



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM106852X
3180 (06300)

OCT 22 2001

Primero Operating, Inc.
Attention: Mr. Phelps White
P. O. Box 1433
Roswell, NM 88202

Gentlemen:

Your application of October 15, 2001, filed with the BLM requests the designation of the Cat Head Mesa Unit area, embracing 37,338.86 acres, more or less, Socorro County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

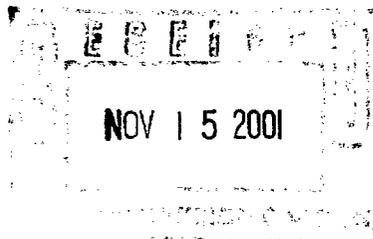
Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit A, Primero Operating, Inc., Cat Head Mesa Unit, Socorro County, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM106852X. This designation is valid for a period from one year from the date of this letter.

The unit agreement submitted for the area designated should provide for a well to test the Atoka formation, or to a depth of 4220 feet, whichever is the lesser depth. Your proposed use of the Form of Agreement for Unproved Areas will be accepted. Corrections to the State acreage and total acres of the unit which is shown on the Summary on Page 6 of Exhibit B is marked in red on the enclosed Exhibit. You will also need to correct the same on Exhibit A.

If conditions are such that modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for final approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.



Inasmuch as this unit agreement involves State and Fee lands, a copy of the letter is being sent to the Commissioner of Public Lands and the NMOCD. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the state.

Sincerely,

/S/ Larry D. Bray

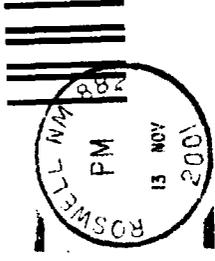
Larry D. Bray
Assistant Field Manager,
Lands and Minerals

cc:
Commissioner of Public Lands, Santa Fe
NMOCD, Santa Fe

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
2909 WEST SECOND STREET
ROSWELL, NEW MEXICO 88201

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

NOV 15 2001



New Mexico Oil Conservation Division
P. O. Box 6429
Santa Fe, NM 87505

87502#6429



BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

505 884-2780
FAX 505 888-2621

Case 12766

December 12, 2001

Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Order No. R-11698, Cat Head Mesa Unit Agreement

Dear Director:

Pursuant to New Mexico Oil Conservation Division Order No. R-11698 (Case No. 12766) of November 28, 2001 regarding the Cat Head Mesa Unit, we submit the following:

- 15
1. Original and one copy of the Cat Head Mesa Unit Agreement executed by the Operator, Primero Operating, Inc. and all of the working interest owners of the oil and gas leases covering all of the 37,339.04 acres, more or less, in the Cat Head Mesa Unit Area. Included with each copy of the Unit Agreement are Exhibit A, Map showing the boundary of the Unit Area and the boundaries and identities of all tracts and leases in the Unit Area and Exhibit B, Schedule of Ownership and current status of all oil and gas interests in the Unit Area.
 2. Original and one copy of the Cat Head Mesa Unit Ratification and Joinder of the Cat Head Mesa Unit Agreement executed by Bowerman Energy Company, Ben and Ruby Donegan, E.S. Mayer & Sons, Ltd., Frizzell Exploration Company II, Integras Resources, Inc., Jacobs Exploration, Ltd., JHJ Exploration, Ltd., Stephen D. and Nancy J. Nolan, Saxon Oil Company, Tucker-Scully Interests, Ltd., Judith Ann Lovelace and Harvey Mineral Trust.
 3. All of the owners of oil and gas interests in the Cat Head Mesa Unit Area, including the owners of royalty and overriding royalty interests shown on Exhibit B of the Cat Head Mesa Unit Agreement, have been mailed offers to commit their interests to the Unit Agreement. Copies are enclosed of each of the U.S. Post Office Certified Mail Receipts confirming the mailing, delivery or attempted delivery of our Unit Agreement to those parties that have not as yet returned executed Ratification and Joinder instruments.

4. Original and one copy of the Cat Head Mesa Operating Agreement executed by the Operator, Primero Operating, Inc., and all of the owners of the oil and gas leases covering all of the lands in the Unit Area.

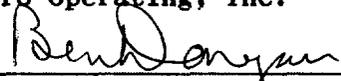
Copies of the above described documents are also being submitted to the New Mexico State Land Office and the Bureau of Land Management.

One hundred per cent of the working interest owners of the oil and gas leases covering all of the lands in the Unit Area have committed their interests to the Unit Agreement. Owners of 4.017786 per cent overriding royalty interest in the leases covering all of the lands in the Unit Area have committed their interests to the Unit Agreement while owners of 0.982214 per cent overriding royalty interests in the leases covering all of the lands in the Unit Area have not as yet committed their interests to the Unit Agreement. Fee royalty owners of 1.173936 per cent of the total interests in the Unit Area have committed their interests to the Unit Agreement while fee royalty owners of 0.267876 per cent of the total interests in the Unit Area have not as yet committed their interests to the Unit Agreement.

In summary, the working interests, royalty interests and overriding royalty interests committed to date to the Unit Agreement when combined with the state and federal royalty interests comprise 98.749910 per cent of the total oil and gas interests in the Unit Area.

Very truly yours,

Primero Operating, Inc.

By: 

Ben Donegan, Agent

BD/nn
encl.

In the event of any dispute relative to such costs, the division shall determine the proper costs after due notice to interested parties and a hearing thereon. The division is specifically authorized to provide that the owner or owners drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to all production from such well which would be received by the owner, or owners, for whose benefit the well was drilled or operated, after payment of royalty as provided in the lease, if any, applicable to each tract or interest, and obligations payable out of production, until the owner or owners drilling or operating the well or both have been paid the amount due under the terms of the pooling order or order settling such dispute. No part of the production or proceeds accruing to any owner or owners of a separate interest in such unit shall be applied toward the payment of any cost properly chargeable to any other interest in said unit.

If the interest of any owner or owners of any unleased mineral interest is pooled by virtue of this act, seven-eighths of such interest shall be considered as a working interest and one-eighth shall be considered a royalty interest, and he shall in all events be paid one-eighth of all production from the unit and creditable to his interest.

D. Minimum allowable for some wells may be advisable from time to time, especially with respect to wells already drilled when this act takes effect, to the end that the production will repay reasonable lifting cost and thus prevent premature abandonment and resulting waste.

E. Whenever it appears that the owners in any pool have agreed upon a plan for the spacing of wells, or upon a plan or method of distribution of any allowable fixed by the division for the pool, ~~or upon any other plan for the development or operation of such pool;~~ which plan, in the judgment of the division, has the effect of preventing waste as prohibited by this act and is fair to the royalty owners in such pool, then such plan shall be adopted by the division with respect to such pool; however, the division, upon hearing and after notice, may subsequently modify any such plan to the extent necessary to prevent waste as prohibited by this act.

F. After the effective date of any rule, regulation or order fixing the allowable production, no person shall produce more than the allowable production applicable to him, his wells, leases or properties determined as in this act provided, and the allowable production shall be produced in accordance with the applicable rules, regulations or orders.

History: Laws 1935, ch. 72, § 12; 1941 Comp., § 69-213½; Laws 1949, ch. 168, § 13; 1953, ch. 76, § 1; 1963 Comp., § 65-3-14; Laws 1961, ch. 65, § 1; 1973, ch. 250, § 1; 1977, ch. 255, § 51.

Meaning of "this act". — The term "this act," referred to in this section, means Laws 1935, ch. 72, §§ 1 to 24, which appear as 70-2-2 to 70-2-4, 70-2-6 to 70-2-11, 70-2-15, 70-2-16, 70-2-21 to 70-2-25, 70-2-27 to 70-2-30, and 70-2-33 NMSA 1978.

The terms "spacing unit" and "proration unit" are not synonymous and the commission has power to fix spacing units without first creating proration units. *Rutter & Wilbanks Corp. v. Oil Conservation Comm'n*, 87 N.M. 286, 532 P.2d 582 (1975).

Proration formula required to be based on recoverable gas. — Lacking a finding that new gas proration formula is based on amounts of recoverable gas in pool and under tracts, insofar as these amounts can be practically determined and obtained without waste, a supposedly valid order in current use cannot be replaced. Such findings are necessary requisites to validity of the order, for it is upon them that the very power of the commission to act depends. *Continental Oil Co. v. Oil Conservation Comm'n*, 70 N.M. 310, 373 P.2d 809 (1962).

Findings required before correlative rights ascertained. — In order to protect correlative rights, it is incumbent upon commission to determine, "so far as it is practical to do so," certain foundational matters, without which the correlative rights of various owners cannot be ascertained.

Therefore, the commission, by "basic conclusions of fact" (or what might be termed "findings"), must determine, insofar as practicable: (1) amount of recoverable gas under each producer's tract; (2) the total amount of recoverable gas in pool; (3) proportion that (1) bears to (2); and (4) what portion of arrived at proportion can be recovered without waste. That the extent of the correlative rights must first be determined before commission can act to protect them is manifest. *Continental Oil Co. v. Oil Conservation Comm'n*, 70 N.M. 310, 373 P.2d 809 (1962).

In addition to making such findings the commission, "insofar as is practicable, shall prevent drainage between producing tracts in a pool which is not equalized by counter-drainage," under the provisions of 70-2-16 NMSA 1978. *Continental Oil Co. v. Oil Conservation Comm'n*, 70 N.M. 310, 373 P.2d 809 (1962).

Four basic findings required to adopt a production formula under this section can be made in language equivalent to that required in previous decision construing this section. *El Paso Natural Gas Co. v. Oil Conservation Comm'n*, 76 N.M. 268, 414 P.2d 496 (1966) (explaining *Continental Oil Co. v. Oil Conservation Comm'n*, 70 N.M. 310, 373 P.2d 809 (1962)).

Although subservient to prevention of waste and perhaps to practicalities of the situation, protection of correlative rights must depend upon commission's (now division's) findings as to extent and limitations of the right. This the commission is required to do



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 10, 2002

Mr. Ben Donegan
3224 Candelaria N.E.
Albuquerque, New Mexico 87107

Re: Designation of Discovery Well for the Cat Head Mesa Unit
Socorro County, New Mexico

Dear Mr. Donegan:

We are in receipt of your application of November 11, 2002, together with data that supports your commercial determination regarding the Cat Head Mesa Well No. 1. This office concurs with your determination of commerciality and please be advised that this office's approval is contingent upon approval from the Commissioner of Public Lands and the Bureau of Land Management.

If you have any questions pertaining to this matter, please contact me at (505) 476-3470.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy E. Johnson", written over a horizontal line.

ROY E. JOHNSON
Senior Petroleum Geologist

cc: State Land Office
Attn: Pete Martinez

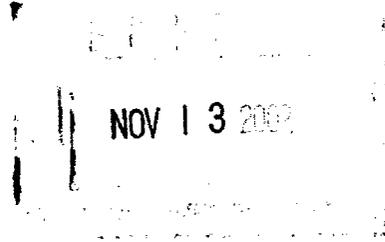
Bureau of Land Management
Attn. Armando Lopez

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

CONFIDENTIAL

505 884-2780

November 11, 2002



Attention: Armando Lopez
Bureau of Land Management
2209 West Second Street
Roswell, NM 88021

Attention: Pete Martinez
Oil, Gas and Minerals Division
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Attention: Roy Johnson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Request for Designation of Discovery Well Status for
the Cat Head Mesa Unit, Socorro County, New Mexico

Gentlemen:

Primero Operating, Inc., Operator of the Cat Head Mesa Unit, Socorro County, New Mexico requests your designation of discovery well status for the unit in accordance with the provisions of Section 9. DRILLING TO DISCOVERY of the Cat Head Mesa Unit Agreement. Test results from the current re-entry of the No. 1 Cat Head Mesa Unit well located in the NE4SW4 of Section 8 and the earlier drilling of the No. 1 Dulce Draw State well located in the SW4NW4 of Section 2, T. 4 S., R. 9 E. indicate potentially very large accumulations of helium and carbon dioxide on the 37,000 acre anticline in the Cat Head Mesa Unit Area.

The carbon dioxide and nitrogen encountered in the three Abo zones perforated in the No. 1 Dulce Draw State well were originally considered to be only a local occurrence and the well was plugged and abandoned. Later, when (1) the Bureau of Land Management at Amarillo analyzed 2% helium in the only remaining sample of gas from the well (the original helium content of the sample may have been greater than 4% as indicated by the .43% argon in the sample) and (2) carbon dioxide, nitrogen and helium along with drilling fluid were recovered from all of the four zones perforated in the Abo and Atoka formations in the No. 1 Cat Head Mesa Unit well, the potential magnitude of the Cat Head Mesa anticline as a large multi-reservoir helium and carbon dioxide gas field was realized.

November 11, 2002

Request for Designation of Discovery Well Status for
the Cat Head Mesa Unit, Socorro County, New Mexico

In addition to the seven zones perforated to date, thirteen additional zones in the two wells are potential gas reservoirs as indicated on the enclosed copies of the Triple Combo log of the No. 1 Cat Head Mesa well and the Dual Burst Thermal Decay Time log of the No. 1 Dulce Draw State well. These thirteen untested zones, the seven zones perforated to date and the test results are shown on the enclosed "Potential Gas Zones" summaries and on the enclosed "Cross Section B-B'." Copies of the daily completion reports for the two wells and the Bureau of Land Management and Wildcat Measurement Service analyses of gases sampled from the wells are also enclosed. The helium content of the samples is shown only on the Bureau of Land Management analyses as the Wildcat Measurement Service analytical equipment was not programmed to analyze helium.

Further testing of the No. 1 Cat Head Mesa Unit well and the re-entry of the No. 1 Dulce Draw State well are planned as none of the zones perforated in the two wells were adequately cleaned out, swabbed down or tested after the gases were found to be nonflammable. However, the New Mexico Oil Conservation Division has now requested that further testing of the wells be delayed while certain helium regulatory issues are being adjudicated.

