

**WALSH**

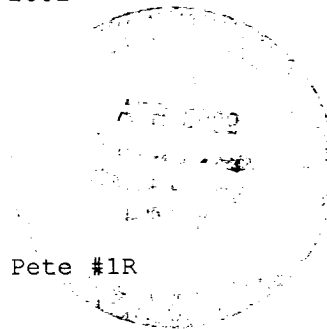
ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

April 16, 2002

Ms. Lori Wrotenbery  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87504

Re: Application for Surface Commingling  
Pendragon Energy Partners  
Gallegos Fruitland Coal #1, Joe Whitney #1, and Pete #1R  
Section 35, T27N, R12W  
San Juan County, New Mexico



sf  
Dear Ms. Wrotenbery,

This is a request on behalf of Pendragon Energy Partners for approval to surface commingle the gas production from the above mentioned wells.

**1. Proposed System** The wells will be commingled upstream of a CDP meter so that they can reduce compression costs. All three wells have allocation meters and the allocation formula is described below. Both the Gallegos Fruitland Coal #1 and the Pete #1R have pumping units and all three wells have separators. The gas flows into El Paso Field Services' gathering system and they will maintain the CDP meter. None of the wells produce any liquid hydrocarbons. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well.

**2. Location Map** Exhibit 1 is a topo map showing the location of the three wells.

**3. Wells, Locations, and Lease Numbers** Exhibit 2 is a C-102 for each well. The Gallegos Fruitland Coal #1 is a Basin Fruitland Coal well on Federal Lease NM 57579. The Joe Whitney #1 well is also on lease NM 57579 and is producing from the South Gallegos Fruitland Sand - Pictured Cliffs pool. The Pete #1R is a Basin Fruitland Coal well and is on Navajo Lease NOO-C-14-20-7471.

**4. Schematic Diagram** Exhibit 3 is a schematic diagram of the facilities.

**5. Fuel Gas** Each well has a separator that uses approximately 0.5 MCFD of fuel gas. Two wells have pump jacks which use 5 MCFD per well. All three wells will share a compressor that burns approximately 20 MCFD of fuel gas.



6. **Mechanical Integrity** The flow line from the Pete #1R and Joe Whitney #1 to the compressor is a 2" steel line. The flow line from the Gallegos Fruitland Coal #1 to the compressor is a 4" SDR-7 poly pipe. The discharge from the compressor is also a 4" SDR-7 poly line with a pressure rating of 267 psig. The compressor is on the Joe Whitney #1 location in the SW/4 and the CPD meter is in the SE/4 by the Pete #1R location. This line and all of the connections were tested to wellhead pressure which was approximately 100 psig. The MAOP of El Paso's gathering system is 150 psig.

7. **Production - Gravity/BTU** Actual production from the three wells is attached as Exhibit 4. Gas Analysis for each well are attached as Exhibit #5.

8. **Allocation Formula** The production assigned to each well will be the integrated volume from the allocation meter plus pump jack and separator fuel gas and the allocated volume of the compressor fuel as described in the attached spreadsheet (Exhibit #6). The Pete #1R is on a Navajo Allotted lease and this allocation spreadsheet is a requirement of the BIA.

9. **Line Purging** We do not anticipate purging the system very often, but if it is purged, the lost gas will be allocated equally to each of the three wells.

10. **Purged Fluids** Any fluids purged will be natural gas, and condensed water vapor.

11. **Meter Calibration Schedule** El Paso Field Services will maintain the CDP meter and Walsh Engineering will maintain the allocation meters. The CDP meter will be calibrated once each quarter and the allocation meters will be calibrated annually.

12. **Gas Analysis Schedule** El Paso Field Service will analyze the gas from the commingled stream twice a year. Walsh will have a sample of the gas from each of the wells analyzed annually.

13. **Effective Date** The system is currently in service.

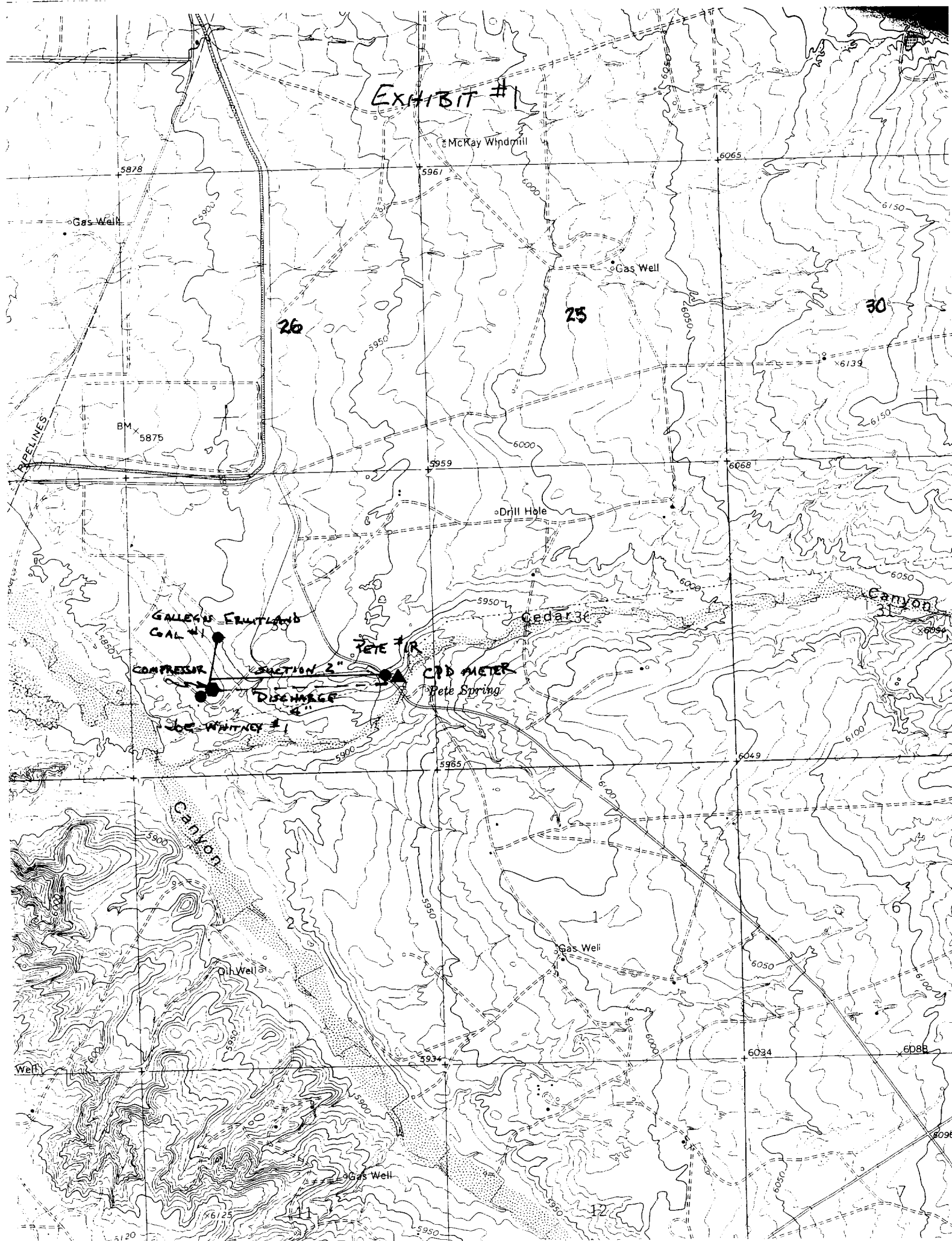
14. **Notification** The working and revenue interest owners (listed in Exhibit #7) have been notified of this application by certified mail. Copies of these letters are attached as Exhibit #8.

Sincerely,

A handwritten signature in black ink that reads "Paul C. Thompson".

Paul C. Thompson, P.E.

