

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

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

Attachment
No. 1
Pg 1 of 3

Operator DUGAN PRODUCTION CORP.			Lease Com		Well No. 1
Unit Letter J	Section 2	Township 29 North	Range 14 West	County San Juan	
Actual Footage Location of Well: 1750 feet from the South line and 1820 feet from the East line					
Ground level Elev. 5516'	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage: 316.65 Acres	

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

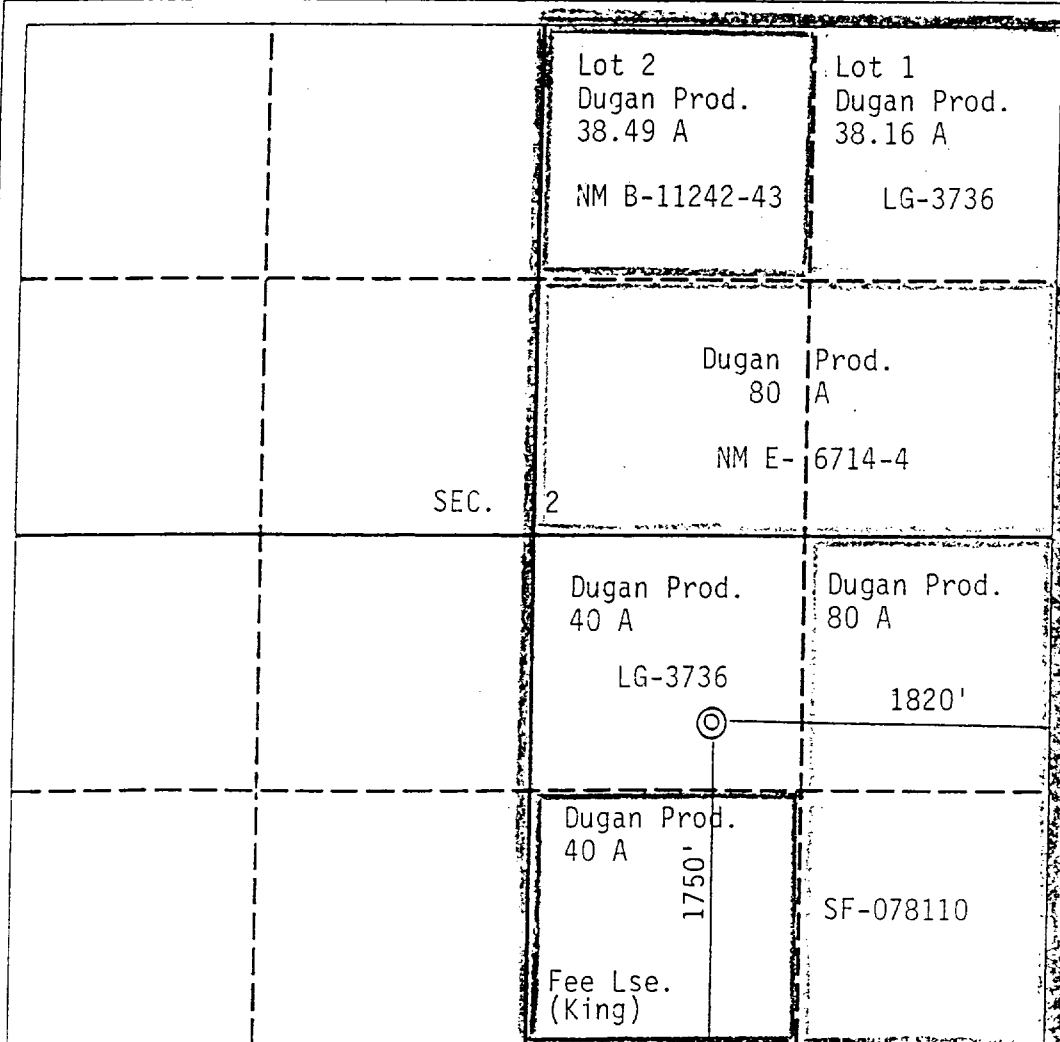
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

☒ Yes ☐ No If answer is "yes" type of consolidation NSL-3226

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary. C.A. Agrmt #NMNM 91272, approved 1/18/94, effective 12/1/90

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

Vice President

Company

Dugan Production Corp.