In conclusion, the discovery of potentially substantial reserves of helium and carbon dioxide is indicated by the test results from the two wells drilled to date on the Cat Head Mesa anticline. Designation of discovery status for the Cat Head Mesa Unit now will promote the prevention of waste, the conservation of unitized substances, the protection of correlative rights and the unified development and operation of the Cat Head Mesa Unit Area. We therefore respectfully request your designation of discovery well status for the Cat Head Mesa Unit in accordance with the provisions of Section 9. DRILLING TO DISCOVERY of the Cat Head Mesa Unit Agreement.

Very truly yours,

Primero Operating, Inc.

By:



Ben Donegan, Agent

CONFIDENTIAL

Primero Operating, Inc.
No. 1 Dulce Draw State
SWNW 2, T. 4 S., R. 9 E.
Socorro County, New Mexico

Elevation: 5961' GL, 5972' KB

<u>Formation</u>	<u>Top</u>	<u>Thickness</u>
Permian	At surface	3803'+
San Andres Limestone	At surface	491'+
Glorieta Sandstone	491'(+5481)	294'
Yeso Formation	785'(+5187)	1429'
Joyita Member	785'(+5187)	155'
Cañas Member	913'	194'
Torres Member	1097'	843'
Meseta Blanca Member (Tubb)	1940'	274'
Abo Formation	2214'(+3758)	1589'
Precambrian	3803'(+2169)	219'+
TD	4022'	

Perf 3064-74' (Abo)

Spot 5 B 7.5% HCl, F 400-600 MCFG/D
(27% CO₂, 71% N₂, 2% C₁+C₂) SITP 590#

Perf 2832-46' (Abo)

Swab est 300 B gassy SW/D (SW=90,000 ppm Cl)
(Headspace gas 81% CO₂, 19% N₂)

Perf 2642-50' (Abo)

FG tstm (31% CO₂, 68% N₂, 1% C₁), SITP 200#

Dulce Draw State No. 1 Well

Abo Granite Wash Potential Gas Zones

2522-28, 2592-95

2640-50

- 8-6 Perf 2642-50
- 8-7 Swab 64 B gassy W
- 8-8 SITP 200, FG tstm, P&A

2756-60

2832-58'

- 7-27 Perf 2832-46, Swab 74 BW/6hrs
- 7-28, 29 Shut down
- 7-30 Swab 90 B gassy W (90,000 ppm Cl, Drlg water * 100,000 ppm)
- 7-31 to 8-2 Shut down for repairs
- 8-3 Pulled plug

3064-74

- 7-20 Perf 3064-74, Treat w/ 28 B acid, F est 150 MCFG/D w/30 BW
- 7-21 SITP 560 FG and 30 BW
- 7-23 SITP 580, FG and 15 BW
- 7-24 SITP 570 F est 400 MCFG/D w/1BW/hr, Pulled plug

3164-69, 3196-3202, 3256-66, 3293-96

CONFIDENTIAL

BLM - AMARILLO FIELD OFFICE

PRIMA 600 MASS SPECTROMETER ANALYSIS

COMPANY NAME: PRIMERO OPERATING, INC.
WELL NAME: DULCE DRAW STATE 1
DATE COLLECTED: 010808
LAB NUMBER: FS-20873
SAMPLED BY: MORRIS KEITH(?)
DATE ANALYZED: 011012
#, CO, ST, SEC T&R: SOCORRO NM 2 T04S R09E
API #, LAT, LONG: 300532001400
ABO FORMATION 2642-2650' DEPTH

Component	Average	Std. Dev.
Hydrogen	0.02	0.000
Helium	2.02	0.013
Methane	0.85	0.019
Nitrogen	65.57	0.004
Ethane	0.00	0.000
Oxygen	0.00	0.000
H2S	0.00	0.000
Argon	0.43	0.010
CO2	31.10	0.030
Propane	0.00	0.000
I-Butane	0.00	0.002
N-Butane	0.00	0.001
I-Pentane	0.00	0.001
N-Pentane	0.00	0.001
Hexanes+	0.00	0.000
Btu	9.00	0.000
Sp. Gr.	1.120	0.000

Abo perforations:
 2832-46'
 Swabbed est 300 B gassy
 SW/D
 PDS 06/25/00

Wildcat Measurement Service
 P.O. Box 1836
 Artesia, New Mexico 88211-1836
 TollFree #888-421-9453
 Office #505-746-3481
 "Quality and Service is our First Concern"

Run No. 210731-102
 Date Run 07/31/2001
 Date Sampled 07/30/2001

Analysis for: PRIMERO OPERATING, INC.
 Well Name: DOLCE DRAW STATE #1
 Field: WILDCAT
 Sta. Number:
 Purpose: WATER HEAD GAS
 Sampling Temp: DEG F
 Volume/day:
 Pressure on Cylinder: PSIG

GPANGL.L60
 Producer: PRIMERO OPERATING, INC.
 County: SOCORRO State: NM
 Sampled By: MORRIS KEITH
 Atmos Temp: DEG F
 Formation:
 Line Pressure: PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.7300

		Mol %	GPM
Carbon Dioxide	CO2	80.8510	
Nitrogen	N2	19.1490	
Methane	C1	0.0000	
Ethane	C2	0.0000	
Propane	C3	0.0000	
Iso-Butane	IC4	0.0000	
Nor-Butane	NC4	0.0000	
Iso-Pentane	IC5	0.0000	
Nor-Pentane	NC5	0.0000	
Hexanes Plus	C6+	0.0000	
TOTAL		100.0000	0.0000

Real BTU Dry: 0.00
 Real BTU Wet: 0.00
 Real Calc. Specific Gravity: 1.4175
 Field Specific Gravity: 0.0000

Standard Pressure: 14.6960
 BTU Dry: 0.00
 BTU Wet: 0.00

Z Factor: 0.9970
 N Value: 1.3149
 Avg Mol Weight: 40.9468
 Avg CuFt/Gal: 65.1758
 26 Lb Product: 0.0000
 Methane+ GPM: 0.0000
 Ethane+ GPM: 0.0000
 Propane+ GPM: 0.0000
 Butane+ GPM: 0.0000
 Pentane+ GPM: 0.0000

REMARKS:

Approved by: DON NORMAN

Tue Jul 31 11:40:29 2001

Abo perforations;
 2642-50'
 FG tstm after SI
 overnight w/200#TP

Wildcat Measurement Service
 P.O. Box 1836
 Artesia, New Mexico 88211-1836
 TollFree #888-421-9453
 Office #505-746-3461
 "Quality and Service is our First Concern"

PDS 06/25/03

Run No. 210009-03
 Date Run 08/09/2001
 Date Sampled 08/08/2001

Analysis for: PRIMERO OPERATING, INC.
 Well Name: DULCE DRAW STATE #1
 Field: WILDCAT
 Sta. Number:
 Purpose: SPOT
 Sampling Temp: DGC F
 Volume/day:
 Pressure on Cylinder: PSIG

GPANGL 561
 Producer: PRIMERO OPERATING, INC.
 County: SOCORRO State: NM
 Sampled By: MORRIS KEECH
 Atmos Temp: DGC F
 Formation: BONE C
 Line Pressure: PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.7300

		Mol %	GPM
Carbon Dioxide	CO2	30.9862	
Nitrogen	N2	68.0919	
Methane	C1	0.3319	
Ethane	C2	0.0000	0.0000
Propane	C3	0.0000	0.0000
Isobutane	IC4	0.0000	0.0000
Norbutane	NC4	0.0000	0.0000
Isopentane	IC5	0.0000	0.0000
Nor-pentane	NC5	0.0000	0.0000
Hexanes Plus	C5+	0.0000	0.0000
TOTAL		100.0000	0.0000

Real BTU Dry: 9.43
 Real BTU Wet: 9.27
 Real Calc. Specific Gravity: 1.1352
 Field Specific Gravity: 0.6000

Standard Pressure: 14.6960
 BTU Dry: 9.41
 BTU Wet: 9.25

Z Factor: 0.9990
 K Value: 1.3665
 Avg Mol Weight: 33.0586
 Avg CuPt/Gal: 80.9280
 25 lb Product: 0.0000
 Methane+ GPM: 0.1580
 Ethane+ GPM: 0.0000
 Propane+ GPM: 0.0000
 Butane+ GPM: 0.0000
 Pentane+ GPM: 0.0000

REMARKS:

Approved by: DON NORMAN

Thu Aug 09 09:14:31 2001

Abo perforations:
 3064-74
 F. 400-600 MCFD,
 SITP 500#

Wildcat Measurement Service
 P.O. Box 1836
 Artesia New Mexico 88211-1836
 TollFree 888-421-9453
 Office 505-745-3481
 "Quality and Service is our First Concern"

PDS 06/25/00

Run No. 210724-01
 Date Run 07/24/2001
 Date Sampled 07/23/2001

Analysis for: PRIMERO OPERATING, INC.

CPANGL 161

Well Name: DULCE DRAW STATE #1

Field: WILDCAT

Producer: PRIMERO OPERATING, INC.

Sta. Number:

County: SCCRRO

State: NM

Purpose: SPOT

Sampled By: MCHHS KHTN

Sampling Temp: DEG F

Atmos Temp: DEG F

Volume/day:

Formation:

Pressure on Cylinder: PSIG

Line Pressure: PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.7300

		Mol %	GPM
Carbon Dioxide	CO2	26.9841	
Oxygen	O2	0.5358	
Nitrogen	N2	70.4310	
Methane	C1	2.0200	
Ethane	C2	0.0291	0.0078
Propane	C3	0.0000	0.0000
Iso-Butane	IC4	0.0000	0.0000
Nor-Butane	NC4	0.0000	0.0000
Iso-Pentane	IC5	0.0000	0.0000
Nor-Pentane	NC5	0.0000	0.0000
Hexane Plus	C6+	0.0000	0.0000
TOTAL		100.0000	0.0078

Real BTU Dry: 26.97
 Real BTU Wet: 26.60
 Real Calc. Specific Gravity: 1.1092
 Field Specific Gravity: 0.0000

Standard Pressure: 14.6960
 BTU Dry: 26.92
 BTU Wet: 26.55

Z Factor: 0.9991
 R Value: 1.3697
 Avg Mol Weight: 32.1101
 Avg CuFt/Cal: 81.9652
 26 Lb Product: 0.0000
 Methane+ GPM: 0.3502
 Ethane+ GPM: 0.0078
 Propane+ GPM: 0.0000
 Butane+ GPM: 0.0000
 Pentane+ GPM: 0.0000

REMARKS:

Approved by ECF NORMAN

Thu Jul 24 06:53:42 2001

ADO perforations:
 3064-74'
 Spot 5 BHCl
 F 400-600 MCFD, SITP 590#

Wildcat Measurement Service
 P.O. Box 1836
 Artesia, New Mexico 86211-1836
 TollFree 888-421-9453
 Office 505-746-3481
 "Quality and Service is our First Concern"

PDS 06/25/00
 Run No. 210723-31
 Date Run 07/23/2001
 Date Sampled 07/23/2001

Analysis for: PRIMERO OPERATING, INC.
 Well Name: DULCE DRAW STATE #1
 Field:
 Sta. Number:
 Purpose: SPOT
 Sampling Temp: 60 DEG F
 Volume/day:
 Pressure on Cylinder: 222 PSIG

GPANGL 161
 Producer: PRIMERO OPERATING, INC.
 County: SOCORRO State: NM
 Sampled By: DON NORMAN
 Atmos Temp: 85 DEG F
 Formation:
 Line Pressure: PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.7300

	Mol %	GPM
Carbon Dioxide	CO2	26.9838
Oxygen	O2	0.5442
Nitrogen	N2	70.4171
Methane	C1	2.9261
Ethane	C2	0.0288 0.0077
Propane	C3	0.0000 0.0000
Iso-Butane	IC4	0.0000 0.0000
Nor-Butane	NC4	0.0000 0.0000
Iso-Pentane	IC5	0.0000 0.0000
Nor-Pentane	NC5	0.0000 0.0000
Hexanes Plus	C6+	0.0000 0.0000
TOTAL		100.0000 6.0077

Real BTU Dry: 21.02
 Real BTU Wet: 20.66
 Real Calc. Specific Gravity: 1.1092
 Field Specific Gravity: 0.0000

Standard Pressure: 14.6960
 BTU Dry: 20.97
 BTU Wet: 20.61

Z Factor: 0.9991
 N Value: 1.3697
 Avg Mol Weight: 32.1096
 Avg CuPt/Gal: 81.9653
 26 Lb Product: 0.0000
 Methane+ GPM: 0.3511
 Ethane+ GPM: 0.0077
 Propane+ GPM: 0.0000
 Butane+ GPM: 0.0000
 Pentane+ GPM: 0.0000

REMARKS:
 H2S ON LOCATION: NONE DETECTED
 CO2 ON LOCATION: 20%

Approved by: DON NORMAN

Mon Jul 23 15:58:32 2001

CONFIDENTIAL

July 20, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 5

RU Schlumberger. Tag TD @ 3,097'. Pressure casing to 1000 psi. Bond log excellent cement from TD to 1965' Casing perforate 3064' – 3,074' 4 jspf. 40 shots total. RD Schlumberger. TIH with Weatherford 9 5/8" packer to 3,074'. RU BJ Services. Circulate casing with 100 bbls KCL water. Spot 5 bbls 7 1/2% HCl @ 3,074'. Pull up to 3,010' and reverse 6 bbls back into tubing. Set packer @ 3,010' Breakdown Abo sand formation @ 550 psi. Pump 28 bbls 7 1/2% HCL with Pecos Slope additives. Drop 65 7/8" 1.3 SG RCN ballsealers. Avg rate 4 bpm. Total load to recover 54 bbls. Avg pressure – 400 psi. Poor ball action. Flush with 2% KCl water. ISIP – vacuum. RD BJ Services. RU swab. Initial fluid level – 2500'. Two swab runs and well began flowing acid gas and spent acid. Flow for two hours. @8:30 PM rig down swab and rig up choke. Leave flowing fluid and gas into pit on 10/64" choke for night @ 280 psia (150 MCFGPD if dry gas). Estimated load recovered – 30 bbl. Plan to check well @ 11:00 PM, 4:00 AM, 7:00 AM. Data on tomorrow's report.

Note – Location received 1" rain overnight but drained well.