# EXHIBIT #1



MAY 25 '94 15:05 EDWARDS ASSOCIATES RESERVATION DIVISION

P.3/3

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

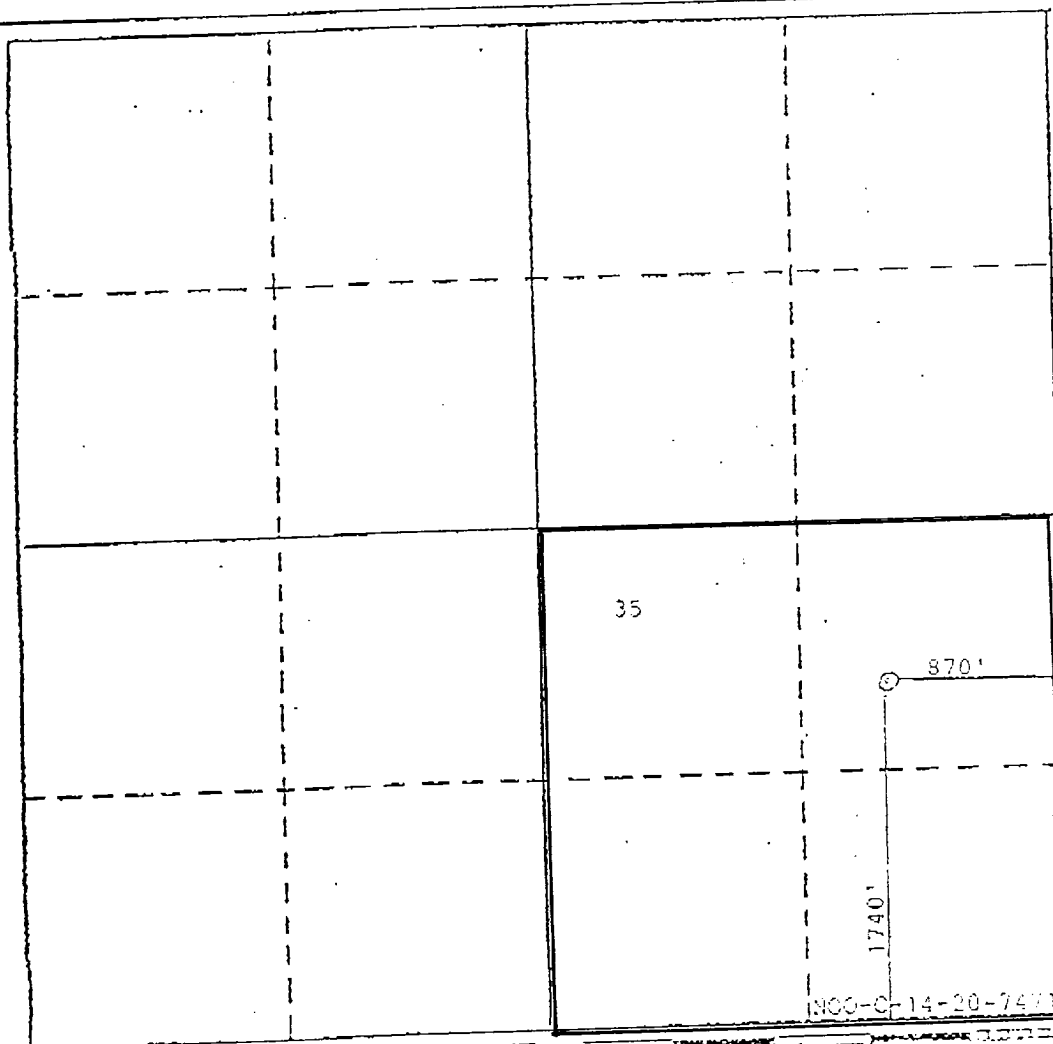
Operator MERRION OIL & GAS CORPORATION		Lease Pete		Well No. 1R
Unit Letter I	Section 35	Township 27N	Range 12W	County San Juan
Actual Footage Location of Well:				
1740 feet from the South line and		870 feet from the East line		
Ground Level Elev. 5936	Producing Formation Fruitland	Pool Basin Fruitland Coal		Dedicated Acreage: 160 Acres

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

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

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

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



## CERTIFICATION

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

Name Steven S. Dunn

Position Operations Manager

Company Merrion Oil & Gas Corp.

Date 4/17/89

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

Date Surveyed \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor

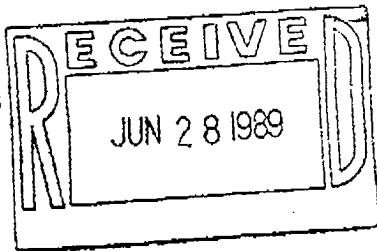
Certificate No. \_\_\_\_\_

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

June 22, 1989

Merrion Oil and Gas Corporation  
P.O. Box 840  
Farmington, NM 87499

Attention: Steven S. Dunn,  
Operations Manager

Administrative Order NSP-1573

Dear Mr. Dunn:

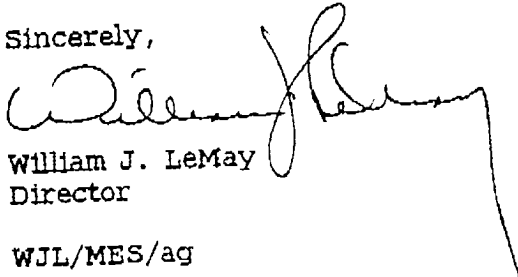
Reference is made to your application of April 20, 1989, for a 160-acre non-standard gas proration unit consisting of the following acreage in the Basin-Fruitland Coal Gas Pool:

SAN JUAN COUNTY, NEW MEXICO  
TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM  
Section 35: SE/4

It is my understanding that this unit is to be dedicated to your existing Pete Well No. 1-R which is presently completed in the South Gallegos Fruitland-Pictured Cliffs Pool and is located at a previously authorized unorthodox coal gas well location (pursuant to Decretory Paragraph No. (9) of Division Order No. R-8768), 1740 feet from the South line and 870 feet from the East line (Unit I) of said Section 35.

By authority granted me under the provisions of Rule 6 of said Division Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
NM Oil and Gas Engineering Committee - Hobbs  
U.S. Bureau of Land Management - Farmington

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

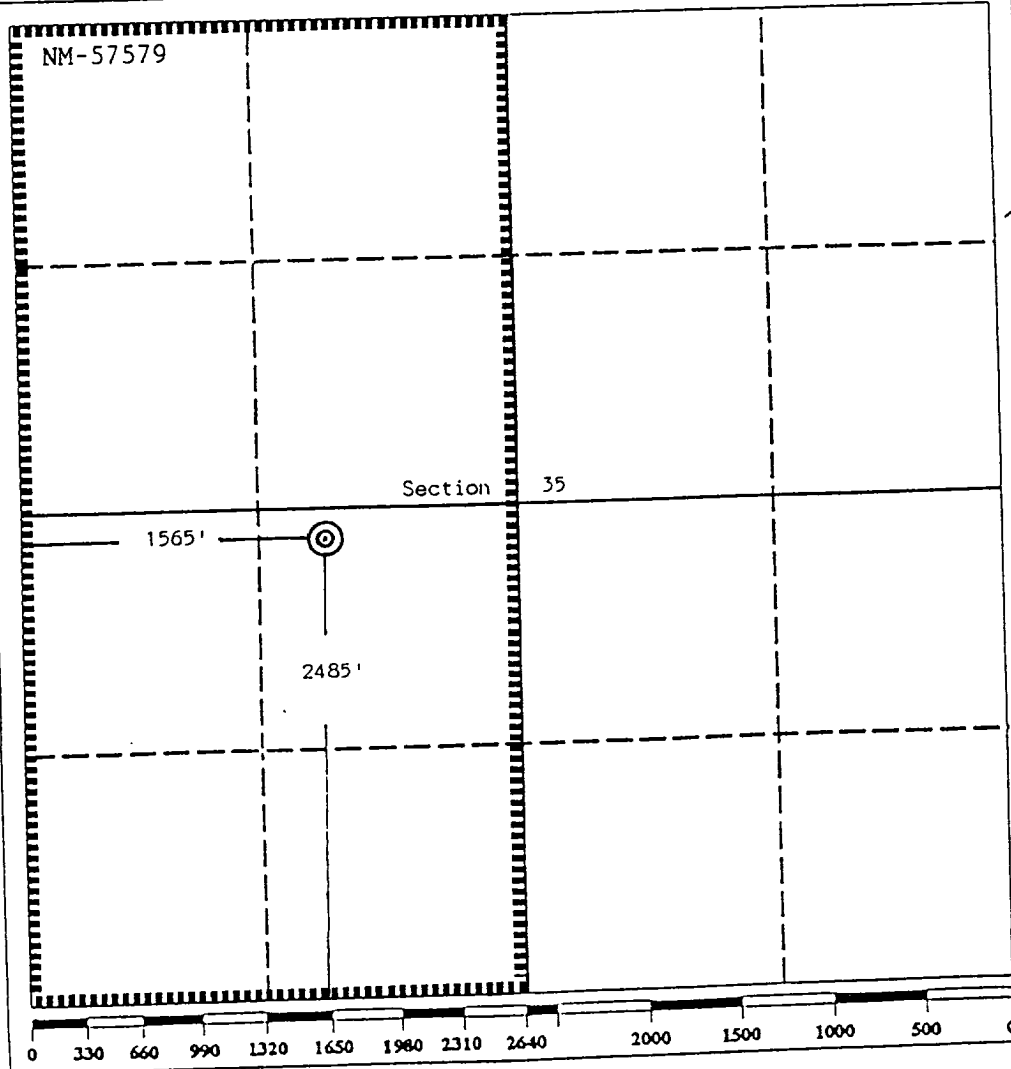
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Giant Exploration & Production Company		Lease Gallegos Fruitland Coal		Well No. 1
Unit Letter K	Section 35	Township 27 North	Range 12 West NMPM	County San Juan
Actual Footage Location of Well: 2485 feet from the South line and 1565 feet from the West line				
Ground level Elev. 5898	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

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



OPERATOR CERTIFICATION

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

Signature

*John C. Corbett*

Printed Name

John C. Corbett

Position

Vice President-Exploration

Company

Giant Exploration & Production

Date

August 9, 1990

SURVEYOR CERTIFICATION

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

Date Surveyed

July 10, 1990

Signature & Seal of  
Professional Surveyor

*Edgar L. Risenhoover*  
EDGAR L. RISENHOOVER  
NEW MEXICO  
Certification No. 1597  
Edgar L. Risenhoover, P.S.