Date

3/7/94

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

3-21-61

Signature & Seal of
Professional Surveyor

Original signed survey
plat by James P. Leese
is on file.

Certificate No.

1463

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

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

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

Attachment
No. 1
Pg 2 of 3

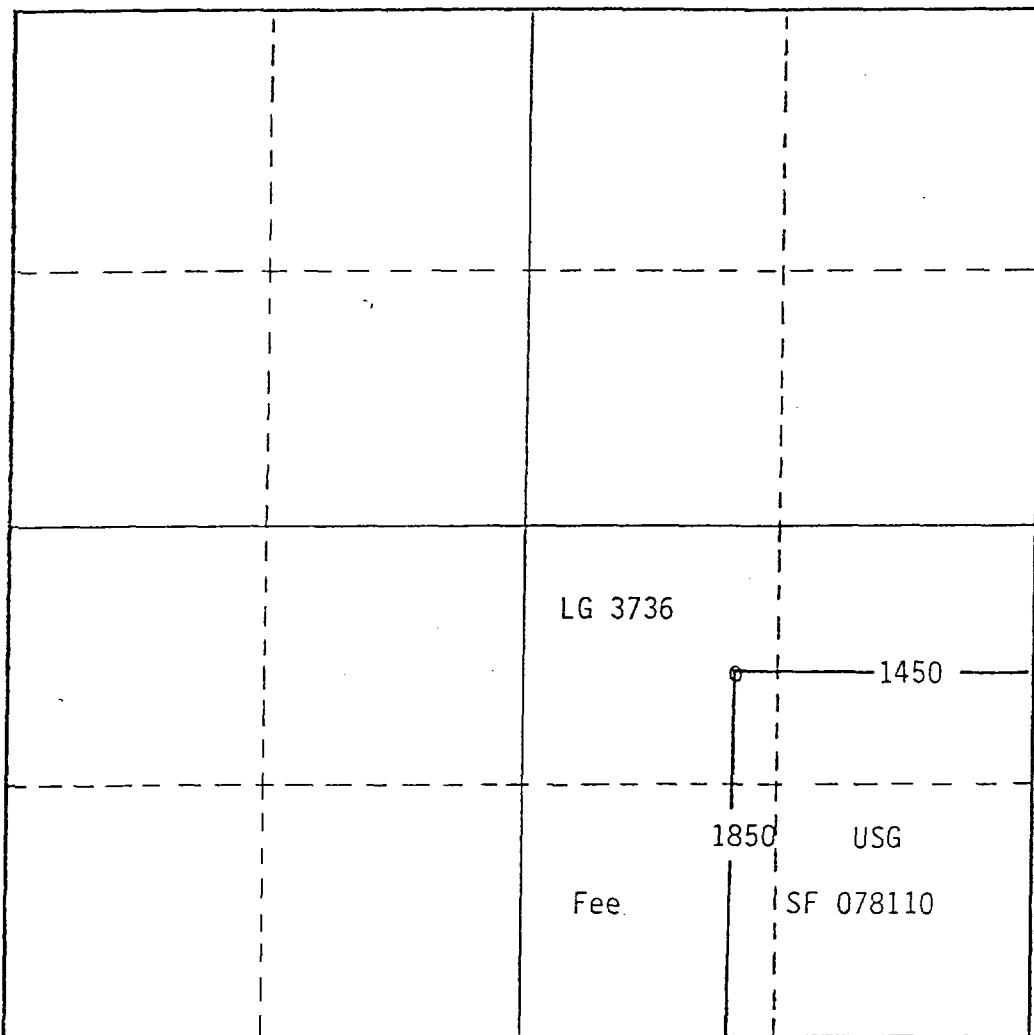
Operator Dugan Production Corp.			Lease Com			Well No. 3
Unit Letter J	Section 2	Township 29N	Range 14W	County San Juan		
Actual Footage Location of Well: 1850 feet from the South line and 1450 feet from the East line						
Ground Level Elev. 5515	Producing Formation Fruitland - PC		Pool Harper Hill 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.