BJ Services	\$ 5,530
Schlumberger	\$ 5,170
Gandy	\$ 1,150
WH Rentals	\$ 490
Key Energy	\$ 1,700
Supervision	\$ 575

Total \$14,615

Estimated Cumulative cost \$664,254

Morris Keith
505-910-4926

Please leave message. I will return all calls at top of each hour until I can get phone ringer repaired.

July 21, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 6

Shut well in @ 1:00 AM. Flowing @280 psi on 12/64". SITP @ 7:00 AM was 560 psi. Open well on 16/64" choke. Unloading water and unburnable gas.

8:00 AM – 275 psi	16/64	2 bbl	won't burn
9:00 AM – 325 psi	16/64	4 bbl	won't burn
10:00 AM – 320 psi	16/64	3 bbl	won't burn
11:00 AM – 325 psi	16/64	3 bbl	won't burn
12:00 PM – 325 psi	20/64	5 bbl	won't burn
1:00 PM – 280 psi	24/64	3 bbl	won't burn
2:00 PM – 200 psi	24/64	3 bbl	won't burn
3:00 PM – 170 psi	24/64	3 bbl	won't burn
4:00 PM – 170 psi	24/64	3 bbl	won't burn

30 bbls recovered. All acid load recovered. Shut in until Monday morning.
Gas to be sampled Monday, July 23. Saturday's fluid samples delivered to BJ Services in Artesia to be analyzed and results sent to Primero office by Monday noon. Well will be opened for flow testing 6:00 AM Monday morning.

WH Rentals	\$ 300
Key Energy	\$ 1,500
Supervision	\$ 575

Total \$2,375

Estimated Cumulative cost \$666,629

Morris Keith
505-910-4926

Please leave message on the cell phone and I will return all calls at top of each hour until I can get phone ringer repaired. Saturday night and Sunday morning I will be @ 505-748-3904 Room 113.

July 22, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 7

Shut down - Sunday

WH Rentals	\$ 300
T&C Tank	\$
Supervision	\$

Total \$ 300

Estimated Cumulative cost \$666,929

July 23, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 8

SITP @ 6:00 AM – 580 psi. Open on 32/64" choke. Won't burn. Flowing gas and 2 bph fluid.

7:00 AM – 200 psi	32/64	2 bbl	won't burn
8:00 AM – 120 psi	32/64	2 bbl	won't burn
9:00 AM – 70 psi	48/64	1.5 bbl	won't burn
10:00 AM – 45 psi	48/64	2 bbl	won't burn

gas sample #1 @ 10:30

11:00 AM – 40 psi	48/64	2 bbl	won't burn
12:00 PM – 45psi	48/64	1 bbl	won't burn
1:00 PM – 55 psi	48/64	1 bbl	won't burn
2:00 PM – 50 psi	48/64	1 bbl	won't burn
3:00 PM – 55 psi	48/64	1 bbl	won't burn
4:00 PM – 50 psi	48/64	1 bbl	won't burn
5:00 PM – 55 psi	64/64	1 bbl	won't burn Shut in

gas sample #2 @ 5:00 PM. Delivered sample to Roswell. Wildcat to run @ 5:00 AM Tuesday.

Results from sample #1 : saturated BTU value – 20.66, Gravity – 1.1
CO2 – 26.9838%, O2 - .5442%, N2 – 70.4171%, Methane-2.0261%, Ethane - .0288%. Hard copy faxed to Primero office.

Plans for Tuesday – TOH with tubing and packer. Set CIBP over lower zone. Swab casing fluid level to 1900' in preparation for Wednesday's perforation of upper test.

WH Rentals	\$ 300
Key Energy	\$ 3,000
Supervision	\$ 875
T&C tank	\$ 100
Wildcat Measurement	\$ 1,000

Total \$5,275

Estimated Cumulative cost \$672,204

Morris Keith
505-910-4926

July 24, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 9

SITP @ 7:00 AM – 570 psi. Open on 64/64" choke. Won't burn. Flowing gas and 1 bph fluid until 9:00 AM (50 psi on 3/4" choke ~ 400 MCFGPD). Tie kill truck on tubing and pump/circulate 20 bbls while releasing bypass on packer. Well is dead. Re-level and re set matting boards on rig. Ground is very soft and shifting. TOOH with packer. TIH with 9 5/8" cement retainer/CIBP. Plug unexplainably set @ 1,300'. No option but to drill out plug. Loaded casing with water, took 58 bbls. Plug was 9 stands under fluid level when it set. Job problem report to follow. Bill Hanson reverse unit to be on location @ 10:00 AM Wednesday.

WH Rentals	\$ 150
Key Energy	\$ 2,000
Supervision	\$ 600
T&C tank	\$ 100
Wildcat Measurement	\$ 600

Total \$3,450

Estimated Cumulative cost \$675,654

Morris Keith
505-910-4926

July 25, 2001
Well Completion Report

Primerio Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 10

SICP – 0. Rig up WRH reverse unit. TIH with 8 3/4" bit, 6 - 4 3/4" drill collars and 38 joints of tubing. Tag cement retainer @ 1,330' Drilling on retainer with ~15 points. Retainer came loose in 2 1/2 hours of drilling. Pushed remainder of retainer under perforations to 3,090'. TOH with tubing. SIWFN.

WH Rentals	\$ 2,650
Key Energy	\$ 1,750
Supervision	\$ 570
T&C tank	\$ 100
Gandy Services	\$ 800
Total	\$5,870

Estimated Cumulative cost \$681,524

Morris Keith 505-910-4926

July 26, 2001
Well Completion Report

Primerio Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 11

SICP – 0. Lay down drill collars. PU retrievable bridge plug. Set RBP with tubing @ 3,010. Test plug to 650 psi for 15 minutes. Spot 5 sacks sand on top of plug. Swab fluid level in casing to 1900 fet from surface. TOO H with tubing. Prepare to perforate @ 6:30 AM Friday morning

WH Rentals	\$ 1,450
Key Energy	\$ 2,550
Supervision	\$ 570
T&C tank	\$ 100
Weatherford	\$ 800
Total	\$ 5,470

Estimated Cumulative cost \$686,994

Morris Keith 505-910-4926

July 27, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 12

SICP - 0. RU Schlumberger with pack-off and lubricator to perforate. Measured fluid level 1700' from surface. Perforate 4 jsf with casing guns @ 2,832 - 2,846. TIH with Weatherford packer. Set packer @ 2,795. SN @ 2,790'. Start swabbing. Initial fluid level 1700' from surface. (1,090' from SN

	Fluid level from SN	# of runs	total fluid recovered
11:00 AM - 12:00 Noon	1090	3	16 bbls 9.1# brine
12:00 Noon - 1:00 PM	1000	4	16 bbls 9.1# brine
1:00 PM - 2:00 PM	700	3	12 bbls 9.1# brine
2:00 PM - 3:00 PM	600	4	10 bbls 9.1# brine
3:00 PM - 4:00 PM	650	3	10 bbls 9.1# brine
4:00 PM - 5:00 PM	600	2	10 bbls 9.1# brine

74 bbls total

SIFN. Will check WHP and test gas to burn @ 9:00 AM Saturday. Resume swabbing Monday morning.

Schlumberger	\$ 4,785
WH Rentals	\$ 100
Key Energy	\$ 2,800
Supervision	\$ 570
T&C tank	\$ 100
Weatherford	\$ 2,800
Total	\$11,135

~~Estimated Cumulative cost~~ ~~\$688,129~~

~~Morris Keith~~ ~~505-910-4926~~

July 28, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 13

SITP - 0 Shut down for Saturday

WH Rentals	\$ 100
T&C tank	\$ 100

Total \$200

Estimated Cumulative cost \$698,329

Morris Keith 505-910-4926

July 29, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 14

SITP - 0 Shut down for Sunday

WH Rentals	\$ 100
T&C tank	\$ 100

Total \$200

Estimated Cumulative cost \$698,529

Morris Keith 505-910-4926

July 30, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 15

SITP – 0. Swab test

	Fluid level from SN	# of runs	total fluid recovered
9:00 AM – 10:00 AM	500	2	7 bbls 9.1# brine
10:00 AM – 11:00 AM	600	3	10 bbls 9.1# brine
11:00 AM – 12Noon	600	4	13 bbls 9.1# brine
12Noon – 1:00 PM	600	2	7 bbls 9.1# brine
1:00 PM – 2:00 PM	600	4	13 bbls 9.1# brine
2:00 PM – 3:00 PM	600	4	13 bbls 9.1# brine
3:00 PM – 4:00 PM	600	4	13 bbls 9.1# brine
4:00 PM – 5:00 PM	600	4	13 bbls 9.1# brine

90 bbls total

Took gas sample from gas cut swab run tails to Wildcat Measurement for analysis.

Water analysis –

SG – 1.1	pH – 6.68
Iron – 23 ppm	Cl – 79710 ppm
K – 450 ppm	Sulfates – 2219
BiCarb – 468 ppm	TH – 9058
Ca – 2899	Mg – 435
	Na – 48990

SIFN. Tuesday – plan to move tools and test sand @ 2,642 – 2,650.

WH Rentals	\$ 100
Key Energy	\$ 2,300
Supervision	\$ 770
T&C tank	\$ 100
Wildcat Measurement	\$ 300

Total \$ 3,570

Estimated Cumulative cost \$702,100

~~August~~ 1, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 17

SITP – 0.

Monday's gas sample from gas cut swab run tails tested 80.85% CO2, 19.15% N2. Hard copy to Primero's office.

Rig diesel engine would not throttle properly. Key mechanic from Hobbs determined computer technician necessary. Plan to repair rig Thursday and resume operations Friday. Friday - plan to move tools, perforate, test sand @ 2,642 – 2,650.

WH Rentals	\$ 100
Key Energy	\$ 0
Supervision	\$ 570
T&C tank	\$ 100
Dowell-Schlumberger	\$ 400
Weatherford	\$ 600
702100	Total \$ 1,770
Estimated Cumulative cost	\$712,680

Morris Keith 505-910-4926

August 2, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 18

SITP – 0.

Repair rig. Friday - plan to move tools, perforate, test sand @ 2,642 – 2,650.

WH Rentals	\$ 100
Key Energy	\$ 1,000
Supervision	\$ 570
T&C tank	\$ 100

712680 Total \$ 1,770

Estimated Cumulative cost \$714,450

Morris Keith 505-910-4926

August 3, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 19

SITP - 0.

Circulate tubing. Retrieve bridge plug. Had to work it over four hours. (Pulled 80K) TOO. Minor rubber damage. No obvious visual reason for trouble. Saturday plans - set cement plug over bottom two zones (Dowell). Monday - swab fluid level to 2,000'. Next zone to test - 2642 - 2,650.

WH Rentals	\$ 100
Key Energy	\$ 2,400
Supervision	\$ 570
T&C tank	\$ 100
Weatherford	\$ 2,350

Total \$ 5,520

Estimated Cumulative cost \$719,970

Morris Keith 505-910-4926

August 4, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 20

SITP - 0.

RU Dowell. Via tubing spot 50 sack cement plug from 3090 to 2,950. Spot 50 sack cement plug from 2,900 to 2,750. TOOH. WOC three hours. TIH with seating nipple and tubing. Tag hard cement plug @ 2,790'. Set back 10 stands, secure well and SI for weekend. Plan to swab fluid level to 2,000' Monday and perforate 2,642- 2,650 @ 2:00 PM.

WH Rentals	\$ 100
Key Energy	\$ 2,000
Supervision	\$ 570
T&C tank	\$ 100
Weatherford	\$ 6,538

Total \$ 9,308

Estimated Cumulative cost \$729,278

Morris Keith 505-910-4926

August 5, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 21

SITP – 0.

Shut down for Sunday

WH Rentals	\$ 100
Key Energy	\$ 7,000 adjustment
Supervision	\$
T&C tank	\$
Weatherford	\$

Total \$ 7,100

Estimated Cumulative cost \$736,378

Morris Keith 505-910-4926

August 6, 2001
Well Completion Report

Primero Operating, inc.
Dulce Draw State #1
1980' FNL, 650' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 22

SITP - 0.

Swab fluid level to 1,450'. Rig up Schlumberger to perforate 4 jspf 60° phasing from 2,642' - 2,650'. 32 shots total. No blow when shot. Start IH with packer and tubing SD for dark. Swab test tomorrow.

WH Rentals	\$ 100
Key Energy	\$ 2,900
Supervision	\$ 570
T&C tank	\$ 100

Total \$ 3,670

Estimated Cumulative cost \$740,048

Morris Keith 505-910-4926

August 7, 2001
Well Completion Report

Primero Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 23

SITP - 0.

Set packer @ 2,611'. RU up swab line. Initial fluid level - 1600' Swab test -

8:00 AM - 9:00 AM	3 runs	1000'	10 bbls	won't burn
9:00 AM - 10:00 AM	4 runs	700'	10 bbls	
10:00 AM - 11:00 AM	3 runs	600'	7 bbls	
11:00 AM - 12:00 AM	3 runs	500'	7 bbls	won't burn
12:30 PM - 1:00 PM	2 runs	400'	3 bbls	won't burn
1:00 PM - 2:00 PM	4 runs	400'	7 bbls	won't burn
catch gas samples - sent to Wildcat Measurement				
2:00 PM - 3:00 PM	4 runs	350'	6 bbls	won't burn
3:00 PM - 4:00 PM	3 runs	250'	5 bbls	possibly
detect 6" lazy flare after swab run. Aerated fluid would not burn				
4:00 PM - 5:00 PM	5 runs	200'	3 bbls	possibly
detect intermittent 6" lazy flare after swab run.				
5:00 PM - 6:00 PM	4 runs	125'	2 bbls	possibly
detect intermittent 6" lazy flare after swab run.				
			35 runs total	64 bbls total

water - 1.1 SG formation saltwater. Sample sent to BJ Artesia lab.

Leave tubing SI overnight. Will report SITP @ 6:30 AM.