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

Lease			Well No.	
Joe Whitney			1	
Giant Exploration & Production Company				
Section	Township	Range	County	
35	27 North	12 West	San Juan	
Location of Well:				
1450	feet from the South line and	1190	feet from the West line	
Level Elev.	Producing Formation	Pool	Dedicated Acres:	
5877	Fruitland-Pictured Cliffs	South Gallegos Fruitland Sand Pictured Cliffs	160 Acres	

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

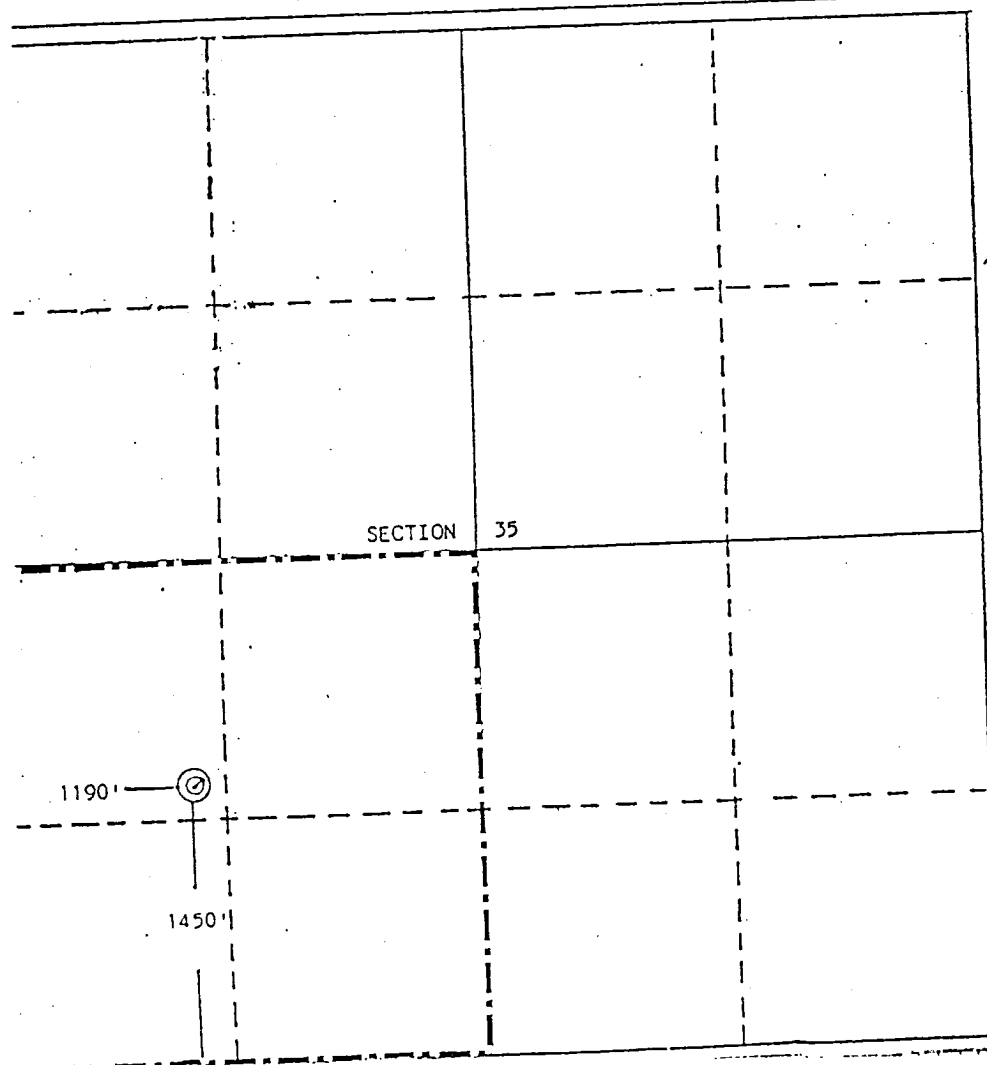
If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

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

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



CERTIFICATION

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

*John C. Corbett*  
Name

John C. Corbett

Position

Executive Vice President

Company

Giant Exploration & Production Co.

Date

September 11, 1991

I hereby certify that the well location shown on this plat is from field notes of actual survey 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

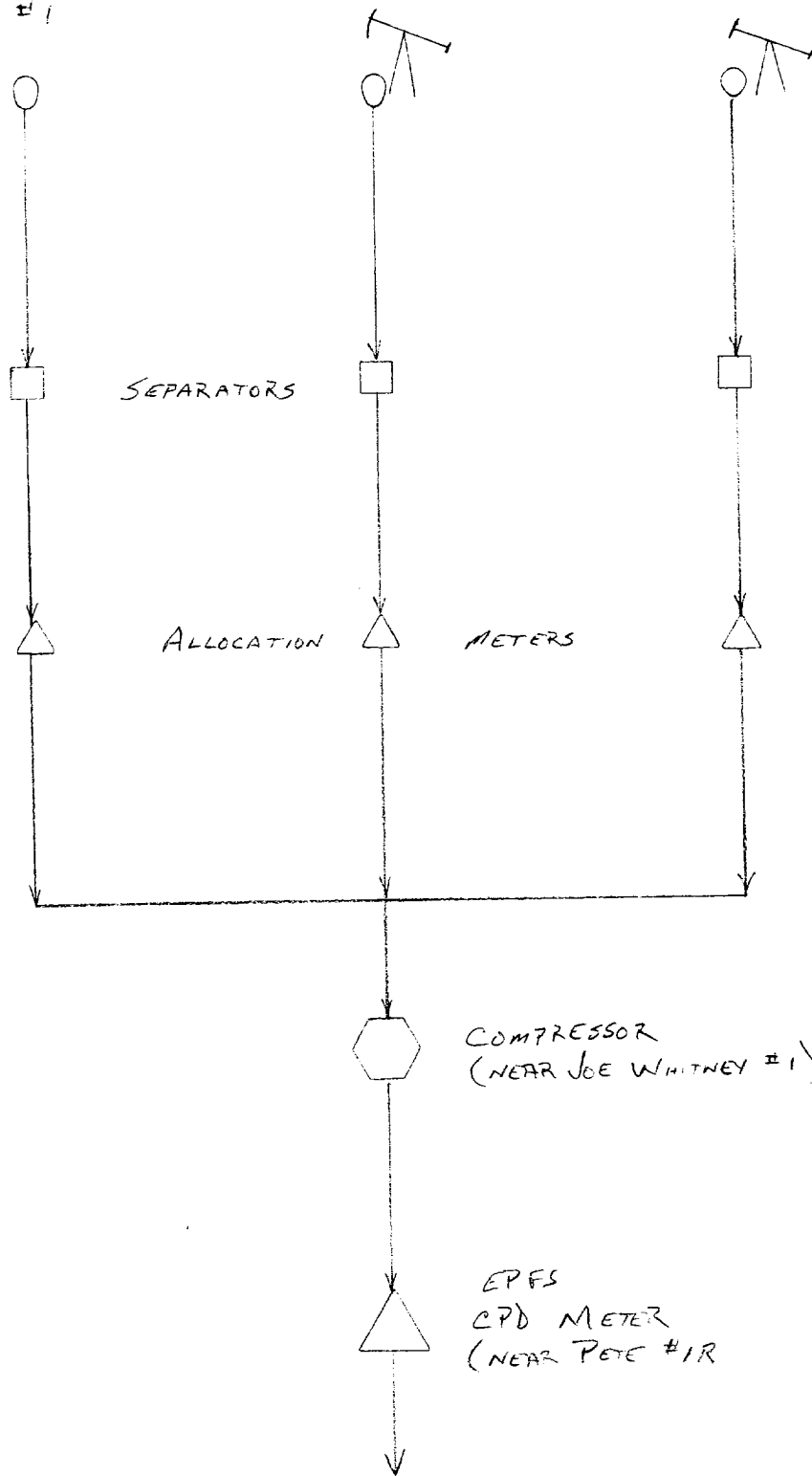
September 21, 1988

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979

)

