

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

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

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

[B] ☐ Offset Operators, Leaseholders or Surface Owner

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

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

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

[F] ☐ Waivers are Attached
** - Copies of letters providing notice were included in Application as Attachments #6 (WFX operator), #7 (BLM & SLO), #8 (FOR RE), & #9 (ORRE). Copies of the Certified - Return Receipts were mailed to WMOB on 4/15/2001.*

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

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

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

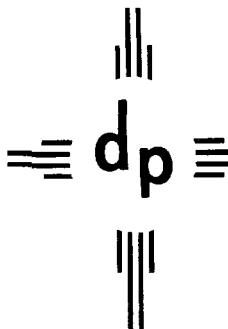
John D. Roe
 Print or Type Name

John D. Roe
 Signature

Engineering Manager
 Title

8/27/01
 Date

dugan@cptnet.com
 e-mail Address



dugan production corp.

01 AUG 15 08:11:03

August 14, 2001

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

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

Mr. Steve Henke
Bureau of Land Management - Farmington Field Office
1235 La Plata Highway
Farmington, NM 87401

Re: Add 9 wells to Dugan's Tabor Gathering System (Com 1E CDP)
Plus Surface Commingling, off-lease measurement and Sale of Natural Gas
San Juan County, New Mexico

Dear Ms. Wrotenbery, Mr. Henke and Commissioner Powell,

We are writing to request your respective approvals to add nine wells (six recently drilled, one to be drilled plus two that are currently connected directly to El Paso's pipeline) to Dugan Production's Tabor Gathering System which delivers gas to El Paso Field Services at the Com 1E CDP sales meter. This will require the surface commingling of natural gas, plus the off lease measurement and sale of natural gas produced from each of the nine wells. Any condensate or oil produced from these wells will be separated, stored and sold at the individual well sites and will not be included in the Tabor Gathering System. Dugan Production Corp. is the operator of all wells.

The Com No. 1E CDP (El Paso Field Service's Meter No. 90887 located in Unit A, Section 2, T-29N, R-14W, at the Com No. 1E well site) was initially placed into service as a central delivery sales meter during 9/96 and has been expanded two times. There currently are seven wells approved for the CDP. The last extension was approved by the Bureau of Land Management (BLM) on 7/5/00, the New Mexico State Land Office (NMSLO) on 7/7/00 and the New Mexico Oil Conservation Division (NMOCD) on 7/24/00 with NMOCD Administrative Commingling Order PLC-173.

Detailed well and lease information for each of the nine wells to be added to the Tabor Gathering System (plus each of the seven wells currently on the system) is presented on Attachment No. 2. The spacing units for the nine wells to be added includes acreage from four state leases (B-11242, B-11571, E-6714 & LG-3736), five federal leases (NM-4465, NM-23072, NM-28761, NM-33050 & NM-0206994) plus several fee leases.

Attachment No. 1 was reproduced from portions of the Youngs Lake and Kirtland USGS Quadrangle Topography maps and presents Dugan Production's Tabor Gathering System along with the wells connected to the system and Dugan's leases. The nine wells to be added are highlighted in blue. Also presented on Attachment No. 1 is Dugan Production's King and Federal I Gathering Systems which are separate from the Tabor Gathering System and are presented on Attachment No. 1 for informational purposes only since the three systems are in close proximity to one another, and all three systems send produced water to Dugan's Stella Needs A Com No. 1 and 1E SWD wells located in Units K and D, respectively, of Section 36, T-30N, R-14W.

Attachment No. 3 presents the C-102's for the wells to be added, along with the dedicated spacing units and associated leases. The ownership for each of the nine wells is presented in Attachment No. 4. Page No. 1 of Attachment No. 4 presents a summary for all wells and pages two through ten present the specific ownership data for each well.

The nine wells to be added to the Tabor Gathering System are completed in pools that currently are producing into the gathering system and we do not anticipate any problems with compatibility. Of the nine wells, three are completed and one is proposed to be completed in the Basin Fruitland Coal pool, four are completed in the Harper Hill Fruitland Sand-Pictured Cliffs pool and two are completed in the Basin Dakota pool. Since six of the completions are fairly new and one is yet to be drilled, we do not have well established production information, however we do anticipate that each of the Harper Hill Fruitland Sand-Pictured Cliffs and Basin Fruitland Coal wells will produce similarly to the existing wells, i.e. 150 to 200 mcf/d plus 100 to 150 BWPD. Production from the two Basin Dakota wells is well established and is presented in Attachment No. 6. The Horace Smith 1R and Jacobs 2 have been connected to El Paso's pipeline since completion and both are currently producing at fairly marginal rates. The pressure in El Paso's pipeline averages ± 250 psi and at times approaches 400 psi. Both wells have produced for 20+ years and we believe would benefit from the reduced gathering system pressure that exists in our Tabor Gathering System. We have installed a central compressor at the CDP which maintains a gathering system pressure of ± 35 -50 psi. The Tabor Gathering System has been extended to include other wells and is within 200'-250' of these two wells. Adding these two wells to the Tabor Gathering System will be fairly simple and will enable both wells to continue producing which may not be possible on El Paso's system since wellhead compression is not considered to be economically viable on either well. Both wells produce small amounts of liquid (condensate and water) and it is becoming increasingly difficult to keep the wells producing at the pipeline pressures that exist in El Paso's system.

We are proposing to operate these new wells the same as the seven other wells currently approved for the system, i.e. produce natural gas from each well up the casing-tubing annulus and after metering the gas at the individual well site using a conventional meter run and Barton dry flow meter, transport the gas to the central battery where it will be collected and using a central compressor, compressed for delivery to the Com 1E CDP sales meter. The CDP sales meter is on El Paso Field Service's system and is maintained by El Paso.

The water from each well, plus any natural gas that is associated with the water production, will be produced up the tubing (likely with rod pump artificial lift equipment) and will be transported to the central battery in a separate line. At the central battery, the produced water streams will be commingled and any associated natural gas will be separated. The water will be transferred to water storage tanks at the central battery and then transferred to Dugan Production's Stella Needs a Com water disposal system using a water injection pump also located at the central battery. The natural gas separated from the water at the central battery will be metered using a conventional gas meter run equipped with a Barton dry flow meter, and after metering, the gas will be delivered to the central compressor for compression and sale. This meter will be of similar

design to the gas metering equipment located at each well. The gas recovered from the central battery water separator will be allocated to the individual wells contributing production to the separator based upon volumes of water each well produced. To date very little gas has been recovered from the produced water. The proposed allocation procedures for water and gas are presented on Attachment No. 5 which is unchanged from the procedure previously approved for the Com 1E CDP. The water production rates will be periodically tested at each well using Dugan's portable, 3 phase test unit. The test frequency will be based upon need as determined by volumes at the central battery; i.e. any changes of significance in the total volume will indicate the need for retesting each well.

We are sending copies of this application to all working and royalty interest owners in the nine wells to be added and Attachment No. 7 & 8 presents copies of the transmittal letters. All overriding royalty interest owners are also being notified of our application and Attachment No. 9 is a copy of our letter to them. All interest owner notice was sent by certified return-receipt mail and upon receiving the return receipts we will provide copies to the NMOCD as evidence of interest owner notice.

In summary, we are proposing to add nine wells to Dugan's Tabor Gathering System and Com No. 1E CDP sales meter. This will allow these wells to share the Tabor Gathering System central compressor and will allow produced water from these wells to be transported for disposal by pipeline rather than truck. By adding these nine wells to the Tabor Gathering System, it will eliminate the need to install wellhead compressors at each well which may not be economically feasible for some wells. This should reduce the volumes of gas needed for compressor fuel (with a corresponding increase in gas volumes available for sale) and will reduce compressor noise, exhaust emissions and truck traffic. These nine wells will be operated using the procedures already approved for the seven existing wells and should not affect performance of the existing wells. Since all gas volumes, BTU's and revenues will be allocated from the CDP to the individual wells using allocation factors determined from gas volumes recorded by allocation meters at each well and BTU's determined for each well, the commingling of gases should not reduce the value of any one well stream.

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

Sincerely,



John D. Roe
Engineering Manager

cc: royalty & working interest owners
NMOCD - Aztec

ATTACHMENT NO. 2

DUGAN PRODUCTION CORP. TABOR GATHERING SYSTEM AND CDP, SAN JUAN COUNTY, NEW MEXICO

Well Name	API No. 30-045-	Well Location UL-Sec-Twn-Rng	Well Location		CA Number	Pool	Completion Date	Current Prod. 1			Spacing Unit	Dates for SC, OLM & S		
			Lease No.	Lse. Type				MC/FD	BC/D	BWPD		Application	Approval	NMSLO
WELLS PREVIOUSLY APPROVED FOR SYSTEM														
Com No. 1E	23940	A-2-29N-14W	LG-3736	State	14080017765	Basin Dakota	12/8/79	73	0.06	0.3	E2-316.65A	7/12/1996	7/17/1996	8/19/1996
Com No. 2 (Note 4)	23199	A-2-29N-14W	LG-3736	State	State C.A.	Harper Hill FrSu/PC	10/21/78	7	0	0.1	NE-156.65A	7/12/1996	7/17/1996	8/19/1996
Com No. 4	29986	C-2-29N-14W	B-11242	State	NMNM103068	Harper Hill FrSu/PC	12/7/99	140	0	60	NW-157.95A	3/29/2000	4/27/2000	5/25/2000
Federal I No 99	29989	H-3-29N-14W	SF-078110	Federal	N/A	Basin Fruitland Coal	12/9/99	273	0	55	E2-318.45A	3/29/2000	4/27/2000	5/25/2000
Jiggs No. 1	30183	E-35-30N-14W	NM-0206995	Federal	N/A	Harper Hill FrSu/PC	11/17/00	187	0	72	NW-160A	6/30/2000	7/17/2000	7/24/2000
Jiggs No. 2	30177	I-35-30N-14W	NM-0206995	Federal	N/A	Harper Hill FrSu/PC	7/25/00	202	0	62	SE-172.49A	6/30/2000	7/17/2000	7/24/2000
Tabor Com No. 90	29994	H-35-30N-14W	NM-33051	Federal	NMNM102982	Basin Fruitland Coal	12/6/99	195	0	114	E2-332.49A	3/29/2000	4/27/2000	5/25/2000
WELLS TO BE ADDED TO SYSTEM														
Beyond Petroleum Com No. 90	Note 3	L-26-30N-14W	NM-33052	Federal	Pending	Basin Fruitland Coal	Location	200	0	150	W/2-320A	8/14/2001	pending	pending
Com No. 2R (Note 4)	30576	B-2-29N-14W	B-11242	State	State C.A.	Harper Hill FrSu/PC	5/15/2001	250	0	120	NE/4-156.65A	8/14/2001	pending	pending
Horace Smith No. 1R (Note 5)	24346	I-26-30N-14W	NM-0206994	Federal	SCR248	Basin Dakota	1/18/1981	125	1	1	S/2-320A	8/14/2001	pending	pending
Jacobs No. 2 (Note 6)	23942	G-26-30N-14W	NM-33050	Federal	N/A	Basin Dakota	1/7/1979	45	0.5	0.5	N/2-320A	8/14/2001	pending	pending
Jacobs No. 3 (Note 7)	30590	C-26-30N-14W	NM-33050	Federal	N/A	Harper Hill FrSu/PC	6/5/2001	150	0	100	NW/4-160A	8/14/2001	pending	pending
Jacobs Com No. 90 (Note 7 & 8)	30588	G-26-30N-14W	NM-33050	Federal	Pending	Basin Fruitland Coal	6/5/2001	200	0	150	320A NSPU	8/14/2001	pending	pending
Mayre No. 4R (Note 7)	30591	O-27-30N-14W	NM-4465	Federal	N/A	Harper Hill FrSu/PC	6/5/2001	150	0	100	SE/4-160A	8/14/2001	pending	pending
Stella Needs a Com No. 2 (Note 7)	30574	D-36-30N-14W	B-11571	State	State C.A.	Harper Hill FrSu/PC	4/11/2001	150	0	100	NW/4-160A	8/14/2001	pending	pending
Winifred Com No. 90 (Note 7 & 8)	30577	O-26-30N-14W	FEE	FEE	Pending	Basin Fruitland Coal	5/15/2001	200	0	150	320.36A NSPU	8/14/2001	pending	pending

Notes: N/A = Not Needed

1) For wells previously approved, average production presents data for May, 2001. For wells to be added, production rates are anticipated/estimated.

