

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

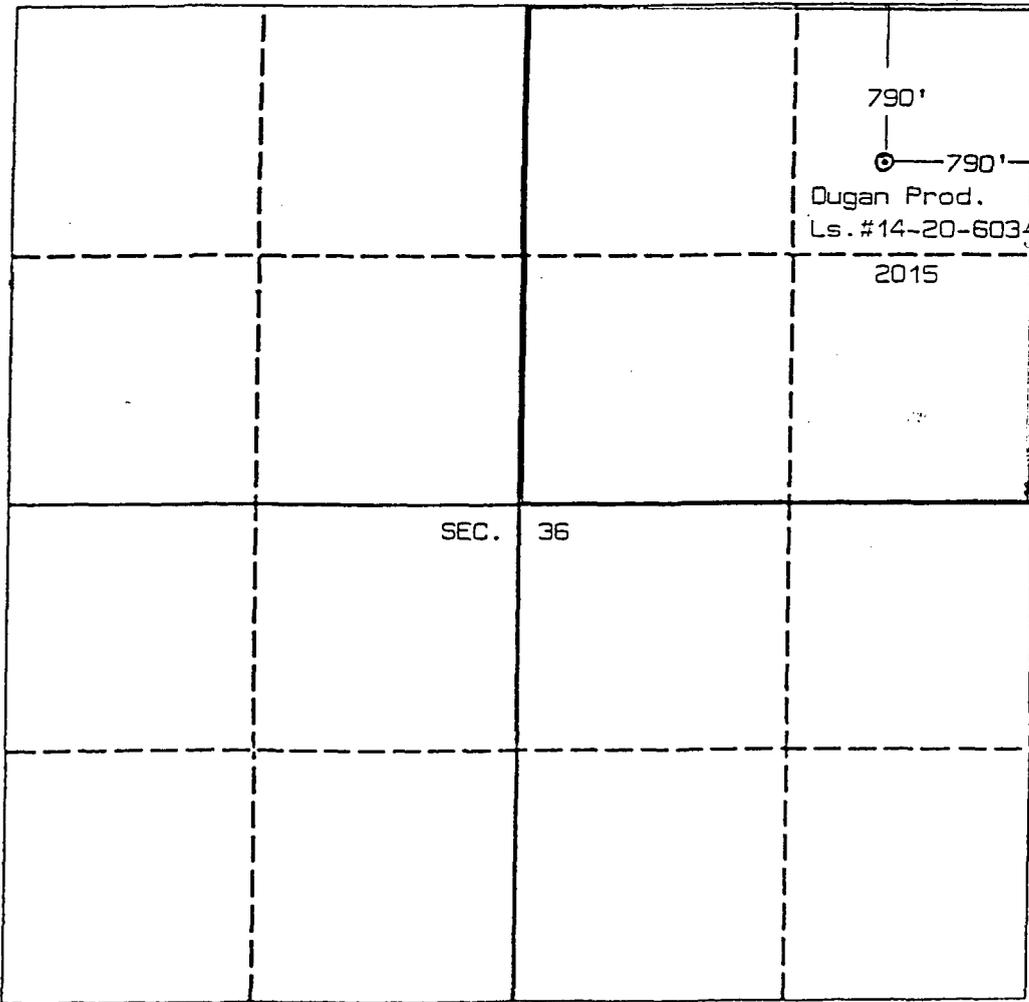
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator DUGAN PRODUCTION CORP.		Lease PET INC.		Well No. 2
Unit Letter A	Section 36	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line				
Ground level Elev. 5722'	Producing Formation Fruitland Sand PC	Pool Ojo Fruitland Sand PC	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

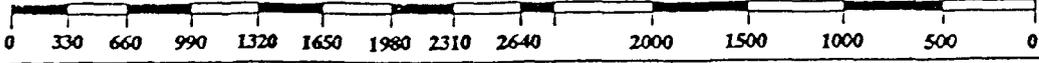
Signature
Jim L. Jacobs
Printed Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date
2-19-91

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 13, 1970
Signature & Seal of
Professional Surveyor
Redraft of original survey by
E.V. Echohawk

Certificate No.
3602



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 3 of 30

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

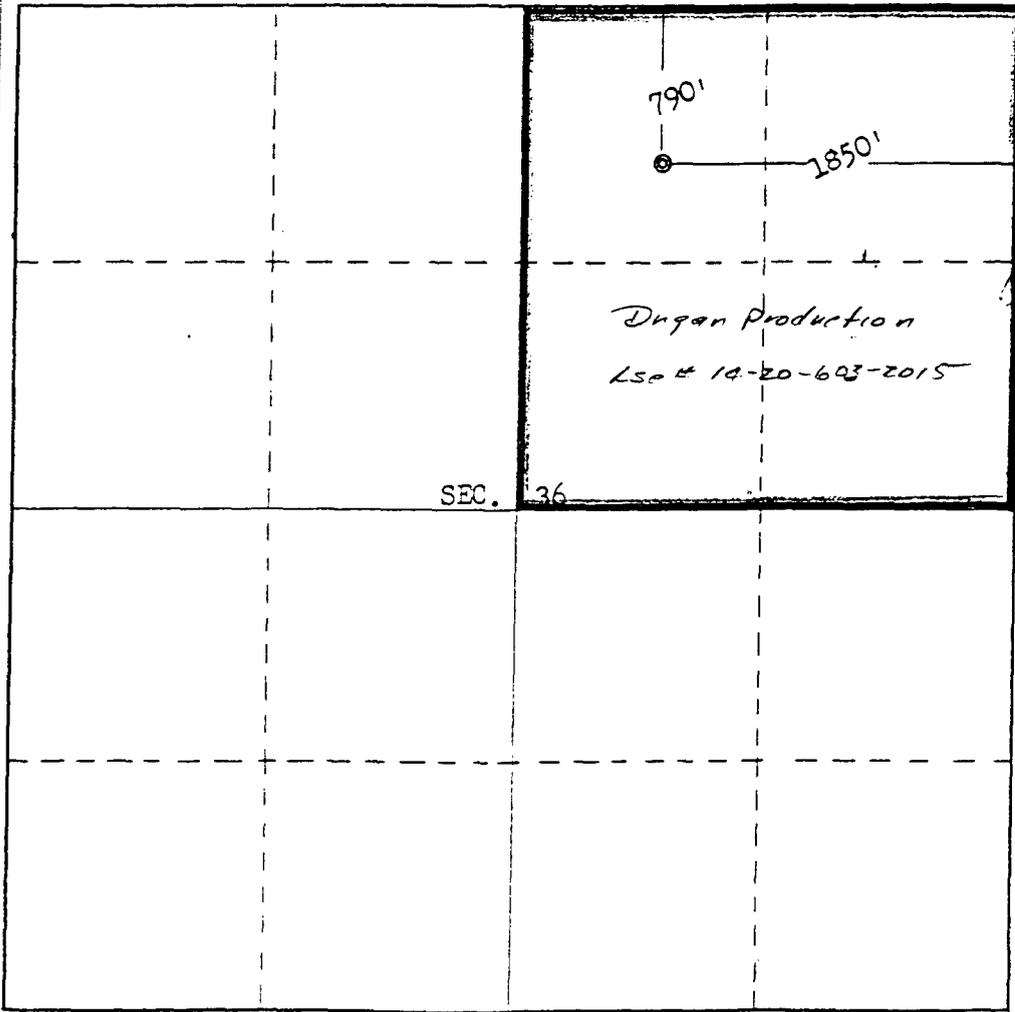
Operator Dugan Production Corporation			Lease Pet. Inc.		Well No. 2A
Unit Letter B	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the East line					
Ground Level Elev. 5699	Producing Formation Fruitland/PC	Pool Ojo Fruitland Sand PC		Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
September 24, 1990

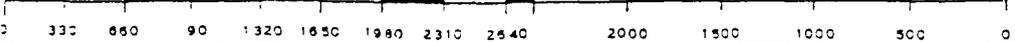


Date Surveyed
March 12, 1975

Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk

Certificate No. 3602
E.V. Echohawk LS



Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Attachment

No. 3

Pg. 4 of 30

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

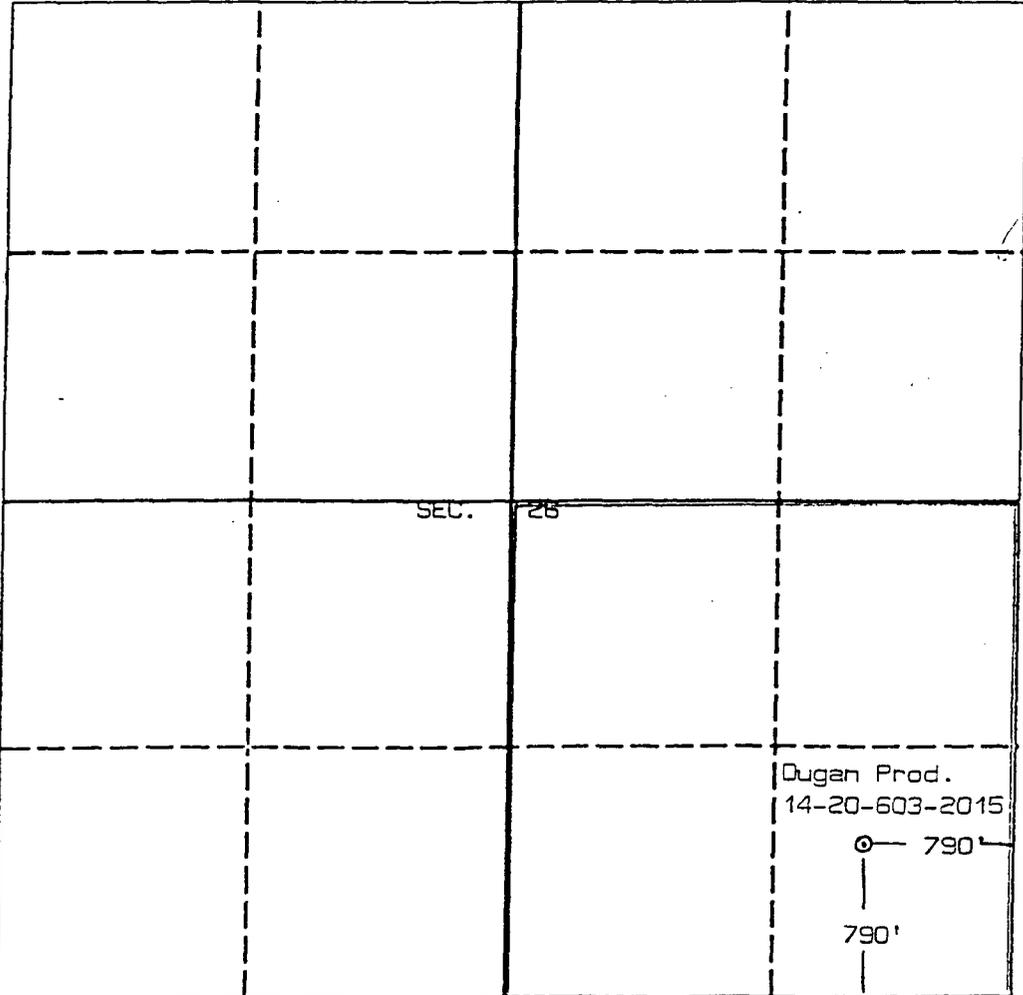
Operator DUGAN PRODUCTION CORP.		Lease PET INC.		Well No. 3
Unit Letter P	Section 26	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 790 feet from the South line and 790 feet from the East line				
Ground level Elev. 5606'	Producing Formation Fruitland Sand PC	Pool Ojo Fruitland Sand PC	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

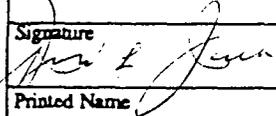
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature


Printed Name
 Jim L. Jacobs

Position
 Geologist

Company
 Dugan Production Corp.

Date
 2-19-91

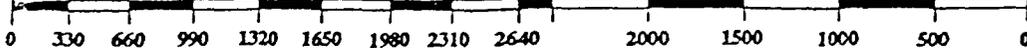
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
 January 13, 1970

Signature & Seal of Professional Surveyor
 Redraft of original plat surveyed by E.V. Echohawk, L.S.

Certificate No.
 3602



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator Dugan Production Corporation			Lease Pat. Inc.		Well No. 5
Unit Letter A	Section 35	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line					
Ground Level Elev. 5621	Producing Formation Pictured Cliffs		Pool Ojo FR Sand-PC	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

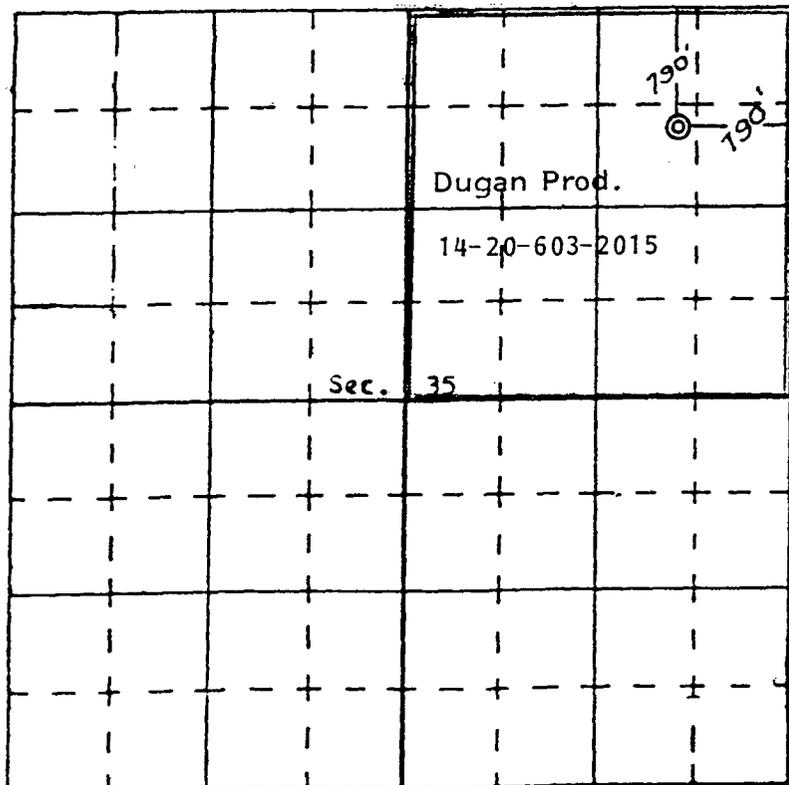
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date **11-30-88**



STATE OF NEW MEXICO
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
No. 3602
REGISTERED LAND SURVEYOR

Date Surveyed
January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk
Certificate No. 3602
E. V. Echohawk, LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator Dugan Production Corporation		Lease Pet. Inc.			Well No. 5
Unit Letter A	Section 35	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line					
Ground Level Elev. 5621	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acr.	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

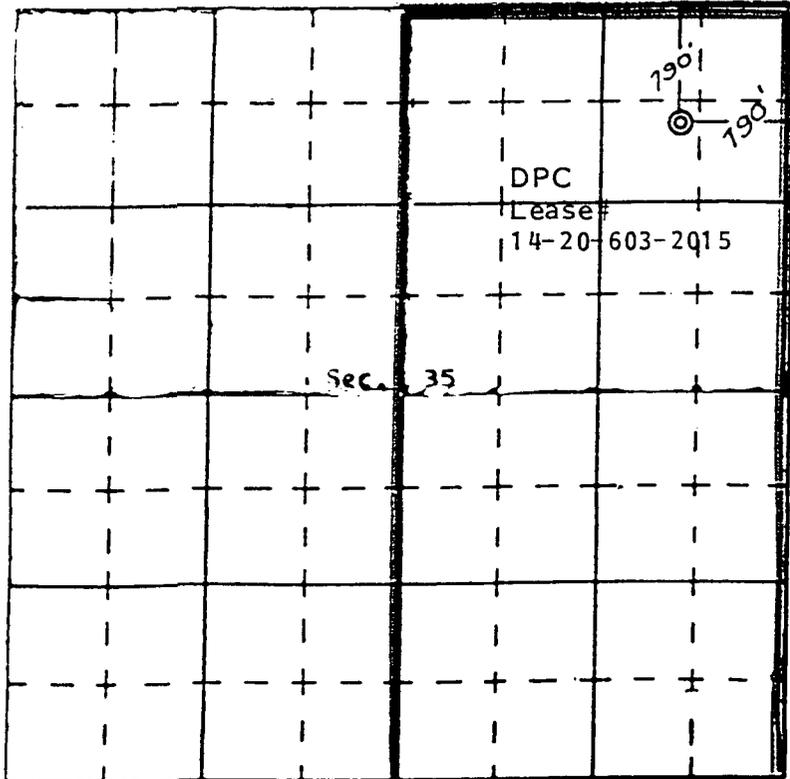
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this Form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date
4-14-89



I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, as that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk
Certificate No. **3602**
E. V. Echohawk, LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

