

**Marathon Oil Company
Dayton Hardy Lease
Exception Request to Rule 303
Surface Commingle Pools (Oil & Gas)**

19.15.5 .303.B(3)b

(i) List of leases

Dayton Hardy N2/ SE4, 80 acres, UL's I & J, Sec 20, T-21-S, R-37-E

List of Pools to be Surface Commingled (Oil & Gas)

Blinebry Oil & Gas (06660)

Tubb Oil & Gas (60240)

Penrose Skelly Grayburg (50350)

Drinkard (19190)

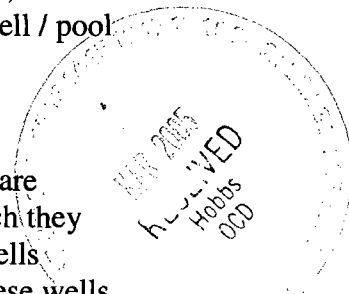
Eumont Yates Seven Rivers Queen (22800)

List of Wells	API No.	Legal Location
Dayton Hardy No. 1	30-025-09927	"T", Sec 20, T-21-S, R-37-E
Dayton Hardy No. 2	30-025-06688	"T", Sec 20, T-21-S, R-37-E
Dayton Hardy No. 3	30-025-06689	"J", Sec 20, T-21-S, R-37-E
Dayton Hardy No. 4	30-025-36963	"J", Sec 20, T-21-S, R-37-E
Dayton Hardy No. 5	30-025-37027	"J", Sec 20, T-21-S, R-37-E
Dayton Hardy No. 6	30-025-36964	"T", Sec 20, T-21-S, R-37-E
Dayton Hardy No. 7	30-025-36965	"T", Sec 20, T-21-S, R-37-E

See attached C-102 Production plots for the wells. Also, attached are well / pool details and production rates for the active wells.

(ii) Method of Allocation – Well Test (Test Volume X days produced)

The current active producing wells on Marathon's Dayton Hardy lease are producing at rates below unit allowable for the respective pools in which they are completed. The Dayton Hardy #'s 4, 5, 6, & 7 are to be new drill wells targeting the Penrose Skelly Grayburg pool. It is not anticipated that these wells will produce above unit allowable for the Grayburg pool. Attached as evidence to support this position are production profiles with daily averages pulled from Dwights PI for nineteen wells completed and currently shown to be producing from the Grayburg formation in the area surrounding the Dayton Hardy lease. The best daily average for any well is approximately 15.2 barrels oil, with one well also showing 517 mcf of gas. I have attached a diagram of Section 20 and the surrounding area with these wells highlighted in green, and the Dayton Hardy lease penciled in for reference to distance to these wells. Marathon's Dayton Hardy No. 1 has an active Grayburg completion that is producing from the upper Grayburg. The Dayton Hardy No. 3 has an inactive completion in the upper Grayburg.



(iii) Certification by qualified petroleum landman.

Please find attached a letter from Mr. Ken Dixon, landman for Marathon Oil Company, verifying that the ownership interests in the Dayton Hardy lease are identical for the five pools that we are requesting be permitted for surface commingling.

(iv) Notification to BLM or SLO

The Dayton Hardy is a fee lease therefore no notice to the BLM or State Lands Office is required for this lease to be surface commingled.

DAYTON HARDY LEASE WELLS

Well Production for the last 3 months

Marathon							
API Number	Completion Number	Well Completion Name & Number	Pool Name & Code	Product	4-Dec	4-Nov	4-Oct
30-025-09927	12329-1	DAYTON HARDY-NO. 1	Penrose Skelly Grayburg 50350	Oil	0	0	0
				Gas	184	167	176
	12329-2	DAYTON HARDY-NO. 1	Eumont Yates 7FRQ 22800 (Oil)	Oil	58.48	49.25	48.31
				Gas	736	667	704
30-025-06688	12330-1	DAYTON HARDY-NO. 2	Drinkard 19190	Oil	56.92	0	0
				Gas	1277	0	0
	12330-3	DAYTON HARDY-NO. 2	Tubb (Oil) 60240	Oil	29.44	23.27	22.83
				Gas	111	276	291
	12330-4	DAYTON HARDY-NO. 2	Blinebry (Oil) 06660	Oil	109.90	87.53	85.88
				Gas	463	1105	1166
30-025-06689	12331-1	DAYTON HARDY-NO. 3	Penrose Skelly Grayburg 50350	Oil	0	0	0
				Gas	0	0	0
	12331-2	DAYTON HARDY-NO. 3	Blinebry (Oil) 06660	Oil	74.24	60.33	59.19
				Gas	1862	1683	1775
	12331-3	DAYTON HARDY-NO. 3	Drinkard 19190	Oil	31.82	25.85	25.36
				Gas	525	475	501
30-025-36963		DAYTON HARDY NO. 4	Penrose Skelly Grayburg 50350	Not yet drilled			
30-025-37027		DAYTON HARDY NO. 5	Penrose Skelly Grayburg 50350	Not yet drilled			
		DAYTON HARDY NO. 6	Penrose Skelly Grayburg 50350	Not yet drilled			
		DAYTON HARDY NO. 4	Penrose Skelly Grayburg 50350	Not yet drilled			

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1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09927		² Pool Code 50350		³ Pool Name Penrose Skelly Grayburg	
⁴ Property Code 006399		⁵ Property Name Dayton Hardy			⁶ Well Number 1
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3489'

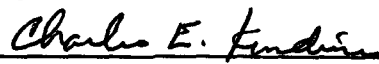
¹⁰ Surface Location

UL or lot no. I	Section 20	Township 21S	Range 37E	Lot. Idn	Feet from the 2310'	North/South line South	Feet from the 330'	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill Y		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Charles E. Kendrick Printed Name Engineering Technician cekendrix@marathonoil.com Title and E-mail Address 03/03/2005 Date
					¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

Handwritten survey details:
A dashed rectangle is drawn in the bottom-right quadrant of the grid. It is labeled with "#1" in the top-left corner. A horizontal dimension line to the right of the rectangle is labeled "330'". A vertical dimension line below the rectangle is labeled "2310'".