PETE #1R



# EPFS GATHERING SYSTEM



EXHIBIT #4

SAN JUAN NM

PETE 1R

PENDRAGON ENERGY PARTNERS INCORPORATED

ACTIVE

## Detailed Production Report

<b>Lease Name:</b>	<b>PETE</b>	<b>Well Number:</b>	<b>1R</b>
Lease Number:	21704	Cum Oil:	
Operator Name:	PENDRAGON ENERGY PARTNER	Cum Gas:	76,010
State:	NEW MEXICO	Cum Water:	271,864 since JAN 1998
County:	SAN JUAN	First Production Date:	NOV 1990
Field:	BASIN	Last Production Date:	OCT 2001
Sec Twn Rng:	351 27N 12W	Spot:	SW NE SE
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	21704	Completion Date:	
API:	30045256630000	Total Depth:	
Production ID:	2300430452566371629	Upper Perforation:	1241
Reservoir Name:	FRUITLAND COAL	Lower Perforation:	1350
Prod Zone:	FRUITLAND COAL	Gas Gravity:	
Prod Zone Code:	604FRLDC	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	ELPS	N Factor:	0.0
Liquid Gatherer:		GOR:	
Status:	ACTIVE		

Annual Production		(12 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:

1990		14	
1991		161	
1992		314	
1993		627	
1994		1,268	
1995		7,362	
1996		5,424	
1997		17,017	
1998		7,117	3,553
1999		5,746	184,181
2000		12,547	84,130
2001		18,413	
Totals:		76,010	271,864

## Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	Cond Yld BBLs/MCF	% Water	# of Wells	Days on
---------------	-------------	------------	---------------	----------------------	---------	---------------	------------

NOV 1990	14	1	1
DEC 1990	0	0	0
Totals:			
1990	14		
JAN 1991	38	1	1
FEB 1991	68	1	1
MAR 1991	0	0	0
APR 1991	0	0	0
MAY 1991	0	0	0
JUN 1991	0	0	0
JUL 1991	0	0	0
AUG 1991	0	0	0
SEP 1991	0	0	0
OCT 1991	27	1	1
NOV 1991	28	1	1
DEC 1991	0	0	0
Totals:			
1991	161		
JAN 1992	0	0	0
FEB 1992	0	0	0
MAR 1992	0	0	0
APR 1992	0	0	0
MAY 1992	0	0	0
JUN 1992	0	0	0
JUL 1992	0	0	0
AUG 1992	0	0	0
SEP 1992	77	1	1
OCT 1992	80	1	1
NOV 1992	77	1	1
DEC 1992	80	1	1
Totals:			
1992	314		
JAN 1993	80	1	1
FEB 1993	73	1	1
MAR 1993	80	1	1
APR 1993	77	1	1
MAY 1993	80	1	1
JUN 1993	77	1	1
JUL 1993	80	1	1
AUG 1993	80	1	1
SEP 1993	0	0	0
OCT 1993	0	0	0
NOV 1993	0	0	0
DEC 1993	0	0	0
Totals:			
1993	627		
JAN 1994	0	0	0
FEB 1994	0	0	0
MAR 1994	80	1	31
APR 1994	77	1	30
MAY 1994	80	1	31
JUN 1994	77	1	30
JUL 1994	161	1	31

AUG 1994	161		1	31
SEP 1994	155		1	24
OCT 1994	161		1	31
NOV 1994	155		1	30
DEC 1994	161		1	31
Totals:				
1994	1,268			
JAN 1995	161		1	31
FEB 1995	145		1	28
MAR 1995	1,579		1	31
APR 1995	923		1	30
MAY 1995	467		1	31
JUN 1995	867		1	30
JUL 1995	1,335		1	31
AUG 1995	882		1	31
SEP 1995	596		1	30
OCT 1995	390		1	24
NOV 1995	7		1	30
DEC 1995	10		1	31
Totals:				
1995	7,362			
JAN 1996	10		1	2
FEB 1996	219		1	29
MAR 1996	886		1	31
APR 1996	475		1	30
MAY 1996	513		1	31
JUN 1996	483		1	30
JUL 1996	769		1	31
AUG 1996	180		1	31
SEP 1996	55		1	30
OCT 1996	77		1	31
NOV 1996	883		1	30
DEC 1996	874		1	31
Totals:				
1996	5,424			
JAN 1997	1,365		1	31
FEB 1997	1,155		1	28
MAR 1997	1,552		1	31
APR 1997	1,605		1	30
MAY 1997	1,114		1	31
JUN 1997	1,578		1	30
JUL 1997	1,316		1	31
AUG 1997	1,710		1	31
SEP 1997	1,672		1	30
OCT 1997	1,149		1	22
NOV 1997	1,335		1	30
DEC 1997	1,466		1	31
Totals:				
1997	17,017			
JAN 1998	808	651	1	31
FEB 1998	1,260	0	1	28
MAR 1998	750	0	1	31
APR 1998	1	0	1	30
MAY 1998	609	0	1	31

JUN 1998	1,250	532	1	28
JUL 1998	733	290	1	29
AUG 1998	623	192	1	24
SEP 1998	869	480	1	30
OCT 1998	188	496	1	31
NOV 1998	0	416	0	26
DEC 1998	26	496	1	31
Totals:				
1998	7,117	3,553		
JAN 1999	40	496	1	31
FEB 1999	39	448	1	28
MAR 1999	0	496	0	31
APR 1999	0	6,580	0	28
MAY 1999	0	6,815	0	29
JUN 1999	79	6,815	1	29
JUL 1999	1,002	851	1	23
AUG 1999	1,269	7,050	1	30
SEP 1999	1,167	133,950	1	30
OCT 1999	465	6,345	1	27
NOV 1999	626	7,050	1	30
DEC 1999	1,059	7,285	1	31
Totals:				
1999	5,746	184,181		
JAN 2000	596	7,050	1	30
FEB 2000	436	6,815	1	29
MAR 2000	440	7,285	1	31
APR 2000	741	6,815	1	29
MAY 2000	1,274	7,285	1	31
JUN 2000	1,218	7,050	1	30
JUL 2000	1,456	7,050	1	30
AUG 2000	1,304	6,815	1	29
SEP 2000	282	6,815	1	29
OCT 2000	1,771	7,050	1	30
NOV 2000	1,572	6,815	1	29
DEC 2000	1,457	7,285	1	31
Totals:				
2000	12,547	84,130		
JAN 2001	1,860		1	28
FEB 2001	1,860		1	28
MAR 2001	2,719		1	31
APR 2001	3,024		1	30
MAY 2001	2,785		1	28
JUN 2001	520		1	18
JUL 2001	1,323		1	28
AUG 2001	639		1	22
SEP 2001	1,465		1	25
OCT 2001	2,218		1	30
Totals:				
2001	18,413			

*EXHIBIT #4*

SAN JUAN NM  
JOE WHITNEY 1  
PENDRAGON ENERGY PARTNERS INCORPORATED  
ACTIVE

## Detailed Production Report

<b>Lease Name:</b>	<b>JOE WHITNEY</b>	<b>Well Number:</b>	<b>1</b>
Lease Number:	21494	Cum Oil:	
Operator Name:	PENDRAGON ENERGY PARTNER	Cum Gas:	114,969
State:	NEW MEXICO	Cum Water:	
County:	SAN JUAN	First Production Date:	MAY 1989
Field:	GALLEGOS SOUTH	Last Production Date:	OCT 2001
Sec Twn Rng:	35L 27N 12W	Spot:	SE NW SW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	21494	Completion Date:	
API:	30045271130000	Total Depth:	
Production ID:	2300430452711377310	Upper Perforation:	
Reservoir Name:	FRUITLAND PICTURED CLIFF	Lower Perforation:	
Prod Zone:	FRUITLAND-PICTURED CLIFFS	Gas Gravity:	
Prod Zone Code:	604FRPCL	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	ELPS	N Factor:	0.0
Liquid Gatherer:		GOR:	
Status:	ACTIVE		GAS

Annual Production			(13 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:

1989	12,703
1990	5,928
1991	8,569
1992	10,778
1993	9,774
1994	8,938
1995	6,394
1996	5,929
1997	6,563
1998	8,275
1999	9,348
2000	11,907
2001	9,863

Totals:	_____	_____	_____
		114,969	

### Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	Cond Yld BBLs/MCF	% Water	# of Wells	Days on
---------------	-------------	------------	---------------	----------------------	---------	---------------	------------

