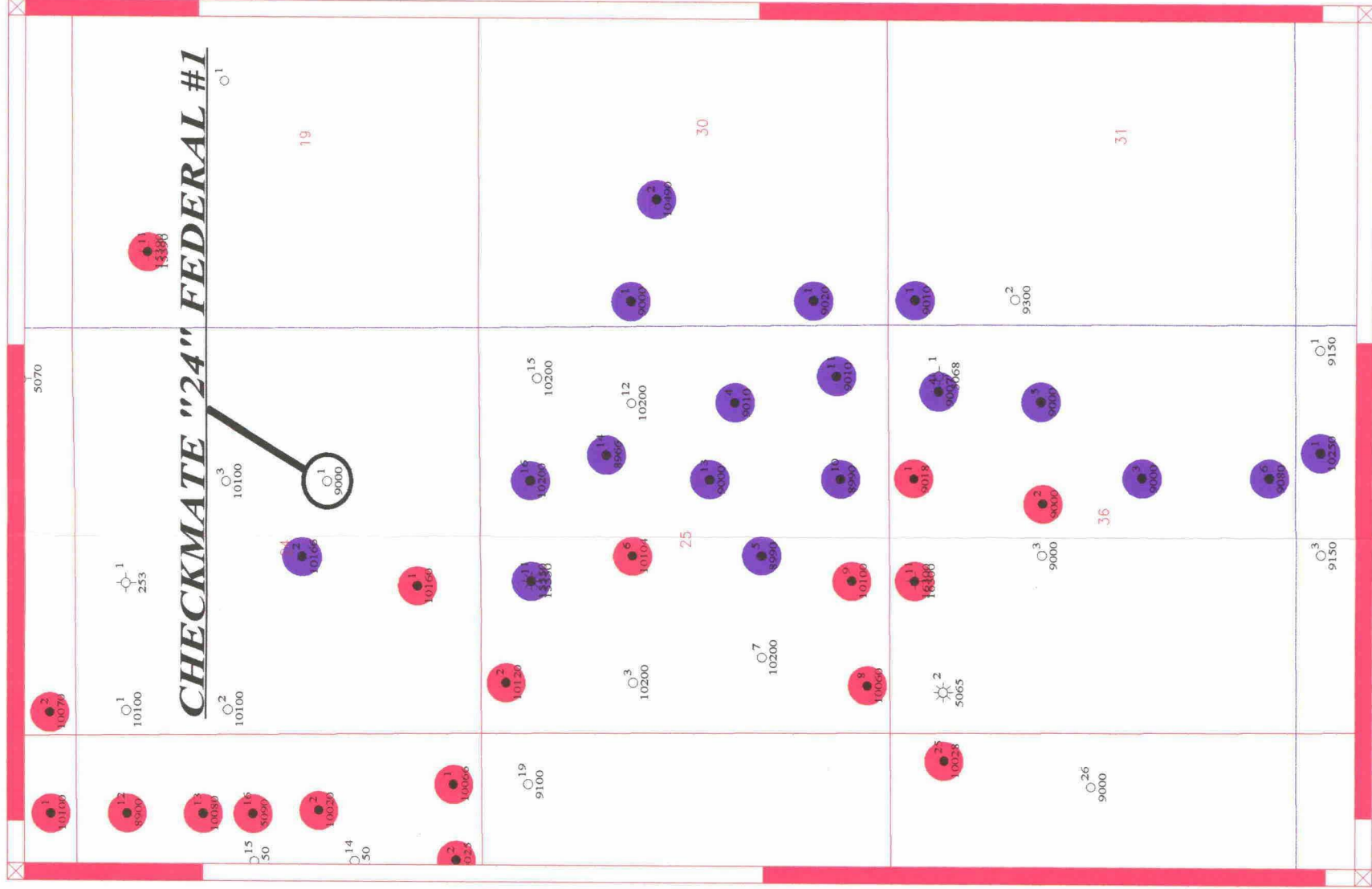


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