

Exhibit 1

Cone Exhibit

The proposed East Blinebry-Drinkard Units, if approved, will unitize the Blinebry and Drinkard reservoirs of the unit area. Sandwiched between these two reservoirs is the Tubb formation which is productive of gas. Also immediately underlying the Drinkard is found the Wichita Albany-Abo formation which is an established source of supply of oil and gas from the unit area.

In the case of the Eubanks lease (Tract 13 to the Unit) some 46.5% of the known reserve is credited to the Tubb formation and 21.4% credited to the Abo formation. Therefore, we find 67.9% of the proven and productive reserve in formations which are adjacent to the proposed unitized formations and recoverable from bore holes that are also necessary for prosecution of the proposed plan of operation of the units.

The Unit Operating Agreements for which approval is being considered here provides through Paragraph 11.1 on page 17 that the operators of each 40 acre tract of the proposed unit contribute a usable well bore for that tract or be assessed an amount of money up to \$200,000 for each such well bore not so contributed. There is no provision for the Unit Working Interest Owners or its operators to compensate the contributing Working Interest Owners for loss of access to usable well bores in existence at the time of unitization that have been designed and planned for unitization in the recovery of Tubb or Abo reserve underlying the tracts included in this Unit.

The Eubanks lease contains four (4) well bores providing access to Blinebry, Tubb, Drinkard and Abo formations. If the terms of the Unit Operating Agreement are approved as they are presented here the Working Interest Owners of Tract 13 will be denied existing bore hole access to 67.9% of these proven and productive reserve or be assessed a major economic penalty. It is evident from this that the Unit Operating Agreement contains provisions allowing the Unit interest to confiscate valuable property without compensation.

It should also be pointed out that proven and producing natural gas reserves represented by the Tubb formation underlying the Eubanks (Tract 13) lease, as well as others of the area, are dedicated to El Paso Natural Gas Company through a Certificate of Necessity granted by the Federal Power Commission. If this access to producing Tubb gas is denied or damaged the owners of this lease will be faced with the obligation of providing a new bore hole through which the so dedicated gas may be delivered.

The economic implication of the proposed bore hole delivery or economic penalty requirement results in severe economic penalties to the owners of the Eubanks (Tract 13) lease, as well as assessable liability for loss of reserves dedicated to an interstate market under the rules of the Federal Power Commission.

Futhermore, the loss of bore hole accessibility will require major capital expenditures to recover known Abo reserves. These penalties alone could be severe enough to prohibit the recovery of known reserve and thereby cause the loss of valuable oil and gas reserves.

It is evident that the owners of leases occupying the eastern one half of the proposed unit are operating properties that are near economic limit of primary recovery from the Blinbry and Drinkard formations. We concur that these operators should consider some form of enhanced recovery to force the production of the natural resources known to remain in those formations. Those leases in the western portion of the unit are producing at rates substantially greater than the economic limit of primary production. At present rates of decline, some five to ten years will be required for the western wells to reach the present level of production experienced by the eastern wells.

The eastern portion of the proposed units do not appear to represent the significant volumes of Tubb or Abo reserves that are known to exist in the western portion of the area in question. Therefore, the economic loss of access to valuable natural resources in that eastern portion of the area may not be as great as that of the western part of the unit area.

Therefore, if applicable any attempt at conducting an enhanced recovery program should by all reasonable logic be confined to the eastern portion of the proposed unit area and prosecuted to a point that would prove without doubt that such methods of recovery are truly applicable and efficient before consideration is given to expansion of the unit operating area and methods of recovery are allowed to expand into the western area of significant remaining primary reserves and resources contained in Tubb and Abo formations.

The plan of operation for the proposed unit area as considered here is founded upon sound techniques that have been successful in other reservoirs. The only similar operation in the area of the proposed unit, however, is that of Gulf Oil Corporation in their Central Drinkard Unit.

Page Three

The Central Drinkard Unit occupies an area, the center of which is four miles southwest from that of the proposed unit area. The Central Drinkard Unit is of comparable size to that of the Units being considered here. This size being 2,600 acres with 53 producing wells and 3,080 acres with 60 proposed producing wells respectively.