WH Rentals	\$ 100
Key Energy	\$ 2,900
Supervision	\$ 570
T&C tank	\$ 100
Wildcat Measurement	\$ 100
Weatherford - final	\$ 6,250
Total	\$ 10,020

Estimated Cumulative cost \$750,068

Morris Keith 505-910-4926

Primero Operating Co.
Dulce Draw St #1
Sec 2 T4S R9E
Socorro County, NM

NMOCD Plugging Instructions

Per:
Roy Johnson
Direct – 505-476-3470
Cell – 505-690-2365
Office –

“No casing recovered option”

3 - 50' cement plugs over each Abo perforated interval	60 sacks Class C
100' plug @ 1,900' – 2,000' (9 5/8" TOC)	40 sacks Class C
perforate 9 5/8" @ 1283'. Place 100' plug from 1233' – 1333'	90 sacks Class C
10 sacks at surface with dry hole marker.	10 sacks Class C
Total cement -	200 sacks Class C

Brine water/saltwater gel in between plugs – 200 bbls x 15#/bbl = 3,000# gel

Fresh water for cement mixing water – 30 bbls.

Casing strings – 13 3/8" @ 1283'. Cement top – 480'. 9 5/8" 3,445 to surface.
Cement top – 1,965'
Cost estimate for one day plugging procedure. Does not include hauling for tubing and wellhead - \$10,200.

Log tops:

Glorietta – 491

Yeso – 785

Yeso Anhydrous – 912

Abo – 2214

Penn SS – 3803

Pre-Cambrian – 3954

TD – 4022

previous plug – 25 sacks @ _____
cement retainer @ 3097'
CIBP @ 3,390'

August 8, 2001
Well Completion Report

Primerio Operating, Inc.
Dulce Draw State #1
1980' FNL, 660' FWL Sec 2
T4S, R9E, Socorro County, NM

Completion Day 24

SITP – 200 psi. Open well on various choke sizes. Diffused gas flow. Would not burn. Caught gas sample @ 150 psi. Sent to Wildcat Measurement lab. Blew down in 10 minutes on 10/64" choke. Release packer and TOOH. TIH to set cement plug. Set 60 sack Class C plug from 2,700' to 2,550'. TOH with tbg. Rig up wireline and perforate 4 squeeze holes @ 1,283' TIH with tubing, tag hard cement plug @ 2,590'. Load casing with brine water carrying 20# bbl salt water gel. Spot 100' cement plug with 40 sacks Class C cement from 2,000' to 1,900'. Spot 90 sack Class C cement plug from 1,333' to 1,233'. Close 9 5/8" on last 5 bls of spot to insure cement is forced into annulus. Spot 10 sack plug on surface. Filled mouse hole with 10 sacks. Left 10 sacks dry cement next to cellar. TOH with tubing. 106 joints 2 7/8" J-5 tubing is stacked on location. Wellhead is stacked next to tubing. Barton 2 9/16" valve and adjustable choke is stacked on tubing. ND BOP and load on trailer. Release BOP, TIW, matting boards (Bill Hanson). Release T&C tank (Rooster) Spot 10 sack cement plug in top 30' of casing. Secure well. Phil Whiler (746-4347) is building marker in his shop and is scheduled to weld on dry hole marker Saturday. Steve Gore (648-2041) is scheduled to fill in cellar Tuesday.

WH Rentals	\$ 100
Key Energy	\$ 2,900
Supervision	\$ 570
T&C tank	\$ 100
Wildcat Measurement	\$ 100
BJ Services	\$ 6,438
Gandy water	\$ 1,400
Rotary wireline	\$ 1,670

750068 Total \$ 13,278

Estimated Cumulative cost \$ 763,346

Morris Keith

08/09/01

Primer Operating
Dulce Draw St #1
Inventory on location

106 joints 2 7/8" J-55 tbg.
9 5/8" Larkin wellhead with ring for 2 7/8" tubing slips.
Changeover flange makeup
2 9/16" Barton valve
2" adjustable choke, heavy 2" tee, 2"tapped bullplug, 2" X 2 1/2" swage, heavy 2"
nipple
600 psi and 2,000 psi gauge

District I 1625 N. French Dr., Hobbs, NM 88240
District II 811 South First, Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-053-20014

5. Indicate Type of Lease STATE X FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well Gas Well XX Other

7. Lease Name or Unit Agreement Name: Dulce Draw State

2. Name of Operator Primero Operating, Inc.

8. Well No. 1

3. Address of Operator PO Box 1433, Roswell, NM 88202-1433

8. Pool name or Wildcat Wildcat, Atoka

4. Well Location Unit Letter E : 1980 feet from the North line and 660 feet from the West line Section 2 Township 4S Range 9E NMPM Socorro County

10. Elevation (Show whether DR, RKB, RT, GR, etc.) 4036.8

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON TEMPORARILY ABANDON CHANGE PLANS PULL OR ALTER CASING MULTIPLE COMPLETION OTHER:
SUBSEQUENT REPORT OF: REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT CASING TEST AND CEMENT JOB OTHER: Completion Operations

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Plugged well as follows:

- Plug #1 60 sx class C 2700' to 2550'
Peforate 4 squeeze holes at 1283', RIH w/ tubing and tagged plug at 2590'
Plug #2 40 sx class C - 2000' to 1900'
Plug #3 90 sx class C - 1333' to 1233'
Plug #4 10 sx class C at surface.

Welded on dry hole marker and cleaned and leveled location.

Handwritten signature: Insp 4/16/02 OK Ref

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE President DATE 11/29/01

Type or print name Phelps White Telephone No. 505.622.1001 (This space for State use)

APPROVED BY [Signature] TITLE DISTRICT SUPERVISOR DATE 4/17/02

Conditions of approval, if any: Phelps - deadman and markers still on location - are you planning any re-entry's in the future? Please call Thur Ry

District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-053-20014
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. Lease Name or Unit Agreement Name Dulce Draw State	
b. Type of Completion: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		8. Well No. 1	
2. Name of Operator Primero Operating, Inc.		9. Pool name or Wildcat Wildcat, Atoka	
3. Address of Operator PO Box 1433, Roswell, NM 88202-1433			
4. Well Location Unit Letter <u>E</u> : 1980 Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>4S</u> Range <u>9E</u> NMPM Socorro County			
10. Date Spudded 4-22-2001	10. Date T.D. Reached 5-12-01	12. Date Compl. (Ready to Prod.)	13. Elevations (DF& RKB, RT, GR, etc.) 4036.8, GR
14. Elev. Casinghead	15. Total Depth 4030'		16. Plug Back T.D. Surface
17. If Multiple Compl. How Many Zones?		18. Intervals Drilled By	Rotary Tools 0 - 4030'
19. Producing Interval(s), of this completion - Top, Bottom, Name			20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run NGR Spectroscopy, Three Detector LDT - EPT, AST NGT, HR Laterolog Array/NGT, ECS, Dual Burst TDT, CBL			21. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	54.5	1283	17 1/2	300 sx	0
9 5/8	36	3457	12 1/4	800 sx	0

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number) 3064 - 3074, 21 holes 2832-2864, 29 holes 2642 - 2650, 33 holes		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 3064 - 3074 AMOUNT AND KIND MATERIAL USED 28 bbls 7 1/2% NEFE acid	

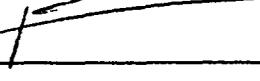
28. PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. or Shut-in) P and A		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) _____ Test Witnessed By _____

30. List Attachments
 NGR Spectroscopy, Three Detector LDT - EPT, AST NGT, HR Laterolog Array/NGT, ECS, Dual Burst TDT, CBL and Mudlog

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature  Printed Name Phelps White Title President Date 12/6/01

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-053-20014
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: Dulce Draw State
2. Name of Operator Primero Operating, Inc.	8. Well No. 1
3. Address of Operator PO Box 1433, Roswell, NM 88202-1433	8. Pool name or Wildcat Wildcat, Atoka
4. Well Location Unit Letter <u>E</u> : <u>1980</u> feet from the North <u> </u> line and <u>660</u> feet from the West <u> </u> line Section <u>2</u> Township <u>4S</u> Range <u>9E</u> NMPM Socorro County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 4036.8	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Completion Operations <input checked="" type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

7/16/01: Perforate 9 5/8" casing with 4 holes at 3118'.
 7/18/01: Set Cement Retainer at 3097' and squeezed well with 400 sacks Super C type completion cement
 7/20/01: Perforate 3064' to 3074' w/ 4 spf. RIH w/ packer and Acidize perforations with 28 bbls 7 1/2% acid.
 Flowed well from 7/20 to 7/24 at an average rate of 400 Mcfd, gas would not burn. Analysis CO2- 26.98%, O2 - .544%, N2 - 70.41%, Hydrocarbons 2.04%
 7/26/01: Set CIBP at 3010'
 7/27/01: Perforate 2,832 - 2,846 w/ 2 spf. RIH and set Packer at 2,795 and start swabbing well, swabbed Salt water and non-burnable gas for two days, Gas analysis CO2 - 80.85%, N2 - 19.5%
 8/04/01: Spot 50 sx cement plug from 3090' to 2950', WOC 3 hours and tag top of plug at 2790'
 8/06/01: Swabbed fluid level down to 1450' then perforated 2,642 to 2,650' w/ 4 spf.
 8/07/01: Set packer at 2,611' and start swabbing well. Swabbed well for 1 1/2 day recovering Salt water cut with non-burnable gas.
 8/08/01: POOH w/ packer

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE President DATE 11/29/01

Type or print name Phelps White Telephone No. 505.622.1001

(This space for State use)
 APPROVED BY [Signature] TITLE DISTRICT SUPERVISOR DATE 12/18/2001

B J Services Water Analysis

Artesia District Laboratory
(505)-746-3140

Date: 21-Jul-01	Test #: 14-Apr
Company: Primbro Operating	Well #: State #1
Lease: Dulce Draw	County: Socorro
State: NM	Formation:
Depth:	Source: Grab

pH	5.98	Temp (F):	86
Specific Gravity	1.080		

CATIONS	mg/l	me/l	ppm
Sodium (calc.)	47522	2067.1	44001
Calcium	7419	370.2	6869
Magnesium	1458	120.0	1350
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	231	8.3	214

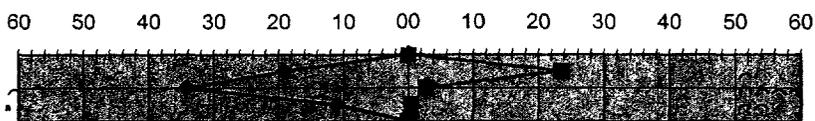
ANIONS	mg/l	me/l	ppm
Chloride	90000	2538.8	83333
Sulfate	231	4.8	214
Carbonate	< 1	---	---
Bicarbonate	1830	30.0	1694
Total Dissolved Solids(calc.)	148691		137677
Total Hardness as CaCO3	24529	490.1	22712

COMMENTS:

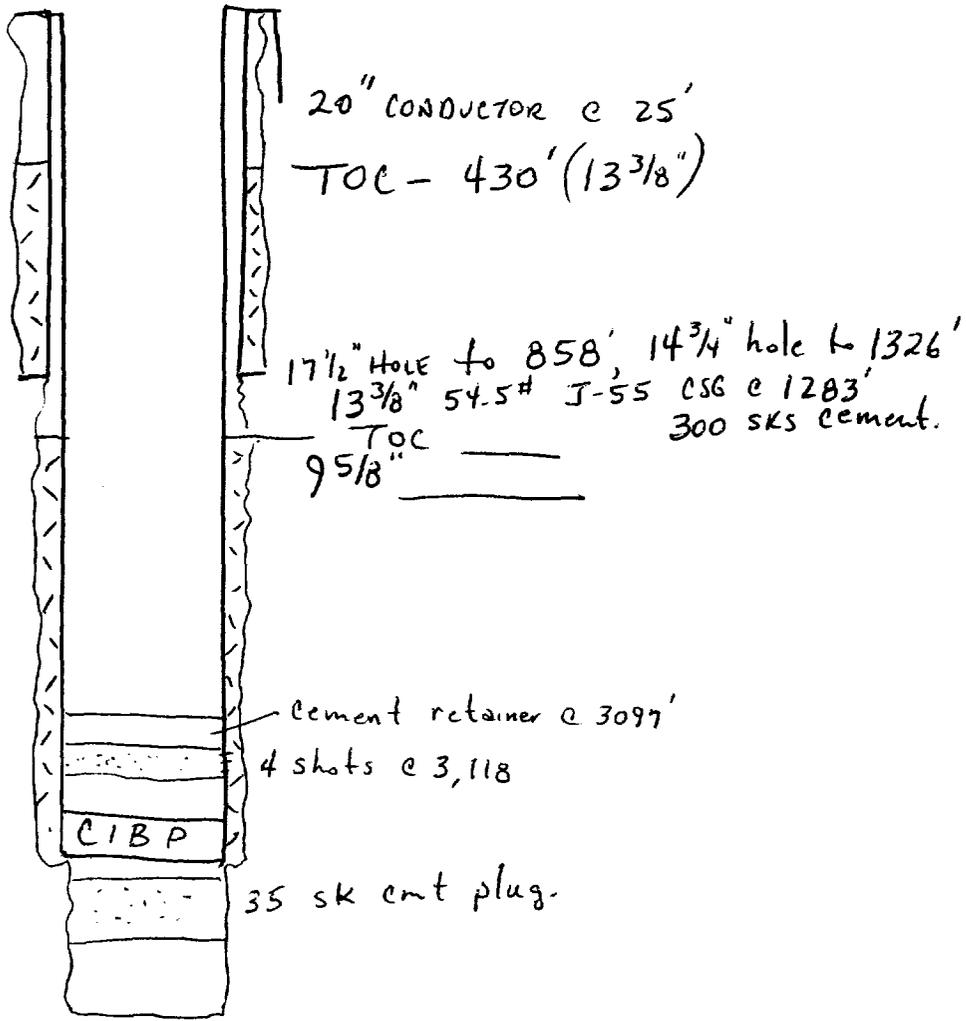
SCALE ANALYSIS:

CaCO3 Factor	13575855 Calcium Carbonate Scale Probability->	Probable
CaSO4 Factor	1854625 Calcium Sulfate Scale Probability -->	Remote