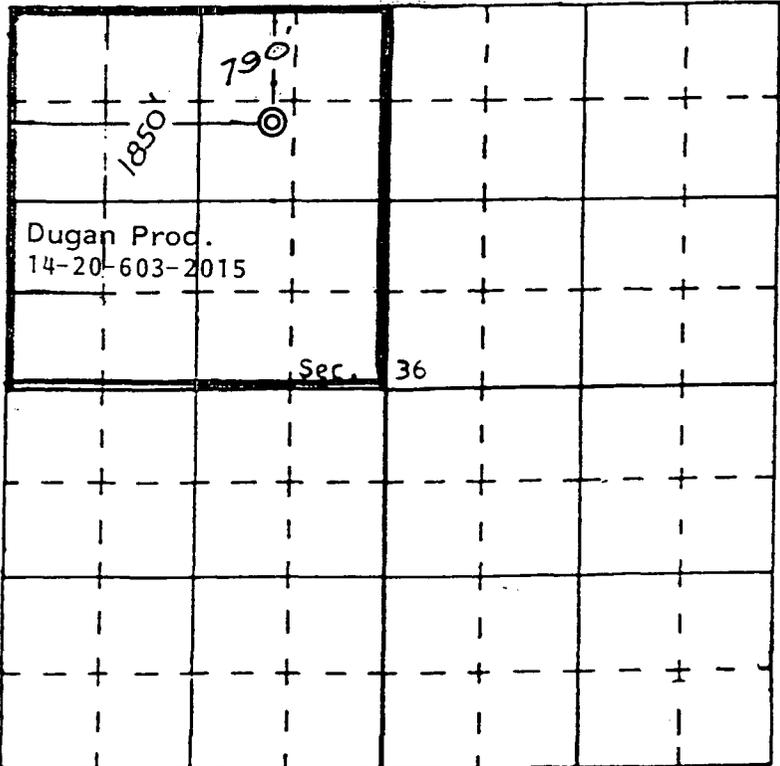
Operator Dugan Production Corporation		Lease Pet. Inc.		Well No. 6
Unit Letter C	Section 36	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line				
Ground Level Elev. 5658	Producing Formation Pictured Cliffs	Pool Ojo FR Sand-PC	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
() Yes () No If answer is "yes," type of consolidation
- If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this Form if necessary.)
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date **11-30-88**



STATE OF NEW MEXICO
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
REGISTERED LAND SURVEYOR

Date Surveyed
January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk
Certificate No. **3602**
E. V. Echohawk, L. S.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator Dugan Production Corporation			Lease Pet. Inc.		Well No. 6
Unit Letter C	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well:					
790 feet from the North line and		1850 feet from the West line			
Ground Level Elev. 5658	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

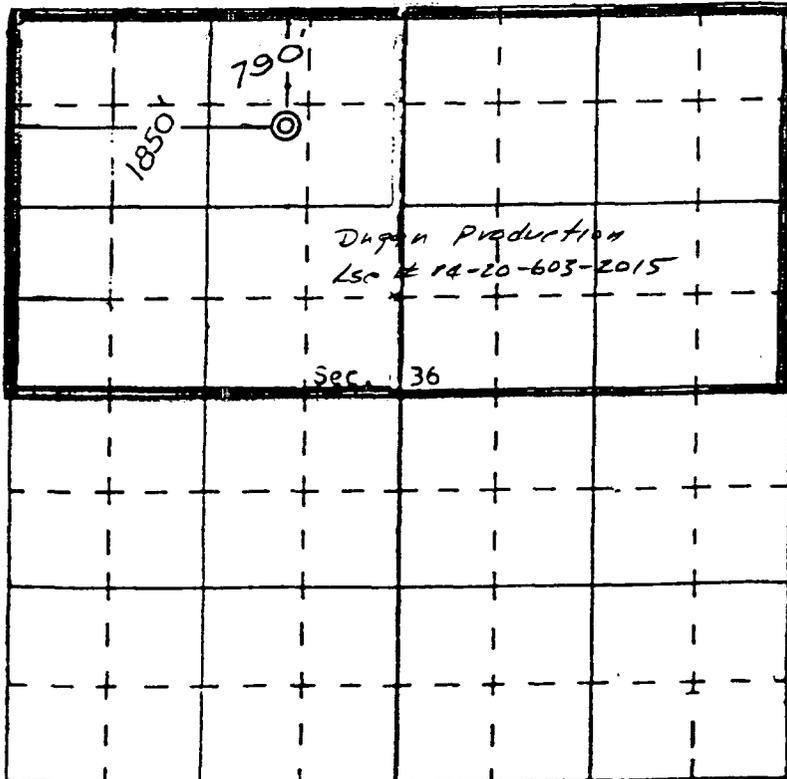
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.
Date
4-14-89



I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 13, 1970
Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk
Certificate No. **3602**
E. V. Echohawk, L. S.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator Dugan Production Corporation		Lease Pet. Inc.			Well No. 7
Unit Letter P O	Section 25	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 790 feet from the South line and 1750 feet from the East line					
Ground Level Elev. 5709	Producing Formation Pictured Cliffs	Pool O to Fruitland Sand - PC - WI Lcat	Dedicated AVERAGE: 160 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Original signed by **T. A. Dugan**

Name

Thomas A. Dugan

Position

Engineer

Company

Dugan Production Corporation

Date

9-29-77

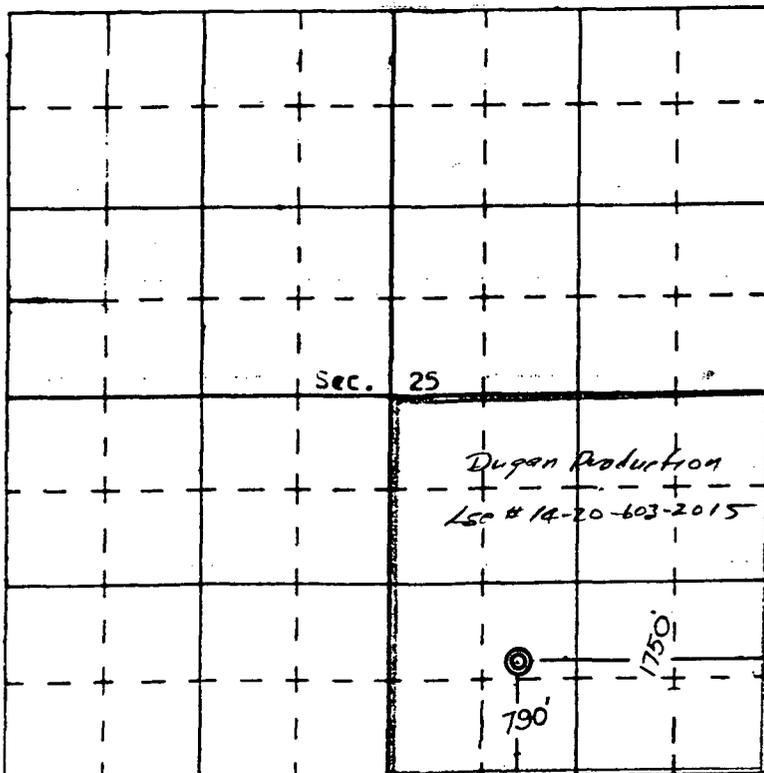
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

January 13, 1970

Registered Professional Engineer
and/or Land Surveyor

E. V. Echhawk
Certificate No. **3602**
E. V. Echhawk, L. S.



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 11 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

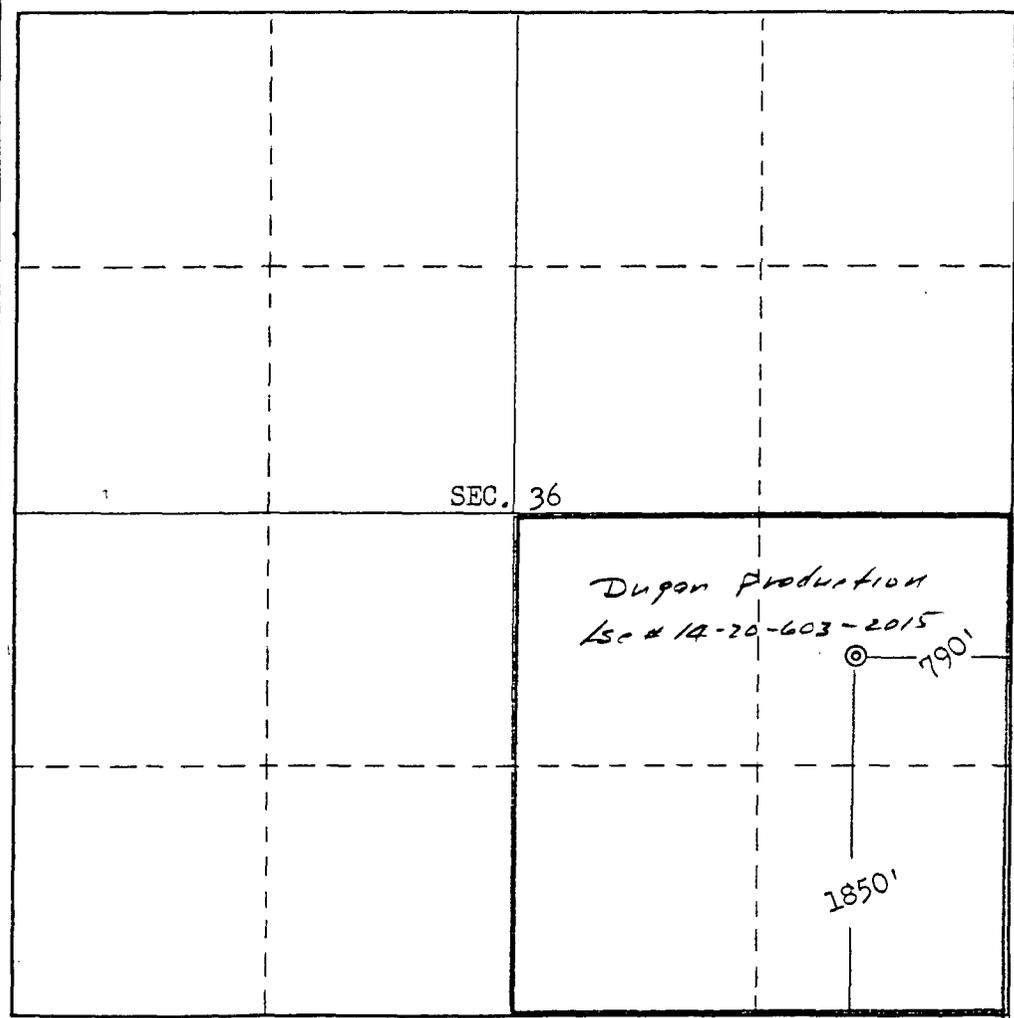
Operator Dugan Production Corporation		Lease Pet. Inc.			Well No. 8
Unit Letter I	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1850 feet from the South line and 790 feet from the East line					
Ground Level Elev. 5743	Producing Formation Pictured Cliffs		Pool oto Frontland Sand - PC -Undesignated-PC.	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

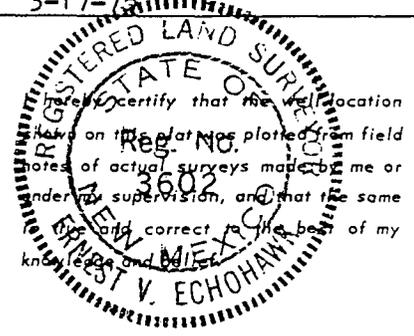
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Thomas A. Dugan

Position
Petroleum Engineer

Company
Dugan Production Corp.

Date
3-17-75



Date Surveyed
March 12, 1975

Registered Professional Engineer
and/or Land Surveyor
E. V. Echohawk

Certificate No. **3602**



E.V. Echohawk LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 12 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

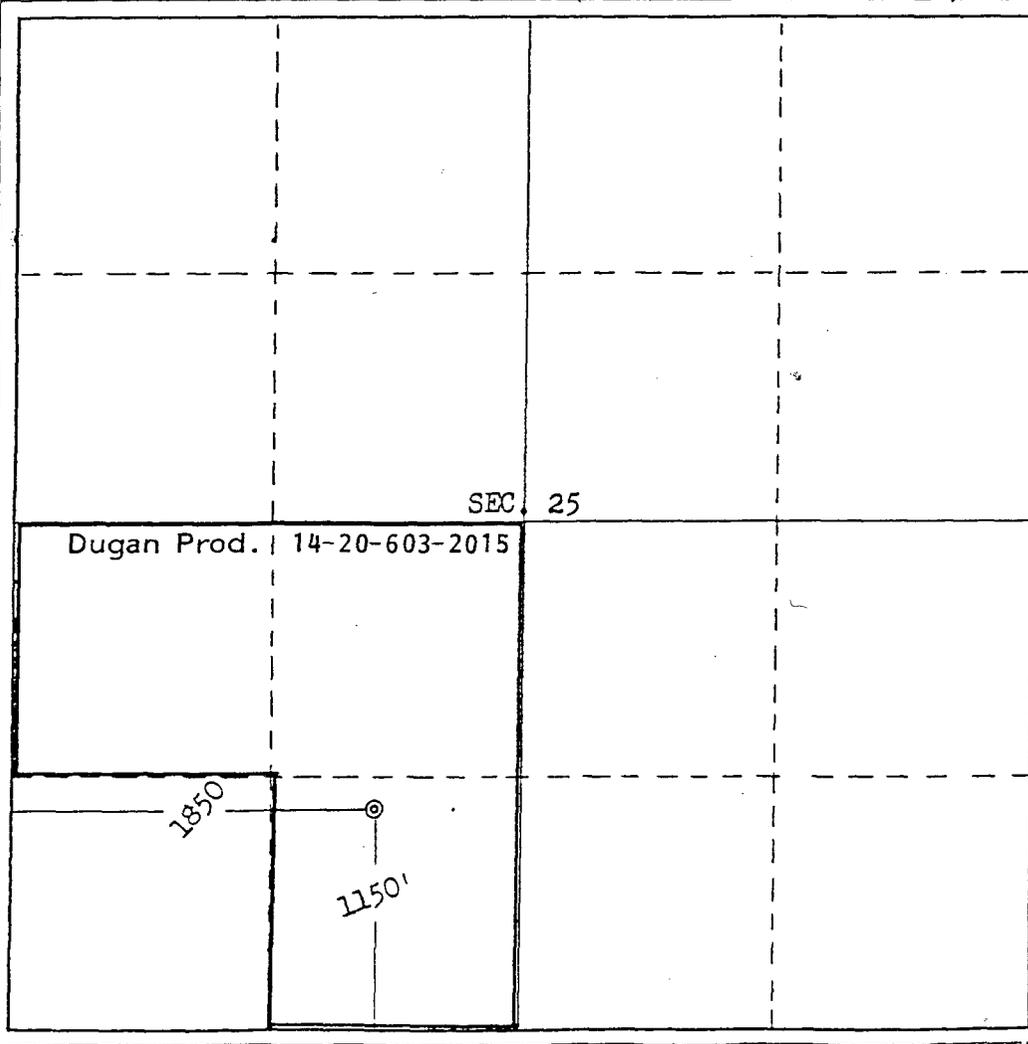
Operator Dugan Production Corporation		Lease Pet. Inc.		Well No. 9
Unit Letter N	Section 25	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 1150 feet from the South line and 1850 feet from the West line				
Ground Level Elev. 5665	Producing Formation Pictured Cliffs	Pool Ojo FR Sand-PC	Dedicated Acreage: * 120 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. *Order NSP-992 (4-11-75) approves 120 acres for Ojo PC.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
11-30-88

I hereby certify that the location shown on this plat was plotted from field notes of a Reg. Survey made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed
March 12, 1975

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 13 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Dugan Production Corporation		Lease Pet. Inc.		Well No. 9
Unit Letter N	Section 25	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 1150 feet from the South line and 1850 feet from the West line				
Ground Level Elev. 5665	Producing Formation Fruitland Coal	Pool Basin-Fruitland Coal	Dedicated Acreage: *120 Acres	

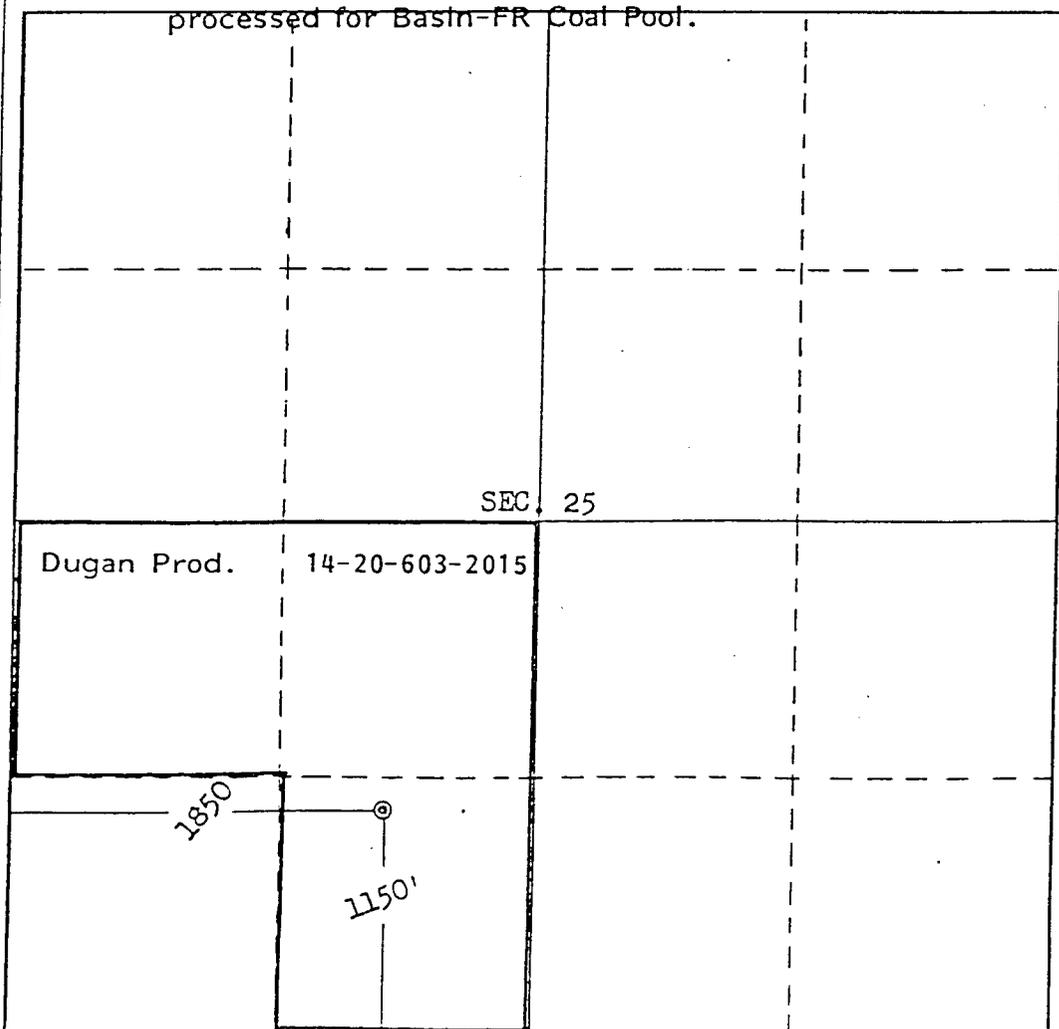
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. *Order NSP-992 (4-11-75) approves 120 acres for Ojo PC. Application for NSP being

processed for Basin-FR Coal Pool.