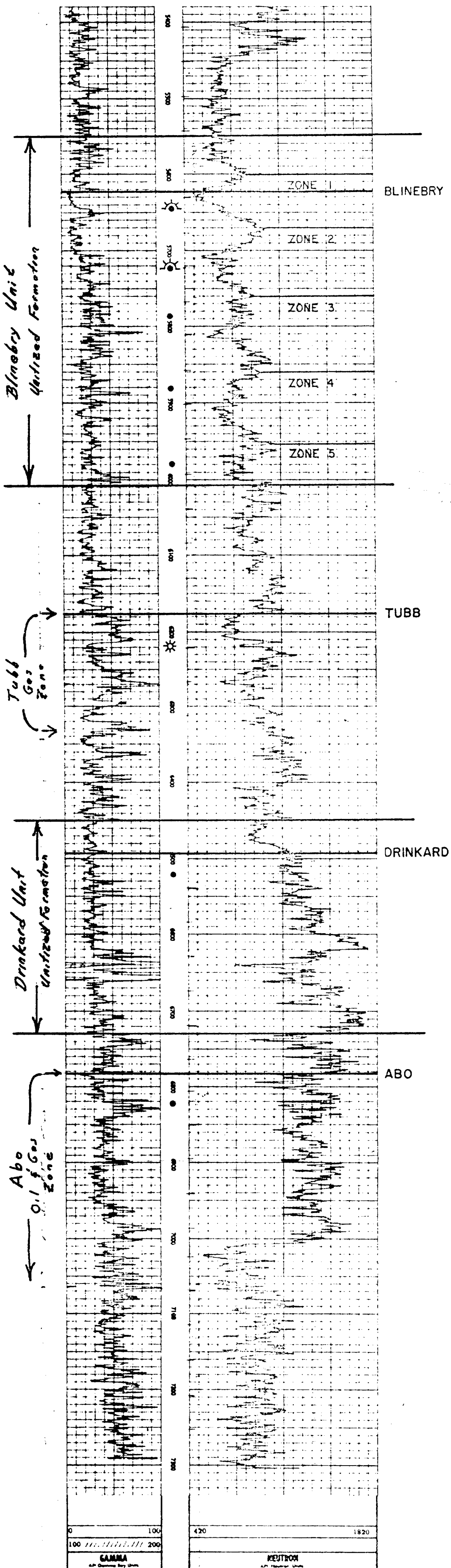
The Central Drinkard Unit should have been expected to have performed in a manner similar to that expected for the proposed East Blinbry-Drinkard Units. Yet in some five years of operation it has performed to an extent of only 25.5% of that hoped for in the area under consideration. This failure of effectiveness of the Central Drinkard Unit further emphasizes the advisability of slow orderly development of such a program from a pilot flood operation only as sound results can dictate.

If the proposed unit operations are successful to an extent of twice that thus far indicated by the Central Drinkard Unit a severe economic as well as natural resource loss for the area will result.

FIGURE 3

Exhibit 2

ATLANTIC RICHFIELD COMPANY
 ROY BARTON NO. 3
 1980' FNL, 660' FEL, SEC. 23
 T-21-S, R-37-E
 LEA COUNTY, NEW MEXICO
 EL. 3455'
 T.D. 7993'



CONE ET AL - EUBANKS LEASE
ECONOMIC POTENTIAL SUMMATION
PRIMARY AND UNITIZED OPERATION

	Bbl	Mcf	Value
<u>Continued Primary Operation</u>			
Remaining Reserve			
Blinebry	83,065	2,492,000	\$1,941,353
Drinkard	38,340	268,000	533,249
Tubb	49,870	3,955,000	3,578,300
Abo	102,900	668,000	1,646,810
	274,175	7,383,000	\$7,699,712
Cost to recover 240 mo. @ \$2,100			(504,000)
Net Value			\$7,195,712
<u>Proposed Unitized Operation</u>			
Remaining Reserve			
Blinebry Phase I	79,220	658,531	\$1,270,860
Drinkard Phase I	35,713	296,868	572,912
Blinebry Phase II	372,397	604,372	4,273,775
Drinkard Phase II	413,593	671,229	4,746,556
	900,923	2,231,000	\$10,864,103
Cost to develop			(498,917)
Cost to recover 240 mo.			(\$ 1,862,288)
Net Value			\$ 8,502,898
Net Increased Value by Unitization			\$1,307,186
Risk due to failure to recover 37%	(333,324)	(825,470)	(\$3,337,556)
Net Increased (Decreased) including risk	567,581	1,405,530	(\$2,030,367)
Tubb Reserve	49,870	3,955,000	\$3,578,300
Abo Reserve	102,900	688,000	1,646,810
Cost to Develop			(600,000)
Cost to Operate 240 mo. @ \$600			(144,000)
			\$2,450,743
Risk of loss due to water flood operation 50%			(\$2,612,500)
			(\$ 161,757)