Stiff Plot



Primero Operating, Inc.
Dulce Draw St #1
Sec 2 T4S R9E Socorro County, NM



08/09/01

Primero Operating
Dulce Draw St #1
Inventory on location

106 joints 2 7/8" J-55 tbg.
9 5/8" Larkin wellhead with ring for 2 7/8" tubing slips.
Changeover flange makeup
2 9/16" Barton valve
2" adjustable choke, heavy 2" tee, 2"tapped bullplug, 2" X 2 1/2" swage, heavy 2"
nipple
600 psi and 2,000 psi gauge

COMPANY: Primero Operating Company

WELL: Dulce Draw State No.1

FIELD: Wildcat

COUNTY: Socorro STATE: New Mexico

COUNTY: Socorro Field: Wildcat Location: 1980' FNL & 660' FWL Well: Dulce Draw State No.1 Company: Primero Operating Company	Schlumberger		DUAL BURST THERMAL DECAY TIME LOG GAMMA RAY / CCL	
	1980' FNL & 660' FWL CONFIDENTIAL		Elev.: K.B. 5972 ft G.L. 5961 ft D.F. 5971 ft	
	Permanent Datum: <u>Ground Level</u>		Elev.: <u>5961 ft</u>	
	Log Measured From: <u>Kelly Bushing</u>		11.0 ft above Perm. Datum	
Drilling Measured From: <u>Kelly Bushing</u>				
API Serial No. 30-053-20014		SECTION 2	TOWNSHIP 4S	RANGE 9E
Logging Date		31-MAY-2001		
Run Number		One		
Depth Driller		3456 ft		
Schlumberger Depth		3390 ft		
Bottom Log Interval		3381 ft		
Top Log Interval		2000 ft		
Casing Fluid Type		Brine		
Salinity		100000 ppm		
Density		8.8 lbm/gal		
Fluid Level				
BIT/CASING/TUBING STRING				
Bit Size		11.000 in		
From				
To				
Casing/Tubing Size		9.625 in		
Weight		36 lbm/ft		
Grade				
From				
To				
Maximum Recorded Temperatures		133 degF		
Logger On Bottom		Time		31-MAY-2001 13:30
Unit Number	Location		3049 Roswell, N.M.	
Recorded By		K. HOLUB / K. GANT		
Witnessed By		PHELPS WHITE		

Total Selected Counts For Detector

BEN DONEGAN
3224 CANDIARIA NE
ALBUQUERQUE, NEW MEXICO 87107

505 884-2780

RECEIVED

November 13, 2002

NOV 14 2002

OIL CONSERVATION
DIVISION

Director
Oil, Gas and Minerals Division
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Subsequent Joinder to the Cat Head Mesa Unit Agreement

Ladies and Gentlemen:

Enclosed are original and one copy of the Ratification and Joinder to the Cat Head Mesa Unit Agreement executed by royalty interest owner Carl L. Johnson. All of the working interest owners of the Cat Head Mesa Unit Agreement have approved the Carl L. Johnson Joinder to the unit agreement.

This additional commitment of royalty interest to the unit agreement combined with the previously committed interests and the state and federal royalty interests comprise 99.660406 per cent of the total oil and gas interests in the unit area.

Copies of the Joinder are also being mailed to the Bureau of Land Management at Roswell.

Very truly yours,

Primero Operating, Inc. Unit Operator

By: 
Ben Donegan, Agent

BD/nm
encl.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 16 day of April, 2002

By Carl Johnson

Address: Box 917

Letonia, N. Mex
88267

INDIVIDUAL ACKNOWLEDGMENT

STATE OF NM)
COUNTY OF Lea) ss.

This instrument was acknowledged before me on 16 April, 2002
by Carl Johnson.

My Commission Expires:
6/3/2003

Angie Cozburn
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001
by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 16th day of April, 2002.

By *Carl Johnson*

Address: Box 917
Tatum, N Mex 88267

INDIVIDUAL ACKNOWLEDGMENT

STATE OF NM)
COUNTY OF Lu) ss.

This instrument was acknowledged before me on 16 April, 2002
by Carl Johnson.

My Commission Expires:
6/3/2003

Danya Casper
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001
by _____ as _____ of _____.

My Commission Expires:

Notary Public

BEN DONEGAN
3224 CANDLARIA NE
ALBUQUERQUE, NEW MEXICO 87107

505 884-2780

RECEIVED
NOV 15 2002
OIL CONSERVATION
DIVISION

November 14, 2002

Director
Oil, Gas and Minerals Division
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504

Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: November 1, 2002 revision of Exhibit B
Schedule of Ownership of the Cat Head Mesa
Unit Agreement, Socorro County.

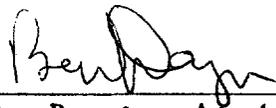
Ladies and Gentlemen:

Enclosed are two copies of the November 1, 2002 revision of Exhibit B Schedule of Ownership of the Cat Head Mesa Unit Agreement, Socorro County. Also, enclosed is a copy of Exhibit B with the changes highlighted.

Copies of the revised Exhibit B are also being mailed to the Bureau of Land Management at Roswell.

Very truly yours,

Primero Operating, Inc.

By: 

Ben Donegan, Agent

EXHIBIT B
 SCHEDULE OF OWNERSHIP
 CAT HEAD MESA UNIT AGREEMENT
 Socorro County, New Mexico

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
<u>FEDERAL LANDS</u>							
1	<u>T. 4 S., R. 8 E.</u> Sec. 3: Lots 1-4, S2, S2N2 (A11) Sec. 10: All Sec. 11: All Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.075892%	***
2	<u>T. 4 S., R. 8 E.</u> Sec. 12: All Sec. 13: All Sec. 23: E2 Sec. 24: All	2,240.00	NM 91533 8-31-03	12.5%	*	**5.075892%	***
3	<u>T. 4 S., R. 9 E.</u> Sec. 4: Lots 1-4, S2, S2N2 (A11) Sec. 5: Lots 1-4, S2, S2N2 (A11) Sec. 8: N2, W2SW, S2SE Sec. 9: All	2,406.76	NM 91534 8-31-03	12.5%	*	**5.075892%	***
4	<u>T. 4 S., R. 9 E.</u> Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (A11) Sec. 7: Lots 1-4, E2, E2W2 (A11) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (A11)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.075892%	***
5	<u>T. 4 S., R. 9 E.</u> Sec. 10: All Sec. 13: W2, W2SE Sec. 14: All Sec. 15: All	2,320.00	NM 91536 8-31-03	12.5%	*	**5.075892%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
6	T. 4 S., R. 9 E. Sec. 19: Lots 1-4, E2, E2W2, (A11) Sec. 20: N2NE, W2NW, S2 Sec. 21: A11 Sec. 22: A11	2,395.88	NM 91537 8-31-03	12.5%	*	**5.075892%	***
7	T. 4 S., R. 9 E. Sec. 23: A11 Sec. 24: W2E2, W2, SESE Sec. 25: A11 Sec. 26: A11	2,440.00	NM 91538 8-31-03	12.5%	*	**5.075892%	***
8	T. 4 S., R. 9 E. Sec. 27: A11 Sec. 33: A11 Sec. 34: N2, N2S2, S2SW Sec. 35: A11	2,480.00	NM 91539 8-31-03	12.5%	*	**5.075892%	***
9	T. 4 S., R. 9 E. Sec. 28: A11 Sec. 29: A11 Sec. 30: Lots 1-4, E2, E2W2 (A11) Sec. 31: Lots 1-4, E2, E2W2 (A11)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.075892%	***
10	T. 3 S., R. 9 E. Sec. 31: Lots 1-4, E2, E2W2 (A11) T. 4 S., R. 9 E. Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: A11	1,756.28	NM 91587 9-30-03	12.5%	*	**5.075892%	***
11	T. 3 S., R. 8 E. Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.075892%	***
12	T. 3 S., T. 9 E. Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.075892%	***
13	T. 4 S., R. 8 E. Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
14	<u>T. 4 S., R. 9 E.</u> Sec. 12: W2	320.00	NM 93029 3-31-04	12.5%	*	**5.075892%	***
15	<u>T. 5 S., R. 9 E.</u> Sec. 3: S2, S2NW Sec. 4: SE, S2NE Sec. 9: E2 Sec. 10: All Sec. 11: N2	1,920.00	NM 97648 9-30-05	12.5%	*	**5.075892%	***
<u>STATE LANDS</u>							
16	<u>T. 3 S., R. 8 E.</u> Sec. 36: S2	320.00	LH 4434 6-1-03	12.5%	*	**5.075892%	***
17	<u>T. 3 S., R. 9 E.</u> Sec. 32: S2	320.00	LH 4437 6-1-03	12.5%	*	**5.075892%	***
18	<u>T. 4 S., R. 8 E.</u> Sec. 1: Lots 1-4, S2, S2N2 (All)	640.24	LH 4439 6-1-03	12.5%	*	**5.075892%	***
19	<u>T. 4 S., R. 8 E.</u> Sec. 2: Lots 1-4, S2, S2N2 (All)	640.52	LH 4440 6-1-03	12.5%	*	**5.075892%	***
20	<u>T. 4 S., R. 8 E.</u> Sec. 25: All	640.00	LH 4442 6-1-03	12.5%	*	**5.075892%	***
21	<u>T. 4 S., R. 8 E.</u> Sec. 36: E2	320.00	LH 4446 6-1-03	12.5%	*	**5.075892%	***
22	<u>T. 4 S., R. 9 E.</u> Sec. 2: Lots 1-4, S2, S2N2 (All)	640.60	LH 4447 6-1-03	12.5%	*	**5.075892%	***
23	<u>T. 4 S., R. 9 E.</u> Sec. 16: All	640.00	LH 4448 6-1-03	12.5%	*	**5.075892%	***
24	<u>T. 4 S., R. 9 E.</u> Sec. 17: E2W2	160.00	LH 4449 6-1-03	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
25	T. 4 S., R. 9 E. Sec. 32: All	640.00	LH 4450 6-1-03	12.5%	*	**5.075892%	***
26	T. 4 S., R. 9 E. Sec. 34: S2SE	80.00	LH 4451 6-1-03	12.5%	*	**5.075892%	***
27	T. 4 S., R. 9 E. Sec. 36: All	640.00	LH 5552 6-1-03	12.5%	*	**5.075892%	***
28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 6-1-03	12.5%	*	**5.075892%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 6-1-03	12.5%	*	**5.075892%	***
<u>PATENTED LANDS</u>							
30	T. 4 S., R. 8 E. Sec. 14: N2N2 Sec. 15: N2NE T. 5 S., R. 9 E. Sec. 3: Lots 1-4, S2NE Sec. 4: Lots 1-4, S2NW, SW Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 6: Lots 1-7, SENW, E2SW, S2NE, SE (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 8: All Sec. 9: W2	3,466.87	Harvey Mineral Trust 10-16-05	12.5%	*	**5.075892%	***
31	T. 4 S., R. 9 E. Sec. 3: S2S2 Sec. 8: N2SE, E2SW Sec. 13: E2E2, W2NE Sec. 20: S2NE, E2NW Sec. 24: E2NE, NESE	840.00	11-20-05	****12.5%	*	**5.075892%	***

*The Lessee of Record of all 31 Tracts in the unit area is Frizzell Exploration Company II.

**Ownership of the 5.075892% overriding royalty interest of all 31 Tracts in the unit area is as follows:

Bowerman Energy Company	0.065965	JHJ Exploration, Ltd.	0.671306
Bright & Company	0.060908	JMA Exploration, Ltd.	0.070963
Ben and Ruby Donegan	0.750000	MJR Investment Corporation	0.064851
E. S. Mayer & Sons, Ltd.	0.070963	Stephen D. & Nancy J. Nolan	0.250000
Frizzell Exploration Company II	0.895076	Saxon Oil Company	0.047314
Robert D. and Frances E. Gunn	0.671306	The Rudman Partnership	0.156120
Nelson Bunker Hunt	0.250000	The Rudman Partnership	0.075892+
Integras Resources, Inc.	0.250000	Tejon Exploration Company	0.070963
Jacobs Exploration, Ltd.	0.171510	Tucker--Scully Interests, Ltd.	0.223769
		Warren, Inc.	0.258986

+The Rudman Partnership 0.075892% overriding royalty interest is payable out of the Benson-Montin-Greer Drilling Corporation (0.008483%), Ceja Corporation (0.029567%), MJR Investment Corporation (0.017770%), Slash Four Enterprises, Inc. (0.002803%), Tejon Exploration Company (0.013182%) and Warren, Inc. (0.004087%) working interests.

