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BOND AREA
ROOSEVELT & LEA COUNTIES, NEW MEXICO
PRODUCTION HISTORY

	BTA - KGS #1 (Mobil-Walker Fed. #1)			BTA - Northcott #1 (Texaco-Northcott)			Hanks - Cabot St. #1 (Cabot-St. #1-R)			BTA - Bond #1			Area Total			Cumulative Oil
	Oil	Water	Gas	Oil	Water	Gas	Oil	Water	Gas	Oil	Water	Gas	Oil	Water	Gas	
<u>1950</u>																
Jan.	1504	-	3919	Completed July, 1965			Completed July, 1968			Completed Aug., 1968			1504	-	3919	1,504
Feb.	5070	84	6323										5070	84	6323	6,574
Mar.	4676	93	7709										4676	93	7709	11,250
Apr.	4626	210	7918										4626	210	7918	15,876
May	4922	217	8180										4922	217	8180	20,798
Jun.	4192	180	7381										4192	180	7381	24,990
Jul.	5192	186	8804										5192	186	8804	30,182
Aug.	5876	186	9563										5876	186	9563	36,058
Sep.	5455	480	8780										5455	480	8780	41,513
Oct.	5305	4960	4960										5305	4960	4960	46,818
Nov.	5346	4800	8704										5346	4800	8704	52,164
Dec.	5314	4960	9084										5314	4960	9084	57,478
<u>1951</u>																
Jan.	5337	4960											5337	4960	N.R.	62,815
Feb.	4784	4480											4784	4480		67,599
Mar.	4547	4960											4547	4960		72,146
Apr.	5135	4800											5135	4800		77,281
May	3794	8339											3794	8339		81,075
Jun.	313	8070											313	8070		81,388
Jul.	-	8339											-	8339		81,388
Aug.	-	8339											-	8339		81,388
Sep.	-	8070											-	8070		81,388
Oct.	-	8339											-	8339		81,388
Nov.	T.A.	-											T.A.	-		81,388
Dec.	-	-											-	-		81,388

