



February 16, 2000

Mr. Lee Otteni
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87401

Re: Notice of Alternative Gas Measurement Implementation
Dugan Production Corp.'s
Oktoberfest Com #2 (API #30-045-27343)
Lease No. LG-9804
South Bisti Gallup Oil Pool
Unit L, Section 36, T-24N, R-10W
Goodtimes Gas Gathering System
San Juan County, New Mexico

Dear Mr. Otteni & Mr. Chavez,

The subject well has been approved for the use of an alternative gas measurement method. We are writing to advise that alternative gas measurement was initiated on 1-25-00 and that the average daily gas rate for the first 12 month period will be 5.8 MCFD.

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

Sincerely,

John D. Roe
Engineering Manager

JDR/mm