***Ownership of the 100.0% working interest of all 31 Tracts in the unit area is as follows:

Benson-Montin-Greer Drilling Corporation	11.177673
Ceja Corporation	35.108470
Bill Fenn	5.187037
JMA Oil Properties, Ltd.	2.515268
MJR Investment Corporation	23.414638
Slash Four Enterprises, Inc.	3.693512
Tejon Exploration Company	13.518035
Warren, Inc.	5.385367

***The per cent ownership of the 12.5% Basic Royalty of Tract No. 31 is as follows:

Knollene Lovelace McDaniel	17.240830
Frances Alice Lovelace	15.518335
Roe Lovelace	9.481667
Judith Ann Lovelace	4.740834
Carole Lynn Lovelace Hutchison	1.580278
Noel Holt Lovelace	1.580278
Dru Wynn Lovelace King	1.580278
Joan Collinson Deming	15.518335
Jean Collinson Suggs	15.518335
Carl L. Johnson	8.620415
Gary M. Lovelace	8.620415

SUMMARY

	<u>Acres</u>	<u>Per Cent of Unit Area</u>
Federal Lands	26,499.79	70.97
State Lands	6,532.38	17.50
Patented Lands	4,306.87	11.53
	-----	-----
Totals	37,339.04	100.00

EXHIBIT B

SCHEDULE OF OWNERSHIP
CAT HEAD MESA UNIT AGREEMENT
Socorro County, New Mexico

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
<u>FEDERAL LANDS</u>							
1	<u>T. 4 S., R. 8 E.</u> Sec. 3: Lots 1-4, S2, S2N2 (All) Sec. 10: All Sec. 11: All Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.075892%	***
2	<u>T. 4 S., R. 8 E.</u> Sec. 12: All Sec. 13: All Sec. 23: E2 Sec. 24: All	2,240.00	NM 91533 8-31-03	12.5%	*	**5.075892%	***
3	<u>T. 4 S. R. 9 E.</u> Sec. 4: Lots 1-4, S2, S2N2 (All) Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 8: N2, W2SW, S2SE Sec. 9: All	2,406.76	NM 91534 8-31-03	12.5%	*	**5.075892%	***
4	<u>T. 4 S., R. 9 E.</u> Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (All)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.075892%	***
5	<u>T. 4 S., R. 9 E.</u> Sec. 10: All Sec. 13: W2, W2SE Sec. 14: All Sec. 15: All	2,320.00	NM 91536 8-31-03	12.5%	*	**5.075892%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
6	<u>T. 4 S., R. 9 E.</u> Sec. 19: Lots 1-4, E2, E2W2, (A11) Sec. 20: N2NE, W2NW, S2 Sec. 21: All Sec. 22: All	2,395.88	NM 91537 8-31-03	12.5%	*	**5.075892%	***
7	<u>T. 4 S., R. 9 E.</u> Sec. 23: All Sec. 24: W2E2, W2, SESE Sec. 25: All Sec. 26: All	2,440.00	NM 91538 8-31-03	12.5%	*	**5.075892%	***
8	<u>T. 4 S., R. 9 E.</u> Sec. 27: All Sec. 33: All Sec. 34: N2, N2S2, S2SW Sec. 35: All	2,480.00	NM 91539 8-31-03	12.5%	*	**5.075892%	***
9	<u>T. 4 S., R. 9 E.</u> Sec. 28: All Sec. 29: All Sec. 30: Lots 1-4, E2, E2W2 (A11) Sec. 31: Lots 1-4, E2, E2W2 (A11)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.075892%	***
10	<u>T. 3 S., R. 9 E.</u> Sec. 31: Lots 1-4, E2, E2W2 (A11) <u>T. 4 S., R. 9 E.</u> Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: All	1,756.28	NM 91587 9-30-03	12.5%	*	**5.075892%	***
11	<u>T. 3 S., R. 8 E.</u> Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.075892%	***
12	<u>T. 3 S., T. 9 E.</u> Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.075892%	***
13	<u>T. 4 S., R. 8 E.</u> Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
14	T. 4 S., R. 9 E. Sec. 12: W2	320.00	NM 93029 3-31-04	12.5%	*	**5.075892%	***
15	T. 5 S., R. 9 E. Sec. 3: S2, S2NW Sec. 4: SE, S2NE Sec. 9: E2 Sec. 10: A11 Sec. 11: N2	1,920.00	NM 97648 9-30-05	12.5%	*	**5.075892%	***
<u>STATE LANDS</u>							
16	T. 3 S., R. 8 E. Sec. 36: S2	320.00	LH 4434 6-1-03	12.5%	*	**5.075892%	***
17	T. 3 S., R. 9 E. Sec. 32: S2	320.00	LH 4437 6-1-03	12.5%	*	**5.075892%	***
18	T. 4 S., R. 8 E. Sec. 1: Lots 1-4, S2, S2N2 (A11)	640.24	LH 4439 6-1-03	12.5%	*	**5.075892%	***
19	T. 4 S., R. 8 E. Sec. 2: Lots 1-4, S2, S2N2 (A11)	640.52	LH 4440 6-1-03	12.5%	*	**5.075892%	***
20	T. 4 S., R. 8 E. Sec. 25: A11	640.00	LH 4442 6-1-03	12.5%	*	**5.075892%	***
21	T. 4 S., R. 8 E. Sec. 36: E2	320.00	LH 4446 6-1-03	12.5%	*	**5.075892%	***
22	T. 4 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (A11)	640.60	LH 4447 6-1-03	12.5%	*	**5.075892%	***
23	T. 4 S., R. 9 E. Sec. 16: A11	640.00	LH 4448 6-1-03	12.5%	*	**5.075892%	***
24	T. 4 S., R. 9 E. Sec. 17: E2W2	160.00	LH 4449 6-1-03	12.5%	*	**5.075892%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
25	T. 4 S., R. 9 E. Sec. 32: All	640.00	LH 4450 6-1-03	12.5%	*	**5.075892%	***
26	T. 4 S., R. 9 E. Sec. 34: S2SE	80.00	LH 4451 6-1-03	12.5%	*	**5.075892%	***
27	T. 4 S., R. 9 E. Sec. 36: All	640.00	LH 5552 6-1-03	12.5%	*	**5.075892%	***
28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 6-1-03	12.5%	*	**5.075892%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 6-1-03	12.5%	*	**5.075892%	***
<u>PATENTED LANDS</u>							
30	T. 4 S., R. 8 E. Sec. 14: N2N2 Sec. 15: N2NE T. 5 S., R. 9 E. Sec. 3: Lots 1-4, S2NE Sec. 4: Lots 1-4, S2NW, SW Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 6: Lots 1-7, SENW, E2SW, S2NE, SE (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 8: All Sec. 9: W2	3,466.87	Harvey Mineral Trust 10-16-05	12.5%	*	**5.075892%	***
31	T. 4 S., R. 9 E. Sec. 3: S2S2 Sec. 8: N2SE, E2SW Sec. 13: E2E2, W2NE Sec. 20: S2NE, E2NW Sec. 24: E2NE, NESE	840.00	11-20-05	***12.5%	*	**5.075892%	***

*The Lessee of Record of all 31 Tracts in the unit area is Frizzell Exploration Company II.

**Ownership of the 5.075892% overriding royalty interest of all 31 Tracts in the unit area is as follows:

Bowerman Energy Company	0.065965	JHJ Exploration, Ltd.	0.671306
Bright & Company	0.060908	JMA Exploration, Ltd.	0.070963
Ben and Ruby Donegan	0.750000	MJR Investment Corporation	0.064851
E. S. Mayer & Sons, Ltd.	0.070963	Stephen D. & Nancy J. Nolan	0.250000
Frizzell Exploration Company II	0.895076	Saxon Oil Company	0.047314
Robert D. and Frances E. Gunn	0.671306	The Rudman Partnership	0.156120
Nelson Bunker Hunt	0.250000	The Rudman Partnership	0.075892+
Integras Resources, Inc.	0.250000	Tejon Exploration Company	0.070963
Jacobs Exploration, Ltd.	0.171510	Tucker--Scully Interests, Ltd.	0.223769
		Warren, Inc.	0.258986

+The Rudman Partnership 0.075892% overriding royalty interest is payable out of the Benson-Montin-Greer Drilling Corporation (0.008483%), Ceja Corporation (0.029567%), MJR Investment Corporation (0.017770%), Slash Four Enterprises, Inc. (0.002803%), Tejon Exploration Company (0.013182%) and Warren, Inc. (0.004087%) working interests.

***Ownership of the 100.0% working interest of all 31 Tracts in the unit area is as follows:

Benson-Montin-Greer Drilling Corporation	11.177673
Ceja Corporation	35.108470
Bill Renn	5.187037
JMA Oil Properties, Ltd.	2.515268
MJR Investment Corporation	23.414638
Slash Four Enterprises, Inc.	3.693512
Tejon Exploration Company	13.518035
Warren, Inc.	5.385367

***The per cent ownership of the 12.5% Basic Royalty of Tract No. 31 is as follows:

Knollene Lovelace McDaniel	17.240830
Frances Alice Lovelace	15.518335
Roe Lovelace	9.481667
Judith Ann Lovelace	4.740834
Carole Lynn Lovelace Hutchison	1.580278
Noel Holt Lovelace	1.580278
Dru Wynn Lovelace King	1.580278
Joan Collinson Deming	15.518335
Jean Collinson Suggs	15.518335
Carl L. Johnson	8.620415
Gary M. Lovelace	8.620415

SUMMARY

	<u>Acres</u>	<u>Per Cent of Unit Area</u>
Federal Lands	26,499.79	70.97
State Lands	6,532.38	17.50
Patented Lands	4,306.87	11.53
Totals	<u>37,339.04</u>	<u>100.00</u>

EXHIBIT B
 SCHEDULE OF OWNERSHIP
 CAT HEAD MESA UNIT AGREEMENT
 Socorro County, New Mexico

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
<u>FEDERAL LANDS</u>							
1	<u>T. 4 S., R. 8 E.</u> Sec. 3: Lots 1-4, S2, S2N2 (A11) Sec. 10: A11 Sec. 11: A11 Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.075892%	***
2	<u>T. 4 S., R. 8 E.</u> Sec. 12: A11 Sec. 13: A11 Sec. 23: E2 Sec. 24: A11	2,240.00	NM 91533 8-31-03	12.5%	*	**5.075892%	***
3	<u>T. 4 S., R. 9 E.</u> Sec. 4: Lots 1-4, S2, S2N2 (A11) Sec. 5: Lots 1-4, S2, S2N2 (A11) Sec. 8: N2, W2SW, S2SE Sec. 9: A11	2,406.76	NM 91534 8-31-03	12.5%	*	**5.075892%	***
4	<u>T. 4 S., R. 9 E.</u> Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (A11) Sec. 7: Lots 1-4, E2, E2W2 (A11) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (A11)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.075892%	***
5	<u>T. 4 S., R. 9 E.</u> Sec. 10: A11 Sec. 13: W2, W2SE Sec. 14: A11 Sec. 15: A11	2,320.00	NM 91536 8-31-03	12.5%	*	**5.075892%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
6	<u>T. 4 S., R. 9 E.</u> Sec. 19: Lots 1-4, E2, E2W2, (A11) Sec. 20: N2NE, W2NW, S2 Sec. 21: All Sec. 22: All	2,395.88	NM 91537 8-31-03	12.5%	*	**5.075892%	***
7	<u>T. 4 S., R. 9 E.</u> Sec. 23: All Sec. 24: W2E2, W2, SESE Sec. 25: All Sec. 26: All	2,440.00	NM 91538 8-31-03	12.5%	*	**5.075892%	***
8	<u>T. 4 S., R. 9 E.</u> Sec. 27: All Sec. 33: All Sec. 34: N2, N2S2, S2SW Sec. 35: All	2,480.00	NM 91539 8-31-03	12.5%	*	**5.075892%	***
9	<u>T. 4 S., R. 9 E.</u> Sec. 28: All Sec. 29: All Sec. 30: Lots 1-4, E2, E2W2 (A11) Sec. 31: Lots 1-4, E2, E2W2 (A11)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.075892%	***
10	<u>T. 3 S., R. 9 E.</u> Sec. 31: Lots 1-4, E2, E2W2 (A11) <u>T. 4 S., R. 9 E.</u> Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: All	1,756.28	NM 91587 9-30-03	12.5%	*	**5.075892%	***
11	<u>T. 3 S., R. 8 E.</u> Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.075892%	***
12	<u>T. 3 S., T. 9 E.</u> Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.075892%	***
13	<u>T. 4 S., R. 8 E.</u> Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
14	T. 4 S., R. 9 E. Sec. 12: W2	320.00	NM 93029 3-31-04	12.5%	*	**5.075892%	***
15	T. 5 S., R. 9 E. Sec. 3: S2, S2NW Sec. 4: SE, S2NE Sec. 9: E2 Sec. 10: A11 Sec. 11: N2	1,920.00	NM 97648 9-30-05	12.5%	*	**5.075892%	***
<u>STATE LANDS</u>							
16	T. 3 S., R. 8 E. Sec. 36: S2	320.00	LH 4434 6-1-03	12.5%	*	**5.075892%	***
17	T. 3 S., R. 9 E. Sec. 32: S2	320.00	LH 4437 6-1-03	12.5%	*	**5.075892%	***
18	T. 4 S., R. 8 E. Sec. 1: Lots 1-4, S2, S2N2 (A11)	640.24	LH 4439 6-1-03	12.5%	*	**5.075892%	***
19	T. 4 S., R. 8 E. Sec. 2: Lots 1-4, S2, S2N2 (A11)	640.52	LH 4440 6-1-03	12.5%	*	**5.075892%	***
20	T. 4 S., R. 8 E. Sec. 25: A11	640.00	LH 4442 6-1-03	12.5%	*	**5.075892%	***
21	T. 4 S., R. 8 E. Sec. 36: E2	320.00	LH 4446 6-1-03	12.5%	*	**5.075892%	***
22	T. 4 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (A11)	640.60	LH 4447 6-1-03	12.5%	*	**5.075892%	***
23	T. 4 S., R. 9 E. Sec. 16: A11	640.00	LH 4448 6-1-03	12.5%	*	**5.075892%	***
24	T. 4 S., R. 9 E. Sec. 17: E2W2	160.00	LH 4449 6-1-03	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
25	T. 4 S., R. 9 E. Sec. 32: All	640.00	LH 4450 6-1-03	12.5%	*	**5.075892%	***
26	T. 4 S., R. 9 E. Sec. 34: S2SE	80.00	LH 4451 6-1-03	12.5%	*	**5.075892%	***
27	T. 4 S., R. 9 E. Sec. 36: All	640.00	LH 5652 6-1-03	12.5%	*	**5.075892%	***
28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 6-1-03	12.5%	*	**5.075892%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 6-1-03	12.5%	*	**5.075892%	***
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31	T. 4 S., R. 9 E. Sec. 3: S2S2 Sec. 8: N2SE, E2SW Sec. 13: E2E2, W2NE Sec. 20: S2NE, E2NW Sec. 24: E2NE, NESE	840.00	11-20-05	***12.5%	*	**5.075892%	***

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E. S. Mayer & Sons, Ltd.	0.070963	Stephen D. & Nancy J. Nolan	0.250000
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Noel Holt Lovelace	1.580278
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State Lands	6,532.38	17.50
Patented Lands	4,306.87	11.53
	<u> </u>	<u> </u>
Totals	37,339.04	100.00

CONFIDENTIAL

Manzano Oil Corporation
 No. 1 Cat Head Mesa
 NESW Sec. 8, T. 4 S., R. 9 E.
 Socorro Co., New Mexico

