

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,
** - Attachment No. 9 presents copies of notification efforts to interest owners. All were sent certified - Return Receipt. Copies of Receipts will be sent to NMOCD.*
- [F] Waivers are Attached

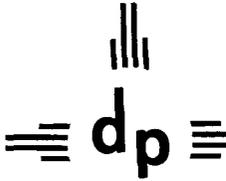
[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

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

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

John D. Roe Print or Type Name	<u>John D. Roe</u> Signature	Engineering Manager Title	06/23/06 Date
		johnroe@duganproduction.com e-mail Address	

2006 JUN 26 PM 12:00



dugan production corp.

June 20, 2006

Mr. Mark Fesmire, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

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

Mr. Patrick Lyons, Commissioner
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Mr. Jim Stockbridge, Manager
Farmington Indian Minerals Office
1235 La Plata Highway, Suite B
Farmington, NM 87401

Re: Application to Surface Commingle and for the Off-Lease Measurement and Sale of Produced Natural Gas – for wells to be added to Dugan Production's Big Band & Rusty Chacra Gathering Systems San Juan & Sandoval Counties, New Mexico

Dear Mr. Fesmire, Mr. Henke, Mr. Lyons and Mr. Stockbridge;

We are writing to request your administrative approvals for the surface commingling, plus off-lease measurement and sale of natural gas produced from 26 wells (27 completions) to be added to Dugan Production's Big Band Gathering System (BBGS) plus one well to be added to Dugan Production's Rusty Chacra Gathering System (RCGS). In addition, we are requesting approval to periodically deliver gas from the BBGS to RCGS and to amend the existing NMOCD commingling orders regarding the notice requirements for future additions to either gathering system. NMOCD Form 107-B is attached for this application to add wells to both gathering systems. A summary presenting the wells, leases and production for each pool and gathering system is presented on Attachment No. 7.

The RCGS was installed by Dome Petroleum and placed into service during January of 1982. Dugan Production acquired the gathering system and most of the wells connected to it in 1990. Currently there are 38 wells approved for the RCGS which includes 37 wells operated by Dugan Production and one well operated by Hicks Oil & Gas. Of the 38 wells approved for the RCGS, 32 are currently active and produce a total of 242 mcf/d plus 2.0 bopd. In addition, two wells are shut in and four have been plugged and abandoned. The 32 active wells produce from the Alamito Gallup Oil pool (one well), Rusty Chacra Gas pool (27 wells), Rusty Gallup Oil pool (three wells) and the South Rusty Gallup Oil pool (one well) with production currently averaging 7.6 mcf/d per well (plus the five active oil wells average 0.4 bopd per well). One well averages 29 mcf/d, two wells each average 19 mcf/d and the rest produce less than 12 mcf/d. Although all of the wells on the RCGS are considered to be marginal producers, the combined production of 242 mcf/d results in an average of 164 mcf/d being sold at the CDP. In addition, the gathering system compressor requires approximately 21.0 mcf/d for fuel plus individual well fuel needed for pumping units, heater treaters and periodic purging to keep the wells from logging off averages approximately 57 mcf/d. The RCGS is currently authorized by NMOCD Order PLC-147 issued 9/8/98 and was last approved by the Bureau of Land Management (BLM) on 10/13/99 and the State Land Office (SLO) on 8/31/98.

Attachment No. 2 presents a map of the RCGS which has been reduced to fit on letter sized paper for convenience. A full scale version of Attachment No. 2 is also included. This map was created using portions of USGS Topography maps for the Counselor, Lybrook, Lybrook SE and Mule Dam quadrangles.

The central delivery gas sales meter (CDP) is located in the SENW of Section 12, T-22N R-7W and delivers gas to Enterprise Field Services (their meter no. 03049)

Attachment No. 4 presents information for the wells connected to the RCGS along with information about the Rusty Nail Com No. 90 which has been completed in the Basin Fruitland Coal pool and is proposed to be added to the RCGS. This well was completed on 6/21/05 as a remote test of the Fruitland Coal. Production to date has been encouraging and the well currently averages 18 mcf/d plus 131 bwpd. To minimize gas venting, the Rusty Nail Com No. 90 was connected to the RCGS and began gas deliveries on 7/15/05. Production and gas sales information for this well from the date of first delivery through March, 2006 is presented on Attachment No. 4, Note 4. During this time, a total of 3394 mcf of gas was produced and production averaged 13.3 mcf/d + 60.8 bwpd. This resulted in gas sales of 2479 mcf (average of 9.7 mcf/d) and since the Rusty Nail Com No. 90 has not been approved for the gathering system, we have been paying royalty and production taxes based upon the volumes recorded at the well site allocation meter as opposed to the volumes allocated to the well from the CDP meter. Upon approval of this application, we will convert to paying royalties and production taxes based upon allocated volumes as is being done on all other wells on the RCGS. The current allocation procedure approved for the RCGS is presented on Page No. 3 of Attachment No. 8.

The BBGS was installed by Dugan Production and first delivered gas to PNM on 2/4/02. A total of nine wells (10 completions) have been approved for the BBGS by NMOCD Order PLC-191 dated 10/5/01 and by the BLM on 2/15/02 (effective 2/4/02). Since all leasehold interest for the nine wells was federal, SLO approval was not needed. Of the nine wells approved, two have not been drilled and production performance from the seven wells drilled (five Rusty Chacra, one Basin Fruitland and one commingled downhole in the Basin Fruitland Coal and Rusty Chacra) has been very disappointing to date. Efforts to produce the seven wells connected to the BBGS continued through December, 2003 at which time production from all wells (six active and one shut in) was not (and had not been since 4/02) sufficient to provide fuel for the 3 stage compressor and dehydrator necessary to deliver gas into PNM's pipeline which was averaging ± 500 psi. From 5/02 thru 12/03 a typical production cycle during any month included shutting in the BBGS at the compressor and allowing the seven wells to produce into the BBGS until it was pressured up as much as the wells could produce. Then the compressor would be started and would run ok until the accumulated gas volumes within the BBGS had been either consumed as compressor and dehydrator fuel or had been delivered into PNM's line for sale. With the compressor and dehydrator running, the seven wells could not maintain the BBGS pressure and ultimately the compressor would shut down as a result of low suction pressure. Gas sales to PNM during the 23 months from 2/02 through 12/03 totaled 1142 mcf and during the last six months, a total of 47 mcf was sold from all six wells. None of the wells were initially anticipated to be large producers (all less than 100 mcf/d per well), however we did anticipate performance to be better than it was.

Dugan Production has a substantial acreage holding in the area of the BBGS plus we have 15 additional wells that have been drilled and do not have a pipeline connection. Attachment No. 3 presents well information for the nine wells (10 completions) currently approved for the BBGS plus the 26 wells (27 completions) that we are proposing to add to the BBGS. Of the 26 wells (27 completions) to be added, 15 (16 completions) have been drilled (six Basin Fruitland Coal, nine Bisti Chacra and one Nageezi Gallup) and 11 are proposed Basin Fruitland Coal wells. Addition of these 26 wells will require the installation of approximately 68,000' (12.9 miles) of pipeline which will tie the 26 proposed wells into the BBGS near the Zappa No. 91. Attachment No. 1 presents Dugan Production's BBGS and the proposed expansion along with Dugan Production's leases and wells in this area. A full scale version of Attachment No. 1 is also included. This map was created using portions of the USGS Topography maps for Fire Rockwell and Lybrook, NW quadrangles. The current central delivery gas sales meter to PNM's pipeline (their Meter No. 1335) is located in the NENE of Section 27, T-22N, R-8W and is near Dugan's Zappa No. 91 well.

Dugan Production is committed to extending the BBGS to add the 26 wells proposed on Attachment No. 3 and has nearly completed installation of the pipeline. It is our intention to restore gas deliveries to PNM at the BBGS CDP as soon as sufficient gas volumes are connected to the gathering system. In addition to adding the 26 wells, we also plan to evaluate the existing wells for remedial and/or stimulation

potential, however it is very important that we are able to place the wells on production soon after working on them since it is a strong possibility that long shut in times between completion and initiating pipeline production on many of the existing wells has been responsible for the dramatic reductions in well productivity experienced to date for the BBGS wells.

In an effort to better understand the production potential for wells currently connected to the BBGS and to provide access to a gas sales line during the time that we are developing sufficient gas volumes to restore gas deliveries to PNM, we have installed approximately 15,500' of pipeline to deliver gas from the BBGS into the RCGS on a temporary and periodic basis. The line connecting the BBGS to the RCGS is presented on Attachments No. 1 and 2 and runs from the James No. 1 (NESE 24-22N-8W) to the Dome Rusty 20-22-7 No. 1 (SESE 20-22N-7W). As presented under Note 13 of Attachment No. 3, currently the seven wells authorized for the BBGS (Billie No. 2, Dorsey No. 1, Ellington No. 1, Goodman No. 2, James No. 1, Zappa No. 3 and Zappa No. 91) plus four wells proposed to be added (Goodman No. 90, Harrison Com No. 90, James No. 90 and Marley No. 1) are connected to the BBGS and eight of the 11 wells are delivering gas from the BBGS to the RCGS which was initiated on 6/17/05. These eight wells are delivering a total of approximately 8.8 mcf into the RCGS and during the ten month period 6/05 thru 3/06 have delivered a total of 2,339 mcf (1691 mcf from the six Rusty Chacra completions and 648 mcf from the Basin Fruitland Coal completions) into the RCGS. Individually, gas sales range from 0 mcf to 2.3 mcf and gas volumes delivered into the RCGS range from 0 mcf to 618 mcf. These 11 wells are all very small producers and deliveries from the BBGS to the RCGS is very important to our overall plan of developing higher gas volumes for the BBGS and to ultimately restore gas deliveries to PNM. Gas from the BBGS will be delivered into the RCGS only until we have developed a sufficient volume in the BBGS to restore deliveries to PNM or during periods that PNM cannot take gas at the BBGS CDP. At this time, we do not anticipate that PNM will ever not be able to take gas at the BBGS CDP, but we would like to preserve the option should it ever be needed. Thus ultimately, both gathering systems will be operated separately with BBGS delivering to PNM as initially approved and RCGS delivering to Enterprise as initially approved. However, until there is a sufficient gas volume connected to the BBGS, we are herein requesting approvals from the BLM (and FIMO), NMOCD and SLO to deliver gas from the nine wells initially approved for the BBGS plus gas from the 26 wells to be added to the BBGS (as presented on Attachment No. 3) into the RCGS on a temporary basis until such time as there is a sufficient volume of gas in the BBGS to restore deliveries to PNM. In addition, should future gas deliveries to PNM from the BBGS ever be interrupted and/or not be permitted, we would like to preserve the option of delivering gas from the BBGS into the RCGS. During times that gas from the BBGS is being delivered into the RCGS, all wells on the BBGS will be treated for allocation purposes as are all other wells on the RCGS. For gas and BTU allocations, the allocation procedures currently approved for both systems are identical and are presented in Attachment No. 8.

There are many uncertainties for this project, however we are committed to developing our substantial leasehold interests and establishing the necessary production facilities. In doing so, since the Fruitland Coal is a significant part of our development plans, the pipeline being installed will consist of two separate lines; one for natural gas which is typically produced from the casing-tubing annulus at each well, and one line for water which is typically produced up the tubing using a rod pump artificial lift. The water is collected at a central location and any gas that may also be in the water stream is removed using a Conventional 2 Phase Separator. All gas recovered from the water will be metered and then delivered to the gas gathering line for sale. The metered volumes at the separator will then be used to allocate CDP gas volumes back to the separator using the same allocation procedure used for all other wells. The gas volumes allocated to the separator will then be allocated to each well delivering water to the separator based upon the water volumes delivered and the percentage of all water delivered to the separator. In addition, we have prepared and submitted APD's to drill two wells for disposal of produced water that we anticipate will occur. Both disposal wells are planned for disposal into the Entrada formation at $\pm 6500'$. The Morrison No. 2 SWD well is proposed in the NENE of Section 13 of T-22N, R-9W (on federal lease NM-90477) and the Zappa No. 4 SWD well is proposed in the NENE of Section 21, T-22N, R-8W (on federal lease NM-57445). Produced water will be delivered to each disposal well by a separate water gathering system which is being installed in parallel to the gas gathering system. This type of operation has been successful and is important to development of the Fruitland Coal on several other gathering systems operated by Dugan Production. The current allocation procedure approved for the BBGS is

presented on Page No. 2 of Attachment No. 8 and the allocation procedure proposed for the expanded BBGS is presented on Page No. 1 of Attachment No. 8. Both allocation procedures are exactly the same other than the proposed allocation procedure (Page No. 1) includes a provision (Item F) to allocate any gas that may be recovered from the produced water gathering system. Other than Item F, both allocation procedures are exactly the same for allocations of gas and BTU's.

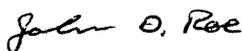
As previously discussed, Attachment No. 8 presents the currently approved allocation procedures for both gathering systems (BBGS on Page No. 2 and RCGS on Pages No. 3 & 4). For the allocation of gas and BTU's, both procedures are exactly the same. The RCGS procedure does include a provision for the allocation of liquid hydrocarbons (drip) should any ever be recovered from the system drip traps. This provision was initially included as there was a possibility, with five of the wells on RCGS producing from oil pools, that some drip might be recovered. To date, we have not recovered any drip and do not anticipate ever recovering any drip, thus we now propose to substitute the allocation procedure presented on Page No. 1 for the allocation procedures currently being used on both gathering systems. This will have no affect upon allocation of gas and BTU's for either gathering system and will provide an allocation procedure for any gas that might be recovered from the water production associated with Fruitland Coal dewatering efforts. Currently this is only an issue on the BBGS, however we do have one Fruitland Coal well on the RCGS which might lead to additional Fruitland Coal development.

Attachments No. 5 and 6 present the interest ownership for all wells for both gathering systems and as required, all interest owners have received notice of this application. Attachment No. 9 presents copies of our notice efforts. All notice letters have been sent certified, return receipt mail and upon receiving the receipts, copies will be forwarded to the NMOCD. As provided by Rule 19.15.5.303B.(4)(d)(vii), Dugan Production is requesting that the NMOCD amend the order for each gathering system to include a provision that for future additions to the gathering systems, only the interest owners in the wells being added need to be notified, providing that in reasonable probability the proposed additions will not adversely affect the interest owners in the wells already approved for the system. Our notice letters to each of the interest owners did include a notice of this request. This provision will be very helpful and will greatly reduce the work effort necessary to add wells to each gathering system in the future.

In summary, Dugan Production is requesting approvals to; 1) add 26 wells to Dugan's Big Band Gathering System; 2) add one well to Dugan's Rusty Chacra Gathering System; 3) periodically deliver gas from the Big Band Gathering System to the Rusty Chacra Gathering System and; 4) amend NMOCD Orders PLC-147 (for the RCGS) and PLC-191 (for the BBGS) regarding notice requirements and to allow future additions to either gathering system following notice only to the interest owners of the wells being added. All wells involved on both gathering systems are low volume producers (50 mcf/d or less), many of which are marginally economic to operate. Dugan Production has made a substantial investment in constructing gathering system pipelines and is optimistic that this will enable us to aggressively develop our leasehold interests in this area.

Should you need additional information or have questions regarding any of this information, please feel free to contact me at the letterhead address.

Sincerely,



John D. Roe
Engineering Manager

JDR/tmf

enclosures

cc: NMOCD – Aztec
All interest owners

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Dugan Production Corp.
OPERATOR ADDRESS: P. O. Box 420, Farmington, NM 87499-0420
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal and Navajo Allotted Rusty Chacra & Big Band

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. PLC-147 & PLC-191
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attachment No. 7	Attachment No. 7	Attachment No. 7		Attachment No. 7	Attachment 7

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify) See Attachment No. 7
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners. Attachment No. 9

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location. Attachments 1 & 2
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachments 1 & 2
(3) Lease Names, Lease and Well Numbers, and API Numbers. Attachments 3 & 4

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

SIGNATURE: John D. Roe TITLE: Engineering Manager DATE: 6/20/06

TYPE OR PRINT NAME John D. Roe TELEPHONE NO.: 505-325-1821

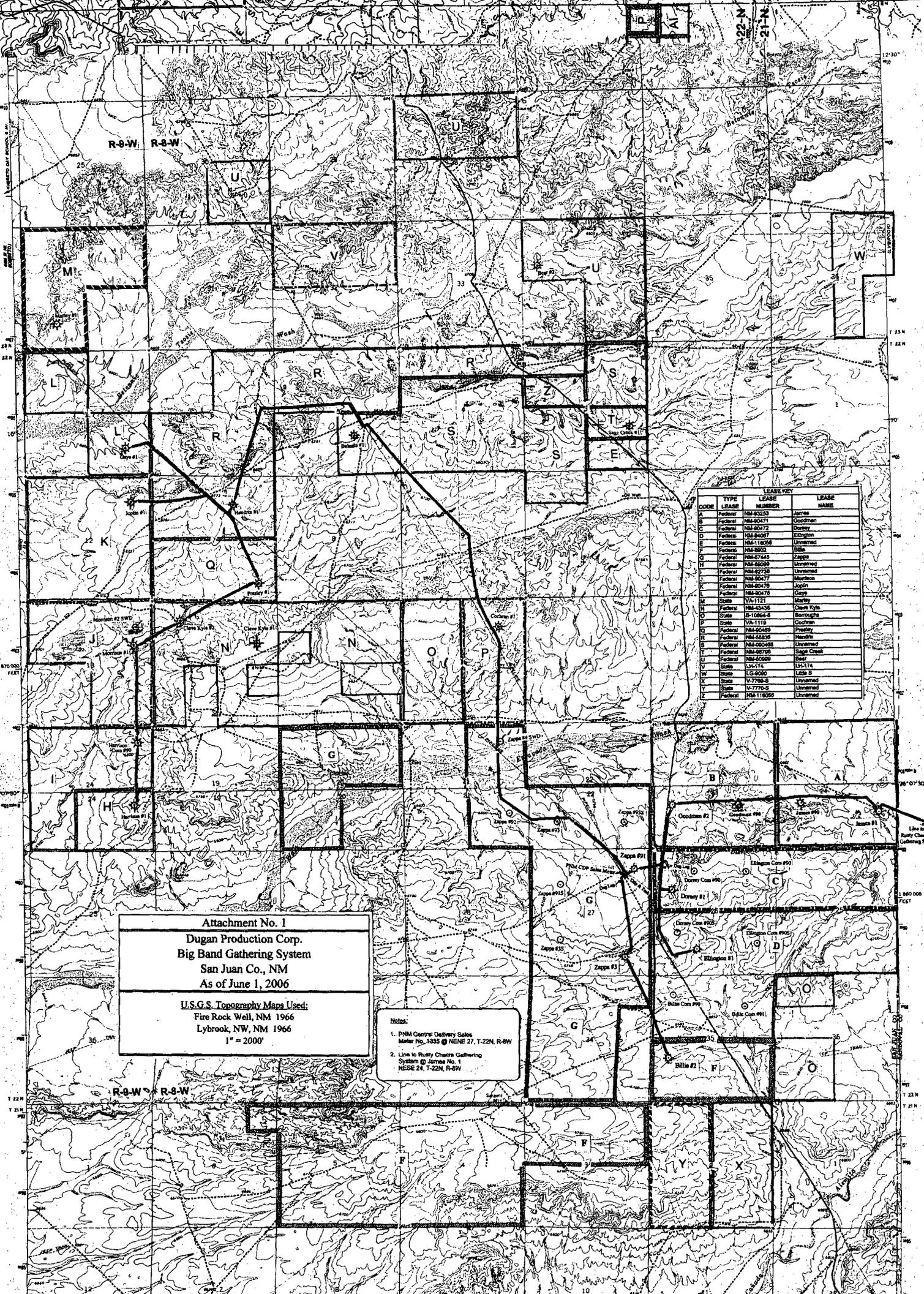
E-MAIL ADDRESS: johnroe@duganproduction.com

Attachment No. 1
 Dugan Production Corp.
 Big Band Gathering System
 San Juan Co., NM
 As of June 1, 2006