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09927	² Pool Code 22800	³ Pool Name Emont Yates Seven Rivers Queen
⁴ Property Code 006399	⁵ Property Name Dayton Hardy	⁶ Well Number 1
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3489'

¹⁰ Surface Location

UL or lot no. I	Section 20	Township 21S	Range 37E	Lot. Idn	Feet from the 2310'	North/South line South	Feet from the 330'	East/West line East	County Lea
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UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-06688	² Pool Code 06660	³ Pool Name Blinebry Oil & Gas
⁴ Property Code 006399	⁵ Property Name Dayton Hardy	⁶ Well Number 2
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3488'

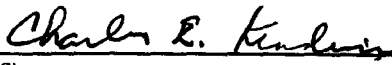
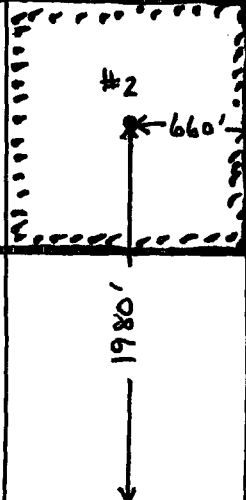
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	21S	37E		1980	South	660	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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					Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-06688	² Pool Code 60240	³ Pool Name Tubb Oil & Gas
⁴ Property Code 006399	⁵ Property Name Dayton Hardy	⁶ Well Number 2
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3488'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	21S	37E		1980	South	660	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-06688	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 006399	⁵ Property Name Dayton Hardy	⁶ Well Number 2
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3488'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	21S	37E		1980	South	660	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

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District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-06689		² Pool Code 19190		³ Pool Name Drinkard	
⁴ Property Code 6399		⁵ Property Name Dayton Hardy			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation G:3495

¹⁰ Surface Location

UL or lot no. J	Section 20	Township 21-S	Range 37-E	Lot. Idn	Feet from the 1980	North/South Line South	Feet from the 1980	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <i>Thomas M. Price</i>	
				Printed Name Thomas M. Price	
				Title Adv. Eng. Tech.	
				Date 3/1/95	
				Date	
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
				Date of Survey	
				Signature and Seal of Professional Surveyor	
				Certificate Number	

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¹ API Number 30-025-06689		² Pool Code 6660		³ Pool Name Blinebry Oil & Gas	
⁴ Property Code 6399		⁵ Property Name Dayton Hardy			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation GL:3495

¹⁰ Surface Location

UL or lot no. J	Section 20	Township 21-S	Range 37-E	Lot. Idn	Feet from the 1980	North/South Line South	Feet from the 1980	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature Thomas M. Price Printed Name Adv. Eng. Tech. Title 3/1/95 Date	
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
				Date of Survey Signature and Seal of Professional Surveyor:	
				Certificate Number	

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1301 W. GRAND AVENUE, ARTESIA, NM 86210

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1000 Rio Brasos Rd., Aztec, NM 87410

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API Number 30-025-36963	Pool Code 50350	Pool Name Penerose Skelly (Grayburg)
Property Code 006399	Property Name DAYTON HARDY	Well Number 4
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3500'

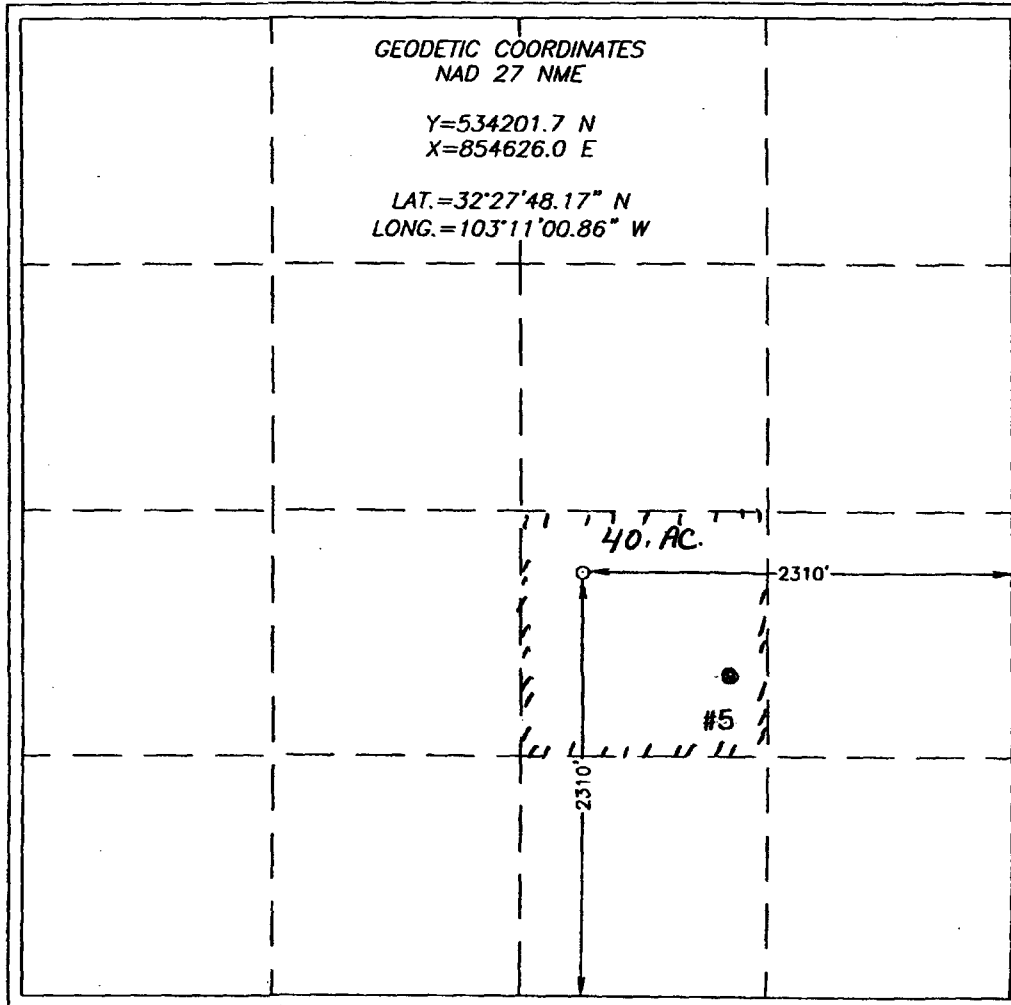
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	20	21-S	37-E		2310	SOUTH	2310	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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GEODETIC COORDINATES NAD 27 NME Y=534201.7 N X=854626.0 E LAT.=32°27'48.17" N LONG.=103°11'00.86" W 	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>m7mick</u> Signature <u>Mike Mick</u> Printed Name <u>Adv. Sr. Eng. Tech</u> Title <u>11-20-04</u> Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. OCTOBER 12, 2004 Date Surveyed <u>GARY EIDSON</u> Signature & Seal of Professional Surveyor <u>04-11-1335</u> Certificate No. JR 12641

State of New Mexico

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DISTRICT I

1625 N. FRANCH DR., HOBBES, NM 86240

DISTRICT II

1501 W. GRAND AVENUE, ARTESIA, NM 86210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

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☐ AMENDED REPORT

API Number 30-025-37027	Pool Code 50350	Pool Name Penerose Skelly (Grayburg)
Property Code 006399	Property Name DAYTON HARDY	Well Number 5
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3491'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	20	21-S	37-E		1800	SOUTH	1500	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSL-5151						

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GEODETIC COORDINATES NAD 27 NME Y=533699.0 N X=855441.2 E LAT.=32°27'43.11" N LONG.=103°10'51.40" W	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Mike Mick</u> Signature <u>MIKE Mick</u> Printed Name <u>Adv. Sn. Engr. Tech</u> Title <u>11-20-04</u> Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. OCTOBER 12, 2004 Date Surveyed Signature & Seal of Professional Surveyor <u>Gary H. Edson</u> 11/17/04 04.11.1336 Certificate No. GARY EDSON 12841
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DISTRICT I