Elevation: 6224 GL, 6279 KB

<u>Formation</u>	<u>Top</u>	<u>Thickness</u>
Permian	At surface	3714'+
San Andres Formation	At surface	450'+
Glorieta Sandstone	450'	295'
Yeso Formation	745' (+5534)	1752'
Joyita Member	745' (+5534)	15'
Cañas Member	760' (+5519)	192'
Torres Member	Est 952' (+5327)	1268'
Salt	1744-2209'	465'
Meseta Blanca Member (Tubb)	2220' (+4059)	290'
Abo Formation	2510' (+3769)	1217'
Diabase Sill	3440-3624'	184'
Pennsylvanian	3938' (+2341)	324'
Atoka Series	3938' (+2341)	324'
Precambrian	4262' (+2017)	1918'+
TD	6180'	

DST No. 1 4665-4777' (Precambrian) Conventional
 Rec 2141' (23 B) W (59,000 ppm Cl) in 96 min.
 FP 81-1034#, SIP 1215-1213#

DST No. 2 4540-4647' (Precambrian) Straddle
 Rec 2230' (24 B) W (54,000 ppm Cl) in 75 min,
 FP 94-1073#, SIP 1150-1150#

DST No. 3 Misrun

DST No. 4 4158-4295' (Atoka and Precambrian) Straddle
 Rec 3321' (40 B) W (31,000 ppm Cl) in 30 min,
 FP 1069-1531#, SIP 1544-1521#

Perf 4202-12', 4218-38' (Atoka)
 Swab est 300 B gassy W/D
 (93% CO₂, 6% N₂, 1% Cl+, Tr He)

Perf 3690-3700', 3720-3737', 3792-3823' (Abo)
 Inj 600 BHCl, Swab 100 BLW
 FG-tstm (95% N₂, 2% CO₂, 2% He, Tr Cl)

Cat Head Mesa Unit No. 1 Well

Potential Gas Zones

Tertiary sill:

3442-3624

Abo granite washes:

3178-90, 3292-98

3692-3700, 3720-26, 3728-33, 3792-3822

5-2 Perf 3690-3700, 3720-37, 3792-3823

5-3 Swab dry

5-6 TP 100, Gas tstm, FL 3180, Acid w/5,000 gals
Swab*100BW in 4 hrs

5-7 TP 120, FL 2500, Swab*20 B gassy W (Cl=96,000 ppm,
Drlg mud*100,000 ppm)

5-8 Pulled plugs, Shut-in

3865-71, 3901-11

Atoka sands:

4204-12, 4218-36

DST 4158-4295 (Atoka + Precambrian) Rec 40 BW in 30 min
(31,000 ppm Cl, Drlg mud*30,000 ppm @ 4210) SIP 1544

4-29 Perf 4202-12, 4218-38

4-30 Swab dry, Swab 150 B gassy W

5-01 Swab 140 B gassy W, FL 2900

5-02 Unseat packer

Precambrian granodiorite:

4262-4332

4540-4667

DST Rec 24 BW (54,000 ppm Cl, Drlg mud*20,000 ppm) in 75 min,
SIP 1150

4665-4777

DST Rec 23 BW (59,000 ppm Cl, Drlg mud*23,000 ppm) in 96 min,
SIP 1150

Report of Analysis

CONFIDENTIAL

F.S.: 20926 M.S.: 0 API: 3053200120

STATE: NEW MEXICO

COUNTY: SOCORRO

Abo Perforations:

WELL NAME: CATHEAD MESA UNIT NO. 1

3690-3700'

OWNER: PRIMERO OPERATING, INC.

3720-3737'

3792-3823'

FIELD: WILDCAT

LOCATION: SEC. 8, T4S, R9E

SPOT: 2310 FSL, 1650 FWL

DATE SAMPLED: 020509

DATE COMPLETED:

SAMPLED BY: PRIMERO/DEC&DL D

ELEVATION, FT: 6,264

GL

PRODUCING FORMATION: PERM - ABO

TRUE VERTICAL DEPTH (FT): 3,820.00 THICKNESS IN FEET: 130 LATITUDE: 33.97450

MEASURED DEPTH (FT): OPEN FLOW, MCF/D: 0 LONGITUDE: -106.02117

SHUT IN WELLHEAD PRES., PSIG: 0

CHECK OF DATA - THE WELL DATA ARE ACCURATE,
() WITHOUT CORRECTION, () AS CORRECTED ABOVE.

REMARKS

ANALYSIS:

METHANE	0.31	%	NORMAL PENTANE	0.00	%	OXYGEN	0.00	%
ETHANE	0.02	%	ISOPENTANE	0.00	%	ARGON	0.29	%
PROPANE	0.00	%	CYCLOPENTANE	---	%	HYDROGEN	0.03	%
NORMAL BUTANE	0.00	%	HEXANES PLUS	0.00	%	H2S *	0.00	%
ISOBUTANE	0.00	%	NITROGEN	95.29	%	CO2	1.77	%
SPECIFIC GRAV.:	0.958					HELIUM	2.28	%
TRACE DENOTES COMPONENTS < 0.005%						TOTAL	99.99	%

CALCULATED GROSS BTU/CU. FT., DRY AT 60 DEG. F AND 30 IN MERCURY: 4

* DUE TO THE ABSORPTION OF H2S DURING SAMPLING, THE REPORTED RESULTS MAY NOT BE RELIABLE.

PERMISSION FOR RELEASE:

PERMISSION IS HEREBY GRANTED FOR THE BUREAU OF LAND MANAGEMENT TO RELEASE THE ABOVE DATA, TOGETHER WITH SIMILAR DATA RELEASED BY OTHER OPERATORS AS PUBLIC INFORMATION AND PARTS OF A SERIES OF PAPERS ON ANALYSES OF GASES FROM VARIOUS FIELDS, STATES, OR REGIONS.

COMPANY _____

BY _____

TITLE _____

Report of Analysis

F.S.: 20924 M.S.: 0 API: 3053200120 Abo perforations:
STATE: NEW MEXICO COUNTY: SOCORRO 3690-3700'
WELL NAME: CATHEAD MESA UNIT NO. 1 3720-3737'
3792-3823'

OWNER: PRIMERO OPERATING, INC.

FIELD: WILDCAT

LOCATION: SEC. 8, T4S, R9E

SPOT: 2310 FSL, 1650 FWL

DATE SAMPLED: 020506

DATE COMPLETED:

SAMPLED BY: PRIMERO/DEC&DLD

ELEVATION, FT: 6,264

GL

PRODUCING FORMATION: PERM - ABO

TRUE VERTICAL DEPTH (FT): 3,820.00 THICKNESS IN FEET: 130 LATITUDE: 33.97450

MEASURED DEPTH (FT): OPEN FLOW, MCF/D: 0 LONGITUDE: -106.02117

SHUT IN WELLHEAD PRES., PSIG: 0

CHECK OF DATA - THE WELL DATA ARE ACCURATE,
() WITHOUT CORRECTION, () AS CORRECTED ABOVE.

REMARKS

ANALYSIS:

METHANE	0.21	%	NORMAL PENTANE	0.00	%	OXYGEN	0.00	%
ETHANE	0.02	%	ISOPENTANE	0.00	%	ARGON	0.28	%
PROPANE	0.00	%	CYCLOPENTANE	---	%	HYDROGEN	0.06	%
NORMAL BUTANE	0.00	%	HEXANES PLUS	0.00	%	H2S *	0.00	%
ISOBUTANE	0.00	%	NITROGEN	95.16	%	CO2	2.01	%
SPECIFIC GRAV.:	0.959					HELIUM	2.26	%
TRACE DENOTES COMPONENTS < 0.005%						TOTAL	100.00	%

CALCULATED GROSS BTU/CU. FT., DRY AT 60 DEG. F AND 30 IN MERCURY: 3

* DUE TO THE ABSORPTION OF H2S DURING SAMPLING, THE REPORTED RESULTS MAY NOT BE RELIABLE.

PERMISSION FOR RELEASE:

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COMPANY _____

BY _____

TITLE _____

10. *new sample*

Primero Operatinc, Inc.
No. 1 Cat Head Mesa Unit
Atoka Formation

Source: cat head unit
Station #:
Station Name:
Field:

4202-12', 4218-38'
Report Date: 05/02/2002 11:00:46
Sample Date: 020502
Flowing Pressure: 0 psig
Flowing Temp.: 0 F

Method: c:\mti\ezchrom\400\methods\FUELGAS.MET
file: c:\mti\ezchrom\400\chrom\fs20925.1

Gas Analysis by Chromatograph

Name	Mole %	BTU	RD	GPM
Argon	0.000	0.000	0.000	
Nitrogen	5.842	0.000	0.000	
Methane	0.704	7.124	0.000	
Helium	0.231	0.000	0.000	
Hydrogen	0.620	2.014	0.000	
CO2	92.565	0.000	1.407	
Ethane	0.000	0.000	0.000	
H2S	0.000	0.000	0.000	
Propane	0.000	0.000	0.000	
i-Butane	0.009	0.293	0.000	0.003
n-Butane	0.014	0.458	0.000	0.005
i-Pentane	0.004	0.160	0.000	0.001
n-Pentane	0.003	0.121	0.000	0.001
Hexanes+	0.008	0.381	0.000	0.004
Ideal Total	100.000	10.552	1.408	0.014
Unnormalized Total	102.271			

Gross BTU/Real Cu. Ft. (@ 60 deg F, 14.696)	Gasoline Content
Dry = 10.604	Propane GPM = 0.000
Sat. = 11.306	Butane GPM = 0.000
Actual = 10.604	Gasoline GPM = 0.011
(0.000 lbs. water/MMCF)	26# Gasoline GPM = 0.011
	Total GPM = 0.014

Real Relative Density Calculated = 1.4140
On-Site Relative Density = 0.0000

Gas Compressibility = 0.9951

Remarks: *Looks like a good analysis - no drygas*

CATHEAD MESA UNIT #1
Section 8, T4S, R9E
Socorro County, NM

DAILY OPERATIONS REPORT

- 4/04/02: Prepare for Re-Completion
T&C Anchor Service trucked in and set a 500 bbl Frack tank and installed anchors
- 4/05/02: Prepare for Re-Completion
Morgan Services dug out the cellar and a work over pit then welded on 13 3/8" flange.
- 4/08/02: Prepare for Re-Completion
MIRU Key Well Services pulling unit and WRH tool company reverse unit. Fill frack tank and reverse tank with water and RIH w/ bit and collars. NU BOP and prepare to begin drilling first plug first thing Tuesday.
Estimated cumulative cost \$25,000
- 4/09/02: Drilling plugs
RIH w/ 5 drill collars and 12 1/4" bit. Tagged first plug at 610'. Drilled 60' of soft cement and then hit obstruction at 670', drill string started to torque badly. POH to inspect bit, it was scarred up. WO 3 hours for magnet. RIH w/ 5" magnet and bent sub. Made 4 magnet runs recovering 4 pieces of iron ranging from 2" to 8" long, it appears to be 13 3/8" casing which had been trimmed when the dry hole marker was installed. Lay down magnet and RIH w/ bit. Continued drilling first plug to 730' and SDFN
Estimated cumulative cost \$30,535
- 4/10/02: Drilling plugs
Drilled first plug from 730' to fall out at 1162'. RIH cleaning out hole to 1247'. Open hole section is full of mud and red bed cuttings. Pull drill string up inside 13 3/8" casing and SDFN
Estimated cumulative cost \$36,835
- 4/11/02: Drilling plugs
Overnight, the hole took approximately 85 bbls of water. RIH and drill out several red bed bridges to get back to 1162'. Clean out the hole and tag second plug at 1540'. Drilled second plug down to 1622', pull up into casing and SDFN.
Estimated cumulative cost \$42,532
- 4/12/02: Drilling plugs

Drilled second plug from 1540' to 1682', Attempted to Pull drill string into casing bu the bit would not pull into the casing. Work pipe from 7:00 to 9:30 to pull bit into casing. SDFN

Estimated cumulative cost \$51,882

4/13/02: Drilling plugs

RIH drilling out bridge under surface casing. Drilled second plug from 16822' to 1684' and hit 9 5/8" cutoff. POH w/ no drag. RIH w/ 8 3/4" bit, drilled out approximately 2' of cement then fell through clean pipe. RIH 2 joints, circulate hole clean and POH w/ drill string. Trucked to location and unloaded 1750' of 9 5/8" casing. SDFWE

Estimated cumulative cost \$73,712

4/15/02: Milling 9 5/8"

RIH w/ 8 3/4" bit, 6" Drill collar and 11 3/4" flat mill. Reamed through spot below 13 3/8" casing and RIH to 9 5/8" stub. Start milling stub at 4:30 pm, milled 1' of stub by 8:30 pm. Circulate hole 45 minutes and POH w/ mill. RIH w/ 12 1/4" bit, it went straight to bottom without drag. Called casing crew, circulate and wait on casing crew 6 hours. POH w/ drill sting and RIH w/ 9 5/8" casing

Estimated cumulative cost \$80,972

4/16/02: Run 9 5/8" casing

MIRU Bull Rogers Casing crew. RIH w/ 12 1/4" X 9 3/4" casing shoe and used 9 5/8" 36# casing. Passed through the worst part of the hole but the casing would not run past 1580', reamed for 4 hours with very little progress (assume crooked hole). Pulled 10 joints and shut down for night, WOO

Estimated cumulative cost \$86,102

4/17/02: Pull 9 5/8" casing

MIRU Bull Rogers Casing crew. POH w/ 9 3/4" casing. RIH w/ 8 3/4" bit drilled through several bridges and cleaned out the hole to 3820'. Trucked in 4300' of used 5 1/2" blue band casing. Load and truck off 9 5/8" casing. SDFN

Estimated cumulative cost \$93,822

4/18/02: Drill last plug

Drill on cement but quit making hole and encountering torque at 3830'. POH w/ bit, several teeth were broken off. RIH w/ magnet wash down 1 joint, circulate bottoms up and POH w/ magnet, found several pieces of metal, smaller pieces were similar to the ones found on first plug, others were stainless steal strips 1/4" X 1/16" and various lengths. RIH w/ new bit and begin drilling plug at 7:30 pm. Drilled slowly with torque until 11:30 pm then the cement started drilling quickly.