MAY 1989	2,479	1	31
JUN 1989	3,490	1	30
JUL 1989	1,490	1	28
AUG 1989	1,635	1	27
SEP 1989	1,332	1	27
OCT 1989	447	1	19
NOV 1989	1,596	1	29
DEC 1989	234	1	11
Totals:			
1989	12,703		
JAN 1990	530	1	10
FEB 1990	671	1	20
MAR 1990	515	1	18
APR 1990	488	1	18
MAY 1990	462	1	14
JUN 1990	378	1	21
JUL 1990	154	1	21
AUG 1990	14	1	1
SEP 1990	213	1	7
OCT 1990	366	1	19
NOV 1990	1,240	1	27
DEC 1990	897	1	26
Totals:			
1990	5,928		
JAN 1991	4	1	2
FEB 1991	0	0	0
MAR 1991	650	1	13
APR 1991	1,078	1	28
MAY 1991	785	1	25
JUN 1991	1,018	1	30
JUL 1991	883	1	28
AUG 1991	845	1	16
SEP 1991	752	1	25
OCT 1991	765	1	29
NOV 1991	1,021	1	18
DEC 1991	768	1	24
Totals:			
1991	8,569		
JAN 1992	1,016	1	26
FEB 1992	997	1	27
MAR 1992	1,339	1	31
APR 1992	595	1	30
MAY 1992	951	1	29
JUN 1992	1,006	1	30
JUL 1992	978	1	26
AUG 1992	764	1	31
SEP 1992	80	1	9
OCT 1992	1,394	1	30
NOV 1992	848	1	28
DEC 1992	810	1	20
Totals:			
1992	10,778		
JAN 1993	733	1	23

FEB 1993	1,020	1	27
MAR 1993	1,101	1	25
APR 1993	1,237	1	30
MAY 1993	1,260	1	31
JUN 1993	815	1	30
JUL 1993	755	1	29
AUG 1993	532	1	16
SEP 1993	701	1	16
OCT 1993	473	1	30
NOV 1993	639	1	30
DEC 1993	508	1	31
Totals:			
1993	9,774		
JAN 1994	1,058	1	31
FEB 1994	690	1	28
MAR 1994	687	1	27
APR 1994	575	1	27
MAY 1994	828	1	31
JUN 1994	755	1	29
JUL 1994	786	1	31
AUG 1994	736	1	31
SEP 1994	628	1	23
OCT 1994	785	1	31
NOV 1994	658	1	30
DEC 1994	752	1	31
Totals:			
1994	8,938		
JAN 1995	729	1	28
FEB 1995	603	1	28
MAR 1995	766	1	23
APR 1995	548	1	15
MAY 1995	698	1	23
JUN 1995	0	0	0
JUL 1995	355	1	6
AUG 1995	756	1	31
SEP 1995	525	1	30
OCT 1995	524	1	24
NOV 1995	503	1	30
DEC 1995	387	1	31
Totals:			
1995	6,394		
JAN 1996	495	1	31
FEB 1996	663	1	29
MAR 1996	585	1	31
APR 1996	420	1	30
MAY 1996	402	1	31
JUN 1996	391	1	30
JUL 1996	562	1	31
AUG 1996	616	1	31
SEP 1996	602	1	30
OCT 1996	472	1	31
NOV 1996	355	1	30
DEC 1996	366	1	31
Totals:			
1996	5,929		

JAN 1997	568	1	31
FEB 1997	445	1	28
MAR 1997	391	1	31
APR 1997	424	1	30
MAY 1997	717	1	31
JUN 1997	527	1	30
JUL 1997	397	1	31
AUG 1997	415	1	31
SEP 1997	613	1	30
OCT 1997	724	1	31
NOV 1997	727	1	30
DEC 1997	615	1	31
Totals:			
1997	6,563		
JAN 1998	1,109	1	31
FEB 1998	676	1	28
MAR 1998	785	1	31
APR 1998	664	1	30
MAY 1998	403	1	31
JUN 1998	481	1	28
JUL 1998	669	1	29
AUG 1998	490	1	24
SEP 1998	723	1	30
OCT 1998	687	1	31
NOV 1998	681	1	26
DEC 1998	907	1	31
Totals:			
1998	8,275		
JAN 1999	585	1	31
FEB 1999	566	1	28
MAR 1999	670	1	31
APR 1999	699	1	28
MAY 1999	706	1	29
JUN 1999	807	1	29
JUL 1999	531	1	23
AUG 1999	969	1	30
SEP 1999	958	1	30
OCT 1999	803	1	27
NOV 1999	1,027	1	30
DEC 1999	1,027	1	31
Totals:			
1999	9,348		
JAN 2000	1,055	1	30
FEB 2000	965	1	29
MAR 2000	924	1	31
APR 2000	1,067	1	29
MAY 2000	1,108	1	31
JUN 2000	1,054	1	30
JUL 2000	910	1	30
AUG 2000	814	1	29
SEP 2000	1,089	1	29
OCT 2000	902	1	30
NOV 2000	1,015	1	29
DEC 2000	1,004	1	31



Totals:				
2000		11,907		
JAN 2001	791		1	28
FEB 2001	791		1	28
MAR 2001	984		1	31
APR 2001	1,090		1	30
MAY 2001	598		1	28
JUN 2001	710		1	18
JUL 2001	1,433		1	28
AUG 2001	992		1	22
SEP 2001	1,530		1	25
OCT 2001	944		1	30
Totals:				
2001	9,863			

=====

SAN JUAN NM  
GALLEGOS FRUITLAND COAL 1  
PENDRAGON ENERGY PARTNERS INCORPORATED  
ACTIVE

## Detailed Production Report

<b>Lease Name:</b>	<b>GALLEGOS FRUITLAND COA</b>	<b>Well Number:</b>	<b>1</b>
Lease Number:	21491	Cum Oil:	
Operator Name:	PENDRAGON ENERGY PARTNER	Cum Gas:	472,637
State:	NEW MEXICO	Cum Water:	199,604 since FEB 1998
County:	SAN JUAN	First Production Date:	SEP 1991
Field:	BASIN	Last Production Date:	OCT 2001
Sec Twn Rng:	35K 27N 12W	Spot:	NW NE SW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	21491	Completion Date:	
API:	30045282320000	Total Depth:	
Production ID:	2300430452823271629	Upper Perforation:	
Reservoir Name:	FRUITLAND COAL	Lower Perforation:	
Prod Zone:	FRUITLAND COAL	Gas Gravity:	
Prod Zone Code:	604FRLDC	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	GEP	N Factor:	0.0
Liquid Gatherer:		GOR:	
Status:	ACTIVE		GAS

### Annual Production

Year	Oil BBLs	Gas MCF	Water BBLs
Beginning			
Cum:			
1991		4,572	
1992		13,472	
1993		11,264	
1996		3,531	
1997		13,867	
1998		69,982	28,034
1999		119,782	121,450
2000		132,239	50,120
2001		103,928	
Totals:		472,637	199,604

### Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	Cond Yld BBLs/MCF	% Water	# of Wells	Days on
SEP 1991		299				1	3
OCT 1991		1,129				1	23