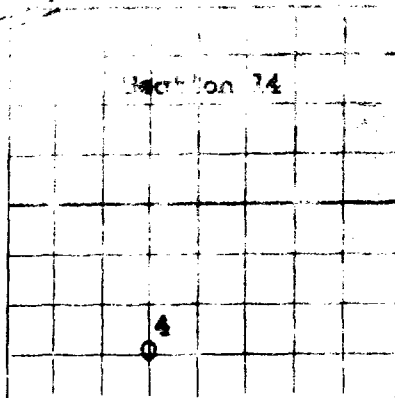
NEW MEXICO OIL CONSERVATION COMMISSION

Date

Well No.

1941 State Land

Mail to District Office, Oil Conservation Commission, which Form C-101 was submitted later than twenty days after completion of well. For instructions in Rules and Regulations of the Commission, refer to QUINCY LITTON. If State Land submit 6 Copies.



AREA 640 ACRES
LOCATE WELL CORRECTLY

Marshall, Cone & Redfern

(Company or Operator)

Bubanks

(Lease)

Well No. 4, in SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec. 14, T. 21-S, R. 37-E, N.M.

Blinchey Oil and Drinkard

Drill.

Lea

Well is 660 feet from South line and 1980 feet from West

of Section 14. If State Land the Oil and Gas Lease No. is Patented Land

Drilling Commenced October 30, 1959 Drilling was Completed December 10, 1959

Name of Drilling Contractor Sutton & Norton Drilling Company

Address Lubbock, Texas

Elevation above sea level at Top of Tubing Head 3409 THP; 3406 Gr;
Not confidential, 19 3414 DP; 3417 KB The information given is to be kept confidential until

Blinchey Oil

OIL SANDS OR ZONES

Drinkard Oil

No. 1, from 5689; 5702; 5750; 5769 & 5782 No. 4, from 6530-6566; to 6573-6578;
(Total 30 holes perforated with The Western Co. sandril)
No. 2, from 6581-6584; to 6587-6595;
No. 3, from 6600-6608; & to 6615-6645
(all perforated 4 jet holes/foot)

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None tested - rotary drilled hole to feet.
No. 2, from to feet.
No. 3, from to feet.
No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8-5/8	38	New	1308'	Guide			Fresh str shut-off
7	20 - J	New	86.31	Pack-off			Production
7	28 - J	New	1931.27				
7	28 - H	H & SH	4839.95				

7-inch floating equipment

5.97

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
13-3/8	8-5/8	1318	150 & 150	Pump & plug	9.3	Stage collar @ 2958
8-3/4	7	6863	400 & 300	Pump & plug	9.7	Stage collar @ 3703
	8-3/8	6863	Baker model B	retainer prod. str with expandable plug set @ 6780'.		
	8-3/8	drill 6678	Baker model PA	retainer production packer set @ 6365'.		

Hydril tubing string latched to EUE tubing string with Baker parallel string anchor.

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

No natural tests. Tests after stimulation and load recovered as follows: Abo (open hole 6889-7350) - washed with 2000 GSA; flowed 6.5 BOPH thru 3/4" choke; treated with 20,000 gal. Western Marifrac and 44,000 lbs. 20/40 sand; flowed 7 BOPH thru 3/4" choke. Drinkard perfor 6838-8845; washed with 1000 GA; treated with 10,000 gal. Solufrac and 10,000 lbs. 20/40 sand; flowed 49 BOPD, GOR 1818. Blinchey Oil perfor 5683-5782; treated with 30,000 gal. Solufrac and 42,000 lbs. 20/40 sand; flowed 270 BOPD thru 2 1/2" choke; GOR 1089; PCP 360; PTP 173.

