

~~Handwritten signature~~

August 15, 1988

RE: Lone Wolf Devonian Area
Chaves County, NM

Flag-Redfern Oil Co.
P. O. Box 11050
Midland, TX 79702

Attn: John O'Brien

Dear Mr. O'Brien:

As I mentioned on the phone, I am preparing to drill two wells at unorthodoxed locations offsetting my new discovery which is located in the SW/4NW/4 of Section 29, Township 7 South, Range 31 East, Chaves County, New Mexico. In addition, for your information, the NMOCC has granted me 160 acre spacing for this Devonian gas field and the NW/4 of Section 29 is dedicated to the discovery well.

These two locations are as follows:

1. An 8800' Devonian test to be located 330' FSL and 660' FWL Section 20, T7S, R31E, Chaves County, NM
2. An 8800' Devonian test to be located 2310' FSL and 1650' FWL Section 29, T7S, R31E, Chaves County, NM

I would like to secure Flag-Redfern's approval on these locations in order to avoid a hearing. If you are agreeable, please return one executed copy of this letter, retaining the other for your files.

Very truly yours,

Robert N. Enfield

Robert N. Enfield

RNE/mg

Accepted and agreed to this 26 day of August, 1988

By: *Barbara to [unclear]*
Flag-Redfern Oil Company

August 15, 1988

RE: Lone Wolf Devonian Area
Chaves County, NM

BHP Petroleum Company, Inc.
6 Desta Street, Suite 3200
Midland, TX 79705

Attn: Robert Elliott

Dear Robert:

As I mentioned on the phone, I am preparing to drill two wells at unorthodoxed locations offsetting my new discovery which is located in the SW/4NW/4 of Section 29, Township 7 South, Range 31 East, Chaves County, New Mexico. In addition, for your information, the NMOCC has granted me 160 acre spacing for this Devonian gas field and the NW/4 of Section 29 is dedicated to the discovery well.

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2. An 8800' Devonian test to be located 2310' FSL and 1650' FWL Section 29, T7S, R31E, Chaves County, NM

I would like to secure BHP's approval on these locations in order to avoid a hearing. If you are agreeable, please return one executed copy of this letter, retaining the other for your files.

Very truly yours,

Robert N. Enfield

Robert N. Enfield

RNE/mg

Accepted and agreed to this 24th day of August, 1988

By:

R. J. Davis
BHP Petroleum Company, Inc. *RNE*

ATTORNEY-IN-FACT

August 17, 1988

RE: Lone Wolf Devonian Area
Chaves County, NM

Heyco
P. O. Box 1933
Roswell, NM 88201

Attn: George Yates

Dear George:

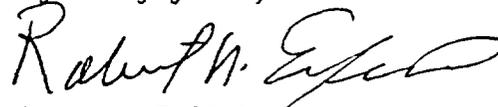
As I mentioned on the phone, I am preparing to drill two wells at unorthodox locations offsetting my new discovery which is located in the SW/4NW/4 of Section 29, Township 7 South, Range 31 East, Chaves County, New Mexico. In addition, for your information, the NMOCC has granted me 160 acre spacing for this Devonian gas field and the NW/4 of Section 29 is dedicated to the discovery well.

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I would like to secure Heyco's approval on these locations in order to avoid a hearing. If you are agreeable, please return one executed copy of this letter, retaining the other for your files.

Very truly yours,



Robert N. Enfield

RNE/mg

Accepted and agreed to this 23rd day of August, 1988

By: _____

Heyco

August 16, 1988

RECEIVED

AUG 16 1988

RE: Lone Wolf Devonian Area
Chaves County, NM

M W J

MWJ Producing Company
400 W. Illinois, Suite 1100
Midland, TX 79701

Attn: Scott Bryant

Dear Mr. Bryant:

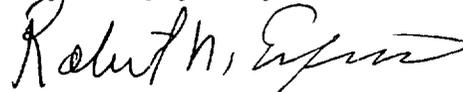
As I mentioned on the phone, I am preparing to drill a well at an unorthodox location offsetting my new discovery which is located in the SW/4NW/4 of Section 29, Township 7 South, Range 31 East, Chaves County, New Mexico. In addition, for your information, the NMOCC has granted me 160 acre spacing for this Devonian gas field and the NW/4 of Section 29 is dedicated to the discovery well.

The location is as follows:

1. An 8800' Devonian test to be located 2310' FSL and 1650' FWL Section 29, T7S, R31E, Chaves County, NM

I would like to secure MWJ's approval on this location in order to avoid a hearing. If you are agreeable, please return one executed copy of this letter, retaining the other for your files.

