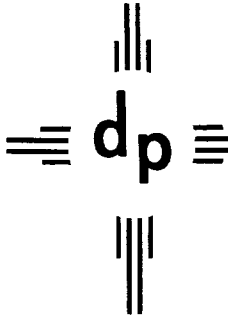




PLC

6/25/01

116552534

**dugan production corp.**

June 1, 2001

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

JUN 4 2001

Re: Application for Surface Commingling & Off-lease Measurement of Natural Gas
28 wells & 15 proposed locations
Dugan Production Corp.'s
Turk's Toast Gas Gathering System
San Juan County, New Mexico

Dear Ms. Wrotenbery,

We are writing to request your approval for the operation of our Turk's Toast Gas Gathering System which currently delivers approximately 430 mcf/d from 19 wells (all of which are operated by Dugan Production Corp.) to a central delivery sales meter (CDP) operated by El Paso Field Services. This requires the surface commingling of natural gas produced from 28 wells (30 completions), 14 of which are in the Basin Dakota gas pool, eight in the Basin Fruitland Coal pool, four in the Twin Mounds Fruitland Sand/Pictured Cliffs gas pool and four in the Gallup oil pools of Gamblers Mesa, Grassy, Greek and Meadows (note two of the Gallup completions are actually dual completions in Dakota wells). In addition, we have plans to drill 15 additional wells (seven Basin Fruitland Coal, seven Twin Mounds Fruitland Sand/Pictured Cliffs and one Gamblers Mesa Gallup) which will bring the total number of wells authorized for the Turk's Toast Gas Gathering System to 43 (45 completions).

Attachment No. 1 presents a map of the gathering system, along with Dugan's leases and wells that have been drilled plus the locations that are proposed to be drilled. The CDP sales meter is located on El Paso Field Services line in the SENE of Section 6, T-29N, R-14W (El Paso Meter No. 14102). This map was reproduced from portions of the Youngs Lake and Waterflow topographic maps.

Attachment No. 2 presents individual well data for all 43 wells and proposed locations. The wells on Attachment No. 2 are divided into two groups, the first group being 20 wells that have been approved for operation on the Turk's Toast Gas Gathering System by the Bureau of Land Management (BLM) and the New Mexico State Land Office (NMSLO). The second group of wells is the eight wells and 15 locations that are currently being submitted to the BLM and

NMSLO as additions to the gathering system. NMOCD approval was requested for the first group of wells, however it appears that the NMOCD has not taken any action on our application dated 5/17/95 and thus all 43 wells and locations are herein being submitted for NMOCD approval. The current producing rates are also presented on Attachment No. 2., which average ± 27 mcf/d (ranging from 4.5 to 106.5 mcf/d) for the 20 wells previously submitted and 26 mcf/d (ranging from 13 to 40 mcf/d) for the eight wells to be added. Thus, all wells are considered to be capable of only producing fairly low rates.

The 15 proposed locations are included in this application since there is some urgency to developing the Fruitland (coals and sands) plus the adjacent Pictured Cliffs. These wells are all within the area that BHP San Juan Coal Company (BHP) will be mining the Fruitland Coal in the near future and we believe the mining of the coal will have an impact upon the associated natural gas. Dugan Production is working with BHP and the BLM to resolve this issue. It may be necessary to add other wells as negotiations on this issue progress.

Attachment No. 3 presents interest ownership information for all 28 wells and 15 locations. A majority of the royalty interest is federal. Nineteen of the 28 wells and all of the proposed locations contain portions of the following 19 federal leases; NM-4465, NM-10561, NM-10758, NM-10875, NM-16057, NM-16765, NM-19163, NM-19403, NM-21463, NM-21465, NM-55114, NM-56318, NM-58896, NM-63321, NM-70298, NM-70299, NM-70300, NM-71716 and NM-76870. Five of the wells contain state leases (E-3555, E-6714-8, LG-3045-1, VA-1696) and eight wells plus three proposed locations contain fee leases. In addition to the state and federal royalty, there is a total of 26 fee royalty interest owners and 34 overriding royalty interest owners.

Attachment No. 4 presents the allocation procedure for this gas gathering system and although revised in presentation, it is the same procedure proposed in all three prior applications. Only natural gas will be commingled and measured for sale off-lease. All liquids (oil, condensate and water) will be separated, stored and sold/disposed of at each well. All wells will be equipped with allocation meters which will be standard, continuously recording, gas meters and the charts will be integrated monthly using a commercial integration service. All volumes from the allocation meters will be used to allocate gas volumes, BTU's and revenues from the CDP meter to the individual wells. The CDP meter will be operated and maintained by El Paso Field Services and the allocation meters will be operated and maintained by Dugan Production.

The natural gas from all six pools is believed to be compatible and to date we have not observed any problems resulting from commingling. Representative analyses for each pool is presented in Attachment No. 5. Since the BTU's and revenues from the CDP will be allocated to each well based upon the individual well's BTU's, we believe the interest owners of each well will receive a fair and equitable allocation of the CDP sales revenues.

Dugan Production Corp. is the operator for 42 of the wells/locations and Redwolf Production, Inc. operates one well in which they also hold 100% of the working interest. Dugan Production and Thomas A. Dugan (president of Dugan Production Corp.) hold 100% of the working interest in 41 of the wells, and 61.9% of the working interest in one well which is jointly owned with Richardson Operating Co. A copy of this application is being sent to all working interest owners

and operators. Attachment No. 6 is a copy of our transmittal letter.

The BLM and SLO have previously approved 20 wells for the Turk's Toast Gas Gathering System and will receive a copy of this application as an application to add the eight recently drilled and 15 proposed locations to the Turk's Toast Gas Gathering System. Attachment No. 7 presents a copy of our transmittal letter to the BLM and the NMSLO along with BLM approvals dated 9-7-88, 2-13-90 and 6-22-95 plus the NMSLO approval dated 7-17-95 for a total of 20 wells. Attachments No. 8 and 9 presents copies of the letters giving notice of this application to the 26 fee royalty interest and 34 overriding royalty interest owners, respectively.

All letters to interest owners are being sent by certified return receipt mail and upon our receiving the receipts, we will forward copies to you as evidence of notice.

The Turk's Toast Gas Gathering System was installed by Northwest Pipeline Co. (NWPL) during 1982 and initially placed into service during March of 1983 with all gas being purchased by NWPL at the wellhead. During the latter part of 1985 the gas market became very competitive and NWPL ceased taking gas on a regular basis from wells connected to the Turk's Toast facilities. During 1986 and 1987 all wells connected to this gathering system were shut in most of the time and in an effort to return our wells to production, we purchased the pipeline facilities comprising the Turk's Toast Gas Gathering System from NWPL during the latter part of 1987. In an application dated 8-17-88 Dugan Production requested BLM approval for the surface commingling and off-lease measurement of natural gas produced from 14 wells necessitated as a result of the gathering system being operated by Dugan Production and the gas no longer being purchased at the wellhead, but at a central delivery sales meter on El Paso Field Service's system. The BLM approved our application on 9-7-88. In applications dated 2-2-90 and 5-17-95 the BLM approved the addition of three wells on 2-13-90 and three wells on 6-22-95 respectively, which brought the total wells on the Turk's Toast Gas Gathering System to 20. Attachment No. 10 presents a copy of our application dated 5-17-95 which was transmitted to the NMOCD on 6-27-95 requesting approval for the 20 wells connected to the Turk's Toast Gathering System. Our application of 5-17-95 also included copies of our two earlier applications along with corresponding BLM approvals of each application (Attachments No. 9 and 10 to the 5-17-95 application). We did not solicit NMOCD approvals for our applications dated 8-17-88 and 2-2-90, however did provide informational copies, as it was our understanding at the time that our allocation meters located at each well provided the measurement requirements of the NMOCD.