2) Application for surface commingling, off-lease measurement and sale of natural gas. Applications are subject to approvals by the Bureau of Land Management (BLM), New Mexico State Land Office (NMSLO), and the New Mexico Oil Conservation Division (NMOCD). NMOCD's most recent order = Administrative Commingling Order **ALC-173**.

3) An Application for Permit to Drill (APD) was submitted on 8/1/01. API number is pending. A gas rate of ±200 mcf/d is anticipated.

4) The Com No. 2R was drilled to replace the Com No. 2 which is currently approved for operation on the Tabor Gas Gathering System. Production from the Com No. 2 averages ±7 mcf/d and was shut in 7/14/01 with deliveries to the Tabor Gathering System being suspended during testing of the Com No. 2R. NMOCD rules will not allow the Com No. 2 & 2R to produce simultaneously. It is our desire to have both wells approved for operation on the Tabor Gathering System, however until special pool rules are established that will allow both wells to simultaneously produce, we plan to leave the No. 2 shut in. Rod pump artificial lift equipment was installed in the Com No. 2R on 8/6/01 and the well has been tested at ±250 mcf/d plus approximately 120 BWPD.

5) Dugan's Horace Smith No. 1R has delivered gas directly to El Paso (Meter No. 93693) since completion and averages ±30 mcf/d (see Attachment No. 6). El Paso's pipeline pressure has been averaging 250 psi and at times approaches 400 psi. Dugan's Tabor Gathering System has been extended to within ±200' of the Horace Smith No. 1R. The Tabor Gathering System is currently being operated at 35 to 50 psi and moving the Horace Smith No. 1R from El Paso's system to Dugan's Tabor Gathering System will provide a lower and more stable operating pressure. This will eliminate the need to install wellhead compression at the Horace Smith No. 1R. Production is anticipated to average 125-150 mcf/d.

6) Dugan's Jacobs No. 2 has delivered gas directly to El Paso (Meter No. 93-227) since completion and averages ±5 mcf/d plus a small amount of condensate and water which makes the well difficult to keep producing (see Attachment No. 6). El Paso's pipeline pressure has been averaging 250 psi and at times approaches 400 psi. Dugan's Tabor Gathering System has been extended to within 250' of the Jacobs No. 2 and is currently being operated at 35 to 50 psi. Moving the Jacobs No. 2 from El Paso's system to the Tabor Gathering System will provide a lower and more stable operating pressure and will eliminate the need to install wellhead compression. A rate of 40 to 50 mcf/d is anticipated.

7) Rod pump artificial lift equipment has been installed and a rate of 150 mcf/d to 200 mcf/d plus 100 to 150 BWPD is anticipated.

8) NMOCD Order R-11461 established ±320A non-standard spacing units for the Jacobs Com No. 90 (NE/4 Section 26 plus NW/4 Section 25), and the Winifred Com No. 90 (SE/4 Section 26 plus SW/4 Section 25).

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

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

District II
PO Drawer CO, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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

PO Box 2088
Santa Fe, NM 87504-2088

District IV
PO Box 2088, Santa Fe, NM 87504-2088

Attachment
No. 3
Pg. 1 of 9

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30 045 <i>Pending</i>	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name BEYOND PETROLEUM COM	*Well Number 90
*OGRID No. 006616	*Operator Name DUGAN PRODUCTION CORPORATION	*Elevation 5637'

10 Surface Location


UL or Lot No.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
L	26	30N	14W		1850	SOUTH	1285	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 320 ACRES (W/2)	*Joint or Infill	*Consolidation Code	*Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

15	5278.68'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Kurt Fagrelus</i> Signature Kurt Fagrelus Printed Name Geologist Title August 1, 2001 Date
NM-33050 Dugan Prod. Jacobs Trust			
5280.00'	26	5280.00'	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JULY 23, 2001 Date of Survey Signature and Seal of Certified Surveyor  Certificate 6857
1285'			
1850'	NM-0206994 Amoco Prod.		
	5278.02'		

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Attachment
No. 3
Pg. 2 of 9

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 045 - 30576	² Pool Code 78160	³ Pool Name Harper Hill Fruitland PC
⁴ Property Code	⁵ Property Name COM	⁶ Well Number 2R
⁷ OGRID No. 006515	⁸ Operator Name DUGAN PRODUCTION CORPORATION	⁹ Elevation 5492

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	2	29N	14W		907	NORTH	1575	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 156.65	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	SECTION 2	Dugan Prod. B-11242 90'	Dugan Prod. LG-3736 1575'	
		N=36°45'37.37" W=108°16'30.73"		
		Dugan Prod. E-6714		
				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Kurt Fagrelis Signature Kurt Fagrelis Printed Name Geologist Title February 27, 2001 Date
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. FEBRUARY 27 2001 Date NEW MEXICO PROFESSIONAL SURVEYOR 5979 Certificate Number N.M. PLS #5979

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

Attachment
No. 3
Pg 3 of 9

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

API NO.
30-045-24346

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

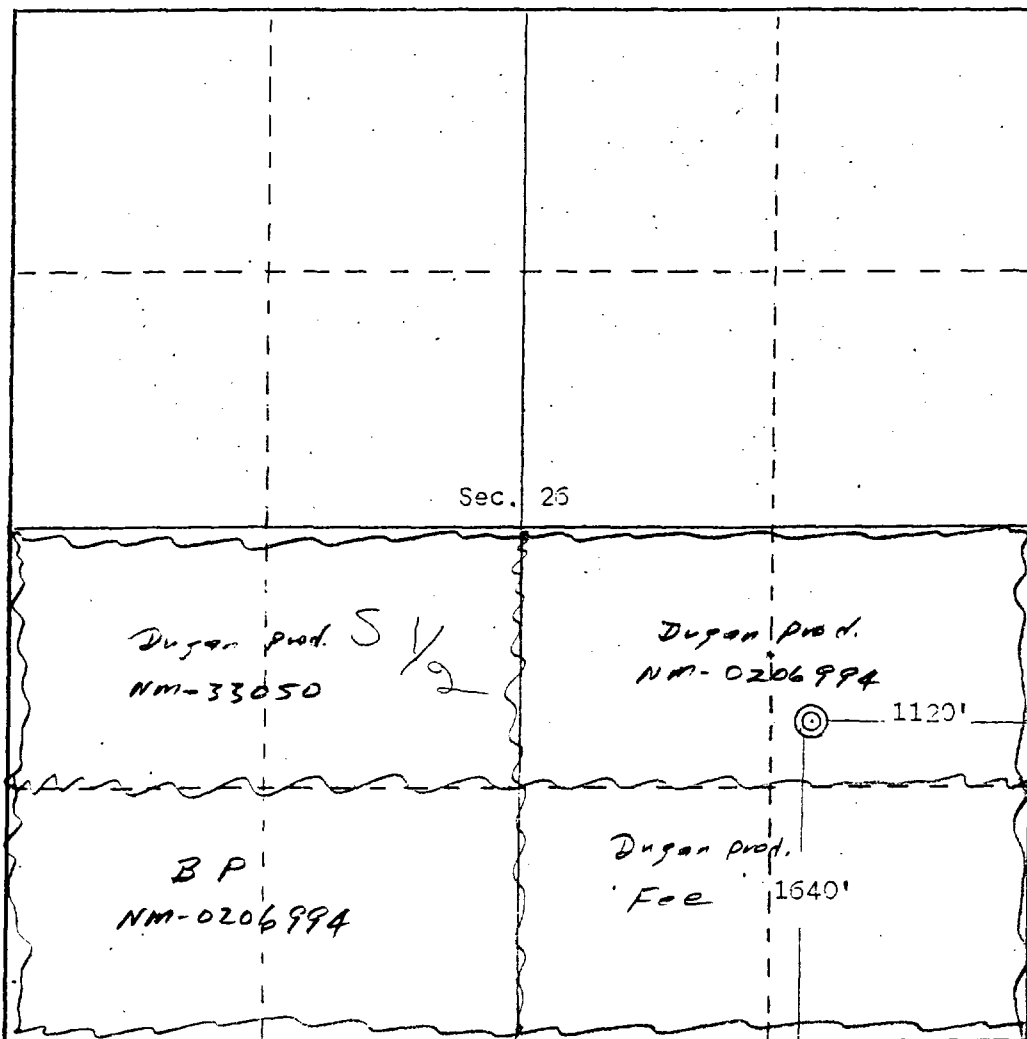
Operator Dugan Production Corporation		Lease Horace Smith		Well No. 1R
Unit Letter 1	Section 25	Township 30 North	Range 14 West	County San Juan
Actual Footage Location at Well: 1640 feet from the South line and 1120 feet from the East line				
Ground Level Elev. 5583	Producing Formation	Pool	Dedicated 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 Com. Agree SCR248

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

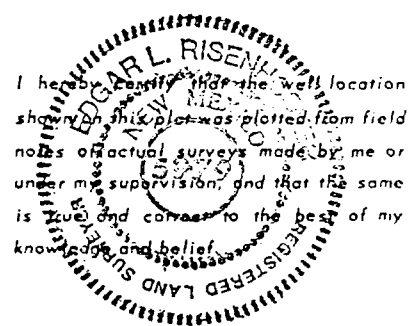
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Company

Date



Date Surveyed

March 13, 1980

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Attachment
No. 3
Pg. 4 of 9

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

API NO.