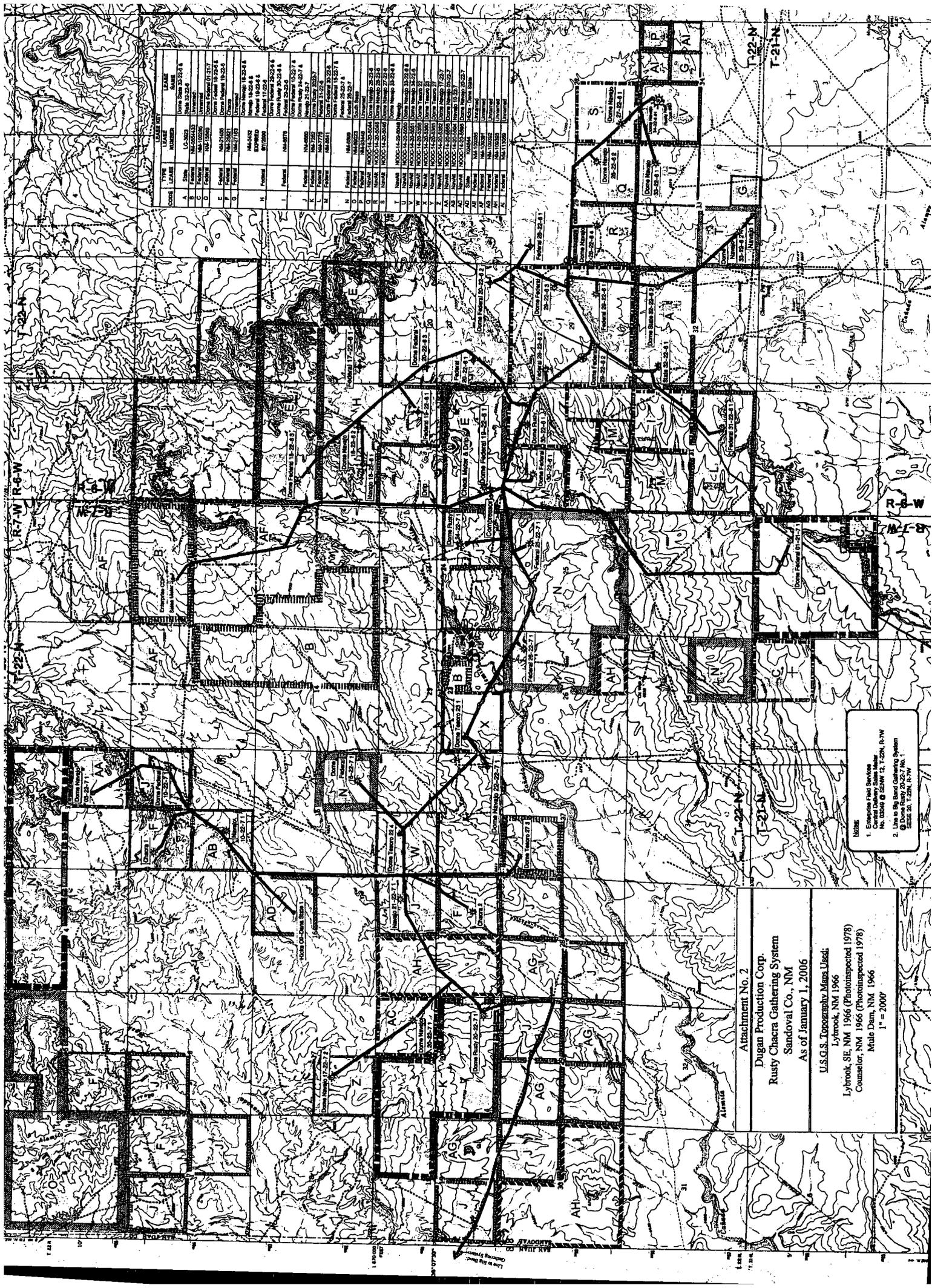
U.S.G.S. Topography Maps Used:
 Fire Rock Well, NM 1966
 Lybrook, NW, NM 1966
 1" = 2000'

Notes:
 1. PNM Central Delivery Sales
 Meter No. 1335 @ NE1/4 27, T-22N, R-8W
 2. Line to Rusty Chertea Gathering
 Station @ Section No. 1
 NESE 24, T-22N, R-8W

CODE	LEASE TYPE	LEASE NUMBER	LEASEE NAME
A	Federal	NM-82323	Jarvis
B	Federal	NM-80471	Coodman
C	Federal	NM-80472	Coodman
D	Federal	NM-84057	Edgerton
E	Federal	NM-118056	Unassigned
F	Federal	NM-89223	Clay
G	Federal	NM-17445	Zappa
H	Federal	NM-82009	Unassigned
I	Federal	NM-82738	Unassigned
J	Federal	NM-80477	Unassigned
K	Federal	NM-80478	Joffe
L	Federal	NM-80475	Clay
M	State	VA-1121	Marty
N	Federal	NM-83438	Clayton
O	State	B-10864-S	Borroughs
P	State	VA-1119	Coodman
Q	Federal	NM-80469	Freedy
R	Federal	NM-83248	Hendrix
S	Federal	NM-80048	Unassigned
T	Federal	NM-88788	Stagg Creek
U	Federal	NM-80089	Reed
V	State	LA-174	Lisa B
W	State	LG-6200	Lisa B
X	State	V-7704-S	Unassigned
Y	State	N-7770-S	Unassigned
Z	Federal	NM-118056	Unassigned



SECTION	TYPE	LEASE NUMBER	LEASE NAME
A	Oil	18-22-1	Donner 18-22-1
B	Oil	18-22-2	Donner 18-22-2
C	Oil	18-22-3	Donner 18-22-3
D	Oil	18-22-4	Donner 18-22-4
E	Oil	18-22-5	Donner 18-22-5
F	Oil	18-22-6	Donner 18-22-6
G	Oil	18-22-7	Donner 18-22-7
H	Oil	18-22-8	Donner 18-22-8
I	Oil	18-22-9	Donner 18-22-9
J	Oil	18-22-10	Donner 18-22-10
K	Oil	18-22-11	Donner 18-22-11
L	Oil	18-22-12	Donner 18-22-12
M	Oil	18-22-13	Donner 18-22-13
N	Oil	18-22-14	Donner 18-22-14
O	Oil	18-22-15	Donner 18-22-15
P	Oil	18-22-16	Donner 18-22-16
Q	Oil	18-22-17	Donner 18-22-17
R	Oil	18-22-18	Donner 18-22-18
S	Oil	18-22-19	Donner 18-22-19
T	Oil	18-22-20	Donner 18-22-20
U	Oil	18-22-21	Donner 18-22-21
V	Oil	18-22-22	Donner 18-22-22
W	Oil	18-22-23	Donner 18-22-23
X	Oil	18-22-24	Donner 18-22-24
Y	Oil	18-22-25	Donner 18-22-25
Z	Oil	18-22-26	Donner 18-22-26
AA	Oil	18-22-27	Donner 18-22-27
AB	Oil	18-22-28	Donner 18-22-28
AC	Oil	18-22-29	Donner 18-22-29
AD	Oil	18-22-30	Donner 18-22-30
AE	Oil	18-22-31	Donner 18-22-31
AF	Oil	18-22-32	Donner 18-22-32
AG	Oil	18-22-33	Donner 18-22-33
AH	Oil	18-22-34	Donner 18-22-34
AI	Oil	18-22-35	Donner 18-22-35
AJ	Oil	18-22-36	Donner 18-22-36
AK	Oil	18-22-37	Donner 18-22-37
AL	Oil	18-22-38	Donner 18-22-38
AM	Oil	18-22-39	Donner 18-22-39
AN	Oil	18-22-40	Donner 18-22-40
AO	Oil	18-22-41	Donner 18-22-41
AP	Oil	18-22-42	Donner 18-22-42
AQ	Oil	18-22-43	Donner 18-22-43
AR	Oil	18-22-44	Donner 18-22-44
AS	Oil	18-22-45	Donner 18-22-45
AT	Oil	18-22-46	Donner 18-22-46
AU	Oil	18-22-47	Donner 18-22-47
AV	Oil	18-22-48	Donner 18-22-48
AW	Oil	18-22-49	Donner 18-22-49
AX	Oil	18-22-50	Donner 18-22-50
AY	Oil	18-22-51	Donner 18-22-51
AZ	Oil	18-22-52	Donner 18-22-52
BA	Oil	18-22-53	Donner 18-22-53
BB	Oil	18-22-54	Donner 18-22-54
BC	Oil	18-22-55	Donner 18-22-55
BD	Oil	18-22-56	Donner 18-22-56
BE	Oil	18-22-57	Donner 18-22-57
BF	Oil	18-22-58	Donner 18-22-58
BG	Oil	18-22-59	Donner 18-22-59
BH	Oil	18-22-60	Donner 18-22-60
BI	Oil	18-22-61	Donner 18-22-61
BJ	Oil	18-22-62	Donner 18-22-62
BK	Oil	18-22-63	Donner 18-22-63
BL	Oil	18-22-64	Donner 18-22-64
BM	Oil	18-22-65	Donner 18-22-65
BN	Oil	18-22-66	Donner 18-22-66
BO	Oil	18-22-67	Donner 18-22-67
BP	Oil	18-22-68	Donner 18-22-68
BQ	Oil	18-22-69	Donner 18-22-69
BR	Oil	18-22-70	Donner 18-22-70
BS	Oil	18-22-71	Donner 18-22-71
BT	Oil	18-22-72	Donner 18-22-72
BU	Oil	18-22-73	Donner 18-22-73
BV	Oil	18-22-74	Donner 18-22-74
BW	Oil	18-22-75	Donner 18-22-75
BX	Oil	18-22-76	Donner 18-22-76
BY	Oil	18-22-77	Donner 18-22-77
BZ	Oil	18-22-78	Donner 18-22-78
CA	Oil	18-22-79	Donner 18-22-79
CB	Oil	18-22-80	Donner 18-22-80
CC	Oil	18-22-81	Donner 18-22-81
CD	Oil	18-22-82	Donner 18-22-82
CE	Oil	18-22-83	Donner 18-22-83
CF	Oil	18-22-84	Donner 18-22-84
CG	Oil	18-22-85	Donner 18-22-85
CH	Oil	18-22-86	Donner 18-22-86
CI	Oil	18-22-87	Donner 18-22-87
CJ	Oil	18-22-88	Donner 18-22-88
CK	Oil	18-22-89	Donner 18-22-89
CL	Oil	18-22-90	Donner 18-22-90
CM	Oil	18-22-91	Donner 18-22-91
CN	Oil	18-22-92	Donner 18-22-92
CO	Oil	18-22-93	Donner 18-22-93
CP	Oil	18-22-94	Donner 18-22-94
CQ	Oil	18-22-95	Donner 18-22-95
CR	Oil	18-22-96	Donner 18-22-96
CS	Oil	18-22-97	Donner 18-22-97
CT	Oil	18-22-98	Donner 18-22-98
CU	Oil	18-22-99	Donner 18-22-99
CV	Oil	18-22-100	Donner 18-22-100



Notes:
 1. Enterprise Field Services
 No. 00340 @ 025N 12, T22N, R7W
 2. Data to Big Bend Gathering System
 025E 20, T22N, R7W

Attachment No. 2
 Dugan Production Corp.
 Rusty Chacra Gathering System
 Sandoval Co., NM
 As of January 1, 2006
 U.S.G.S. Topography Map Used:
 Lybrook, NM 1966
 Lybrook, SE, NM 1966 (Photomapspect 1978)
 Counselor, NM 1966 (Photomapspect 1978)
 Mule Dam, NM 1966
 1" = 2000'

**ATTACHMENT NO. 3
DUGAN PRODUCTION CORP.
BIG BAND GATHERING SYSTEM
CENTRAL DELIVERY SALES METER (PNM METER NO. 1335) NENE 27-122N-R8W
SAN JUAN COUNTY, NEW MEXICO**

Well Name	API No	Well Location UL Sec-Tm-Rng	Well Location Lease No	Use Type	Pool	Completion Date	Well Status ①	Current Prod. ②			Spacing Unit	Dates for SC, OLM & S ③		
								MCD	BC/D	BW/PD		BLM	NMS/LO	NM/OCD
Beaer #2	30-045-28552	E-34-22N-8W	NM50999	FED	Nagsazi Gallup	4/23/1992	P-NC	15	3	0.3	SW/4 NW/4	6/20/2006	pending	pending
Balush #1	30-045-31257	J-5-22N-8W	NM80488	FED	Bisti CH & Basin FR Coal	2/6/2005	SI-NC	50*	0	50*	SE/4 & E/2	6/20/2006	pending	pending
Billie Com #90	pending	D-35-22N-8W	NM90067	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	W/2	6/20/2006	pending	pending
Bliss Com #91	pending	A-35-22N-8W	NM90067	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending
Cleve Kyle #2	30-045-28038	D-18-22N-8W	NM43438	FED	Bisti Chacra Ext.	5/12/1994	SI-NC	30*	0	0*	NW/4	6/20/2006	pending	pending
Cothren #1	30-045-24465	A-16-22N-8W	VA11119	ST	Bisti Chacra Ext.	6/24/1998	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending
Dorsey Com #90	pending	C-26-22N-8W	NM80472	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	W/2	6/20/2006	pending	pending
Dorsey Com #90S	pending	L-36-22N-8W	NM90067	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	W/2	6/20/2006	pending	pending
Eltington Com #90	pending	A-26-22N-8W	NM90472	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending
Eltington Com #90S	pending	P-26-22N-8W	NM90067	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending
Gayle #1	30-045-28063	P-1-22N-9W	NM80475	FED	Bisti Chacra	6/7/1994	SI-NC	50*	0	0*	SE/4	6/20/2006	pending	pending
Goodman #90	30-045-31087	L-24-22N-8W	NM80475	FED	Basin Fruitland Coal	12/9/2003	P	50*	0	0*	E/2	6/20/2006	pending	pending
Harrison #1	30-045-31082	L-24-22N-9W	NM89099	FED	Bisti Chacra Ext.	2/6/2003	SI-NC	50*	0	14	E/2	6/20/2006	pending	pending
Harrison Com #90	30-045-28931	A-24-22N-9W	NM89738	FED	Basin Fruitland Coal	5/17/1993	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending
Hendrix #1	30-045-28931	B-7-22N-8W	NM59836	FED	Bisti Chacra	5/17/1993	SI-NC	50*	0	0*	W/2	6/20/2006	pending	pending
James #90	30-045-30779	L-24-22N-8W	NM93253	FED	Basin Fruitland Coal	12/10/2003	P	50*	0	32	W/2	6/20/2006	pending	pending
Lopin #1	30-045-28976	A-12-22N-9W	NM80476	FED	Bisti Chacra	9/21/1993	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending
Marley #1	30-045-28158	N-36-23N-9W	VA1121	ST	Basin Fruitland Coal	10/28/2005	SI-NC	50*	0	50*	W/2	6/20/2006	pending	pending
Morrison #1	30-045-28980	H-13-22N-9W	NM80469	FED	Bisti Chacra	9/21/1993	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending
Presley #1	30-045-28981	P-7-22N-8W	NM80469	FED	Bisti Chacra	5/23/1994	SI-NC	50*	0	0*	SE/4	6/20/2006	pending	pending
Sage Creek #1	30-045-28757	L-3-22N-8W	NM89798	FED	Basin Fruitland Coal	proposed	T-ANC	50*	0	50*	E/2	6/20/2006	pending	pending
Zappa #91S	pending	L-37-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	S/2	6/20/2006	pending	pending
Zappa #91	pending	E-37-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	N/2	6/20/2006	pending	pending
Zappa #92	pending	L-21-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending
Zappa #93	pending	M-22-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	S/2	6/20/2006	pending	pending
Zappa #93S	pending	P-22-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	S/2	6/20/2006	pending	pending
WELLS TO BE ADDED TO SYSTEM (26 wells - 27 pending)														
Billie #2	30-045-24713	L-35-22N-8W	NM89922	FED	Rusby Chacra	1/31/1981	P	2	0	0.0	SW/4	9/6/2001	2/15/2002	N/A
Dorsey #1	30-045-28990	E-26-22N-8W	NM90472	FED	Rusby Chacra	12/1/1993	P	1	0	0.1	NW/4	9/6/2001	2/15/2002	N/A
Eltington #1	30-045-28907	N-26-22N-8W	NM90067	FED	Rusby Chacra	10/6/1999	P	1	0	0.2	SW/4	9/6/2001	2/15/2002	N/A
Goodman #2	30-045-28191	L-23-22N-8W	NM90471	FED	Rusby Chacra	1/4/1995	P	3	0	0.2	SW/4	9/6/2001	2/15/2002	N/A
Goodman #3	30-045-30780	L-23-22N-8W	NM90471	FED	Bisti Chacra Ext.	Note 4	P	0	0	---	SE/4	9/6/2001	2/15/2002	N/A
James #1	30-045-28910	L-24-22N-8W	NM93253	FED	Rusby Chacra	12/8/1999	P	1	0	0.2	SE/4	9/6/2001	2/15/2002	N/A
James #2	30-045-30779	L-24-22N-8W	NM93253	FED	Bisti Chacra Ext.	Location	Note 5	---	0	---	SW/4	9/6/2001	2/15/2002	N/A
Zappa #3	30-045-28908	P-27-22N-8W	NM57445	FED	Rusby CH & Basin FR Coal	12/21/1993	P-DHC	2	0	260	SE/4 & S/2	9/6/2001	2/15/2002	N/A
Zappa #31	30-045-28987	A-27-22N-8W	NM57445	FED	Basin Fruitland Coal	2/2/2001	P	2	0	55	N/2	9/6/2001	2/15/2002	N/A

N/A = Not applicable or not needed
 NR = None Reported
 Note 1 - Well status as of 05/01/06
 LOC = Staked location, APD being prepared
 NC = Not connected to gathering system
 P = Producing
 P-DHC = Producing downhole commingled
 PA = Plugged & Abandoned
 SI = Shut in
 TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during February and March, 2006. * - production represents anticipated rates of production.
 Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Big Band Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sale(s) of produced natural gas. The NMOCD has issued **commingling order PLC-191** for the Big Band Gathering System.

Note 4 - The proposed Goodman No. 3 Bisti Chacra spacing unit was included in the initial Big Band Gathering system application and was approved for operation on the gathering system upon completion. In sundries dated 9/12/01 and 9/24/01, the location was changed from 1700' FSL & 1030' FEL (Unit 1) to 1830' FSL & 1570' FEL (Unit 1) and the proposed completion was changed from Bisti Chacra to Rusby Chacra. In a sundry dated 4/9/03 the APD for the Goodman No. 3 was amended to change the well name from Goodman No. 3 to Goodman No. 90, the proposed completion from the Chacra to the Fruitland Coal, total depth from 1420' to 935' and the spacing unit from a 160A SW/4 to a 320A E/2.
 The actual well location and leases within the spacing unit were not changed. Plans to complete the Chacra formation have been temporarily suspended and are pending the results of production testing at other Chacra completions in the general area. We desire to retain the current SC, OLM & S approvals for the Chacra spacing unit.
 The Fruitland Coal has been temporarily suspended and are pending the results of production testing at other Chacra completions in the general area. We desire to retain the current SC, OLM & S approvals for the Chacra spacing unit.
 for downhole commingling will be submitted.

Note 5 - The proposed James No. 2 Bisti Chacra spacing unit was included in the initial Big Band Gathering System application and was approved for operation on the gathering system upon completion. In a sundry dated 9/24/01 the proposed completion was changed from the Bisti Chacra and in a sundry dated 4/9/03 the APD for the James No. 2 was amended to change the well name from James No. 2 to James No. 90, the proposed completion from the Chacra to the Fruitland Coal, total depth from 1460' to 975', and the spacing unit from a 160A SW/4 to a 320A W/2. The actual well location and leases within the spacing units were not changed. Plans to complete the Chacra formation have been temporarily suspended and are pending the results of production testing at other Chacra completions in the general area. We desire to retain the current SC, OLM & S approvals for the Chacra spacing unit.
 The Fruitland Coal has been temporarily suspended and are pending the results of production testing at other Chacra completions in the general area. We desire to retain the current SC, OLM & S approvals for the Chacra spacing unit.
 for downhole commingling will be submitted.

Note 6 - API No. for Billie No. 2 well was incorrectly listed to be 30-045-23386 in initial application. Correct API No. is 30-045-24713.
 Note 7 - The Chacra completion was initially believed to be in or an extension to the Bisti Chacra pool. NMOCD Order R-11445 dated 9-5-00 extended the Rusby Chacra pool to include the subject well and acreage.

Note 8 - Production from the Rusty Chacra and Basin Fruitland Coal are downhole commingled by NMOCD Order DHC-2673. Commingled production (gas and water) is allocated 50% to the Chacra and 50% to the Basin Fruitland Coal.

Note 9 - The Chacra formation has been completed and upon connection to the proposed gathering system will be considered for fracture stimulation. Shut in wellhead pressure will build to 210 psi and a rate of 1.3 mcf/d has been tested. The Fruitland Coal interval is also being considered for completion and a proposed E/Z spacing unit is included in this application for connection to the Big Band Gathering System. Upon completion of the Fruitland Coal, an application for downhole commingling will be submitted.

Note 10 - The Chacra completion was plugged 8/30/05 and the Fruitland Coal performed on 9/23/05. A gas rate of 24 mcf/d has been tested following a breakdown of the perforations. The Fruitland Coal will be considered for fracture stimulation upon obtaining a pipeline connection for gas sales.

Note 11 - The Gallup and Mesaverde completions were plugged on 1/13/03 and the wellbore is currently temporarily abandoned (the casing was tested to 680 psi on 1/23/04). Upon installing the subject expansion to the Big Band Gathering System the Fruitland Coal will be evaluated for completion.

Note 12 - Communitization Agreement Number for the Harrison Com No. 90 is NMMNM108180.

Note 13 - Gas deliveries to Rusty Chacra Gathering System (all gas volumes mcf @ 15.025 psi).