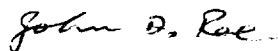
Attachment No. 11 is a copy of a letter from Mr. Frank Chavez dated 12-11-85 which is the basis for our belief that the NMOCD considered allocation meters to provide the necessary gas measurement. Subsequent to our 6-27-95 application to the NMOCD, we have made several attempts to check on the status of NMOCD approval, especially since the BLM and NMSLO approvals had been received on 6-22-95 and 7-17-95, respectively. Attachment No. 12 presents a copy of our letter dated 9-18-96 which was attempting to determine the status of our application and included copies of approvals from the BLM and NMSLO (Attachments No. 2 and 3 to the 9-18-96 letter). Based upon recent phone conversations with David Catanach, it appears that between Dugan Production and the NMOCD, we have somehow let our 6-27-95 NMOCD application slip through the cracks and with this current application, are now requesting NMOCD

approval for the 20 wells included in our 6-27-95 application plus the 23 additional wells to be added (eight recently drilled and 15 proposed locations).

In summary, Dugan Production is currently seeking BLM and NMSLO approvals to add eight recently drilled wells plus 15 proposed wells to our Turk's Toast Gas Gathering System which currently has 20 wells approved the BLM and NMSLO. Since it appears that we have inadvertently not received approval from the NMOCD for any of the wells, we are also seeking NMOCD approval for all 43 wells (20 currently on the system, eight recently drilled and to be added plus 15 wells proposed to be drilled and added). All existing wells are capable of producing only marginal rates with the average production for the wells currently approved for the system being only 27 mcf/d/well. The best well on the system averages ± 107 mcf/d, however all other wells produce at rates of 60 mcf/d or less. It is anticipated that all of the proposed wells will be similar to the existing wells and production volumes are anticipated to average ± 200 mcf/d per well. The Turk's Toast Gas Gathering System is the only option available to produce natural gas from the subject wells and since all wells are equipped with standard gas meters which are used to allocate volumes and revenues from the CDP sales meter to the individual wells, we believe the correlative rights of all interest owners are being protected. In addition, since there is some urgency to developing the Fruitland (coals and sands) and Pictured Cliffs formations which likely will be affected by the underground mining of the Fruitland Coal, we believe the addition of the 15 proposed wells will also maximize the recovery of natural gas associated with the areas to be mined. Since the pressure in El Paso's system averages ± 250 psi, and considering most of the wells connected to the Turk's Toast Gas Gathering System will not produce without the assistance of compression, the central gathering system compressor will eliminate the need for compressors at each well which will also reduce the amount of compressor fuel needed and will reduce both exhaust and noise emissions.

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

Sincerely,



John D. Roe
Engineering Manager

JDR/tmf

attachments

xc: NMOCD - Aztec

Well Name	Well Location	API No.	Location Lease Number	Type Lease	Communication Agreement Number	Pool	Completion Date	Current				Dates for SC, OLM & S 1			
								Average oil/cond. BPD	gas MCFD	water BWP/D	Spicing Unit	Application	BLM Approval	SLO Approval	NMOC Approval
WELLS TO BE ADDED TO SYSTEM															
BI Krobs #2R	NENW 32-30N-14W	30658	LG-3045-1	State	STATE CA	Twin Mounds FR SN PC	03-15-01	Note 5	Note 5	Note 5	NW 180A	05-25-01	pending	pending	pending
BI Krobs Com #90	SWSW 32-30N-14W	29660	LG-3045-1	State		Basin Fruitland Coal	02-19-99	Note 8	Note 8	Note 8	SZ 320A	05-25-01	pending	pending	pending
BI Krobs #91	NWNE 32-30N-14W	30657	LG-3045-1	State		Basin Fruitland Coal	03-15-01	Note 5	Note 5	Note 5	NZ 320A	05-25-01	pending	pending	pending
Mayra #90	SESW 31-30N-14W	28291	NM-4465	Federal		Basin Fruitland Coal	07-07-93	Note 9	Note 9	Note 9	SZ 320A	05-25-01	pending	pending	pending
Mayra #90R	SESW 31-30N-14W	30246	NM-4465	Federal		Basin Fruitland Coal	07-27-00	Note 10	Note 10	Note 10	SZ 320A	05-25-01	pending	pending	pending
Pittman Pond #5	SWNE 35-30N-15W	29599	NM-10758	Federal		Meadows Gallup	07-20-98	Note 11	Note 11	Note 11	SWNE 40A	05-25-01	pending	pending	pending
Pittman Pond #90	NENE 35-30N-15W	29595	NM-10758	Federal		Basin Fruitland Coal	Note 12	Note 12	Note 12	Note 12	NZ 320A	05-25-01	pending	pending	pending
Sly Slav #3	SESW 13-30N-15W	28003	FEE	FEE	NOTE 13	Basin Fruitland Coal	Note 13	Note 13	Note 13	Note 13	WZ 320A	05-25-01	pending	pending	pending
Turks Toast #6	SWSW 18-30N-14W	pending	NM-19163	Federal		Gambler Mesa Gallup	Location	Note 16			SWSW 40A	05-25-01	pending	pending	pending
Location A	SW 17-30N-14W	pending	NM-19163	Federal		Basin Fruitland Coal	Location	Note 16			SZ 320A	05-25-01	pending	pending	pending
Location B	SE 17-30N-14W	pending	NM-19163	Federal		Twin Mounds FR SN PC	Location	Note 16			SE 180A	05-25-01	pending	pending	pending
Location C	NW 17-30N-14W	pending	NM-19163	Federal		Twin Mounds FR SN PC	Location	Note 16			NW 180A	05-25-01	pending	pending	pending
Location D	NE 17-30N-14W	pending	NM-19163	Federal		Basin Fruitland Coal	Location	Note 16			NZ 320A	05-25-01	pending	pending	pending
Location E	SW 18-30N-14W	pending	NM-19163	Federal		Basin Fruitland Coal	Location	Note 16			SZ 320A	05-25-01	pending	pending	pending
Location F	SE 18-30N-14W	pending	NM-19163	Federal		Twin Mounds FR SN PC	Location	Note 16			SE 180A	05-25-01	pending	pending	pending
Location G	NW 18-30N-14W	pending	NM-19403	Federal		Basin Fruitland Coal	Location	Note 16			NW 180A	05-25-01	pending	pending	pending
Location H	NE 18-30N-14W	pending	NM-19403	Federal		Twin Mounds FR SN PC	Location	Note 16			NZ 320A	05-25-01	pending	pending	pending
Location I	NW 19-30N-14W	pending	NM-19163	Federal		Twin Mounds FR SN PC	Location	Note 16			NW 180A	05-25-01	pending	pending	pending
Location J	NE 19-30N-14W	pending	NM-19163	Federal		Basin Fruitland Coal	Location	Note 16			SZ 320A	05-25-01	pending	pending	pending
Location K	SW 24-30N-15W	pending	NM-21465	Federal		Basin Fruitland Coal	Location	Note 16			SE 160A	05-25-01	pending	pending	pending
Location L	SE 24-30N-15W	pending	NM-21465	Federal		Twin Mounds FR SN PC	Location	Note 16			NW 180A	05-25-01	pending	pending	pending
Location M	NW 24-30N-15W	pending	NM-21465	Federal		Twin Mounds FR SN PC	Location	Note 16			NZ 320A	05-25-01	pending	pending	pending
Location N	NE 24-30N-15W	pending	NM-21465	Federal		Basin Fruitland Coal	Location	Note 16			NZ 320A	05-25-01	pending	pending	pending
WELLS PREVIOUSLY APPROVED FOR SYSTEM															
Altamira #4	NWNE 03-30N-14W	27094	NM10561	Federal	NM89334	Basin Fruitland Coal	01-15-93	Note 5	Note 5	Note 5	EZ 320A	05-17-85	06-22-85	Note 6	Note 7
BI Krobs #1	SENE 32-30N-14W	26256	LG-3045-1	State		Twin Mounds FR SN PC	06-13-85	0.0	58.4	35.4	NW180A	08-17-88	09-07-88	Note 6	Note 7
BI Krobs #2 - P&A	SWNW 32-30N-14W	26255	LG-3045-1	State		Twin Mounds FR SN PC	Note 15	0.0	0.0	0.0	NW180A	08-17-88	09-07-88	Note 6	Note 7
Glavitar #1 - P&A	SWNE 08-30N-14W	26850	NM55114	Federal	NM68523	Basin FR CLUH FR SN	04-07-88	Note 5	Note 5	Note 5	NW180A	05-17-85	06-22-85	Note 6	Note 7
Grete's Fite #2	NWNE 24-30N-15W	26255	NM10875	Federal	SCR438	Basin Dakota	12-19-81	0.4	22.1	0.8	NZ 320A	08-17-88	09-07-88	Note 6	Note 7
Libson Com #1	NESE 05-30N-14W	28788	NM70300	Federal	NM89333	Basin Dakota	11-20-82	0.1	14.2	0.1	EZ 320A	05-17-85	06-22-85	Note 6	Note 7
Mayra #1	SESE 31-30N-14W	09083	NM4465	Federal		Twin Mounds FR SN PC	05-28-88	0.0	4.5	0.06	SE160A	08-17-88	09-07-88	Note 6	Note 7
Monte Carlo #1	NESE 07-30N-14W	25886	FEE	FEE	NMA0104	Basin Dakota	03-11-85	0.09	27.4	0.5	WZ 320A	08-17-88	09-07-88	Note 6	Note 7
Monte Carlo #2	SWSW 24-30N-15W	26077	FEE	FEE	NM01SP3585C417	Basin DK/Gambler Mesa GA	03-11-85	1.4	16.7	0.6	Note 2	08-17-88	09-07-88	Note 6	Note 7
Nice #1	SESE 07-30N-14W	28489	NM16765	Federal	NM01SP3585C514	Basin Dakota	08-19-85	0	35.8	0.1	EZ 320A	02-02-90	02-13-90	Note 6	Note 7
Nice #2	NWNE 04-30N-14W	27025	NM16765	Federal	NM80712	Basin Dakota	01-25-89	0.1	50.5	0.1	EZ 320A	08-17-88	09-07-88	Note 6	Note 7
Pole's Paradise #2	NESE 08-30N-14W	25408	NM16057	Federal		Basin Dakota	07-30-82	3.2	23.5	0.02	Note 3	08-17-88	09-07-88	Note 6	Note 7
Rivera #1	NWNE 18-30N-14W	25819	NM19403	Federal	NMA0069	Basin Dakota	12-14-83	0.3	39.0	0.2	NZ 320A	08-17-88	09-07-88	Note 6	Note 7
Sly Slav #1	SWSW 13-30N-15W	25354	FEE	FEE	SCR 361	Basin Dakota	05-27-82	0.06	30	0.01	EZ 320A	08-17-88	09-07-88	Note 6	Note 7
Sly Slav #2	SESW 13-30N-15W	25353	FEE	FEE		Basin Dakota	05-27-82	0.3	23	0.2	WZ 320A	08-17-88	09-07-88	Note 6	Note 7
Turks Toast #1	SWSW 18-30N-14W	25430	NM19163	Federal	NMA0011	Basin Dakota	01-10-83	0.2	32.5	0.2	SZ 320A	08-17-88	09-07-88	Note 6	Note 7