CERTIFICATION

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

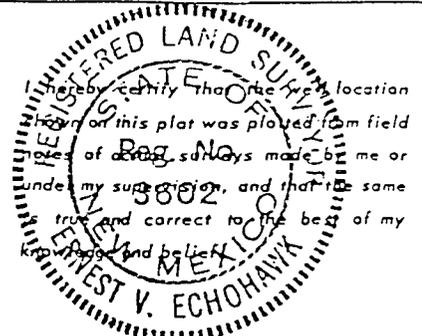
Jim L. Jacobs
Name

Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
11-30-88



Date Surveyed
March 12, 1975

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**

E.V. Echohawk LS

N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 14 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

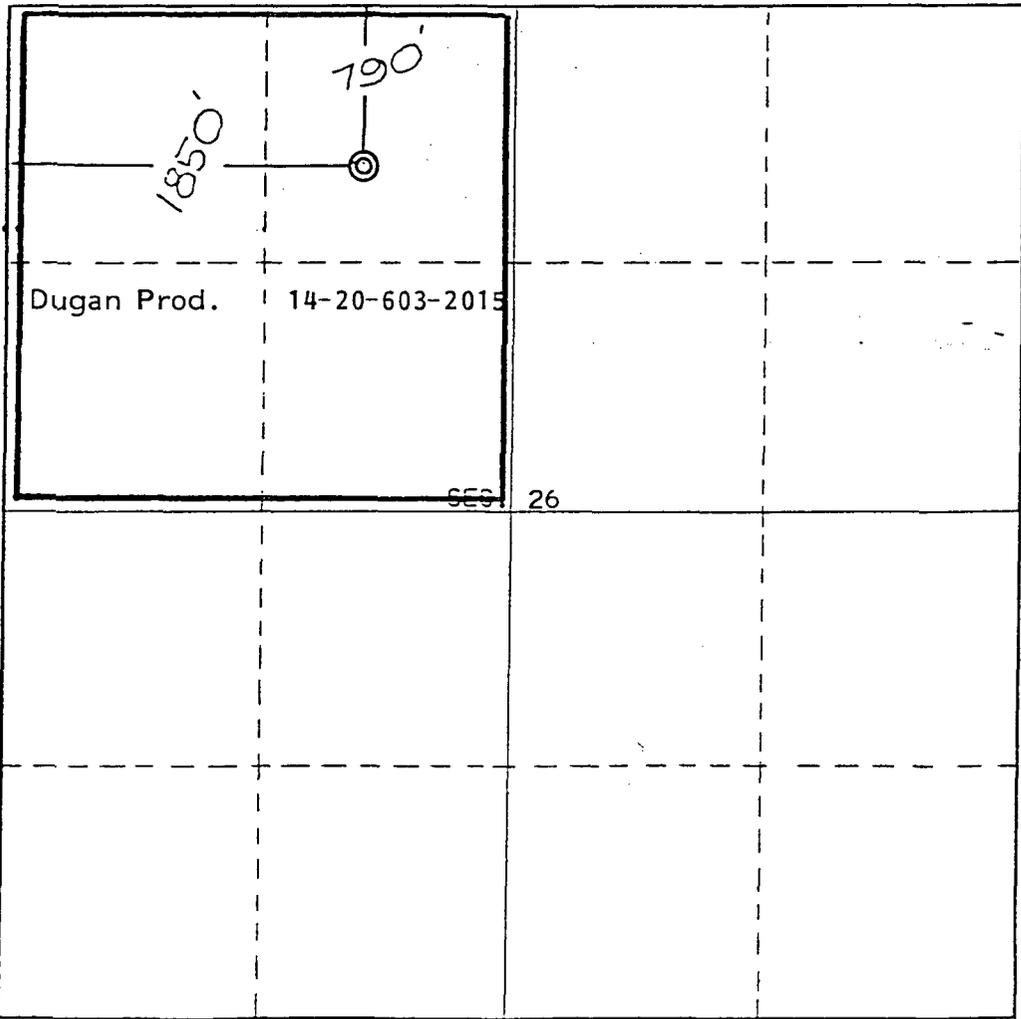
Operator Dugan Production Corporation		Lease Pet Inc		Well No. 10
Unit Letter C	Section 26	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line				
Ground Level Elev. 5555	Producing Formation Pictured Cliffs	Pool Ojo FR Sand-PC	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

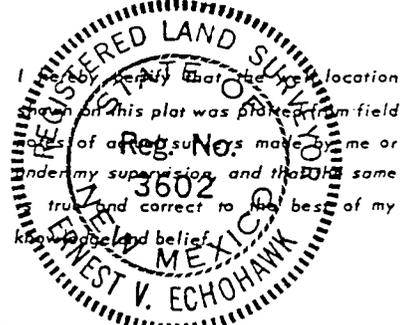
Jim L. Jacobs
Name

Jim L. Jacobs
Position

Geologist
Company

Dugan Production Corp.
Date

11-30-88

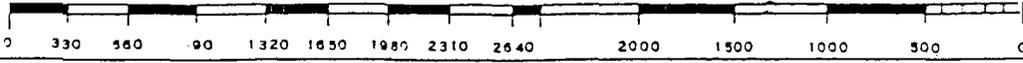


Date Surveyed
April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk
Certificate No. 3602

E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 15 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

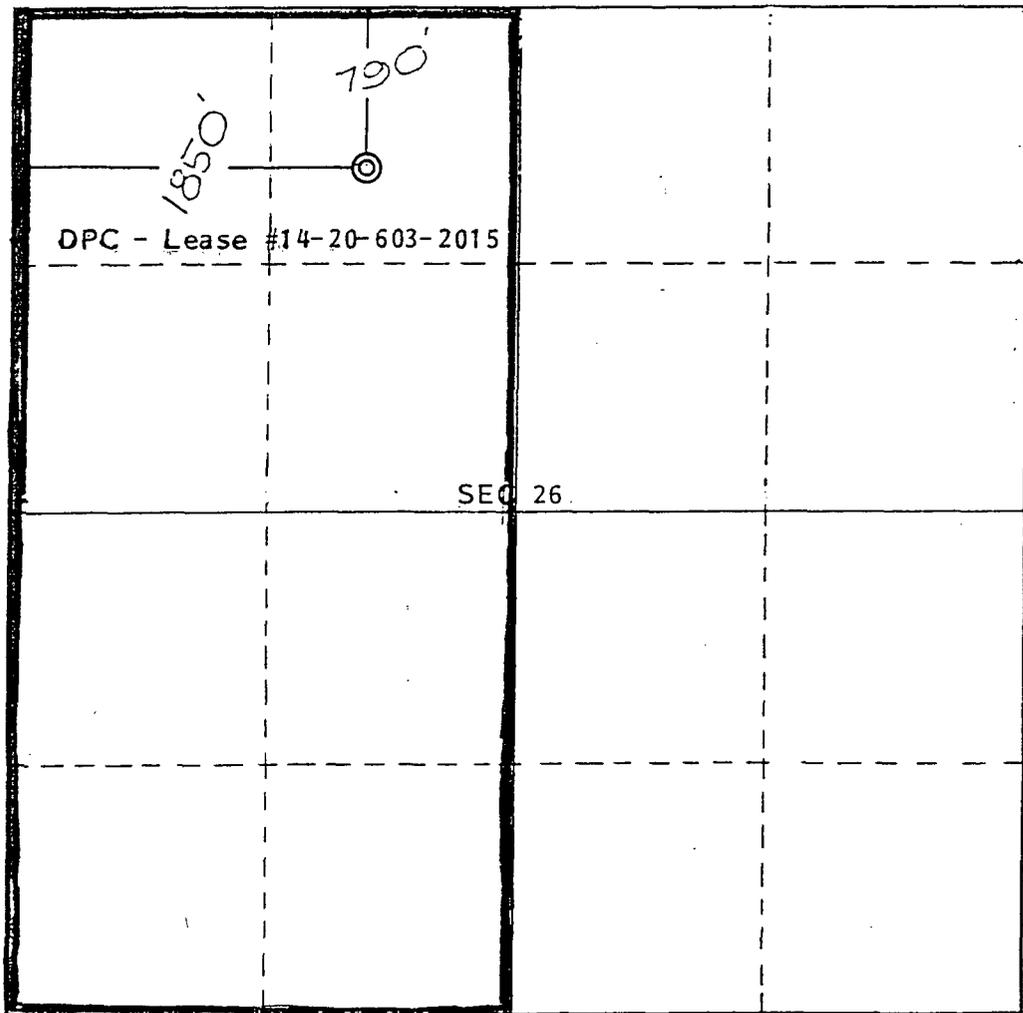
Operator Dugan Production Corporation		Lease Pet Inc			Well No. 10
Unit Letter C	Section 26	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line					
Ground Level Elev. 5555	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position

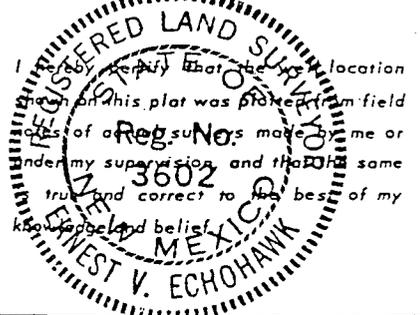
Geologist

Company

Dugan Production Corp.

Date

4-14-89



Date Surveyed

April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echoshawk

Certificate No. 3602

E.V. Echoshawk LS

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 16 of 30

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

Operator Dugan Production Corporation		Lease Pet Inc		Well No. 11
Unit Letter K	Section 26	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 1850 feet from the South line and 1650 feet from the West line				
Ground Level Elev. 5578	Producing Formation Fruitland/ PC	Pool Ojo Fruitland Sand PC	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

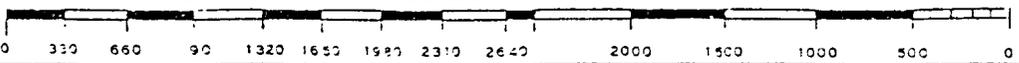
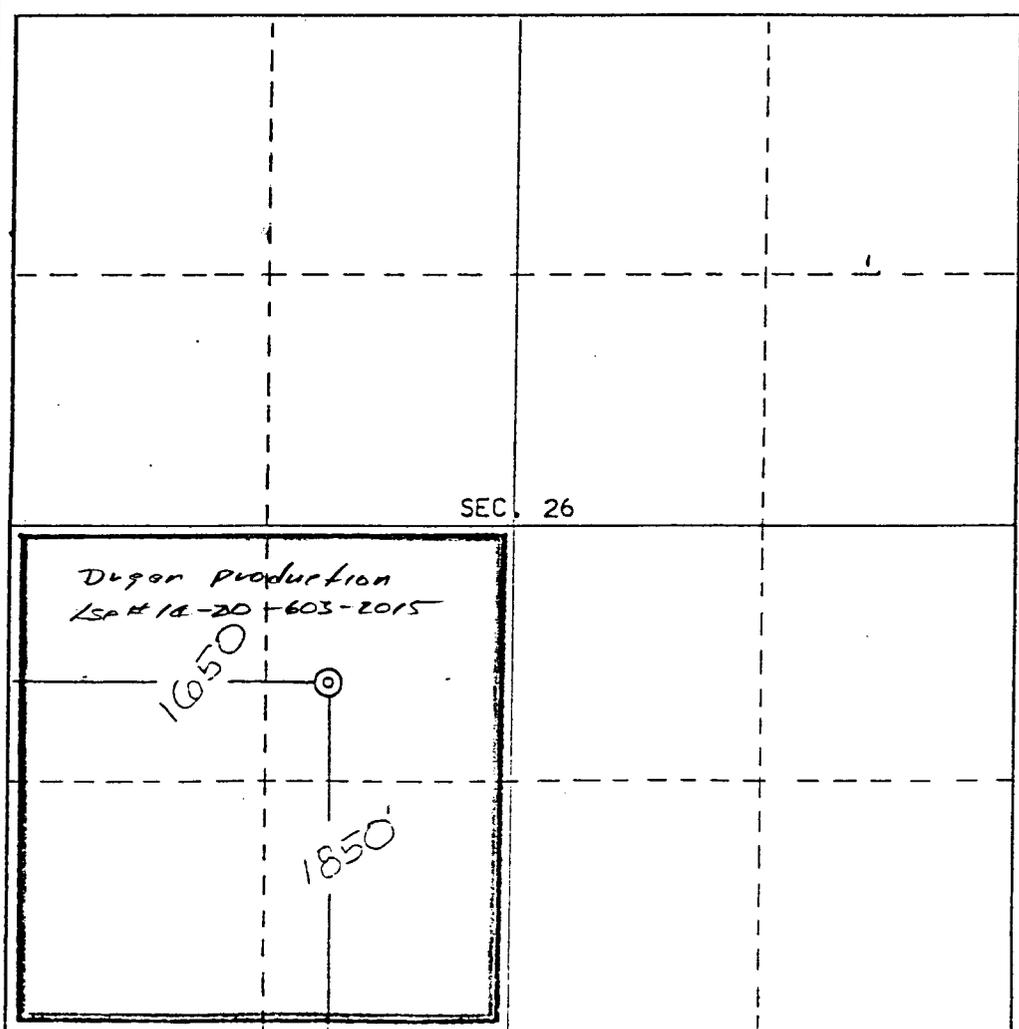
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
September 24, 1990

Date Surveyed
April 16, 1977

Registered Professional Engineer and/or Land Surveyor
E.V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 17 of 30

Form C-122
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

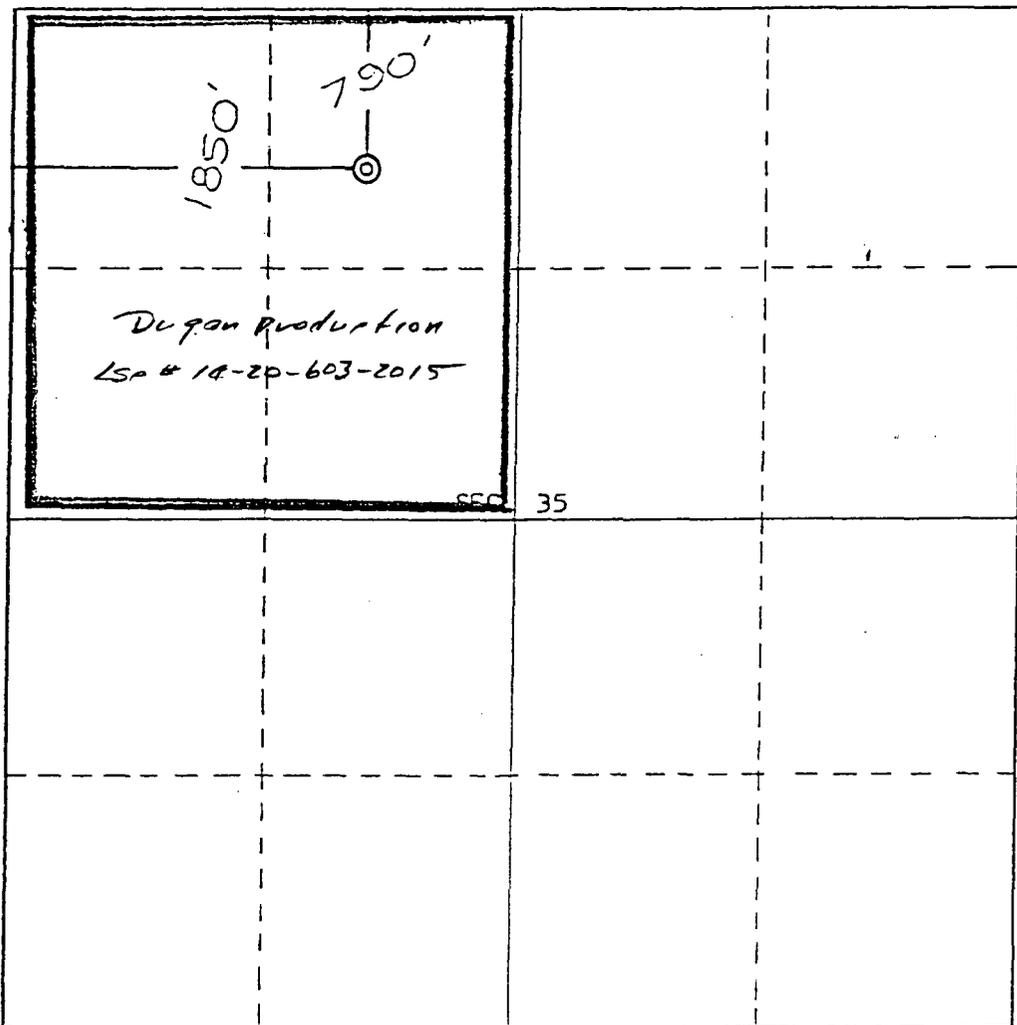
Operator Dugan Production Corporation			Lease Pet Inc		Well No. 12
Unit Letter C	Section 35	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line					
Ground Level Elev. 5611	Producing Formation Fruitland/PC		Pool Ojo Fruitland Sand PC		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