Well	1st gas to Rusty Chacra Gathering System	Production 6/05 thru 03/06			Average Production		Cumulative Production 4/1/05		Gas Sales thru Rusty Chacra GS 06/05 thru 03/06	
		mcf	bw	days	mcf	bw/d	mcf	bw	Total mcf	Average mcf/d
Rusty Chacra Pool										
Billing #2	6/25/2005	368	153	241	1.5	0.6	1,485	334	47	0.2
Dorsey #1	6/17/2005	251	31	212	1.2	0.1	411	32	181	0.9
Ellington #1	6/17/2005	481	117	267	1.8	0.4	1,153	119	391	1.5
Goodman #2	6/17/2005	728	52	265	2.7	0.2	1,547	53	618	2.3
James #1	6/17/2005	548	72	281	2.1	0.3	1,052	73	454	1.7
Zappa #3	4/24/2005	263	21,155	240	1.1	88.1	647	42,827	0	0
Pool Total		2,639	21,580	240		88.1	6,295	43,438	1,691	6.6
Basin Fruitland Coal Pool										
Goodman #90	10/3/2005	534	3,079	298	1.8	10.3	721	7,809	54	0.2
Harrison Com #90	none to date	0	180	2	0	80	0	160	0	0
James #90	10/9/2005	614	9,339	304	2.0	30.7	1,077	22,504	127	0.4
Marley #1	none to date	0	0	0	0	0	0	0	0	0
Zappa #3	4/24/2005	284	21,155	240	1.1	88.1	763	58,853	0	0
Zappa #91	10/3/2005	1,098	9,287	287	3.8	32.4	2,342	39,089	467	1.6
Pool Total		2,510	43,020	287		32.4	4,903	128,415	648	2.2

Interest Ownership Summary

Dugan Production Corp.'s Big Bend Gas Gathering System

	Peer #2 (details on Pg. No. 2)	Bethel #1 (details on Pg. No. 2)	Blue #2 (details on Pg. No. 3)	Bible Com #90 & #91 (details on Pg. No. 4)	Clara Kyle #2 (details on Pg. No. 3)	Cochran #1 (details on Pg. No. 5)	Dorsey #1 (details on Pg. No. 5)	Dorsey Com #90 & #90S (details on Pg. No. 6)	Ellington #1 (details on Pg. No. 7)	Ellington Com #90 & #90S (details on Pg. No. 6)
USA - Federal	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
State of New Mexico	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Number of Owners	1	1	2	8	1	2	5	6	6	5
Total ORRI	5,000	100,000	100,000	7,500	100,000	100,000	3,750	7,500	100,000	3,750
TOTALS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

	Gay #1 (details on Pg. No. 8)	Goodman #2 #3 & #90 (details on Pg. No. 8)	Harrison #1 (details on Pg. No. 9)	Harrison Com #90 (details on Pg. No. 9)	Hendrix #1 (details on Pg. No. 10)	James #1 #2 & #90 (details on Pg. No. 10)	Joshi #1 (details on Pg. No. 11)	Martiny #1 (details on Pg. No. 11)	Morrison #1 (details on Pg. No. 12)	Freder #1 (details on Pg. No. 12)
USA - Federal	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
State of New Mexico	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Number of Owners	6	6	6	3.75	1	1	12,500	12,500	12,500	12,500
Total ORRI	7,500	100,000	100,000	100,000	3,000	100,000	100,000	100,000	100,000	100,000
TOTALS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

	Sage Creek #1 (details on Pg. No. 13)	Zapra 3, 3S, 31, 31S, 32, 32S, 33S (details on Pg. No. 13)
USA - Federal	NI	NI
State of New Mexico	NI	NI
Number of Owners	1	1
Total ORRI	1,000	1,000
TOTALS	100,000	100,000

**ATTACHMENT NO. 5 – PAGE 2 OF 13
Dugan Production Corp.**

**Bear No. 2
Nageezi Gallup
Well Location: SWNW 34, T-23N, R-8W
Spacing Unit: SW/4 NW/4 (40.0A)
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.	100.000000	82.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u> Margaret Schwartz Rural Route 3, Box 57 Dallas, TX 57529	-0-	5.000000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

**Belushi No. 1
Bisti Chacra & Basin Fruitland Coal*
Well Location: NWSE 5, T-22N, R-8W
Spacing Unit: SE/4 (160.0A) & E/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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

* - Fruitland Coal completion is proposed and will be considered upon connection to the Big Band Gathering System. Upon completion, an application for downhole commingling will be submitted.

**ATTACHMENT NO. 5 – PAGE 3 OF 13
Dugan Production Corp.**

**Billie No. 2
Rusty Chacra
Well Location: NWNW 35, T-22N, R-8W
Spacing Unit: SW/4 (160.0A)
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.	100.000000	80.000000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u> Irene R. Fellis 725 Calle Del Pajarito NW Albuquerque, NM 87114	-0-	3.125000
Billie Robinson P. O. Box 1281 Santa Fe, NM 87504-1281	-0-	4.375000
TOTAL WELL	100.000000	100.000000

**Cleve Kyle No. 2
Bisti Chacra
Well Location: NWNW 18, T-22N, R-8W
Spacing Unit: NW/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT NO. 5 – PAGE 4 OF 13
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Billie Com No. 90	Basin Fruitland Coal	NWNW 35-22N-8W	W/2-320.0A
Billie Com No. 91	Basin Fruitland Coal	NENE 35-22N-8W	E/2-320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.000000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u> Irene R. Fellis 725 Calle Del Pajarito NW Albuquerque, NM 87114	-0-	1.562500
Christine V. Grim P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.552084
F. Andrew Grooms P. O. Box 2328 Roswell, NM 88202-2328	-0-	0.93750
Kellie M. Kross P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.552084
Billie Robinson P. O. Box 1281 Santa Fe, NM 87504-1281	-0-	2.187500
David T. Sorenson P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.218750
Matthew N. Sorenson P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.552083
EMG Revocable Trust 1000 W. Fourth Street Roswell, NM 88201	-0-	0.937500
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 5 – PAGE 5 OF 13
Dugan Production Corp.

Cochran No. 1
Bisti Chacra Ext.
Well Location: NENE 16, T-22N, R-8W
Spacing Unit: NE/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> New Mexico State Land Office Office of Commissioner of Public Lands P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
TOTAL WELL	100.000000	100.000000

Dorsey No. 1
Rusty Chacra
Well Location: SWNW 26, T-22N, R-8W
Spacing Unit: NW/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT NO. 5 – PAGE 6 OF 13
Dugan Production Corp.**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Dorsey Com No. 90	Basin Fruitland Coal	NENW 26-22N-8W	W/2-320.0A
Dorsey Com No. 90S	Basin Fruitland Coal	NWSW 26-22N-8W	W/2-320.0A
Ellington Com No. 90	Basin Fruitland Coal	NENE 26-22N-8W	E/2-320.0A
Ellington Com No. 90S	Basin Fruitland Coal	SESE 26-22N-8W	E/2-320.0A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	83.750000
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Christine V. Grim P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.552084
F. Andrew Grooms P. O. Box 2328 Roswell, NM 88202-2328	-0-	0.937500
Kellie M. Kross P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.552084
David T. Sorenson P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.218750
Matthew N. Sorenson P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.552083
EMG Revocable Trust 1000 W. Fourth Street Roswell, NM 88201	-0-	0.937500
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 5 – PAGE 7 OF 13
Dugan Production Corp.
Ellington No. 1
Rusty Chacra
Well Location: SESW 26, T-22N, R-8W
Spacing Unit: SW/4 (160.0A)
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.	100.000000	80.000000
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Christine V. Grim P. O. Box 1453 Roswell, NM 88202-1453	-0-	1.104167
F. Andrew Grooms P. O. Box 2328 Roswell, NM 88202-2328	-0-	1.875000
Kellie M. Kross P. O. Box 1453 Roswell, NM 88202-1453	-0-	1.104167
David T. Sorenson P. O. Box 1453 Roswell, NM 88202-1453	-0-	0.437500
Matthew N. Sorenson P. O. Box 1453 Roswell, NM 88202-1453	-0-	1.104166
EMG Revocable Trust 1000 W. Fourth Street Roswell, NM 88201	-0-	1.875000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT NO. 5 – PAGE 8 OF 13
Dugan Production Corp.**

**Gaye No. 1
Bisti Chacra
Well Location: SESE 1, T-22N, R-9W
Spacing Unit: SE/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Goodman No. 2	Rusty Chacra	NWSW 23-22N-8W	SW/4-160.0A
Goodman No. 3	Bisti Chacra	NESE 23-22N-8W	SE/4-160.0A
Goodman No. 90	Basin Fruitland Coal	NWSE 23-22N-8W	E/2-320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT 5 – PAGE 9 OF 13
Dugan Production Corp.
San Juan County, New Mexico**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>		
Harrison No. 1	Bisti Chacra	NESE 24-22N-9W	SE/4-160.0A		
Harrison Com No. 90	Basin Fruitland Coal	NENE 24-22N-9W	E/2-320.0A		
			Harrison No. 1		
<u>INTEREST OWNER</u>		<u>INTEREST%</u>		Harrison Com No. 90	
		<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>					
Dugan Production Corp.		100.000000	80.000000	100.000000	83.750000
<u>Royalty</u>					
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401		-0-	12.500000	-0-	12.500000
<u>Overriding Royalty Interest</u>					
EMG Revocable Trust 1000 W. Fourth Street Roswell, NM 88201		-0-	1.875000	-0-	0.937500
Christine V. Grim P. O. Box 1453 Roswell, NM 88202-1453		-0-	1.104167	-0-	0.552083
F. Andrew Grooms P. O. Box 2328 Roswell, NM 88202-2328		-0-	1.875000	-0-	0.937500
Kellie M. Kross P. O. Box 1453 Roswell, NM 88202-1453		-0-	1.104167	-0-	0.552083
David T. Sorenson P. O. Box 1453 Roswell, NM 88202-1453		-0-	0.437500	-0-	0.218750
Matthew N. Sorenson P. O. Box 1453 Roswell, NM 88202-1453		-0-	1.104166	-0-	0.552084
TOTAL WELL		100.000000	100.000000	100.000000	100.000000

**ATTACHMENT NO. 5 – PAGE 10 OF 13
Dugan Production Corp.**

**Hendrix No. 1
Bisti Chacra
Well Location: NWNE 7, T-22N, R-8W
Spacing Unit: NE/4 (160.0A)
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.	100.000000	84.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u> Cathy Jean Hendrickson (BAD ADDRESS) 7375 Rolling Dell Drive #79 Cupertino, CA 95014	-0-	3.000000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
James No. 1	Rusty Chacra	NESE 24-22N-8W	SE/4-160.0A
James No. 2	Bisti Chacra	NWSW 24-22N-8W	SW/4-160.0A
James No. 90	Basin Fruitland Coal	NWSW 24-22N-8W	W/2-320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 5 – PAGE 11 OF 13
Dugan Production Corp.

Joplin No. 1
Bisti Chacra
Well Location: NENE 12, T-22N, R-9W
Spacing Unit: NE/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	100.000000	100.000000

Marley No. 1
Bisti Chacra Ext.
Well Location: SESW 36, T-23N, R-9W
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.	100.000000	87.500000
<u>Royalty</u> New Mexico State Land Office Office of Commissioner of Public Lands P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
TOTAL WELL	100.000000	100.000000

**ATTACHMENT NO. 5 – PAGE 12 OF 13
Dugan Production Corp.**

**Morrison No. 1
Bisti Chacra
Well Location: SENE 134, T-22N, R-9W
Spacing Unit: NE/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

**Presley No. 1
Bisti Chacra
Well Location: SESE 7, T-22N, R-8W
Spacing Unit: SE/4 (160.0A)
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.	100.000000	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

**ATTACHMENT NO. 5 – PAGE 13 OF 13
Dugan Production Corp.**

**Sage Creek No. 1
Basin Fruitland Coal*
Well Location: NESE 3, T-22N, R-8W
Spacing Unit: E/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.	75.000000*	87.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

* - The Alamito Gallup completion was plugged 1/3/03 and the wellbore is currently temporarily abandoned. Upon completion of the Big Band Gathering System extension, the Fruitland Coal will be evaluated for completion with an E/2 spacing unit.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Zappa No. 3	Rusty Chacra & Basin FR Coal*	SESE 27-22N-8W	SE/4-160.0 A & S/2-320.0A
Zappa No. 3S	Basin Fruitland Coal	NWSW 27-22N-8W	S/2-320.0A
Zappa No. 91	Basin Fruitland Coal	NENE 27-22N-8W	N/2-320.0A
Zappa No. 91S	Basin Fruitland Coal	SWNW 27-22N-8W	N/2-320.0A
Zappa No. 92	Basin Fruitland Coal	NESE 21-22N-8W	E/2-320.0A
Zappa No. 93	Basin Fruitland Coal	SWSW 22-22N-8W	S/2-320.0A
Zappa No. 93S	Basin Fruitland Coal	SESE 22-22N-8W	S/2-320.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	86.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Charles Breck & Susan J. Adams BAD ADDRESS 979 Windflower Way San Diego, CA 92106	-0-	1.000000**
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

* - Production from Rusty Chacra and Basin Fruitland Coal pools downhole commingled under NMOCD Order DHC-2673.
** - Production Revenues being held in suspense account

ATTACHMENT 6 – PAGE 2 OF 31
Dugan Production Corp.
Sandoval County, New Mexico

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Chacra #1	Rusty Chacra	NWNW 10-22N-7W	NW/4-160.0A
Chacra #2	Rusty Chacra	SWSE 21-22N-7W	SE/4-160.0A

INTEREST OWNERS

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 6 – PAGE 3 OF 31
Hicks Oil & Gas Co., Inc.
Dana State No. 1
Rusty Gallup
Well Location: SWNE 16, T-22N, R-7W
Spacing Unit: SW/4 NE/4 (40.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Elm Ridge Exploration, Inc. 12225 Greenville Avenue, Suite 95 Dallas, TX 75243-9362	50.000000	40.000000
J. D. Kinsey P. O. Box 2158 Farmington, NM 87499-2158	16.666700	13.333360
LMB, Inc. 4601 Linda Lane Farmington, NM 87402	8.333300	6.666640
Vanix Corporation P. O. Box 3307 Farmington, NM 87499-3307	25.000000	20.000000
<u>Royalty</u>		
New Mexico State Land Office Office of Commissioner of Public Lands P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u>		
ConocoPhillips Co. 600 North Dairy Ashford Houston, TX 77079-1175	-0-	7.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 6 – PAGE 4 OF 31
Dugan Production Corp.
Dome Federal 1-21-7 No. 1
Rusty Chacra
Well Location: SE/4NE/4 1, T-21N, R-7W
Spacing Unit: NE/4 (160.0A)
Sandoval 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	99.241700	80.407273*
Key Exploration P. O. Box 52963 Lafayette, LA 70505	0.758300	0.623018
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Blu-Chip Resources, LLC P. O. Box 504 Cheyenne, WY 82003-0504	-0-	0.500000
David Family Oil & Gas Interest & Ptnshp P. O. Box 1497 Cheyenne, WY 82003	-0-	0.500000
Sidewell Investments, LLC P. O. Box 1560 Brewster, MA 02631	-0-	1.000000
Dugan Production Corp. P. O. Box 420 Farmington, NM 87499-0420	-0-	4.469709*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest for Dugan Production Corp. = 84.876982%

ATTACHMENT NO. 6 – PAGE 5 OF 31
Dugan Production Corp.
Dome Federal 10-22-7 No. 1
Rusty Chacra
Well Location: SENE 10, T-22N, R-7W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	80.742187*
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Tom Brown, Inc. P. O. Box 2608 Midland, TX 79702	-0-	1.500000
Kochergen Enterprises Family Ltd. Ptnshp 8163 W. McKinley Ave. Fresno, CA 93722	-0-	1.125000
R. K. O'Connell P. O. Box 2003 Casper, WY 82602	-0-	2.000000
Dugan Production Corp.	-0-	2.132813*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 82.8750%

ATTACHMENT NO. 6 – PAGE 6 OF 31
Dugan Production Corp.
Dome Federal 15-22-7 No. 1
Rusty Chacra
Well Location: SESE 15, T-22N, R-7W
Spacing Unit: SE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	82.500000
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Sam Boltz Family Trust Sam T. Boltz, Jr., Trustee 509 Princeton Drive Tyler, TX 75703-5164	-0-	0.140000
Monty M. Brosious 75 Schneider Road Cody, WY 82414	-0-	0.036800
Raymond Burton P. O. Box 43392 Kemp, TX 75143	-0-	0.250000
Billie Cloak 529 North Ridley Circle Morton, PA 19070	-0-	0.250000
Warren D. Driskell c/o 1252 Pine Street Wheatland, WY 82201	-0-	0.160000
Pan Hall Estate John M. Hall, Executor 1300 Thoreau Lane Allen, TX 75002	-0-	0.250000
Hawthorn Oil Company P. O. Box 2693 Casper, WY 82601	-0-	1.000000
J. Paul Mathias 8871 E. Easter Place Englewood, CO 80112	-0-	0.031600
Eugene A. O'Brien 5461 W. Kent Place Denver, CO 80235	-0-	0.140000
C. Pat Payne 3701 Turtle Creek Blvd. #6-8R Dallas, TX 75219	-0-	1.000000
Ann Lisa Pearson 7441 South Fillmore Circle Littleton, CO 80122-1963	-0-	0.031600
Owen L. & Janice M. Rickard Jt. Tenants 12935 Piney Lake Road Parker, CO 80134	-0-	0.140000
R. W. Scott Investments, LLC 1275 Lupine Way, Genessee Golden, CO 80401	-0-	0.660000
Buck Stanley Family Trust RH Stanley & C. Sullivan, Trustees 38021 Fawn Meadows Trail Elizabeth, CO 80107	-0-	0.660000
Elsie Stephens Forestdell Apartments 11851 Highdale, #130-B Dallas, TX 75234	-0-	0.250000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 6 – PAGE 7 OF 31
Dugan Production Corp.
Dome Federal 18-22-6 No. 3
Rusty Chacra
Well Location: SWNW 18, T-22N, R-6W
Spacing Unit: NW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

Dome Federal 19-22-6 No. 1
Rusty Chacra
Well Location: SWSW 19, T-22N, R-6W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

ATTACHMENT NO. 6 – PAGE 8 OF 31
Dugan Production Corp.
Dome Federal 29-22-6 No. 2
Rusty Chacra
Well Location: NESW 29, T-22N, R-6W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	80.156250*
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Tom Brown, Inc. P. O. Box 2608 Midland, TX 79702	-0-	1.500000
Key Production Company, Inc. P. O. Box 973347 Dallas, TX 75397-3347	-0-	2.000000
Kochergen Enterprises Family LP 8163 W. McKinley Ave. Fresno, CA 93722	-0-	1.125000
Dugan Production Corp.	-0-	2.718750*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 82.8750%

ATTACHMENT NO. 6 – PAGE 9 OF 31
Dugan Production Corp.
Dome Federal 29-22-6 No. 3
Rusty Chacra
Well Location: SENE 29, T-22N, R-6W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	51.562500*
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Ann Lee Harris 2100 Van Hess At Pacific San Francisco, CA 94109	-0-	1.500000
Key Production Company, Inc. P. O. Box 973347 Dallas, TX 75397-3347	-0-	2.000000
Kochergen Enterprises Family LP 8163 W. McKinley Ave. Fresno, CA 93722	-0-	1.125000
Dugan Production Corp.	-0-	31.312500*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 82.8750%

ATTACHMENT NO. 6 – PAGE 10 OF 31
Dugan Production Corp.
Dome Federal 30-22-6 No. 1
Rusty Chacra
Well Location: NENW 30, T-22N, R-6W
Spacing Unit: NW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	82.500000*
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> John E. & Jean C. Oakason Trust c/o Wells Fargo Bank, NA P. O. Box 5383 Denver, CO 80217	-0-	0.750000
Key Production Company, Inc. P. O. Box 973347 Dallas, TX 75397-3347	-0-	4.000000
Dugan Production Corp.	-0-	0.250000*
<i>TOTAL WELL</i>	<i>100.000000</i>	<i>100.000000</i>

* - Total net interest to Dugan Production Corp. = 82.750%

ATTACHMENT NO. 6 – PAGE 11 OF 31
Dugan Production Corp.
Dome Navajo 3-22-7 No. 1
Alamito Gallup
Well Location: NWSE 3, T-22N, R-7W
Spacing Unit: NW/4 SE/4 (40.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

Dome Navajo 17-22-7 No. 2
Rusty Chacra
Well Location: NESW 17, T-22N, R-7W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 6 – PAGE 12 OF 31
Dugan Production Corp.
Dome Navajo 18-22-6 No. 2 (P&A'd)
Rusty Chacra
Well Location: SWSE 18, T-22N, R-6W
Spacing Unit: SE/4 (160.0A)
Sandoval County, New Mexico