Well Name	Well Location		API No.	Location Lease Number	Type Lease	Communication Agreement Number	Pool	Completion Date	Current			Dates for SC, OLM & S 1				
	1/4 1/4	Sec-Twn-Ring							Average Production oil/cond. BPD	gas MCFD	water BWPD	Spacing Unit	Application	BLM Approval	SLO Approval	NMOCOD Approval
WELLS PREVIOUSLY APPROVED FOR SYSTEM (cont.)																
Turks Toast #2	NW1/4	19-30N-14W	25431	NM19163	Federal		Basin Dakota	07-30-83	0.1	31.9	0.06	N/2 320A	08-17-88	09-07-88	Note 6	Note 7
Turks Toast #3	NW1/4	17-30N-14W	27321	NM19163	Federal		Basin Dakota	08-04-89	0.1	106.5	0.14	N/2 320A	02-02-90	02-13-90	Note 6	Note 7
Turks Toast #4	NW1/4	17-30N-14W	27360	NM19163	Federal		Basin Dakota	01-15-90	0.2	16.8	0.06	S/2 320A	02-02-90	02-13-90	Note 6	Note 7
Kelly #1	SESE	25-30N-15W	26494	Fee	Fee		Grassy Gallup/Basin Dakota	07-31-85	Note 4	Note 4	Note 4	SESE 40A	08-17-88	09-07-88	Note 6	Note 7

NOTES:

- Applications for Surface Commingling, Off-lease Measurement & Sale
- Monte Carlo No. 2 is completed in Basin Dakota & Gambler's Mesa Gallup pools. Production is downhole commingled by NMOCOD Order DHC-781. Dakota production = 0 BOPD + 9.8 MCFD + 0.5 BWPD. Gallup production = 1.1 BOPD + 6.9 MCFD + 0.1 BWPD. Spacing Units: Gallup = 40A (SW1/4 SW1/4); Dakota = 320A (S/2)
- Poles Paradise No. 2 is completed in Basin Dakota & Greek Gallup pools. Production is downhole commingled by NMOCOD Order DHC-815. Dakota production = 0 BOPD + 15.3 MCFD + 0.02 BWPD. Gallup production = 1.9 BOPD + 8.2 MCFD + 0.0 BWPD. Spacing Units: Gallup = 40A (NE1/4 SW1/4); Dakota = 320A (W/2)
- Kelly No. 1 is operated by Redwolf Production, Inc. and as a result of the wells inability to deliver gas into the Turks Toast Gathering System, is currently temporarily disconnected. Last deliveries into the gathering system occurred during 2992. The operator is considering completion of intervals in the Basin Dakota and if successful may resume deliveries at some future date. Production from the well averaged 3.0 BOPD + 4.0 MCFD during 2000.
- Atlantis No. 4 initial potential = 50 MCFD. BI Knobs No. 2R initial potential = 40 MCFD. BI Knobs No. 91 initial potential = 30 MCFD. Gibraltar No. 1 initial potential = 59 MCFD. The well would not flow and since the well was equipped with 2-7/8" casing, pumping the associated water was not believed to be feasible. The Gibraltar No. 1 was plugged and abandoned on 9-12-97.
- State Land Office approved 7-17-95 of Dugan's application dated 5-17-95 for 20 wells (17 on prior applications and 3 new).
- NMOCOD received copies of all applications but since allocation meters were installed at each well, formal NMOCOD approval was not solicited until 5-17-95. To date, NMOCOD has not acted upon our application and all wells are being resubmitted for NMOCOD approval.
- BI Knobs No. 80 initial potential = 40 MCFD. The well was connected to the gathering system 4-2-99 & average production 1st three months 2001 = 13.3 MCFD + 8.4 BWPD.
- Mayre No. 90 was completed 7-7-93 with an initial potential of 80 MCFD. Upon further testing, a rate of 15 MCFD + 5 BWPD is believed to be more representative. The Mayre No. 90R was drilled to replace the Mayre No. 90 which is currently shut in with plans to P&A pending the outcome of current efforts to resolve a conflict between mining the coal and producing the coalbed methane. It is the desire of Dugan Production to place the Mayre No. 90 on production to accelerate the recovery of CBM from the coal, however regulatory approval to do so will be required as this will require a simultaneous dedication with the Mayre No. 90R.
- The Mayre No. 90R was completed with an initial potential of 50 MCFD + 80 BWPD. This well was connected to the gathering system on 12-27-00 and is currently averaging 20.7 MCFD + 45 BWPD.
- The Pitman Pond No. 5 was completed 7-20-98 with an initial potential of 10 BOPD + 10 MCFD + 4 BWPD. This well was connected to the gathering system 11-20-98 and is currently averaging 1.2 BOPD + 28.9 MCFD + 0.1 BWPD.
- The Pitman Pond No. 50 was spudded 12-13-99 and the Fruitland Coal interval completed open hole 455'-476'. No stimulation work has been attempted. Upon stimulation, a rate of 20-40 MCFD is anticipated.
- The Sly Slaw No. 3 was spudded 7-25-90 and the Fruitland Coal interval perforated and acidized. The well has not been fraced, and upon fracturing, a gas rate of 20-40 MCFD is anticipated. Once completed, a communitization agreement will be established for the four fee leases within the spacing unit.
- Average of production during first three months 2001.
- BI Knobs No. 2 was drilled in 1985 and completed using 2-7/8" casing. An attempt to foam frac the well was not successful and the BI Knobs No. 2R was drilled in 2001 to replace the No. 2 which was plugged and abandoned on 3-30-01.
- All proposed locations are anticipated to have initial producing rates as follows:
Fruitland Sand/Pocket and Cliffs = ±200 MCFD
Basin Fruitland Coal = ±200 MCFD
Gallup = ±100 MCFD