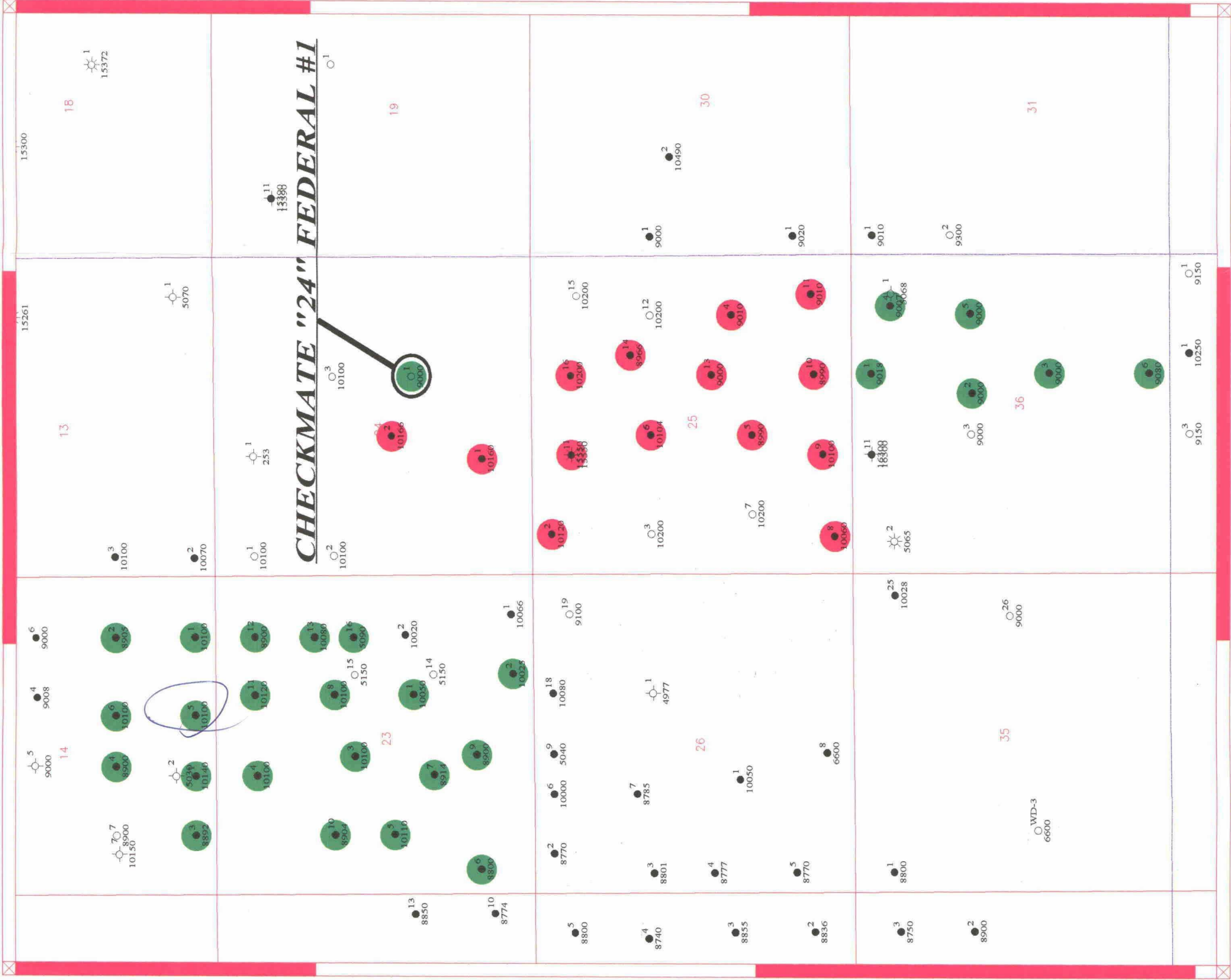