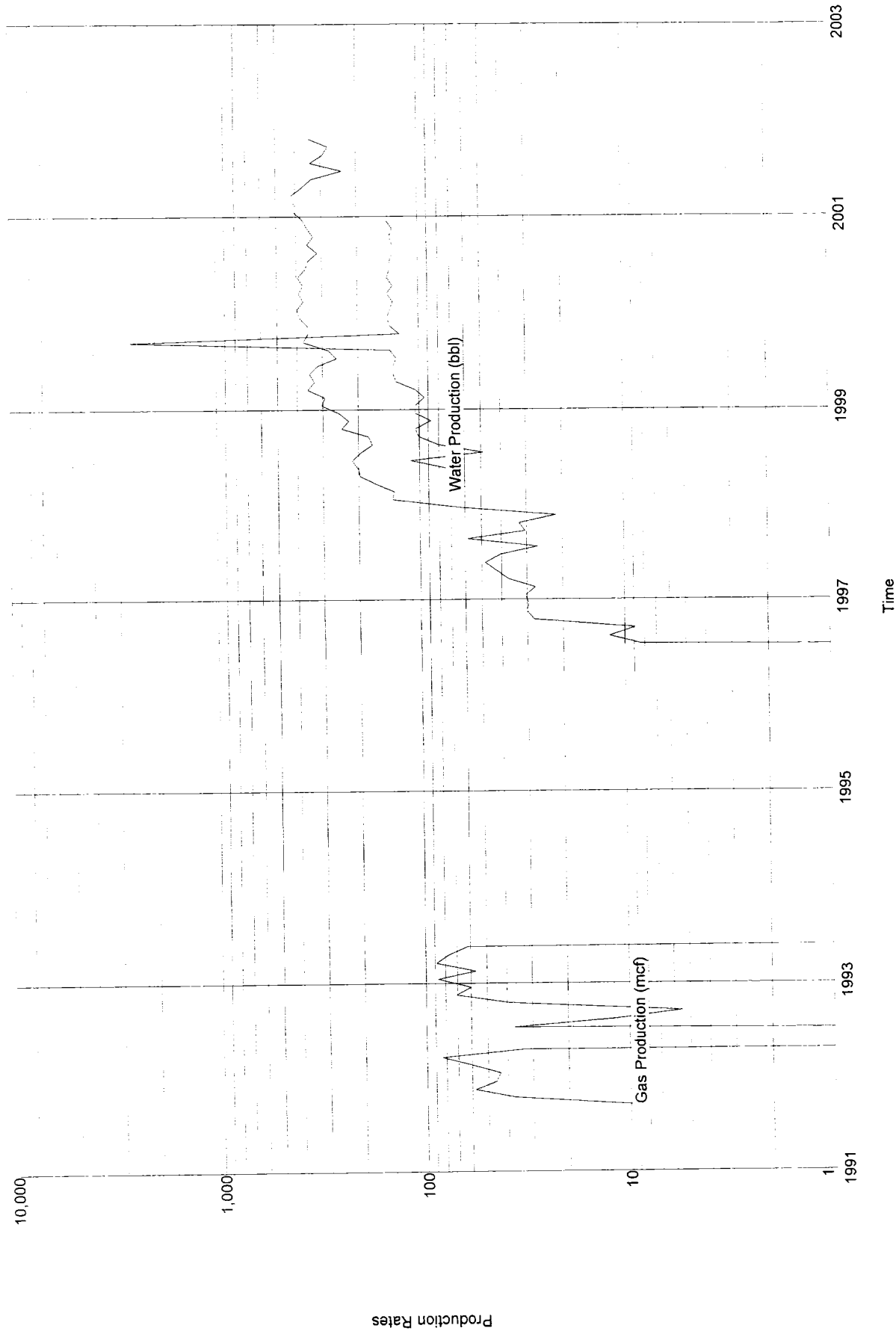
NOV 1991	1,758	1	28
DEC 1991	1,386	1	27
Totals:			
1991	4,572		
JAN 1992	1,321	1	26
FEB 1992	1,810	1	28
MAR 1992	2,545	1	31
APR 1992	1,003	1	8
MAY 1992	0	0	0
JUN 1992	0	0	0
JUL 1992	1,122	1	7
AUG 1992	360	1	9
SEP 1992	166	1	2
OCT 1992	1,175	1	28
NOV 1992	2,149	1	30
DEC 1992	1,821	1	21
Totals:			
1992	13,472		
JAN 1993	2,643	1	27
FEB 1993	1,715	1	28
MAR 1993	2,691	1	29
APR 1993	2,335	1	30
MAY 1993	1,880	1	26
JUN 1993	0	0	0
JUL 1993	0	0	0
AUG 1993	0	0	0
SEP 1993	0	0	0
OCT 1993	0	0	0
NOV 1993	0	0	0
DEC 1993	0	0	0
Totals:			
1993	11,264		
JAN 1996	0	0	0
FEB 1996	0	0	0
MAR 1996	0	0	0
APR 1996	0	0	0
MAY 1996	0	0	0
JUN 1996	0	0	0
JUL 1996	253	1	0
AUG 1996	361	1	31
SEP 1996	270	1	30
OCT 1996	840	1	31
NOV 1996	912	1	30
DEC 1996	895	1	31
Totals:			
1996	3,531		
JAN 1997	926	1	31
FEB 1997	827	1	28
MAR 1997	1,114	1	31
APR 1997	1,272	1	30
MAY 1997	1,455	1	31
JUN 1997	1,229	1	30
JUL 1997	806	1	31
AUG 1997	1,774	1	31

SEP 1997	923		1	30
OCT 1997	991		1	31
NOV 1997	651		1	30
DEC 1997	1,899		1	31
Totals:				
1997	13,867			
JAN 1998	4,139	0	1	31
FEB 1998	4,040	2,240	1	28
MAR 1998	4,965	2,170	1	31
APR 1998	5,968	2,100	1	30
MAY 1998	6,100	2,201	1	31
JUN 1998	6,542	3,360	1	28
JUL 1998	5,937	1,479	1	29
AUG 1998	5,195	2,448	1	24
SEP 1998	5,417	3,060	1	30
OCT 1998	7,353	3,162	1	31
NOV 1998	6,772	2,652	1	26
DEC 1998	7,554	3,162	1	31
Totals:				
1998	69,982	28,034		
JAN 1999	9,174	3,162	1	31
FEB 1999	8,873	2,856	1	28
MAR 1999	10,783	3,162	1	31
APR 1999	9,987	3,920	1	28
MAY 1999	10,557	4,060	1	29
JUN 1999	9,644	4,060	1	29
JUL 1999	7,754	3,910	1	23
AUG 1999	8,525	4,200	1	30
SEP 1999	11,288	79,800	1	30
OCT 1999	10,705	3,780	1	27
NOV 1999	10,720	4,200	1	30
DEC 1999	11,772	4,340	1	31
Totals:				
1999	119,782	121,450		
JAN 2000	12,088	4,200	1	30
FEB 2000	11,236	4,060	1	29
MAR 2000	11,855	4,340	1	31
APR 2000	11,257	4,060	1	29
MAY 2000	11,970	4,340	1	31
JUN 2000	10,967	4,200	1	30
JUL 2000	10,682	4,200	1	30
AUG 2000	9,567	4,060	1	29
SEP 2000	10,727	4,060	1	29
OCT 2000	10,008	4,200	1	30
NOV 2000	10,683	4,060	1	29
DEC 2000	11,199	4,340	1	31
Totals:				
2000	132,239	50,120		
JAN 2001	12,337		1	28
FEB 2001	12,337		1	28
MAR 2001	12,762		1	31
APR 2001	11,312		1	30
MAY 2001	10,104		1	28
JUN 2001	7,152		1	18

JUL 2001	10,267	1	28
AUG 2001	8,868	1	22
SEP 2001	8,387	1	25
OCT 2001	10,402	1	30
Totals:			
2001	<u>103,928</u>		

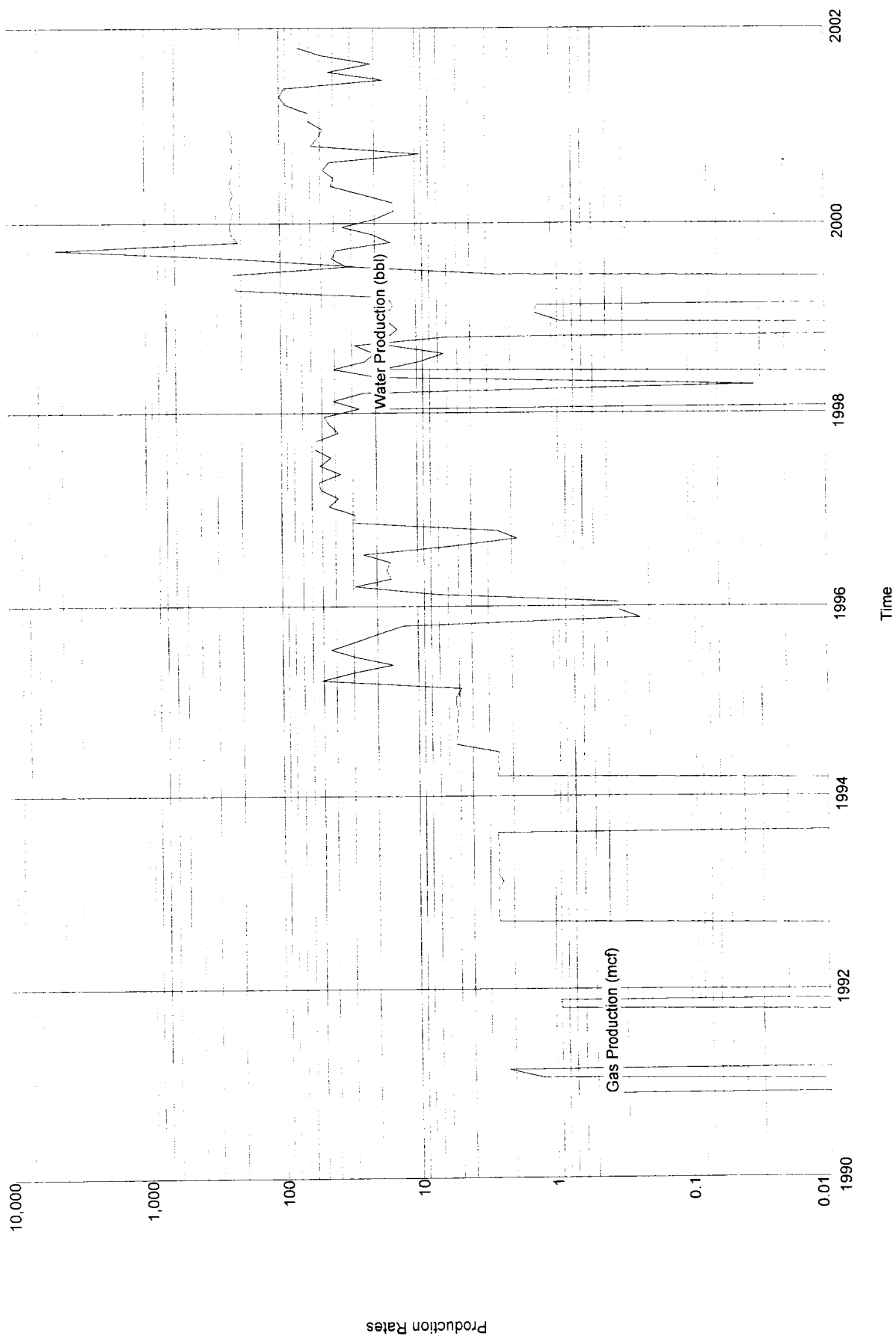
Lease Name: GALLEGOS FRUITLAND COAL  
County State: SAN JUAN, NM  
Operator: PENDRAGON ENERGY PARTNERS INCORPORAT  
Field: BASIN  
Reservoir: FRUITLAND COAL  
Location: 35 27N 12W NW NE SW