Dugan Production Corp.'s Turks Toast Gas Gathering System

	Atlantis No. 4 <small>(details on Pg. No. 4)</small>	Bi Knobs #1, 2, 2R, 91 <small>(details on Pg. No. 5)</small>	Bi Knobs #90 <small>(details on Pg. No. 6)</small>	Greeks Fete #2 <small>(details on Pg. No. 7)</small>	Lisbon Com #1 <small>(details on Pg. No. 8)</small>	Maye #1 <small>(details on Pg. No. 9)</small>
Dugan Production Corp.	WI	NI	WI	NI	WI	NI
Thomas A. Dugan	100.00	87.50	100.00	82.50	61.862	52.245
Richardson Operating					50.00	38.75
Redwolf Production, Inc.				38.138	33.371	
Royalty Interest						
USA - Federal		12.50				
State of New Mexico			12.50			
Emery C. & Melba Arnold						
Mildred Dewey						
John L. Gardner						
Margaret A. Gardner						
L. L. Greer Trust						
Joseph E. & Twila M. Gooding						
C. R. & Frances Hancock						
Clement & Elsie Koogler						
Dana Landreth						
Annetta Lehigh						
Frances D. Lesser						
Mildred C. & Jim Mattien						
M.C. Mattien						
Diana C. McKinney						
James R. McKinney						
Owen L. McKinney						
Irrving L. & Dana L. Norton						
Louis E. Norton						
Sarah M. Pierce						
James C. & Pansey I. Sheek						
Mollie F. Smouse						
Samuel T. & Frances Smouse						
Madge Smouse & Mildred Dewey						
Bailey T. Strain						
Revae M. & Don Wells						
V.M. Wright, et al						
Overriding Royalty Interest						
Number of Owners		2		1		7
Total ORRI				5.00		1.884
Detail on Page No.				5		6
TOTALS	100.00	100.00	100.00	100.00	100.00	100.00

	Mayre #90 & 90R <small>(details on Pg. No. 10)</small>	Monte Carlo #1 <small>(details on Pg. No. 11)</small>	Monte Carlo #2 DK <small>(details on Pg. No. 12)</small>	Nice #1 <small>(details on Pg. No. 13)</small>	Nice #2 <small>(details on Pg. No. 14)</small>	Pittam Pond #5 & #90 <small>(details on Pg. No. 15)</small>
Dugan Production Corp.	WI	NI	WI	NI	WI	NI
Thomas A. Dugan						
Richardson Operating						
Redwolf Production, Inc.						
Royalty Interest						
USA - Federal	12.50	3.125	10.938	9.375	12.50	12.50
State of New Mexico						
Emery C. & Meba N. Arnold				0.223		
Mildred Dewey			0.666			
John L. Gardner						
Margaret A. Gardner						
L. L. Greer Trust						
Joseph E. & Twila M. Gooding		0.391				
C. R. & Frances Hancock						
Clement & Elsie Koogler						
Dana Landreth				0.223		
Annetta Leigh				0.693		
Frances D. Lesser						
Mildred C & Jim Mattien		0.310	0.103			
M.C. Matthen		0.413	0.138			
Diana C. McKinney				0.223		
James R. McKinney				0.112		
Owen L. McKinney				0.112		
Irving L. & Dana L. Norton				0.223		
Louis E. Norton				0.223		
Sarah M. Pierce				0.446		
James C. & Pansey I. Sheek			0.346			
Mollie F. Smouse			0.103			
Samuel T & Fran Smouse			0.103			
Madge Smouse & Mildred Dewey						
Bailey T. Strain				0.446		
Revaue M. & Don Wells			0.103			
M. Wright et al		4.141				
Operating Royalty Interest						
Number of Owners	1	10	4	3	5	4
Total ORRI	2.00	13.995	12.500	14.376	7.125	7.500
Detail on Page No.	10	11	12	13	14	15
TOTALS	100.00	100.00	100.00	100.00	100.00	100.00

[illegible]

Locations A,B,C,D,F,I,J	Location E	Location G	Location H	Location K	Location L	Location M,N
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	Locations A,B,C,D,F,I,J (details on Pg. No. 24)		Location E (details on Pg. No. 24)	Location G (details on Pg. No. 24)	Location H (details on Pg. No. 24)	Location K (details on Pg. No. 24)	Location L (details on Pg. No. 24)	Location M,N (details on Pg. No. 24)				
	WI	NI	WI	NI	WI	NI	WI	NI	WI	NI		
Working Interest												
Dugan Production Corp.	100.00	75.00	100.00	76.25	100.00	75.00	100.00	75.00	100.00	75.00	50.00	38.75
Thomas A. Dugan											50.00	38.75
Richardson Operating												
Redwolf Production, Inc.												
Royalty Interest												
USA - Federal		12.50		12.50		9.38		10.938		10.938		12.50
State of New Mexico												
Emery C. & Melba Arnold												
Mildred Dewey										0.666		
John L. Gardner												
Margaret A. Gardner												
L.L. Greer Trust												
Joseph E. & Twila M. Gooding												
C.R. & Frances Hancock												
Clement & Elsie Koogler												
Dana Landreth												
Annetta Lehigh												
Frances D. Lesser												
Mildred C. & Jim Mattien						0.210		0.103		0.103		
M.C. Mattien						0.270		0.138		0.138		
Diana C. McKinney												
James R. McKinney												
Owen L. McKinney												
Irving L. & Dana L. Norton												
Louis E. Norton												
Sarah M. Pierce												
James C. & Pansey I. Sheek						0.690		0.346		0.346		
Mollie F. Smouse						0.210		0.103		0.103		
Samuel T. & Frances Smouse						0.210		0.103		0.103		
Madge Smouse & Mildred Dewey						1.330		0.666				
Bailey T. Strain												
Revae M. & Don Wells						0.210		0.103		0.103		
WM. Wright, et al												
Overriding Royalty Interest												
Number of Owners		2		4		4		4		4		7
Total ORRI		12.50		11.25		12.50		12.50		12.50		10.00
Detail on Page No.		24		24		24		24		24		24
TOTALS		100.00		100.00		100.01		100.00		100.00		100.00

ATTACHMENT 3-PAGE 5 OF 24
Dugan Production Corp.
Atlantis No. 4
Basin Fruitland Coal
Well Location: NWNE 3, T-30N, R-14W
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.	100.000000	87.500000*
<u>Royalty</u>		
USA - Bureau of Land Management	-0-	12.500000
1235 La Plata Hwy.		
Farmington, NM 87401		
<u>Overriding Royalty Interest</u>		
	-0-	-0-
 TOTAL WELL	 100.000000	 100.000000

*Overriding royalty interest ownership has not been established, but will be prior to connection for gas sales.