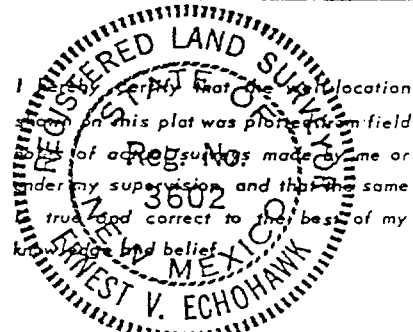
CERTIFICATION

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

Thomas A. Dugan

Name
Thomas A. Dugan
Position
Petroleum Engineer
Company
Dugan Production Corp.

Date
September 21, 1990



Date Surveyed
Nov. 2, 1978

Registered Professional Engineer
and/or Land Surveyor

E. V. Echohawk

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Attachment

No. 1

pg 3 of 3

Form C-102
Revised February 21, 1994
Instructions on back
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30 045		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal		
4 Property Code		5 Property Name King Com			6 Well Number 90	
7 OGRID No. 006515		8 Operator Name Dugan Production Corporation			9 Elevation 5478'	

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
B	11	29N	14W	B	1128	North	1511	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		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	BLM Brass Cap	1294'	1294'	1128'	1340'	1511'	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 3/19/99 Date
		DPC fee	Rebar w/cap #6159				
			Rebar w/cap #6159				
	Section	11	DPC - SF 078110				
							18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. March 18, 1999 Date of Survey Signature and Seal EDGAR R. RISENHOVER NEW MEXICO 5979 Certificate Number 5979

ATTACHMENT 2--PAGE 1 OF 3

Dugan Production Corp.

Com Well No. 1

Basin Fruitland Coal

Well Location: NWSE 2, T-29N, R-14W

Spacing Unit: E/2 Sec.2, T-29N, R-14W

(316.65A)

San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Net</u>	<u>Gross</u>
<u>Royalty</u>		
State of New Mexico	7.762910	-0-
State Land Office		
Attn: Pete Martinez		
P. O. Box 1148		
Santa Fe, NM 87504-1148		
 USA - Bureau of Land Management	3.158070	-0-
1235 La Plata Hwy.		
Farmington, NM 87401		
 Rilla E. King	1.579030	-0-
P. O. Box 186		
Dolores, CO 81325		
 <u>Overriding Royalty Interest</u>		
Marcia M. Daniels	0.030390	-0-
c/o Clotilda M. Pope		
5480 Wisconsin Ave., Suite 814		
Chevy Chase, MD 20015		
 Louise Adair McDougal Hadley	0.121550	-0-
2 Bluff Road		
Swansboro, NC 28584		
 Charles Alan McDougal	0.121550	-0-
7928 Rooksley Ct		
Raleigh, NC 27615		
 Robert Bruce McDougal	0.121550	-0-
6608 Penny Lane		
Bartlesville, OK 74006		
 Anne S. Henderson	0.121550	-0-
2969 Upton St. NW, Apt. 3		
Washington, DC 20008		
 Robin Thomas Henderson	0.030390	-0-
5028 River Road		
Bethesda, MD 20016		
 Russell Stewart Henderson, Jr.	0.030390	-0-
5028 River Road		
Bethesda, MD 20016		
 Clotilda M. Pope	0.030390	-0-
5480 Wisconsin Ave., Suite 814		
Chevy Chase, MD 20015		
 Conoco, Inc.	2.368550	-0-
10 Conoco Plaza, 10 Desta Drive		
Midland, TX 79705		
 <u>Working Interest</u>		
Dugan Production Corp.	84.523680	100.000000
 TOTAL WELL	100.000000	100.000000

ATTACHMENT 2--PAGE 2 OF 3

Dugan Production Corp.