Very truly yours,



Robert N. Enfield

RNE/mg

Accepted and agreed to this _____ day of _____, 1988

By:


MWJ Producing Company

August 16, 1988

RE: Lone Wolf Devonian Area
Chaves County, NM

Western Reserves Oil Company, Inc.
Century Plaza
310 West Wall, Suite 301
Midland, TX 79701

Attn: R. C. Beveridge

Dear Dick:

As I mentioned on the phone, I am preparing to drill a well at an unorthodox location offsetting my new discovery which is located in the SW/4NW/4 of Section 29, Township 7 South, Range 31 East, Chaves County, New Mexico. In addition, for your information, the NMOCC has granted me 160 acre spacing for this Devonian gas field and the NW/4 of Section 29 is dedicated to the discovery well.

The location is as follows:

1. An 8800' Devonian test to be located 2310' FSL and 1650' FWL Section 29, T7S, R31E, Chaves County, NM

I would like to secure Western Reserve's approval on this location in order to avoid a hearing. If you are agreeable, please return one executed copy of this letter, retaining the other for your files.

Very truly yours,


Robert N. Enfield

RNE/mg

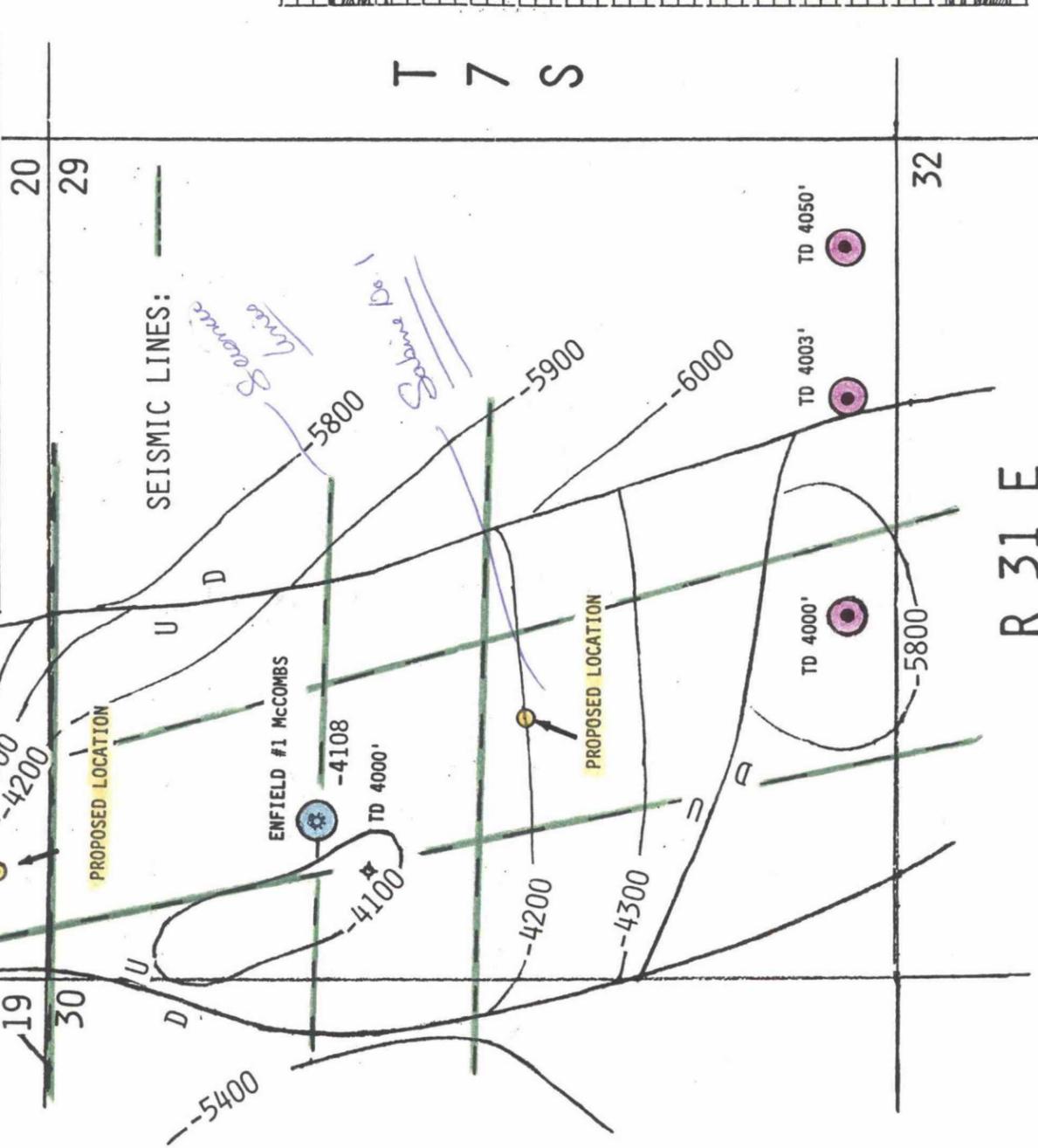
Accepted and agreed to this 17 day of August, 1988

By: 
Western Reserves Oil Company, Inc.