GALLEGOS FRUITLAND COAL - BASIN



Lease Name: PETE  
County, State: SAN JUAN, NM  
Operator: PENDRAGON ENERGY PARTNERS INCORPORAT  
Field: BASIN  
Reservoir: FRUITLAND COAL  
Location: 35 27N 12W SW NE SE

PETE - BASIN



Lease Name: JOE WHITNEY  
County, State: SAN JUAN, NM  
Operator: PENDRAGON ENERGY PARTNERS INCORPORAT  
Field: GALLEGOS SOUTH  
Reservoir: FRUITLAND PICTURED C  
Location: 35 27N 12W SE NW SW

JOE WHITNEY - GALLEGOS SOUTH

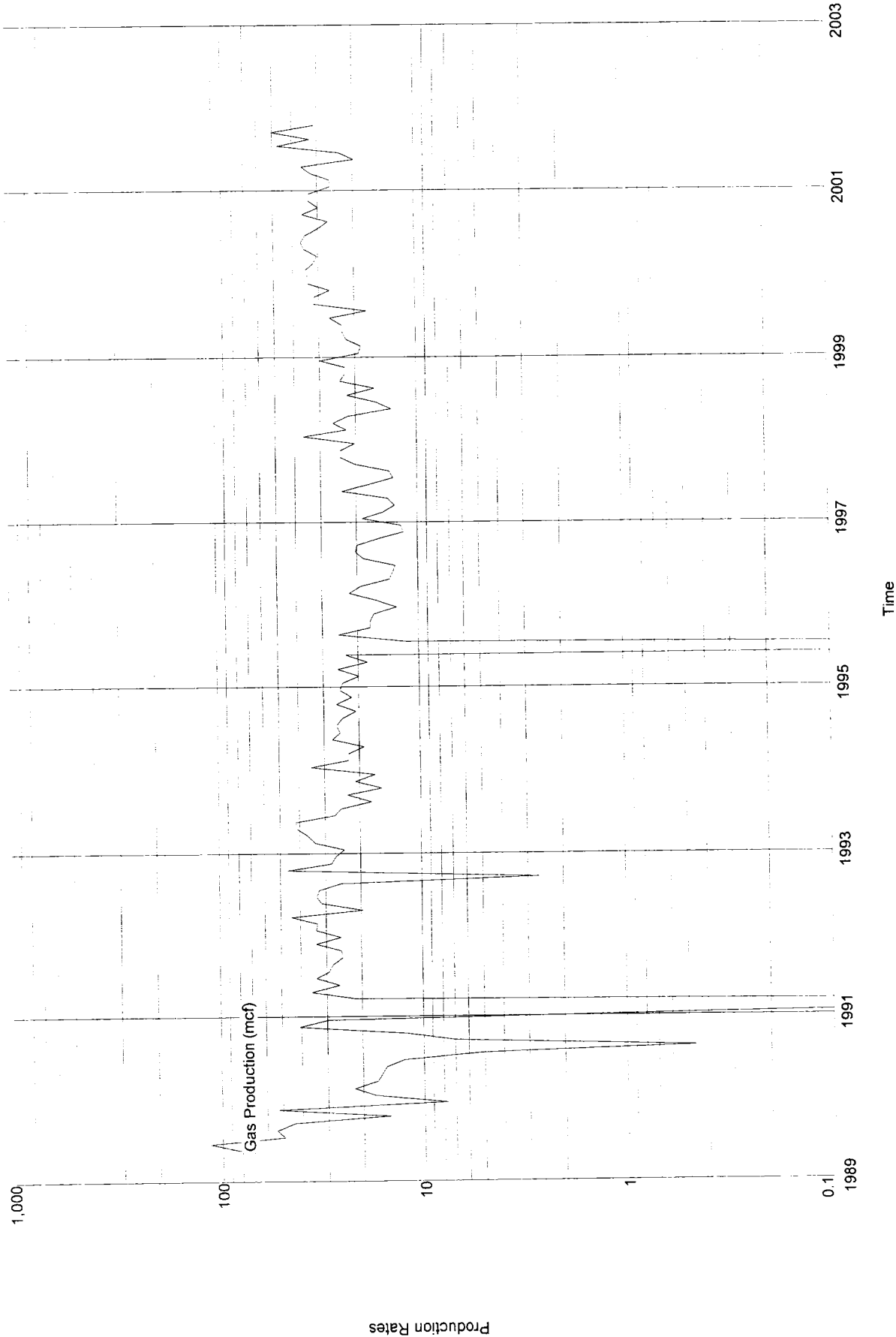






EXHIBIT #5

RECEIVED

DEC 21 2001

PENDRAGON ENERGY  
PARTNERS, INC.2030 AFTON PLACE  
FARMINGTON, N.M. 87401  
(505) 325-6622ANALYSIS NO. PE210006  
CUST. NO. 60000 - 10115

## WELL/LEASE INFORMATION

CUSTOMER NAME	PENDRAGON ENERGY PRTRNS	SOURCE	TUBING WELLHEAD
WELL NAME	JOE WHITNEY #1	PRESSURE	PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	12/11/01
FORMATION	PICTURED CLIFFS	SAMPLED BY	KENNY WHITEHORN
CUST.STN.NO.	97047	FOREMAN/ENGR.	

REMARKS GOES TO CPD METER: TUBING PRESSURE 16#, CASING PRESSURE 50#  
PRESSURED WITH HELIUM TO 25#  
UNNORMALIZED MOLE PERCENT = 37.646%

## ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.272	0.0000	0.00	0.0026
CO2	0.042	0.0000	0.00	0.0006
METHANE	96.491	0.0000	976.78	0.5345
ETHANE	2.484	0.6645	44.06	0.0258
PROPANE	0.558	0.1538	14.07	0.0085
I-BUTANE	0.147	0.0481	4.79	0.0029
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.006	0.0022	0.24	0.0001
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.8685	1,039.94	0.5751

\* @ 14.730 PSIA DRY &amp; UNCORRECTED FOR COMPRESSIBILITY

\*\* @ 14.730 PSIA &amp; 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0022
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,042.2
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	1,024.1
REAL SPECIFIC GRAVITY		0.5764

ANALYSIS RUN AT 14.730 PSIA &amp; 60 DEGREES F

DRY BTU @ 14.650	1,036.6
DRY BTU @ 14.696	1,039.8
DRY BTU @ 14.730	1,042.2
DRY BTU @ 15.025	1,063.1

CYLINDER #	1EK084
CYLINDER PRESSURE	20 PSIG
DATE RUN	12/12/01
ANALYSIS RUN BY	DAWN BLASSINGAME



EXHIBIT #5

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

ANALYSIS NO. PE220003  
CUST. NO. 60000 - 10110

### WELL/LEASE INFORMATION

CUSTOMER NAME	PENDRAGON ENERGY PRTNRS	SOURCE	METER RUN
WELL NAME	GALLEGOS FC #1	PRESSURE	70 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	N/A DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	3/11/02
FORMATION	FRUITLAND COAL	SAMPLED BY	SUSAN SULLIVAN
CUST.STN.NO.	6389	FOREMAN/ENGR.	

### REMARKS

### ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.421	0.0000	0.00	0.0041
CO2	0.675	0.0000	0.00	0.0103
METHANE	96.965	0.0000	981.58	0.5371
ETHANE	1.875	0.5016	33.26	0.0195
PROPANE	0.031	0.0085	0.78	0.0005
I-BUTANE	0.007	0.0023	0.23	0.0001
N-BUTANE	0.007	0.0022	0.23	0.0001
I-PENTANE	0.003	0.0011	0.12	0.0001
N-PENTANE	0.001	0.0004	0.04	0.0000
HEXANE PLUS	0.015	0.0065	0.77	0.0005
TOTAL	100.000	0.5226	1,017.01	0.5722

\* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

\*\* @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0021
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,019.2
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	1,001.4
REAL SPECIFIC GRAVITY		0.5735

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,013.6
DRY BTU @ 14.696	1,016.8
DRY BTU @ 14.730	1,019.2
DRY BTU @ 15.025	1,039.6

CYLINDER #	037A
CYLINDER PRESSURE	68 PSIG
DATE RUN	3/13/02
ANALYSIS RUN BY	DAWN BLASSINGAME



EXHIBIT #5

10 AFTON PLACE  
FARMINGTON, N.M. 87401  
(505) 325-6622ANALYSIS NO. PE220005  
CUST. NO. 60000 - 10120

## WELL/LEASE INFORMATION

CUSTOMER NAME	PENDRAGON ENERGY PRTNRS	SOURCE	METER RUN
WELL NAME	PETE #1R	PRESSURE	65 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	N/A DEG.F
LOCATION		WELL FLOWING	N
FIELD		DATE SAMPLED	3/11/02
FORMATION	PICTURED CLIFFS	SAMPLED BY	SUSAN SULLIVAN
CUST.STN.NO.	9415	FOREMAN/ENGR.	