Com Well No. 3

Harper Hill Fruitland Sand Pictured Cliffs

Well Location: NWSE 2, T-29N, R-14W

Spacing Unit: SE/4 Sec.2, T-29N, R-14W
(160.00A)

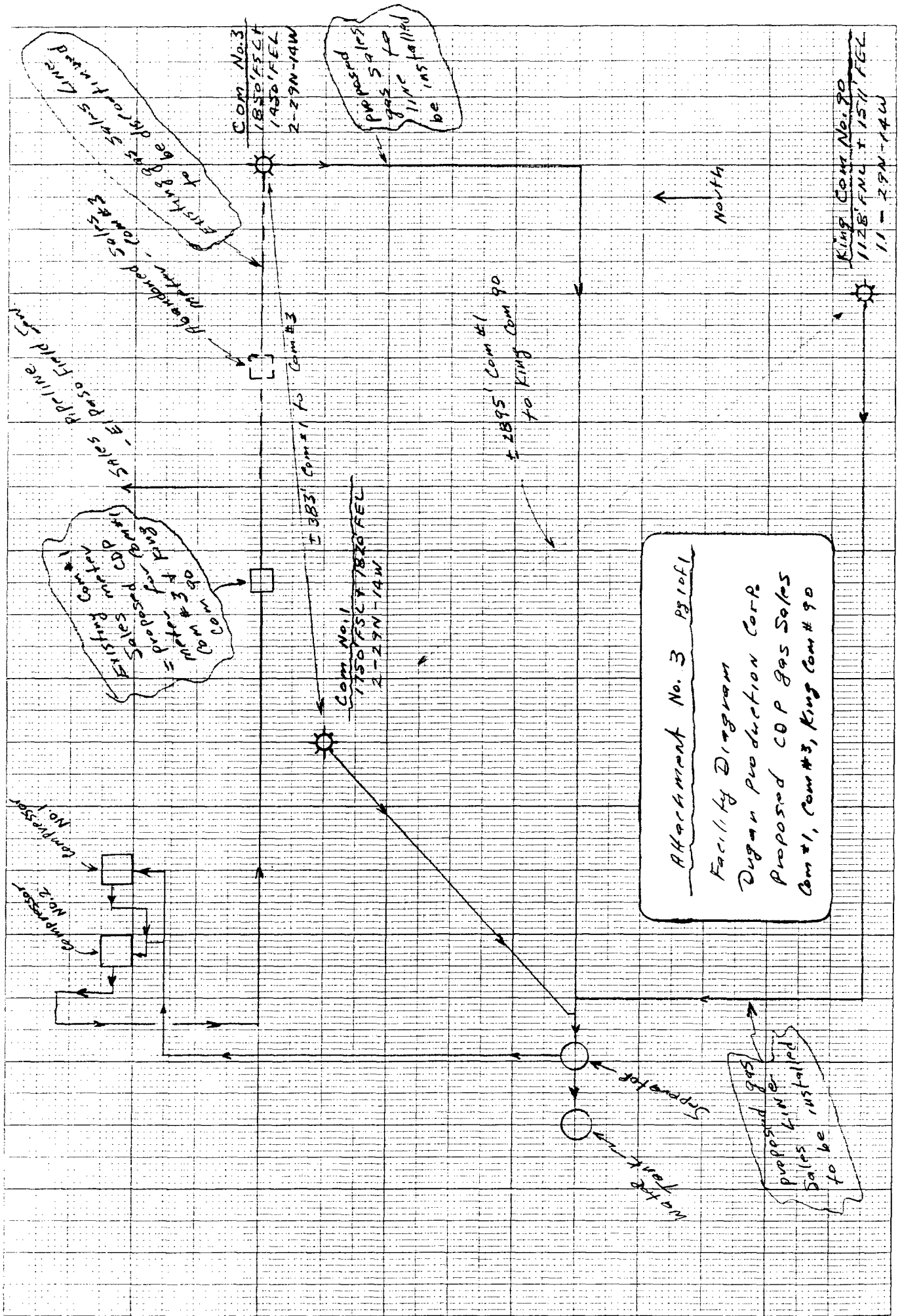
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Net</u>	<u>Gross</u>
<u>Royalty</u> State of New Mexico State Land Office Attn: Pete Martinez P. O. Box 1148 Santa Fe, NM 87504-1148	3.125000	-0-
USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	6.25000	-0-
Rilla E. King P. O. Box 186 Dolores, CO 81325	3.125000	-0-
<u>Working Interest</u> Dugan Production Corp.	<u>87.500000</u>	<u>100.000000</u>
TOTAL WELL	100.000000	100.000000