Depth Cleaned Out 7350 TD
6780 PB

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special deviation surveys were made, submit correction sheet and which bears

TOOLS USED

Rod-pipe was used from surface TD 7350
 Cable tools were used from surface TD 7350

January 16, 1960 - Drinkard
 Put to Production January 25, 1960 - Blinbry Oil 49 - Drinkard 100
 270 - Blinbry Oil 100

OIL WELL: production during the first 24 hours was 100 barrels of oil, 0% was emulsion, 0% was sediment, A.P.I.

39.7° API - Drinkard; 41.0° API - Blinbry Oil

GAS WELL: production during the first 24 hours was 0 barrels of gas

Dual Oil-Oil Completion authorized by
 OCC Order No. DC 878 effective
 January 27, 1960.

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

1243	T. D. ...	...
1368	T. ...	...
2505	T. ...	...
2561	T. ...	...
3395	T. ...	...
3828	T. ...	...
5155	T. ...	...
5435	T. ...	...
OCC Marker 6083	T. ...	...
(?) 6830	T. ...	...

FORMATION RECORD

Depth	Thickness in feet	Formation	Depth	Dev.	Formation	Depth	Dev.
0	11	Kelly bushing to ground	No drill stem tests were run in this well.				
11	1243	Caliche & red beds	Deviation Record				
1117	1308	Anhydrite	226	1	5580	3-3/4	
1117	2008	Salt with streaks anhydrite	405	1/2	5615	3-1/2	
2008	3123	Anhydrite, shale, salt and dolomite with streaks of sandstone	606	3/4	5747	3-1/2	
3123	3422	Dolomite and limestone with thin streaks silt and shale. Scattered slight shows porosity and oil staining from 5100 to 7350'.	1250	1/4	5888	3-1/2	
			1312	3/4	5967	3-1/2	
			1850	1/2	6038	3-1/2	
			2556	1-3/4	6198	3-1/2	
			2741	2-1/4	6245	3-1/4	
			3116	1	6311	3-1/2	
			3315	1/2	6347	3	
			3648	1	6518	3	
			3746	1	6633	2-3/4	
			3955	1-1/4	6981	2-3/4	
			4404	3/4	7196	2-1/4	
			4557	3/4			
			4688	1/2			
			4874	3/4			
			4999	1			
			5102	1-1/2			
			5356	4			
			5377	4			
			5423	4			

SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby certify that the information given hereon is a true and correct report of the well and all work done on it so far as the same can be ascertained from available records.

