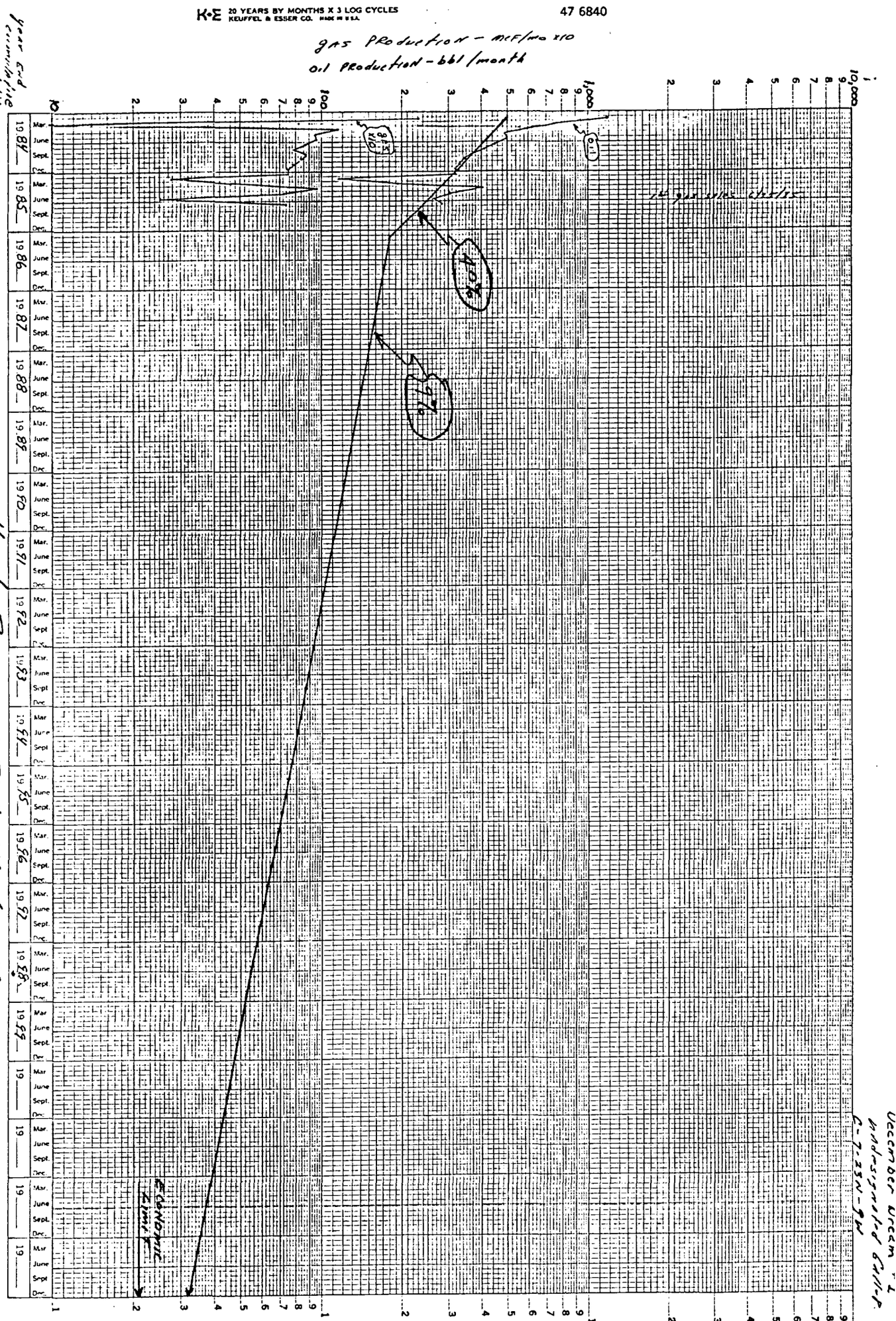
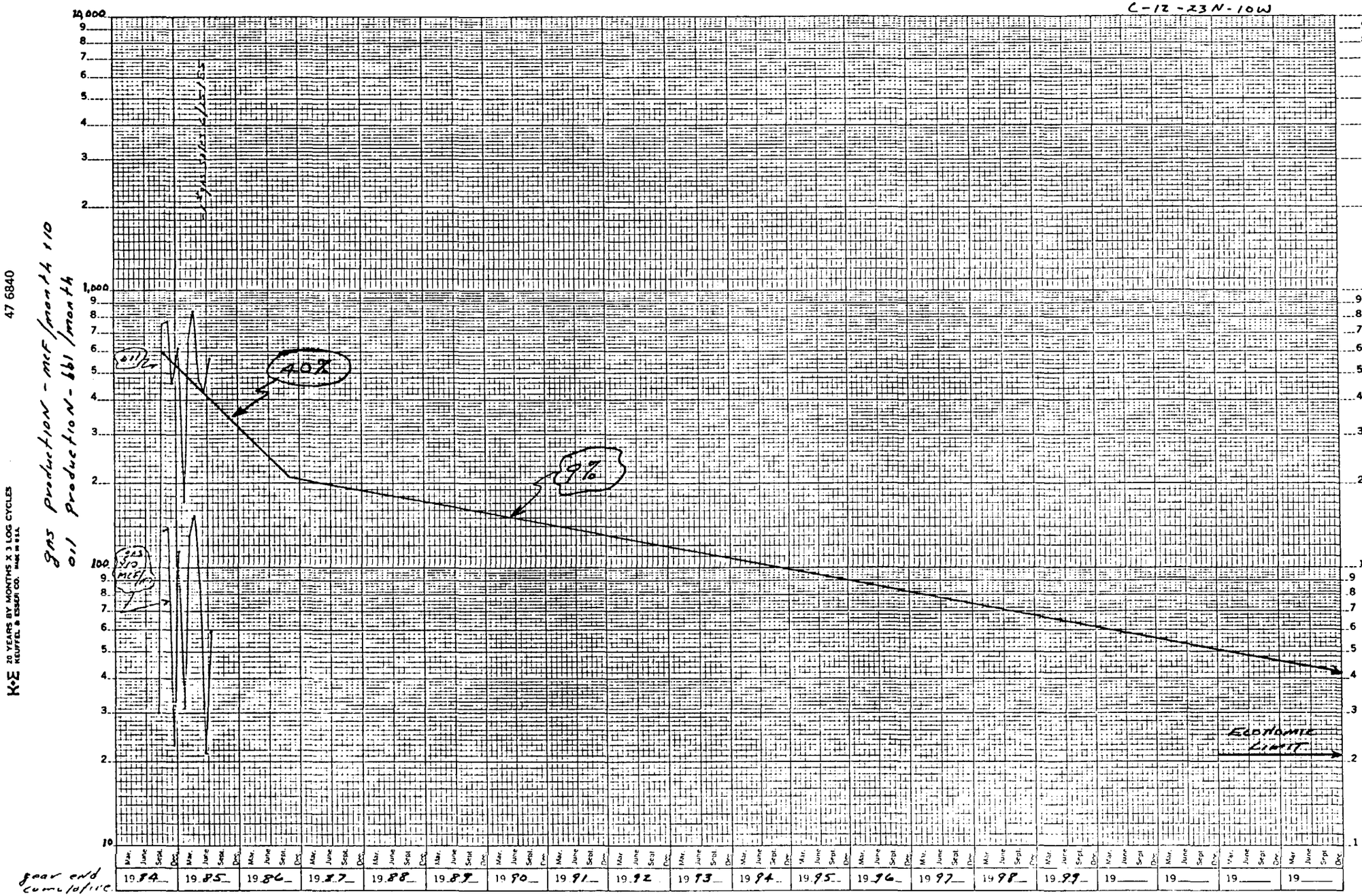
Before the NMOCD
Application of Dugan Production Corp.
New Pool Creation
Good Times Gallup Oil Pool
San Juan County, New Mexico
August 28, 1985