## REMARKS

## ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.223	0.0000	0.00	0.0022
CO2	0.162	0.0000	0.00	0.0025
METHANE	97.022	0.0000	982.15	0.5374
ETHANE	2.238	0.5987	39.70	0.0232
PROPANE	0.246	0.0678	6.20	0.0037
I-BUTANE	0.077	0.0252	2.51	0.0015
N-BUTANE	0.006	0.0019	0.20	0.0001
I-PENTANE	0.006	0.0022	0.24	0.0001
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.020	0.0087	1.03	0.0006
TOTAL	100.000	0.7045	1,032.03	0.5715

\* @ 14.730 PSIA DRY &amp; UNCORRECTED FOR COMPRESSIBILITY

\*\* @ 14.730 PSIA &amp; 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0021
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,034.2
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	1,016.2
REAL SPECIFIC GRAVITY		0.5726

ANALYSIS RUN AT 14.730 PSIA &amp; 60 DEGREES F

DRY BTU @ 14.650	1,028.6
DRY BTU @ 14.696	1,031.8
DRY BTU @ 14.730	1,034.2
DRY BTU @ 15.025	1,054.9

CYLINDER #	015
CYLINDER PRESSURE	59 PSIG
DATE RUN	3/13/02
ANALYSIS RUN BY	DAWN BLASSINGAME

Exhibit #6

# Allocation Spreadsheet for Navajo Allotted Wells

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Well Name	Wellhead Meter Integration MCF	Volume Ratio	Wellhead Btu Content	Wellhead Metered MMBtu	Wellhead MMBtu Ratio	MMBtu for Low Volume Wells	Low Volume Ratio (<100 MCFD)	Discrepancy Allocation (MCF) OTHER (1)	Discrepancy Allocation (MCF) (Allotted >= 100 MCFD) OTHER (2)	Compressor Use Allocation MCF (Vol)	Lease Use MCF (Vol)	Wellhead (MCF) Produced	Allocated (MCF) Sold	Allocated Btu Content
Pete #1R														
Joe Whitney #1														
Gallegos Ft. Coal #1														
Totals														

## Formulas:

B=A/(Sum A)

D=A\*C

E=D/(Sum D)

F: If >=100 MCFD and well is Allotted, F = 0.

If < 100 MCFD and well is Allotted, or well is Federal, F = 0.

G= F/(Sum F)

H= E\*W (this column used if NO allotted well producing >= 100 MCFD); otherwise use I

I= G\*W

J = B\*Z

K = Gas used on lease upstream of well allocation meter

L = A+K

M = B\*X (this column is used if NO allotted wells producing >+ 100 MCFD); otherwise use N

N = A\_L\_J

O = E\* Y/M

Discrepancy Calculation ((Sum A)-X-Z

CDP Volume Sold (MCF)

CDP MMBtu Sold

CDP Compressor Use (MCF)

CDP Btu Content

Well # Days Produced Production (L) MCFD

Pete #1R

Joe Whitney #1

Gallegos Ft. Coal #1

Note: Columns to be reported on the MMS-3160 are Bolded

Produced: Column L

UOL: both Compressor Use Allocation (J) and Lease Use (K)

Other (1) and SOLD (1): Allotted wells < 1000 MCFD and all Federal wells (columns H and M)

Other (2) and SOLD (2): Allotted wells >= 1000 MCFD (columns I and N)

Btu Content: weighted average of Column O \* Column M or N/CDP Volume Sold, by lease or Case Number.

## Exhibit #7

### **Gallegos Fruitland Coal #1 and Joe Whitney #1**

Name	WI %	NRI%
R.W. Beck Plant Management Ltd Receiver for Edwards Energy 1125 17 <sup>th</sup> Street, Suite 1900 Denver, CO. 80202-2615	25.0	20.5
Mr. Patrick Hegarty P.O. Box 1317 Aztec, NM 87410		3.0
Minerals Management Service P.O. Box 5640 Denver, CO 80217		12.5
Pendragon Resources II, LP 621 17 <sup>th</sup> Street, Suite 750 Denver, CO 80223	75.0	64.0

### **Pete #1R**

R.W. Beck Plant Management Ltd Receiver for Edwards Energy 1125 17 <sup>th</sup> Street, Suite 1900 Denver, CO. 80202-2615	25.0	20.0
Minerals Management Service (Indian) P.O. Box 5640 Denver, CO 80217		20.0
Pendragon Resources II, LP 621 17 <sup>th</sup> Street, Suite 750 Denver, CO 80223	75.0	60.0

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

April 16, 2002

Mr. Peter Mueller  
R.W. Beck Plant Management Ltd  
Receiver for Edwards Energy  
1125 17<sup>th</sup> Street, Suite 1900  
Denver, CO. 80202-2615

Re: Application for Surface Commingling  
Pendragon Energy Partners  
Gallegos Fruitland Coal #1, Joe Whitney #1, and Pete 1R  
Section 35, T27N, R12W  
San Juan County, New Mexico

Dear Mr. Mueller,

As an interest owner in one or more of the wells referenced above, you are being notified of the application to the NMOCD to administratively approve the request to surface commingle the production from these wells. Surface commingling will reduce compression costs for all three wells.

A copy of the application is being furnished to you for your review. If you have no objections to this application, then no action is required on your part.

If you object to, or wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, 1220 S. St. Francis Dr., Santa Fe, NM 87504. A copy of any comments to the undersigned would be appreciated.

Please do not hesitate to call upon me if you have any questions.

Sincerely,

Paul C. Thompson, P. E.  
Agent

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

April 16, 2002

Mr. James Miles  
Farmington Indian Minerals Office  
Bureau of Indian Affairs  
1235 La Plata Hwy., Suite B  
Farmington NM

Re: Application for Surface Commingling  
Pendragon Energy Partners  
Gallegos Fruitland Coal #1, Joe Whitney #1, and Pete 1R  
Section 35, T27N, R12W  
San Juan County, New Mexico

Dear Mr. Miles,

As an interest owner in one or more of the wells referenced above, you are being notified of the application to the NMOCD to administratively approve the request to surface commingle the production from these wells. Surface commingling will reduce compression costs for all three wells.

A copy of the application is being furnished to you for your review. If you have no objections to this application, then no action is required on your part.

If you object to, or wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, 1220 S. St. Francis Dr., Santa Fe, NM 87504. A copy of any comments to the undersigned would be appreciated.

Please do not hesitate to call upon me if you have any questions.

Sincerely,

Paul C. Thompson, P. E.  
Agent

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

April 16, 2002

Minerals Management Service  
P.O. Box 5640  
Denver, CO 80217

Re: Application for Surface Commingling  
Pendragon Energy Partners  
Gallegos Fruitland Coal #1, Joe Whitney #1, and Pete 1R  
Section 35, T27N, R12W  
San Juan County, New Mexico

Dear Minerals Management Service,

As an interest owner in one or more of the wells referenced above, you are being notified of the application to the NMOCD to administratively approve the request to surface commingle the production from these wells. Surface commingling will reduce compression costs for all three wells.

A copy of the application is being furnished to you for your review. If you have no objections to this application, then no action is required on your part.

If you object to, or wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, 1220 S. St. Francis Dr., Santa Fe, NM 87504. A copy of any comments to the undersigned would be appreciated.

Please do not hesitate to call upon me if you have any questions.

Sincerely,

Paul C. Thompson, P. E.  
Agent



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

April 16, 2002

Mr. Patrick Hegarty  
P.O. Box 1317  
Aztec, NM 87410

Re: Application for Surface Commingling  
Pendragon Energy Partners  
Gallegos Fruitland Coal #1, Joe Whitney #1, and Pete 1R  
Section 35, T27N, R12W  
San Juan County, New Mexico

Dear Mr. Hegarty,

As an interest owner in one or more of the wells referenced above, you are being notified of the application to the NMOCD to administratively approve the request to surface commingle the production from these wells. Surface commingling will reduce compression costs for all three wells.

A copy of the application is being furnished to you for your review. If you have no objections to this application, then no action is required on your part.

If you object to, or wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, 1220 S. St. Francis Dr., Santa Fe, NM 87504. A copy of any comments to the undersigned would be appreciated.

Please do not hesitate to call upon me if you have any questions.

Sincerely,

Paul C. Thompson, P. E.  
Agent