30-045-23942

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

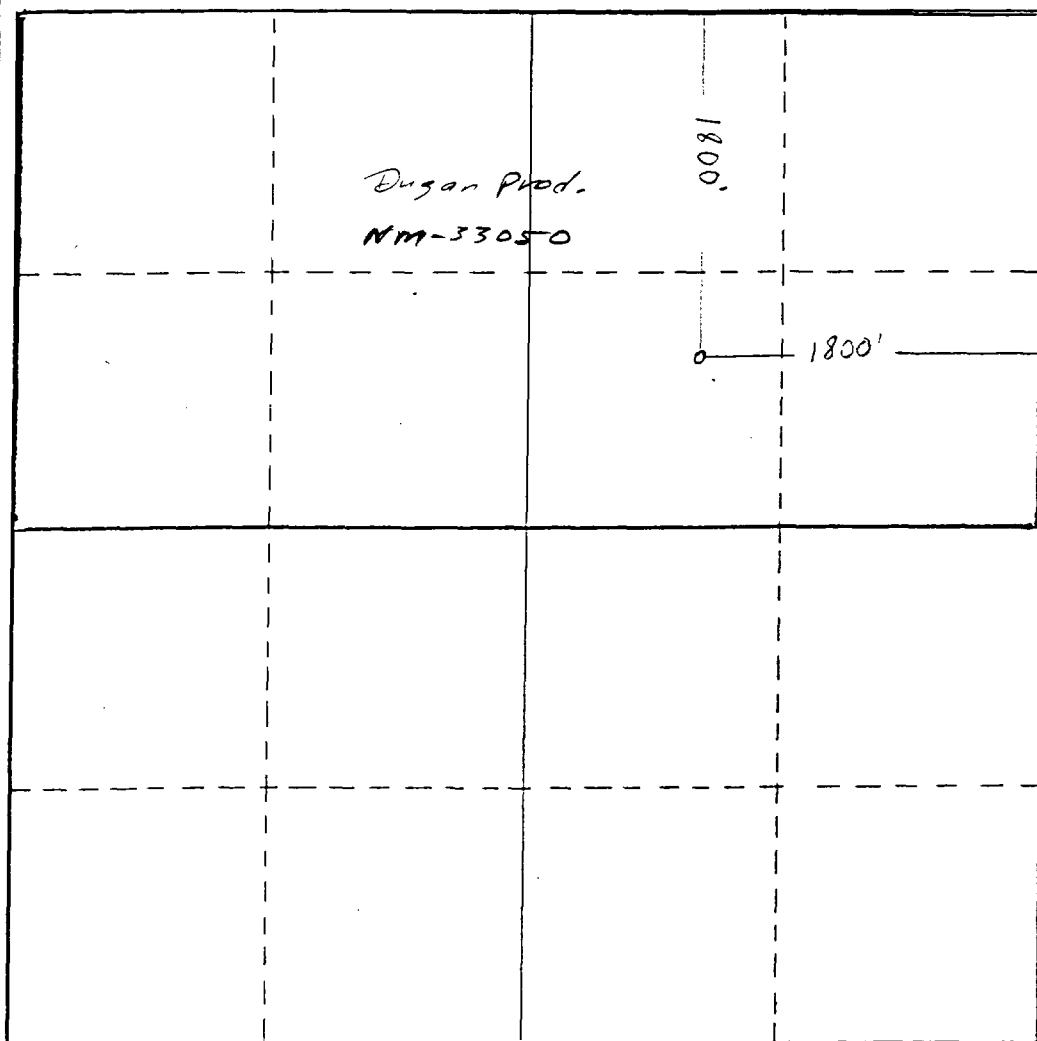
Operator Dugan Production Corp.		Lease Jacobs		Well No. 2
Unit Letter G	Section 26	Township 30 North	Range 14 West	County San Juan
Actual Footage Location of Well: 1800 feet from the North line and 1800 feet from the East line				
Ground Level Elev. 5620'	Producing Formation Dakota	Pool Basin	Dedicated 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.

Thomas A. Dugan
Name

Thomas A. Dugan

Position
Petroleum Engineer

Company
Dugan Production Corp.

Date
10-23-79

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
10-19-79

Registered Professional Engineer and/or Land Surveyor

Thomas A. Dugan

Certificate No. 2373

Thomas A. Dugan

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

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

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

Attachment
No. 4
Pg. 5 of 9

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 045 30590	² Pool Code 78160	³ Pool Name Harper Hills Fruitland Sand PC
⁴ Property Code	⁵ Property Name JACOBS	⁶ Well Number 3
⁷ OGRID No. 006515	⁸ Operator Name DUGAN PRODUCTION CORPORATION	⁹ Elevation 5662

¹⁰ Surface Location

UL or lot no. C	Section 26	Township 30N	Range 14W	Lot Idn	Feet from the 1310	North/South line NORTH	Feet from the 1654	East/West line WEST	County SAN JUAN
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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
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¹² Dedicated Acres 160	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

<p>Dugan Prod. & Jim Jacobs Trust NM-33050</p>	<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>Kurt Fagrelus</i> Signature Kurt Fagrelus Printed Name Geologist Title March 12, 2001 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 9, 2001 Date of Survey Signature and Seal of Surveyor: Certificate Number N.M. PLS #5979</p>

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P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

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1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Attachment

No. 3

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 045 30588	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code	⁵ Property Name JACOBS COM	⁶ Well Number 90
⁷ GRID No. 006515	⁸ Operator Name DUGAN PRODUCTION CORPORATION	⁹ Elevation 5630

¹⁰ Surface Location

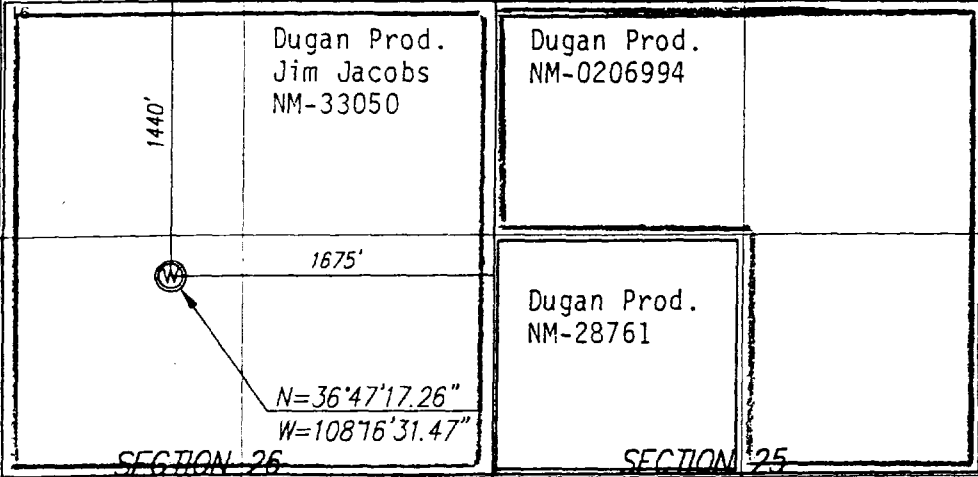
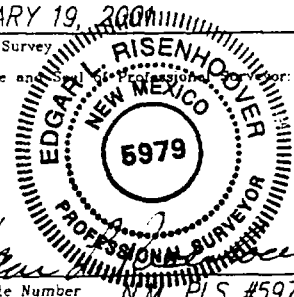
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	30N	14W		1440	NORTH	1675	EAST	SAN JUAN

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 C-Pending	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<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>Kurt Fagrelus</i> Signature Kurt Fagrelus Printed Name Geologist Title March 12, 2001 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 19, 2001 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number N.M. PLS #5979</p>

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P.O. Box 2088

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☐ AMENDED REPORT

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30 045 30591	78160	Harper Hill Fruitland Sand - PC
⁴ Property Code	⁵ Property Name	⁶ Well Number
	MAYRE	4R
⁷ UGRID No.	⁸ Operator Name	⁹ Elevation
006515	DUGAN PRODUCTION CORPORATION	5513

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
0	27	30N	14W		790	SOUTH	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

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

¹⁶				¹⁷ OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
				<u>Kurt Fagrelus</u>
				Signature
				Kurt Fagrelus
				Printed Name
				Geologist
				Title
				March 6, 2001
				Date
SECTION 27				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.
				JANUARY 19, 2001
				Date of Survey
				Signature and Seal of Surveyor
				EDGAR L. RISENHOVER
				NEW MEXICO
				5979
				PROFESSIONAL SURVEYOR
				N.M. PLS 1999-10
				Certificate Number

Dugan Production Corp.
NM-4465

N=36°46'48.54"
W=108°17'37.86"

790'

1850'

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No. 3

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DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 045 30574	² Pool Code 78160	³ Pool Name Harper Hill Fruitland Sand Pictured Cliffs
⁴ Property Code	⁵ Property Name STELLA NEEDS A COM	⁶ Well Number 2
⁷ OGRID No. 006515	⁸ Operator Name DUGAN PRODUCTION CORPORATION	⁹ Elevation 5547

¹⁰ Surface Location

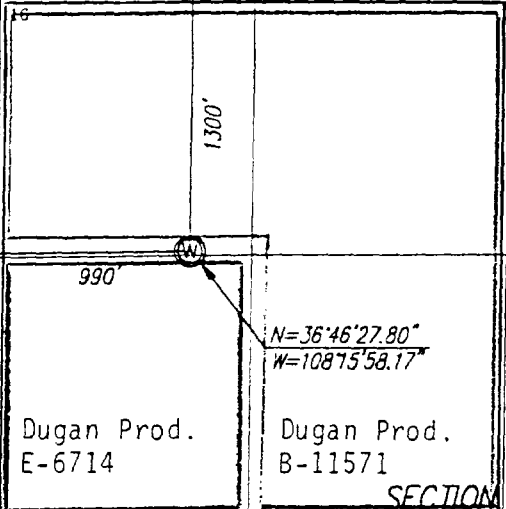
UL or lot no. D	Section 36	Township 30N	Range 14W	Lot Idn	Feet from the 1300	North/South line NORTH	Feet from the 990	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code C-STATE	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p>Dugan Prod. E-6714</p> <p>Dugan Prod. B-11571</p> <p>SECTION 36</p>	<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><u>Kurt Fagrelus</u> Signature Kurt Fagrelus Printed Name Geologist Title February 23, 2001 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 20, 2001 Date of Survey Signature <u>EDGAR L. RISENHOVER</u> Surveyor NEW MEXICO PROFESSIONAL SURVEYOR 5979 Certificate Number <u>5979</u></p>
---	---

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Bravo Rd., Aztec, NM 87410
District IV
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No. 3
Pg 9 of 9

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 AFI Number 30 045 30577	2 Pool Code 71629	3 Pool Name Basin Fruitland Coal
4 Property Code	5 Property Name WINIFRED COM	6 Well Number 90
7 OGRID No. 006515	8 Operator Name DUGAN PRODUCTION CORPORATION	9 Elevation 5560'

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
0	26	30N	14W		660	South	1980	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 320.36	13 Joint or Infill	14 Consolidation Code C-Pending	15 Order No. NSPM order R-11461						

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

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Kurt Fagrelius Signature Kurt Fagrelius Printed Name Geologist Title February 26, 2001 Date
E $\frac{1}{2}$ SEC.	26	W $\frac{1}{2}$ SEC.	25	
N 36°46'47.34" W 108°16'35.19"		Dugan Prod. NM-0206994		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. February 23, 2001 Date of Survey Signature and Seal of Surveyor E. L. Risenhoover NEW MEXICO PROFESSIONAL SURVEYOR 5979 Certificate Number NMPLS #5979
1980' 660'	Fee Lease	Dugan Prod. NM-23072		

Gathering System

[illegible]