John L. Jacobs
Name

Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

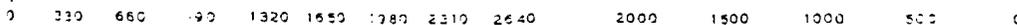
Date
September 24, 1990

Date Surveyed
April 16, 1977

Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk

Certificate No. 3602
E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 18 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

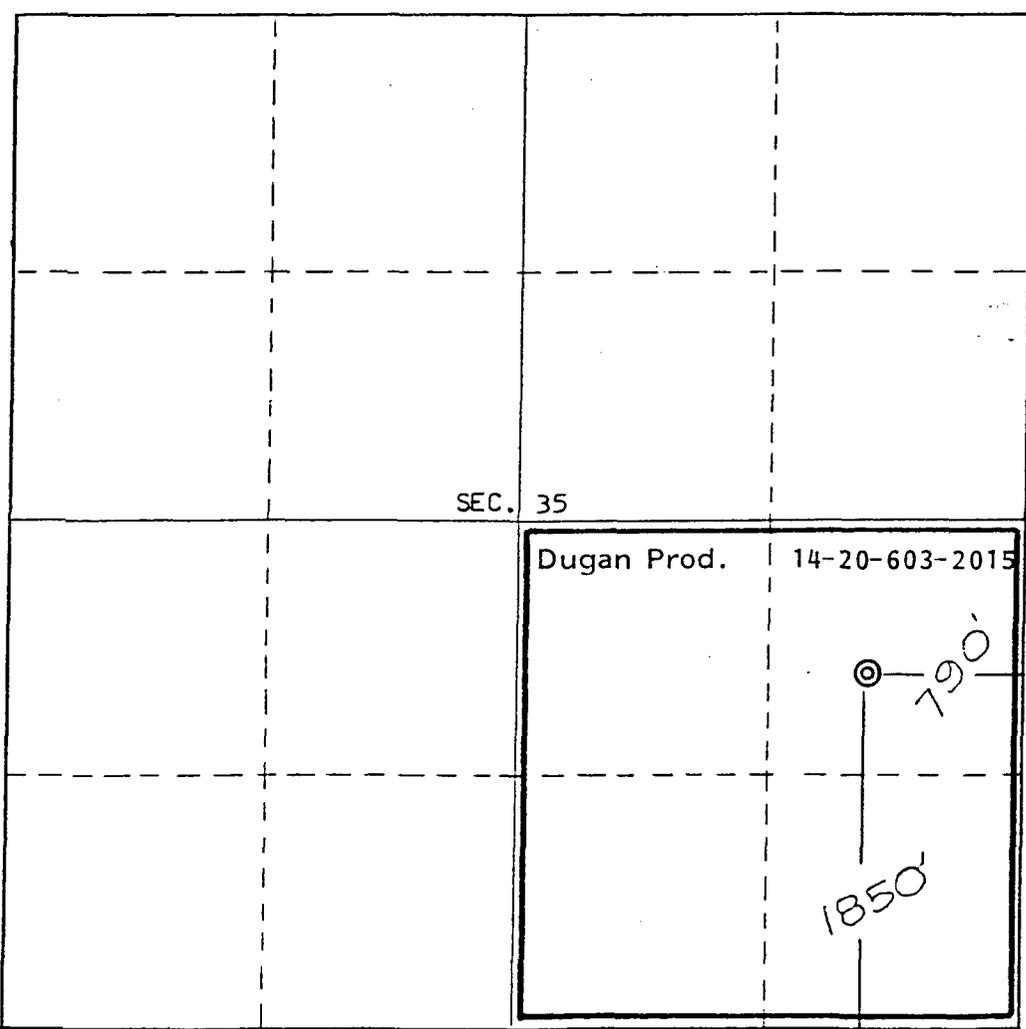
Operator Dugan Production Corporation			Lease Pet Inc			Well No. 13		
Unit Letter 1	Section 35	Township 28 North	Range 15 West	County San Juan				
Actual Footage Location of Well: 1850. feet from the South line and 790 feet from the East line								
Ground Level Elev. 5641	Producing Formation Pictured Cliffs			Pool Ojo FR Sand-PC			Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

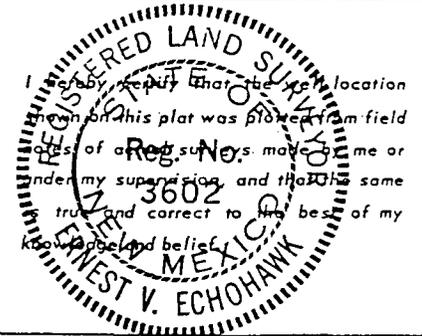


CERTIFICATION

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

Jim L. Jacobs

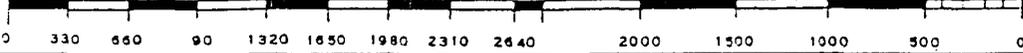
Name JIM L. Jacobs
Position Geologist
Company Dugan Production Corp.
Date 11-30-88



Date Surveyed April 16, 1977
Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 19 of 30

Form C-122
Supersedes C-128
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

Operator Dugan Production Corporation		Lease Pet Inc		Well No. 13
Unit Letter 1	Section 35	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 1850. feet from the South line and 790 feet from the East line				
Ground Level Elev. 5641	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

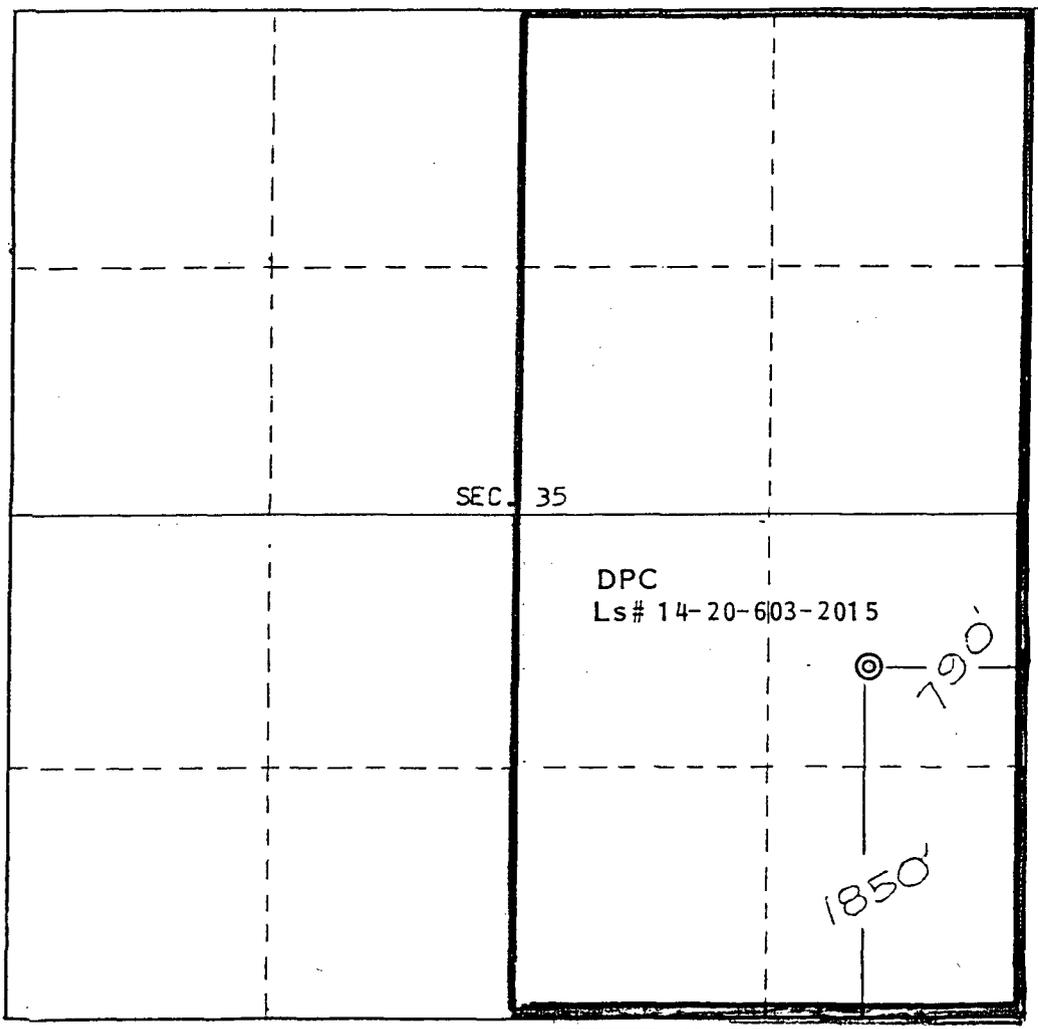
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

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

Jim L. Jacobs

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
4-14-89

REGISTERED LAND SURVEYOR

Reg. No. **3602**

E.V. ECHOHAWK

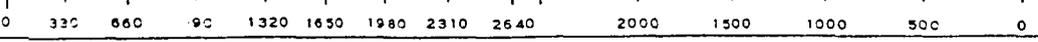
WEST MEXICO

Date Surveyed
April 16, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 20 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

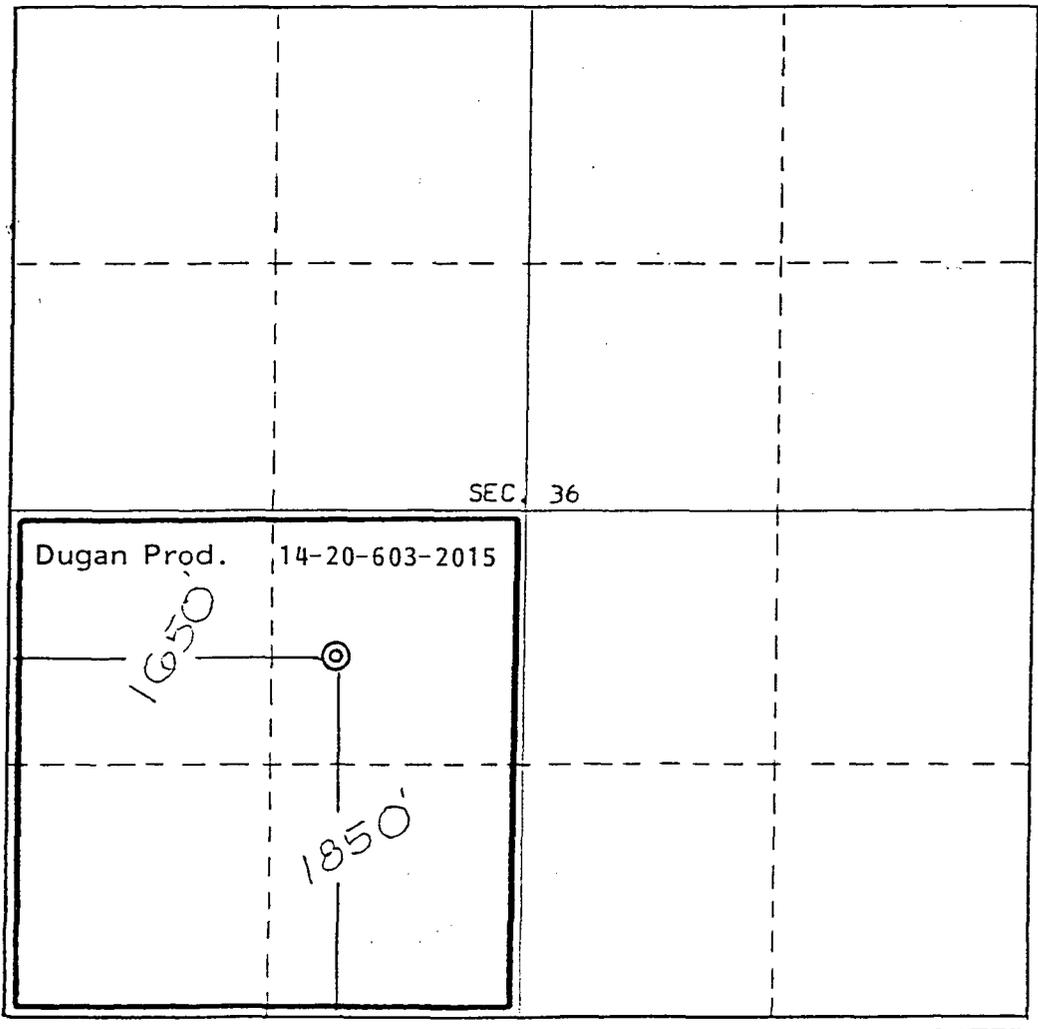
Operator Dugan Production Corporation		Lease Pet Inc			Well No. 14
Unit Letter K	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1850' feet from the South line and 1650 feet from the West line					
Ground Level Elev. 5659	Producing Formation Pictured Cliffs		Pool Ojo FR Sand-PC		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

 Yes No If answer is "yes," type of consolidation _____

 If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
11-30-88

Date Surveyed
April 19, 1977

Registered Professional Engineer
and/or Land Surveyor
E.V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS

N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 21 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

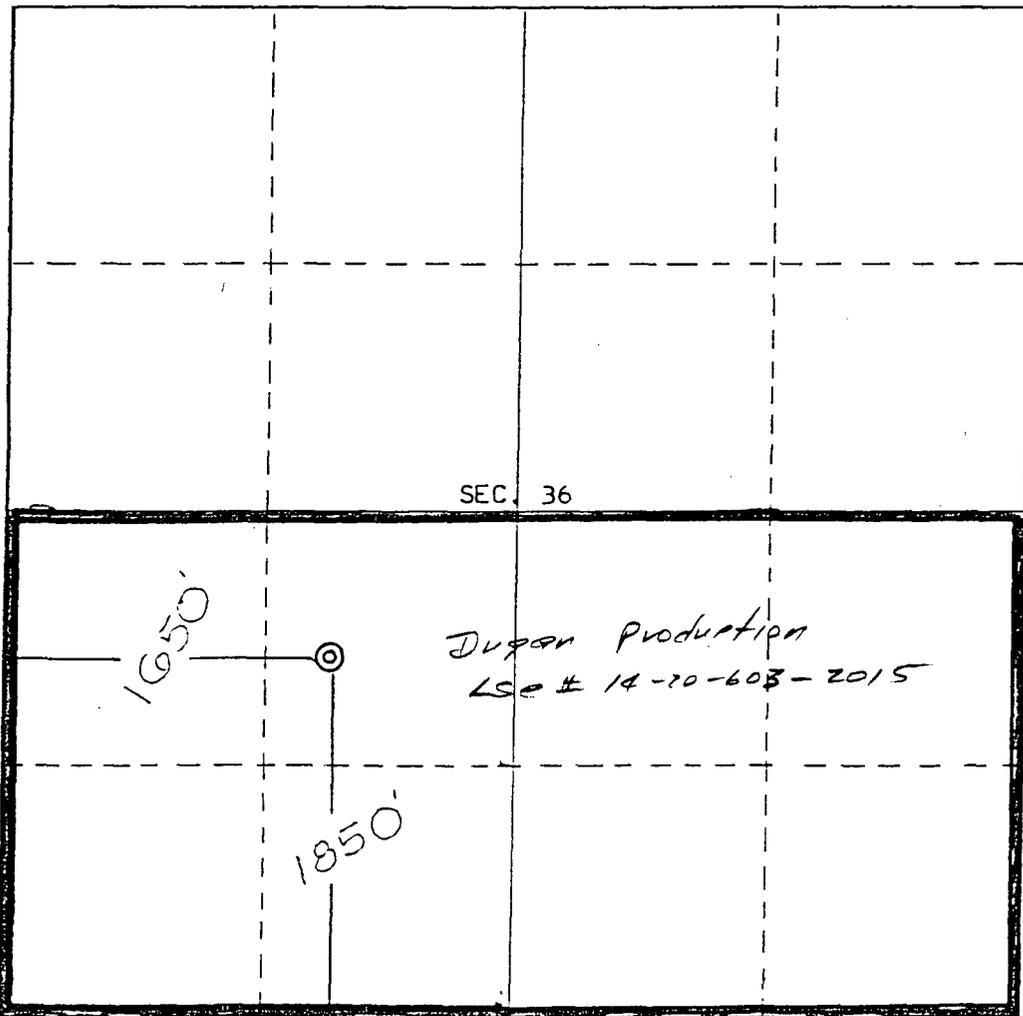
Operator Dugan Production Corporation		Lease Pet Inc		Well No. 14	
Unit Letter K	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1850' feet from the South line and 1650' feet from the West line					
Ground Level Elev. 5659	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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CERTIFICATION

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

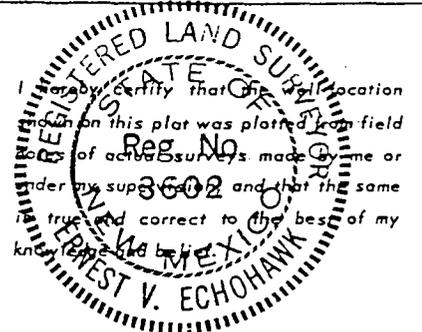
Jim L. Jacobs
Name

Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
4-14-89

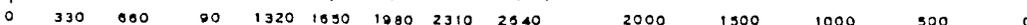


Date Surveyed
April 19, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echohawk
Certificate No. 3602

E.V. Echohawk LS



MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 22 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