ATTACHMENT 2--PAGE 3 OF 3

Dugan Production Corp.
King Corn Well No. 90
Basin Fruitland Coal
Well Location: NWNE 11, T-29N, R-14W
Spacing Unit: E/2 Sec. 11, T-29N, R-14W
(320.13A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
<u>Royalty</u>	<u>Net</u>	<u>Gross</u>
USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	7.814403	-0-
Rilla E. King P. O. Box 186 Dolores, CO 81325	2.342798	-0-
Joseph E. & Twila M. Goodding Living Trust c/o Twila M. Goodding, Trustee 1009 Crestview Circle Farmington, NM 87401	0.780933	-0-
Betty Jane Akins 1309 Dewey Lane Alamogordo, NM 88310	0.292850	-0-
Colleen McSparron 810 Stratford Pismo Beach, CA 93449	0.292850	-0-
LaRue Schenck 3016 Crestridge Farmington, NM 87401	0.292850	-0-
Geraldine Sterling Box 74 Farmington, NM 87499	0.292850	-0-
Robert F. Johnston and Janice A. Johnston 605 Parkland Drive Aztec, NM 87410	0.014642	-0-
Larry Dimmick 650 W. Main, Ste. C Farmington, NM 87401	0.029285	-0-
Bill Jensen 613 Merino Kraal Farmington, NM 87401	0.029285	-0-
Randall E. Presley P. O. Box 2200 Bakersfield, CA 92663	0.187424	-0-
Motor Property Partners 6515 Tevis Drive Bakersfield, CA 93309	0.187424	-0-
State Highway Department of New Mexico P. O. Box 1149 Santa Fe, NM 87504-1149	0.052713	-0-
<u>Working Interest</u>		
Lee Atchison P. O. Box 15069 Farmington, NM 87499-5069	0.117140	0.117140
Dugan Production Corp.	<u>87.272553</u>	<u>99.882860</u>
TOTAL WELL	100.000000	100.000000