No production from 12/1/51 to 6/31/65

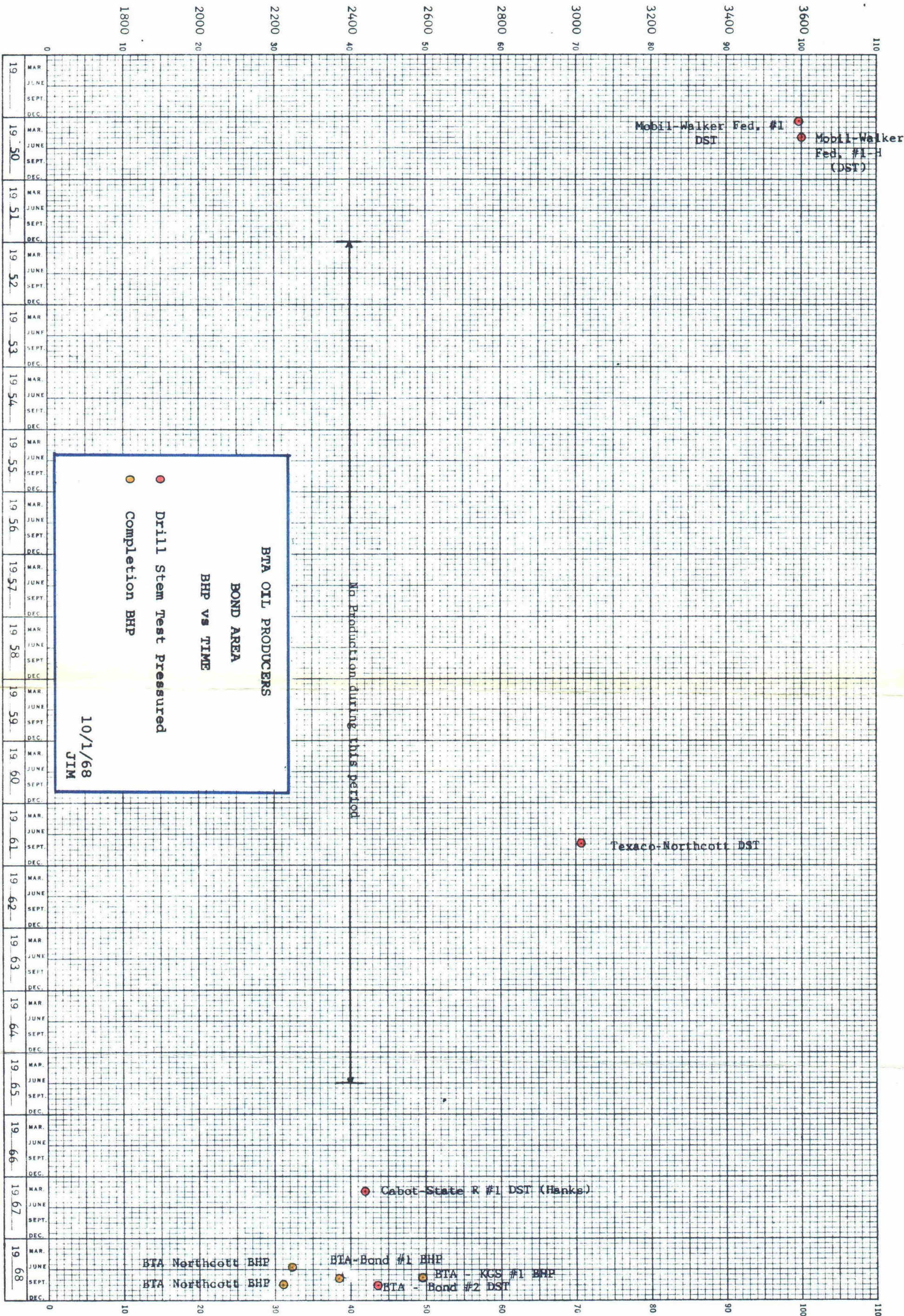
BOND AREA					Roosevelt & Lea County, New Mexico	
BHP & Production History						
<u>Company, Use., & Well</u>	<u>Date of Press.</u>	<u>Location</u> U - S - T - R			<u>BHP</u> <u>-5700</u>	<u>Cumulative</u> <u>Oil Production</u> <u>Barrels</u>
Mobil-Walker Fed. #1	1/50	M	8	9	36	-0-
Mobil-Walker Fed. #1-H	4/50	M	6	9	36	15,876
Texaco - Northcott #1	8/61	B	5	9	36	81,388
Cabot - State R #1	3/67	K	32	8	36	116,077
BTA - Northcott #1	6/68	B	5	9	36	149,561
BTA - Bond #1	8/68	J	5	9	36	166,911
BTA - KGS #1	8/68	M	8	9	36	166,911
BTA - Northcott #1	9/68	B	5	9	36	179,110 (EST)
BTA - Bond #2	9/68	L	5	9	36	179,110 (EST)
BTA - Walker #1	10/68	M	6	9	36	179,110 (EST)