INTEREST OWNER	INTEREST%	
	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	80.156250*
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Sam Boltz Family Trust Sam T. Boltz, Jr., Trustee 509 Princeton Drive Tyler, TX 75703-5164	-0-	0.140000
Monty M. Brosious 75 Schneider Road Cody, WY 82414	-0-	0.036800
Warren D. Driskell c/o 1252 Pine Street Wheatland, WY 82201	-0-	0.160000
L. P. Francis P. O. Drawer D Artesia, NM 88210	-0-	1.500000
Gates Properties, LTD P. O. Box 81119 Midland, TX 79708-1119	-0-	0.500000
Hawthorn Oil Company P. O. Box 2693 Casper, WY 82601	-0-	0.750000
J. Paul Mathias 8871 E. Easter Place Englewood, CO 80112	-0-	0.031600
Eugene A. O'Brien 5461 W. Kent Place Denver, CO 80235	-0-	0.140000
John E. & Jean C. Oakason Trust c/o Wells Fargo Bank, NA P. O. Box 5383 Denver, CO 80217	-0-	0.250000
Ann Lisa Pearson 7441 South Fillmore Circle Littleton, CO 80122-1963	-0-	0.031600
Owen L. & Janice M. Rickard Jt. Tenants 12935 Piney Lake Road Parker, CO 80134	-0-	0.140000
R. W. Scott Investments, LLC 1275 Lupine Way, Genesee Golden, CO 80401	-0-	0.660000
Buck Stanley Family Trust RH Stanley & C. Sullivan, Trustees 38021 Fawn Meadows Trail Elizabeth, CO 80107	-0-	0.660000
Dugan Production Corp.	-0-	2.343750*
TOTAL WELL	100.000000	100.000000

*Total interest to Dugan Production Corp. = 82.500%

ATTACHMENT NO. 6 – PAGE 13 OF 31
Dugan Production Corp.
Dome Navajo 20-22-7 No. 1
Rusty Chacra
Well Location: SENE 20, T-22N, R-7W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
TOTAL WELL	100.000000	100.000000

Dome Navajo 27-22-6 No. 1
Rusty Chacra
Well Location: SWSW 27, T-22N, R-6W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	80.989583*
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
<u>Overriding Royalty Interest</u>		
Dugan Production Corp.	-0-	2.343750*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 83.333333%

ATTACHMENT NO. 6 – PAGE 14 OF 31
Dugan Production Corp.
Dome Navajo 28-22-6 No. 2
Rusty Chacra
Well Location: NESE 28, T-22N, R-6W
Spacing Unit: SE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	83.333333
 <u>Royalty</u>		
Navajo Allotted	-0-	16.666667
c/o Farmington Indian Minerals Office		
1235 La Plata Highway		
Farmington, NM 87401		
 TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

Dome Navajo 28-22-6 No. 4
Rusty Chacra
Well Location: NESW 28, T-22N, R-6W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	83.333333
 <u>Royalty</u>		
Navajo Allotted	-0-	16.666667
c/o Farmington Indian Minerals Office		
1235 La Plata Highway		
Farmington, NM 87401		
 TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 6 – PAGE 15 OF 31
Dugan Production Corp.
Dome Navajo 33-22-6 No. 1
Rusty Chacra
Well Location: NENE 33, T-22N, R-6W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	99.133350	81.816220*
Key Exploration P. O. Box 973347 Dallas, TX 75397-3347	0.866650	0.712110
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
<u>Overriding Royalty Interest</u>		
Dugan Production Corp.	-0-	0.805000*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 82.621220%

Dome Navajo 33-22-6 No. 2
Rusty Chacra
Well Location: SESW 33, T-22N, R-6W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	81.816220*
Key Exploration P. O. Box 973347 Dallas, TX 75397-3347	0.866650	0.712110
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
<u>Overriding Royalty Interest</u>		
Dugan Production Corp.	-0-	0.805000*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 82.621220%

ATTACHMENT NO. 6 – PAGE 16 OF 31
Dugan Production Corp.
Dome Navajo 34-22-6 No. 1
Rusty Chacra
Well Location: NENW 34, T-22N, R-6W
Spacing Unit: NW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

ATTACHMENT NO. 6 – PAGE 17 OF 31
Dugan Production Corp.
Dome Rusty 20-22-7 No. 1
Rusty Chacra
Well Location: SESE 20, T-22N, R-7W
Spacing Unit: SE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.000000*
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Key Production Co., Inc. 15 E. 5 th Street, Suite 1000 Tulsa, OK 74103	-0-	5.000000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
William T. & Betty Jean Philo 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Dean Unruh 5911 So. Middlefield Rd., Suite 100 Littleton, CO 80123	-0-	0.625000
Dugan Production Corp.	-0-	1.875000*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 79.8750%

ATTACHMENT NO. 6 – PAGE 18 OF 31
Dugan Production Corp.
Dome Rusty 24-22-7 No. 1
Rusty Chacra
Well Location: NWSE 24, T-22N, R-7W
Spacing Unit: SE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.187500*
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Tom Brown, Inc. P. O. Box 2608 Midland, TX 79702	-0-	1.500000
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Kochergen Enterprises Family LP 8163 W. McKinley Ave. Fresno, CA 93722	-0-	1.125000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
R. K. O'Connell P. O. Box 2003 Casper, WY 82602	-0-	2.000000
William T. & Betty Jean Philo 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Dugan Production Corp.	-0-	2.687500*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 80.875000%

ATTACHMENT NO. 6 – PAGE 19 OF 31
Dugan Production Corp.
Dome Rusty 30-22-6 No. 1
Rusty Chacra
Well Location: NWNE 30, T-22N, R-6W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.000000*
<u>Royalty</u> USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Tom Brown, Inc. P. O. Box 2608 Midland, TX 79702	-0-	1.500000
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Key Production Co., Inc. 15 E. 5 th Street, Suite 1000 Tulsa, OK 74103	-0-	2.000000
Kochergen Enterprises Family LP 8163 W. McKinley Ave. Fresno, CA 93722	-0-	1.125000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
Dugan Production Corp.	-0-	2.875000*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 80.8750%

ATTACHMENT NO. 6 – PAGE 20 OF 31
Dugan Production Corp.
Dome State 32-22-6 No. 2
Rusty Chacra
Well Location: NENE 32, T-22N, R-6W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	87.500000
<u>Royalty</u>		
State of New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

Dome Tesoro 22 No. 4
Rusty Gallup
Well Location: NENE 22, T-22N, R-7W
Spacing Unit: NE/4 NW/4 (40.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 6 – PAGE 21 OF 31
Dugan Production Corp.
Dome Tesoro 23 No. 1
Rusty Gallup
Well Location: NWSW 23, T-22N, R-7W
Spacing Unit: NW/4 SW/4 (40.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

Dome Tesoro 27 No. 3
Rusty Gallup
Well Location: NWNW 27, T-22N, R-7W
Spacing Unit: NW/4 NW/4 (40.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	83.333333
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666667
 TOTAL WELL	<hr/> 100.000000	<hr/> 100.000000

Dugan Production Corp.
Federal 25-22-7 No. 1
Rusty ChacraWell Location: NWNE 25, T-22N, R-7W
Spacing Unit: NE¼ (180.0A)
Sandoval County, New MexicoINTEREST OWNER

	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.187500*
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Sam Boltz, Family Trust Sam T. Boltz, Jr., Trustee 509 Princeton Drive Tyler, TX 75703-5164	-0-	0.140000
Monty M. Brosious 75 Schneider Road Cody, WY 82414	-0-	0.036800
Raymond Bnton P. O. Box 43392 Kemp, TX 75143	-0-	0.250000
Billie Cloak 529 North Ridley Circle Morton, PA 19070	-0-	0.250000
Warren D. Driskell c/o 1252 Pine Street Wheatland, WY 82201	-0-	0.180000
Paul Charles Ellison 7873 South Vance Street Littleton, CO 80123	-0-	0.120000
Pan Hall Estate John M. Hall, Executor 1300 Thoreau Lane Allen, TX 75002	-0-	0.250000
Hawthorn Oil Company P. O. Box 2693 Casper, WY 82601	-0-	1.000000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valeria Way Englewood, CO 80112	-0-	1.000000
J. Paul Mathias 8871 E. Easter Place Englewood, CO 80112	-0-	0.031800
Douglas B. McCallum 8 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
Eugene A. O'Brien 5461 W. Kent Place Denver, CO 80235	-0-	0.140000
C. Pat Payne 3701 Turtle Creek Blvd #8-8R Dallas, TX 75219	-0-	1.000000
Ann Lisa Pearson 7441 South Fillmore Circle Littleton, CO 80122-1963	-0-	0.031800
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Owen L. & Janice M. Rickard, Joint Tenants 12935 Piney Lake Road Parker, CO 80134	-0-	0.140000
R. W. Scott Investments, LLC 1275 Lupine Way, Genesee Golden, CO 80401	-0-	0.660000
Buck Stanley Family Trust R. H. Stanley & C. Sullivan, Trustees 38021 Fawn Meadows Trail Elizabeth, CO 80207	-0-	0.880000
Ms. Elsie Stephens Forstdeil Apartments 11851 Highdale #130-B Dallas, TX 75234	-0-	0.250000
Dean Unruh 5911 So. Middlefield Rd., Suite 100 Littleton, CO 80123	-0-	0.625000
Dugan Production Corp.	-0-	1.887500*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 79.8750%

Dugan Production Corp.
Federal 28-22-7 No. 1

Rusty Chacra

Well Location: NENE 26, T-22N, R-7W

Spacing Unit: NE/4 (160.0A)

Sandoval County, New Mexico

INTEREST%

INTEREST OWNER

	Gross	Net
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.187500*
<u>Royalty</u> USA - c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Sam Boltz, Family Trust Sam T. Boltz, Jr., Trustee 509 Princeton Drive Tyler, TX 75703-5164	-0-	0.140000
Monty M. Brosious 75 Schneider Road Cody, WY 82414	-0-	0.036800
Raymond Bruton P. O. Box 43392 Kemp, TX 75143	-0-	0.250000
Billie Cloak 529 North Ridley Circle Morton, PA 19070	-0-	0.250000
Warren D. Driskell c/o 1252 Pine Street Wheatland, WY 82201	-0-	0.160000
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
Pan Hall Estate John M. Hall, Executor 1300 Thoreau Lane Allen, TX 75002	-0-	0.250000
Hawthorn Oil Company P. O. Box 2693 Casper, WY 82601	-0-	1.000000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valenta Way Englewood, CO 80112	-0-	1.000000
J. Paul Mathias 8871 E. Easter Place Englewood, CO 80112	-0-	0.031600
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
Eugene A. O'Brien 5461 W. Kent Place Denver, CO 80235	-0-	0.140000
C. Pat Payne 3701 Turtle Creek Blvd #6-8R Dallas, TX 75219	-0-	1.000000
Ann Lisa Pearson 7441 South Fillmore Circle Littleton, CO 80122-1963	-0-	0.041600
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Owen L. & Janice M. Rickard, Joint Tenants 12935 Piney Lake Road Parker, CO 80134	-0-	0.140000
R. W. Scott Investments, LLC 1275 Lupine Way, Genesee Golden, CO 80401	-0-	0.660000
Buck Stanley Family Trust R. H. Stanley & C. Sullivan, Trustees 38021 Fawn Meadows Trail Elizabeth, CO 80207	-0-	0.650000
Ms. Elsie Stephens Forstdeil Apartments 11851 Highdale #130-B Dallas, TX 75234	-0-	0.250000
Dugan Production Corp.	-0-	2.312500*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 80.5000%

**ATTACHMENT 6 – PAGE 24 OF 31
Dugan Production Corp.
Sandoval County, New Mexico**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Federal 29-22-6 #1	Rusty Chacra	NESE 29-22N-6W	SE/4-160.0A
Federal 29-22-6 #2	Rusty Chacra	SWNW 29-22N-6W	NW/4-160.0A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.000000*
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Tom Brown, Inc. P. O. Box 2608 Midland, TX 79702	-0-	1.500000
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Key Production Co., Inc. P. O. Box 973347 Dallas, TX 75397-3347	-0-	2.000000
Kochergen Enterprises Family LP 8163 McKinley Ave. Fresno, CA 93722	-0-	1.125000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Dugan Production Corp.	-0-	2.875000*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 80.8750%

ATTACHMENT NO. 6 – PAGE 25 OF 31
Dugan Production Corp.
Federal 31-22-6 No. 1
Rusty Chacra
Well Location: NWSE 31, T-22N, R-6W
Spacing Unit: SE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	78.500000*
<u>Royalty</u>		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Key Production Co., Inc. P. O. Box 973347 Dallas, TX 75397-3347	-0-	5.000000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
William T. & Betty Jean Philo Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Dugan Production Corp.	-0-	2.500000*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 81.0000%

ATTACHMENT NO. 6 – PAGE 26 OF 31
Dugan Production Corp.
Navajo #1
Rusty South Gallup
Well Location: SESW 33, T-22N, R-6W
Spacing Unit: SE/4SW/4 (40.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	81.19505
<u>Royalty</u> Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.66667
<u>Overriding Royalty Interest</u> Cynthia E. Huff 1912 Lancaster Drive Edmond, OK 73003	-0-	0.50000
Merrion Oil & Gas Corp. 610 Reilly Ave. Farmington, NM 87401-2634	-0-	0.40957
J. Gregory Merrion Revocable Trust 610 Reilly Ave. Farmington, Nm 87401-2634	-0-	1.22871
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 6 – PAGE 27 OF 31
Dugan Production Corp.
Navajo 10-22-7 No. 1
Rusty Chacra
Well Location: SESW 10, T-22N, R-7W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	78.000000*
<u>Royalty</u>		
Navajo Allotted c/o Farmington Indian Minerals Office 1235 La Plata Highway Farmington, NM 87401	-0-	16.666700
<u>Overriding Royalty Interest</u>		
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Dugan Production Corp.	-0-	3.333300*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 81.333300%

Dugan Production Corp.
Navajo 18-22-6 No. 1 (P&A'd)
Rusty Chacra

Well Location: SESW 18, T-22N, R-6W
Spacing Unit: SW/4 (160.0A)
Sandoval County, New Mexico

INTEREST OWNER

	INTEREST%	
	Gross	Net
Working Interest		
Dugan Production Corp.	100.000000	78.000000*
Royalty		
USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
Overriding Royalty Interest		
Sam Boltz Family Trust Sam T. Boltz, Jr., Trustee 509 Princeton Drive Tyler, TX 75703-5164	-0-	0.140000
Monty M. Brosious 75 Schneider Road Cody, WY 82414	-0-	0.036800
Warren D. Driskell c/o 1252 Pine Street Wheatland, CO 82201	-0-	0.160000
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
L. P. Francis P. O. Drawer D Artesia, NM 88210	-0-	1.500000
Gates Properties, LTD P. O. Box 81119 Midland, TX 79708-1119	-0-	0.500000
Hawthorn Oil Company P. O. Box 2693 Casper, WY 82601	-0-	0.750000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valeria Way Englewood, CO 80112	-0-	1.000000
J. Paul Mathias 8871 E. Easter Place Englewood, CO 80112	-0-	0.031600
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
John E. & Jean C. Oakason Trust Wells Fargo Bank P. O. Box 5383 Denver, CO 80217	-0-	0.250000
Eugene A. O'Brien 5461 W. Kent Place Denver, CO 80235	-0-	0.140000
Ann Lisa Pearson 7441 South Fillmore Circle Littleton, CO 80122-1963	-0-	0.031600
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Owen L. & Janice M. Ricard, Joint Tenants 12935 Piney Lane Road Parker, CO 80134	-0-	0.140000
R. W. Scott Investments, LLC 1275 Lupine Way, Gennessee Golden, CO 80401	-0-	0.660000
Buck Stanley Family Trust R. H. Stanley & C. Sullivan, Trustees 38021 Fawn Meadows Trail Elizabeth, CO 80107	-0-	0.660000
Dugan Production Corp.	-0-	2.500000*
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 80.5000%

ATTACHMENT NO. 6 – PAGE 29 OF 31
Dugan Production Corp.
Navajo 21-22-7 No. 1 (P&A'd)
Rusty Chacra
Well Location: NENE 21, T-22N, R-7W
Spacing Unit: NE/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	78.187500*
<u>Royalty</u> USA – c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> Tom Brown, Inc. P. O. Box 2608 Midland, TX 79702	-0-	1.500000
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Kochergen Enterprises Family LP 8163 McKinley Ave. Fresno, CA 93722	-0-	1.125000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
R. K. O'Connell P. O. Box 2003 Casper, WY 82602	-0-	2.000000
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Dean Unruh 5911 So. Middlefield Rd., Suite 100 Littleton, CO 80123	-0-	0.625000
Dugan Production Corp.	-0-	2.062500
TOTAL WELL	100.000000	100.000000

* - Total net interest to Dugan Production Corp. = 80.2500%

ATTACHMENT NO. 6 – PAGE 30 OF 31
Dugan Production Corp.
Rusty Nail Com No. 90
Basin Fruitland Coal
Well Location: NENW 34, T-22N, R-6W
Spacing Unit: N/2 (320.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	97.833333	80.607501
Lamar B. Roemer 10 W. Shady Lane Houston, TX 77063-1304	2.166667	1.809166
<u>Royalty</u>		
USA-Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	6.250000
Navajo Allotted Farmington Indian Minerals Office c/o Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	8.333333
<u>Overriding Royalty Interest</u>		
JWD III Inc. 100 Park Ave. #1200 Oklahoma City, OK 73102	-0-	1.250000
Jen-Son Oil 1505 116 th Ave. SE Lake Stevens, WA 98258	-0-	1.250000
Elzalene Sullivan P. O. Box 1001 Ft. Lauderdale, FL 33302	-0-	0.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT NO. 6 – PAGE 31 OF 31
Dugan Production Corp.
State 32-22-6 No. 1 (P&A'd)
Rusty Chacra
Well Location: NWNW 32, T-22N, R-6W
Spacing Unit: NW/4 (160.0A)
Sandoval County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	78.000000*
<u>Royalty</u>		
State of New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Paul Charles Ellison 7973 South Vance Street Littleton, CO 80123	-0-	0.120000
James S. Jameson P. O. Box 758 Indian Hills, CO 80450	-0-	0.100000
Kent A. Johnson 7862 South Valentia Way Englewood, CO 80112	-0-	1.000000
Douglas B. McCallum 6 Alexander Lane Greenwood Village, CO 80121	-0-	0.120000
F. Michael Murphy 31219 Whistler Court Evergreen, CO 80439	-0-	0.040000
Kurt T. Nelson 695 South Corona Denver, CO 80209	-0-	0.500000
William T. & Betty Jean Philo, Joint Tenants 708 Sunny Lane Corsicana, TX 75110	-0-	0.120000
Texaco Producing, Inc. P. O. Box 200778 Houston, TX 77216-0778	-0-	4.945310
Dugan Production Corp.	-0-	2.554690*
<u>TOTAL WELL</u>	<u>100.000000</u>	<u>100.000000</u>

* - Total net interest to Dugan Production Corp. = 80.554690%

**ATTACHMENT NO. 7
PRODUCTION SUMMARY
WELLS CONNECTED OR TO BE CONNECTED TO DUGAN PRODUCTION'S
BIG BAND & RUSTY CHACRA GAS GATHERING SYSTEMS**

POOL NAME & CODE	AVERAGE BTU btu/scf EXISTING/ALL WELLS	WELLS OR COMPLETIONS ①		POOL PRODUCTION ALL WELLS - mcf ②		AVERAGE PRODUCTION PER WELL - mcf ②	
		EXISTING	PROPOSED	EXISTING	PROPOSED	EXISTING	PROPOSED
Big Band Gathering System (BBGS)							
Basin Fruitland Coal Gas (71629)	993	2 (2)	17 (2)	3	825	1.5	50
Bisti Chacra Gas (96166)	1100*	2 (0)	9 (0)	0	425	0	50
Nageezi Gallup Oil (47540)	1280*	0 (0)	1 (1)	0	15	0	15
Rusty Chacra Gas (84360)	1067	6 (6)	0 (0)	10	0	1.7	0
Subtotal - BBGS	1050/1033	10 (8)	27 (3)	13	1265	1.6	47
Rusty Chacra Gathering System (RCGS)							
Alamito Gallup Oil (01039)	1290	1 (1)	0 (0)	29	0.0	29	0
Basin Fruitland Coal Gas (71629)	1064	0 (0)	1 (1)	0	18	0	18
Rusty Chacra Gas (84360)	1110	32 (27)	0 (0)	179	0	6.6	0
Rusty Gallup Oil (52860)	1284	4 (3)	0 (0)	24	0	8	0
South Rusty Gallup Oil (96236)	1104	1 (1)	0 (0)	10	0	10	0
Subtotal - RCGS	1152/1148	38 (32)	1 (1)	242	18	7.6	18
Total - All wells (BBGS & RCGS)	1149/1053	48 (40)	28 (4)	255	1283	6.4	46

Calculated BTU of commingled production for BBGS & RCGS = 1149 btu/scf for existing production + 1053 btu/scf for all wells (existing and proposed). Calculated value of commingled production: commingling is necessary to get produced natural gas to a gas sales meter. CDP gas revenue and MMBTU will be allocated to individual wells using factors determined from the MMBTU produced from each well. Each well will be equipped with an allocation meter or an approved method of alternative measurement. During February & March, 2006, production from the 48 (40 active) existing authorized completions averaged 6.4 mcf. There should be no loss in value to any well as a result of this commingling. Allocation procedures approved for both systems are identical for gas & MMBTU's. This same allocation procedure, which is modified only slightly to include gas recovered from water production typical to wells completed in the Fruitland Coal, will be used for both systems and for all new wells added (reference Attachment No. 8).