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DISTRICT III

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API Number 30-025-36964	Pool Code 50350	Pool Name Penerose Skelly (Grayburg)
Property Code 006399	Property Name DAYTON HARDY	Well Number 6
OGRID No. 014021	Operator Name MARATHON OIL COMPANY	Elevation 3489'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	20	21-S	37-E		2310	SOUTH	720	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40 ACRES	Joint or Infill	Consolidation Code	Order No.
------------------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

GEODETIC COORDINATES NAD 27 NME Y=534215.9 N X=856215.8 E LAT.=32.46337° N LONG.=103.17842° W		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Mike Mick</i> Printed Name Mike Mick Title Adv. Sr. Eng. Tech Date 1-26-05
		SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JANUARY 18, 2005 Date Surveyed JR Signature & Seal of Professional Surveyor <i>GARY EIDSON</i> Certificate No. GARY EIDSON 12841

State of New Mexico

DISTRICT I
1625 N. FRENCH DR., BOBBS, NM 86240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36965	Pool Code 50350	Pool Name PENEROSE Skelly (Grayburg)
Property Code 006399	Property Name DAYTON HARDY	Well Number 7
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3491'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	20	21-S	37-E		1650	SOUTH	330	EAST	LEA

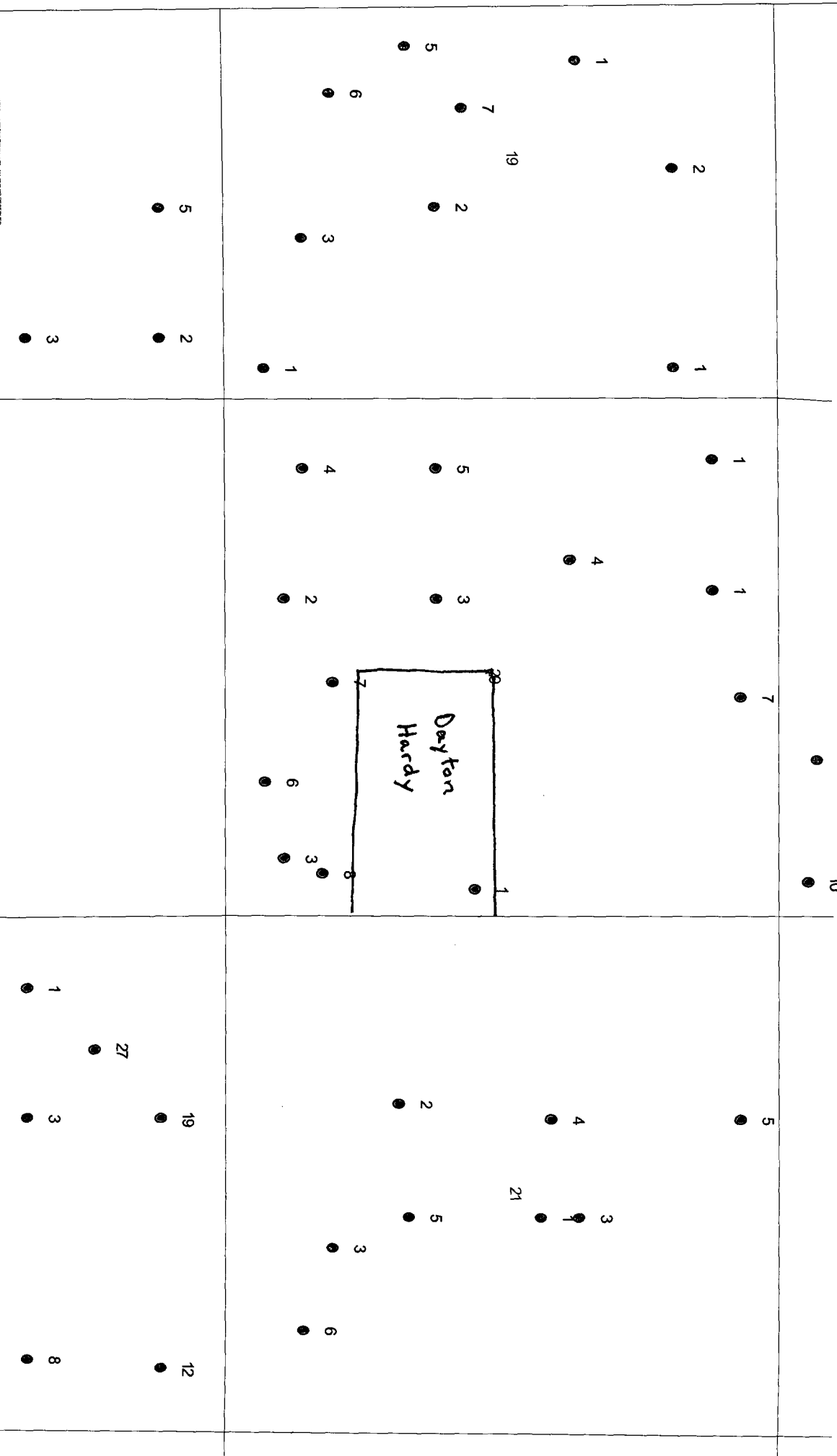
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

GEODETIC COORDINATES NAD 27 NME Y=533559.3 N X=856613.7 E LAT.=32°27'41.61" N LONG.=103°10'37.74" W	#6 0 40AC 330' 1650'	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. mamick Signature Mike Mick Printed Name Adv. Sn. Eng. Tech Title 11-20-04 Date
		SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. OCTOBER 12, 2004 Date Surveyed JKR Signature & Seal of Professional Surveyor GARY HILSON 11/17/04 04-11-1338 Certificate No. GARY HILSON 12641

Dayton Hardy Area Penrose Skelly Grayburg Wells



LEA NM
W E LEE 1
CAMPBELL & HEDRICK
ACTIVE

Detailed Production Report

Lease Name:	W E LEE	Well Number:	1
Lease Number:	002423	Cum Oil:	45,139
Operator Name:	CAMPBELL & HEDRICK	Cum Gas:	635,742
State:	NEW MEXICO	Cum Water:	3,291 since DEC 1970
County:	LEA	First Production Date:	
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	20C 21S 37E	Spot:	
Latitude/Longitude:	32.46979 -103.1867	Lat/Long Source:	TS
Regulatory #:		Completion Date:	
API:	30025099230000	Total Depth:	
Production ID:	1300210250992350350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production		(35 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:	36,896	455,286	
1970	1,301	39,742	15
1971	1,240	5,460	
1972	951	7,075	13
1973	528	4,791	8
1974	393	10,009	
1975	228	10,175	
1976	211	4,955	
1977	123	12,442	
1978	53	9,190	
1979	106	10,081	
1980	85	10,164	
1981	370	24,981	
1982	570	13,280	
1983	124	532	
1984	193	973	
1985	167	529	
1986	115	549	
1987	113	476	
1988	98	539	
1989	108	501	
1990	86	536	

1991	83	534	
1992	81	518	
1993	76	449	
1994	104	676	1,393
1995	66	438	
1996	105	625	
1997	82	882	
1998	92	806	
1999	88	895	
2000	74	1,022	84
2001	96	1,708	1,468
2002	1		
2003	68	2,259	176
2004	64	2,664	134
Totals:	45,139	635,742	3,291