ATTACHMENT 4-PAGE 2 OF 10
Dugan Production Corp.
Beyond Petroleum Com No. 90
Basin Fruitland Coal
Well Location: NWSW 26, T-30N, R-14W
Spacing Unit: W/2 (320.0A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	65.625000	56.109375
Jim L. & Mary Lou Jacobs Living Trust U/T/A dated 11/6/97 3505 Crescent Avenue Farmington, NM 87401	9.375000	8.015625
BP Attn: Joint Interest Manager 200 Energy Court Farmington, NM 87401	25.000000	20.625000
<u>Royalty</u>		
USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
F. H. & Louise Carpenter P. O. Box 608 Sourlake, TX 77659-0608	-0-	1.250000
Forest & Winifred Jacobs 1000 SW Santa Fe Lake Road Towanda, KS 87144-9213	-0-	1.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 4-PAGE 3 OF 10
Dugan Production Corp.
Com No. 2R
Harper Hill Fruitland Sand Pictured Cliffs Pool
Well Location: NWNE 2, T-29N, R-14W
Spacing Unit: NE/4 (156.65A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	100.000000	79.887810
<u>Royalty</u>		
State of New Mexico State Land Office Attn: Pete Martinez P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Conoco, Inc. Attn: San Juan Asset Unit Manager P. O. Box 2197 Houston, TX 77252-2197	-0-	6.383660
Marsha Henderson Daniels 2905 N. Montana Ave. #30216 Helena, MT 59601	-0-	0.030715
Marsha M. Daniels c/o Clotilda M. Pope 5028 River Road Bethesda, MD 20816	-0-	0.061430
Louise Adair McDougal Hadley 236 Bluff Road Cedar Point, NC 28584	-0-	0.245703
Anne S. Henderson 7611 Maple Ave., Apt. #811 Silver Spring, MD 20912	-0-	0.245700
Robert T. Henderson 5028 River Road Bethesda, MD 20816	-0-	0.030715
Robin Thomas Henderson 5028 River Road Bethesda, MD 20816	-0-	0.061430
Charles Alan McDougal 7928 Rooksley Court Raleigh, NC 27615	-0-	0.245703
Robert Bruce McDougal 6608 Penny Lane Bartlesville, OK 74006	-0-	0.245704
Clotilda M. Pope 5028 River Road Bethesda, MD 20816	-0-	0.061430
TOTAL WELL	100.000000	100.000000

ATTACHMENT 4-PAGE 4 OF 10
Dugan Production Corp.
Horace Smith No. 1R
Basin Dakota Gas Pool
Well Location: NESE 26-T-30N, R-14W
Spacing Unit: S/2 320.0A
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	96.875000	79.765630
Jim L & Mary Lou Jacobs Living Trust U/T/A 11/6/97 3505 Crescent Avenue Farmington, NM 87401	3.125000	2.734370
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	9.375000
Joseph O. & Cicily M. Muench Family Trust of 10/12/84 P. O. Box 779 Placitas, NM 87043	-0-	1.562500
<u>Overriding Royalty Interest</u>		
BP Attn: Joint Interest Manager 200 Energy Court Farmington ,NM 87401	-0-	1.875000
F. H. & Louise G. Carpenter P. O. Box 608 Sourlake, TX 77659-0608	-0-	2.500000
Patricia Harbin c/o Marilyn Adragna 6401 Glendora Drive, NE Albuquerque, NM 87109-3620	-0-	1.562500
Winifred & Forrest Jacobs 1000 SW Santa Fe Lake Road Towanda, KS 67144-9213	-0-	0.625000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 4-PAGE 5 OF 10
Dugan Production Corp.
Jacobs No. 2
Basin Dakota Gas Pool
Well Location: SWNE 26, T-30N, R-14W
Spacing Unit: N/2 (320A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	87.500000	75.062500
Jim & Mary Lou Jacobs Living Trust U/T/A 11/6/97 3505 Crescent Avenue Farmington, NM 87401	12.500000	10.937500
<u>Royalty</u>		
USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Winifred & Forrest Jacobs 1000 SW Santa Fe Lake Road Towanda, KS 67144-9213	-0-	1.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 4 - PAGE 6 OF 10
Dugan Production Corp.
Jacobs No. 3
Harper Hill Fruitland Sand Pictured Cliffs Pool
Well Location: NENW 26, T-30N, R-14W
Spacing Unit: NW/4 (160A)

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	75.000000	64.125000
Jim L. & Mary Lou Jacobs Living Trust U/T/A dated 11/6/97 3505 Crescent Avenue Farmington, NM 87401	25.000000	21.375000
<u>Royalty Interest</u>		
USA - Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Winifred & Forrest Jacobs 1000 SW Santa Fe Lake Road Towanda, KS 67144-9213	-0-	2.000000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 4-PAGE 7 OF 10

Dugan Production Corp.

Jacobs Com No. 90

Basin Fruitland Coal Pool

Well Location: SWNE 26, T-30N, R-14W

Spacing Unit: 320A NSPU comprising NE/4 Sec. 26, plus NW/4 Sec. 25 (NMOCD Order R-11461)

San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	87.500000	73.937500
Jim L. & Mary Lou Jacobs Living Trust U/T/A dated 11/6/97 3505 Crescent Avenue Farmington, NM 87401	12.500000	10.687500
<u>Royalty</u>		
USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Winifred & Forrest Jacobs 1000 SW Santa Fe Lake Road Towanda, KS 87144-9213	-0-	1.000000
F. H. & Louise Carpenter P. O. Box 608 Sourlake, TX 77659-0608	-0-	1.875000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT 4 PAGE 8 OF 10
Dugan Production Corp.
Mayre No. 4R
Harper Hill Fruitland Sand Pictured Cliffs Pool
Well Location: SWSE 27, T-30N, R-14W
Spacing Unit: SE/4 (160A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	100.000000	81.500000
<u>Royalty Interest</u>		
USA - Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Interest</u>		
Jim & Mary Lou Jacobs Living Trust 3505 Crescent Ave. Farmington, NM 87401	-0-	2.000000
Dorothy Ann Kenny 2518 Wembley Drive St. Louis, MO 63125-3617	-0-	1.000000
Virginia Gass 805 St. Edith Lane Florissant, MO 63031	-0-	1.000000
F. L. Crane 5203 Largo Farmington, NM 87401	-0-	2.000000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 4 - PAGE 9 OF 10
Dugan Production Corp.
Stella Needs a Com No. 2
Harper Hill Fruitland Sand Pictured Cliffs Pool
Well Location: NWNW 36, T-30N, R-14W
Spacing Unit: NW/4 (160A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	100.000000	70.000000
<u>Royalty Interest</u>		
State of New Mexico State Land Office Attn: Pete Martinez P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty</u>		
Conoco, Inc. Attn: San Juan Asset Unit Manager P. O. Box 2197 Houston, TX 77252-2197	-0-	16.375000
Harper L. & Nellie A. Proctor 402 Masonic Temple Building Jacksonville, FL 32206	-0-	0.375000
Martin A. Moe, Jr. 660 Palm Blvd. Weston, FL 33326	-0-	0.375000
Edward A. Lopez & Juanita Lopez 782 North Broad Street San Luis Obispo, CA 93401	-0-	0.375000
TOTAL	100.000000	100.000000

ATTACHMENT 4 - PAGE 10 OF 10

Dugan Production Corp.

Winifred Com No. 90

Basin Fruitland Coal Pool

Well Location: SWSE 26, T-30N, R-14W

Spacing Unit: Basin Dakota = 370.36A NSPU comprising SE/4 Sec. 26 plus SW/4 Sec. 25 (NMOCD Order R-11461)

San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	100.000000	80.757700
<u>Royalty Interest</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	9.378600
Patricia Harbin 6401 Glendora, NE Albuquerque, NM 87109	-0-	1.560700
Joseph O. & Cicily M. Muench Family Trust P. O. Box 779 Placitas, NM 87043-0779	-0-	1.560700
<u>Overriding Royalty Interest</u> Jim L. & Mary Lou Jacobs Living Trust U/T/A 11/6/97 3505 Crescent Avenue Farmington, NM 87401	-0-	0.249710
Winifred & Forrest Jacobs 1000 SW Santa Fe Lake Road Towanda, KS 87144-9213	-0-	0.249710
F. H. & Louise Carpenter P. O. Box 608 Sourlake, TX 77659-0608	-0-	2.497100
BP Attn: Joint Interest Manager 200 Energy Court Farmington, NM 87401	-0-	3.745780
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT No. 5
Allocation Procedures
Dugan Production Corp.'s
Tabor Gathering System
CDP : NENE-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 (MCF) from allocation meters at individual wells and central battery separator during allocation period.

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

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

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

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

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

B = Allocated gas sales volume (MCF) associated with water production
= (A) in mcf for the central battery separator multiplied by a factor of $(U / \text{SUM } U)$ for wells delivering gas and water to the central battery separator.

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

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

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

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

2. Allocated Individual Well BTU's = $((W \times \text{Individual well BTU}) / \text{Sum } (W \times \text{individual well BTU})) \times Y$.
Individual well gas heating values to be determined in accordance with BLM regulations (currently On shore Order No. 5).

3. Individual Well Water Production = Allocated production volume, bbl = $(U / \text{Sum } U) \times V$.

Production

Oil

Gas

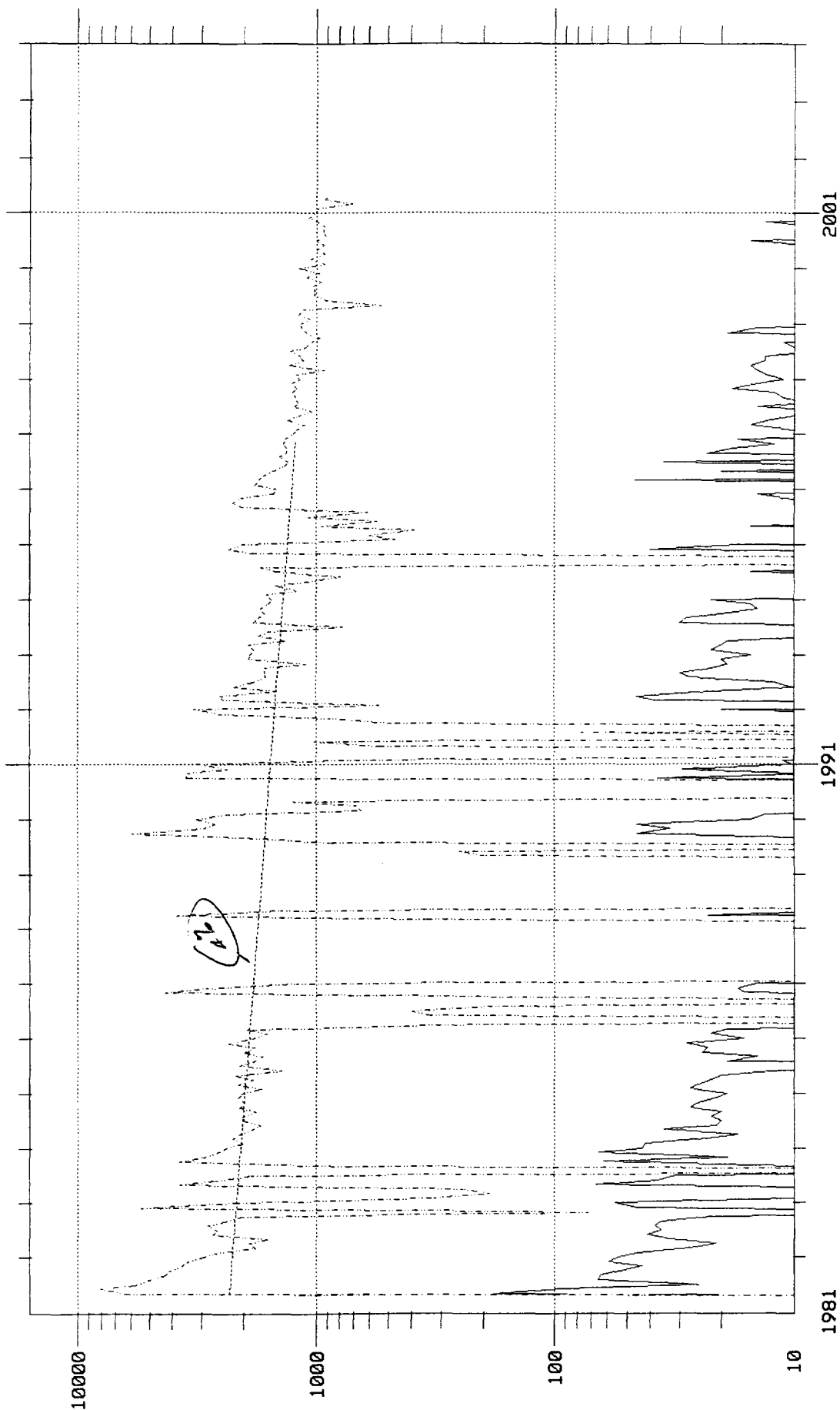
Water

DUGAN PRODUCTION CORP.
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
HORACE SMITH NO.1R
BASIN DAKOTA (I-26-30N-14W)