ATTACHMENT 3-PAGE 6 OF 24

Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Bi Knobs No. 1	Twin Mounds FR Sand PC	SENE 32-30N-14W	NE/4-160A
Bi Knobs No. 2	Twin Mounds FR Sand PC	SWNW 32-30N-14W	NW/4-160A*
Bi Knobs No. 2R	Twin Mounds FR Sand PC	NENW 32-30N-14W	NW/4-160A*
Bi Knobs No. 91	Basin Fruitland Coal	NWNE 32-30N-14W	N/2-320A

*Well No. 2 P&A'd 3-30-01

INTEREST OWNER (all 4 wells)

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	82.500000
<u>Royalty</u>		
State of New Mexico	-0-	12.500000
State Land Office		
Attn: Pete Martinez		
P. O. Box 1148		
Santa Fe, NM 87504-1148		
<u>Overriding Royalty Interest</u>		
Conoco, Inc.	-0-	1.250000
10 Conoco Plaza, 10 Desta Drive		
Midland, TX 79705		
Texaco	-0-	3.750000
P. O. Box 2100		
Denver, CO 80201-2100		
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3-PAGE 7 OF 24
Dugan Production Corp.
Bi Knobs No. 90
Basin Fruitland Coal
Well Location: SWSW 32-30N-14W
Spacing Unit: S/2 320.0A
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	61.862152	52.245466
Richardson Operating Co. 1700 Lincoln, Suite 1700 Denver, CO 80203	38.137848	33.370616*
<u>Royalty</u>		
State of New Mexico State Land Office Attn: Pete Martinez P. O. Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty Interest</u>		
Conoco, Inc. P. O. Box 201940 Houston, TX 77216-1940	-0-	1.883918
TOTAL WELL	100.000000	100.000000

*We do not have Royalty & Overriding Royalty information on State Leases E-3555 & E-6714-8 held by Richardson Operating Co. All production proceeds attributable to Richardson's leasehold interest is paid to Richardson for distribution.

ATTACHMENT 3-PAGE 8 OF 24
Dugan Production Corp.
Greek's Fete No. 2
Basin Dakota
Well Location: NWNE 24, T-30N, R-15W
Spacing Unit: N/2 (320A)
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Thomas A. Dugan P. O. Box 420 Farmington, NM 87499-0420	50.000000	38.750000
Dugan Production Corp.	50.000000	38.750000
<u>Royalty</u>		
USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u>		
John W. & Jean M. Gates 706 W. Grand Artesia, NM 88210	-0-	0.500000
Joel B. Gibson Estate c/o Suntrust Bank, Attn: Jimmy Hill P. O. Box 8668 Savannah, GA 31412-8668	-0-	0.300000
R.K. O'Connell P. O. Box 2003 Casper, WY 82602	-0-	0.300000
George H. & Shirley Oelschig 12 Sandy Point Rd. Savannah, GA 31404	-0-	0.900000
Leland Price, Inc. 2107 Clayton Ave. Artesia, NM 88210	-0-	0.500000
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	6.000000
Madonna I. Walker P. O. Box 112 Eunice, NM 88231	-0-	1.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT NO. 3 - PAGE 9 OF 24

Dugan Production Corp.

Lisbon Com No. 1

Basin Dakota

Well Location: NESE 5, T-30N, R-14W

Spacing Unit: E/2 (320A)

<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 - Bureau of Land Management	-0-	12.500000
1235 La Plata Highway		
Farmington, NM 87401		
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3-PAGE 10 OF 24

**Dugan Production Corp.
Mayre No. 1
Twin Mounds Fruitland Sand Pictured Cliffs
Well Location: SESE 31, T-30N, R-14W
Spacing Unit: SE/4 (162.91A)
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	81.500000
<u>Royalty</u> USA - Bureau of Land Management 1235 La Plata Hwy. Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty Interest</u> F. L. Crane 5203 Largo St. Farmington, NM 87401	-0-	2.000000
Virgina Gass 805 St. Edith Lane Florissant, MO 63031	-0-	1.000000
Jim L. & Mary Lou Jacobs Living Trust u/t/a 11/6/97 3505 Crescent Ave. Farmington, NM 87401	-0-	2.000000
Dorothy Ann Kenny 2518 Wembley Dr. St. Louis, MO 63125-3617	-0-	1.000000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT 3 PAGE 11 OF 24
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Mayre No. 90	Basin Fruitland Coal	SESW 31-30N-14W	S/2 - 320A*
Mayre No. 90R	Basin Fruitland Coal	SESW 31-30N-14W	S/2 - 320A*

**Current plans to seek approval for simultaneous dedication or P&A No. 90*

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	85.500000
<u>Royalty Interest</u>		
USA - Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Interest</u>		
Jim & Mary Lou Jacobs Living Trust 3505 Crescent Ave. Farmington, NM 87401	-0-	2.000000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3 - PAGE 12 OF 24
Dugan Production Corp.
Monte Carlo No. 1
Basin Dakota
Well Location: NESW 7-30N-14W
Spacing Unit: W/2 320A
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>INTEREST</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	77.625000
<u>Royalty Interest</u>		
Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	3.125000
Joseph E. & Twila M. Gooding Trust Twila M. Gooding, Trustee 1009 Crestview Circle Farmington, NM 87401	-0-	0.390625
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.309930
M. C. Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.413240
Mildred Wright, et al c/o Twila M. Gooding 1009 Crestview Circle Farmington, NM 87401	-0-	4.140625
<u>Overriding Royalty</u>		
Moon Royalty, L.L.C. 3000 Oklahoma Tower 210 Park Avenue Oklahoma City, OK 73102	-0-	1.031250
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	6.562500
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	1.036190
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	1.250000
Madge D. Smouse & Mildred Dewey 1304 Fairview Ave. Farmington, NM 87401	-0-	1.998350
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.309930
Samuel T. Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.309930
St. Paul's English Lutheran 130 South Walnut Bucyrus, OH 44820	-0-	0.156250
Revae M. & Don Wells 6624 Moore Rd., SW Albuquerque, NM 87105	-0-	0.309930
Willischild Oil & Gas Corp. 904 G Street Snyder, OK 73566	-0-	1.031250
TOTAL	100.000000	100.000000

ATTACHMENT 3 - PAGE 13 OF 24
Dugan Production Corp.
Monte Carlo No. 2
Well Location: SWSW 24-30N-15W
Spacing Unit: Basin Dakota = S/2 320A; Gamblers Mesa Gallup = SWSW 40A
San Juan County, New Mexico

<u>INTEREST OWNER</u>	<u>DAKOTA INTEREST%</u>		<u>GALLUP INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	75.000000	100.000000	87.500000*
<u>Royalty Interest</u> Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401		10.937500	-0-	-0-
Mildred Dewey 1304 Fairview Ave. Farmington, NM 87401	-0-	0.666120	-0-	5.328960
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.103310	-0-	0.826480
M. C. Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.137750	-0-	1.102000
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.345390	-0-	2.763100
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.103310	-0-	0.826480
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.103310	-0-	0.826480
Revae M. & Don Wells 6624 Moore Rd., SW Albuquerque, NM 87105	-0-	0.103310	-0-	0.826480
<u>Overriding Royalty</u> Joel B. Gibson Estate c/o Suntrust Bank, Attn: Jimmy Hill P. O. Box 8668 Savannah, GA 31412-8668	-0-	0.525000	-0-	-0-
R. K. O'Connell P. O. Box 2003 Casper, WY 82602	-0-	0.525000	-0-	-0-
George H. & Shirley Oelschig 12 Sandy Point Rd. Savannah, GA 31404	-0-	1.575000	-0-	-0-
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	9.875000	-0-	-0-
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>	<u>100.000000</u>	<u>100.000000</u>

*ORRI for the Gallup spacing unit has not been established. For notice purposes, the Dakota interest detail will include all ORRI owners in the Gallup & Dakota.