Avg. Daily Production Jan-Oct 2004

$$64/305 = .2 \text{ bbl oil}$$

$$2664/305 = 9 \text{ mcf gas}$$

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
JAN 1970	145	3,711	0	25594		1	
FEB 1970	61	3,549	0	58181		1	
MAR 1970	58	3,899	0	67225		1	
APR 1970	142	3,494	0	24606		1	
MAY 1970	99	3,548	0	35839		1	
JUN 1970	113	3,060	0	27080		1	
JUL 1970	105	2,815	0	26810		1	
AUG 1970	124	987	0	7960		1	
SEP 1970	81	4,051	0	50013		1	
OCT 1970	129	4,081	0	31636		1	
NOV 1970	111	3,267	0	29433		1	
DEC 1970	133	3,280	15	24662	10.14	1	
Totals: 1970	1,301	39,742	15				
JAN 1971	117	511		4368		1	
FEB 1971	114	400		3509		1	
MAR 1971	100	397		3971		1	
APR 1971	105	380		3620		1	
MAY 1971	101	576		5703		1	
JUN 1971	90	454		5045		1	
JUL 1971	102	464		4550		1	
AUG 1971	112	430		3840		1	
SEP 1971	84	263		3131		1	
OCT 1971	108	597		5528		1	
NOV 1971	88	585		6648		1	
DEC 1971	119	403		3387		1	
Totals: 1971	1,240	5,460					
JAN 1972	91	263	0	2891		1	
FEB 1972	70	393	0	5615		1	

LEA NM
 PERCY HARDY 10
 APACHE CORPORATION
 ACTIVE

Detailed Production Report

Lease Name:	PERCY HARDY	Well Number:	10
Lease Number:		Cum Oil:	2,957
Operator Name:	APACHE CORPORATION	Cum Gas:	80,704
State:	NEW MEXICO	Cum Water:	42,463
County:	LEA	First Production Date:	<u>APR 2004</u>
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	17P 21S 37E	Spot:	SE SE SE
Latitude/Longitude:	32.47245 -103.17732	Lat/Long Source:	TS
Regulatory #:		Completion Date:	MAR 19, 2004
API:	30025360560000	Total Depth:	
Production ID:	1300210253605650350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production		(1 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning			
Cum:			
2004	2,957	80,704	42,463
Totals:	2,957	80,704	42,463

Avg. Daily Production Apr-Oct 2004

$2957/214 = 13.8$ bbls oil

$80,704/214 = 377$ mcf gas

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
APR 2004	148	1,950	5,627	13176	97.44	1	28
MAY 2004	405	7,301	6,179	18028	93.85	1	31
JUN 2004	502	13,558	6,981	27008	93.29	1	30
JUL 2004	544	14,186	6,430	26078	92.20	1	30
AUG 2004	585	16,112	6,652	27542	91.92	1	31
SEP 2004	346	12,116	4,921	35018	93.43	1	25
OCT 2004	427	15,481	5,673	36256	93.00	1	31
Totals:							
2004	2,957	80,704	42,463				

LEA NM
W E LEE 7
CAMPBELL & HEDRICK
ACTIVE

Detailed Production Report

Lease Name:	W E LEE	Well Number:	7
Lease Number:	002423	Cum Oil:	7,774
Operator Name:	CAMPBELL & HEDRICK	Cum Gas:	139,990
State:	NEW MEXICO	Cum Water:	68,252 since SEP 1993
County:	LEA	First Production Date:	JUN 1982
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	20B 21S 37E	Spot:	
Latitude/Longitude:	32.4707 -103.18341	Lat/Long Source:	TS
Regulatory #:		Completion Date:	
API:	30025271990000	Total Depth:	
Production ID:	1300210252719950350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE	CRUDE OIL	

Annual Production			(23 years)
Year	Oil	Gas	Water
	BBLS	MCF	BBLS

Beginning
Cum:

1982	614	3,729	
1983	656	6,926	
1984	579	6,062	
1985	527	5,170	
1986	495	4,852	
1987	478	4,685	
1988	420	5,283	
1989	468	4,942	
1990	360	5,268	
1991	351	5,229	
1992	346	5,088	
1993	327	4,410	468
1994	258	3,502	472
1995	265	4,312	3,612
1996	129	3,037	3,217
1997	84	4,021	2,688
1998	198	8,628	6,304
1999	196	9,555	5,785
2000	156	10,924	3,722
2001	254	12,170	9,770
2002	250	8,567	14,308

Avg Daily Production Volumes
Jan - Oct 2004

2003	221	7,950	10,274
2004	142	5,680	7,632
Totals:	<u>7,774</u>	<u>139,990</u>	<u>68,252</u>

$$142/305 = .5 \text{ bbl oil}$$

$$139,990/305 = 460 \text{ mcf gas}$$

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
JUN 1982	131	697		5321		1	30
JUL 1982	104	619		5952		1	31
AUG 1982	105	539		5134		1	31
SEP 1982	79	609		7709		1	30
OCT 1982	78	660		8462		1	31
NOV 1982	63	577		9159		1	30
DEC 1982	54	28		519		1	31
Totals: 1982	<u>614</u>	<u>3,729</u>					
JAN 1983	82	499		6086		1	31
FEB 1983	53	507		9567		1	28
MAR 1983	72	566		7862		1	31
APR 1983	114	615		5395		1	30
MAY 1983	18	610		33889		1	31
JUN 1983	49	593		12103		1	30
JUL 1983	34	648		19059		1	31
AUG 1983	54	609		11278		1	31
SEP 1983	44	597		13569		1	30
OCT 1983	107	524		4898		1	31
NOV 1983	21	670		31905		1	30
DEC 1983	8	488		61001		1	31
Totals: 1983	<u>656</u>	<u>6,926</u>					
JAN 1984	42	651		15501		1	31
FEB 1984	22	493		22410		1	29
MAR 1984	30	562		18734		1	31
APR 1984	55	515		9364		1	30
MAY 1984	42	404		9620		1	31
JUN 1984	39	498		12770		1	30
JUL 1984	51	543		10648		1	31
AUG 1984	42	498		11858		1	31
SEP 1984	44	336		7637		1	30
OCT 1984	53	509		9604		1	31
NOV 1984	112	524		4679		1	30
DEC 1984	47	529		11256		1	31
Totals: 1984	<u>579</u>	<u>6,062</u>					
JAN 1985	20	488		24401		1	31
FEB 1985	26	434		16693		1	28
MAR 1985	23	373		16218		1	31
APR 1985	16	365		22813		1	30

LEA NM
WEATHERLY 21 4
HENDRIX JOHN H CORPORATION
ACTIVE

Detailed Production Report

Lease Name: WEATHERLY 21 Lease Number: Operator Name: HENDRIX JOHN H CORPORATI State: NEW MEXICO County: LEA Field: PENROSE-SKELLY Sec Twn Rng: 21F 21S 37E Latitude/Longitude: 32.46548 -103.16949 Regulatory #: API: 30025366400000 Production ID: 1300210253664050350 Reservoir Name: GRAYBURG Prod Zone: GRAYBURG Prod Zone Code: 453GRBG Basin Name: PERMIAN BASIN Gas Gatherer: Liquid Gatherer: Status: ACTIVE	Well Number: 4 Cum Oil: 2,983 Cum Gas: 126,230 Cum Water: 506 First Production Date: APR 2004 Last Production Date: NOV 2004 Spot: SE SE NW Lat/Long Source: TS Completion Date: APR 21, 2004 Total Depth: Upper Perforation: Lower Perforation: Gas Gravity: Oil Gravity: Temp Gradient: N Factor: GOR: CRUDE OIL
--	--