February 1, 1960

1706 Great Plains Life Building
 Lubbock, Texas

Markham, Cone & Redfern

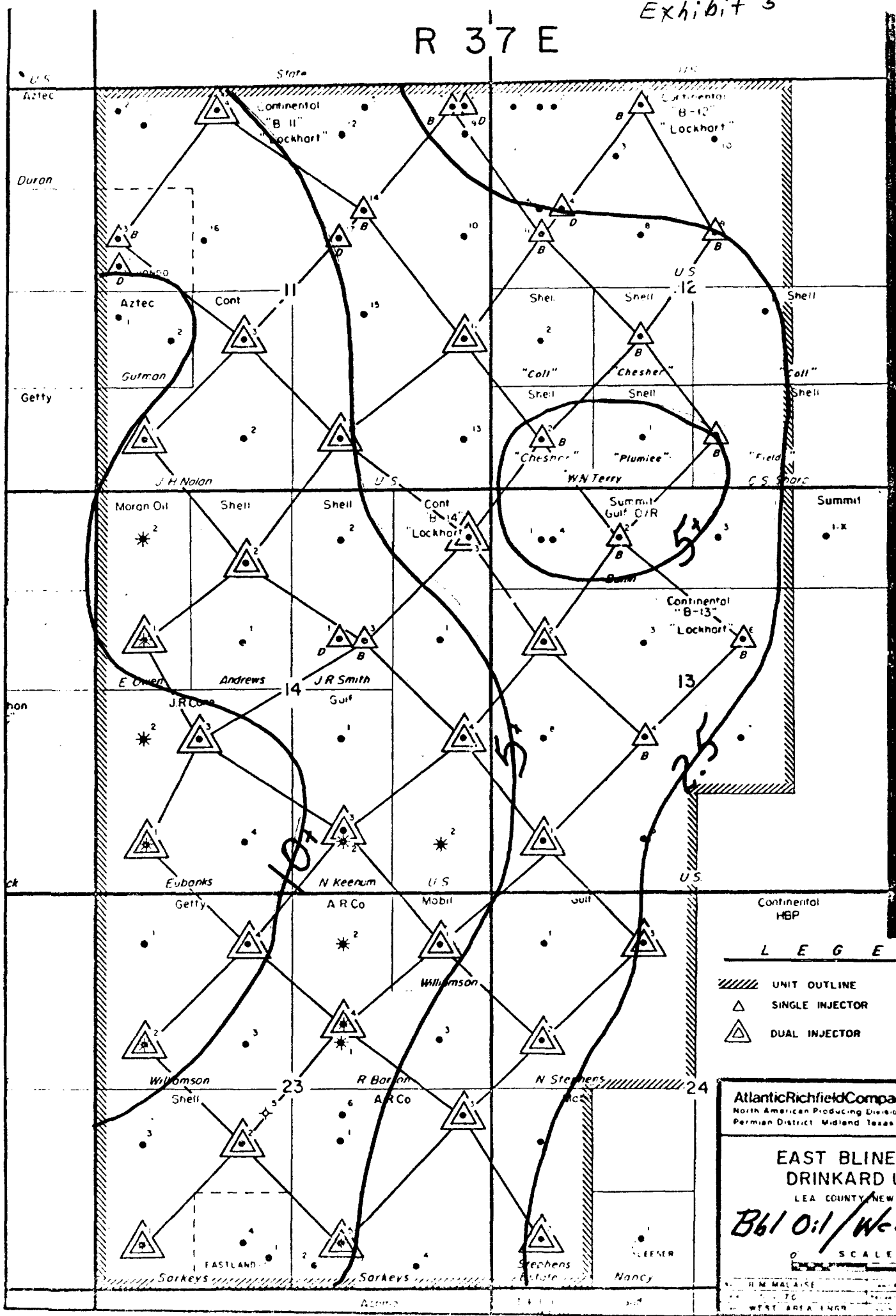
L. O. Storm

Professional Engineer