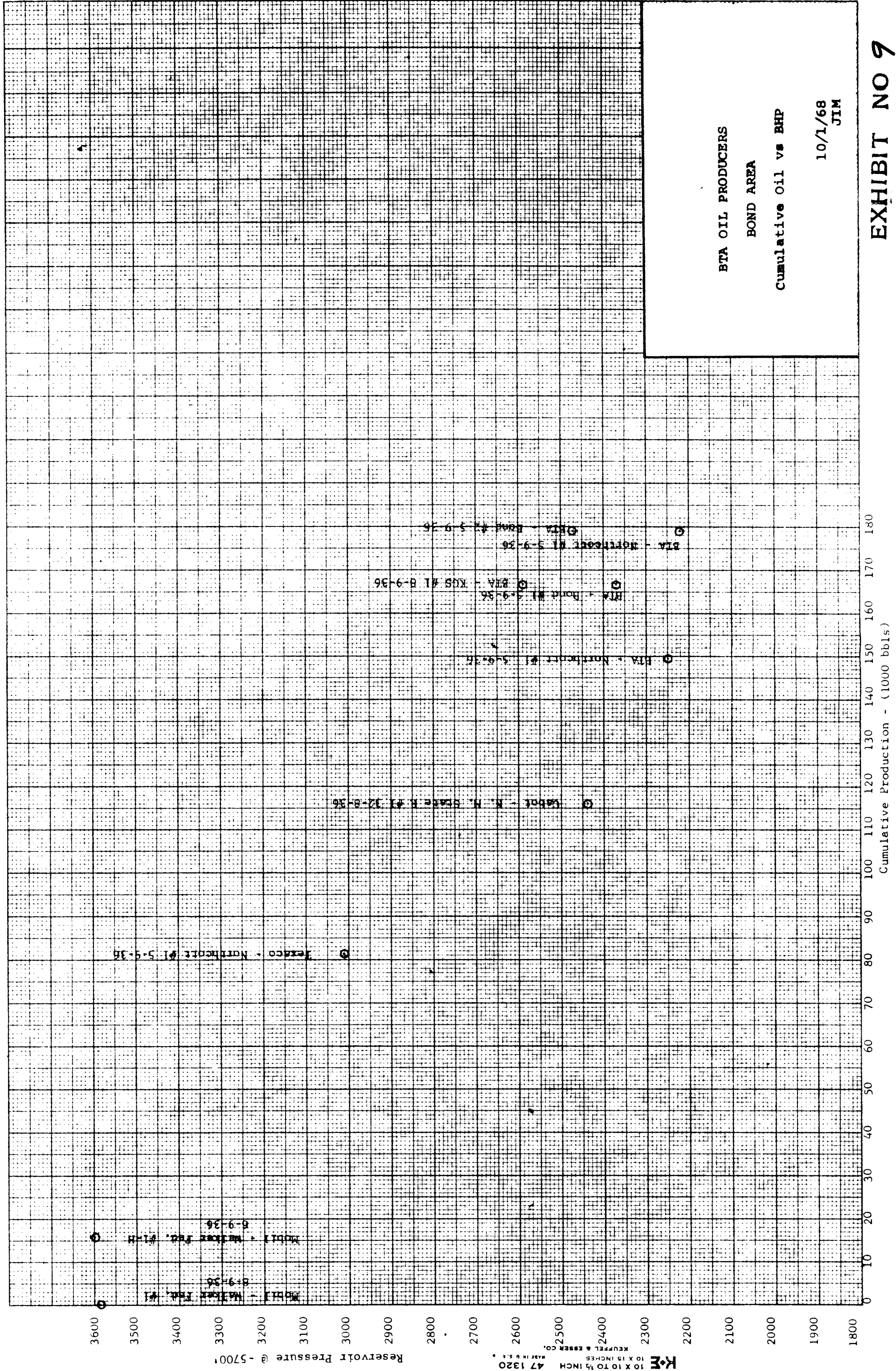
BOND AREA
ROOSEVELT & LEA COUNTIES, NEW MEXICO
PRODUCTION HISTORY

	BTA - KGS #1 (Mobil-Walker Fed. #1)			BTA - Northcott #1 (Texaco-Northcott)			Hanks - Cabot St. #1 (Cabot-St. #1-R)			BTA - Bond #1			Area Total			Cumulative Oil
	Oil	Water	Gas	Oil	Water	Gas	Oil	Water	Gas	Oil	Water	Gas	Oil	Water	Gas	
1965																
Jan.	T.A.															81,388
Feb.																81,388
Mar.																81,388
Apr.																81,388
May																81,388
Jun.																81,388
Jul.				660	7000								660	7000		82,048
Aug.				660	6500								660	6500		82,708
Sep.				1556	6000								1556	6000		84,264
Oct.				2418	7500								2418	7500		86,682
Nov.				1634	6100								1634	6100		88,316
Dec.				1100	3000								1100	3000		89,416
1966																
Jan.				248	1400								248	1400		89,664
Feb.				1746	1600								1746	1600		91,410
Mar.				1955	3000								1955	3000		93,365
Apr.				2474	5000								2474	5000		95,839
May				3176	8000								3176	8000		99,015
Jun.				1320	3000								1320	3000		100,335
Jul.																100,335
Aug.				140	1600								140	1600		100,475
Sep.				2302	9000								2302	9000		102,777
Oct.				1063	9000								1063	9000		103,840
Nov.				3581	22000								3581	22000		107,421
Dec.				2200	13200								2200	13200		109,621