Annual Production	(1 years)		
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning				
Cum:				
2004	2,983	126,230	506	
Totals:	2,983	126,230	506	

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
APR 2004	56	2,720	39	48572	41.05	1	30
MAY 2004	580	27,368	164	47187	22.04	1	31
JUN 2004	313	19,398	160	61975	33.83	1	30
JUL 2004	389	15,482	143	39800	26.88	1	31
AUG 2004	466	15,872	0	34061		1	31
SEP 2004	421	16,857		40041		1	30
OCT 2004	394	15,253		38714		1	31
NOV 2004	364	13,280		36484		1	30
Totals:							

2004

2,983

126,230

506

=====

Avg. Daily Product 2004 April - November

$$2983/244 = 12.3 \text{ bbls oil}$$

$$126,230/244 = 517 \text{ MCF gas}$$

LEA NM
WEATHERLY 21 5
HENDRIX JOHN H CORPORATION
ACTIVE

Detailed Production Report

Lease Name: WEATHERLY 21 Lease Number: Operator Name: HENDRIX JOHN H CORPORATI State: NEW MEXICO County: LEA Field: PENROSE-SKELLY Sec Twn Rng: 21C 21S 37E Latitude/Longitude: 32.47065 -103.16951 Regulatory #: API: 30025366460000 Production ID: 1300210253664650350 Reservoir Name: GRAYBURG Prod Zone: GRAYBURG Prod Zone Code: 453GRBG Basin Name: PERMIAN BASIN Gas Gatherer: Liquid Gatherer: Status: ACTIVE	Well Number: 5 Cum Oil: 1,549 Cum Gas: 9,752 Cum Water: 2,571 First Production Date: <u>MAY 2004</u> Last Production Date: <u>NOV 2004</u> Spot: NE NE NW Lat/Long Source: TS Completion Date: MAY 03, 2004 Total Depth: Upper Perforation: Lower Perforation: Gas Gravity: Oil Gravity: Temp Gradient: N Factor: GOR: CRUDE OIL
--	--

Annual Production	(1 years)		
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:			
2004	1,549	9,752	2,571
Totals:	1,549	9,752	2,571

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
MAY 2004	307	2,161	903	7040	74.63	1	31
JUN 2004	166	1,532	880	9229	84.13	1	30
JUL 2004	207	1,222	788	5904	79.20	1	31
AUG 2004	246	1,253	0	5094		1	31
SEP 2004	223	1,331		5969		1	30
OCT 2004	208	1,204		5789		1	31
NOV 2004	192	1,049		5464		1	30
Totals:							
2004	1,549	9,752	2,571				

=====

Avg. Daily Production 2004 May - November

$$1549 / 214 = 7.2 \text{ bbls oil}$$

$$9752 / 214 = 45.5 \text{ mcf gas}$$

LEA NM
D C HARDY 7
APACHE CORPORATION
ACTIVE

Detailed Production Report

Lease Name:	D C HARDY	Well Number:	7
Lease Number:		Cum Oil:	4,624
Operator Name:	APACHE CORPORATION	Cum Gas:	62,712
State:	NEW MEXICO	Cum Water:	66,181
County:	LEA	First Production Date:	MAR 2004
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	200 21S 37E	Spot:	NW SW SE
Latitude/Longitude:	32.45974 -103.1837	Lat/Long Source:	TS
Regulatory #:		Completion Date:	MAR 22, 2004
API:	30025363780000	Total Depth:	
Production ID:	1300210253637850350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production		(1 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:			
2004	4,624	62,712	66,181
Totals:	<u>4,624</u>	<u>62,712</u>	<u>66,181</u>

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
MAR 2004	47	1,791	955	38107	95.31		
APR 2004	742	9,382	9,233	12645	92.56		
MAY 2004	421	5,973	5,391	14188	92.76		
JUN 2004	483	7,435	9,009	15394	94.91		
JUL 2004	759	8,176	10,887	10773	93.48		
AUG 2004	837	9,515	10,832	11368	92.83		
SEP 2004	677	10,291	9,583	15201	93.40		
OCT 2004	658	10,149	10,291	15425	93.99		
Totals:	<u>4,624</u>	<u>62,712</u>	<u>66,181</u>				

2004

4,624

62,712

66,181

=====

Arg. Daily Production

$$4624/305 = 15.2 \text{ bbls oil}$$

$$62,712/305 = 206 \text{ mcf gas}$$

LEA NM
 C L HARDY 5
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	C L HARDY	Well Number:	5
Lease Number:		Cum Oil:	5,244
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	115,650
State:	NEW MEXICO	Cum Water:	93,716
County:	LEA	First Production Date:	JUN 2003
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	20L 21S 37E	Spot:	C NW SW
Latitude/Longitude:	32.46256 -103.19096	Lat/Long Source:	TS
Regulatory #:		Completion Date:	MAY 29, 2003
API:	30025066870002	Total Depth:	
Production ID:	1300210250668750350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production			(2 years)
Year	Oil BBLS	Gas MCF	Water BBLS

Beginning

Cum:

2003	2,256	36,860	46,279
2004	2,988	78,790	47,437
Totals:	5,244	115,650	93,716

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
JUN 2003	76	982	2,400	12922	96.93	1	11
JUL 2003	216	3,414	3,321	15806	93.89	1	14
AUG 2003	340	2,642	9,502	7771	96.55	1	31
SEP 2003	457	6,540	8,087	14311	94.65	1	30
OCT 2003	386	7,205	7,587	18666	95.16	1	29
NOV 2003	351	7,267	9,120	20704	96.29	1	30
DEC 2003	430	8,810	6,262	20489	93.57	1	31
Totals:							

2003	2,256	36,860	46,279				
JAN 2004	536	13,466	5,165	25124	90.60	1	31
FEB 2004	295	6,023	4,496	20417	93.84	1	28
MAR 2004	283	8,774	5,945	31004	95.46	1	31
APR 2004	157	5,217	3,976	33230	96.20	1	21
MAY 2004	288	8,564	6,335	29737	95.65	1	31
JUN 2004	408	9,510	5,719	23309	93.34	1	30
JUL 2004	318	8,904	5,780	28001	94.79	1	31
AUG 2004	332	9,097	5,056	27401	93.84	1	31
SEP 2004	371	9,235	4,965	24893	93.05	1	30
Totals:							
2004	2,988	78,790	47,437				

=====

Avg. Daily Production 2004

$$2988 / 274 = 10.9 \text{ bbls oil}$$

$$78,790 / 274 = 288 \text{ mcf gas}$$

LEA NM
 C L HARDY 4
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	C L HARDY	Well Number:	4
Lease Number:	299000	Cum Oil:	2,460
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	103,917
State:	NEW MEXICO	Cum Water:	67,841
County:	LEA	First Production Date:	OCT 2003
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	20M 21S 37E	Spot:	C SW SW
Latitude/Longitude:	32.45893 -103.19095	Lat/Long Source:	TS
Regulatory #:		Completion Date:	OCT 09, 2003
API:	30025067050004	Total Depth:	
Production ID:	1300210250670550350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE	CRUDE OIL	