Exhibit 5

R 37 E

T
21
S

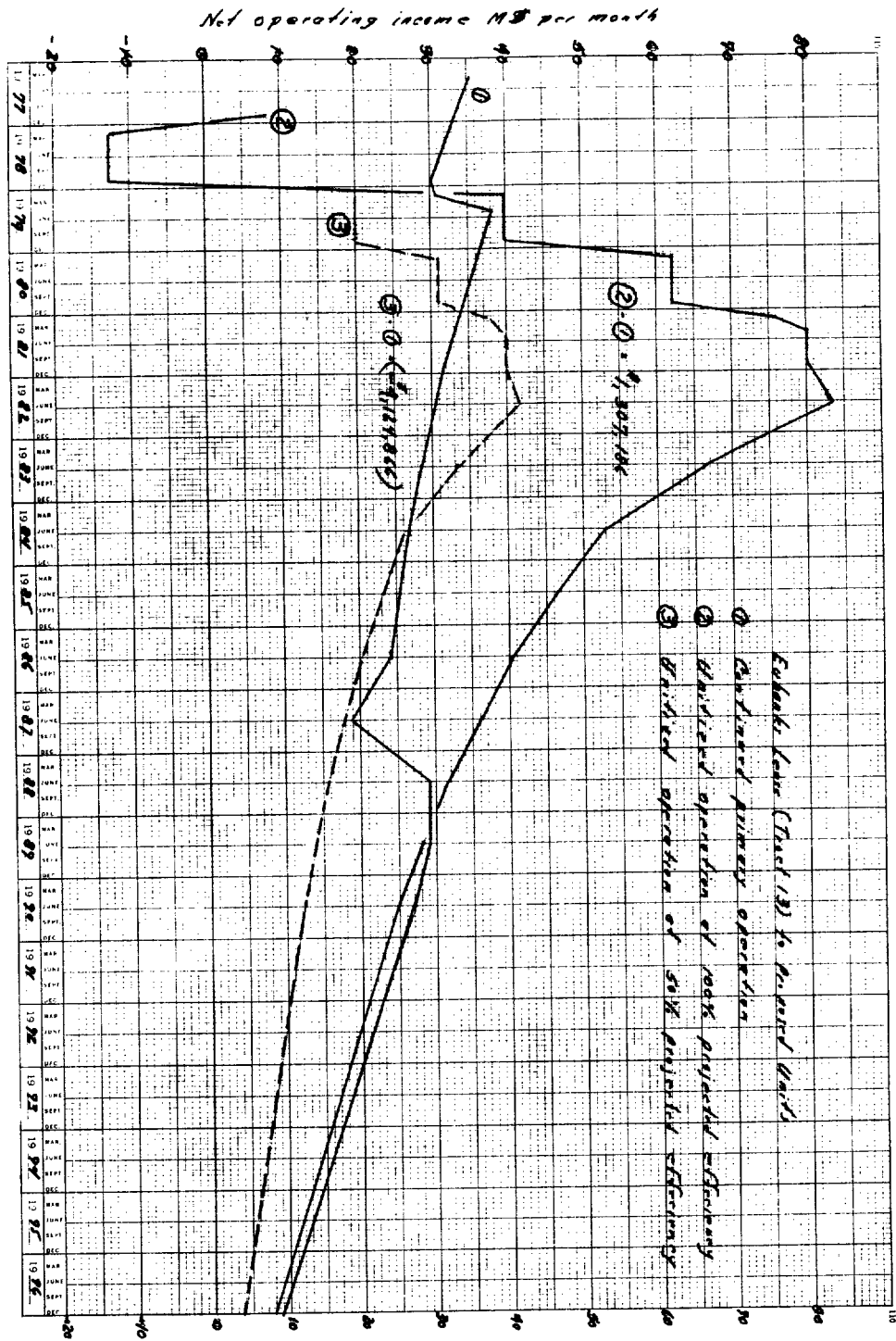


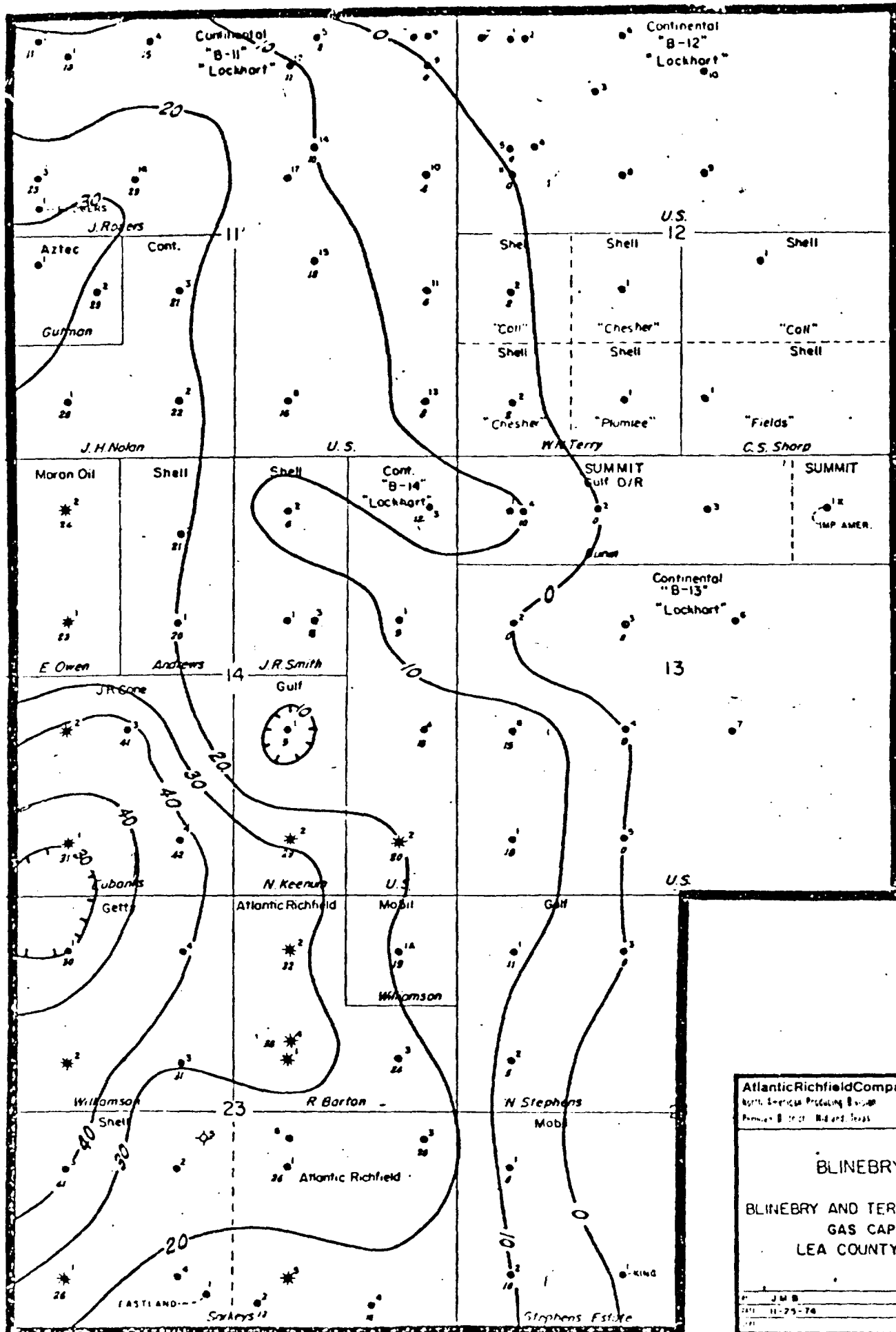
L E G E N D	
	UNIT OUTLINE
	SINGLE INJECTOR
	DUAL INJECTOR