Case #8685 Exhibit # 6



Kirtly No. 4
Undesignated Gallup (S
C-12-23N-10W



47 6840

K·E 20 YEARS BY MONTHS X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Gas and cumulative
Oil, bbl - 2,009
Gas, mcf - 4,989

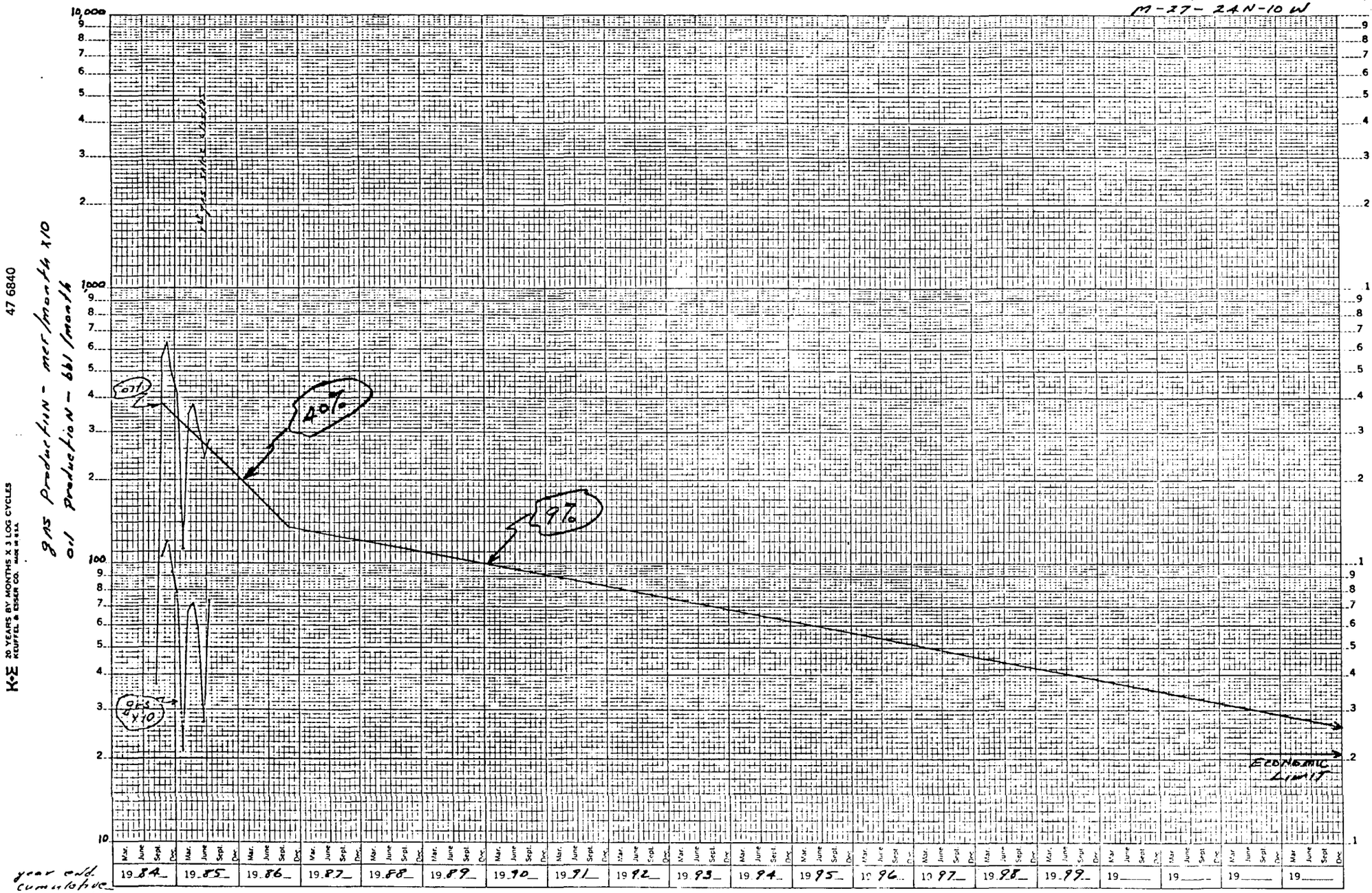
Ultimate Recovery @ Economic Limit:

$= 5739 + (385 - 210)23.5 + (210 - 21)127.2$

$= 5739 + 4112 + 24,041$

$\approx 33,900$ bbl

Silver Medal No. 1
undesignated Billup (SJ)
M-27-24N-10W



47 6840

K&E 20 YEARS BY MONTHS X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

gas production - mcf/month x10
oil production - bbl/month

year end cumulative
oil, bbl - 1,708
gas, mcf - 3,196

Ultimate Recovery @ Economic Limit:

$= 3775 + (250 - 135)\,23.5 + (135 - 21)\,127.2$

$= 3775 + 2703 + 14,501$

$\approx 21,000$ bbl

PAY DATA & DRAINAGE AREA CALCULATIONS
DUGAN PRODUCTION'S PROPOSED GOOD TIMES GALLUP OIL POOL AREA
T-23 & 24N, R- 9 & 10W, SAN JUAN COUNTY, NEW MEXICO

Well	Ultimate Recovery from Prod. Data-STB (1)	Perforations Gross Interval	Perforations Seperate Intervals	RESERVOIR PAY DATA (2) Good Times Sand Ft. - Ø - Vsh	RESERVOIR PAY DATA (2) Additional Primary Sands Ft. - Ø - Vsh	RESERVOIR PAY DATA (2) Secondary Sands Ft. - Ø - Vsh	Calculated Volumetric Recovery -STB/Acre - (3) Probable	Calculated Volumetric Recovery -STB/Acre - (3) Range	Estimated Drainage Area for Production Indicated Reserves (4) Probable	Estimated Drainage Area for Production Indicated Reserves (4) Range
December Dream #1	29,200	384	32	6'-12½%- 4%	13'-8.4%-31%	44'-7.5%-37%	433	310-621	66	47-94
Witty #4	33,900	290	37	8'-10.1%-13%	6'-11.5%-17%	31'-5.6%-36%	390	260-520	87	65-130
Silver Medal #1	21,000	312	32	4'-7.0%-42%	12'-10.0%-38%	32'-6.6%-49%	217	187-375	97	56-112

Footnotes:

(1) - Extrapolation of production data thru 7/85 to economic limit of 21 BOPM (opex = $500/mo. - oil price = $26.50/bbl less 93¢/bbl trucking- gas price = 3.00/MMBTU & adj. for 1200 BTU gas, GOR = 1700. Net interest average 82.70%).

(2) - Reservoir data divided into 3 catagories based upon analysis of open hole logs, drilling time data and sample analysis data: (a) Good Times Sand is considered to be the primary zone of development, (b) Additional Primary Sands are sands other than the Good Times Sand that are thick enough and/or log and sample data indicates they should contribute significantly to production, (c) Secondary sands are sand stringers that either due to being thin and/or shaleyness will not likely contribute significantly to production, but will likely contribute sufficiently to justify completion.

(3) - Calculated recovery factors using [7758*A*h*Ø*(1-Sw)*(1-Vsh)/BO] RF
Water saturations were estimated to be 40% , since actual values could not be calculated due to thin beds and inability to measure RT in any one bed. The oil formation volume factor of 1.26 RB/STB is typical to the Gallup in this area. Recovery factors were estimated to range from 5 to 10% in the primary zones and ½ to 1% in the secondary zones of interest. The probable recovery was determined utilizing a RF = 10% in Good Times Sand, 5% in Additional Primary Zones and ½% in Secondary Zones.

(4) - Drainage area was determined by dividing the indicated ultimate production based recovery by the volumetrically calculated recovery factor.