Attachment

NO.6

PG 1 of 4



PRODUCTION DATA REPORT
Reported Monthly Production Totals
HORACE SMITH

A Harbinger
No. 6
Pg 2 of 4

Year: 1999 Cumulative Liquid: 3385 Gas: 317001 Water: 2401

Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Primary Allowable	Num. Wells	Days On	Loss Factor
Jan	5	1165	10	0	1	31	
Feb	0	1065	10	0	1	28	
Mar	0	1184	10	0	1	31	
Apr	0	1125	10	0	1	30	
May	0	537	5	0	1	17	
Jun	0	908	10	0	1	30	
Jul	0	1019	10	0	1	31	
Aug	0	1014	5	0	1	31	
Sep	0	1028	5	0	1	30	
Oct	0	949	5	0	1	31	
Nov	0	1103	5	0	1	30	
Dec	0	966	5	0	1	31	
TOTAL	5 - 0.4 B/mcf	12063	90 - 0.26 B-wPD			351	

12 mo
Average
34.4 mcf/d

Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Primary Allowable	Num. Wells	Days On	Loss Factor
Jan	0	1186	5	0	1	31	
Feb	0	923	5	0	1	29	
Mar	0	1058	5	0	1	31	
Apr	3	926	20	0	1	30	
May	5	1002	20	0	1	31	
Jun	9	931	5	0	1	26	
Jul	15	994	5	0	1	31	
Aug	3	916	5	0	1	31	
Sep	2	929	5	0	1	30	
Oct	7	923	5	0	1	31	
Nov	13	991	5	0	1	30	
Dec	7	1072	4	0	1	31	
TOTAL	64 - 5.4 B/mcf	11851	89 - 0.25 B-wPD			362	

12 mo.
Average
32.7 mcf/d

Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Primary Allowable	Num. Wells	Days On	Loss Factor
Jan	10	996	5	0	1	31	
Feb	5	999	10	0	1	28	
Mar	0	707	3	0	1	24	
Apr	1	913	3	0	1	30	
May	2	898	3	0	1	31	
Jun	0	0	0	0	0	0	
Jul	0	0	0	0	0	0	
Aug	0	0	0	0	0	0	
Sep	0	0	0	0	0	0	
Oct	0	0	0	0	0	0	
Nov	0	0	0	0	0	0	
Dec	0	0	0	0	0	0	
TOTAL	18 - 4.0 B/mcf	4513	24 - 0.17 B-wPD			144	

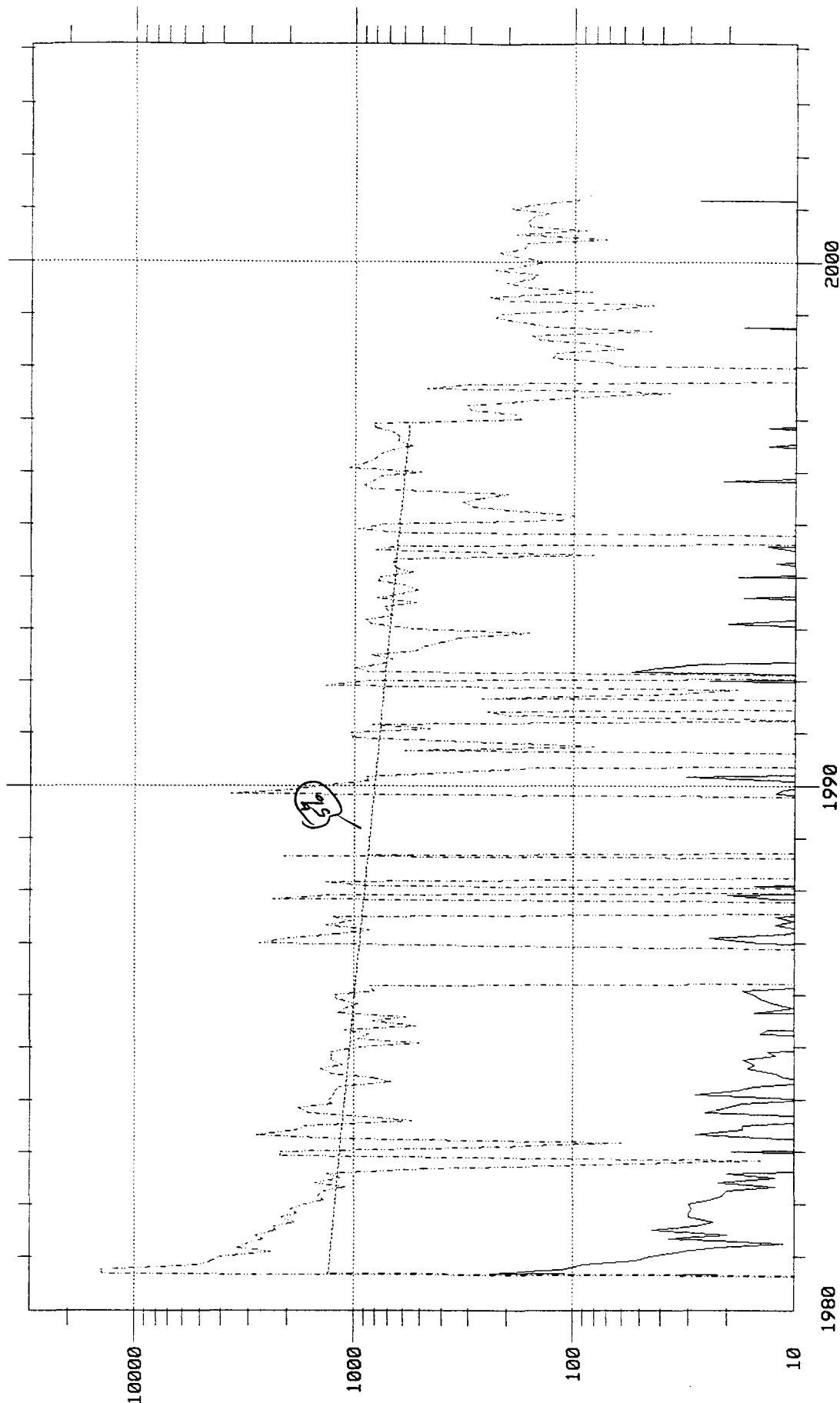
5 mo
Average
31.3 mcf/d

BASIN DAKOTA - HORACE SMITH 1R *

Production
Oil ———
Gas - - - -
Water

Attachment
No. 6
Pg 3 of 4

DUGAN PRODUCTION CORP
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
JACOBS NO. 2
BASIN DAKOTA (G-26-30N-14W)



PRODUCTION DATA REPORT
Reported Monthly Production Totals
JACOBS

Attachment
No 6
pg 4 of 4

Year: 1999 Cumulative Liquid: 2170 Gas: 198914 Water: 4332

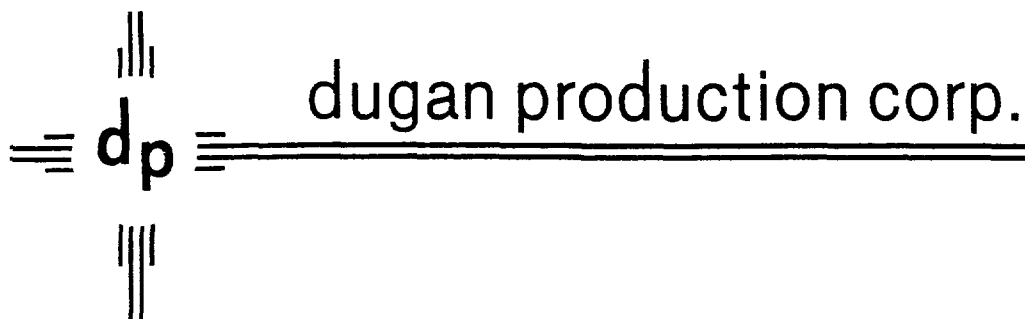
Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Primary Allowable	Num. Wells	Days On	Loss Factor
Jan	0	217	5	0	1	31	
Feb	0	75	5	0	1	22	
Mar	0	44	5	0	1	10	
Apr	0	195	5	0	1	30	
May	0	245	5	0	1	17	
Jun	0	84	5	0	1	30	
Jul	0	160	5	0	1	31	
Aug	0	204	5	0	1	31	
Sep	0	157	5	0	1	30	
Oct	0	149	5	0	1	31	
Nov	0	233	5	0	1	30	
Dec	0	171	5	0	1	31	
TOTAL	0 - NO COND.	1934 - 12 mo Average 6.0 mcf/d	60 - 0.2 BWPD			324	

Year: 2000 Cumulative Liquid: 2170 Gas: 200848 Water: 4392

Jan	0	135	5	0	1	31	
Feb	0	187	0	0	1	29	
Mar	0	220	0	0	1	31	
Apr	0	169	1	0	1	30	
May	0	165	1	0	1	31	
Jun	0	72	0	0	1	15	
Jul	1	184	0	0	1	31	
Aug	0	88	0	0	1	31	
Sep	0	160	0	0	1	30	
Oct	0	163	0	0	1	31	
Nov	0	156	0	0	1	30	
Dec	0	133	0	0	1	31	
TOTAL	1 - 0.68/mcf	1832 - 12 mo Average 5.2 mcf/d	7 - 0.02 BWPD			350	

Year: 2001 Cumulative Liquid: 2171 Gas: 202680 Water: 4399

Jan	0	195	2	0	1	31	
Feb	0	149	2	0	1	28	
Mar	27	98	60	0	1	7	
Apr	0	86	3	0	1	25	
May	0	0	3	0	1	31	
Jun	0	0	0	0	0	0	
Jul	0	0	0	0	0	0	
Aug	0	0	0	0	0	0	
Sep	0	0	0	0	0	0	
Oct	0	0	0	0	0	0	
Nov	0	0	0	0	0	0	
Dec	0	0	0	0	0	0	
TOTAL	27 - 51.1 B/mcf	528 - 5 mo. Average 4.3 mcf/d	70 - 0.57 BWPD			122	



Attachment
NO. 7
Pg 1 of 1

August 14, 2001

BP
Attn: Joint Interest Manager
200 Energy Court
Farmington, NM 87401

Jim & Mary Lou Jacobs
Living Trust U/T/A dated 11/6/97
3505 Crescent Avenue
Farmington, NM 87401

Re: Working Interest Owner Notice
Application to add wells to Dugan's
Tabor Gas Gathering System
CDP meter - NENE Section 2, T-29N, R-14W
San Juan County, New Mexico

Dear Working Interest Owner,

Attached for your information and file is a copy of our application to the NMOCD, BLM and State Land Office to add eight recently drilled wells plus 1 proposed well to Dugan's Tabor Gas Gathering System. BP's only interest in the application is in the joint interest well Beyond Petroleum Com No. 90 which has not been drilled but will be drilled in the near future plus an overriding royalty interest in two wells, Dugan's Horace Smith No. 1R and Winifred Com No. 90. Jim and Mary Lou Jacobs have working interest in five wells (Beyond Petroleum Com No. 90, Horace Smith No. 1R, Jacobs No. 2, Jacobs No. 3 and Jacobs Com No. 90) plus an overriding royalty interest in two wells (Mayre No. 4R and Winifred Com No. 90). The individual interest ownership is presented on Attachment No. 3 to the application.