Atlantic Richfield Company
North American Producing Division
Permian District Midland Texas

EAST BLINEBRY & DRINKARD UNITS
LEA COUNTY, NEW MEXICO
B61 Oil Well Day
SCALE 2000'
H.M. MALAYSE
WEST AREA INGR

Exhibit 7





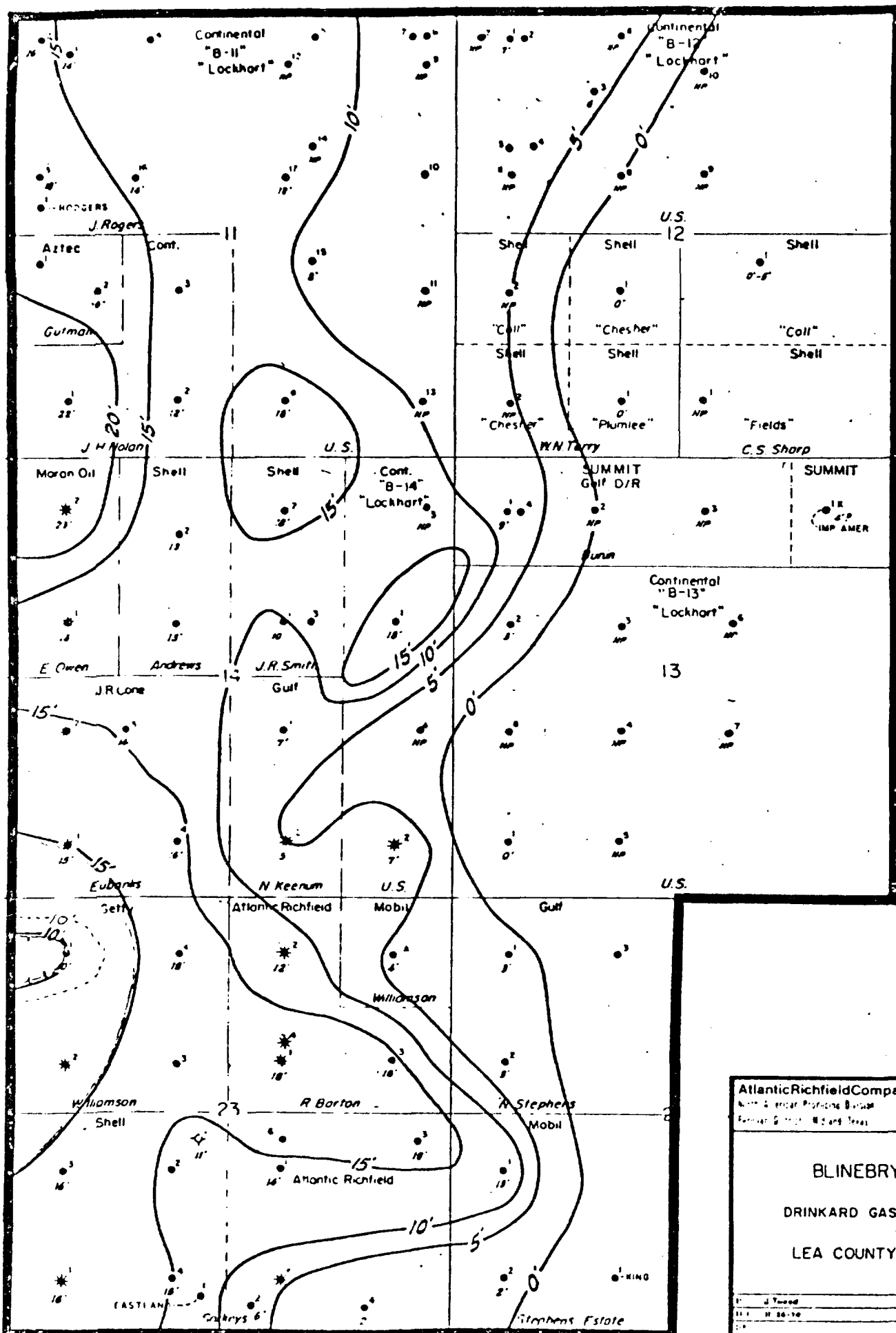
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Atlantic Richfield Company
 North American Producing Division
 Petroleum Division, Midland, Texas