Notes:

* - Estimated

- ① - Wells as of 5-1-2006. Existing = wells currently approved for gathering system. Proposed = wells to be added to gathering system. Active completions in parentheses.
- ② - For wells currently authorized, production is average during February & March, 2006. For wells proposed to be added, production is estimated.

Attachment No. 7
Lease Summary

Big Band Gathering System

Federal Leases - NM-8902, NM-43438, NM-50999, NM-55836, NM-57445, NM-89099, NM-90468, NM-90469, NM-90471, NM-90472, NM-90475, NM-90476, NM-90477, NM-92738, NM-93253, NM-94067 & NM-96798

State Leases - VA-1119 & VA-1121

Rusty Chacra Gathering System

Federal Leases - NM-6676, NM-6680, NM-7262, NM-7776, NM-8641, NM-8899, NM-15649, NM-21455, NM-25821, NM-27163, NM-89023, NM-93448, NM-100285, NM-109385, NM-109391, NM-109392, NM-109393, NM-113069 & NM-0554433

State Leases (Dugan) - LG-3923

State Leases (Hicks) - K-04844

Navajo Allotted Leases - NOOC-14-20-5044, NOOC-14-20-5045, NOOC-14-20-5046, NOOC-14-20-5048, NOOC-14-20-5050, NOOC-14-20-5051, NOOC-14-20-5356, NOOC-14-20-5360, NOOC-14-20-5365, NOOC-14-20-5382, NOOC-14-20-5555, NOOC-14-20-5594 & NOOC-14-20-5595

ATTACHMENT NO. 8
Proposed Allocation Procedures
Dugan Production Corp.'s

Big Band Gathering System
CDP Gas Sales Meter: NENE 27, T-22N, R-8W
PNM Meter No. 01335
San Juan County, New Mexico

Rusty Chacra Gathering System
CDP Gas Sales Meter: SENW 12, T-22N, R-7W
Enterprise Field Services Meter No. 03049
Sandoval 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 = On lease fuel usage, MCF. Determined from equipment specification and operating conditions.

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

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

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

F = 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.

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 Onshore Order No. 5).

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

ATTACHMENT No. 5 - to Application dated 9/6/01
Proposed Allocation Procedures Approved by BLM - 2/15/02
Dugan Production Corp.'s " " AMOCD-10/5/01
Proposed Big Band Gas Gathering System
CDP Gas Sales Meter: NENE 27-22N-8W (New PNM Meter)
San Juan County, New Mexico

Base Data:

W = Gas Volume (MCF) from allocation meters at individual wells 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

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

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

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

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

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

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

Attachment No. 8
Pg 3 of 4

Attachment No. 6 - to Application dated 5/17/98
Allocation Procedures
Dugan Production Corp.'s
Rusty Chacra Gas Gathering System
CDP = El Paso Field Services - SE NW 12, T22N, R7W
Sandoval County, New Mexico

Approved by BLM 10/13/99
" " SLO 5/31/98
" " NMOCD 9/8/98

Base Data for Gas Allocations:

- W=Gas Volume (MCF) from Well or Battery Allocation Meter
- X=Total Gas Volume (MCF) from CDP Sales Meter
- Y=Total BTU's from CDP Sales Meter
- Z=Total Gas Revenue (\$) from CDP Sales Meter

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

A = Allocated Sales Volume, MCF.
= (W/SUM W) x X

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

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

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

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

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

Individual well gas heating values to be determined in accordance with BLM's On Shore Order No. 5. Computations to be based upon dry BTU @ 14.73 psi.

3. Individual Well Allocated Gas Revenues = (Allocated individual well BTU's / sum of allocated individual well BTU's) x Z.

4. Individual Well Allocated Drip Volumes & Revenues. To date no liquid hydrocarbons (drip) have been recovered from any of the system drips and none is anticipated to be recovered in the future, however should any liquid hydrocarbons (drip) ever be

statement
still valid AS
of 6/20/06

recovered, all volumes and revenues will be allocated to the individual wells producing gas through the drip trap from which the liquid hydrocarbons were recovered using a factor to be determined by dividing the individual well's theoretical liquids by the total theoretical liquids from all wells producing into the system from which liquids were recovered. The theoretical liquids will be calculated by multiplying the individual well's produced gas volumes by the individual well's gas stream liquids content (GPM) of isobutane and heavier. This allocation is to be made at the time the liquids are removed and will be based upon the most recent annual gas volumes produced from the wells involved and an average GPM during the same period. Using annual gas production rather than actual months of production will simplify this calculation and will not significantly affect the accuracy or validity of this factor.

Base Data for Drip Allocations:

S = Volume of drip (bbl) recovered.

T = Revenue resulting from multiplying the volume of drip by the existing posted oil price (adjusted for gravity) in the field at the time of drip removal.

U = GPM (gallons per MCF) of isobutane and heavier from a current individual well gas analysis.

V = Most recent calendar year of gas production from the individual well - MCF. If a full 12 months is not available, an annual volume will be determined using an average production rate from the data available.

F = Individual Well Allocated Drip Volume, bbl

$$F = ((V \times U) / \text{Sum } (V \times U)) \times S$$

G = Individual Well Allocated Drip Revenues, \$

$$G = (F / \text{Sum } F) \times T$$

Attachment No. 9
Interest Ownership Notification
Dugan Production Corp.'s Application dated 6/20/06
Proposing:

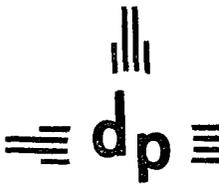
- 1. Addition of 26 wells (27 completions) to the Big Band Gathering System**
- 2. Addition of one well to the Rusty Chacra Gathering System**
- 3. Periodic delivery of gas from the Big Band Gathering System to the Rusty Chacra Gathering System**
- 4. Amendments to NMOCD Orders PLC-147 (for RCGS) & PLC-191 (for BBGS) regarding notice requirements to allow future additions to either gathering systems following notice only to the interest owners of the wells being added.**

Presenting evidence that all interest ownership in the subject wells have been given notice of Dugan's application, attached is:

Note: A tabulation presenting the interest ownership for all wells (existing and proposed) is presented on Attachment No. 5 for Big Band and Attachment No. 6 for Rusty Chacra.

1. A copy of Dugan's transmittal letter dated 6/20/06 used to send copies of the subject application to the 6 working interest owners in addition to Dugan Production. For the 35 wells (37 completions) on the BBGS, Dugan Production holds 100% of the working interest. For the 39 wells on the RCGS, Dugan Production holds 100% of the working interest in 34 wells, and 97.8 to 99.2% of the working interest in four wells. Dugan Production has no interest in the one well operated by Hicks Oil & Gas (their Dana State #1). All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
2. Copy of Dugan's transmittal letter dated 6/20/06 used to send information and notice of the subject application to the 54 overriding royalty interest owners. All letters were sent by certified mail with a return receipt requested. Upon receiving the receipts, copies will be sent to the NMOCD.
3. All royalty interest for all wells on both gathering systems is either federal, state or Navajo Allotted. There is no fee acreage. In addition to the NMOCD, this application is also addressed to the Bureau of Land Management (BLM) for the federal and Navajo Allotted royalty interests, to the Farmington Indian Minerals Office (FIMO) for the Navajo Allotted royalty interests and to the State Land Office (SLO) for the state royalty interests. All letters were sent by registered mail with a return receipt card requested. Upon receiving the receipts, copies will be sent to the NMOCD.
4. Copy of the legal advertisement published in the 6/18/06 issue of the Farmington Daily Times regarding the subject application. This publication was made in anticipation that of the 60 interest owners mailed, there will be at least one that is returned for some reason or the return receipt will be lost in the mail.

Attachment
No. 9
Pg 2 of 11



dugan production corp.

**CERTIFIED MAIL
RETURN RECEIPTS REQUESTED**

June 20, 2006

Working Interest Owners
Wells connected or to be connected to
Dugan Production Corp.'s Big Band and/or Rusty Chacra Gathering Systems
(Address List Attached)

Re: Proposed addition of 26 wells (27 completions) to the Big Band plus 1 well to the Rusty Chacra Gathering Systems
San Juan & Sandoval Counties, New Mexico

Dear Working Interest Owner,

According to our records, you have a working interest in one or more of the wells that is either currently connected or proposed to be connected to Dugan's Big Band and/or Rusty Chacra Gathering Systems. The wells and interest owners are listed on the attached address list. Attached for your information and review is a complete copy of Dugan Production's application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requesting their approvals to add 26 wells (27 completions) to the Big Band Gathering System which currently has 9 wells (10 completions) plus add one well to the Rusty Chacra Gathering System which currently has 38 wells. In addition, we are requesting permission to periodically deliver gas from the Big Band Gathering System into the Rusty Chacra Gathering System. This will require surface commingling of gas production from the subject wells, plus the measurement and sale of gas at an off-lease central delivery sales meter (CDP). Attachments No. 1 & 2 present a map of each gathering system. Attachments No. 3 & 4 present information for each of the wells. Dugan Production will install all equipment and will operate and maintain each gathering system and central battery facilities. As a working interest owner in wells connected or to be connected to either gathering system, your only costs associated with the gathering system will be a fee charged for gathering and compression. You will not be billed for any costs associated with installing the gathering system (including the allocation meters). Dugan Production's current company-wide gathering system fee is \$0.27/MMBTU, and our compression fee is \$0.09/MMBTU. These fees will be used until operating economics indicate the need for revisions. The wells to be added should not affect your interest in wells that are currently connected to the gathering system. Should you have interest in wells to be added, it will allow these wells to begin selling produced natural gas for the benefit of all interest owners. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (those in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application, as permitted in the NMOCD rules, is a request that for future additions to either gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application. We anticipate that our application will be received by the NMOCD approximately 6/22 or 6/23.

Sincerely,
John D. Roe
John D. Roe
Engineering Manager

JDR/tmf

attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office

Big Band/Rusty Chacra Gas Gathering System Interest Owners Address List

(wells with ownership interest in parentheses)

a=Bear 2; b=Belushi 1; c=Billie 2; d=Chacra 1 & 2; e=Cleve Kyle 2; f=Cochran 1; g=Dana State 1; h=Dome Federal 1-21-7 1; i=Dome Federal 10-22-7 1; j=Dome Federal 15-22-7 1; k=Dome Federal 18-22-6 3; m=Dome Federal 19-22-6 1; n=Dome Federal 29-22-6 2; o=Dome Federal 29-22-6 3; p=Dome Federal 30-22-6 1; q=Dome Navajo 3-22-7 1; r=Dome Navajo 17-22-7 2; s=Dome Navajo 18-22-6 2; t=Dome Navajo 20-22-7 1; u=Dome Navajo 27-22-6 1; v=Dome Navajo 28-22-6 2; w=Dome Navajo 28-22-6 4; x=Dome Navajo 33-22-6 1 & 2; y=Dome Navajo 34-22-6 1; z=Dome Rusty 20-22-7 1; aa=Dome Rusty 24-22-7 1; ab=Dome Rusty 30-22-6 1; ac=Dome State 32-22-6 2; ad=Dome Tesoro 22 4; ae=Dome Tesoro 23 1; af=Dome Tesoro 27 3; ag=Dorsey 1; ah=Ellington 1; ai=Federal 25-22-7 1; aj=Federal 26-22-7 1; ak=Federal 29-22-6 1 & 2; al=Federal 31-22-6 1; am=Gave 1; an=Goodman 2 & 3; ao=Goodman 90; ap=Harrison 1; aq=Harrison Com 90; ar=Hendrix 1; as=James 1 & 2; at=James 90; au=Joplin 1; av=Marley 1; aw=Morrison 1; ax=Navajo 1; ay=Navajo 10-22-7 1; az=Navajo 18-22-6 1; ba=Navajo 21-22-7 1; bb=Presley 1; bc=Rusty Nail Com 90; bd=Sage Creek 1; be=State 32-22-6 1; bf=Zappa 3,3S,91,91S,92,93,93S; bg=Billie Com 90,91; bh=Dorsey Com 90,90S; bi=Ellington Com 90,90S

Attachment
No. 9
pg 3 of 11

Working Interest Owners

Dugan Production Corp. (a thru f, h thru bf)
P. O. Box 420
Farmington, NM 87499-0420

J. D. Kinsey (g)
P. O. Box 2158
Farmington, NM 87499-2158

Vantx Corporation (g)
P. O. Box 3307
Farmington, NM 87499-3307

Elm Ridge Exploration, Inc. (g)
12225 Greenville Ave., Suite 95
Dallas, TX 75243

LMB, Inc. (g)
4601 Linda Lane
Farmington, NM 87402

Key Production (h, x)
P. O. Box 973347
Dallas, TX 75397-3347

Lamar B. Roemer (bc)
10 W. Shady Lane
Houston, TX 77063-1304

Royalty Interest Owners

Navajo Allotted (q,r,t thru y,ad,ae,af,ax,ay,bc)
Farmington Indian Minerals Office
c/o Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico (f,g,ac,av,be)
State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

USA - BLM (a thru e, h thru p, s,z,aa,ab,ag thru
1235 La Plata Highway au, aw,az thru bf)
Farmington, NM 87401

Overriding Royalty Interest Owners

Charles Breck & Susan J. Adams (bf)
979 Windflower Way - BAD ADDRESS
San Diego, CA 92106

Hawthorn Oil Co. (j,s,ai,aj,az)
P. O. Box 2693
Casper, WY 82601

R. K. O'Connell (j,aa,ba)
P. O. Box 2003
Casper, WY 82602

Blu-Chip Resources, LLC (h)
P. O. Box 504
Cheyenne, WY 82003-0504

Cathy Jean Hendrickson (ar)
7375 Rolling Dell Drive #79 - BAD ADDRESS
Cupertino, CA 95014

C. Pat Payne (j,ai,aj)
3701 Turtle Creek Blvd #6-8R
Dallas, TX 75219

Sam Boltz Family Trust (j,s,ai,aj,az)
Sam T. Boltz, Trustee
509 Princeton Drive
Tyler, TX 75703-5164

Cynthia E. Huff (ax)
1912 Lancaster Drive
Edmond, OK 73003

Ann Lisa Pearson (j,s,ai,aj,az)
7441 S. Fillmore Circle
Littleton, CO 80122-1963

Monty Brosious (j,s,ai,aj,az)
75 Schneider Road
Cody, WY 82414

James S. Jameson (z,aa,ab,ai,aj,ak,al,ay,az,ba,be)
P. O. Box 758
Indian Hills, CO 80450

William T. & Betty Jean Philo (z,aa,ai,aj,ak,al,ay,az,ba,be)
708 Sunny Lane
Corsicana, TX 75110

Raymond Bruton (j,ai,aj)
P. O. Box 43392
Kemp, TX 75143

Jen-Son Oil (bc)
1505 116th Avenue SE
Lake Stevens, WA 98258

R. W. Scott Investments, LLC (j,s,ai,aj,az)
1275 Lupine Way, Gennessee
Golden, CO 80401

Billie Cloak (j,ai,aj)
529 N. Ridley Circle
Morton, PA 19070

Kent A. Johnson (z,aa,ab,ai,aj,ak,al,ay,az,ba,be)
7862 South Valentia Way
Englewood, CO 80112

Owen L. & Janice M. Rickard, JT (j,s,ai,aj,az)
12935 Piney Lake Road
Parker, CO 80134

ConocoPhillips (g)
22295 Network Place
Chicago, IL 60673-1222

JWD III, Inc. (bc)
100 Park Ave. #1200
Oklahoma City, OK 73102

Billie Robinson (c,bg)
P. O. Box 1281
Santa Fe, NM 87504-1281

David Family Oil & Gas Interest & Partnership (h)
P. O. Box 1497
Cheyenne, WY 82003

Key Production Co., Inc. (n,o,p,z,ab,ak,al)
P. O. Box 973347
Dallas, TX 75397-3347

Margaret Schwartz (a)
Rural Route 3, Box 57
Dallas, SD 57529

Warren D. Driskell (j,s,ai,aj,az)
1252 Pine Street
Wheatland, WY 82201

Kochergen Ent. Fam. Ltd. Ptnrshp (i,n,o,aa,ab,ak,ba)
8163 W. McKinley Ave.
Fresno, CA 93722

Sidwell Investments, LLC (h)
P. O. Box 1560
Brewster, MA 02631

Dugan Production Corp. (h,i,j,n,o,p,s,u,x,z,aa,ab,
P. O. Box 420 ai thru al,ay,az,ba,be)
Farmington, NM 87499-0420

Kellie M. Kross (ah,ap,aq,bg,bh,bi)
P. O. Box 1453
Roswell, NM 88202-1453

David T. Sorenson (ah,ap,aq,bg,bh,bi)
P. O. Box 1453
Roswell, NM 88202-1453

Paul Charles Ellison(z,aa,ab,ai thru al,ay,az,ba,be)
7973 South Vanca Street
Littleton, CO 80123

J. Paul Mathias (j,s,ai,aj,az)
8871 E. Easter Place
Englewood, CO 80112

Matthew N. Sorenson (ah,ap,aq,bg,bh,bi)
P. O. Box 1453
Roswell, NM 88202-1453

EMG Revocable Trust (ah,ap,aq,bg,bh,bi)
1000 W. Fourth Street
Roswell, NM 88201

Douglas B. McCallum (z,aa,ab,ai,aj,ak,al,ay,az,ba,be)
6 Alexander Lane
Greenwood Village, CO 80121

Buck Stanley Family Trust (j,s,ai,aj,az)
R. H. Stanley & C. Sullivan, Trustees
38021 Fawn Meadows Trail
Elizabeth, CO 80107

Irene R. Fellis (c,bg)
725 Calle Del Pajarito NW
Albuquerque, NM 87114

Merrion Oil & Gas Corp. (ax)
610 Reilly Ave.
Farmington, NM 87401

Elsie Stephens (j,ai,aj)
Forestdell Apartments
11851 Highdale #130B
Dallas, TX 75234

L. P. Francis (s,az)
P. O. Drawer D
Artesia, NM 88210

J. Gregory Merrion Rev. Trust (ax)
610 Reilly Ave.
Farmington, NM 87401

Etzelene Sullivan (bc)
P. O. Box 1001
Ft. Lauderdale, FL 33302

Gates Properties, LTD. (s,az)
P. O. Box 81119
Midland, TX 79708-1119

Michael Murphy (z,aa,ab,ai,aj,ak,al,ay,az,ba,be)
31219 Whistler Court
Evergreen, CO 80439

Texaco Producing, Inc. (be)
P. O. Box 200778
Houston, TX 77216-0778

Christine V. Grim (ah,ap,aq,bg,bh,bi)
P. O. Box 1453
Roswell, NM 88202-1453

Kurt T. Nelson (z,aa,ab,ai,aj,ak,al,ay,az,ba,be)
695 South Corona
Denver, CO 80209

Tom Brown, Inc. (i,n,aa,ab,ak,ba)
P. O. Box 2608
Midland, TX 79702

F. Andrew Grooms (o)
P. O. Box 2328
Roswell, NM 88202-2328

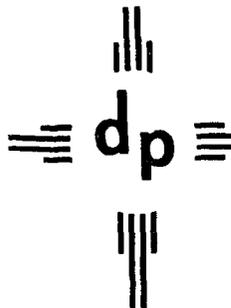
John E. & Jean C. Oakason Trust (p,s,az)
c/o Wells Fargo Bank NA
P. O. Box 5383
Denver, CO 80217

Dean Unruh (z,ai,ba)
5911 So. Middlefield Rd., Suite 100
Littleton, CO 80123

Pan Hall Estate (ai, aj)
John M. Hall, Executor
1300 Thoreau Lane
Allen, TX 75002

Eugene A. O'Brien (i,s,ai,aj,az)
5461 W. Kent Place
Denver, CO 80235

Ann Lee Harris (o)
2100 Van Hess at Pacific
San Francisco, CA 94109



dugan production corp.