ATTACHMENT 3 PAGE 14 OF 24
Dugan Production Corp.
Nice #1
Basin Dakota
Well Location: SESE 7-30N-14W
Spacing Unit: E/2 320A
San Juan County, NM

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	73.125000
<u>Royalty Interest</u>		
Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	9.375000
Emery C. & Melba N. Arnold 200 Crandall Aztec, NM 87410	-0-	0.223213
Dana Landreth 6625 Harman St. Las Vegas, NV 89109	-0-	0.223225
Annetta Lehigh 8 Poplar Drive Montrose, CO 81401	-0-	0.892850
Diana C. McKinney 1649 N. Pacana Way Green Valley, AZ 85614	-0-	0.223225
James R. McKinney 2700 N. Freeway Pueblo, CO 81003-2494	-0-	0.111613
Owen L. McKinney 2700 N. Freeway Pueblo, CO 81003-2494	-0-	0.111612
Irving L. & Dana L. Norton P. O. Box 344 Pleasant View, CO 81331	-0-	0.223213
Louis E. Norton 1420 County Road 526 Bayfield, CO 81122	-0-	0.223200
Sarah M. Pierce P. O. Box 337 Durango, CO 81302	-0-	0.446425
Bailey T. Strain 7351 Miller Avenue Gilroy, CA 95020	-0-	0.446424
<u>Overriding Royalty</u>		
Emery C. & Melba N. Arnold 200 Crandall Aztec, NM 87410	-0-	1.250000
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	9.375000
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	3.750000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3 PAGE 15 OF 24

Dugan Production Corp.

Nice #2

Basin Dakota

Well Location: NWNE 4-30N-14W

Spacing Unit: E/2 320A

San Juan County, NM

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	80.375000
<u>Royalty Interest</u>		
Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u>		
Marshall & Winston Inc. P. O. Box 50880 Midland, TX 79710-0880	-0-	0.843750
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	2.906250
Charles V. & Nona A. Sicola 6629 Clawson Houston, TX 77055	-0-	1.125000
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	1.875000
Howell & Mary Nan Spear DBA Paradox Oil & Gas Co. P. O. Box 30169 Pensacola, FL 32503	-0-	0.375000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3 PAGE 16 OF 24
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Pittam Pond No. 5	Meadows Gallup	SWNE 35-30N-14W	S/2 - 320A
Pittam Pond No. 90	Basin Fruitland Coal	NENE 35-30N-14W	N/2 - 320A

INTEREST OWNER

<u>INTEREST %</u>	
<u>Gross</u>	<u>Net</u>

Working Interest
Dugan Production Corp.

100.000000	80.000000
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Royalty Interest
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

-0-	12.500000
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Overriding Interest
R. C. Altrogge
6901 East Walsh Place
Denver, CO 80224

-0-	0.500000
-----	----------

E. W. Mitchell
2190 E. Geddes Ave., Unit C
Littleton, CO 80122

-0-	1.750000
-----	----------

R. E. Puckett
5460 South Quebec St., Suite 250
Greenwood Village, CO 80111-1917

-0-	1.750000
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Questar Exploration & Production Co.
P. O. Box 45601
Salt Lake City, UT 84145-0601

-0-	3.500000
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TOTAL WELL

<u>100.000000</u>	<u>100.000000</u>
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ATTACHMENT 3 PAGE 17 OF 24
Dugan Production Corp.
Poles Paradise No. 2
Basin Dakota/Greek Gallup
Well Location: NWSW 9-30N-14W
Spacing Unit: Greek Gallup = NESW 40A; Basin Dakota W/2 320A
San Juan County, NM

<u>INTEREST OWNER</u>	<u>GALLUP & DAKOTA INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	80.000000
<u>Royalty Interest</u>		
Bureau of Land Management	-0-	12.500000
1235 La Plata Highway		
Farmington, NM 87401		
<u>Overriding Royalty</u>		
Bobby H. Anglin	-0-	7.500000
P. O. Box 794548		
Dallas, TX 75379-4548		
 TOTAL WELL	 100.000000	 100.000000

ATTACHMENT 3 PAGE 18 OF 24
Dugan Production Corp.
Riviera No. 1
Basin Dakota
Well Location: NWNE 18-30N-14W
Spacing Unit: N/2 320A
San Juan County, NM

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	75.000000
<u>Royalty Interest</u>		
Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	10.937500
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.103310
M. C. Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.137750
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.345390
Madge D. Smouse & Mildred Dewey 1304 Fairview Ave. Farmington, NM 87401	-0-	0.666120
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.103310
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.103310
Reva M. & Don Wells 6624 Moore Rd., SW Albuquerque, NM 87105	-0-	0.103310
<u>Overriding Royalty</u>		
Marshall & Winston Inc. P. O. Box 50880 Midland, TX 79710-0880	-0-	1.968750
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	7.031250
Charles V. & Nona A. Sicola 6629 Clawson Houston, TX 77055	-0-	2.625000
Howell & Mary Nan Spear DBA Paradox Oil & Gas Co. P. O. Box 30169 Pensacola, FL 32503	-0-	0.875000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT 3 PAGE 19 OF 24
Dugan Production Corp.
Sly Slav No. 1
Basin Dakota
Well Location: SWSE 13-30N-15W
Spacing Unit: E/2 320A
San Juan County, NM

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp.	100.000000	76.875000
<u>Royalty Interest</u>		
Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	6.250000
Lucille L. Greer Family Trust Lucille L. Greer, Trustee 641 E. Boca Raton Rd Phoenix, AZ 85022-4717	-0-	0.520830
C. R. & Frances Hancock Living Trust of 2/14/90 #4 Road 3071 Aztec, NM 87410	-0-	0.520830
Clement & Elsie Koogler 307 Animas Aztec, NM 87410	-0-	0.520830
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.309850
M. C. Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.413440
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	1.036410
Madge D. Smouse & Mildred Dewey 1304 Fairview Ave. Farmington, NM 87401	-0-	1.998280
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.309840
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.309840
Reva M. & Don Wells 6624 Moore Rd., SW Albuquerque, NM 87405	-0-	0.309850
<u>Overriding Royalty</u>		
Cross Timbers Oil Company P. O. Box 840287 Dallas, TX 75284-0287	-0-	0.375000
John W. & Jean M. Gates 706 W. Grand Artesia, NM 88210	-0-	0.375000
Leland Price, Inc. 2107 Clayton Avenue Artesia, NM 88210	-0-	0.375000
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	7.750000
Lon V. Smith Foundation 9440 Santa Monica Blvd., Suite 300 Beverly Hills, CA 90210	-0-	0.625000
Wayne R. & Madonna I. Walker P. O. Box 112 Eunice, NM 88231	-0-	1.125000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3 PAGE 20 OF 24
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Sly Slav No. 2	Basin Dakota	SESW 13-30N-15W	W/2 320A
Sly Slav No. 3	Basin Fruitland Coal	SESW 13-30N-15W	W/2 320A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	79.165000
<u>Royalty Interest</u> John L. Gardner 713 N. Adams St. Glendale, CA 91206	-0-	4.167495
Margaret Ann Gardner 26934 Eastwood Olmsted Township, OH 44138	-0-	4.167505
Lucille L. Greer Family Trust Lucille L. Greer, Trustee 641 E. Boca Raton Rd Phoenix, AZ 85022-4717	-0-	0.520840
C. R. & Frances Hancock Living Trust of 2/14/90 #4 Road 3071 Aztec, NM 87410	-0-	0.520830
Clement & Elsie Koogler 307 Animas Aztec, NM 87410	-0-	0.520830
Frances D. Lesser 2220 Wyoming Ave., NW Washington, DC 20008	-0-	1.562600
Mildred C. & Jim Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.206560
M. C. Maitlen P. O. Box 365 Waterflow, NM 87421	-0-	0.275630
James C. & Pansey I. Sheek 11019 County Road 44 Mancos, CO 81328	-0-	0.690940
Madge D. Smouse & Mildred Dewey 1304 Fairview Ave. Farmington, NM 87401	-0-	1.332190
Mollie Frances Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.206560
Samuel T. & Fran Smouse P. O. Box 93 Fruitland, NM 87416	-0-	0.206560
Reva M. & Don Wells 6624 Moore Rd., SW Albuquerque, NM 87405	-0-	0.206560
<u>Overriding Royalty</u> Cross Timbers Oil Company P. O. Box 840287 Dallas, TX 75284-0287	-0-	0.750000
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	5.500000
TOTAL WELL	<u>100.000000</u>	<u>100.000000</u>

ATTACHMENT 3 PAGE 21 OF 24
Dugan Production Corp.
Turks Toast No. 1
Basin Dakota
Well Location: SWSW 18-30N-14W
Spacing Unit: S/2 320A
San Juan County, NM

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	76.250000
<u>Royalty Interest</u> Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u> Florence G. Burrow Trs. 11-01560 c/o Norwest Bank NM, NA, Trustee P. O. Box 5383 Denver, CO 80217	-0-	2.250000
Energen Resources Corp. 605 Richard Arrington, Jr. Boulevard North Birmingham, AL 35203-2707	-0-	0.625000
Creta M. Green 6481 Farallon Way Oakland, CA 94611	-0-	1.250000
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	7.125000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3 PAGE 22 OF 24
Dugan Production Corp.