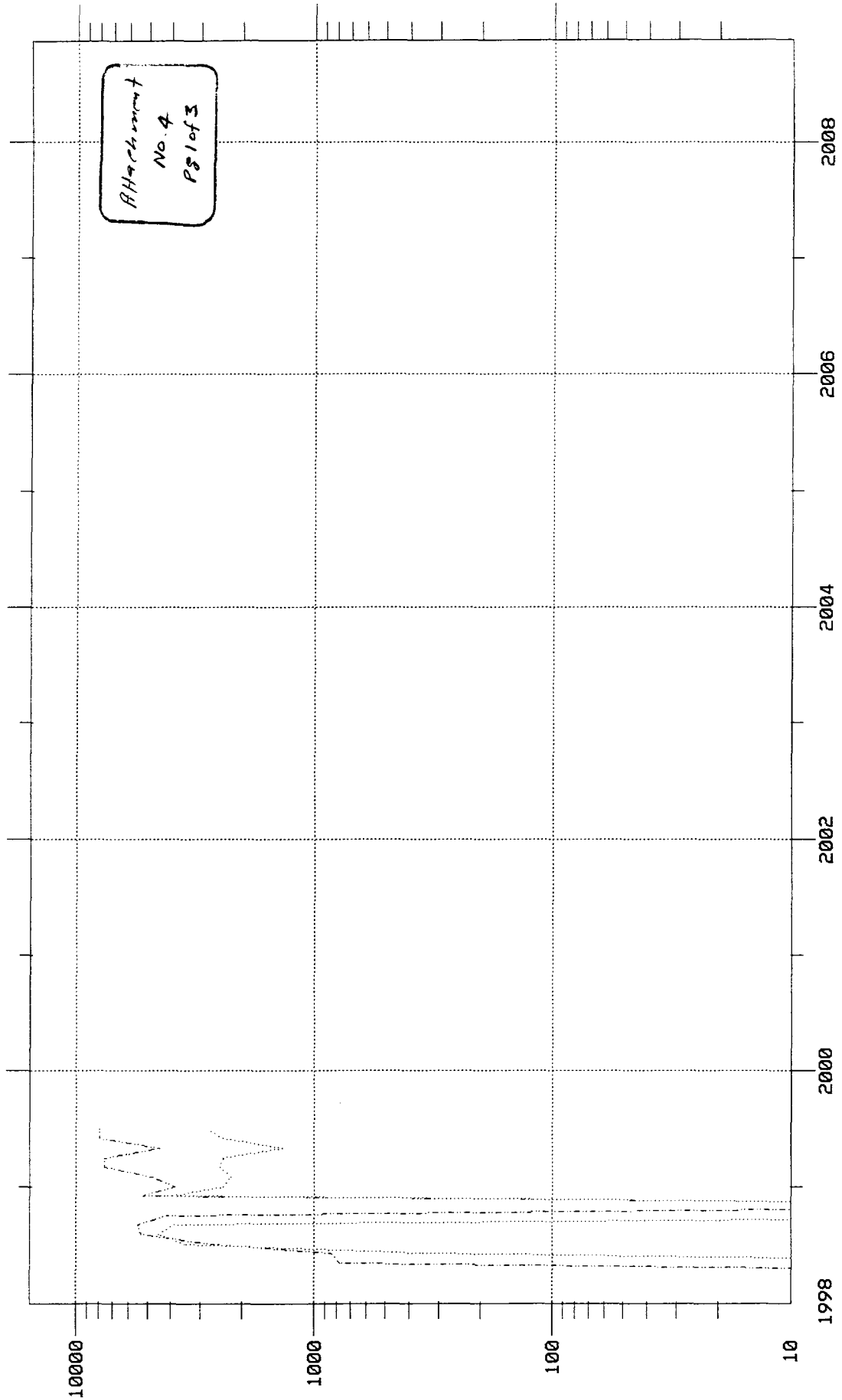


- Not Drawn To Scale -

Calculated
Oil - - - -
Gas - - - -
Water - - - -

DUGAN PRODUCTION CORP
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
COM No. 1
BASIN FRUITLAND COAL

Production
Oil - - - -
Gas - - - -
Water - - - -

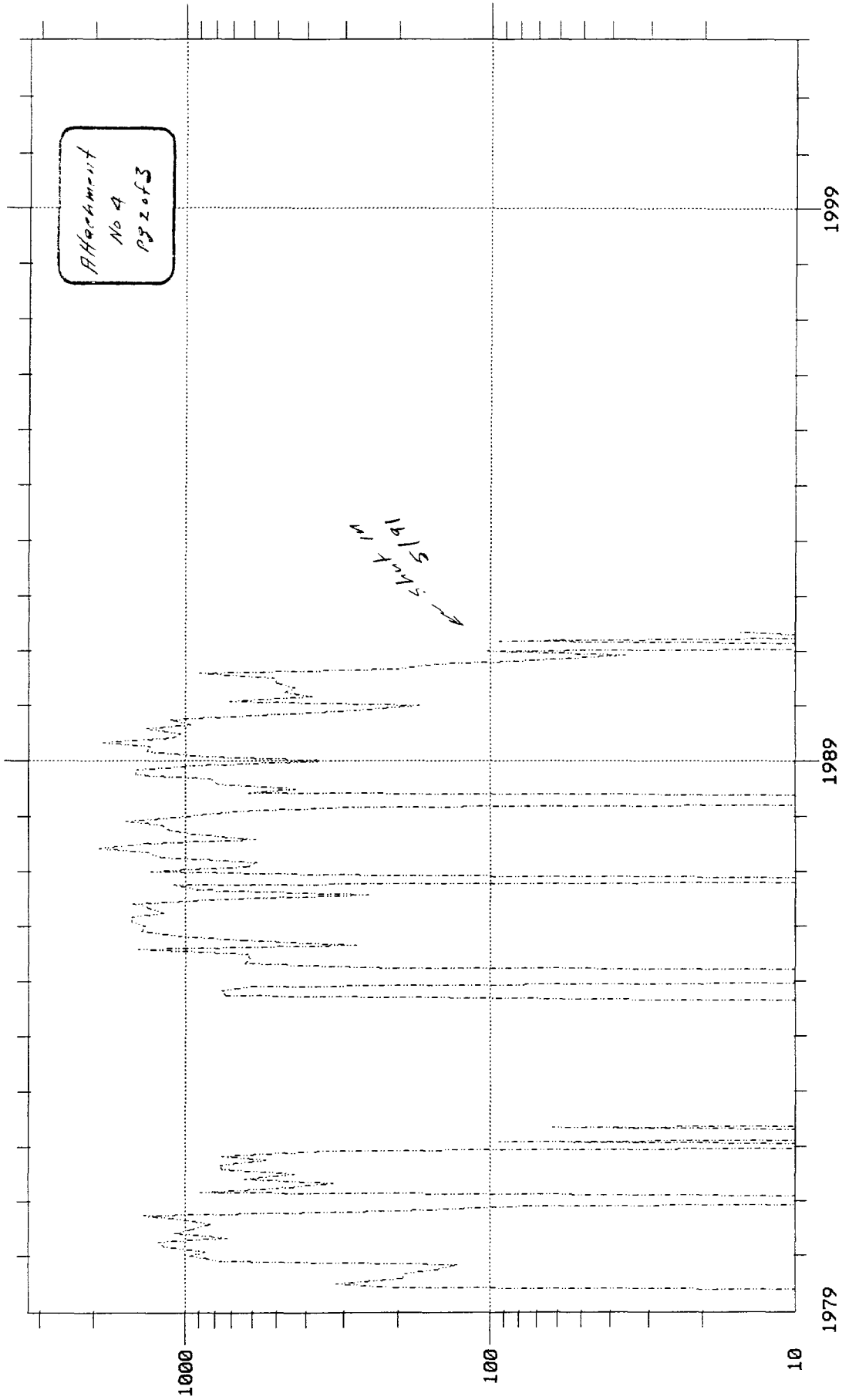


Reported Oil Production = 0 Bbls
Reported Gas Production = 68529 Mcf
Reported Water Production = 32186 Bbls

Calculated
Oil
Gas
Water

DUGAN PRODUCTION CORP
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
COM No. 3
HARPER HILL FRUITLAND SAND-PICTURED CLIFFS

Production
Oil
Gas
Water



Reported Oil Production = 0 Bbls
Reported Gas Production = 77943 Mcf
Reported Water Production = 0 Bbls

Attachment No. 4 - Page 3 of 3
King Com No. 90

Completion & Test History

5/24/99	Perforate Fruitland Coal 958'-964', 997'-1001', 1077'-1084
6/14/99	Pump into Fruitland Coal perfs 958'-1084' w/500 gal. 15% HCL & 900 bbl water.
6/15/99	Installed 1-1/2" rod pump and commenced testing.
7/22/99	Pump tested 20 MCFD + 31 BWPD. Reported initial potential.
7/24-25/99	Pump tested 15.1 MCFD + 25.9 BWPD.
7/26-27/99	Pump tested 15.5 MCFD + 12.7 BWPD.
8/4-9/99	Pump tested 16.7 MCFD + 11.9 BWPD.
8/9/99	16.9 MCFD.
8/10/99	23.9 MCFD + 19 BWPD.
8/11/99	Shut in. Waiting on pipeline connection.