The operation of this gathering system is the best option available to produce these wells and your interests should not be harmed as a result of including these additional wells on the Tabor Gas Gathering System operated by Dugan Production Corp.

Should you have questions, concerns or need additional information please let me know. Should you have an objection to our application, you should contact the New Mexico Oil Conservation Division by mail at 1220 South St. Francis Drive, Santa Fe, NM 87505, or by phone at 505-476-3440 within 20 days from the date of this letter. We would appreciate receiving a copy of any objection filed.

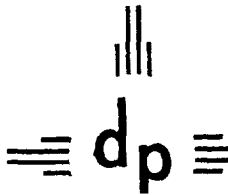
Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

attachments

A copy of the
Application is not part
of this Attachment, Although
a complete copy was
mailed to Addressees

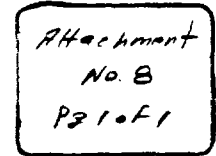


dugan production corp.

August 14, 2001

Patricia Harbin
6501 Glendora NE
Albuquerque, NM 87109

Joseph O. & Cicily M. Muench Family Trust
P. O. Box 779
Placitas, NM 87043-0779



Re: Royalty Interest Owner Notice
Application to add wells
Dugan Production Corp.'s
Tabor Gas Gathering System
San Juan County, New Mexico

Dear Royalty Interest Owner,

Attached for your information and file is a copy of Dugan Production's application to add 9 wells (8 recently drilled and 1 to be drilled) to our Tabor Gas Gathering System. Our application requests approval from the Bureau of Land Management (BLM), New Mexico Oil Conservation Division (NMOCD) and the New Mexico State Land Office (NMSLO) to surface commingle gas produced from each well and to deliver the gas in Dugan's Tabor Gas Gathering System to a central delivery sales meter (CDP) located on El Paso's pipeline in the NENE of Section 2, T-29N, R-14W of San Juan County. Each well will be equipped with a standard, continuous recording gas meter which will be used to allocate gas sales volumes, BTU's and revenues from the CDP sales meter to each individual well.

Attachment No. 2 to the application presents basic well and lease information for each of the 9 wells to be added along with the 7 wells currently authorized for the system. The individual wells and your interest in each is presented on Attachment No. 3.

All wells to be added to the gathering system either do not qualify for a well head gas sales pipeline connection or would benefit from wellhead compression but are marginally economic and will not individually support a wellhead compressor installation. A benefit to the operation of a gas gathering system is that a central compressor can be used for all wells which will eliminate the need for compressors at each well. The operation of a central compressor, as opposed to individual well head compressors, will be more efficient, will use less compressor fuel (which will increase the volumes available for sale), and will result in reduced exhaust and noise emissions which is especially important considering the proximity of these wells to the town of Kirtland. The wells currently connected to the gathering system should not be affected by the addition of these wells.

Should you have any questions or desire to receive a copy of our application, please let me know. Should you have an objection to our application, you should contact the New Mexico Oil Conservation Division by mail at 1220 South St. Francis Drive, Santa Fe, NM 87505, or by phone at (505)476-3440 within 20 days from the date of this letter. We would appreciate receiving a copy of any objection filed.

Sincerely,

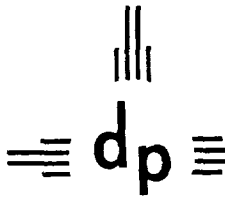
John D. Roe
Engineering Manager

JDR/tmf

attachments

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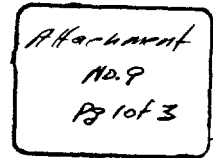
*A copy of the
Application is not
a part of this Attachment
Although a complete copy
was sent to Addressees.*



dugan production corp.



August 10, 2001



To: Overriding Royalty Interest Owners (Attachment No. 1)
Application to add wells
Dugan Production Corp.'s
Tabor Gas Gathering System
San Juan County, New Mexico

Dear Overriding Royalty Interest Owner,

Dugan Production Corp. has submitted an application to add 9 wells (8 recently drilled and 1 to be drilled) to our Tabor Gas Gathering System. Our application requests approvals from the Bureau of Land Management (BLM), New Mexico Oil Conservation Division (NMOCD) and the New Mexico State Land Office (NMSLO) to surface commingle gas produced from each well and to deliver the gas in Dugan's Tabor Gas Gathering System to a central delivery sales meter (CDP) located on El Paso's pipeline in the NENE of Section 2, T-29N, R-14W of San Juan County. Each well will be equipped with a standard, continuous recording gas meter which will be used to allocate gas sales volumes, BTU's and revenues from the CDP sales meter to each individual well.

As an interest owner in one or more of these wells, you are entitled to receive notice of our application and should you desire to review the application, we will be happy to provide you with a copy.

Attachment No. 2 presents basic well and lease information for each of the 9 wells to be added along with the 7 wells currently authorized for the system. The wells in which you have an interest are presented on Attachment No. 1.

All wells to be added to the gathering system either do not qualify for a well head gas sales pipeline connection or would benefit from wellhead compression but are marginally economic and will not individually support a wellhead compressor installation. A benefit to the operation of a gas gathering system is that a central compressor can be used for all wells which will eliminate the need for compressors at each well. The operation of a central compressor, as opposed to individual well head compressors, will be more efficient, will use less compressor fuel (which will increase the volumes available for sale), and will result in reduced exhaust and noise emissions which is especially important considering the proximity of these wells to the town of Kirtland. The wells currently connected to the gathering system should not be affected by the addition of these wells.

Should you have any questions or desire to receive a copy of our application, please let me know. Should you have an objection to our application, you should contact the New Mexico Oil Conservation Division by mail at 1220 South St. Francis Drive, Santa Fe, NM 87505, or by phone at (505)476-3440 within 20 days from the date of this letter. We would appreciate receiving a copy of any objection filed.

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

attachments

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Interest Owners Address List

(a = Beyond Petroleum Com No. 90; b = Com No. 2R; c = Horace Smith No. 1R; d = Jacobs No. 2; e = Jacobs No. 3;
f = Jacobs Com No. 90; g = Mayre No. 4R; h = Stella Needs a Com No. 2; i = Winifred Com #90)

Working Interest Owners

BP (a)
Attn: Joint Interest Manager
200 Energy Court
Farmington, NM 87401

Dugan Production Corp. (a,b,c,d,e,f,g,h,i)
P. O. Box 420
Farmington, NM 87499-0420

Jim & Mary Lou Jacobs (a,c,d,e,f)
Living Trust U/T/A dated 11/6/97
3505 Crescent Avenue
Farmington, NM 87401

Attachment
No. 9
Pg 2 of 5

Royalty Interest Owners

Patricia Harbin (i)
6401 Glendora NE
Albuquerque, NM 87109

State of New Mexico (b,h)
State Land Office
Attn: Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

Joseph O. & Cicily M. Muench Family Trust (c,i)
P. O. Box 779
Placitas, NM 87043-0779

USA - Bureau of Land Management (a,c,d,e,f,g,i)
1235 LaPlata Hwy
Farmington, NM 87401

Overriding Royalty Interest Owners

BP (c, i)
Attn: Joint Interest Manager
200 Energy Court
Farmington, NM 87401

Robin Thomas Henderson (b)
5028 River Road
Bethesda, MD 20816

F. H. & Louise Carpenter (a,c,f,i)
P. O. Box 608
Sourlake, TX 77659-0608

Jim L. & Mary Lou Jacobs (g,i)
Living Trust U/T/A dated 11/6/97
3505 Crescent Avenue
Farmington, NM 87401

Conoco, Inc. (b,h)
Attn: San Juan Asset Unit Manager
P. O. Box 2197
Houston, TX 77252-2197

Forest & Winifred Jacobs (a,c,d,e,f,i)
1000 SW Santa Fe Lake Road
Towanda, KS 87144-9213

F. L. Crane (g)
5203 Largo
Farmington, NM 87401

Dorothy Ann Kenny (g)
2518 Wembley Drive
St. Louis, MO 63125-3617

Marsha Henderson Daniels (b)
2905 N. Montana Ave. #30216
Helena, MT 59601

Edward A. & Juanita Lopez (h)
782 North Broad Street
San Luis Obispo, CA 93401

Marsha M. Daniels (b)
c/o Clotilda M. Pope
5028 River Road
Bethesda, MD 20816

Charles Alan McDougal (b)
7928 Rooksley Court
Raleigh, NC 27615

Virginia Gass (g)
805 St. Edith Lane
Florissant, MO 63031

Robert Bruce McDougal (b)
6608 Penny Lane
Bartlesville, OK 74006

Louise Adair McDougal Hadley (b)
236 Bluff Road
Cedar Point, NC 28584

Martin A. Moe, Jr. (h)
660 Palm Blvd.
Weston, FL 33326

Patricia Harbin (c)
c/o Marilyn Adragna
6401 Glendora Drive, NE
Albuquerque, NM 87109-3620

Clotilda M. Pope (b)
5028 River Road
Bethesda, MD 20816

Anne S. Henderson (b)
7611 Maple Ave., Apt. #811
Silver Spring, MD 20912

Harper L. & Nellie A. Proctor (h)
402 Masonic Temple Building
Jacksonville, FL 32206