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Turks Toast No. 2	Basin Dakota	NWNW 19-30N-14W	N/2 320A
Turks Toast No. 3	Basin Dakota	NWNW 17-30N-14W	N/2 320A
Turks Toast No. 4	Basin Dakota	NWSW 17-30N-14W	S/2 320A
Turks Toast No. 6	Gamblers Mesa Gallup	SWSW 18-30N-14W	SWSW 40A

INTEREST OWNER

	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Dugan Production Corp.	100.000000	75.000000
<u>Royalty Interest</u> Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401	-0-	12.500000
<u>Overriding Royalty</u> Florence G. Burrow Trs. 11-01560 c/o Norwest Bank NM, NA, Trustee P. O. Box 5383 Denver, CO 80217	-0-	3.000000
Questar Exploration & Production Co. P. O. Box 45601 Salt Lake City, UT 84145-0601	-0-	9.500000
TOTAL WELL	100.000000	100.000000

ATTACHMENT 3 - PAGE 23 OF 24
Redwolf Production, Inc.
Kelly No. 1
Grassy Gallup Oil Pool
Well Location: SESE Section 5, T-30N, R-15W
Spacing Unit SESE 40A

<u>INTEREST OWNER</u>	<u>INTEREST%</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u> Redwolf Production, Inc.	100.00	100.00*

*The Kelly No. 1 is located on a fee lease owned by Redwolf. There are no separate royalty or overriding royalty interest owners.

ATTACHMENT 3 - PAGE 24 OF 24
Proposed Locations A thru N

All locations are planned and the permitting process has been initiated. Each of the 14 proposed locations is within an established spacing unit for an existing Dakota and/or Gallup well for which the interest ownership is established and all owners will receive notice of this application based upon their ownership in the existing wells. The interests listed below should not change, however it is possible that upon a detailed review of leasehold ownership, individual overriding royalty interest ownership may change slightly. The interest ownership information presented reflects the existing ownership within the existing Dakota and/or Gallup spacing units and should also represent the leasehold ownership in the shallower Twin Mounds Fruitland Sand/Pictured Cliffs and Basin Fruitland Coal pools.

<u>Well Location</u>	<u>Working Interest*</u>		<u>% Royalty Interest Fed/State/Fee</u>	<u>Overriding Royalty Interest</u>		<u>Reference Spacing Unit for Existing Well</u>
	<u>Dugan Production</u>			<u>%</u>	<u># of owners</u>	
A,B,C,D,F,I,J	<u>WT-%</u>	<u>NI-%</u>				
E	100.00	100.00	12.50 / — / —	12.50	2	Turk's Toast #1,2,3,4,6
G	100.00	76.25	12.50 / — / —	11.25	4	Turks Toast #1
H	100.00	75.00	9.38 / — / 3.12	12.50	4	Riviera #1
K	100.00	75.00	10.94 / — / 1.56	12.50	4	Riviera #1
L	100.00	75.00	10.94 / — / 1.56	12.50	4	Monte Carlo #2
M,N	100.00	75.00	12.50 / — / —	12.50	7	Monte Carlo #2
				10.00	7	Greek's Fete #2

*All working interest is held by Dugan Production Corp. and/or Thomas A. Dugan

<u>Well Location</u>	<u>1/4 Section-Twp-Rge</u>	<u>Pool</u>
A	SW-17-30N-14W	Basin Fruitland Coal
B	SE- " " "	Twin Mounds Fruitland Sand PC
C	NW- " " "	Twin Mounds Fruitland Sand PC
D	NE - " " "	Basin Fruitland Coal
E	SW-18-30N-14W	Basin Fruitland Coal
F	SE - " " "	Twin Mounds Fruitland Sand PC
G	NW- " " "	Twin Mounds Fruitland Sand PC
H	NE - " " "	Basin Fruitland Coal
I	NW-19-30N-14W	Twin Mounds Fruitland Sand PC
J	NE - " " "	Basin Fruitland Coal
K	SW - 24-30N-15W	Basin Fruitland Coal
L	SE - " " "	Twin Mounds Fruitland Sand PC
M	NW - " " "	Twin Mounds Fruitland Sand PC
N	NE - " " "	Basin Fruitland Coal

ATTACHMENT No. 4
Allocation Procedures
Dugan Production Corp.'s
Turk's Toast Gas Gathering System
CDP Gas Sales Meter: SENE 6-29N-14W (El Paso Meter #14102)
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. = $(W / \text{SUM } W) \times X$

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 $W / \text{SUM } W$.

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).



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DUG00242
CUST. NO. 23000- 10140

WELL/LEASE INFORMATION

CUSTOMER NAME DUGAN PRODUCTION CORP.
WELL NAME NICE 2
COUNTY/STATE SAN JUAN NM
LOCATION 04-30N-14W (NW NE)
FIELD
FORMATION BASIN DAKOTA
CUST.STN.NO. 243-671

SOURCE
PRESSURE 112 PSIG
SAMPLE TEMP DEG.F
WELL FLOWING Y
DATE SAMPLED 12/7/00
SAMPLED BY J. DAVIS
FOREMAN/ENGR. TOM BLAIR

Attachment
No. 5
pg 1 of 6

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.618	0.0000	0.00	0.0060
CO2	0.777	0.0000	0.00	0.0118
METHANE	80.843	0.0000	818.37	0.4478
ETHANE	9.526	2.5482	168.96	0.0989
PROPANE	4.607	1.2697	116.18	0.0701
I-BUTANE	0.689	0.2254	22.46	0.0138
N-BUTANE	1.476	0.4654	48.26	0.0296
I-PENTANE	0.509	0.1862	20.41	0.0127
N-PENTANE	0.455	0.1648	18.28	0.0113
HEXANE PLUS	0.500	0.2181	25.71	0.0161
TOTAL	100.000	5.0778	1,238.63	0.7182

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0035
BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 1,243.3
BTU/CU.FT (WET) CORRECTED FOR (1/Z) 1,221.6
REAL SPECIFIC GRAVITY 0.7208

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 1,236.5
DRY BTU @ 14.696 1,240.4
DRY BTU @ 14.730 1,243.3
DRY BTU @ 15.025 1,268.2

CYLINDER # 051
CYLINDER PRESSURE 120 PSIG
DATE RUN 12/9/00
ANALYSIS RUN BY AMY JUSTICE



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DUG00068
CUST. NO. 23000- 11175

WELL/LEASE INFORMATION

CUSTOMER NAME DUGAN PRODUCTION CORP.
WELL NAME BI-KNOBS 90
COUNTY/ STATE SAN JUAN NM
LOCATION S4SW 32, T-30N, R-14W
FIELD Basin Fruitland Co 91
FORMATION
CUST.STN.NO. 202A306723

SOURCE
PRESSURE 87 PSIG
SAMPLE TEMP DEG.F
WELL FLOWING Y
DATE SAMPLED 7/31/00
SAMPLED BY J. DAVIS
FOREMAN/ENGR.