BLINEBRY UNIT

BLINEBRY AND TERRY-BLINEBRY POOL
 GAS CAP ISOPACH
 LEA COUNTY, NEW MEXICO

DATE: 11-25-74
 BY: J. M. B. / J. M. B. / J. M. B.
 CHECKED: J. M. B. / J. M. B. / J. M. B.
 APPROVED: J. M. B. / J. M. B. / J. M. B.

T
21
S

Atlantic Richfield Company

North American Producing Division
 Petroleum Division, Midland, Texas



BLINEBRY UNIT

DRINKARD GAS CAP ISOPACH

LEA COUNTY, NEW MEXICO

1. J. Young	2. C. McKinnis	3. Jan 10
4. H. 20-10	5. H. 20-10	6. H. 20-10

Added 15' Contour @ Edge Center May 1-15-72
 Moved 10' Contour @ Edge Center May 1-15-72

EUBANKS LEASE
OPERATING COST 1976

	<u>Operating Cost</u>	<u># of Wells</u>	<u>\$ per Well</u>
January	\$ 3,666.52	7 Wells	\$ 523.79
February	1,855.00	" "	265.00
March	2,020.92	" "	288.70
April	25,213.28	" "	3,601.90
May	18,038.46	" "	2,576.92
June	2,702.74	" "	386.11
July	2,023.38	" "	289.05
August	1,960.75	" "	280.11
September	1,273.65	" "	181.95
October	2,507.31	" "	358.19
November	1,437.79	" "	205.40
December	<u>1,837.85</u>	<u>" "</u>	<u>262.55</u>
TOTALS	\$64,537.65	7 Wells	\$9,219.67
LESS: Charges			
Pumping Unit			
Lufkin C320D			
April & May:	<u>39,279.29</u>		
TOTAL	\$25,258.36	Average Cost Per Well Per Month:	\$300.70

EUBANKS LEASE
OPERATING COST 1977

	<u>Operating Cost</u>	<u># of Wells</u>	<u>\$ per Well</u>
January	\$ 2,254.91	7 Wells	\$ 322.13
February	1,363.16	" "	194.74
March	1,777.95	" "	253.99
April	2,782.13	" "	397.45
May	2,273.82	" "	324.83
June	1,460.08	" "	208.58
July	2,790.35	" "	398.62
August	2,137.94	" "	305.42
September	<u>1,845.08</u>	<u>" "</u>	<u>263.58</u>
TOTALS	\$18,685.42	7 Wells	\$2,669.34

Average Cost
Per Well Per Month: \$296.59

52-1