BTA - KGS #1	BTA - Northcott #1	Hanks - Cabot St. #1	BTA - Bond #1	Area Total	Cumulative
(Mobil-walker Fed. #1)	(Texaco-Northcott)	(Cabot-St. #1-R)			Oil

[illegible]





BOND AREA
ROOSEVELT & LEA COUNTIES, NEW MEXICO

RESERVOIR DATA

POROSITY	Range	5-10%
POROSITY	Average	8%
PERMEABILITY	Calculated	245 MD (From BHP data, BTA Bond #3)
WATER SATURATION	Estimate	30%
FORMATION VOLUME FACTOR		1.50 (Borden's Correlation)
RECOVERY FACTOR	Estimate	35%
NET PAY	Range	4-12'
NET PAY	Average	10'
BUBBLE POINT - EST.		3200' (Analogy w/Vada Penn)
RESERVOIR PRESSURE @ ABANDONMENT		500
OIL GRAVITY		46° API @ 60°
GAS GRAVITY		0.825
SOLUTION GOR		Est. 1000 CF/Bbl.
OIL IN PLACE		$= \frac{7758 \times 0.08 \times 0.70}{1.50}$
		= 290 Bbl/Acre Ft.
ESTIMATED ULTIMATE RECOVERABLE OIL		$= 290 \times 35\% \text{ or } 102 \text{ Bbl/Acre Ft.}$ $= 102 \times 10' \text{ or } 1020 \text{ Bbl/Acre}$ $= 81,600 \text{ Bbl/80 Acres}$ $= 163,200 \text{ Bbl/160 Acres}$
ESTIMATED % DEPLETED		$= \frac{3200 - 2450}{3200 - 500} \times 100 \text{ or } 27.7\%$
THUS RECOVERABLE OIL @10-1-68 @ 72.3% is:		$= 59,000 \text{ Bbls/80 acres}$ $= 118,200 \text{ Bbls/160 acres}$

EXHIBIT NO 10

BOND AREA
ROOSEVELT & LEA COUNTIES, NEW MEXICO
ECONOMICS

GROSS INCOME (OIL & GAS)	\$3.20/Bbl.
WORKING INTEREST INCOME @ 87.5%	2.80/Bbl.
OPERATING COSTS AND TAXES	0.50/Bbl.
NET WORKING INTEREST INCOME	\$2.30/Bbl.

ASSUMING NO DEPLETION OF RESERVES:

ACRES PER WELL	<u>80</u>	<u>160</u>
ESTIMATED RECOVERY - BBLs	81,600	163,200
TOTAL NET INCOME	\$188,000	\$376,000
DEVELOPMENT COST PER WELL	\$175,000	\$175,000
NET PROFIT PER WELL	\$ 13,000	\$201,000
RATIO OF INCOME TO INVESTMENT	1.07	2.15

ALLOWING FOR ESTIMATED DEPLETION OF RESERVES:

ESTIMATED RECOVERY - BBLs	59,000	118,200
TOTAL NET INCOME	\$135,800	\$272,000
DEVELOPMENT COST PER WELL	\$175,000	\$175,000
NET PROFIT (LOSS) PER WELL	(\$ 39,200)	\$ 97,000
RATIO OF INCOME TO INVESTMENT	0.77	1.55

BOND AREA

Roosevelt & Lea Counties, New Mexico

Sec. 32, T-8-S, R-36-E, & Sec. 4, 5, 8, T-9-S, R-36-E

SUGGESTED SPECIAL RULES & REGULATIONS

1. All Bough "C" wells drilled within one mile of this pool will be regulated by these rules.
2. Each well shall be located on a standard unit containing 160 acres, in the form of a square, which is a quarter section of a governmental section.
3. The Secretary-Director of the Commission may grant an exception to the acreage requirements for variations in the legal subdivision of the United States Public Land Surveys.
4. Each well shall be located within 150' of the center of a governmental quarter - quarter section.
5. The Secretary-Director may grant an exception to the requirement of No. 4 due to topographical conditions or the recompletion of a well previously drilled to another horizon.
6. A standard proration unit (158 through 182 acres) shall be assigned a proportional factor of 4.77 for allowable purposes.

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