Annual Production		(2 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:

2003	319	16,581	14,866
2004	2,141	87,336	52,975
Totals:	<u>2,460</u>	<u>103,917</u>	<u>67,841</u>

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
JAN 2003		0	0			0	0
FEB 2003		0	0			0	0
MAR 2003		0	0			0	0
APR 2003		0	0			0	0
MAY 2003		0	0			0	0
JUN 2003		0	0			0	0
JUL 2003		0	0			0	0
AUG 2003		0	0			0	0

SEP 2003		0	0			0	0
OCT 2003	6	1,148	1,860	191334	99.68	1	31
NOV 2003	167	7,838	6,938	46935	97.65	1	30
DEC 2003	146	7,595	6,068	52021	97.65	1	31
Totals:							
2003	319	16,581	14,866				
JAN 2004	106	4,776	1,063	45057	90.93	1	31
FEB 2004	499	15,058	6,101	30177	92.44	1	29
MAR 2004	485	13,653	6,506	28151	93.06	1	31
APR 2004	193	7,684	5,367	39814	96.53	1	26
MAY 2004	164	10,106	6,972	61622	97.70	1	31
JUN 2004	236	10,188	6,801	43170	96.65	1	30
JUL 2004	168	9,021	6,850	53697	97.61	1	31
AUG 2004	166	8,992	7,102	54169	97.72	1	31
SEP 2004	124	7,858	6,213	63371	98.04	1	30
Totals:							
2004	2,141	87,336	52,975				

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Agg. Daily Production 2004

$$124/274 = .45 \text{ bbl oil}$$

$$7858/274 = 29 \text{ mcf gas}$$

LEA NM
W E LEE 4
CAMPBELL & HEDRICK
ACTIVE

Detailed Production Report

Lease Name:	W E LEE	Well Number:	4
Lease Number:	002423	Cum Oil:	16,666
Operator Name:	CAMPBELL & HEDRICK	Cum Gas:	1,203,402
State:	NEW MEXICO	Cum Water:	106,921
County:	LEA	First Production Date:	SEP 1957
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	20F 21S 37E	Spot:	
Latitude/Longitude:	32.46616 -103.18776	Lat/Long Source:	TS
Regulatory #:		Completion Date:	
API:	30025099210000	Total Depth:	3815
Production ID:	1300210250992150350	Upper Perforation:	3700
Reservoir Name:	GRAYBURG	Lower Perforation:	3815
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	36
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE	CRUDE OIL	

Annual Production			(31 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning			
Cum:	10,421	625,483	142
1970	373	49,203	186
1971	295	65,646	87
1972	443	66,161	33
1973	354	35,427	8
1974	866	63,090	
1975	650	63,284	
1976	251	19,920	
1977	356	47,085	
1978	231	44,404	
1979	190	25,970	
1980	262	22,596	
1985	151	1,939	5,425
1986	115	3,169	13,020
1987	113	2,778	13,020
1988	98	3,135	13,020
1989	108	2,930	8,432
1990	86	3,126	1,308
1991	83	3,099	1,860
1992	81	3,019	3,136
1993	76	2,614	2,736
1994	59	2,735	1,798

1995	66	2,560	1,370
1996	191	4,345	6,232
1997	115	3,891	5,744
1998	92	2,697	4,896
1999	88	2,986	3,069
2000	74	3,415	3,594
2001	112	5,284	6,112
2002	104	8,231	4,827
2003	98	7,679	4,550
2004	64	5,501	2,316
Totals:	16,666	1,203,402	106,921

Avg. Daily Production

$$64/305 = .2 \text{ bbl oil}$$

$$5,501/305 = 18 \text{ mcf gas}$$

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
JAN 1970	42	4,595	17	109405	28.81	1	
FEB 1970	18	4,395	0	244167		1	
MAR 1970	16	4,828	10	301751	38.46	1	
APR 1970	41	4,326	12	105513	22.64	1	
MAY 1970	28	4,392	15	156858	34.88	1	
JUN 1970	32	3,788	39	118376	54.93	1	
JUL 1970	30	3,486	13	116201	30.23	1	
AUG 1970	36	1,221	0	33917		1	
SEP 1970	23	5,015	15	218044	39.47	1	
OCT 1970	37	5,052	27	136541	42.19	1	
NOV 1970	32	4,044	38	126376	54.29	1	
DEC 1970	38	4,061	0	106869		1	
Totals: 1970	373	49,203	186				
JAN 1971	45	6,139	8	136423	15.09	1	
FEB 1971	25	4,811	7	192441	21.88	1	
MAR 1971	22	4,766	21	216637	48.84	1	
APR 1971	23	4,574	8	198870	25.81	1	
MAY 1971	22	6,929	10	314955	31.25	1	
JUN 1971	20	5,462	14	273101	41.18	1	
JUL 1971	23	5,573	10	242305	30.30	1	
AUG 1971	25	5,167	0	206681		1	
SEP 1971	19	3,165	0	166579		1	
OCT 1971	24	7,172	3	298834	11.11	1	
NOV 1971	20	7,038	1	351901	4.76	1	
DEC 1971	27	4,850	5	179630	15.63	1	
Totals: 1971	295	65,646	87				
JAN 1972	54	5,259	0	97389		1	
FEB 1972	42	7,852	18	186953	30.00	1	
MAR 1972	33	8,259	2	250273	5.71	1	
APR 1972	41	7,261	0	177098		1	
MAY 1972	24	6,462	0	269251		1	
JUN 1972	21	836	0	39810		1	

LEA NM
 C L HARDY 3
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	C L HARDY	Well Number:	3
Lease Number:	299000	Cum Oil:	8,608 since FEB 2003
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	174,289 since FEB 2003
State:	NEW MEXICO	Cum Water:	104,790 since FEB 2003
County:	LEA	First Production Date:	JAN 2003
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	20K 21S 37E	Spot:	
Latitude/Longitude:	32.46256 -103.18668	Lat/Long Source:	TS
Regulatory #:		Completion Date:	FEB 17, 2003
API:	30025066860005	Total Depth:	6686
Production ID:	1300210250668650350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE	CRUDE OIL	

Annual Production (2 years)

Year	Oil BBLS	Gas MCF	Water BBLS
Beginning Cum:			
2003	4,657	78,464	62,113
2004	3,951	95,825	42,677
Totals:	8,608	174,289	104,790

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
JAN 2003	0	0	0			0	0
FEB 2003	467	3,403	2,914	7287	86.19	1	16
MAR 2003	603	7,583	4,725	12576	88.68	1	31
APR 2003	423	6,294	3,271	14880	88.55	1	30
MAY 2003	112	2,515	1,874	22456	94.36	1	13
JUN 2003	301	6,964	9,611	23137	96.96	1	30
JUL 2003	245	3,372	3,734	13764	93.84	1	14
AUG 2003	371	6,763	7,812	18230	95.47	1	31