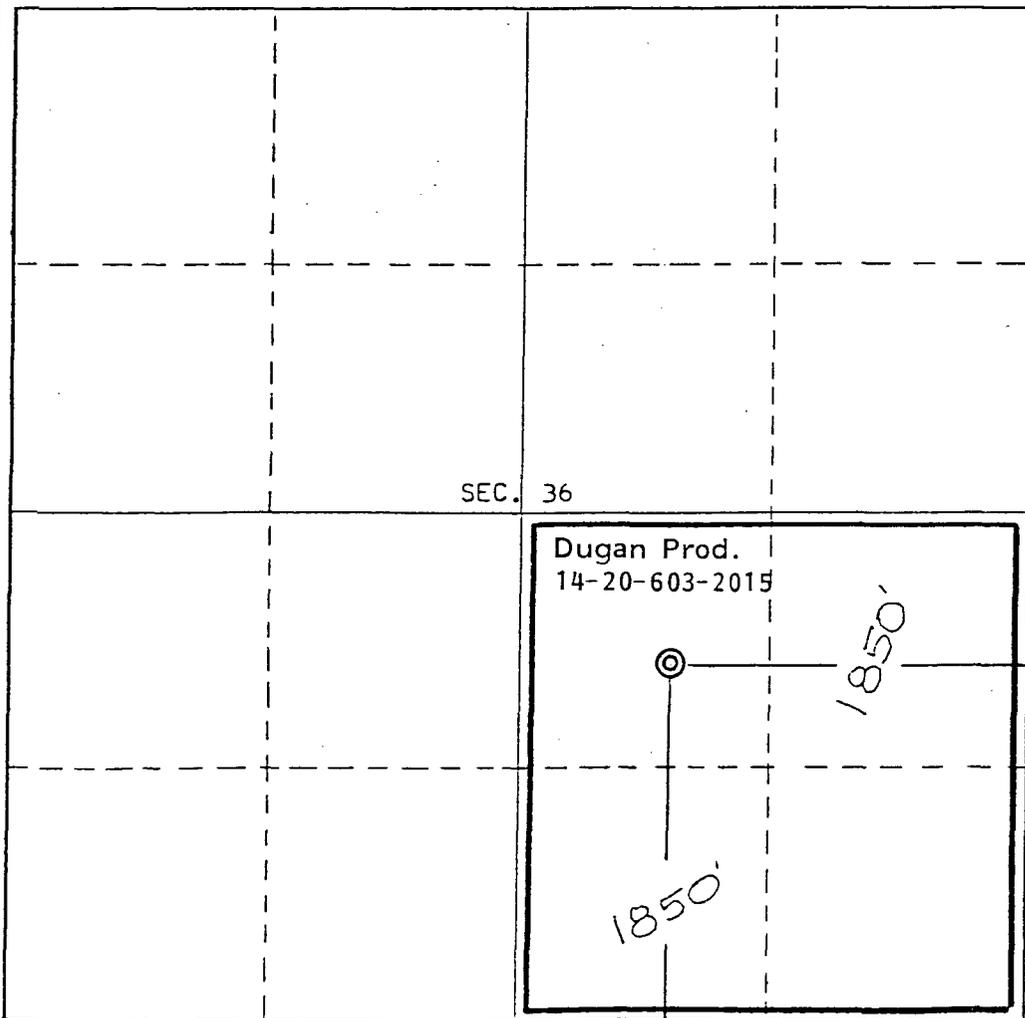
Operator Dugan Production Corporation		Lease Pet Inc			Well No. 15
Unit Letter J	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the East line					
Ground Level Elev. 5709	Producing Formation Pictured Cliffs	Pool Ojo FR Sand-PC		Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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CERTIFICATION

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

Jim L. Jacobs

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
11-30-88

REGISTERED LAND SURVEYOR
E. V. ECHOHAWK
I hereby certify that the location of this plat was proved in a field of a survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
E. V. ECHOHAWK
MEXICO

Date Surveyed
April 19, 1977

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS



MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 23 of 30

Form C-102
Supersedes C-128
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

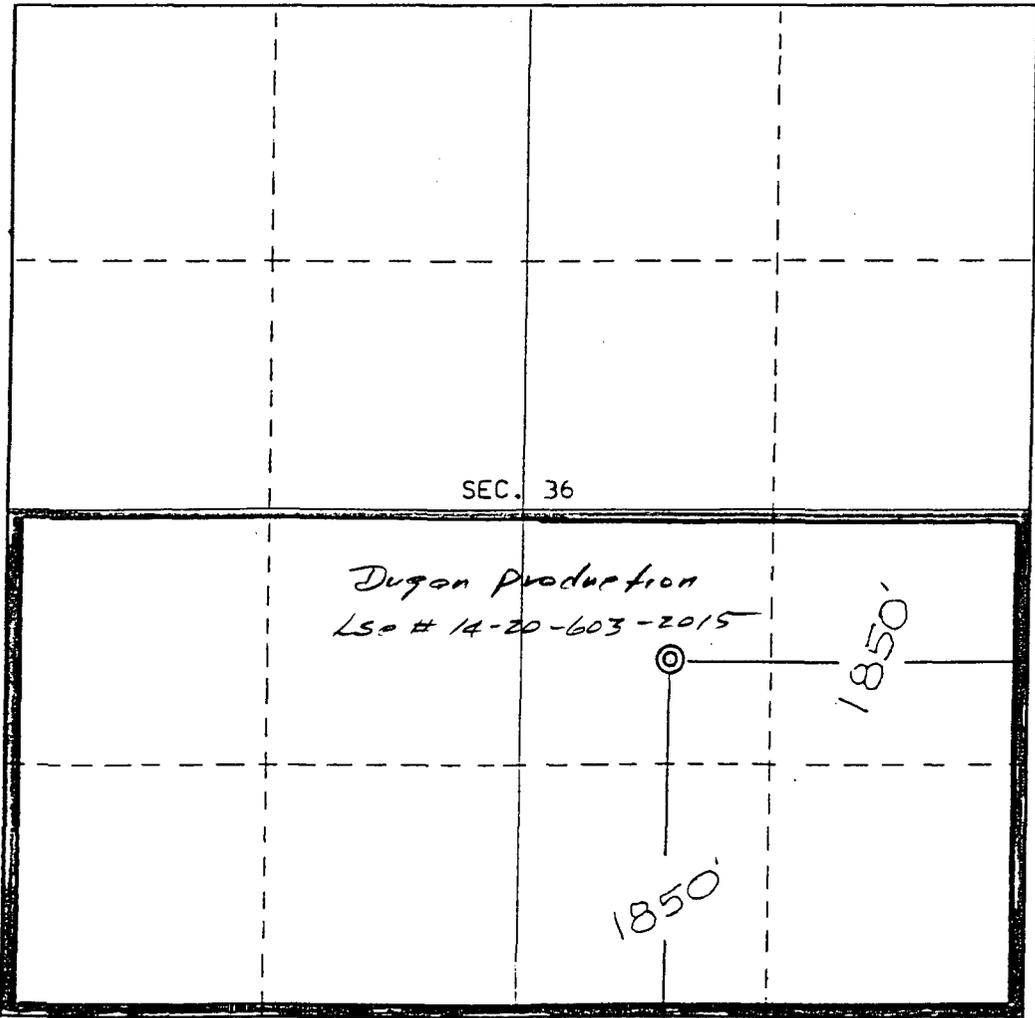
Operator Dugan Production Corporation		Lease Pet Inc			Well No. 15
Unit Letter J	Section 36	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the East line					
Ground Level Elev. 5709	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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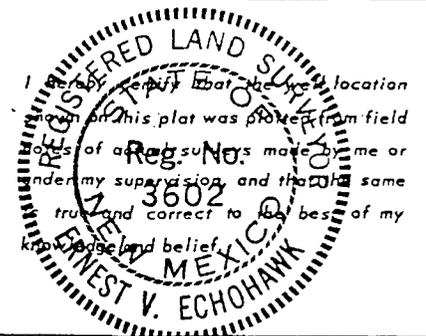
CERTIFICATION

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

Jim L. Jacobs

Name
Jim L. Jacobs
Position
Geologist
Company
Dugan Production Corp.

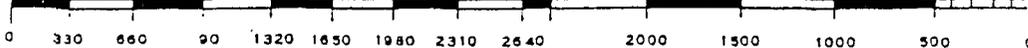
Date
4-14-89



Date Surveyed
April 19, 1977
Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk

Certificate No. **3602**
E.V. Echohawk LS



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Attachment

No. 3

Pg. 24 of 30

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

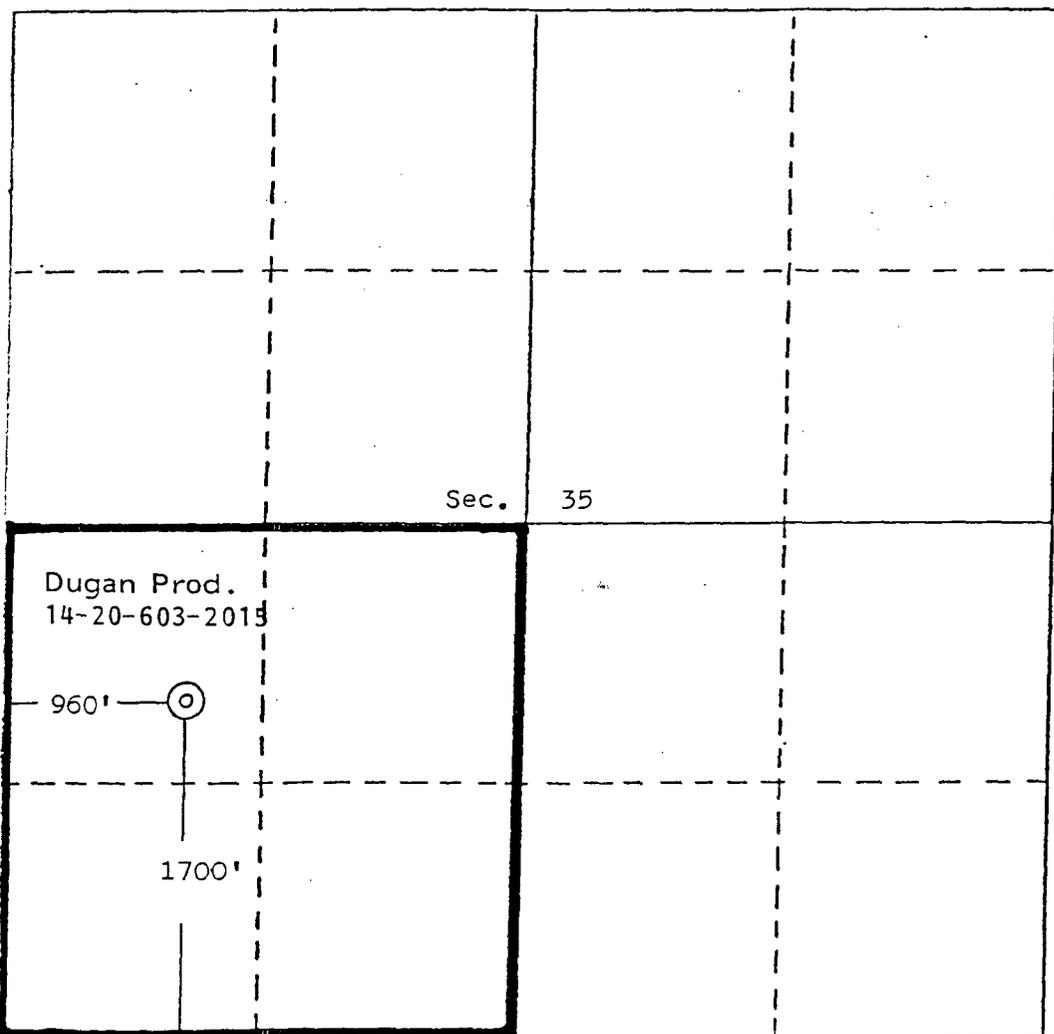
Operator Dugan Production Corporation		Lease Pet Inc.			Well No. 16
Unit Letter L	Section 35	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1700 feet from the South line and 960 feet from the West line					
Ground Level Elev. 5623	Producing Formation Pictured Cliffs		Pool Ojo FR Sand-PC	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs
Position

Geologist
Position

Dugan Production Corp.
Company

11-30-88
Date



May 13, 1982
Date Surveyed

Edgar L. Risenhoover
Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.

All distances must be from the outer boundaries of the Section.

Operator Dugan Production Corporation		Lease Pet Inc.		Well No. 16
Unit Letter L	Section 35	Township 28 North	Range 15 West	County San Juan

Actual Footage Location of Well:

1700 feet from the South line and 960 feet from the West line

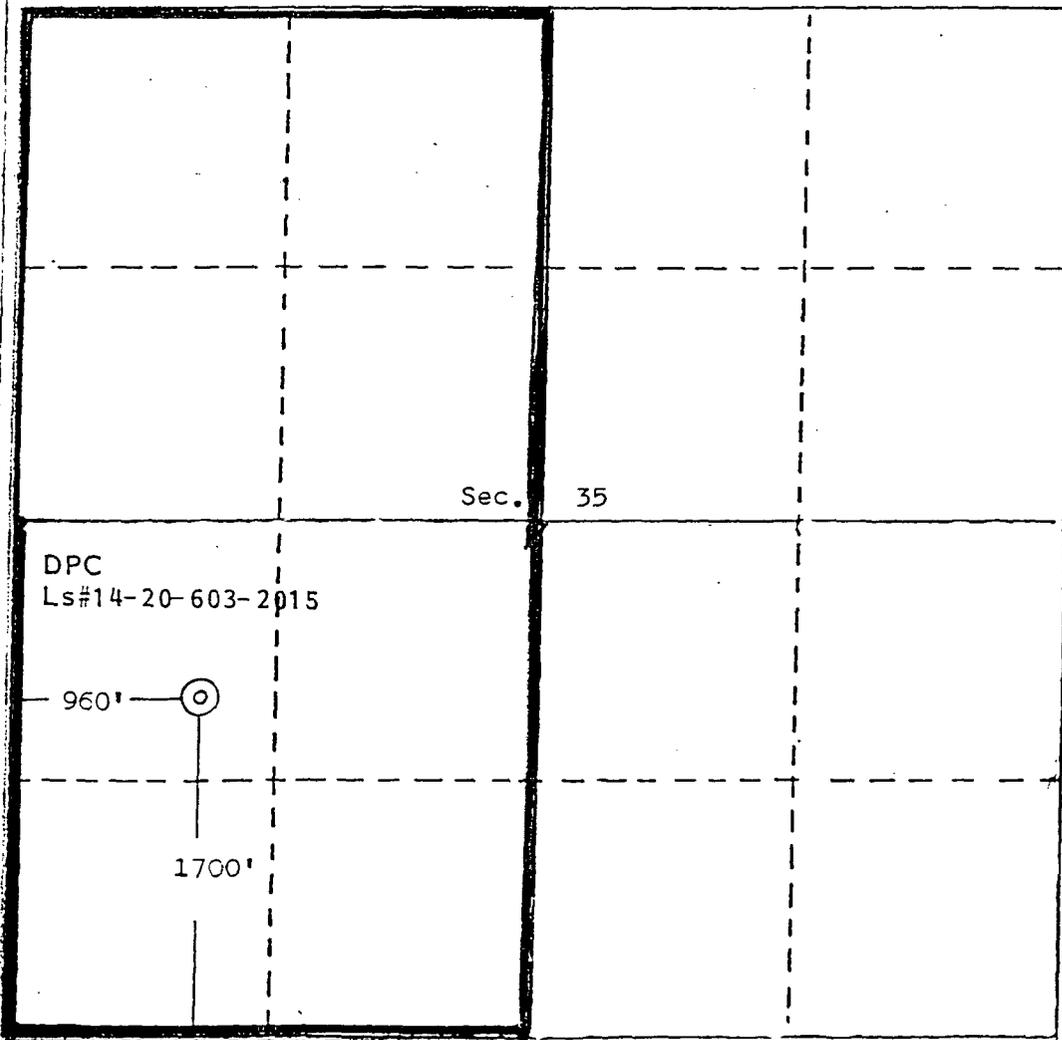
Ground Level Elev. 5623	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
----------------------------	---------------------------------------	------------------------------	---------------------------------

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

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

Jim L. Jacobs
Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
4-14-89



Date Surveyed
May 13, 1982

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, L.S.

