



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6822

ANALYSIS NO. CPS90003
CUST. NO. 16700- 10000

WELL/LEASE INFORMATION

CUSTOMER NAME CAPROCK PIPE & SUPPLY
WELL NAME L-BAR RANCH #1
COUNTY/ STATE SANDOVAL NM
LOCATION 02-13N-04W
FIELD
FORMATION GLORIETTA
SUGT.SYN.NG.

SOURCE N/A
PRESSURE 90 PSI
SAMPLE TEMP 5 DEG.F
WELL FLOWING Y
DATE SAMPLED 12/5/99
SAMPLED BY ESK/PB
CORRECTION

REMARKS SWAB TREE CONNECTION. SURGED VESSEL 4 TIMES. GAS WOULD NOT BURN.
API NO.: 3004320948; 2095' FNL x 200' FEL; SAMPLE TAKEN @ 6:30 AM ON 12/5/99.

PERFS: 3226'-35' AND 3245'-72'

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	38.953	0.0000	0.00	0.3768
CO2	60.680	0.0000	0.00	0.9221
METHANE	0.309	0.0000	3.13	0.0017
ETHANE	0.014	0.0037	0.25	0.0001
PROPANE	0.000	0.0000	0.00	0.0000
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.004	0.0013	0.13	0.0001
I-PENTANE	0.004	0.0015	0.16	0.0001
N-PENTANE	0.004	0.0014	0.16	0.0001
HEXANE PLUS	0.032	0.0140	1.65	0.0010
TOTAL	100.000	0.0210	5.48	1.3020

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/2) 1.0028
BTU/CU.FT (DRY) CORRECTED FOR (1/2) 5.5
BTU/CU.FT (WET) CORRECTED FOR (1/2) 5.4
REAL SPECIFIC GRAVITY 1.3056

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F.

DRY BTU @ 14.650 5.5
DRY BTU @ 14.696 5.5
DRY BTU @ 14.730 5.5
DRY BTU @ 15.025 5.6

CYLINDER # 1687-2
CYLINDER PRESSURE 80 PSIG
DATE RUN 12/9/99
ANALYSIS RUN BY BOB DURBIN

3. Location of existing wells:

Existing wells within a one mile radius are shown on Exhibit C.

4. Location of existing and/or proposed facilities:

A. If the well proves to be commercial, the necessary production facilities and tank battery will be installed on the drilling pad.

B. If productive, the well will be tied into the existing pipeline.

5. Location and type of water supply:

It is planned to drill the proposed well with the fresh water that will be obtained from private or commercial sources and that will be transported over the existing access roads. No water well will be drilled on the location.

6. Methods of handling waste disposal:

A. Drill cuttings not retained for evaluation purposes will be disposed to industrial standards.

B. Drilling fluids will be contained in steel metal tanks. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 15' x 40' x 6' deep and fenced on three sides prior to drilling. It will be fenced on the fourth side immediately following rig removal. The reserve pit will be plastic-lined (5 - 7 mil thickness) to minimize loss of drilling fluids.

C. Water produced from the well during completion may be disposed into the reserve pit or a steel tank, depending on the rates. After the well is permanently placed on production, produced water will be collected in fiberglass or steel tanks until hauled by transport to an approved disposal system.



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ANALYSIS NO. CPS90002
CUST. NO. 16700- 10000

WELL/LEASE INFORMATION

CUSTOMER NAME	CAPROCK PIPE & SUPPLY	SOURCE	WELLHEAD
WELL NAME	L-BAR RANCH #1	PRESSURE	220 PSI
COUNTY/STATE	SANDOVAL NM	SAMPLE TEMP	20 DEG.F
LOCATION	02-13N-04W	WELL FLOWING	Y
FIELD		DATE SAMPLED	11/19/99
FORMATION	SHENANDOAH TOP PENNSYLVANIAN	SAMPLED BY	ESK/PB
CUST. STN. NO.		FOREMAN/ENG.	

REMARKS TOOK SAMPLE 1ST THING IN MORNING AFTER WELL WAS SHUT-IN
OVERNIGHT. PURGED BOTTLE 4 TIMES PRIOR TO TAKING SAMPLE.
PERFS: 5038'-5182'

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR.*
NITROGEN	42.625	0.0000	0.00	0.4123
CO2	55.141	0.0000	0.00	0.8379
METHANE	2.190	0.0000	22.17	0.0121
ETHANE	0.033	0.0088	0.59	0.0003
PROPANE	0.000	0.0000	0.00	0.0000
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.001	0.0003	0.03	0.0000
I-PENTANE	0.000	0.0000	0.00	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.010	0.0044	0.51	0.0003
TOTAL	100.000	0.0135	23.30	1.2630

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/2)	1.0025
BTU/CU.FT (DRY) CORRECTED FOR	(1/2)	23.4
BTU/CU.FT (WET) CORRECTED FOR	(1/2)	23.0
REAL SPECIFIC GRAVITY		1.2681

ANALYSIS RUN AT: 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	23.2
DRY BTU @ 14.696	23.3
DRY BTU @ 14.730	23.4
DRY BTU @ 15.025	23.8

CYLINDER #	2-83
CYLINDER PRESSURE	188 PSIG
DATE RUN	11/20/99
ANALYSIS RUN BY	BOB DURBIN

D. Upon completion of the proposed operations, if the well is completed, the reserve pit will be treated as outlined above within the same prescribed time. The gravel from any area of the original drill site not needed for production operations or facilities will be removed and used for construction of thicker pads or firewalls for the tank battery installation. Any additional gravel required for facilities will be obtained from a BLM-approved gravel pit. Top soil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level and reseeded as per BLM specifications.

10. Surface ownership:

The well site and lease is located entirely on Jicarilla Apache surface.

11. Other information:

- A. The top soil is clay. The vegetation is sagebrush, native grasses, and pine trees.
- B. There is no permanent or live water in the immediate area.
- C. Residences and other structures: No residences in the immediate area. Gas production facilities on offsetting location.
- D. Land use: Cattle grazing
- E. Surface ownership: The proposed well site and access road is on Jicarilla Apache surface.
- F. There is no evidence of any archaeological, historical, or cultural sites in the area. An archaeological survey has been conducted by Velarde Energy Service, Dulce, New Mexico. The reports have been submitted to the appropriate government agencies.

12. Operations representative:

The field representative responsible for ensuring compliance with the approved surface use and operations plan is:

Terry Lindeman
Mallon Oil Company
P.O. Box 2797
Durango, Colorado 81302
Office Phone: 970-382-9100
Home Phone: 970-588-2214