SEP 2003	486	8,753	7,103	18011	93.60	1	30
OCT 2003	526	10,329	7,505	19637	93.45	1	31
NOV 2003	555	11,180	7,710	20145	93.28	1	30
DEC 2003	568	11,308	5,854	19909	91.16	1	31
Totals:							
2003	4,657	78,464	62,113				
JAN 2004	741	17,237	4,123	23262	84.77	1	31
FEB 2004	390	9,370	4,603	24026	92.19	1	28
MAR 2004	400	12,181	5,738	30453	93.48	1	31
APR 2004	269	6,732	4,107	25027	93.85	1	24
MAY 2004	359	9,260	4,795	25794	93.03	1	27
JUN 2004	470	10,054	4,412	21392	90.37	1	30
JUL 2004	389	9,767	5,754	25108	93.67	1	31
AUG 2004	419	10,969	4,628	26179	91.70	1	31
SEP 2004	514	10,255	4,517	19952	89.78	1	30
Totals:							
2004	3,951	95,825	42,677				

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Avg. Daily Production 2004

$$3951 / 274 = 14.4 \text{ bbls oil}$$

$$95,835 / 274 = 349 \text{ McF gas}$$

LEA NM
D C HARDY 8
APACHE CORPORATION
ACTIVE

Detailed Production Report

Lease Name:	D C HARDY	Well Number:	8
Lease Number:		Cum Oil:	3,501 since MAY 2004
Operator Name:	APACHE CORPORATION	Cum Gas:	24,119
State:	NEW MEXICO	Cum Water:	22,524 since MAY 2004
County:	LEA	First Production Date:	APR 2004
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	20P 21S 37E	Spot:	NE SE SE
Latitude/Longitude:	32.45946 -103.17738	Lat/Long Source:	TS
Regulatory #:		Completion Date:	APR 14, 2004
API:	30025363790000	Total Depth:	
Production ID:	1300210253637950350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production (1 years)

Year	Oil BBLs	Gas MCF	Water BBLs
Beginning Cum:			
2004	3,501	24,119	22,524
Totals:	<u>3,501</u>	<u>24,119</u>	<u>22,524</u>

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
APR 2004	0	2,435	0				
MAY 2004	1,199	4,807	4,778	4010	79.94		
JUN 2004	888	4,338	5,865	4886	86.85		
JUL 2004	0	0	0				
AUG 2004	570	4,008	4,324	7032	88.35		
SEP 2004	431	4,328	3,653	10042	89.45		
OCT 2004	413	4,203	3,904	10177	90.43		
Totals:							
2004	<u>3,501</u>	<u>24,119</u>	<u>22,524</u>				

Avg. Daily Production 2004

$3501/305 = 11.5 \text{ bbls oil}$

$24,119/305 = 79 \text{ mcf gas}$

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LEA NM
D C HARDY 6
APACHE CORPORATION
ACTIVE

Detailed Production Report

Lease Name:	D C HARDY	Well Number:	6
Lease Number:		Cum Oil:	11,956
Operator Name:	APACHE CORPORATION	Cum Gas:	92,500
State:	NEW MEXICO	Cum Water:	21,080
County:	LEA	First Production Date:	MAR 2003
Field:	PENROSE-SKELLY	Last Production Date:	OCT 2004
Sec Twn Rng:	200 21S 37E	Spot:	SE SW SE
Latitude/Longitude:	32.45792 -103.18052	Lat/Long Source:	TS
Regulatory #:		Completion Date:	FEB 18, 2003
API:	30025361140000	Total Depth:	
Production ID:	1300210253611450350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production		(2 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:			
2003	8,274	60,700	12,711
2004	3,682	31,800	8,369
Totals:	11,956	92,500	21,080

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
MAR 2003	2,059	10,261	3,759	4984	64.61		
APR 2003	1,223	7,309	2,005	5977	62.11		
MAY 2003	1,026	6,859	1,625	6686	61.30		
JUN 2003	906	6,941	0	7662			
JUL 2003	583	5,691	1,097	9762	65.30		
AUG 2003	553	5,507	872	9959	61.19		
SEP 2003	551	5,143	933	9334	62.87		
OCT 2003	527	4,243	987	8052	65.19		

NOV 2003	422	4,319	686	10235	61.91
DEC 2003	424	4,427	747	10442	63.79
Totals:					
2003	8,274	60,700	12,711		
JAN 2004	424	3,962	806	9345	65.53
FEB 2004	394	3,134	1,268	7955	76.29
MAR 2004	444	3,875	763	8728	63.21
APR 2004	474	4,119	620	8690	56.67
MAY 2004	369	2,974	531	8060	59.00
JUN 2004	384	3,005	828	7826	68.32
JUL 2004	341	2,894	878	8487	72.03
AUG 2004	329	2,583	967	7852	74.61
SEP 2004	266	2,663	828	10012	75.69
OCT 2004	257	2,591	880	10082	77.40
Totals:					
2004	3,682	31,800	8,369		

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Avg. Daily Production 2004

$$3682 / 305 = 12.1 \text{ bbl oil}$$

$$2591 / 305 = 9 \text{ mcf gas}$$

LEA NM
D C HARDY 3
APACHE CORPORATION
ACTIVE

Detailed Production Report

Lease Name:	D C HARDY	Well Number:	3
Lease Number:	016814	Cum Oil:	5,709 since JUL 1999
Operator Name:	APACHE CORPORATION	Cum Gas:	85,729
State:	NEW MEXICO	Cum Water:	172,803
County:	LEA	First Production Date:	JUN 1999
Field:	PENROSE-SKELLY	Last Production Date:	OCT 2004
Sec Twn Rng:	20P 21S 37E	Spot:	SE SE
Latitude/Longitude:	32.45851 -103.17804	Lat/Long Source:	TS
Regulatory #:		Completion Date:	OCT 08, 1993
API:	30025066900002	Total Depth:	6660
Production ID:	1300210250669050350	Upper Perforation:	3799
Reservoir Name:	GRAYBURG	Lower Perforation:	3887
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	35.8
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production			(4 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:			
1999	129	11,952	28,548
2000	253	18,007	56,919
2001	141	11,327	44,957
2004	5,186	44,443	42,379
Totals:	5,709	85,729	172,803

Aug. Daily Production 2004

14.2 bbls oil / 122 mcf gas

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
JUN 1999	0	554	1,874			1	22
JUL 1999	1	1,728	3,978	1728001	99.97	1	29
AUG 1999	15	1,927	4,504	128467	99.67	1	28
SEP 1999	28	2,239	4,779	79965	99.42	1	30
OCT 1999	27	2,007	4,715	74334	99.43	1	29
NOV 1999	29	2,000	4,558	68966	99.37	1	30