N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 26 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

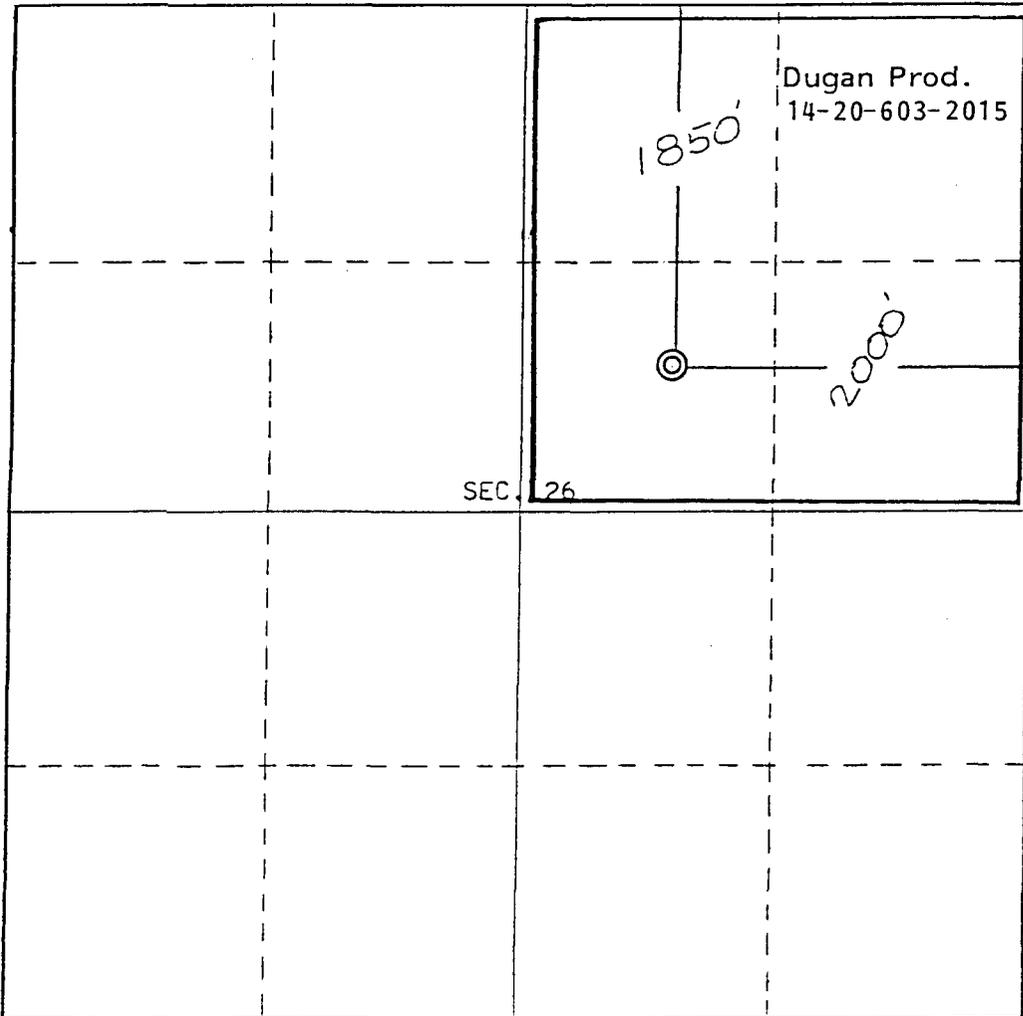
Operator Dugan Production Corporation		Lease Pet Inc		Well No. 17
Unit Letter G	Section 26	Township 28 North	Range 15 West	County San Juan
Actual Footage Location of Well: 1850' feet from the North line and 2000 feet from the East line				
Ground Level Elev. 5575	Producing Formation Pictured Cliffs	Pool Ojo FR Sand-PC	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position

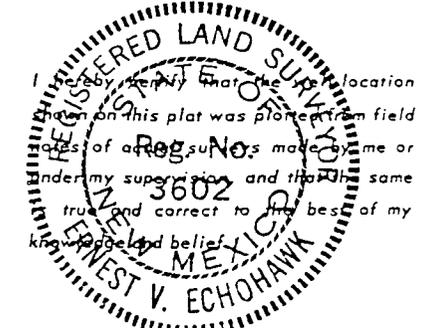
Geologist

Company

Dugan Production Corp.

Date

11-30-88



Date Surveyed

April 21, 1977

Registered Professional Engineer
and/or Land Surveyor

E.V. Echhawk

Certificate No. 3602

E.V. Echhawk LS



N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 27 of 30

Form C-100
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Dugan Production Corporation			Lease Pet Inc			Well No. 17		
Unit Letter G	Section 26	Township 28 North	Range 15 West	County San Juan				

Actual Footage Location of Well:
1850' feet from the **North** line and **2000'** feet from the **East** line

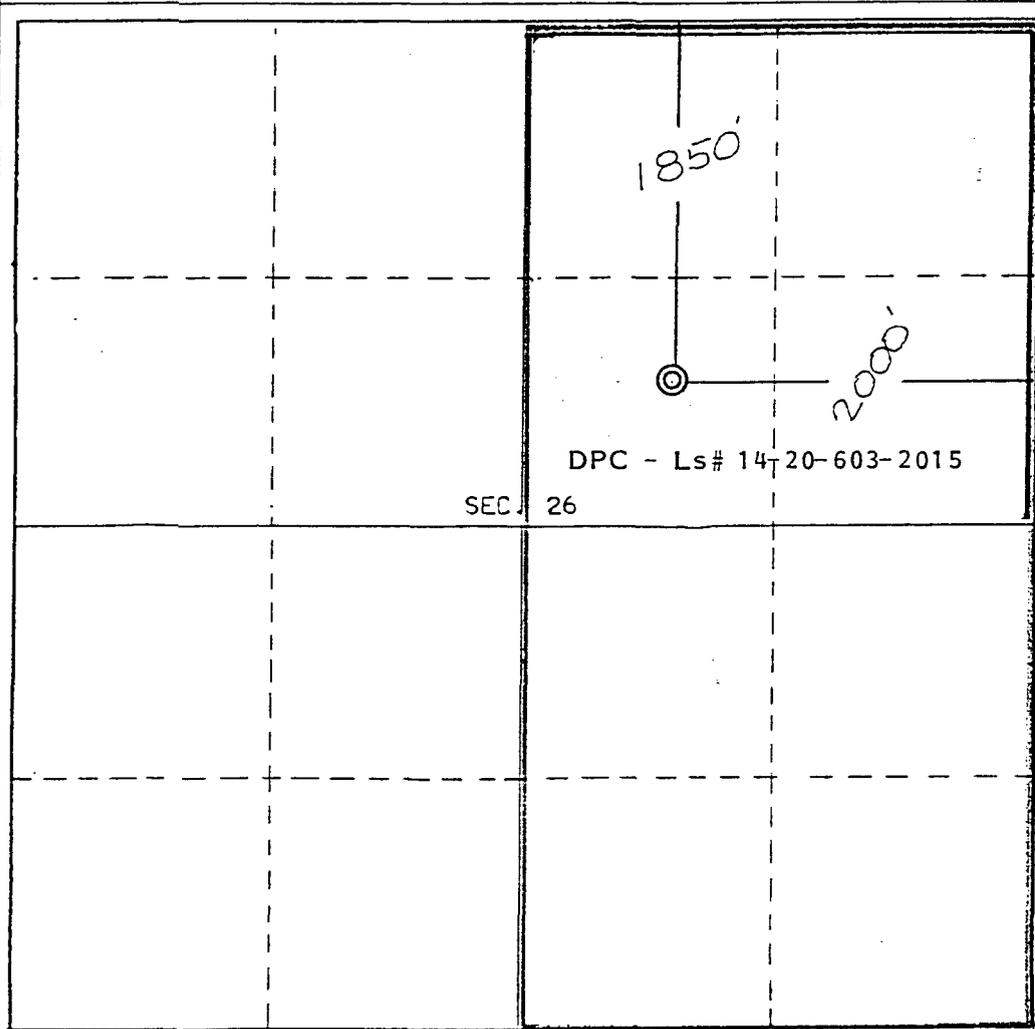
Ground Level Elev. 5575	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
-----------------------------------	--	-------------------------------------	--

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs
Position

Geologist
Company

Dugan Production Corp.
Date

4-14-89

Date

4-14-89

4-14-89

4-14-89

4-14-89

4-14-89

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4-14-89

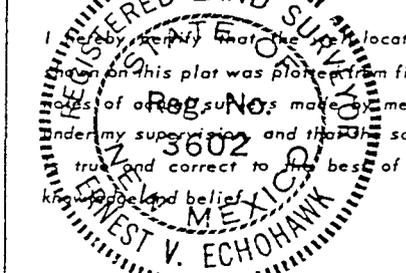
4-14-89

4-14-89

4-14-89

4-14-89

4-14-89



Date Surveyed

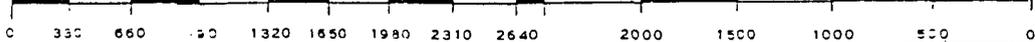
April 21, 1977

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602

E.V. Echohawk LS



MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 28 of 30

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

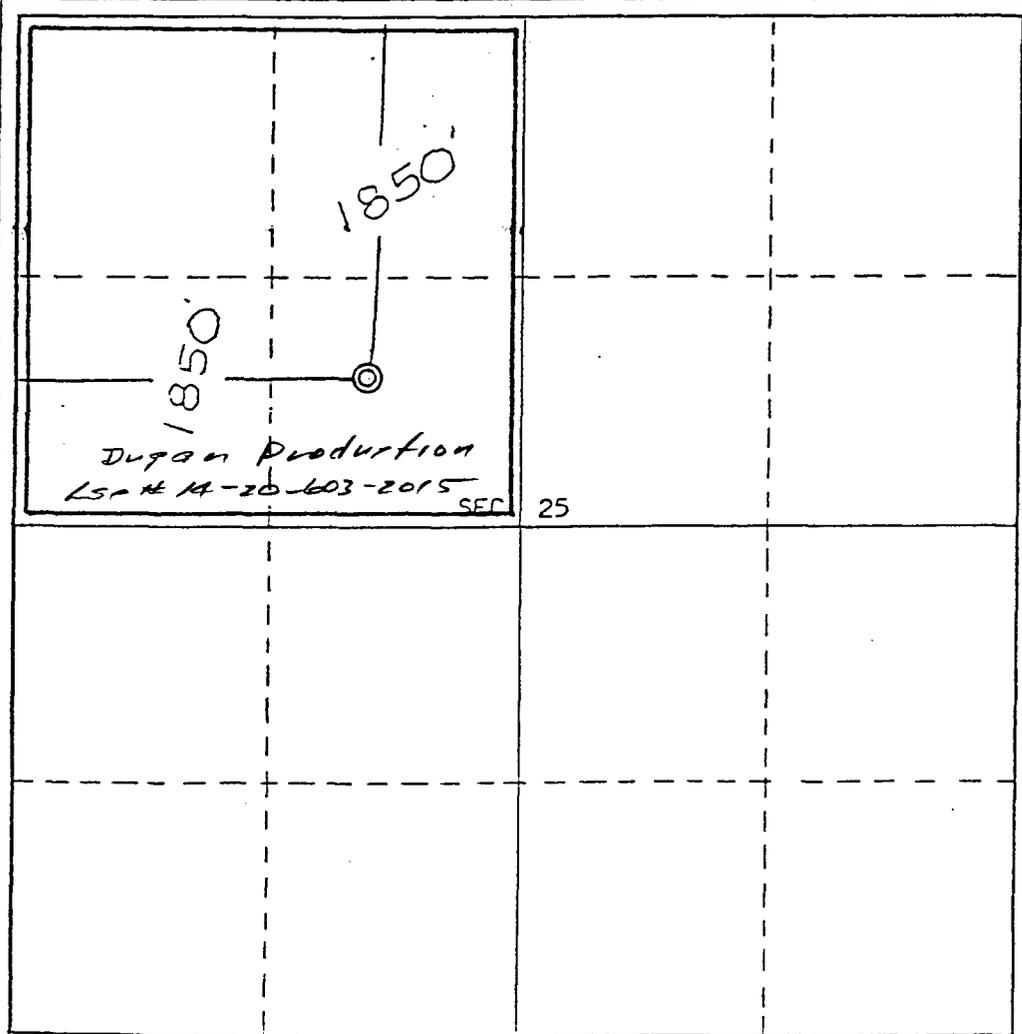
Operator Dugan Production Corporation		Lease Pet Inc			Well No. 18
Unit Letter F	Section 25	Township 28 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 1850. feet from the North line and 1850 feet from the West line					
Ground Level Elev. 5638	Producing Formation Fruitland Sand PC	Pool Ojo Fruitland Sand PC		Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Jim L. Jacobs
Name

Jim L. Jacobs

Position

Geologist

Company

Dugan Production Corp.

Date

November 8, 1990

REGISTERED LAND SURVEYOR
I hereby certify that the well location shown on this plat was plotted from field notes of a survey made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.
Reg. No. 3602
E.V. ECHOHAWK
NEW MEXICO

Date Surveyed

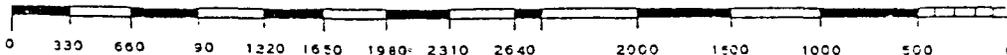
April 21, 1977

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602

E.V. Echohawk LS



N MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 29 of 30

Form C-102
Supersedes C-128
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

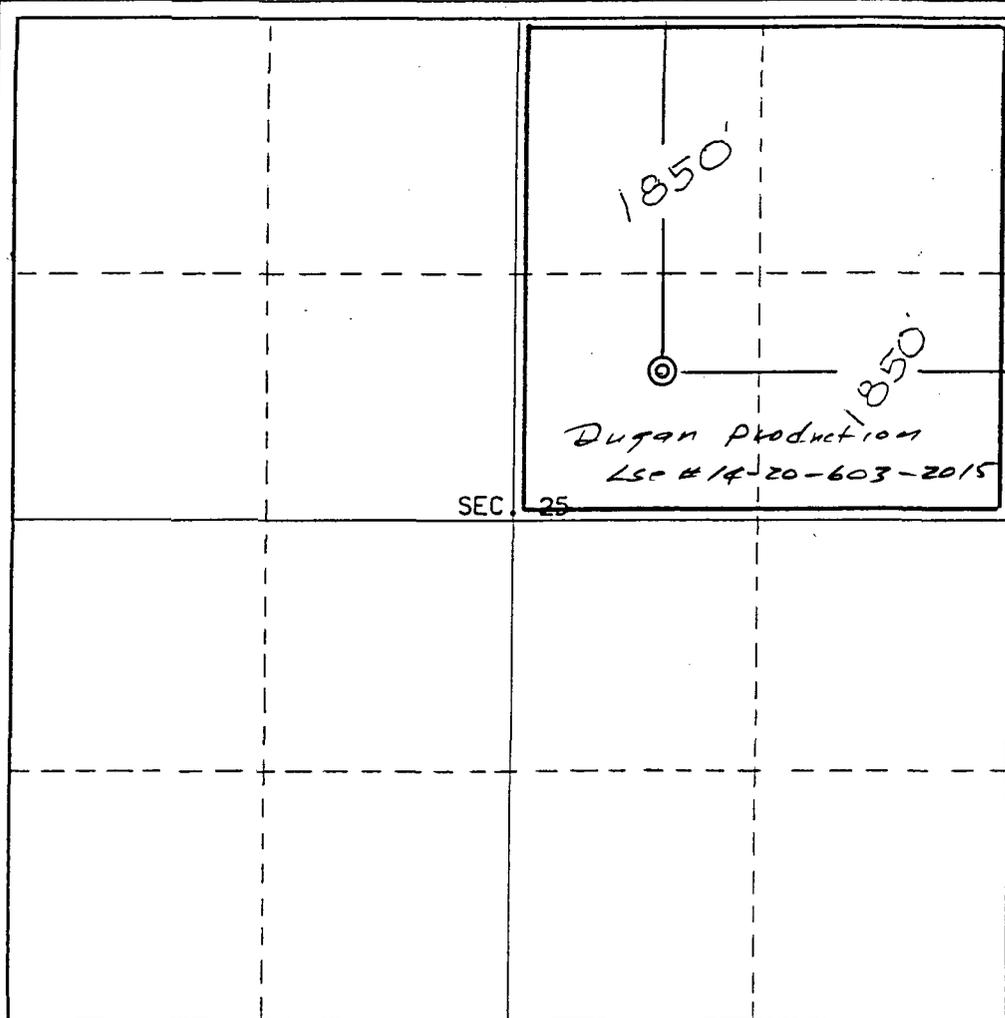
Operator Dugan Production Corporation			Lease Pet Inc			Well No. 19		
Unit Letter G	Section 25	Township 28 North	Range 15 West	County San Juan				
Actual Footage Location of Well: 1850 feet from the North line and 1850 feet from the East line								
Ground Level Elev. 5680	Producing Formation Pictured Cliffs		Pool Ojo Pictured Cliffs			Dedicated Acreage: 160 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

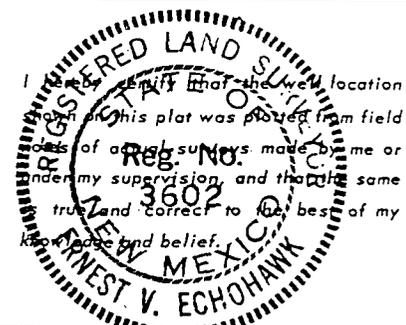
Jim L. Jacobs

Name
Jim L. Jacobs

Position
Geologist

Company
Dugan Production Corp.