Attachment No. 5
Allocation Procedures
Dugan Production Corp.'s
Proposed Surface Commingling & Off-Lease Measurement
Com No. 1 CDP: J-2-29N-14W
San Juan County, New Mexico

Base Data:

U=Water volume (BWPD) from Periodic Well Test x days operated during allocation period

V=Water volume (bbl) at Central Battery during allocation period

W=Gas volume (MCFD) from Periodic Well Test x days operated during allocation period

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

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

Z=Gas Revenue (\$) from CDP Sales Meter during allocation period

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

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

A = Allocated Sales Volume, MCF.

= (W/SUM W) x X

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

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

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by W / Sum W for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, MCF. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by W / Sum W.

2. Allocated Individual Well BTU's = ((W x Individual well BTU) / Sum (W x individual well BTU)) x Y.

Individual well gas heating values to be determined in accordance with BLM's Onshore Order No. 5.

3. Allocated Individual Gas Revenues = (Allocated Individual well BTU's / Sum Allocated individual well BTU's) x Z

4. Individual Well Water Production = Allocated production volume, bbl=(U / Sum U) x V

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 7/07/99

CHROMATOGRAPHIC GAS ANALYSIS REPORT

Attachment
No. 6
pg 1 of 2

MAILEE
26730

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

METER NUMBER 73044 - COM #1 - Basin Frontland Cool (J-2-29N-14W)
OPERATOR 1862 - DUGAN PRODUCTION CORP

ANALYSIS DATE	5/17/99	TYPE CODE	2 - ACTUAL
SAMPLE DATE	5/14/99	H2S GRAINS	0
EFFECTIVE DATE	6/01/99	LOCATION	F - FARM BECK
EFFECTIVE FOR	6 MONTHS		

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.69	.000
H2S	.00	.000
N2	.19	.000
METHANE	97.32	.000
ETHANE	1.10	.294
PROPANE	.37	.102
ISO-BUTANE	.07	.023
NORM-BUTANE	.10	.032
ISO-PENTANE	.04	.015
NORM-PENTANE	.03	.011
HEXANE PLUS	<u>.09</u>	<u>.039</u>
	100.00	0.516

SPECIFIC GRAVITY .578
MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1029
RATIO OF SPECIFIC HEATS .000
NO TEST SECURED FOR H2S CONTENT

EL PASO NATURAL GAS COMPANY
VOLUME ACCOUNTING DEPARTMENT
MEASUREMENT DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978
PHONE: (915) 541-5267

DATE 11/13/89

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MAILEE
26730

DUGAN PRODUCTION CORPORATION
P. O. BOX 208
FARMINGTON, NEW MEXICO 87401

Attachment
No. 6
pg 2 of 2

METER NUMBER 90541 - COM 3 - Harper Hill Fruitland Sand - PC (J-2-29N-14W)
OPERATOR 1862 - DUGAN PRODUCTION CORP

ANALYSIS DATE 0/00/00 TYPE CODE 2 - ACTUAL
SAMPLE DATE 10/20/89 H2S GRAINS 0
EFFECTIVE DATE 11/01/89 LOCATION F - FARMINGTON
EFFECTIVE FOR 6 MONTHS

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.56	.000
H2S	.00	.000
N2	.37	.000
METHANE	95.82	.000
ETHANE	1.71	.457
PROPANE	.78	.215
ISO-BUTANE	.06	.020
NORM-BUTANE	.30	.095
ISO-PENTANE	.08	.029
NORM-PENTANE	.06	.022
HEXANE PLUS	<u>.26</u>	<u>.113</u>
	100.00	0.951

SPECIFIC GRAVITY .593
MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1053
RATIO OF SPECIFIC HEATS 1.302
NO TEST SECURED FOR H2S CONTENT