Attachment No. 9
Pg 4 of 11

CERTIFIED MAIL
RETURN RECEIPTS REQUESTED

June 20, 2006

Overriding Royalty Interest Owners
Wells connected or to be connected to
Dugan Production Corp.'s Big Band and/or Rusty Chacra Gathering Systems
(Address List Attached)

Re: Proposed addition of 26 wells (27 completions) to the Big Band plus 1 well to the Rusty Chacra Gathering Systems
San Juan & Sandoval Counties, New Mexico

Dear Interest Owner,

According to our records, you have an overriding royalty interest in one or more of the wells that is either currently connected or proposed to be connected to Dugan's Big Band and/or Rusty Chacra Gathering Systems. The wells and interest owners are listed on the attached address list. Dugan Production is currently preparing an application to the New Mexico Oil Conservation Division (NMOCD), Bureau of Land Management (BLM) and the State Land Office (SLO), requesting their approvals to add 26 wells (27 completions) to the Big Band Gathering System which currently has 9 wells (10 completions) plus add one well to the Rusty Chacra Gathering System which currently has 38 wells. In addition, we are requesting permission to periodically deliver gas from the Big Band Gathering System into the Rusty Chacra Gathering System. This will require surface commingling of gas production from the subject wells, plus the sale of gas at an off-lease central delivery sales meter (CDP). Attachments No. 1 & 2 present a map of each gathering system. Attachments No. 3 & 4 present information for each of the wells. Dugan Production will install all equipment and will operate and maintain each gathering system and central battery facilities. Since your interest in these wells is an overriding royalty, there are no costs chargeable to you. The wells to be added should not affect your interest in wells that are currently connected to the gathering system. Should you have interest in wells to be added, it will allow these wells to begin selling produced natural gas for the benefit of all interest owners. This proposal will allow for optimum operations on all wells and will allow all wells to benefit from central compression which should keep wellhead operating pressures as low as possible. This method of operation will help to keep our operating expenses as low as possible, and will allow for the recovery of more of the gas reserves from each well.

This matter does not require any action on your part. Current NMOCD regulations require that all interest owners (those in the existing system and those being added) receive notice of proposed additions to gathering systems. Included in Dugan's application, as permitted in the NMOCD rules, is a request that for future additions to either gathering system, only the interest owners in the wells to be added will require notification, provided the proposed additions will not adversely affect the existing wells. This will greatly simplify adding wells to the gathering system and should not affect the interests previously authorized to operate on the gathering system. Should you have any questions, need additional information, desire to receive a complete copy of our application, or have any concern as to our proposal, please let me know. Should you have an objection to our proposal, please let me know, or you can contact the New Mexico Oil Conservation Division directly at 1220 South St. Francis Drive, Santa Fe, NM 87505, and we would appreciate receiving a copy of your objection. Objections should be filed within 20 days after the NMOCD receives our application. We anticipate that our application will be received by the NMOCD approximately 6/22 or 6/23.

Sincerely,

John D. Roe
Engineering Manager

JDR/tmf

attachments

xc: New Mexico Oil Conservation Division, Bureau of Land Management, State Land Office

Big Band/Rusty Chacra Gas Gathering System Interest Owners Address List

(wells with ownership interest in parentheses)

a=Bear 2; b=Belushi 1; c=Billie 2; d=Chacra 1 & 2; e=Cleve Kyle 2; f=Cochran 1; g=Dana State 1; h=Dome Federal 1-21-7 1; i=Dome Federal 10-22-7 1; j=Dome Federal 15-22-7 1; k=Dome Federal 18-22-6 3; m=Dome Federal 19-22-6 1; n=Dome Federal 20-22-6 2; o=Dome Federal 29-22-6 3; p=Dome Federal 30-22-6 1; q=Dome Navajo 3-22-7 1; r=Dome Navajo 17-22-7 2; s=Dome Navajo 18-22-6 2; t=Dome Navajo 20-22-7 1; u=Dome Navajo 27-22-6 1; v=Dome Navajo 28-22-6 2; w=Dome Navajo 28-22-6 4; x=Dome Navajo 33-22-6 1 & 2; y=Dome Navajo 34-22-6 1; z=Dome Rusty 20-22-7 1; aa=Dome Rusty 24-22-7 1; ab=Dome Rusty 30-22-6 1; ac=Dome State 32-22-6 2; ad=Dome Tesoro 22 4; ae=Dome Tesoro 23 1; af=Dome Tesoro 27 3; ag=Dorsey 1; ah=Ellington 1; ai=Federal 25-22-7 1; aj=Federal 26-22-7 1; ak=Federal 29-22-6 1 & 2; al=Federal 31-22-6 1; am=Gaye 1; an=Goodman 2 & 3; ao=Goodman 90; ap=Hamson 1; aq=Hamson Com 90; ar=Hendrix 1; as=James 1 & 2; at=James 90; au=Joplin 1; av=Marley 1; aw=Morrison 1; ax=Navajo 1; ay=Navajo 10-22-7 1; az=Navajo 18-22-6 1; ba=Navajo 21-22-7 1; bb=Presley 1; bc=Rusty Nail Com 90; bd=Sage Creek 1; be=State 32-22-6 1; bf=Zappa 3,35,91,91S,92,93,93S; bg=Billie Com 90,91; bh=Dorsey Com 90,90S; bi=Ellington Com 90,90S

Attachment
No. 9
Pg 5 of 11

Working Interest Owners

Dugan Production Corp. (a thru f, h thru bf)
P. O. Box 420
Farmington, NM 87499-0420

J. D. Kinsey (g)
P. O. Box 2158
Farmington, NM 87499-2158

Vanix Corporation (g)
P. O. Box 3307
Farmington, NM 87499-3307

Elm Ridge Exploration, Inc. (g)
12225 Greenville Ave., Suite 95
Dallas, TX 75243

LMB, Inc. (g)
4601 Linda Lane
Farmington, NM 87402

Key Production (h, x)
P. O. Box 973347
Dallas, TX 75397-3347

Lamar B. Roemer (bc)
10 W. Shady Lane
Houston, TX 77063-1304

Royalty Interest Owners

Navajo Allotted (q,r,t thru y, ad, ae, af, ax, ay, bc)
Farmington Indian Minerals Office
c/o Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico (f, g, ac, av, be)
State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

USA - BLM (a thru e, h thru p, s, z, aa, ab, ag thru au, aw, az thru bf)
1235 La Plata Highway
Farmington, NM 87401

Overriding Royalty Interest Owners

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979 Windflower Way - BAD ADDRESS
San Diego, CA 92106

Hawthorn Oil Co. (j, s, al, aj, az)
P. O. Box 2683
Casper, WY 82601

R. K. O'Connell (i, aa, ba)
P. O. Box 2003
Casper, WY 82602

Blu-Chip Resources, LLC (h)
P. O. Box 504
Cheyenne, WY 82003-0504

Cathy Jean Hendrickson (ar)
7375 Rolling Dell Drive #79 - BAD ADDRESS
Cupertino, CA 95014

C. Pat Payne (j, ai, aj, az)
3701 Turtle Creek Blvd #8-8R
Dallas, TX 75219

Sam Boltz Family Trust (j, s, ai, aj, az)
Sam T. Boltz, Trustee
509 Princeton Drive
Tyler, TX 75703-5164

Cynthia E. Huff (ax)
1912 Lancaster Drive
Edmond, OK 73003

Ann Lisa Pearson (j, s, ai, aj, az)
7441 S. Fillmore Circle
Littleton, CO 80122-1963

Monty Brosious (j, s, ai, aj, az)
75 Schneider Road
Cody, WY 82414

James S. Jameson (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
P. O. Box 758
Indian Hills, CO 80450

William T. & Betty Jean Philo (z, aa, ai, aj, ak, al, ay, az, ba, be)
708 Sunny Lane
Corsicana, TX 75110

Raymond Bruton (j, ai, aj)
P. O. Box 43392
Kemp, TX 75143

Jen-Son Oil (bc)
1505 116th Avenue SE
Lake Stevens, WA 98258

R. W. Scott Investments, LLC (j, s, ai, aj, az)
1275 Lupine Way, Genessee
Golden, CO 80401

Billie Cloak (j, ai, aj)
529 N. Ridley Circle
Morton, PA 19070

Kent A. Johnson (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
7862 South Valentia Way
Englewood, CO 80112

Owen L. & Janice M. Rickard, JT (j, s, ai, aj, az)
12935 Piney Lake Road
Parker, CO 80134

ConocoPhillips (g)
22295 Network Place
Chicago, IL 60673-1222

JWD III, Inc. (bc)
100 Park Ave. #1200
Oklahoma City, OK 73102

Billie Robinson (c, bg)
P. O. Box 1281
Santa Fe, NM 87504-1281

David Family Oil & Gas Interest & Partnership (h)
P. O. Box 1497
Cheyenne, WY 82003

Key Production Co., Inc. (n, o, p, z, ab, ak, al)
P. O. Box 973347
Dallas, TX 75397-3347

Margaret Schwartz (a)
Rural Route 3, Box 57
Dallas, SD 57529

Warren D. Driskell (j, s, ai, aj, az)
1252 Pine Street
Wheatland, WY 82201

Kochergen Ent. Fam. Ltd. Ptnrshp (i, n, o, aa, ab, ak, be)
8163 W. McKinley Ave.
Fresno, CA 93722

Sidwell Investments, LLC (h)
P. O. Box 1560
Brewster, MA 02631

Dugan Production Corp. (h, i, n, o, p, s, u, x, z, aa, ab, ai thru al, ay, az, ba, be)
P. O. Box 420
Farmington, NM 87499-0420

Kellie M. Kross (ah, ap, aq, bg, bh, bi)
P. O. Box 1453
Roswell, NM 88202-1453

David T. Sorenson (ah, ap, aq, bg, bh, bi)
P. O. Box 1453
Roswell, NM 88202-1453

Paul Charles Ellison (z, aa, ab, ai thru al, ay, az, ba, be)
7973 South Vanca Street
Littleton, CO 80123

J. Paul Mathias (j, s, ai, aj, az)
8871 E. Easter Place
Englewood, CO 80112

Matthew N. Sorenson (ah, ap, aq, bg, bh, bi)
P. O. Box 1453
Roswell, NM 88202-1453

EMG Revocable Trust (ah, ap, aq, bg, bh, bi)
1000 W. Fourth Street
Roswell, NM 88201

Douglas B. McCallum (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
6 Alexander Lane
Greenwood Village, CO 80121

Buck Stanley Family Trust (j, s, ai, aj, az)
R. H. Stanley & C. Sullivan, Trustees
38021 Fawn Meadows Trail
Elizabeth, CO 80107

Irene R. Fellis (c, bg)
725 Calle Del Pajarito NW
Albuquerque, NM 87114

Merrion Oil & Gas Corp. (ax)
610 Reilly Ave.
Farmington, NM 87401

Elsie Stephens (j, ai, aj)
Forestdell Apartments
11851 Highdale #130B
Dallas, TX 75234

L. P. Francis (s, az)
P. O. Drawer D
Artesia, NM 88210

J. Gregory Merrion Rev. Trust (ax)
610 Reilly Ave.
Farmington, NM 87401

Etzelene Sullivan (bc)
P. O. Box 1001
Ft. Lauderdale, FL 33302

Gates Properties, LTD. (s, az)
P. O. Box 81119
Midland, TX 79708-1119

Michael Murphy (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
31219 Whistler Court
Evergreen, CO 80439

Texaco Producing, Inc. (be)
P. O. Box 200778
Houston, TX 77216-0778

Christine V. Grim (ah, ap, aq, bg, bh, bi)
P. O. Box 1453
Roswell, NM 88202-1453

Kurt T. Nelson (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
695 South Corona
Denver, CO 80209

Tom Brown, Inc. (i, n, aa, ab, ak, ba)
P. O. Box 2608
Midland, TX 79702

F. Andrew Grooms (o)
P. O. Box 2328
Roswell, NM 88202-2328

John E. & Jean C. Oakason Trust (p, s, az)
c/o Wells Fargo Bank NA
P. O. Box 5383
Denver, CO 80217

Dean Unruh (z, ai, ba)
5911 So. Middlefield Rd., Suite 100
Littleton, CO 80123

Pan Hall Estate (ai, aj)
John M. Hall, Executor
1300 Thoreau Lane
Allen, TX 75002

Eugene A. O'Brien (i, s, ai, aj, az)
5461 W. Kent Place
Denver, CO 80235

Ann Lee Harris (o)
2100 Van Hess at Pacific
San Francisco, CA 94109

TYPE	NAME	DATE	BY
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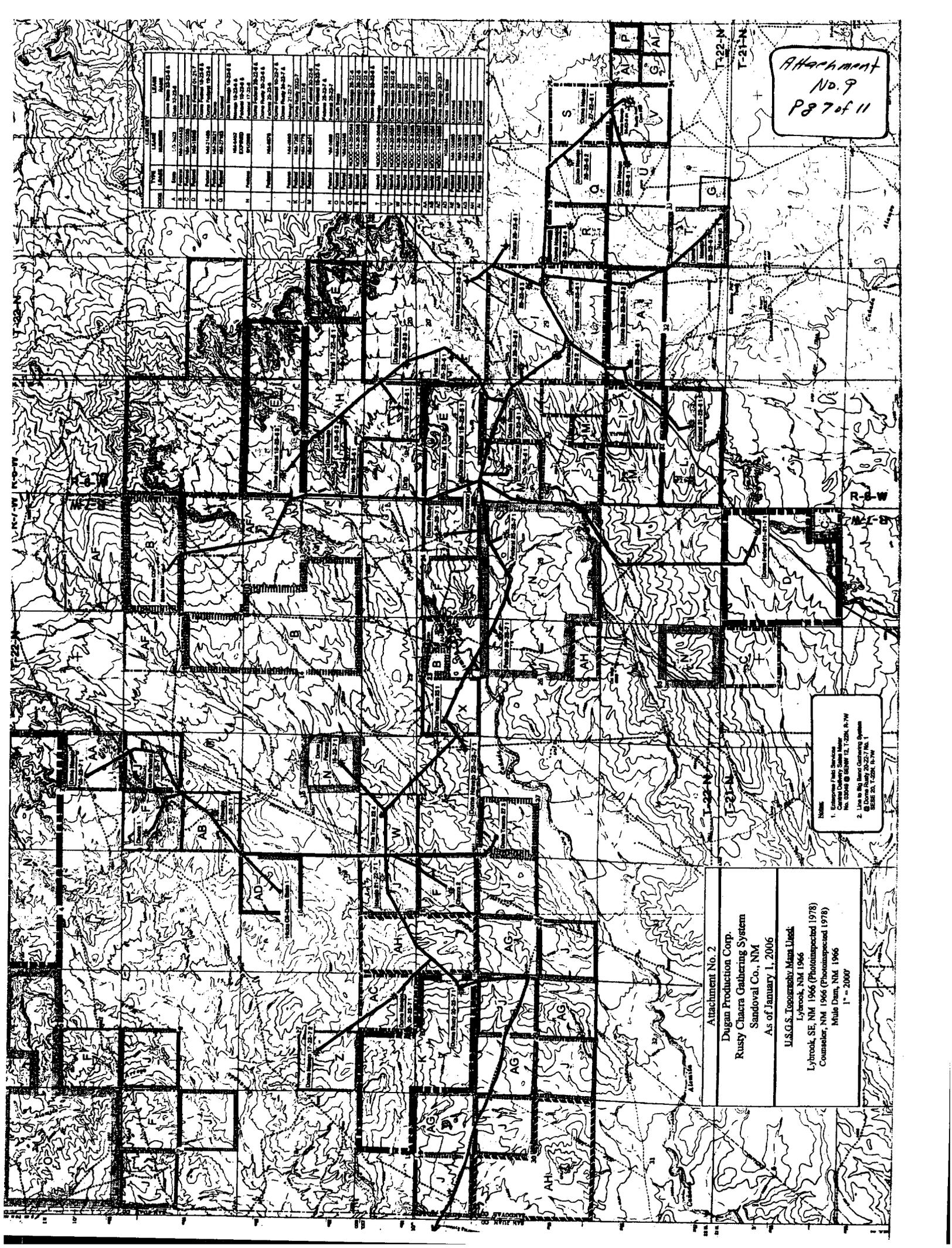
Attachment
No. 9
P 87 of 11

Notes:
1. Enterprise Field Services
No. 02049 @ 65307 1E, T.22N, R.7W
2. Liza & Bill Burt, Cattle Raisers
@ Dornan Ranch, 24-27 N.W.
SEBE 24, T.22N, R.7W

Attachment No. 2

Dugan Production Corp.
Rusby Chacra Gathering System
Sandoval Co., NM
As of January 1, 2006

U.S.G.S. Topographic Maps Used:
Lybrook, NM 1966
Lybrook, SE, NM 1966 (Photomapped 1978)
Counselear, NM 1966 (Photomapped 1978)
Mule Dam, NM 1966
1" = 2000'



**ATTACHMENT NO. 3
DUGAN PRODUCTION CORP.
BIG BAND GATHERING SYSTEM
CENTRAL DELIVERY SALES METER (PNM METER NO. 1335) NENE 27-T22N-R8W
SAN JUAN COUNTY, NEW MEXICO**

*Attachment
No. 9
P&B of 11*

Well Name	API No	Well Location		Well Location	Well Location		Completion Date	Well Status	Current Prod.		Spacing Unit	Dates for SC OLM & S				
		UL- Sec-Twn-Rng	Lease No		Lse Type	MCFD			BC/D	BWPD		Application	BLM Approval	NMSLO Approval	NMOCD Approval	
WELLS TO BE ADDED TO SYSTEM (26 wells - 27 completions)																
Beas #2	30-045-28552	E-34-22N-8W	NM50989	FED	Neguzzi Gallup	4/23/1992	P-NC	15	3	0.3	SW/4 NW/4	6/20/2006	pending	pending	pending	pending
Bilbush #1	30-045-31257	J-5-22N-8W	NM90466	FED	Bisti CH & Basin FR Coal	2/19/2005	SI-NC	50*	0	50*	SE/4 E/2	6/20/2006	pending	pending	pending	pending
Bliss Com #90	pending	D-35-22N-8W	NM90467	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	W/2	6/20/2006	pending	pending	pending	pending
Bliss Com #91	pending	A-35-22N-8W	NM90467	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending	pending	pending
Cleve Kyle #2	30-045-29038	D-18-22N-8W	NM43038	FED	Bisti Chacra Ext.	5/17/1994	SI-NC	50*	0	0*	NW/4	6/20/2006	pending	pending	pending	pending
Cochran #1	30-045-24465	A-16-22N-8W	VA1119	ST	Bisti Chacra Ext.	6/24/1998	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending	pending	pending
Dorsey Com #90	pending	C-26-22N-8W	NM90472	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	W/2	6/20/2006	pending	pending	pending	pending
Dorsey Com #90S	pending	L-26-22N-8W	NM90467	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	W/2	6/20/2006	pending	pending	pending	pending
Ellington Com #90	pending	A-26-22N-8W	NM90472	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending	pending	pending
Ellington Com #90S	pending	P-26-22N-8W	NM90467	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending	pending	pending
Gaye #1	30-045-29063	P-1-22N-8W	NM90475	FED	Bisti Chacra	6/7/1994	SI-NC	50*	0	0*	SE/4	6/20/2006	pending	pending	pending	pending
Goodman #90	30-045-30780	J-23-22N-8W	NM90471	FED	Bisti Chacra	12/9/2003	P	50*	0	14	E/2	6/20/2006	pending	pending	pending	pending
Harrison #1	30-045-31087	I-24-22N-8W	NM90471	FED	Basin Fruitland Coal	2/15/2003	SI-NC	50*	0	0*	SE/4	6/20/2006	pending	pending	pending	pending
Harrison Com #90	30-045-31092	A-24-22N-8W	NM90471	FED	Basin Fruitland Coal	2/15/2003	SI	50*	0	14	E/2	6/20/2006	pending	pending	pending	pending
Hendrix #1	30-045-28931	B-7-22N-8W	NM92738	FED	Basin Fruitland Coal	5/17/1993	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending	pending	pending
James #90	30-045-30779	L-24-22N-8W	NM93253	FED	Basin Fruitland Coal	12/10/2003	P	50*	0	32	W/2	6/20/2006	pending	pending	pending	pending
Joplin #1	30-045-28976	A-12-22N-8W	NM90476	FED	Bisti Chacra	9/21/1993	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending	pending	pending
Marley #1	30-045-29158	N-36-23N-9W	VA1121	ST	Basin Fruitland Coal	10/28/2005	SI	50*	0	50*	W/2	6/20/2006	pending	pending	pending	pending
Morrison #1	30-045-28980	H-13-22N-9W	NM90477	FED	Bisti Chacra	9/3/1993	SI-NC	50*	0	0*	NE/4	6/20/2006	pending	pending	pending	pending
Presley #1	30-045-29061	P-7-22N-8W	NM90469	FED	Bisti Chacra	5/23/1994	SI-NC	50*	0	0*	SE/4	6/20/2006	pending	pending	pending	pending
Sage Creek #1	30-045-26757	L-3-22N-8W	NM96798	FED	Basin Fruitland Coal	proposed	TA-NC	50*	0	50*	E/2	6/20/2006	pending	pending	pending	pending
Zappa #3S	pending	L-27-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	S/2	6/20/2006	pending	pending	pending	pending
Zappa #91S	pending	E-27-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	N/2	6/20/2006	pending	pending	pending	pending
Zappa #92	pending	I-21-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	E/2	6/20/2006	pending	pending	pending	pending
Zappa #93	pending	M-22-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	S/2	6/20/2006	pending	pending	pending	pending
Zappa #93S	pending	P-22-22N-8W	NM57445	FED	Basin Fruitland Coal	---	LOC	50*	0	50*	S/2	6/20/2006	pending	pending	pending	pending
WELLS PREVIOUSLY APPROVED FOR THE BIG BAND GAS GATHERING SYSTEM (6 wells - 10 completions)																
Billie #2	30-045-24713	L-35-22N-8W	NM9902	FED	Rusty Chacra	1/31/1981	P	2	0	0.0	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
Dorsey #1	30-045-29909	E-26-22N-8W	NM90472	FED	Rusty Chacra	12/17/1989	P	1	0	0.1	NW/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
Ellington #1	30-045-29607	N-26-22N-8W	NM90467	FED	Rusty Chacra	10/6/1999	P	2	0	0.2	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
Goodman #2	30-045-29191	L-23-22N-8W	NM90471	FED	Rusty Chacra	1/47/1995	P	3	0	0.2	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
Goodman #3	30-045-30780	I-23-22N-8W	NM90471	FED	Bisti Chacra Ext.	Note 4	Note 4	---	---	---	SE/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
James #1	30-045-29910	L-24-22N-8W	NM93253	FED	Rusty Chacra	12/31/1999	P	1	0	0.2	SE/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
James #2	30-045-30779	L-24-22N-8W	NM93253	FED	Bisti Chacra Ext.	Location	Note 5	---	---	---	SW/4	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
Zappa #3	30-045-29908	P-27-22N-8W	NM57445	FED	Rusty CH & Basin FR Coal	12/21/1989	P-DHC	2	0	260	SE/4 & S/2	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001
Zappa #91	30-045-29997	A-27-22N-8W	NM57445	FED	Basin Fruitland Coal	2/22/2001	P	2	0	55	N/2	9/6/2001	2/15/2002	N/A	10/5/2001	10/5/2001