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	1.619	0.0000	0.00	0.0157
CO2	0.846	0.0000	0.00	0.0129
METHANE	97.096	0.0000	982.90	0.5378
ETHANE	0.428	0.1145	7.59	0.0044
PROPANE	0.003	0.0008	0.08	0.0000
I-BUTANE	0.001	0.0003	0.03	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.000	0.0000	0.00	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.007	0.0031	0.36	0.0002
TOTAL	100.000	0.1187	990.96	0.5711

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0020
BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 993.0 ✓
BTU/CU.FT (WET) CORRECTED FOR (1/Z) 975.7
REAL SPECIFIC GRAVITY 0.5721

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 987.6
DRY BTU @ 14.696 990.7
DRY BTU @ 14.730 993.0
DRY BTU @ 15.025 1,012.8

CYLINDER # AZT 042
CYLINDER PRESSURE 79 PSIG
DATE RUN 8/5/00
ANALYSIS RUN BY CHELLE DURBIN



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DUG00067
CUST. NO. 23000- 10110

WELL/LEASE INFORMATION

CUSTOMER NAME	DUGAN PRODUCTION CORP.	SOURCE	METER RUN
WELL NAME	BI-KNOBS 1	PRESSURE	90 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION	H32-30N-14W	WELL FLOWING	Y
FIELD	<i>Twin Mounds Fruitland Sand/pc</i>	DATE SAMPLED	7/31/00
FORMATION	TWN MNDS PC -	SAMPLED BY	J. DAVIS
CUST.STN.NO.	202E375208	FOREMAN/ENGR.	TOM BLAIR

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.371	0.0000	0.00	0.0036
CO2	2.288	0.0000	0.00	0.0348
METHANE	95.728	0.0000	969.05	0.5303
ETHANE	1.551	0.4149	27.51	0.0161
PROPANE	0.030	0.0083	0.76	0.0005
I-BUTANE	0.012	0.0039	0.39	0.0002
N-BUTANE	0.004	0.0013	0.13	0.0001
I-PENTANE	0.005	0.0018	0.20	0.0001
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.011	0.0048	0.57	0.0004
TOTAL	100.000	0.4350	998.61	0.5860

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z)	1.0021
BTU/CU.FT (DRY) CORRECTED FOR (1/Z)	1,000.7 ✓
BTU/CU.FT (WET) CORRECTED FOR (1/Z)	983.3
REAL SPECIFIC GRAVITY	0.5873

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	995.3
DRY BTU @ 14.696	998.4
DRY BTU @ 14.730	1,000.7
DRY BTU @ 15.025	1,020.8

CYLINDER #	035
CYLINDER PRESSURE	54 PSIG
DATE RUN	8/5/00
ANALYSIS RUN BY	DAWN OLDS



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DUG00240
CUST. NO. 23000- 10130

WELL/LEASE INFORMATION

CUSTOMER NAME	DUGAN PRODUCTION CORP.	SOURCE	METER RUN
WELL NAME	MONTE CARLO 2	PRESSURE	85 PSIG
COUNTY/STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION	M24-30N-15W	WELL FLOWING	Y
FIELD	<i>Commingled Basin Dakota &</i>	DATE SAMPLED	12/7/00
FORMATION	UNDES GP/BASIN DK <i>Gambler</i>	SAMPLED BY	J. DAVIS
CUST.STN.NO.	202E202262 <i>mesa Gallup</i>	FOREMAN/ENGR.	TOM BLAIR

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	1.191	0.0000	0.00	0.0115
CO2	0.660	0.0000	0.00	0.0100
METHANE	77.932	0.0000	788.91	0.4317
ETHANE	10.780	2.8836	191.20	0.1119
PROPANE	6.518	1.7964	164.38	0.0992
I-BUTANE	0.574	0.1878	18.71	0.0115
N-BUTANE	1.383	0.4361	45.22	0.0278
I-PENTANE	0.286	0.1046	11.47	0.0071
N-PENTANE	0.298	0.1079	11.97	0.0074
HEXANE PLUS	0.378	0.1649	19.43	0.0122
TOTAL	100.000	5.6813	1,251.29	0.7304

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0036
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,256.0
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	1,234.2
REAL SPECIFIC GRAVITY		0.7330

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,249.2
DRY BTU @ 14.696	1,253.1
DRY BTU @ 14.730	1,256.0
DRY BTU @ 15.025	1,281.2

CYLINDER #	A093
CYLINDER PRESSURE	76 PSIG
DATE RUN	12/9/00
ANALYSIS RUN BY	AMY JUSTICE



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DUG00243
CUST. NO. 23000- 10145

WELL/LEASE INFORMATION

CUSTOMER NAME	DUGAN PRODUCTION CORP.	SOURCE	METER RUN
WELL NAME	POLES PARADISE 2	PRESSURE	98 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION	K09-30N-14W ✓	WELL FLOWING	Y
FIELD	<i>Commingle Basin Dakota +</i>	DATE SAMPLED	12/7/00
FORMATION	BASIN DAKOTA <i>Green Gallup</i>	SAMPLED BY	J. DAVIS
CUST.STN.NO.	202E422131	FOREMAN/ENGR.	TOM BLAIR

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.975	0.0000	0.00	0.0094
CO2	0.658	0.0000	0.00	0.0100
METHANE	78.931	0.0000	799.02	0.4372
ETHANE	10.258	2.7440	181.95	0.1065
PROPANE	5.567	1.5343	140.39	0.0848
I-BUTANE	0.610	0.1995	19.88	0.0122
N-BUTANE	1.666	0.5253	54.47	0.0334
I-PENTANE	0.399	0.1460	16.00	0.0099
N-PENTANE	0.417	0.1510	16.76	0.0104
HEXANE PLUS	0.519	0.2264	26.68	0.0167
TOTAL	100.000	5.5266	1,255.15	0.7306

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0037
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,260.1
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	1,238.2
REAL SPECIFIC GRAVITY		0.7334

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,253.3
DRY BTU @ 14.696	1,257.2
DRY BTU @ 14.730	1,260.1
DRY BTU @ 15.025	1,285.3

CYLINDER #	AZT047
CYLINDER PRESSURE	110 PSIG
DATE RUN	12/9/00
ANALYSIS RUN BY	AMY JUSTICE



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. DUG00203
CUST. NO. 23000- 11130

WELL/LEASE INFORMATION

CUSTOMER NAME DUGAN PRODUCTION CORP.
WELL NAME PITTAM POND 5
COUNTY/ STATE SAN JUAN NM
LOCATION 35-30N-15W -GUNE)
FIELD Meadows Gallup
FORMATION
CUST.STN.NO. 202N-1122

SOURCE N/A
PRESSURE 77 PSIG
SAMPLE TEMP DEG.F
WELL FLOWING Y
DATE SAMPLED 10/19/00
SAMPLED BY J. DAVIS
FOREMAN/ENGR. TOM BLAIR

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	1.270	0.0000	0.00	0.0123
CO2	0.534	0.0000	0.00	0.0081
METHANE	77.769	0.0000	787.26	0.4308
ETHANE	9.161	2.4506	162.49	0.0951
PROPANE	6.217	1.7134	156.79	0.0947
I-BUTANE	0.666	0.2178	21.71	0.0134
N-BUTANE	2.262	0.7132	73.96	0.0454
I-PENTANE	0.579	0.2119	23.22	0.0144
N-PENTANE	0.661	0.2394	26.56	0.0165
HEXANE PLUS	0.881	0.3844	45.29	0.0283
TOTAL	100.000	5.9307	1,297.28	0.7589

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0040
BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 1,302.9
BTU/CU.FT (WET) CORRECTED FOR (1/Z) 1,280.3
REAL SPECIFIC GRAVITY 0.7624

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 1,295.9
DRY BTU @ 14.696 1,299.9
DRY BTU @ 14.730 1,302.9
DRY BTU @ 15.025 1,329.0

CYLINDER # AZT042
CYLINDER PRESSURE 74 PSIG
DATE RUN 10/30/00
ANALYSIS RUN BY DAWN BLASSINGAME