● DELAWARE SAND PRODUCTION
● UPPER BONE SPRING SAND PRODUCTION

BURLINGTON RESOURCES		
RED TANK AREA, LEA CO., NM CURRENT PRODUCTION MAP		
Rick King	Scale 1:24000.	9/24/96

LEGEND

- OIL WELL
- * GAS WELL
- ✦ DRY HOLE
- ✧ INACTIVE OIL WELL
- ✧ INACTIVE GAS WELL
- △ INJECTION WELL
- LOCATION



**BURLINGTON RESOURCES
OPERATED WELLS (27 WELLS)**

**BURLINGTON RESOURCES
NON-OPERATED WELLS (14 WELLS)**

*Operator for the
last 3 1/2 years.*

BURLINGTON RESOURCES		
RED TANK AREA, LEA CO., NM CURRENT OPERATIONS MAP		
Rick King	Scale 1:24000.	9/24/96

LEGEND	
•	OIL WELL
*	GAS WELL
◇	DRY HOLE
/	INACTIVE OIL WELL
×	INACTIVE GAS WELL
△	INJECTION WELL
•	LOCATION

RED TANK No. 1

Pumping Well

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11613 Exhibit No. 16
Submitted By:
Burlington Resources
Hearing Date: October 2, 1996



RED TANK BATTERY

Oil Storage Tanks

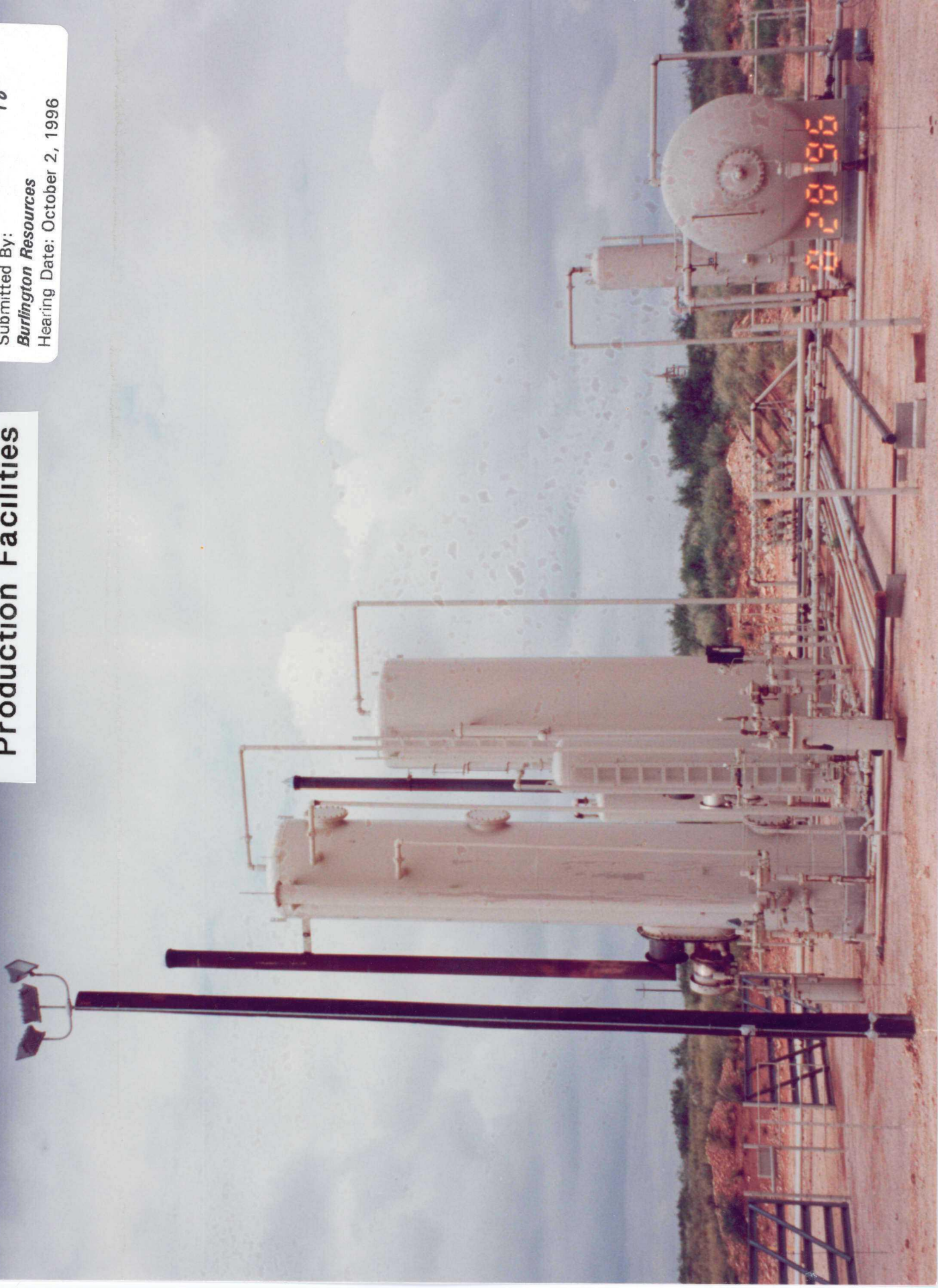


BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11613 Exhibit No. 17
Submitted By:
Burlington Resources
Hearing Date: October 2, 1996

RED TANK BATTERY

Production Facilities

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11613 Exhibit No. 18
Submitted By:
Burlington Resources
Hearing Date: October 2, 1996



RED TANK BATTERY

Gas Sales/Alarm Monitoring

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11613 Exhibit No. 19
Submitted By:
Burlington Resources
Hearing Date: October 2, 1996



Penwell and BR Cost Comparison

Checkmate "24" #1

West Red Tank Delaware

	<u>Penwell</u>	<u>Burlington</u>	<u>Variance</u>
Contingency	\$30,920	\$0	(\$30,920)
Separator / Treater	\$8,500	\$0	(\$8,500)
Tanks	\$6,500	\$0	(\$6,500)
Completion Unit	\$15,000	\$12,000	(\$3,000)
Geological Engr.	\$3,000	\$0	(\$3,000)
Tubular Svs and Tools	\$5,000	\$2,600	(\$2,400)
Title and Curative	\$2,000	\$0	(\$2,000)
Mud Logging	\$5,000	\$3,100	(\$1,900)
Equipment Rental	\$13,400	\$11,700	(\$1,700)
