

NDOCD Case No. 11996

FRUITLAND COALBED METHANE WELLS MATERIAL BALANCE ANALYSES  
BASED ON PRESSURES REPORTED ON JULY 30, 1997

| WELL NAME                | LOCATION      | CUMULATIVE<br>GAS PROD.<br>AT 7/30/97 (MCF) | SURFACE<br>CASING<br>PRESSURE (PSIG) | GAS-IN PLACE<br>(SCF/TON) | RECOVERY<br>FACTOR TO 7/30/97<br>(% OGIP) | MATERIAL BALANCE<br>RESERVES<br>(MCF) | ESTIMATED<br>DRAINAGE AREA<br>(ACRES) |
|--------------------------|---------------|---------------------------------------------|--------------------------------------|---------------------------|-------------------------------------------|---------------------------------------|---------------------------------------|
| GALLEGOS FED 26-12-6 #2  | SE SW Section | 6-26N-12W 466,727                           | 140                                  | 92                        | 16.4%                                     | 2,852,855                             | 892.39                                |
| GALLEGOS FED 26-12-7 #1  | NW SW Section | 7-26N-12W 599,541                           | 140                                  | 92                        | 16.4%                                     | 3,664,676                             | 1,146.33                              |
| GALLEGOS FED 26-13-1 #1  | NW NE Section | 1-26N-13W 302,015                           | 160                                  | 96                        | 12.7%                                     | 2,372,467                             | 742.12                                |
| GALLEGOS FED 26-13-1 #2  | SW SW Section | 1-26N-13W 155,927                           | 155                                  | 94                        | 14.6%                                     | 1,071,663                             | 335.22                                |
| GALLEGOS FED 26-13-12 #1 | SE NE Section | 12-26N-13W 470,007                          | 130                                  | 88                        | 20.0%                                     | 2,350,035                             | 735.10                                |
| TOTALS /AVERAGES         |               | 1,994,217                                   | 145                                  | 92.40                     | 16.0%                                     | 12,311,695                            | 770.23                                |

COMMENTS:

MATERIAL BALANCE ANALYSES INDICATE THAT THE FRUITLAND COALBED METHANE WELLS ARE DRAINING A VERY LARGE AREA.

NMOCD CASE #11996  
PENDRAGON ENERGY  
EXHIBIT  
**m-9**