Robert T. Henderson (b)
5028 River Road
Bethesda, MD 20816

ATTACHMENT NO. 2
DUGAN: PRODUCTION CORP. TABOR GATHERING SYSTEM AND CDP, SAN JUAN COUNTY, NEW MEXICO

Well Name	API No. 30-045-	Well Location UL-Sub-Twn-Range	Well Location		CA Number	Pool	Completion Date	Current Prod.			Spacing Unit	Dates for SC OLM & S			
			Lease No	Lse Type				MCFD	BC/D	BWPD		Application	BLM Approval	NMSLC Approval	NMOCD Approval
WELLS PREVIOUSLY APPROVED FOR SYSTEM															
Com No. 1E	23940	A-2-29N-14W	LG-3736	State	14080017765	Basin Dakota	12/8/79	73	0.06	0.3	E2-316 65A	7/12/1996	7/30/1996	7/17/1996	8/19/1996
Com No. 2 (Note 4)	23199	A-2-29N-14W	LG-3736	State	State C.A	Harper Hill Frs/d/PC	10/21/78	7	0	0.1	NE-156 65A	7/12/1996	7/30/1996	7/17/1996	8/19/1996
Com No. 4	29986	C-2-29N-14W	B-11242	State	NMNM103068	Harper Hill Frs/d/PC	12/7/99	140	0	60	NW-157 95A	3/29/2000	7/5/2000	4/27/2000	5/25/2000
Federal I No 99	29989	H-3-29N-14W	SF-078110	Federal	N/A	Basin Fruitland Coal	12/9/99	273	0	55	E2-318 45A	3/29/2000	7/5/2000	4/27/2000	5/25/2000
Jiggs No. 1	30183	E-35-30N-14W	NM-0206995	Federal	N/A	Harper Hill Frs/d/PC	11/17/00	187	0	72	NW-160A	6/30/2000	7/5/2000	7/7/2000	7/24/2000
Jiggs No. 2	30177	I-35-30N-14W	NM-0206995	Federal	N/A	Harper Hill Frs/d/PC	7/25/00	202	0	62	SE-172 49A	6/30/2000	7/5/2000	7/7/2000	7/24/2000
Tabor Com No. 90	29994	H-35-30N-14W	NM-33051	Federal	NMNM102982	Basin Fruitland Coal	12/6/99	195	0	114	E2-332 49A	3/29/2000	7/5/2000	4/27/2000	5/25/2000
WELLS TO BE ADDED TO SYSTEM															
Beyond Petroleum Com No. 90	Note 3	L-26-30N-14W	NM-33052	Federal	Pending	Basin Fruitland Coal	Location	200	0	150	W/2-320A	8/10/2001	pending	pending	pending
Com No. 2R (Note 4)	30576	B-2-29N-14W	B-11242	State	State C.A	Harper Hill Frs/d/PC	5/15/2001	250	0	120	NE/4-156 65A	8/10/2001	pending	pending	pending
Horace Smith No. 1R (Note 5)	24346	I-26-30N-14W	NM-0206994	Federal	SCR248	Basin Dakota	1/18/1981	125	1	1	S/2-320A	8/10/2001	pending	pending	pending
Jacobs No. 2 (Note 6)	23942	G-26-30N-14W	NM-33050	Federal	N/A	Basin Dakota	1/7/1979	45	0.5	0.5	N/2-320A	8/10/2001	pending	pending	pending
Jacobs No. 3 (Note 7)	30590	C-26-30N-14W	NM-33050	Federal	N/A	Harper Hill Frs/d/PC	6/5/2001	150	0	100	NW/4-160A	8/10/2001	pending	pending	pending
Jacobs Com No. 90 (Note 7 & 8)	30588	G-26-30N-14W	NM-33050	Federal	Pending	Basin Fruitland Coal	6/5/2001	200	0	150	320A NSPU	8/10/2001	pending	pending	pending
Mayre No. 4R (Note 7)	30591	O-27-30N-14W	NM-4465	Federal	N/A	Harper Hill Frs/d/PC	6/5/2001	150	0	100	SE/4-160A	8/10/2001	pending	pending	pending
Stella Needs a Com No. 2 (Note 7)	30574	D-36-30N-14W	B-11571	State	State C.A	Harper Hill Frs/d/PC	4/11/2001	150	0	100	NW/4-160A	8/10/2001	pending	pending	pending
Winifred Com No. 90 (Note 7 & 8)	30577	O-26-30N-14W	FEE	FEE	Pending	Basin Fruitland Coal	5/15/2001	200	0	150	320 36A NSPU	8/10/2001	pending	pending	pending

Notes: N/A = Not Needed

1) For wells previously approved, average production presents data for May, 2001. For wells to be added, production rates are anticipated/estimated.

2) Application for surface commingling, off-lease measurement and sale of natural gas. Applications are subject to approvals by the Bureau of Land Management (BLM), New Mexico State Land Office (NMSLO), and the New Mexico Oil Conservation Division (NMOCD). NMOCD's most recent order = Administrative Commingling Order PLC-173.

3) An Application for Permit to Drill (APD) was submitted on 8/1/01. API number is pending. A gas rate of ±200 mcf/d is anticipated.

4) The Com No. 2R was drilled to replace the Com No. 2 which is currently approved for operation on the Tabor Gas Gathering System. Production from the Com No. 2 averages ±7 mcf/d and was shut in 7/14/01 with deliveries to the Tabor Gathering System being suspended during testing of the Com No. 2R. NMOCD rules will not allow the Com No. 2 & 2R to produce simultaneously. It is our desire to have both wells approved for operation on the Tabor Gathering System, however until special pool rules are established that will allow both wells to simultaneously produce, we plan to leave the No. 2 shut in. Rod pump artificial lift equipment was installed in the Com No. 2R on 6/6/01 and the well has been tested at ±250 mcf/d plus approximately 120 BWPD.

5) Dugan's Horace Smith No. 1R has delivered gas directly to El Paso (Meter No. 93693) since completion and averages ±30 mcf/d (see Attachment No. 6). El Paso's pipeline pressure has been averaging 250 psi and at times approaches 400 psi. Dugan's Tabor Gathering System has been extended to within ±200' of the Horace Smith No. 1R. The Tabor Gathering System is currently being operated at 35 to 50 psi and moving the Horace Smith No. 1R from El Paso's system to Dugan's Tabor Gathering System will provide a lower and more stable operating pressure. This will eliminate the need to install wellhead compression at the Horace Smith No. 1R. Production is anticipated to average 125-150 mcf/d.

6) Dugan's Jacobs No. 2 has delivered gas directly to El Paso (Meter No. 93-227) since completion and averages ±5 mcf/d plus a small amount of condensate and water which makes the well difficult to keep producing (see Attachment No. 6). El Paso's pipeline pressure has been averaging 250 psi and at times approaches 400 psi. Dugan's Tabor Gathering System has been extended to within 250' of the Jacobs No. 2 and is currently being operated at 35 to 50 psi. Moving the Jacobs No. 2 from El Paso's system to the Tabor Gathering System will provide a lower and more stable operating pressure and will eliminate the need to install wellhead compression. A rate of 40 to 50 mcf/d is anticipated.

7) Rod pump artificial lift equipment has been installed and a rate of 150 mcf/d to 200 mcf/d plus 100 to 150 BWPD is anticipated.

8) NMOCD Order R-11461 established ±320A non-standard spacing units for the Jacobs Com No. 90 (NE/4 Section 26 plus NW/4 Section 25), and the Winifred Com No. 90 (SE/4 Section 26 plus SW/4 Section 25).

*Attachment
No. 9
pgs of 3*

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.

Article Addressed to:

54
the Joint Interest Group
PO Box 9000
Birmingham, AL 35201

Article Number (Copy from service label)
7099-3400-0020-0904-2210
Form 3811, July 1989 Domestic Return Receipt

10255-00-14-0832

RECEIVED BY PHRASE PRINT CLEARLY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature D. Delivery address different from Item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No



Article Number (Copy from service label)

7099-3400-0020-0904-2180

Form 3811, July 1989 Domestic Return Receipt

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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.

Article Addressed to:

54
the Joint Interest Group
PO Box 9000
Birmingham, AL 35201

Article Number (Copy from service label)
7099-3400-0020-0904-2197
Form 3811, July 1989 Domestic Return Receipt

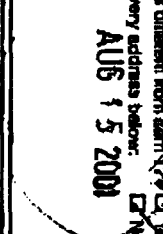
10255-00-14-0832

RECEIVED BY PHRASE PRINT CLEARLY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature D. Delivery address different from Item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No



Article Number (Copy from service label)

7099-3400-0020-0904-2135

Form 3811, July 1989 Domestic Return Receipt

10255-00-14-0832

ILLEGIBLE

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.

Article Addressed to:

54
the: Joint Interest Manager
DO Energy Court
Farmington, NM 87401

Article Number (Copy from service label)

7099-3400-0020-0904-2310

Form 3811, July 1999

Domestic Return Receipt

10256-00-4-062

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

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.

Article Addressed to:

Jim + Mary Joe Speake
Driving Unit 471A 11/6/97
3505 Desert Ave.
Farmington, NM 87401

Article Number (Copy from service label)

7099-3400-0020-0904-2180

Form 3811, July 1999

Domestic Return Receipt

10256-00-4-062

SENDER: COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Signature: Jessica Pitta 8/15/01

C. Signature: Jessica Pitta

D. Is delivery address different from item 17? ☐ Yes ☒ No

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

SENDER: COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

D. Is delivery address different from item 17? ☐ Yes ☒ No

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

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.

Article Addressed to:

Jessica Halbur
c/o: Muelly's Adugna
6401 Steadline Drive NE
Albuquerque, NM 87109-3620

Article Number (Copy from service label)

7099-3400-0020-0904-2197

Form 3811, July 1999

Domestic Return Receipt

10256-00-4-

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

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.

Article Addressed to:

David O. + Cindy M. Mueel
Bridley Street
P.O. Box 779
Heiler, NM 87043-0779

Article Number (Copy from service label)

7099-3400-0020-0904-2135

Form 3811, July 1999

Domestic Return Receipt

10256-00-4-0

SENDER: COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Signature: Jessica Halbur 8/15

C. Signature: Jessica Halbur

D. Is delivery address different from item 17? ☐ Yes ☒ No

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

SENDER: COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

D. Is delivery address different from item 17? ☐ Yes ☒ No

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

ILLEGIBLE

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.

Article Addressed to:

owner of food management
1235 So State-Highway
Farmington, NM 87401
Attn: Steve Hake

Article Number (Copy from service label)

7099-3400-0020-0904-211

Form 3811, July 1989

Domestic Return Receipt

10295-00-14-0632

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.

Article Addressed to:

State of New Mexico
State Budget Office
Attn: File Mailing
P.O. Box 1148
Santa Fe, NM 87504-1148

Article Number (Copy from service label)

7099-3400-0020-0904-2128

Form 3811, July 1989

Domestic Return Receipt

10295-00-14-0632

SENDER, COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
C. Signature D. Date of Delivery
E. Agent
F. Address

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

SENDER, COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
C. Signature D. Date of Delivery
E. Agent
F. Address

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

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.

Article Addressed to:

341 - House Carpenter
P.O. Box 608
Sault Ste. Marie, MI 49783-0608

Article Number (Copy from service label)

7099-3400-0020-0904-3040

Form 3811, July 1989

Domestic Return Receipt

10295-00-14-0632

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.

