

EXHIBIT _____
NMOGC Case No. 11996

COALBED METHANE RESERVES AND RECOVERIES

RESERVE DETERMINATION

COAL THICKNESS

- OPEN HOLE LOGS
- CORES
- MUD LOGS

COAL GAS CONTENT (SCF/TON)

- DESORPTION MEASUREMENTS FROM CORE SAMPLES OR DRILL CUTTINGS
- LOG ANALYSIS
- SORPTION ISOTHERM MEASUREMENTS

COAL DENSITY (TONS/AC-FT)

- DIRECT MEASUREMENT
- MEASURED FROM WELL DENSITY LOGS

ASH CONTENT

- OPEN HOLE DENSITY LOG
- CORES
- DRILL CUTTINGS

NMOCD CASE #11996
PENDRAGON ENERGY
EXHIBIT

m-7

GAS-IN-PLACE (MCF) EQUALS

Coal Thickness * Gas Content/1000 * Coal Density * (1-Ash Content) * Area

<u>WELL NAME</u>	<u>THICKNESS</u>	<u>DENSITY</u>	<u>GAS-IN-PLACE</u>
GALLEGOS FED 26-12-6#2:	18' (Basal)	1.314	1,132,019 MCF
GALLEGOS FED 26-12-7 #1:	20' (Basal)	1.345	1,287,473 MCF
GALLEGOS FED 26-13-1 #1:	18' (Basal)	1.422	1,225,061 MCF
GALLEGOS FED 26-13-1 #2:	20' (Basal)	1.398	1,338,206 MCF
	11' (Upper)	1.586	584.494 MCF
GALLEGOS FED 26-13-12 #1:	20' (Basal)	1.390	1,330,548 MCF
TOTALS			6,897,801 MCF

CUMULATIVE GAS PRODUCTION AS OF 7/1/98

• GALLEGOS FED 26-12-6 #2:	675,386 MCF	59.7% OGIP
• GALLEGOS FED 26-12-7 #1:	821,747 MCF	63.8% OGIP
• GALLEGOS FED 26-13-1 #1:	434,832 MCF	35.5% OGIP
• GALLEGOS FED 26-13-1 #2:	216,915 MCF	11.3% OGIP
• GALLEGOS FED 26-13-12 #1:	610,935 MCF	45.9% OGIP
TOTALS	2,759,815 MCF	45.0% OGIP