N/A = Not applicable or not needed
 NR = None Reported
 Note 1 - Well status as of 05/01/06
 LOC = Staked location, APD being prepared
 NC = Not connected to gathering system
 P = Producing
 P-DHC = Producing downhole commingled
 PA = Plugged & Abandoned
 SI = Shut in
 TA = Temporarily abandoned

Note 2 - Current production presents the average daily production during February and March, 2006. * - production represents anticipated rates of production
 Note 3 - Dates of application and regulatory approvals for permission to use Dugan's Big Band Gathering System to facilitate gas sales which typically requires the surface commingling (SC) plus off-lease measurement (OLM) and sale(s) of produced natural gas. The NMOCD has issued **commingling order PLC-191** for the Big Band Gathering System.
 Note 4 - The proposed Goodman No. 3 Bisti Chacra spacing unit was included in the initial Big Band Gathering system application and was approved for operation on the gathering system upon completion. In sundries dated 9/12/01 and 9/24/01, the location was changed from 1700 FSL & 1030 FEL (Unit I) to 1830 FSL & 1570 FEL (Unit J) and the proposed completion was changed from Bisti Chacra to Rusty Chacra. In a sundry dated 4/9/03 the APD for the Goodman No. 3 was amended to change the well name from Goodman No. 3 to Goodman No. 90, the proposed completion from the Chacra to the Fruitland Coal, total depth from 1420' to 935' and the spacing unit from a 160A SE/4 to a 320A E/2. The actual well location and leases within the spacing unit were not changed. Plans to complete the Chacra at this location have been temporarily suspended and are pending the results of production testing at other Chacra completions in the general area. We desire to retain the current SC, OLM & S approvals for the Chacra spacing unit. The Fruitland Coal has been completed and will be evaluated for fracture stimulation. If the Chacra is completed, an application for downhole commingling will be submitted.
 Note 5 - The proposed James No. 2 Bisti Chacra spacing unit was included in the initial Big Band Gathering System application and was approved for operation on the gathering system upon completion. In a sundry dated 9/24/01 the proposed completion was changed from the Rusty Chacra to the Rusty Chacra and in a sundry dated 4/9/03 the APD for the James No. 2 was amended to change the well name from James No. 2 to James No. 90, the proposed completion from the Chacra to the Fruitland Coal, total depth from 1460' to 975', and the spacing unit from a 160A SW/4 to a 320A W/2. The actual well location and leases within the spacing units were not changed. Plans to complete the Chacra formation have been temporarily suspended and are pending the results of production testing at other Chacra completions in the general area. We desire to retain the current SC, OLM & S approvals for the Chacra spacing unit. The Fruitland Coal has been temporarily suspended and will be evaluated for fracture stimulation. If the Chacra is completed, an application for downhole commingling will be submitted.
 Note 6 - API No. for Billie No. 2 well was incorrectly listed to be 30-045-23366 in initial application. Correct API No. is 30-045-24713
 Note 7 - The Chacra completion was initially believed to be in or an extension to the Bisti Chacra pool. NMOCD Order R-11445 dated 9-5-00 extended the Rusty Chacra pool to include the subject well and acreage.

Attachment
No. 9
Pg 9 of 11

- Note 8 - Production from the Rusty Chacra and Basin Fruitland Coal are downhole commingled by NMOCD Order DHC-2673. Commingled production (gas and water) is allocated 50% to the Chacra and 50% to the Basin Fruitland Coal.
- Note 9 - The Chacra formation has been completed and upon connection to the proposed gathering system will be considered for fracture stimulation. Shut in wellhead pressure will build to 210 psi and a rate of 13 mcf/d has been tested. The Fruitland Coal interval is also being considered for completion and a proposed E2 spacing unit is included in this application for connection to the Big Band Gathering System. Upon completion of the Fruitland Coal, an application for downhole commingling will be submitted.
- Note 10 - The Chacra completion was plugged 8/30/05 and the Fruitland Coal perforated on 9/23/05. A gas rate of 24 mcf/d has been tested following a breakdown of the perforations. The Fruitland Coal will be considered for fracture stimulation upon obtaining a pipeline connection for gas sales.
- Note 11 - The Gallup and Mesaverde completions were plugged on 1/3/03 and the wellbore is currently temporarily abandoned (the casing was tested to 680 psi on 11/23/04). Upon installing the subject expansion to the Big Band Gathering System the Fruitland Coal will be evaluated for completion.
- Note 12 - Communitization Agreement Number for the Harrison Com No. 90 is NMMM108160.
- Note 13 - Gas deliveries to Rusty Chacra Gathering System (all gas volumes mcf @ 15.025 psi).

Well	1st gas to Rusty Chacra Gath. System		Production 6/05 thru 03/06		days	Average Production		Cumulative Production 4/1/06		Gas Sales thru Rusty Chacra GS 06/05 thru 03/06	
	mcf	bw	mcf	bw		mcf/d	bw/d	mcf	bw	Total mcf	Average mcf/d
Rusty Chacra Pool											
Billie #2	368	153	251	212	241	1.5	0.6	1,485	334	47	0.2
Dorsey #1	251	31	481	267	212	1.2	0.1	411	32	181	0.9
Ellington #1	481	117	728	265	265	1.8	0.4	1,153	119	391	1.5
Goodman #2	728	52	548	261	240	2.7	0.2	1,547	53	618	2.3
James #1	548	72	263	240	240	2.1	0.3	1,052	73	454	1.7
Zappa #3	263	21,155	2,639	21,980		1.1	88.1	647	42,827	0	0
Pool Total								6,295	43,438	1,691	6.6
Basin Fruitland Coal Pool											
Goodman #90	534	3,079	0	160	298	1.8	10.3	721	7,809	54	0.2
Harrison Com #90	0	160	614	9,339	2	0	80	0	160	0	0
James #90	614	9,339	0	0	304	2.0	30.7	1,077	22,504	127	0.4
Marley #1	0	0	0	0	0	0	0	0	0	0	0
Zappa #3	264	21,155	1,098	9,287	240	1.1	88.1	763	58,853	0	0
Zappa #91	1,098	9,287	2,510	43,020	287	3.8	32.4	2,342	39,089	467	1.6
Pool Total								4,903	128,415	648	2.2

Attachment No. 9
Page 11 of 11

Legal Advertisement Published
In the Sunday, June 18, 2006
Publication of the Farmington Daily Times

CLASSIFIEDS

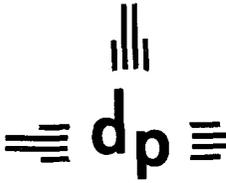
918

Legals

NOTICE

DUGAN PRODUCTION Corp. (DPC) is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM) and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 26 natural gas wells (27 completions) to the Big Band Gathering System (BBGS) and one natural gas well to the Rusty Chacra Gathering System (RCGS). Both systems are operated by DPC. In addition, DPC is requesting approval to periodically deliver gas from the BBGS to the RCGS for sale at the RCGS central delivery sales meter (CDP). This will require the surface commingling of natural gas and produced water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. Dugan Production is also requesting that the NMOCD amend the existing surface commingling orders for each gathering system to allow future additions to either gathering system following notice only to the interest owners being added, provided it is reasonably certain that the proposed additions will not affect the wells previously authorized for the gathering systems. The wells to be added and the existing gathering systems are located as follows: BBGS - Sections 3 thru 7, 9, 16, 18, 21 thru 27, 34 & 35 of Township 22N, Range 8W; Section 34 of T-23N, R-8W; Sections 1, 12, 13 & 24 of T-22N, R-9W; & Section 36 of T-23N, R-9W. RCGS - Sections 18, 19, 20 & 27 thru 34 of T-22N, R-6W; Sections 3, 10, 12 thru 17, 19 thru 30 & 36 of T-22N, R-7W; & Section 1 of T-21N, R-7W, all located in San Juan or Sandoval Counties of New Mexico. The current central delivery gas sales meter (CDP) for the BBGS is located in the NENE of Section 27, T-22N, R-8W and delivers gas to PNM. The CDP for the RCGS is located in the SENW of Section 12, T-22N, R-7W and delivers gas to Enterprise Field Services. The BBGS currently has 9 wells (10 completions) which are completed in the following 3 gas pools; Basin Fruitland Coal (2 wells), Bisti Chacra (2 wells) & Rusty Chacra (6 wells). Of the 26 wells (27 completions) to be added to the BBGS, 9 completions are in the Bisti Chacra gas pool, 17 (5 completions, 1 proposed plugback and 11 proposed locations) are in the Basin Fruitland Coal gas pool plus 1 in the Nageezi Gallup oil pool. The RCGS currently has 38 wells which are completed in the following 4 pools; Rusty Chacra gas (32 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (4 wells) & South Rusty Gallup oil (1 well). The one well to be added to the RCGS is completed in the Basin Fruitland Coal gas pool. All wells are located upon one of the following leases held by Dugan Production Corp.: BBGS leases - federal leases NM-8902, NM-43438, NM-50999, NM-55836, NM-57445, NM-89099, NM-90468, NM-90469, NM-90471, NM-90472, NM-90475, NM-90476, NM-90477, NM-92738, NM-93253, NM-94067 & NM-96798; and state leases VA-1119 & VA-1121. The leases for the RCGS are: federal leases NM-6676, NM-6680, NM-7262, NM-7776, NM-8641, NM-8899, NM-15649, NM-21455, NM-25821, NM-27163, NM-89023, NM-93448, NM-100285, NM-109385, NM-109391, NM-109392, NM-109393, NM-113069 & NM-0554433; Navajo Allotted leases NOOC-14-20-5044, NOOC-14-20-5045, NOOC-14-20-5046, NOOC-14-20-5048, NOOC-14-20-5050, NOOC-14-20-5051, NOOC-14-20-5356, NOOC-14-20-5360, NOOC-14-20-5365, NOOC-14-20-5382, NOOC-14-20-5555, NOOC-14-20-5594 & NOOC-14-20-5595; plus state lease LG-3923. In addition, one well is on state lease K-04844 held by Hicks Oil & Gas. Any person holding an interest in any of these lands or leases may contact Dugan Production Corp. for additional information. Inquiries should be directed to John Roe at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the initial date of this publication. In the absence of objection, Dugan Production Corp. has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 53615 published in The Daily Times, Farmington, New Mexico on Sunday, June 18, 2006.



dugan production corp.

July 14, 2006

Mr. Mark Fesmire, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Dugan Production's Application dated 6/20/06
To Surface Commingle and for the Off-lease Measurement &
Sale of Produced Natural Gas – for wells to be added to
Dugan Production's Big Band & Rusty Chacra Gathering Systems
San Juan & Sandoval Counties, New Mexico

2006 JUL 17 PM 2 27

Dear Mr. Fesmire,

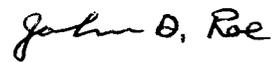
Attached for your consideration of the captioned applications are copies of the certified mail return receipts for the interest owners in the 48 completions currently authorized plus the 28 completions proposed to be added to the subject two gathering systems. This represents responses from five of the six working interest owners, all of the royalty interest owners and 43 of the 53 overriding interest owners in addition to Dugan Production. Also attached is a copy of the interest owner address list (Page No. 3 of Attachment No. 9 to our 6-20-06 application) on which I've presented additional information regarding our efforts to provide interest owner notice for those for which we have not received the certified mail delivery receipts.

- A. The 6-20-06 notice letter sent to working interest owners LMB, Inc. plus Lamar B. Roemer were misaddressed. Subsequently we have hand delivered the 6-20-06 notice letter to LMB, Inc. and have re-mailed the notice to Lamar B. Roemer. To date Mr. Roemer has received notice that he has certified mail, but he has not picked up the mail.
- B. The 6-20-06 notice letter sent to four overriding royalty interest owners, Douglas B. McCallum, Kurt T. Nelson, R. W. Scott Investments, LLC and Tom Brown, Inc. were initially mailed to bad addresses and/or notice has been given and the initial mailing not yet picked up. We were able to find current addresses for the bad addresses and have re-mailed the notice letter. All four interest owners are anticipated to receive our notice mailing.
- C. We have not received the receipt cards from four overriding royalty interest owners, however the US Postal tracking system indicates the certified mail has been received by these interest owners:
 1. EMG Revocable Trust - delivered 6-26-06
 2. James S. Jameson - delivered 7-11-06
 3. William T. & Betty Jean Philo - delivered 7-12-06
 4. Billie Robinson - delivered 6-30-06
- D. Notice letters sent to six of the overriding royalty interest owners were not delivered to the last known addresses in our records and attempts to find new address have been unsuccessful. We will continue to attempt to locate these six overriding royalty interest owners but at this time, we cannot locate them.

Anticipating some problems in delivering the subject notices, Dugan Production's application was advertised in the 6-18-06 publication of the Farmington Daily Times and a copy of the advertisement was included in Attachment No. 9 to Dugan's 6-20-06 application. The "Affidavit of Publication" for Ad No. 53615 is attached.

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

Sincerely,

A handwritten signature in cursive script that reads "John D. Roe".

John D. Roe
Engineering Manager

JDR/tmf

enclosures

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Elm Ledge Exploration
12225 Breunelle Ave, Suite 95
Dallas, TX 75243

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 8489

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Valerie Pham*

- Agent
 Addressee

B. Received by (Printed Name)

Valerie Pham

C. Date of Delivery

6-27

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.

1. Article Addressed to:

Key Production Co., Inc.
P.O. Box 973347
Dallas, TX 75397-3347

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7697

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Key Brown*

- Agent
 Addressee

B. Received by (Printed Name)

Key Brown

C. Date of Delivery

JUN 25 2006

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.

1. Article Addressed to:

J.D. Kinsey
P.O. Box 2158
Farmington, NM 87499-2158

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 6867

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *J.D. Kinsey*

- Agent
 Addressee

B. Received by (Printed Name)

J.D. Kinsey

C. Date of Delivery

6/26/06

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



Rate 6/06 1010

ENDEP: 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.

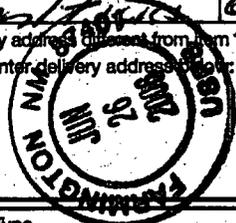
Article Addressed to:
Vainy Corporation
P.O. Box 3307
Farmington, NM 87499-3307

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* Agent Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *6/26/06*

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

Article Number (Transfer from service label) 7005 1820 0001 6168 8007

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

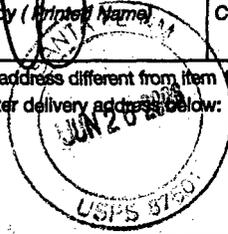
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:
 NM State Land Office
 P.O. Box 1148
 Santa Fe, NM 87504-1148



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

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0001 6168 8069

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:
 Bureau of Land Management
 1235 La Plata Highway
 Farmington, NM 87401

Virginia Barber BLM

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

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0001 6168 8052

Ruste 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Blue-Chip Resources, LLC
 P.O. Box 504
 Cheyenne, WY 82003-0504

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
[Signature]

B. Received by (Printed Name) C. Date of Delivery

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



2. Article Number

7005 1820 0001 6168 6874

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Ruste 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Sam Belty Family Trust
 Sam Belty, Trustee
 509 Princeton Drive
 Jeter, TX 75703-5164

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
[Signature]

B. Received by (Printed Name) C. Date of Delivery
 6/26/06

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

2. Article Number

7005 1820 0001 6168 6881

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Ruste 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Monty Brosious
 75 Schneider Road
 Cody, WY 82414

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
[Signature]

B. Received by (Printed Name) C. Date of Delivery
 Brosious, Monty M 7-7-06

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

2. Article Number

7005 1820 0001 6168 6898

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Raymond Bruton
P.O. Box 43392
Kemp, TX 75143

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Becky Jones Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 B. J. Jones 6/29/06

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 6904

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Conoco Phillips
22295 Network Place
Chicago, IL 60673-1222

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 [Signature] Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 B. J. Jones

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7529

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

David Family Oil + Gas
Interest + Partnership
P.O. Box 1497
Cheyenne, WY 82003

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 [Signature] Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 Robert W. [Signature]

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7536

Ruata 6/06

ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Warren D. Driskell
1252 Pine Street
Wheatland, WY 82201

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 W.D. Driskell Agent
 Addressee

B. Received by (Printed Name) *Warren Driskell* C. Date of Delivery *6/24/06*

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

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Ruata 6/06

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Irene K. Bellis
725 Calle Del Espirito NW
Albuquerque, NM 87114

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 I. Bellis Agent
 Addressee

B. Received by (Printed Name) *I. BELLIS* C. Date of Delivery *6-23-06*

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

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Ruata 6/06

ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Bates Properties, LTD
P.O. Box 81119
Midland, TX 79708-1119

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Nada S. Gates Agent
 Addressee

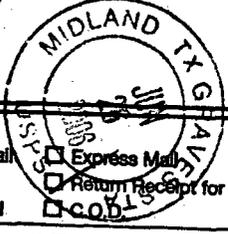
B. Received by (Printed Name) *Nada S. Gates* C. Date of Delivery *6-26-06*

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

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Rate 6.06 ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Christene V. Brim
 P.O. Box 1453
 Roswell, N.M. 88202-1453

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
David J. Sorenson

B. Received by (Printed Name) Agent Addressee
 DAVID J. SORENSON

C. Date of Delivery
 6-26-06

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7611
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Rate 6.06 ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 J. Andrew Broome
 P.O. Box 2328
 Roswell, N.M. 88202-2328

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
J. A. Broome

B. Received by (Printed Name) Agent Addressee
 J. A. BROOME

C. Date of Delivery
 6-26

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7604
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Rate 6.06 ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Jan Hall Estate
 John M. Hall, Executor
 1300 Shorean Lane
 Allen, TX 75002

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
John M. Hall

B. Received by (Printed Name) Agent Addressee
 JOHN M. HALL

C. Date of Delivery
 6-26-06

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7819
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Ann Lee Harris
 2100 Van Ness at Pacific
 San Francisco, CA 94109

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7628

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

Yes

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.

1. Article Addressed to:

Hawthorn Oil Co.
 P.O. Box 2693
 Casper, WY 82601

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7635

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

Yes

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.

1. Article Addressed to:

Cynthia E. Huff
 1912 Lancaster Drive
 Edmond, OK 73003

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7642

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

Yes

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.

1. Article Addressed to:

Gen-Son Oil
 1505 116th Avenue SE
 Lake Stevens, WA 98258

2. Article Number:

(Transfer from service label)

7005 1820 0001 6168 7666

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Tom Craft

Agent
 Addressee

B. Received by (Printed Name)

Tom Craft

C. Date of Delivery

06/28/06

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.

1. Article Addressed to:

Kent A. Johnson
 7862 South Valencia Way
 Englewood, CO 80112

2. Article Number:

(Transfer from service label)

7005 1820 0001 6168 7673

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Kent Johnson

Agent
 Addressee

B. Received by (Printed Name)

Kent Johnson

C. Date of Delivery

6/24/06

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.

1. Article Addressed to:

JWD III, Inc.
 100 Park Ave. #1200
 Oklahoma City, OK 73102

2. Article Number:

(Transfer from service label)

7005 1820 0001 6168 7680

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X S. Hitch

Agent
 Addressee

B. Received by (Printed Name)

S. Hitch

C. Date of Delivery

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.