Article Addressed to:

Conoco Inc.
Attn: See you least with my
P.O. Box 2197
Houston, TX 77252-2197

Article Number (Copy from service label)

7099-3400-0020-0904-3026

Form 3811, July 1989

Domestic Return Receipt

10295-00-14-0632

SENDER, COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
C. Signature D. Date of Delivery
E. Agent
F. Address

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

SENDER, COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
C. Signature D. Date of Delivery
E. Agent
F. Address

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

ILLEGIBLE

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 2. Article Number (Copy from service label)
 3. Form 3811, July 1989

3. X + Mary D. Chase living just
 2. X + Mary D. Chase, Justice
 5203 Ridge
 Farmington, NM 87401

2. Article Number (Copy from service label)
 7099-3400-0020-0904-2013

3. Form 3811, July 1989

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 2. Article Number (Copy from service label)
 3. Form 3811, July 1989

2. Article Number (Copy from service label)
 7099-3400-0020-0904-2019

3. Form 3811, July 1989

Domestic Return Receipt

102365-00-41-0052

ILLEGIBLE

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly)
 B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below: ☐ Yes ☐ No

3. Service Type
☒ Certified Mail ☐ Registered Mail ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly)
 B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☐ No

3. Service Type
☒ Certified Mail ☐ Registered Mail ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 2. Article Number (Copy from service label)
 3. Form 3811, July 1989

2. Article Number (Copy from service label)
 7099-3400-0020-0904-3005

3. Form 3811, July 1989

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 2. Article Number (Copy from service label)
 3. Form 3811, July 1989

2. Article Number (Copy from service label)
 7099-3400-0020-0904-3005

3. Form 3811, July 1989

Domestic Return Receipt

102365-00-41-0052

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly)
 B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below: ☐ Yes ☐ No

3. Service Type
☒ Certified Mail ☐ Registered Mail ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly)
 B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☐ No

3. Service Type
☒ Certified Mail ☐ Registered Mail ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 Louise Adelin McDowell-Holley
 236 Buff Road
 Cedar Point, NC 28514
2. Article Number (Copy from service label)
 7099-3400-0020-0904-2999
- PS Form 3811 July 1998

SENDER: COMPLETE THIS SECTION

1. 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.
- Article Addressed to:
 Louise Adelin McDowell-Holley
 236 Buff Road
 Cedar Point, MD 20912

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

2. Article Number (Copy from service label)
 7099-3400-0020-0904-2272
- PS Form 3811 July 1998

2. Article Number (Copy from service label)
 7099-3400-0020-0904-2272
- PS Form 3811 July 1998

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 Robert J. Henderson
 5021 Kuy Road
 Bethesda, MD 20816
2. Article Number (Copy from service label)
 7099-3400-0020-0904-2265
- PS Form 3811 July 1998

SENDER: COMPLETE THIS SECTION

1. 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.
- Article Addressed to:
 Robert J. Henderson
 5021 Kuy Road
 Bethesda, MD 20816

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery
 C. Signature
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

2. Article Number (Copy from service label)
 7099-3400-0020-0904-2258
- PS Form 3811 July 1998

2. Article Number (Copy from service label)
 7099-3400-0020-0904-2258
- PS Form 3811 July 1998

ILLEGIBLE

102505

7

3. Service Type

<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Return Receipt for M
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐

USDA/NRDC
502, River Road
Bethesda, MD 20814

C. Signature Robert F. Henderson ☐

D. In tabular notation, affixment from above: 8/11 ☐

SENDER: COMPLETE THIS SECTION

Voluntary Code of Conduct. Sign for

COMPLETE THE SECTION ON DELIVERY

de Geo. Scher

10

[illegible]

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

2. Once the problem is identified, the next step is to define the objectives and goals of the project. This helps to clarify what needs to be achieved and provides a clear direction for the team.

3. The third step is to develop a plan or strategy to address the problem. This involves breaking down the problem into smaller, manageable tasks and determining the resources needed to complete each task.

4. The fourth step is to implement the plan. This involves putting the strategy into action and monitoring progress regularly to ensure that the project is on track.

5. The final step is to evaluate the results of the project. This involves comparing the actual outcomes with the objectives and goals to determine the effectiveness of the project.

4. Restricted Delivery? (Extra Fee) ☐

☐ Insured Mail ☒ C.O.D.

☒ Registered Parcel for M

☒ Certified Mail ☒ Express Mail

3. Service Type	71	2020	5
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100

OK
B
V

ASST. DIR. OF INVEST.

2437

☐ If YES, enter delivery address below:

D. Is delivery address different from item 1? ☐

~~X~~ ~~100~~ + ~~100~~ = ~~200~~

C. Signature

Robert Bruce McDougall

A. Received by (Please Print Clearly) **B. Date**

COOPER, J. and J. S. COOPER, 1977

CONSTITUTIONAL HISTORY

SENT BY: FARMINGTON N.M.

8-24-1

17:04

DUGAN PRODUCTION -

9/10

dp
dugan production corp.
P. O. BOX 420
FARMINGTON, NEW MEXICO 87401-0420



7099 3400 0020 0904 2157

U.S. POSTAGE
P85523085
1390 \$03.940 AUG 10 2001
0463 MAILED FROM ZIP CODE 37401

0.3952
OPEE in
Dugan's Stella
Needs A Com #2

8-18

VACANT
RUB
WML

VACANT
EDWARD A & E
782 NORTH ROAD STREET
SAN LUIS OBISPO CA 93401

CERTIFIED MAIL

dp
dugan production corp.
P. O. BOX 420
FARMINGTON, NEW MEXICO 87401-0420



7099 3400 0020 0904 2157

PITNEY BOWES
U.S. POSTAGE
1250 P85528085
1680 \$03.940 AUG 10 2001
0460 MAILED FROM ZIP CODE 87401

0.3752
OPEE in
Stella Needs
A Com #2

1st Notice
2nd Notice
Return

REFUSED
DECLINED
ATTEMPTED
UNDELIVERABLE
NO SUCH STREET
NO SUCH OFFICE IN ZIP
DO NOT RECALL IN THIS

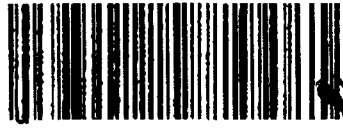
MARTIN A MOE, JR.
660 PALM BLVD
WESTON FL 33326

8-14

3326+3302 11

CERTIFIED MAIL

dp
dugan production corp.
P. O. BOX 420
FARMINGTON, NEW MEXICO 87401-0420



7099 3400 0020 0904 2157

PITNEY BOWES
U.S. POSTAGE
1570 P85523085
1680 \$03.940 AUG 10 2001
0453 MAILED FROM ZIP CODE 37401

0.3752
OPEE in
Stella Needs
A Com #2

1st Notice
2nd Notice
Return

2/22/02 Ocean ST

HARPER L E NELLIE A BROCTOR
402 MASONIC TEMPLE BUILDING
JACKSONVILLE FL 32202

**UNDELIVERABLE
ADDRESSED
TO FORWARD**

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Jabor CDP App. 8/10/01

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$ 3.94

Postmark
Here

8/10/01

Recipient's Name (Please Print Clearly) (to be completed by mailer)

Dorothy Ann Kenny

Street, Apt. No., or P.O. Box No.

2518 Winkley Drive

City, State, ZIP+4

St. Louis, MO 63125-3617

Dorothy Ann Kenny
 Holds A 1.0% PZBI
 in Dugan's Mayre #4R
 - Mrs Kenny died 7-28-01
 Mr Tom Dugan is her
 Brother in-law & has
 Assumed Responsibility for
 Her interest.
 John D. Bee

E2T2 4060 0200 004E 6602



United States Department of the Interior

PLC-173

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

3162.7-3

Tabor & King Gas Gathering System

DEC 13 2001

Dugan Production Corporation

Attn.: John Roe

P.O. Box 420

Farmington, New Mexico 87499

Dear Mr. Roe:

Reference is made to your application dated August 14, 2001, to add nine wells to your Tabor Gas Gathering System (TGGS) Central Delivery Point (CDP). The TGGS delivers gas to El Paso Field Service Meter No. 90887, located in the NENE section 2, T.29N., R. 14W., at the Com 1E well site. The TGGS was approved for off-lease measurement and sales on July 30, 1996, and currently includes 7 wells. In addition to this application, we received your application dated October 31, 2001, requesting consolidation of the TGGS with the King Gas Gathering System (KGGS). The KGGS was originally approved for off-lease sales and measurement on October 1, 1999 and currently includes 7 wells. The KGGS delivers gas to El Paso Field Services Meter No. 98081, located in the NWSW Section 2, T. 29N., R. 14W., at the Com 91 well site. You propose to combine the TGGS and KGGS at a common measurement and compression facility at the following location:

Com 1E well site located in the NENE section 2, T. 29N., R. 14W., (El Paso Field Services Meter No. 90887).

Your proposal indicates that consolidation would eliminate the current off-lease sales and measurement provision for the KGGS which currently allows measurement at the Com 91 CDP (El Paso meter 98081); this meter will be removed from service.

Your applications indicate that measurement at a common facility is necessary to economically operate these wells and reduce overall operating costs. In addition, measurement at a common facility would eliminate the need for individual wellhead compression thereby reducing fuel use while increasing the gas available for sale. We have reviewed these applications and concur with your findings. As such, you are hereby authorized to measure gas at the Com 1E well site referenced above. In addition, you are also authorized to add the nine wells referenced in your application. The original terms and conditions for off-lease measurement and sales are still in full force and effect. In addition to these requirements, a mechanical integrity test of the system will be required. File the results of this test within 30 days of this approval. The attached list of wells are wells authorized for surface commingling and off-lease measurement at the Com 1E well site CDP (El Paso Field Services Meter No. 90887).

If you have any questions regarding the above please contact me at your convenience.

Sincerely,

Jim Lovato

Senior Technical Advisor, Petroleum Management Team

cc:

NMOCD (Aztec & Santa Fe)

**Tabor/King Gas Gathering System
Well List**

<u>Well Name and No.</u>	<u>API No.</u>	<u>Lease #</u>	<u>CA #</u>	<u>Formation</u>	<u>Location</u>
B.Petr. Com No. 90	3004530769	NM-33050	Pending	Basin FC	NWSW 26-30N-14W
Com No. 1E	3004523940	State	14080017765	Dakota	NENE 2-29N-14W
Com No. 2	3004523199	State	State CA	Ft. sd/PC	NENE 2-29N-14W
Com No. 2R	3004530567	State	State CA	Ft. sd/PC	NWNE 2-29N-14W
Com No. 4	3004529986	State	NMNM103068	Ft. sd/PC	NENW 2-29N-14W
Federal I No.99	3004529989	SF-078110	NA	Basin FC	SENE 3-29N-14W
Horace Smith No. 1R	3004524346	NM-0206994	SCR 248	Dakota	NESE 26-30-14W
Jacobs No. 2	3004523942	NM-33050	NA	Dakota	SWNE 26-30N-14W
Jacobs No. 3	3004530590	NM-33050	NA	Ft. Sd/PC	NENW 26-30N-14W
Jacobs Com No. 90	3004530588	NM-33050	Pending	Basin FC	SWNE 26-30N-14W
Jiggs No. 1	3004530183	NM-0206995	NA	Ft. sd/PC	SWNW 35-30N-14W
Jiggs No. 2	3004530177	NM-0206995	NA	Ft. Sd/PC	NESE 35-30N-14W
Mayre No. 4R	3004530591	NM-4465	NA	Ft. Sd/PC	SWSE 27-30N-14W
S. Needs a Com No. 2	3004530574	State	State CA	Ft. Sd/PC	NWNW 36-30N-14W
Tabor Com No. 90	3004529994	NM-33051	NMNM102982	Basin FC	SENE 35-30N-14W
Winifred Com No. 90	3004530577	Fee	Pending	Basin FC	SWSE 26-30N-14W
Com No. 1	3004508722	State	NMNM91272	Basin FC	NWSE 2-29N-14W
Com No. 3	3004523267	State	SMR1419	Ft sd/PC	NWSE 2-29N-14W
Com No. 91	3004529935	State	NMNM103067	Basin FC	NWSW 2-29N-14W
Federal I No. 7	3004530181	SF-078110	NA	Ft. Sd/PC	NWSE 3-29N-14W
Federal I No. 8	3004530178	SF-078110	NA	Ft. Sd/PC	NENW 11-29N-14W
Federal I No. 98	3004530180	SF-078110	NA	Basin FC	NWNE 10-29N-14W
King Com No. 90	3004529883	Fee	NMNM102968	Basin FC	NWNE 11-29N-14W