Estimated cumulative cost \$101,928

4/19/02: Run 5 1/2" casing

Dropped through last plug at 3940' at 1:00 am. When the bit dropped through, the hole immediately started taking fluid. Shut down pumps and POH w/ drill string. SD waiting on casing crew at 2:30 am. MIRU Bull Rogers casing crew and BJ Services. RIH w/ 132 jts used blue band K-55 casing w/ cement guide shoe, insert float and 8 centralizers. Landed shoe at 4359' and float @ 4317. RDMO Bull Rogers. Cement well as follows. Pumped 20 bbl gel w/ cedar fiber, broke circulation with 351 bbls. Cemented well with _415 sx 50-50-2C+5%FL+5% salt+5#LCM-1 cement, During the jobs the returns

diminished and the last 30 bbls of displacement had no returns, bumped plug and pressured casing at 5:30 pm. Final differential pressure was 250 psi. RDMO BJ Services and SD until Tuesday.

Estimated cumulative cost \$123,669

4/23/02: Log and perforate

Cut off 5 ½" casing and weld on bell nipple. Install tubing head, NU BOP and MIRU Schlumberger. Run CBL and found PBTD @ 4330', and TOC @ 3900' with excellent to poor bond from TOC down. RIH and perforate 4 squeeze holes at 3880'. WO reverse unit operator 4 hours. Pump 40 bbls down casing, 4 bpm @ 300 psi. SDFN

Estimated cumulative cost \$135,871

4/24/02: Re-cement 5 ½" casing

RIH w/ cement retainer and set at 3840'. MIRU BJ Services. Load backside and cement well with 200 sx class C plus 1% CaCl, final differential pressure 650 psi. Un-stung retainer at 11:30 am and reverse tubing to pit. POH. RDMO BJ. SDFN

Estimated cumulative cost \$150,806

4/25/02: Drill out retainer

RIH w/ bit and collars. Drill out retainer and 15' of cement. The cement is still green. Shut down to allow cement to cure longer.

Estimated cumulative cost \$154,806

4/29/02: Perforate Atoka

Drilled out cement to 3890' and RIH to PBTD. Circulate hole w/2% KCl water and POH laying down drill collars. MIRU Schlumberger and run CBL, found PBTD @ 4333' and TOC @3040'. Perforate @ 4202'- 4212', 4218' - 4238' w/2 SPF. RDMO Schlumberger. RIH w/ PKR and set @ 4092'.

Estimated cumulative cost \$159,306

4/30/02: Swabbing Atoka

ITP vacuum IFL 3080', well swabbed dry in 3 runs, on the 4th run fluid rose 800', swabbed until 3:00 pm, fluid level in the well stayed @ 3000 - 3200' throughout the day, swabbed 150 barrels, fluid is cut w/some sort of gas but no hydrocarbon odors, filled up all available water storage and SDFN. Sent water sample to BJ, caught one sample in gas canister for BLM.

Estimated cumulative cost \$164,156

5/01/02: Swabbing Atoka

ITP vacuum IFL 2900'. Dug new pits and swabbed 140 bbls fluid. The fluid is gas cut with unburnable gas. The BLM sampled the gas and fluid and we should have analysis on Thursday, final fluid level was 2900' from surface. SDFN @ 5:00 pm

Estimated cumulative cost \$167,446

5/02/02: Perforate Abo

ITP vacuum, unset packer and POH w/tubing. MIRU Schlumberger and perforate the Abo w/2 spf as follows: 3690-3700'
3720-3737'
3792-3823'

RDMO Schlumberger and SDFN

Estimated cumulative cost \$172,436

5/03/02: Swab Abo

ITP vacuum, RIH w/RBP and packer. Set RBP at 4005' and packer at 3754'. IFL 3000' from surface. Swabbed well down in 2 runs, wait one hour and still no fluid. Unset packer, move up to and set at 3571'. Swabbed well dry. SDFWE.

Estimated cumulative cost \$180,776

5/06/02: Acidize Abo

ITP 100 psi, blew pressure down but gas would not burn. IFL 3180' from surface. MIRU BJ Services and acidize well with 5,000 gallons 71/2% NEFE and 150 ball sealers.

Breakdown pressure	2377 psi
Average pressure	2250 psi @ 9.8 bpm
Max pressure	2377 psi @ 9.8 bpm
ISDP	228 psi
5 min SIP	110 psi
10 min SIP	92 psi
15 min SIP	75 psi
Total Load	118 bbls

Start swabbing well at 10:45 am IFL surface. Swabbed 100 bbls of fluid through 3:00 pm. Final fluid level at seating nipple. Wait one hour and recover approximately 200' of fluid. No blow. SDFN.

Estimated cumulative cost \$196,366

5/07/02: Swab

ITP 120 psi, blew pressure down but gas would not burn. IFL 2500' from surface. Swabbed well to seating nipple in 3 runs. Started swabbing once per hour recovering 120' of fluid per run. SDFN.

Estimated cumulative cost \$198,996

ITP vacuum, RIH w/ RBP and packer. Set RBP at 4005' and packer at 3754'. IFL 3000' from surface. Swabbed well down in 2 runs, wait one hour and still no fluid. Unset packer, move up to and set at 3571'. Swabbed well dry. SDFWE

Estimated cumulative cost \$180,776

5/06/02: Acidize Abo

ITP 100 psi, Blew pressure down but gas would not burn. IFL 3180' from surface. MIRU BJ Services and acidize well with 5,000 gallons 7 ½% NEFE and 150 ball sealers.

Breakdown pressure	2377 psi
Average pressure	2250 psi @ 9.8 bpm
Max pressure	2377 psi @ 9.8 bpm
ISDP	228 psi
5 min SIP	110 psi
10 min SIP	92 psi
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Total load	118 bbls

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5/07/02: Swab

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Estimated cumulative cost \$198,996

5/08/02: SI WOO

The rig was on standby today, waiting for a decision on what to do next.

WG Energy has decided not to participate in the test of the Tertiary sill. Since WG is a large owner in the well, we have decided to pull the rental tools out of the hole tomorrow then RIH w/ the tubing and Rig down and move out the Pulling unit.

Estimated cumulative cost \$200,000

STIMULATION TREATMENT REPORT



Date 06-MAY-02 District Artesia F.Receipt 272310511 Customer Primero Operating Inc
 Lease Cat Head Draw #1 Well Name Cat Head Draw #1
 Field _____ Location _____
 County Socorro State New Mexico Stage No 1 Well API _____

WELL DATA		Well Type:	Well Class:		Depth TD/PB:		Formation:						
Geometry Type	Tubular Type	OD	Weight	ID	Grade	Top	Bottom	Perf Intervals					
TUBULAR	TBG	2.875	6.5	2.441	J-55	0	3571	Top	Bottom	SPF	Diameter		
TUBULAR	CSG	5.5	17	4.892	J-55	3571	4005	3680	3823	1	.4		

Packer Type Arrow 32A Packer Depth 3571 FT

TREATMENT DATA				LIQUID PUMPED AND CAPACITIES IN BBLs.			
Fluid Type	Fluid Desc	Pumped Volume(Gals)	Prop. Description	Volume Pumped(Lbs)			
TREATMENT FLUID	7.5% Hcl	4,000	NO PROPPANT	Total Prop Qty: _____		Tubing Cap.	20.6
Previous Treatment <u>N/A</u> Previous Production <u>N/A</u>						Casing Cap.	8.3
Hole Loaded With _____ Treat Via: Tubing <input checked="" type="checkbox"/> Casing <input type="checkbox"/> Anul. <input type="checkbox"/> Tubing & Anul. <input type="checkbox"/>						Annular Cap.	54.2
Ball Sealers: <u>150</u> In <u>30</u> Stages Type <u>7/8 in. 1:3 sp gr. R</u>						Open Hole Cap.	0
Auxiliary Materials <u>CI-27,INFLO-150,NE-940,FE-270,FE-271</u>						Fluid to Load	18
						Pad Volume	5
						Treating Fluid	95
						Flush	23.1
						Overflush	0
						Fluid to Recover	118.1

PROCEDURE SUMMARY						
Time AM/PM	Treating Pressure-Psi		Surface Slurry BBLs. Pumped		Slurry Rate BPM	Comments
	STP	Annulus	Stage	Total		
07:15	0	0	0	0	0	Arrive On Location.
09:36	0	0	0	0	0	Load Backside.
10:09	8000	0	0	0	0	Test Lines.
10:11	100	0	0	5	3	Start Acid.
10:12	100	0	0	7.9	3	Start Ballsealers.
10:14	2377	0	0	18	3	Break Perfs & Increase Rate.
10:16	2154	0	0	23.1	9.8	Acid On Perfs.
10:17	2100	0	0	28.1	9.8	Ballsealers On Perfs.
10:25	2110	0	0	23.1	9.8	Start Flush.
10:28	228	0	0	0	0	Shut Down.
00:00	0	0	0	0	0	Job Complete Thank You Cody & Crew!!!!!!!!!!!!

Treating Pressure		Injection Rates		Shut In Pressures		Customer Rep.	
Minimum	2110	Treating Fluid	9.8	ISDP	228	BJ Rep.	Phelps White Charles Folmar
Maximum	2377	Flush	9.8	5 Min.	110	Job Number	272310511
Average	2240	Average	9.7	10 Min.	92	Rec. ID No.	
Operators Max. Pressure				15 Min.	75	Distribution	
7000				Final	75 In 15 Min.		
				Flush Dens. lb./gal.	8.4		

B J Services Water Analysis

Permian Region Laboratory
(915) 530-2687

Date: 1-May-02	Test #:	
Company: Primero	Well #: 1	
Lease: Cal Head Mesa	County: Socorro	
State: N.M.	Formation: Aloka	
Depth:	Source:	
Fax: 505-625-0227	Rep: Phelps White	

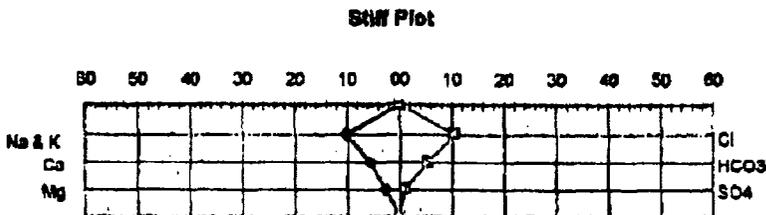
pH: 8.67	Temp (F): 58
Specific Gravity: 1.045	

<u>CATIONS</u>	mg/l	me/l	ppm
Sodium (calc.)	24870	1081.8	23799
Calcium	1163	58.0	1113
Magnesium	340	28.0	326
Barium	< 25	—	—
Potassium	< 10	—	—
Iron	53	1.9	50

<u>ANIONS</u>	mg/l	me/l	ppm
Chloride	39200	1109.8	37512
Sulfate	525	11.0	504
Carbonate	< 1	—	—
Bicarbonate	3489	57.2	3339
Total Dissolved Solids (calc.)	69641		66642
Total Hardness as CaCO3	4305	85.0	4119

COMMENTS:
Rw

SCALE ANALYSIS:
 CaCO3 Factor 4057591 Calcium Carbonate Scale Probability -> Probable
 CaSO4 Factor 639595 Calcium Sulfate Scale Probability -> Remote



Attn: Phelps White
 Fax # 625-0227

B J Services Water Analysis

Artesia District Laboratory
 (505)-746-3140

Date: 2-May-02	Test #:	
Company: Primero	Well #:	#1
Lease: Cat Head Mesa	County:	Socorro
State: NM	Formation:	Atoka
Depth:	Source:	Grab

pH	6.94	Temp (F):	64
Specific Gravity	1.055		

<u>CATIONS</u>	mg/l	me/l	ppm
Sodium (calc.)	30766	1338.2	29162
Calcium	1243	82.0	1178
Magnesium	318	26.0	299
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	1	0.0	1

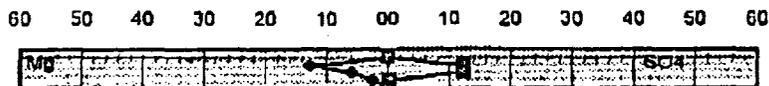
<u>ANIONS</u>	mg/l	me/l	ppm
Chloride	46000	1297.8	43602
Sulfate	180	3.9	180
Carbonate	< 1	---	---
Bicarbonate	7930	130.0	7517
Total Dissolved Solids(calc.)	86445		81938
Total Hardness as CaCO3	4405	88.0	4175

COMMENTS:

SCALE ANALYSIS:

CaCO3 Factor	9857783	Calcium Carbonate Scale Probability->	
CaSO4 Factor	248620	Calcium Sulfate Scale Probability -->	Probable Remote

Stiff Plot





Laboratory Services, Inc.

4016 Fiesta Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Water Analysis

COMPANY Primero Operating

SAMPLE Cathead Mesa #1

SAMPLED BY _____

DATE TAKEN 5/7/02

REMARKS @ 3570' Abo

Barium as Ba	0	
Carbonate alkalinity PPM	0	
Bicarbonate alkalinity PPM	652	
pH at Lab	5.4	
Specific Gravity @ 60°F	1.11	
Magnesium as Mg	20,706	
Total Hardness as CaCO3	35,700	
Chlorides as Cl	96,016	
Sulfate as SO4	1,575	
Iron as Fe	325	
Potassium	28	
Hydrogen Sulfide	0	
Rw	0.085	@ 22° C
Total Dissolved Solids	134,400	
Calcium as Ca	14,994	
Nitrate	297	

Results reported as Parts per Million unless stated

Langelier Saturation Index 0.1

Analysis by: Vickie Biggs
Date: 5/8/02

CONFIDENTIAL

Schlumberger

**GEOFRAME
PROCESSED
INTERPRETATION**

TRIPLE COMBO Merged & Edited

WILDCAT - CAT HEAD MESA NO. 1

*A Mark of Schlumberger

Using the following logs: LDT-CNL-GR-BHC-DLL-MSFLS

COMPANY:	MANZANO OIL CORPORATION		
WELL:	CAT HEAD MESA NO. 1		
FIELD:	WILDCAT SOCORRO N.M.		
COUNTRY:	U.S.A.	Date Processed:	26-JAN-1998
Date Logged:	15-OCT-1996		
Well Location:			
Elevations:	KB: 6278ft	DF: 6277ft	GL: 6264ft
API Number:	30-053-20012	Job Number:	83912

The well name, location and borehole reference data were furnished by the customer.
FOLD HERE