

To NMOCC Hearing of August 21, 1997:

The following projects have been undertaken as a result of Polaris' activities in attempting to recover these Devonian reserves.

1. Collins & Ware, Pope 5. Horizontal lateral into Devonian in January 1994. Produced all water and P&A. Cost approx. \$700,000.
2. Kinlaw, Mexico F-1. Horizontal lateral into Devonian in March 1994. Failed to produce. Cost approx. \$700,000.
3. Kinlaw, Mexico F-3. Horizontal lateral into Devonian in April or May 1995. Failed to produce. Cost approx. \$600,000.
4. Collins & Ware, Pope 32. Top to bottom Devonian Well drilled in June 1995. Cost approx. \$1,200,000. Completed producing approx. 300 BOPD. Net State Taxes approx. \$8,000/mo.
5. Collins & Ware, Priest No. 6. Re-entry from Wolfcamp to Devonian December 1995. Failed to produce economically. Cost approx. \$1,100,000.
6. Collins & Ware, Pope 33. Top to bottom Devonian Well drilled in February-March 1996. Completed producing approx. 60 BOPD. Net State Taxes approx. \$1,600/mo. Cost approx. \$1,300,000.
7. Brigham Oil & Gas 3-D Survey over three sections. Cost approx. \$80,000.

Conclusion: Polaris has caused to be spent \$5,700,000 in search of a better way to extract the remaining Devonian Reserves in the past three years.

Results: The net result, so far, is approximately 360 BOPD with net revenues to the State of New Mexico being approximately \$9,600/mo.