ROBERT N. ENFIELD
CHAVES COUNTY, NEW MEXICO

CONTOUR HORIZON: TOP OF DEVONIAN
CONTOUR INTERVAL: 100'
SCALE: 1" = 1000'
GEOLOGIST: E.B. NEFF DATE: 8-30-88

DEVONIAN GAS SAN ANDRES OIL



COMPENSATED NEUTRON/LITHO DENSITY
field log

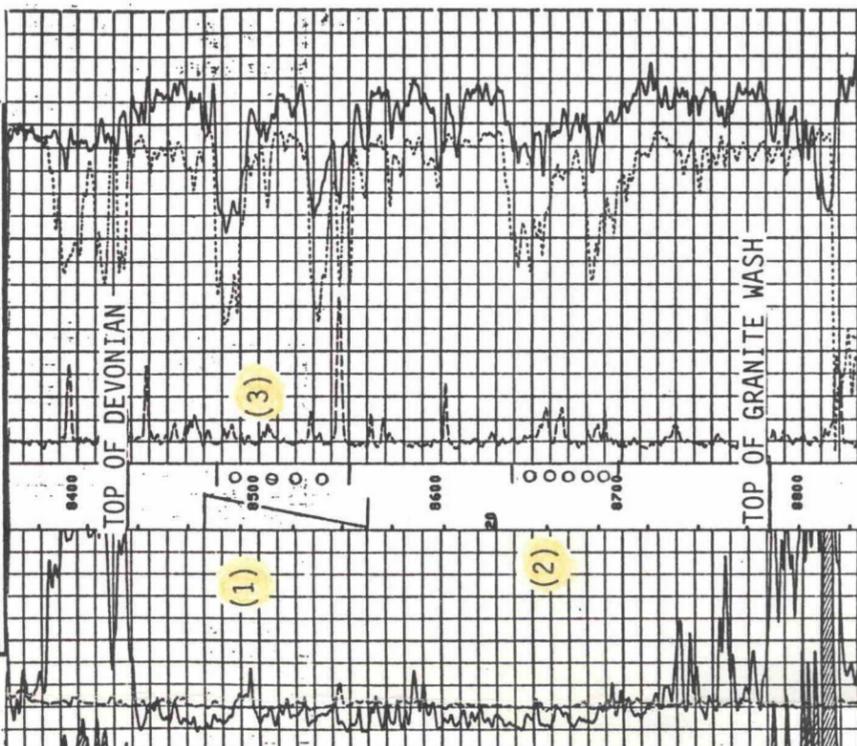
ROBERT N. ENFIELD
EAST MC COMBS NO. 1
WILDCAT
CHAVES
NEW MEXICO
U.S.A.
1650' FHL & 990' FHL
THP: 75 RGE: 31E

PERMANENT DATUM: G.L.
ELEV. OF PERM. DATUM: 4304.8 F
LOG MEASURED FROM: K.B.
14.0 F ABOVE PERM. DATUM
DRLG. MEASURED FROM: K.B.

DATE: 29 FEB 88 API SERIAL NO: 3000521071
RUN NO: ONE

DEPTH-DRILLER: 9182.0 F
DEPTH-LOGGER: 9171.0 F
TOP LOG INTERVAL: 9176.0 F
CASING-DRILLER: 3500.0 F
CASING-LOGGER: 3497.0 F
CASING: 8 5/8"
WEIGHT: 24.0000 LB/FT
BIT SIZE: 7 7/8"
DEPTH: 9182.0 F

ELEVATIONS-
KBI 4318.8 F
DFI 4317.8 F
GLI 4304.8 F



(1)
SP DST 8470-8560'; Op 3' 30"
GTS @ 125 MCFGPD
Rec 217' GCDM
ISIP 2924#/2'
FP 77-170#
FSIP 3145#/9'

(2)
PERF 8639-97'; A/500 gals
Swb wtr w/NS
Est prod rate 2000 BWP
Set RBP @ 8590'

(3)
PERF 8477-8551'; A/3600 gals
IPCAOF 1.802 MCFGPD;
GOR 8.9 MCF/Bbl
AUG 88: Approx 500 MCFGPD +
30 BOPD