Date
5-12-77

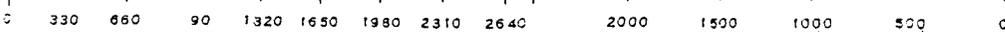


Date Surveyed
April 27, 1977

Registered Professional Engineer and/or Land Surveyor

E.V. Echohawk

Certificate No. 3602
E.V. Echohawk LS



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Attachment
 No. 3
 Pg. 30 of 30

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-045-30781		* Pool Code 71629	* Pool Name Basin Fruitland Coal
* Property Code	* Property Name No Doubt		* Well Number 90
* OGRID No. 006515	* Operator Name Dugan Production Corp		* Elevation 5875' Estimated

¹⁰ Surface Location

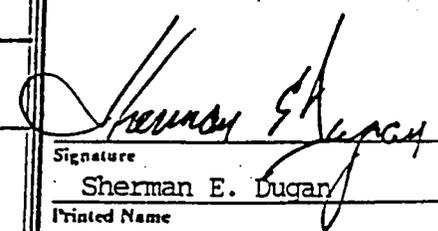
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
8	6	27N	13W		790	North	1850	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

16	Section 6	Dugan Production Corp. 790' NM-89131	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Sherman E. Dugan Printed Name Vice-President Title June 4, 1997 Date
		Dugan Production Corp. NM-89131	

**ATTACHMENT NO. 4
Interest Ownership Summary
Dugan Production Corp.'s Pet Inc Gas Gathering System**

	Pet Inc Lease 20 wells (details on Pg. No. 2)		No Doubt No. 90 (details on Pg. No. 2)	
	WI	NI	WI	NI
<i>Working Interest</i>				
Dugan Production Corp.	100.000	87.500	100.000	87.500
<i>Royalty Interest</i>				
USA - Federal		0.000		12.500
Navajo Tribe		12.500		0.000
TOTALS	100.000	100.000	100.000	100.000

**ATTACHMENT NO. 4
Dugan Production Corp.
Pet Inc Lease**

Basin Fruitland Coal, Ojo Fruitland Sand PC, & Ojo Gallup Gas Pools

Lease Location: Section 25 (N/2, SE/4, N/2 SW/4, SESW),

Section 26 (all), Section 35 (all), and Section 36 (all)

T-28N, R-15W

Wells No: 1, 2, 2A, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 (Total 20)

San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
<u>Working Interest</u>	<u>Gross</u>	<u>Net</u>
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	100.0000	87.5000
<u>Royalty</u> Navajo Tribe c/o Bureau of Land Management 1235 La Plata Hwy., Suite A Farmington, NM 87401	0.0000	12.5000
TOTAL LEASE & WELLS	<u>100.0000</u>	<u>100.0000</u>

**No Doubt No. 90
Basin Fruitland Coal Pool
Well Location: NWNE Section 6, T-27N, R-13W
Spacing Unit: E/2 (320A)
San Juan County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
<u>Working Interest</u>	<u>Gross</u>	<u>Net</u>
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	100.0000	87.5000
<u>Royalty</u> USA - Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	0.0000	12.5000
TOTAL	<u>100.0000</u>	<u>100.0000</u>

ATTACHMENT NO. 5
Allocation Procedures
Dugan Production Corp.'s
Pet Inc Gas Gathering System
CDP GAS SALES METER: SESW 4-27N-13W (El Paso Meter No. 75470)
San Juan County, New Mexico

Currently gas from the CDP sales meter is allocated to the individual Pet Inc lease wells using allocation factors determined from individual well tests. Upon adding the No Doubt No. 90 to the gathering system, an allocation meter will be installed on the Pet Inc lease to measure all gas leaving the Pet Inc lease. A second allocation meter will be installed at the No Doubt No. 90 to measure all gas leaving the No Doubt lease. The CDP sales volume and BTU will be allocated between the two leases using factors determined from the allocation meter volumes. The volume allocated to the Pet Inc lease will then be allocated to individual wells, based upon well tests as is currently being done. The volume allocated to the No Doubt lease will be credited to the No. 90 well, which is the only well on that lease.

Base Data:

V = Gas Volume from individual well test.

W = Gas Volume (MCF) from lease allocation meters during allocation period.

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

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

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

1. Allocated Lease Gas Production = A + B + C + D + E

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

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

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

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual leases benefiting from the equipment using allocation factors determined by $W/\text{SUM } W$ for the leases 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 leases affected using factors determined by $W/\text{SUM } W$.

2. Allocated Lease BTU = $((W \times \text{Individual lease BTU})/\text{Sum } (W \times \text{individual lease BTU})) \times Y$. Individual lease gas heating values to be determined in accordance with BLM regulations (currently Onshore Order No. 5)

3. Individual Well Gas Production

A. The volumes allocated to the Pet Inc lease will then be allocated to the individual wells using factors determined by $V/(\text{SUM } V)$ for Pet Inc lease wells.

B. The volumes allocated to the No Doubt lease will be credited to the No Doubt No. 90, which is the only well on that lease.

4. Individual Well BTU - the BTU allocated to each lease will be allocated to each well on that lease using allocation factors determined by $V/(\text{SUM } V)$ for each well on that lease.



330 AFTON PLACE
 FARMINGTON, N.M. 87401
 (505) 325-6622

ANALYSIS NO. DU210230
 CUST. NO. 23000 - 11250

WELL/LEASE INFORMATION

Attachment
 No. 6
 Pg 1 of 2

CUSTOMER NAME	DUGAN PRODUCTION CORP.	SOURCE	N/A
WELL NAME	PET INC Lease (All wells)	PRESSURE	66 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	N/A DEG.F
LOCATION	Sections 25, 26, 35 & 36	WELL FLOWING	Y
FIELD	T-28N, R-15W	DATE SAMPLED	8/31/01
FORMATION		SAMPLED BY	J. DAVIS
CUST. STN. NO.	7223	FOREMAN/ENGR.	TOM BLAIR

REMARKS

GAS Sample includes all Pet Inc wells producing from Oja Fruitland Sand-PC plus Basin Fruitland Coal Pools. The Gallup was shut in @ time of sampling

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.214	0.0000	0.00	0.0021
CO2	3.123	0.0000	0.00	0.0475
METHANE	92.042	0.0000	931.74	0.5098
ETHANE	3.566	0.9539	63.25	0.0370
PROPANE	0.677	0.1866	17.07	0.0103
I-BUTANE	0.196	0.0641	6.39	0.0039
N-BUTANE	0.020	0.0063	0.65	0.0004
I-PENTANE	0.075	0.0274	3.01	0.0019
N-PENTANE	0.002	0.0007	0.08	0.0000
HEXANE PLUS	0.085	0.0371	4.37	0.0027
TOTAL	100.000	1.2762	1,026.56	0.6157

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0023
 BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 1,029.0
 BTU/CU.FT (WET) CORRECTED FOR (1/Z) 1,011.1
 REAL SPECIFIC GRAVITY 0.6171

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 1,023.4
 DRY BTU @ 14.696 1,026.6
 DRY BTU @ 14.730 1,029.0
 DRY BTU @ 15.025 1,049.6

CYLINDER # K045
 CYLINDER PRESSURE 67 PSIG
 DATE RUN 9/4/01
 ANALYSIS RUN BY GINA HANON

CO.CD 23 EL PASO NATURAL GAS
CUSTOMER ACCOUNTING SERVICES DEPARTMENT
VOLUME CALCULATION DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

CONTACTS:
EL PASO FIELD SERVICES
(713) 757-5953
EL PASO MAINLINE
(915) 496-2595

DATE 8/05/99

CHROMATOGRAPHIC GAS ANALYSIS REPORT

*Attachment
No. 6
pg 2 of 2*

MAILEE
26730

DUGAN PRODUCTION CORPORATION
P O BOX 420
FARMINGTON, NM 87499-0420

*Basin Fruitland
Coal*

METER NUMBER 99466 - BENGAL C #90 (*H-36-27N-13W*)
OPERATOR 1862 - DUGAN PRODUCTION CORP

ANALYSIS DATE 6/22/99 TYPE CODE 2 - ACTUAL
SAMPLE DATE 6/21/99 H2S GRAINS 0
EFFECTIVE DATE 7/01/99 LOCATION F - FARM BECK
EFFECTIVE FOR 6 MONTHS

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.99	.000
H2S	.00	.000
N2	.56	.000
METHANE	97.36	.000
ETHANE	1.09	.292
PROPANE	.00	.000
ISO-BUTANE	.00	.000
NORM-BUTANE	.00	.000
ISO-PENTANE	.00	.000
NORM-PENTANE	.00	.000
HEXANE PLUS	<u>.00</u>	<u>.000</u>
	100.00	0.292

SPECIFIC GRAVITY .572
MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1007
RATIO OF SPECIFIC HEATS .000
NO TEST SECURED FOR H2S CONTENT



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

Attachment
No. 7
Pg 1 of 1

February 10, 1967

Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

Attention: Mr. T. A. Dugan

Gentlemen:

Your letter of January 31, with attachments, requests our approval for the commingling of gas produced from the Thomas A. Dugan No. 1 Midwest, a Gallup gas well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 31, T. 28 N., R. 14 W., N.M.P.M., Navajo tribal lease 14-20-603-2205; from Thomas A. Dugan No. 1 Petroleum Inc., a Gallup gas well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 26, T. 28 N., R. 14 W., N.M.P.M., Navajo tribal lease 14-20-603-2015; and from Thomas A. Dugan No. 1 Raven, a Dakota gas well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 6, T. 27 N., R. 14 W., N.M.P.M., Navajo tribal lease 14-20-603-2179-A, all in San Juan County, New Mexico.

The method you propose to allocate gas production to each lease by measurement of gas produced from each well at the wellhead and balancing with El Paso Natural Gas Company's meter at a central delivery point is satisfactory to this office. Form 9-361, Lessee's Report of Sales and Royalty, must show all computations used in determining production allocated to each lease.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

Attachment
No. 8
Pg 1 of 1

October 10, 1972

Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

Re: Navajo Tribal lease
14-20-603-2015

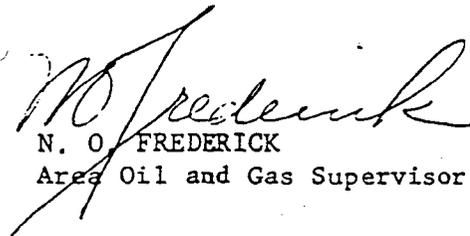
Gentlemen:

Your letter of September 26, 1972 requests approval to commingle all gas from lease Navajo tribal 14-20-603-2015 in secs. 25, 26, 35, and 36, T. 28 N., R. 15 W., San Juan County, New Mexico.

As set forth in your letter, all wells would be produced into your Raven Area Pipeline, a compressor set and the gas transported to El Paso's pipeline in the NW $\frac{1}{4}$ sec. 35, T. 28 N., R. 14 W. where all gas would be metered. Gas that is metered at the one Gallup well would be subtracted from the total and the remainder allocated back to the Pictured Cliffs wells based on individual tests.

Your request is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Sincerely yours,


N. O. FREDERICK
Area Oil and Gas Supervisor

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Attachment
No. 9
Pg. 1 of 3

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4854
Order No. R-4453

APPLICATION OF DUGAN PRODUCTION
CORPORATION TO COMMINGLE GAS
PRODUCTION PRIOR TO METERING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 29, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 19th day of December, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Dugan Production Corporation, is the owner operator of the Pet. Inc. lease in Sections 25, 26, 35, and 36, Township 28 North, Range 15 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has completed 6 wells on said lease in a non-prorated undesignated Pictured Cliffs Pool, and one well in the Ojo-Gallup Pool, and is the sole operator in said pools.
- (4) That the applicant proposes to install a low pressure pipeline system to gather the production from said wells, and to compress the production for sale into a high pressure pipeline.
- (5) That the applicant seeks authority to commingle the gas produced from the aforesaid Pictured Cliffs gas wells, to meter the Gallup gas production, and to combine it with the Pictured Cliffs production for sale through a single sales meter, determining the total Pictured Cliffs gas production by means of subtraction, with allocation to the individual wells on the basis of periodic well tests.

Attachment
No. 9
Pg 2 of 3

-2-
Case No. 4854
Order No. R-4453

(6) That gas reserves under the Pet. Inc. lease in the aforesaid Pictured Cliffs gas pool are of a low marginal nature and that to require metering of the production from the Pictured Cliffs wells could seriously affect the practicability of the proposed project.

(7) That the ownership of all wells in each of the aforesaid two gas pools is common throughout, including working interest, royalty interest, and overriding royalty interest.

(8) That approval of the application will permit the production of gas which might not otherwise be recovered and will not harm correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dugan Production Corporation, is hereby authorized to commingle, prior to measurement, the Pictured Cliffs gas production from its wells on the Pet. Inc. lease, in Sections 25, 26, 35, and 36, Township 28 North, Range 15 West, NMPM, San Juan County, New Mexico.

(2) That the applicant is further authorized to commingle the production of its Pet. Inc. lease Well No. 1 located in Unit D of Section 26 of said Township and Range, Ojo-Gallup Pool, San Juan County, New Mexico, after metering, with the commingled Pictured Cliffs Pool production.

(3) That the commingled production shall be metered, the metered production from the Ojo-Gallup Pool subtracted, and the remainder allocated to the individual wells in accordance with the most recent well tests required under (4) below.

(4) That within 30 days after the date of connection of any Pictured Cliffs Pool well to the applicant's Pet. Inc. lease commingled gathering system, and during the months of April and October, thereafter, the operator shall conduct a productivity test on said well. The test shall be conducted in a manner approved by the supervisor of the Commission's Aztec district office and shall be under conditions closely approximating normal production conditions.

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve an extension of the test period when an application for the same has been received and the evidence indicates that such extension is warranted.

(5) Copies of all productivity tests required under (4) above shall be submitted to the Commission's Aztec district office.

Attachment
No. 9
Pg. 3 of 3

-3-
Case No. 4854
Order No. R-4453

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

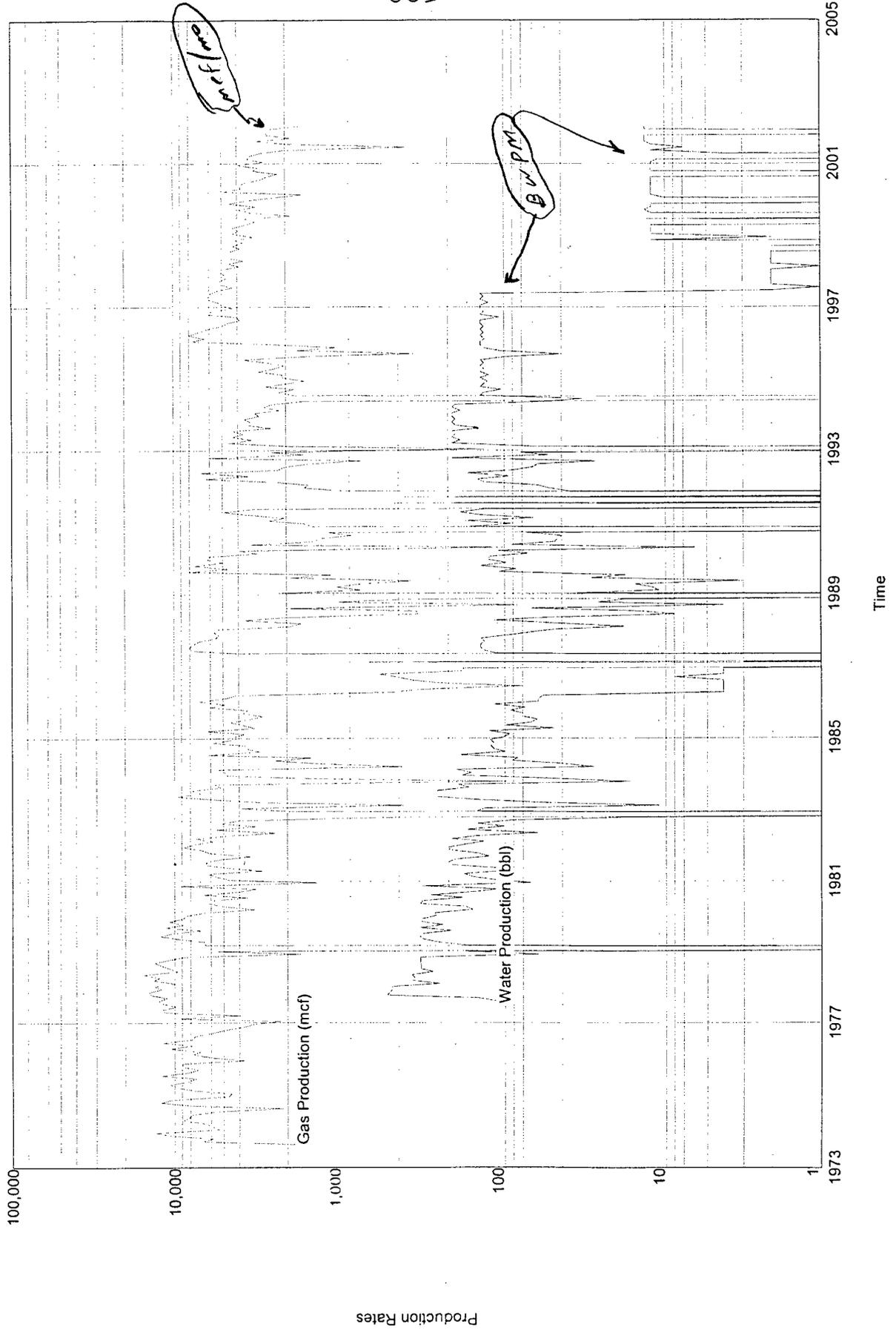
A. L. PORTER, JR., Member & Secretary

S E A L

Lease Name: PET INC
 County, State: SAN JUAN, Unknown
 Operator: BUGAN PRODUCTION CORPORATION
 Field: MULTIPLE - OFO Fruitland Sand - PC,
 Reservoir: MULTIPLE Basin Fruitland Coal
 Location:
 Date thru 1/02

Attachment
 No. 10
 P910f2

PET INC - MULTIPLE - 16 wells / 24 completions (See pg #2 for details)