Roads, Locations, Pits	\$24,500	\$23,000	(\$1,500)
Contract Labor	\$10,000	\$11,200	\$1,200
Flowlines, Valves, Conn	\$8,000	\$10,000	\$2,000
Rods and Pump	\$28,000	\$31,500	\$3,500
Damages and ROW	\$300	\$3,900	\$3,600
Wellhead Equip	\$7,500	\$12,000	\$4,500
Drilling Footage	\$126,000	\$131,400	\$5,400
Cementing	\$39,000	\$45,000	\$6,000
Tubing	\$25,500	\$32,200	\$6,700
Surface Lift and Elec.	\$58,000	\$71,000	\$13,000
Drilling Well Rate (A/O)	\$2,400	\$18,000	\$15,600
SUM TOTAL	\$418,520	\$418,600	\$80

Note: Above based on areas of significant cost variance

BR AFE: \$651,700

Penwell AFE: \$649,320

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11613 Exhibit No. 20
Submitted By:
Burlington Resources
Hearing Date: October 2, 1996

Category	Recommended Action	Potential Savings
Roads, Locations, Pits	Drilling/Construction Foreman will interview contractors and share invoice information to gain better understanding of variance. Will also investigate "Time and Materials" billing among vendors.	\$5,000
Cement & Cement Services	BR deleted multi-stage cementing tool from casing designs, and will only run where necessary. Revised cement estimate is +/- \$45,000.	\$11,000
Logging / Sidewall Coring	BR will only run sidewall cores where necessary, but continue to run caliper survey for better cement volume calculations.	\$6,000
Stimulation	Production group will optimize stimulation design Halliburton engineer.	\$5,000
Casing	Hobbs Team scheduled slim-hole wells for 1997 budget. Recommend running Grade B casing, as available.	\$25,000
Tubing	Utilizing 2-3/8" production tubing on Delaware wells (i.e., Pronghorn). Budgeted same for all 1997 wells. Recommend running yellow band tubing, as available.	\$10,000
Pumping Equipment	Will survey market for quality used pumping units. Also, planning on optimization of existing lift equipment and transfers between wells as appropriate.	\$12,000
Total		\$74,000