1. Article Addressed to:
Key Production
P.O. Box 973347
Dallas, TX 75397-3347

2. Article Number
 (Transfer from service label) **7005 1820 0001 6168 8496**

COMPLETE THIS SECTION ON DELIVERY

A. Signature
[Signature] Agent Addressee
X

B. Received by (Printed Name) C. Date of Delivery
JUN 28 2006

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.

1. Article Addressed to:
Kochergan Ent. Inc. Ltd Ptn
8163 W. McKinley Ave.
Fresno, CA 93722

2. Article Number
 (Transfer from service label) **7005 1820 0001 6168 7703**

COMPLETE THIS SECTION ON DELIVERY

A. Signature
[Signature] Agent Addressee
X

B. Received by (Printed Name) C. Date of Delivery
6/26/06

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.

1. Article Addressed to:
Kellie M. Krass
P.O. Box 1453
Roswell, NM 88202-1453

2. Article Number
 (Transfer from service label) **7005 1820 0001 6168 7710**

COMPLETE THIS SECTION ON DELIVERY

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
David J. Sorenson **6-26-06**

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

Route 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
J. Paul Mathias
8871 E. Easter Place
Englewood, CO 80112

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X J. Paul Mathias Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
P. Garcia *6-27-06*

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7727

Route 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
Merion Oil + Gas Corp.
610 Reilly Ave.
Sammington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X P Garcia Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
P Garcia

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7741

Route 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
J. Gregory Merion Rev. Trust
610 Reilly Ave.
Sammington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X P Garcia Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
P Garcia

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7758

Route 6106

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Valerie Murphy</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <i>6/27/06</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>Michael Murphy</i> <i>31219 Whistler Court</i> <i>Evergreen, CO 80439</i></p>	<p>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 Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7005 1820 0001 6168 7765</u></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

Route 6106 ORR

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>John E. + Jean C. Robinson Int</i> <i>c/o Wells Fargo Bank NA</i> <i>P.O. Box 5383</i> <i>Denver, CO 80217</i></p>	<p>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 Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7005 1820 0001 6168 7789</u></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

Route 6106

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Eugene A. O'Brien</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>EUGENE A. O'BRIEN</i> C. Date of Delivery <i>6/30/06</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>Eugene A. O'Brien</i> <i>5461 W. Kent Place</i> <i>Denver, CO 80235</i></p>	<p>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 Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7005 1820 0001 6168 7796</u></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

rusty 6/6

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

R. K. O'Connell
 P.O. Box 2003
 Casper, WY 82602

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Rusty Pack Agent
 Addressee

B. Received by (Printed Name) *Rusty Pack* C. Date of Delivery *6-27-06*

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7802

rusty 6/6

ORR

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

C. Pat Payne
 3701 Justice Creek Blvd #6-BR
 Dallas, TX 75219

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Booy Lambert Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery *24 JUN 06*

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7826

rusty 6/6

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Ann Lisa Pearson
 7441 S. Fillmore Circle
 Littleton, CO 80122-1965

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Ann Lisa Pearson Agent
 Addressee

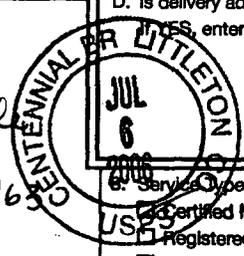
B. Received by (Printed Name) *Ann Lisa Pearson* C. Date of Delivery

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7833



Route 6106

ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Owen L. + Janice M. Richard
 12935 Piney Lake Road
 Parker, CO 80134

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Richard* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7864

Route 6106

ORR1

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Margaret Schwartz
 Rural Route 3, Box 57
 Dallas, SD 57529

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Margaret* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
John M. Jones 06/28/06

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: ~~NO~~
 115 JONES
 GREGORY SD 57533

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

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7888

Route 6106

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Sidwell Investments, LLC
 P.O. Box 1560
 Brewster, MA 02631

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Howard Sidwell* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
 6/28

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7895

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

David J. Sorenson
 P.O. Box 1453
 Roswell, NM 88202-1453

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7901

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

David J. Sorenson

Agent

Addressee

B. Received by (Printed Name)

David J. Sorenson

C. Date of Delivery

6-26-06

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.

1. Article Addressed to:

Matthew N. Sorenson
 P.O. Box 1453
 Roswell, NM 88202-1453

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7918

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Matthew N. Sorenson

Agent

Addressee

B. Received by (Printed Name)

Matthew N. Sorenson

C. Date of Delivery

6-26-06

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.

1. Article Addressed to:

Sueh Stanley Family Trust
 R. H. Stanley + C. Sullivan, Trustees
 3821 Lawn Meadows Trail
 Elizabeth, CO 80107

2. Article Number

(Transfer from service label)

7005 1820 0001 6168 7925

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

C. Sullivan

Agent

Addressee

B. Received by (Printed Name)

C. Sullivan

C. Date of Delivery

6-24-06

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

Ruth 606

021

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Elizabeth Sullivan
 P.O. Box 1001
 St. Louisdale, TX 33302

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *E. Sullivan* Agent Addressee

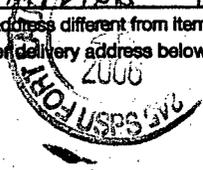
B. Received by (Printed Name)
 E. Sullivan

C. Date of Delivery
 6-26-06

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



2. Article Number (Transfer from service label) 7005 1820 0001 6168 7949

Ruth 606

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Texaco Producing, Inc.
 P.O. Box 200778
 Houston, TX 77216-0778

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *J. Hogan* Agent Addressee

B. Received by (Printed Name)
 J. Hogan

C. Date of Delivery
 JUN 27 2006

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

2. Article Number (Transfer from service label) 7005 1820 0001 6168 7956

Ruth 606

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Dean Urub
 5911 So. Middlefield Rd., Ste 100
 Littleton, CO 80123

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *J. Sundquist* Agent Addressee

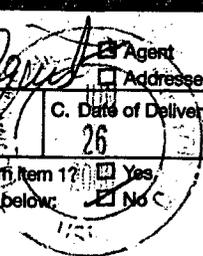
B. Received by (Printed Name)
 J. Sundquist

C. Date of Delivery
 26

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



2. Article Number (Transfer from service label) 7005 1820 0001 6168 7970

Pg # 3 of
 A Harman No. 9
 6/20/06 Application

Big Band/Rusty Chacra Gas Gathering System Interest Owners Address List

(wells with ownership interest in parentheses)

a=Bear 2; b=Belushi 1; c=Billie 2; d=Chacra 1 & 2; e=Cleyle Kyle 2; f=Cochran 1; g=Dana State 1; h=Dome Federal 1-21-7 1;
 i=Dome Federal 10-22-7 1; j=Dome Federal 15-22-7 1; k=Dome Federal 18-22-6 3; m=Dome Federal 19-22-6 1; n=Dome Federal 29-22-6 2;
 o=Dome Federal 29-22-6 3; p=Dome Federal 30-22-6 1; q=Dome Navajo 3-22-7 1; r=Dome Navajo 17-22-7 2; s=Dome Navajo 18-22-6 2;
 t=Dome Navajo 20-22-7 1; u=Dome Navajo 27-22-6 1; v=Dome Navajo 28-22-6 2; w=Dome Navajo 28-22-6 4; x=Dome Navajo 33-22-6 1 & 2;
 y=Dome Navajo 34-22-6 1; z=Dome Rusty 20-22-7 1; aa=Dome Rusty 24-22-7 1; ab=Dome Rusty 30-22-6 1; ac=Dome State 32-22-6 2;
 ad=Dome Tesoro 22 4; ae=Dome Tesoro 23 1; af=Dome Tesoro 27 3; ag=Dorsey 1; ah=Ellington 1; ai=Federal 25-22-7 1;
 aj=Federal 26-22-7 1; ak=Federal 29-22-6 1 & 2; al=Federal 31-22-6 1; am=Gave 1; an=Goodman 2 & 3; ao=Goodman 90; ap=Harrison 1;
 aq=Harrison Com 90; ar=Hendrix 1; as=James 1 & 2; at=James 90; au=Joplin 1; av=Marley 1; aw=Morrison 1; ax=Navajo 1;
 ay=Navajo 10-22-7 1; az=Navajo 18-22-6 1; ba=Navajo 21-22-7 1; bb=Presley 1; bc=Rusty Nail Com 90; bd=Sage Creek 1;
 be=State 32-22-6 1; bf=Zappa 3.3S, 91.91S, 92.93, 93S; bg=Billie Com 90.91; bh=Dorsey Com 90.90S; bi=Ellington Com 90.90S

Working Interest Owners

Dugan Production Corp. (a thru f, h thru bf)
 P. O. Box 420
 Farmington, NM 87499-0420

J. D. Kinsey (g)
 P. O. Box 2158
 Farmington, NM 87499-2158

Vanix Corporation (g)
 P. O. Box 3307
 Farmington, NM 87499-3307

Elm Ridge Exploration, Inc. (g)
 12225 Greenville Ave., Suite 95
 Dallas, TX 75243

LMB, Inc. (g) (A)
 4601 Linda Lane
 Farmington, NM 87402

Key Production (h, x)
 P. O. Box 973347
 Dallas, TX 75397-3347

Lamar B. Roemer (bc) (A)
 10 W. Shady Lane
 Houston, TX 77063-1304

Royalty Interest Owners

Navajo Allotted (q, r, t thru y, ad, ae, af, ax, ay, bc)
 Farmington Indian Minerals Office
 c/o Bureau of Land Management
 1235 La Plata Highway
 Farmington, NM 87401

State of New Mexico (f, g, ac, av, be)
 State Land Office
 P. O. Box 1148
 Santa Fe, NM 87504-1148

USA - BLM (a thru e, h thru p, s, z, aa, ab, ag thru
 1235 La Plata Highway au, aw, az thru bf)
 Farmington, NM 87401

Overriding Royalty Interest Owners

Charles Breck & Susan J. Adams (bf) (D)
 979 Windflower Way - BAD ADDRESS
 San Diego, CA 92106

Hawthorn Oil Co. (j, s, ai, aj, az)
 P. O. Box 2693
 Casper, WY 82601

R. K. O'Connell (i, aa, ba)
 P. O. Box 2003
 Casper, WY 82602

Blu-Chip Resources, LLC (h)
 P. O. Box 504
 Cheyenne, WY 82003-0504

Cathy Jean Hendrickson (ar) (D)
 7375 Rolling Dell Drive #79 - BAD ADDRESS
 Cupertino, CA 95014

C. Pat Payne (j, ai, aj)
 3701 Turtle Creek Blvd #6-8R
 Dallas, TX 75219

Sam Boltz Family Trust (j, s, ai, aj, az)
 Sam T. Boltz, Trustee
 509 Princeton Drive
 Tyler, TX 75703-5164

Cynthia E. Huff (ax)
 1912 Lancaster Drive
 Edmond, OK 73003

Ann Lisa Pearson (j, s, ai, aj, az)
 7441 S. Fillmore Circle
 Littleton, CO 80122-1963

Monty Brosious (j, s, ai, aj, az)
 P. O. Box 8101
 Bend, OR 97708

James S. Jameson (z, aa, ab, ai, aj, ak, al, ay, az, ba, be) (C)
 P. O. Box 758
 Indian Hills, CO 80450

William T. & Betty Jean Philo (z, aa, ai, aj, ak, al, ay, az, ba, be) (C)
 708 Sunny Lane
 Corsicana, TX 75110

Raymond Bruton (j, ai, aj)
 P. O. Box 43392
 Kemp, TX 75143

Jen-Son Oil (bc)
 1505 116th Avenue SE
 Lake Stevens, WA 98258

R. W. Scott Investments, LLC (j, s, ai, aj, az) (B)
 1275 Lupine Way, Genessee
 Golden, CO 80401

Billie Cloak (j, ai, aj) (D)
 529 N. Ridley Circle
 Morton, PA 19070

Kent A. Johnson (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
 7862 South Valencia Way
 Englewood, CO 80112

Owen L. & Janice M. Rickard, JT (j, s, ai, aj, az)
 12935 Piney Lake Road
 Parker, CO 80134

ConocoPhillips (g)
 22295 Network Place
 Chicago, IL 60673-1222

JWD III, Inc. (bc)
 100 Park Ave. #1200
 Oklahoma City, OK 73102

Billie Robinson (c, bg) (C)
 P. O. Box 1281
 Santa Fe, NM 87504-1281

David Family Oil & Gas Interest & Partnership (h)
 P. O. Box 1497
 Cheyenne, WY 82003

Key Production Co., Inc. (n, o, p, z, ab, ak, al)
 P. O. Box 973347
 Dallas, TX 75397-3347

Margaret Schwartz (a)
 Rural Route 3, Box 57
 Dallas, SD 57529

Warren D. Driskell (j, s, ai, aj, az)
 1252 Pine Street
 Wheatland, WY 82201

Kochergen Ent. Fam. Ltd. Ptnrshp (i, n, o, aa, ab, ak, ba)
 8163 W. McKinley Ave.
 Fresno, CA 93722

Sidwell Investments, LLC (h)
 P. O. Box 1560
 Brewster, MA 02631

Dugan Production Corp. (h, i, n, o, p, s, u, x, z, aa, ab,
 P. O. Box 420 ai thru al, ay, az, ba, be)
 Farmington, NM 87499-0420

Kellie M. Kross (ah, ap, aq, bg, bh, bi)
 P. O. Box 1453
 Roswell, NM 88202-1453

David T. Sorenson (ah, ap, aq, bg, bh, bi)
 P. O. Box 1453
 Roswell, NM 88202-1453

Paul Charles Ellison (z, aa, ab, ai, aj, ay, az, ba, be) (D)
 7973 South Vance Street
 Littleton, CO 80123

J. Paul Mathias (j, s, ai, aj, az)
 8871 E. Easter Place
 Englewood, CO 80112

Matthew N. Sorenson (ah, ap, aq, bg, bh, bi)
 P. O. Box 1453
 Roswell, NM 88202-1453

EMG Revocable Trust (ah, ap, aq, bg, bh, bi) (C)
 1000 W. Fourth Street
 Roswell, NM 88201

Douglas B. McCallum (z, aa, ab, ai, aj, ak, al, ay, az, ba, be) (B)
 6 Alexander Lane
 Greenwood Village, CO 80121

Buck Stanley Family Trust (j, s, ai, aj, az)
 R. H. Stanley & C. Sullivan, Trustees
 38021 Fawn Meadows Trail
 Elizabeth, CO 80107

Irene R. Fellis (c, bg)
 725 Calle Del Pajarito NW
 Albuquerque, NM 87114

Merrion Oil & Gas Corp. (ax)
 610 Reilly Ave.
 Farmington, NM 87401

Elsie Stephens (j, ai, aj) (D)
 Forestdell Apartments
 11851 Highdale #130B
 Dallas, TX 75234

L. P. Francis (s, az) (D)
 P. O. Drawer D
 Artesia, NM 88210

J. Gregory Merrion Rev. Trust (ax)
 610 Reilly Ave.
 Farmington, NM 87401

Elzalene Sullivan (bc)
 P. O. Box 1001
 Ft. Lauderdale, FL 33302

Gates Properties, LTD. (s, az)
 P. O. Box 81119
 Midland, TX 79708-1119

Michael Murphy (z, aa, ab, ai, aj, ak, al, ay, az, ba, be)
 31219 Whistler Court
 Evergreen, CO 80439

Texaco Producing, Inc. (be)
 P. O. Box 200778
 Houston, TX 77216-0778

Christine V. Grim (ah, ap, aq, bg, bh, bi)
 P. O. Box 1453
 Roswell, NM 88202-1453

Kurt T. Nelson (z, aa, ab, ai, aj, ak, al, ay, az, ba, be) (B)
 695 South Corona
 Denver, CO 80209

Tom Brown, Inc. (i, n, aa, ab, ak, ba) (B)
 P. O. Box 2608
 Midland, TX 79702

F. Andrew Grooms (o)
 P. O. Box 2328
 Roswell, NM 88202-2328

John E. & Jean C. Oakason Trust (p, s, az)
 c/o Wells Fargo Bank NA
 P. O. Box 5383
 Denver, CO 80217

Dean Unruh (z, ai, ba)
 5911 So. Middlefield Rd., Suite 100
 Littleton, CO 80123

Pan Hall Estate (ai, aj)
 John M. Hall, Executor
 1300 Thoreau Lane
 Allen, TX 75002

Eugene A. O'Brien (l, s, ai, aj, az)
 5461 W. Kent Place
 Denver, CO 80235

Ann Lee Harris (o)
 2100 Van Hess at Pacific
 San Francisco, CA 94109

AFFIDAVIT OF PUBLICATION

Ad No. 53615

STATE OF NEW MEXICO County of San Juan:

ROBIN ALLISON, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Sunday, June 18, 2006.

And the cost of the publication is \$136.16.



ON 6/23/06 ROBIN ALLISON
appeared before me, whom I know personally
to be the person who signed the above
document.



My Commission Expires November 17, 2008.

COPY OF PUBLICATION

918

Legals

NOTICE

DUGAN PRODUCTION Corp. (DPC) is applying to the New Mexico Oil Conservation Division (NMOCD), the Bureau of Land Management (BLM) and the New Mexico State Land Office (NMSLO), for regulatory approvals to add 26 natural gas wells (27 completions) to the Big Band Gathering System (BBGS) and one natural gas well to the Rusty Chacra Gathering System (RCGS). Both systems are operated by DPC. In addition, DPC is requesting approval to periodically deliver gas from the BBGS to the RCGS for sale at the RCGS central delivery sales meter (CDP). This will require the surface commingling of natural gas and produced water plus the off-lease measurement and sale of natural gas. There will not be any commingling of oil or condensate. Dugan Production is also requesting that the NMOCD amend the existing surface commingling orders for each gathering system to allow future additions to either gathering system following notice only to the interest owners being added, provided it is reasonably certain that the proposed additions will not affect the wells previously authorized for the gathering systems. The wells to be added and the existing gathering systems are located as follows: BBGS - Sections 3 thru 7, 9, 16, 18, 21 thru 27, 34 & 35 of Township 22N, Range 8W; Section 34 of T-23N, R-8W; Sections 1, 12, 13 & 24 of T-22N, R-9W; & Section 36 of T-23N, R-9W. RCGS - Sections 18, 19, 20 & 27 thru 34 of T-22N, R-6W; Sections 3, 10, 12 thru 17, 19 thru 30 & 36 of T-22N, R-7W; & Section 1 of T-21N, R-7W, all located in San Juan or Sandoval Counties of New Mexico. The current central delivery gas sales meter (CDP) for the BBGS is located in the NENE of Section 27, T-22N, R-8W and delivers gas to PNM. The CDP for the RCGS is located in the SENW of Section 12, T-22N, R-7W and delivers gas to Enterprise Field Services. The BBGS currently has 9 wells (10 completions) which are completed in the following 3 gas pools; Basin Fruitland Coal (2 wells), Bisti Chacra (2 wells) & Rusty Chacra (6 wells). Of the 26 wells (27 completions) to be added to the BBGS, 9 completions are in the Bisti Chacra gas pool, 17 (5 completions, 1 proposed plugback and 11 proposed locations) are in the Basin Fruitland Coal gas pool, plus 1 in the Nageezi Gallup oil pool. The RCGS currently has 38 wells which are completed in the following 4 pools; Rusty Chacra gas (32 wells), Alamito Gallup oil (1 well), Rusty Gallup oil (4 wells) & South Rusty Gallup oil (1 well). The one well to be added to the RCGS is completed in the Basin Fruitland Coal gas pool. All wells are located upon one of the following leases held by Dugan Production Corp.: BBGS leases - federal leases NM-8902, NM-43438, NM-50999, NM-55836, NM-57445, NM-89099, NM-90468, NM-90469, NM-90471, NM-90472, NM-90475, NM-90476, NM-90477, NM-92738, NM-93253, NM-94067 & NM-96798; and state leases VA-1119 & VA-1121. The leases for the RCGS are: federal leases NM-6676, NM-6680, NM-7262, NM-7776, NM-8641, NM-8899, NM-15649, NM-21455, NM-25821, NM-27163, NM-89023, NM-93448, NM-100285, NM-109385, NM-109391, NM-109392, NM-109393, NM-113069 & NM-0554433; Navajo Allotted leases NOOC-14-20-5044, NOOC-14-20-5045, NOOC-14-20-5046, NOOC-14-20-5048, NOOC-14-20-5050, NOOC-14-20-5051, NOOC-14-20-5356, NOOC-14-20-5360, NOOC-14-20-5365, NOOC-14-20-5382, NOOC-14-20-5555, NOOC-14-20-5594 & NOOC-14-20-5595; plus state lease LG-3923. In addition, one well is on state lease K-04844 held by Hicks Oil & Gas. Any person holding an interest in any of these lands or leases may contact Dugan Production Corp. for additional information. Inquiries should be directed to John Roe at 505-325-1821 or by mail at P. O. Box 420, Farmington, NM 87499. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from the initial date of this publication. In the absence of objection, Dugan Production Corp. has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 53615 published in The Daily Times, Farmington, New Mexico on Sunday, June 18, 2006.