Well #	Operator Name	Lease	API	Spot	Sec	Twp	Ring	Field Name	Prod Zone Name	Comp	First Prod Date	Latest Mo	Gas Last 12 Mos	Oil Last 12 Mos	Wtr Last 12 Mos	Gas Cum	Oil Cum	Years On
1	DUGAN PRODUCTION CORPORATION	PET INC	30045225490000	NW SE NW	25	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/08		2396	0	0	52873	0	17
2	DUGAN PRODUCTION CORPORATION	PET INC	30045217400000	NW SE SW	25	28	15	BASIN	FRUITLAND COAL		1994/04		77	0	0	172	0	3
3	DUGAN PRODUCTION CORPORATION	PET INC	30045217400000	NW SE SW	25	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1975/05		45	0	0	76774	0	22
4	DUGAN PRODUCTION CORPORATION	PET INC	30045210620000	NE SW SE	25	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1973/08	JAN	10133	0	10	187402	0	29
5	DUGAN PRODUCTION CORPORATION	PET INC	30045225510000	SW NE NW	26	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/08	JAN	1306	0	0	66156	0	25
6	DUGAN PRODUCTION CORPORATION	PET INC	30045225510000	SW NE NW	26	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	1210	0	10	14868	0	8
7	DUGAN PRODUCTION CORPORATION	PET INC	30045225520000	NW SW NE	26	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/08	JAN	1654	0	0	130659	0	26
8	DUGAN PRODUCTION CORPORATION	PET INC	30045225520000	NW SW NE	26	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	2947	0	7	35484	0	8
9	DUGAN PRODUCTION CORPORATION	PET INC	30045209400000	NW SE SW	26	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/08	JAN	1613	0	0	37951	0	17
10	DUGAN PRODUCTION CORPORATION	PET INC	30045209400000	NW SE SW	26	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1973/09	JAN	2209	0	9	205312	0	29
11	DUGAN PRODUCTION CORPORATION	PET INC	30045210600000	SW NE NE	35	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1973/09	JAN	1528	0	0	192831	0	29
12	DUGAN PRODUCTION CORPORATION	PET INC	30045225540000	SW NE NW	35	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	1352	0	10	16306	0	8
13	DUGAN PRODUCTION CORPORATION	PET INC	30045225540000	SW NE NW	35	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/08	JAN	130	0	0	62628	0	20
14	DUGAN PRODUCTION CORPORATION	PET INC	30045225550000	SW NE SE	35	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/08	JAN	657	0	0	96145	0	25
15	DUGAN PRODUCTION CORPORATION	PET INC	30045225550000	SW NE SE	35	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	867	0	16	10885	0	8
16	DUGAN PRODUCTION CORPORATION	PET INC	30045217410000	SE NW SW	36	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1982/12	JAN	83	0	0	33534	0	20
17	DUGAN PRODUCTION CORPORATION	PET INC	30045254000000	SE NW SW	36	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	89	0	0	2354	0	8
18	DUGAN PRODUCTION CORPORATION	PET INC	30045207350000	SW NE NE	36	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1973/08	JAN	3808	0	11	109193	0	29
19	DUGAN PRODUCTION CORPORATION	PET INC	30045217410000	SE NW NE	36	28	15	OJO	FRUITLAND-PICTURED CLIFFS	1975/04	1975/05	JAN	146	0	10	56692	0	27
20	DUGAN PRODUCTION CORPORATION	PET INC	30045210610000	SW NE NW	36	28	15	OJO	FRUITLAND-PICTURED CLIFFS	1972/10	1973/09	JAN	1635	0	648	92932	0	21
21	DUGAN PRODUCTION CORPORATION	PET INC	30045210610000	SW NE NW	36	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	84	0	0	84	0	0
22	DUGAN PRODUCTION CORPORATION	PET INC	30045225570000	SE NW SE	36	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/10	JAN	2509	0	311	34007	0	8
23	DUGAN PRODUCTION CORPORATION	PET INC	30045225580000	SW NE SW	36	28	15	BASIN	FRUITLAND COAL		1994/04	JAN	33	0	7	1657	0	8
24	DUGAN PRODUCTION CORPORATION	PET INC	30045225580000	SW NE SW	36	28	15	OJO	FRUITLAND-PICTURED CLIFFS		1977/09	JAN	33	0	0	52415	0	25
25													36,546	0	1,062	1,589,434	0	0

Cum to

2-1-02

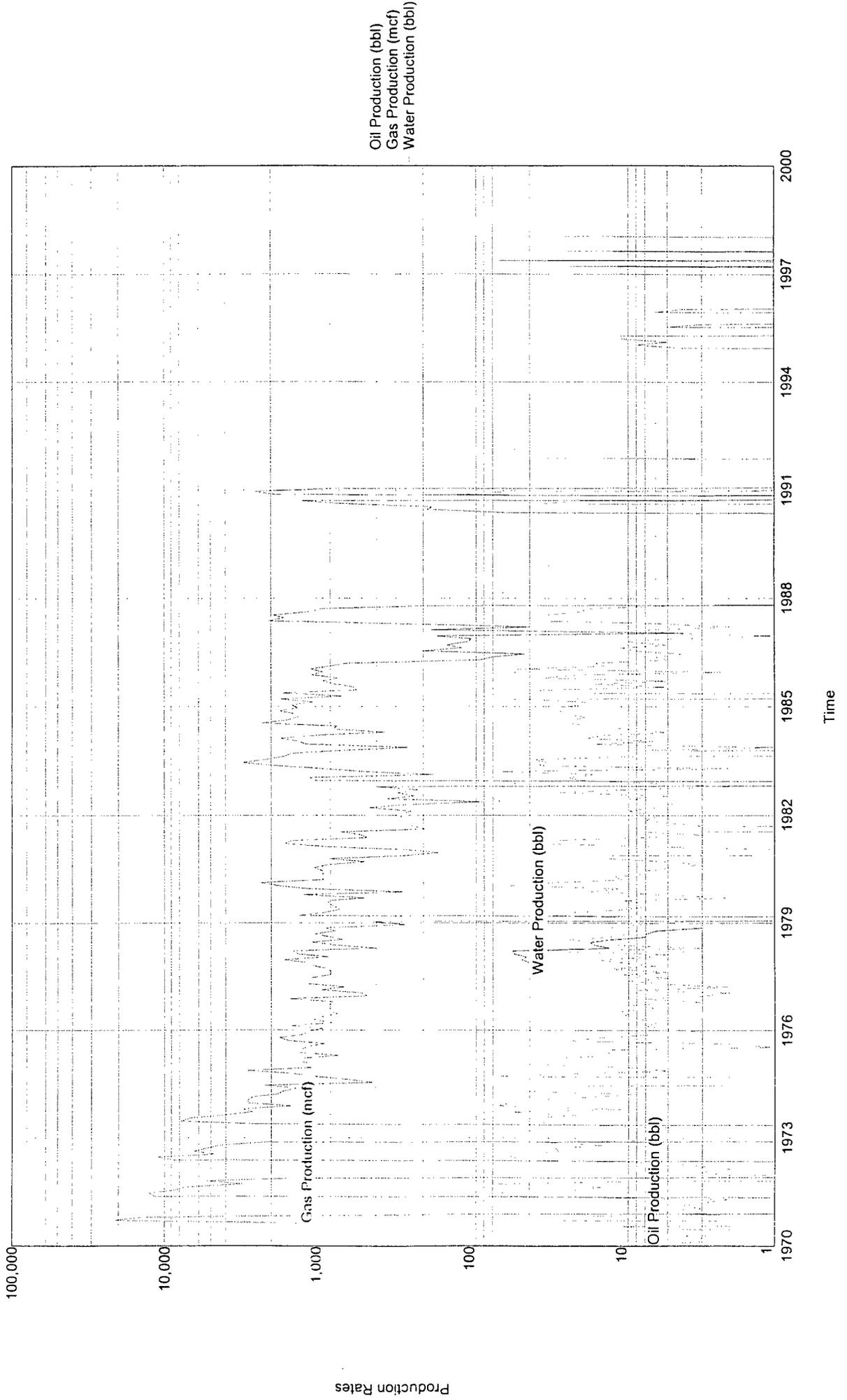
16 wells completed in the w/o Fruitland Sand - Pictured Cliffs Pool,
 8 of which are also completed in the Basin
 Fruitland Pool + down hole commingled.
 Sorted by location

Attachment
 No. 10
 Pg 2 of 2

Lease Name: PET INC
 County, State: SAN JUAN, NM
 Operator: DUGAN PRODUCTION CORPORATION
 Field: OJO
 Reservoir: GALLUP
 Location: 26 28N 15W C NW NW

Attachment
 No. 11
 Pg 1 of 2

PET INC - OJO - 1 well = Pet Inc #1 (See Pgs #2)



Production Rates

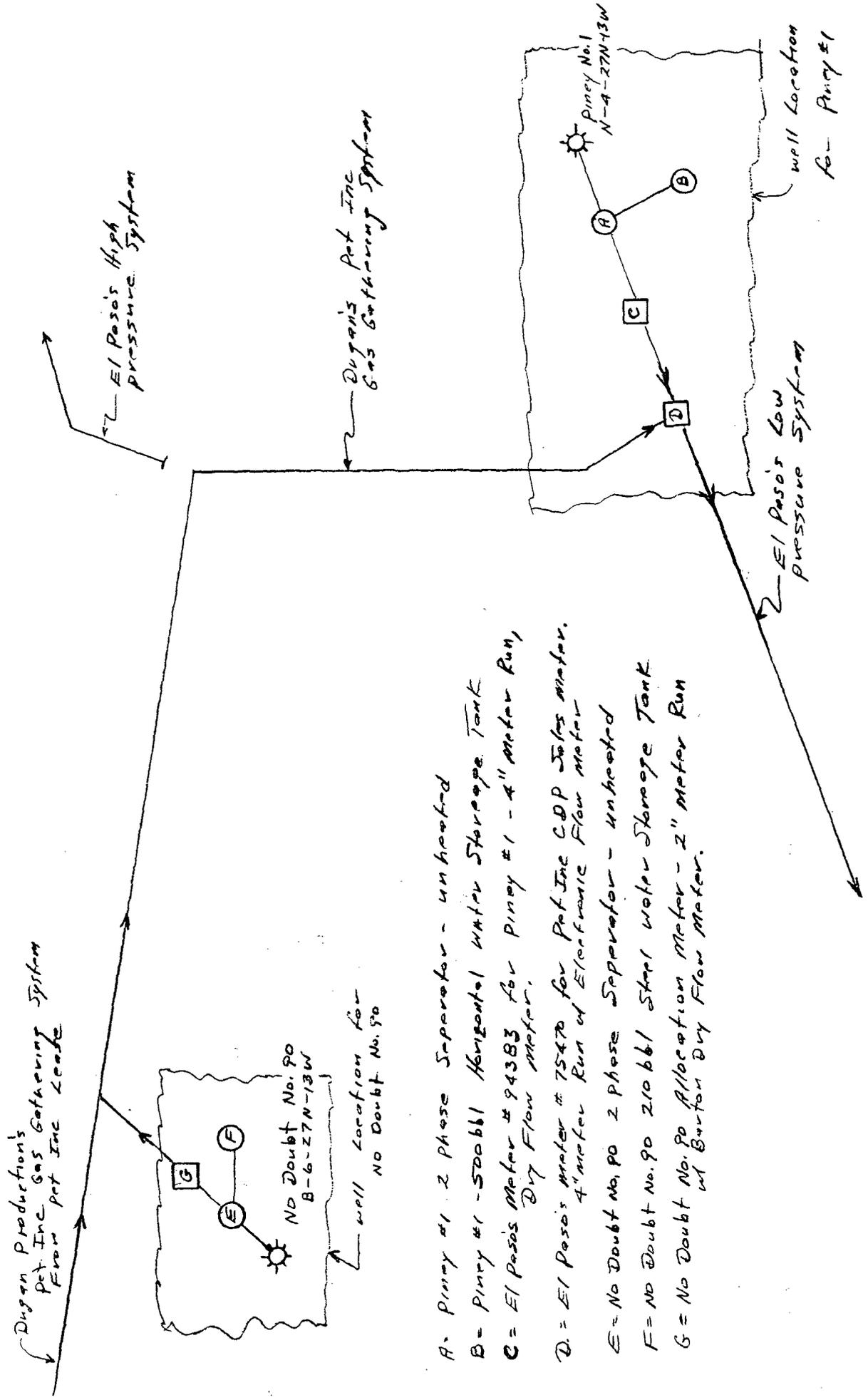
Time

1-0
2-1-02

Well #	Operator Name	Lease	API	Spot	Sec	Twp	Rng	Field Name	Prod Zone Name	Comp	First Prod Date	Latest Mo	Gas Last 12 Mos	Oil Last 12 Mos	Wir Last 12 Mos	Gas Cum	Oil Cum	Years On
1	DUGAN PRODUCTION CORPORATION	PET INC	30045072350000	C NW NW	26	28	15	OJO	GALLUP /SD/ SH		196/1/2					793732	6160	37
2																793732	6160	37

Attachment
No. 11
Pg 2 of 2

Attachment No. 12
Pg 2 of 2



- A. Piney #1 2 phase Separator - unheated
- B. Piney #1 - 500 bbl Horizontal Water Storage Tank
- C. El Paso's Meter # 94383 for Piney #1 - 4" Meter Run, Dry Flow Meter.
- D. El Paso's meter # 75470 for Pot. Inc CDP Joles meter, 4" meter Run of Electronic Flow Meter
- E. No Doubt No. 90 2 phase Separator - unheated
- F. No Doubt No. 90 210 bbl Steel water Storage Tank
- G. No Doubt No. 90 Allocation Meter - 2" Meter Run at Burton Dry Flow Meter.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

NM - 89131
3162.3-1
3162.3-2 (07100)

April 24, 2002

Kurt Fagrelius
Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499

Dear Mr. Fagrelius:

Reference is made to the following well on Federal oil and gas lease NM-89131:

**No Doubt No. 90, located 790' FNL and 1850' FEL, Sec 6, T.27N., R.13W.,
San Juan County, New Mexico.**

On February 5, 2002, this office approved an Application for Permit to Drill to complete in the WAW Fruitland Sand Pictured Cliffs interval of the referenced well. Your Subsequent Report was received on April 17, 2002, outlining your change of plans to perforate and complete this well in the Basin Fruitland Coal formation. Pursuant to the General Requirements attached to the APD, prior approval by the BLM Authorized Officer is required for a variance from the approved drilling program. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent (on a Sundry Notice Form 3160-5) within three business days. This office has no record of prior approval, written or verbal, being authorized to change the completion interval. As such, you are in violation of 43 CFR 3162.3-1, for failure to comply with the written requirements of the Application for Permit to Drill.

In addition to the foregoing, you are also in violation of 43 CFR 3162.3-2, Subsequent Well Operations, which requires prior approval before commencing completion in a different interval than what was approved on your Application for Permit to Drill. These are considered minor violations and this will serve as notice that if violations of this sort occur in the future, you will be subject to a monetary assessment. Enclosed you will find your processed Sundry Notice and Well Completion Report.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request will not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3154.4, and 43 CFR 4.400, et seq.

If you have any questions regarding the above contact Matt Halbert at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

Is/ Jim Lovato

Jim Lovato
Senior Technical Advisor,
Petroleum Management Team

Enclosures: (2)

cc:
NMOCD, Aztec, NM
NMOCD, Santa Fe, NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Designation and Serial No NM-89131
2. Name of Operator Dugan Production Corp.		6. If Indian, Allotted or Tribe Name
3. Address and Telephone No P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821		7. If Unit or CA, Agreement Designation
Location of Well (Footage, Sec., T., R., M., or Survey Description) Section 6, T27N, R13W 790' FNL & 1850' FEL		8. Well Name and No No Doubt #90
		9. API Well No. 30 045 - 30781
		10. Field and Pool, or Exploratory Area WAW Fruitland Sand PC
		11. County or Parish, State San Juan, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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

This well was permitted to test the WAW Fruitland Sand Pictured Cliffs interval. However, after reviewing cased hole logs, plans were changed and the Basin Fruitland Coal interval was perforated and completed. The enclosed C-102 reflects the change in acreage dedication.

RECEIVED
 2002 APR 17 AM 11:47
 070 FARMINGTON, NM

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

Signed Kurt Fagrelus Title Geologist Date 4/16/2002
Kurt Fagrelus

This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any _____

ACCEPTED FOR RECORD

APR 23 2002

FARMINGTON FIELD OFFICE

51 USC, Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.



PO Box 1988, Santa Fe, NM 87504-2088
 District III
 1000 Rio Huerfano Rd., Adco, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* APT. Number		* Pool Code	* Pool Name
		71629	Basin Fruitland Coal
* Property Code	* Property Name		* Well Number
No Doubt			90
* OGRID No.	* Operator Name		* Elevation
006515	Dugan Production Corporation		5375' Estimated

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
5	6	27N	13W		790	North	1850	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320.0			

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

16	Section 6	Dugan Production Corp. 790' NY-89131	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Sherman E. Dugan</i></p> <p>Signature Sherman E. Dugan</p> <p>Printed Name Vice-President</p> <p>Title June 4, 1997</p> <p>Date</p>	
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from original surveys made by me or under my supervision and the same is true and correct to</p> <p>Date of Survey</p> <p>Signature</p> <p><i>Edgar L. Richardson</i></p> <p>Certificate Number</p>
				

070 FARMINGTON, NM
 2002 APR 17 AM 11:47

RECEIVED

APR 23 2002
 FARMINGTON FIELD OFFICE
 BY *[Signature]*



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

Pet Inc Gas Gathering System
3162.7-3 (07100)

SEP 03 2002

Mr. John Roe
Dugan Production Corporation
PO Box 420
Farmington, NM 87499-0420

PLC-206

Dear Mr. Roe:

Reference is made to your letter dated May 17, 2002, requesting approval to add the following well to the previously approved Pet Inc Gas Gathering System (formerly the Raven Area Pipeline):

**No. 90 No Doubt, located 790' FNL and 1850' FEL section 6, T. 27 N., R. 13 W.,
San Juan, County, New Mexico on Federal Lease No. NM-89131.**

This facility was originally approved on February 10, 1967, and amended on October 10, 1972, to include additional wells. Based on the information supplied, Dugan is hereby authorized to include this well in the Pet Inc Gas Gathering System. In addition, retroactive approval to relocate the sales meter (EPNG Meter No. 75470) to the Piney No. 1 well location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, T. 27 N., R. 13 W., is also authorized.

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

Sincerely,

Jim Lovato
Senior Technical Advisor,
Petroleum Management Team

cc:
NMOCD (Aztec and Santa Fe)
BIA Gallup
Navajo Nation