DEC 1999	29	1,497	4,140	51621	99.30	1	30
Totals:							
1999	129	11,952	28,548				
JAN 2000	26	1,633	4,690	62808	99.45	1	29
FEB 2000	26	1,739	4,014	66885	99.36	1	28
MAR 2000	27	1,847	4,063	68408	99.34	1	31
APR 2000	28	1,679	4,242	59965	99.34	1	30
MAY 2000	27	1,771	4,572	65593	99.41	1	31
JUN 2000	24	1,644	5,021	68501	99.52	1	30
JUL 2000	25	1,550	4,627	62001	99.46	1	30
AUG 2000	27	1,353	5,120	50112	99.48	1	30
SEP 2000	31	1,021	5,593	32936	99.45	1	30
OCT 2000	12	1,487	5,461	123917	99.78	1	31
NOV 2000	0	1,335	4,600			1	0
DEC 2000	0	948	4,916			1	0
Totals:							
2000	253	18,007	56,919				
JAN 2001	0	955	4,942			1	0
FEB 2001	0	942	4,403			1	0
MAR 2001	7	1,185	4,820	169286	99.85	1	30
APR 2001	134	2,572	4,936	19195	97.36	1	29
MAY 2001	0	1,084	4,432			1	0
JUN 2001		1,100	5,047			1	
JUL 2001		888	5,064			1	
AUG 2001		1,063	4,564			1	
SEP 2001		1,024	4,572			1	
OCT 2001		514	2,177			1	
Totals:							
2001	141	11,327	44,957				
JAN 2004	0	0	0			0	0
FEB 2004	64	1,152	0	18001		1	29
MAR 2004	988	5,354	6,540	5420	86.88	1	31
APR 2004	966	6,156	5,411	6373	84.85	1	30
MAY 2004	834	5,034	5,572	6036	86.98	1	31
JUN 2004	823	4,937	8,975	5999	91.60	1	30
JUL 2004	422	6,153	4,624	14581	91.64	1	31
AUG 2004	433	5,424	4,517	12527	91.25	1	31
SEP 2004	327	5,047	3,185	15435	90.69	1	29
OCT 2004	329	5,186	3,555	15763	91.53	1	31
Totals:							
2004	5,186	44,443	42,379				

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Oil Tests

Total count: 1

API Number	Well Number	Test Date	Choke 64ths	WHFP	GOR CF/BBL	BS & W %	Water B/D	Oil B/D	Gas MCFD
30025066900002	3	19931105					114	1	84

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LEA NM
 EUNICE KING 27
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	EUNICE KING	Well Number:	27
Lease Number:		Cum Oil:	108
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	1,247
State:	NEW MEXICO	Cum Water:	1,047
County:	LEA	First Production Date:	SEP 2004
Field:	PENROSE-SKELLY	Last Production Date:	SEP 2004
Sec Twn Rng:	28C 21S 37E	Spot:	SW NE NW
Latitude/Longitude:	32.45356 -103.17158	Lat/Long Source:	TS
Regulatory #:		<u>Completion Date:</u>	<u>SEP 10, 2004</u>
API:	30025367380000	Total Depth:	
Production ID:	1300210253673850350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production

Year	Oil BBLs	Gas MCF	(1 years) Water BBLs
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Beginning

Cum:			
2004	108	1,247	1,047
Totals:	108	1,247	1,047

Avs
 Daily Production 19 day Sept 2004
 5.7 bbs oil / 65 mcf gas

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
SEP 2004	108	1,247	1,047	11547	90.65	1	30
Totals:							
2004	108	1,247	1,047				

LEA NM
 C L HARDY 2
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	C L HARDY	Well Number:	2
Lease Number:		Cum Oil:	1,876
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	33,953
State:	NEW MEXICO	Cum Water:	19,511
County:	LEA	First Production Date:	JUN 2004
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	20N 21S 37E	Spot:	SE SE SW
Latitude/Longitude:	32.45854 -103.1866	Lat/Long Source:	TS
Regulatory #:		Completion Date:	MAY 26, 2004
API:	30025066850003	Total Depth:	
Production ID:	1300210250668550350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production			(1 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning			
Cum:			
2004	1,876	33,953	19,511
Totals:	1,876	33,953	19,511

Avg. Daily Production Sept 2004
 13.6 bbls oil / 261 mcf

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
JUN 2004	654	9,067	5,313	13864	89.04	1	30
JUL 2004	405	9,275	4,809	22902	92.23	1	31
AUG 2004	408	7,762	4,875	19025	92.28	1	31
SEP 2004	409	7,849	4,514	19191	91.69	1	30
Totals:							
2004	1,876	33,953	19,511				

LEA NM
 LANSFORD 2
 LANEXCO INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	LANSFORD	Well Number:	2
Lease Number:	005751	Cum Oil:	54,819
Operator Name:	LANEXCO INCORPORATED	Cum Gas:	962,401 since MAY 1981
State:	NEW MEXICO	Cum Water:	64,331
County:	LEA	First Production Date:	<u>APR 1981</u>
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	21K 21S 37E	Spot:	
Latitude/Longitude:	32.46165 -103.16999	Lat/Long Source:	TS
Regulatory #:		Completion Date:	
API:	30025272710000	Total Depth:	4250
Production ID:	1300210252727150350	Upper Perforation:	3652
Reservoir Name:	GRAYBURG	Lower Perforation:	3800
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	38
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	471
Status:	ACTIVE	CRUDE OIL	

Annual Production		(24 years)	
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning
 Cum:

1981	8,764	40,874	3,480
1982	5,644	67,729	6,870
1983	4,323	69,606	4,564
1984	3,520	64,255	3,917
1985	2,812	60,521	3,992
1986	2,563	52,258	3,635
1987	2,294	45,034	3,254
1988	2,211	43,618	3,209
1989	2,109	38,062	2,469
1990	2,088	39,628	1,607
1991	1,937	41,395	835
1992	1,774	39,590	820
1993	1,635	37,468	1,784
1994	1,547	35,133	1,424
1995	1,504	35,961	1,582
1996	1,402	35,563	1,531
1997	1,277	33,363	3,765
1998	1,253	32,239	3,697
1999	1,218	30,165	1,971
2000	1,134	28,713	1,059
2001	1,064	27,418	2,301

Daily Avg 2004 Jan-Sept.
~~2.7~~ bbls oil ~~45~~ mcf gas
 2.7 → 61

2002	1,018	25,248	2,200
2003	981	22,076	2,296
2004	747	16,484	2,069
Totals:	<u>54,819</u>	<u>962,401</u>	<u>64,331</u>

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Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
APR 1981	1,315	0	430		24.64	1	19
MAY 1981	1,715	3,963	280	2311	14.04	1	20
JUN 1981	1,117	5,688	290	5093	20.61	1	30
JUL 1981	973	5,402	280	5552	22.35	1	31
AUG 1981	860	5,255	420	6111	32.81	1	31
SEP 1981	742	5,051	430	6808	36.69	1	30
OCT 1981	724	5,120	450	7072	38.33	1	31
NOV 1981	664	4,990	450	7516	40.39	1	30
DEC 1981	654	5,405	450	8265	40.76	1	31
Totals: 1981	<u>8,764</u>	<u>40,874</u>	<u>3,480</u>				
JAN 1982	605	5,015	450	8290	42.65	1	31
FEB 1982	525	4,577	290	8719	35.58	1	28
MAR 1982	568	5,594	350	9849	38.13	1	31
APR 1982	479	5,310	300	11086	38.51	1	30
MAY 1982	508	5,730	360	11280	41.47	1	30
JUN 1982	460	5,974	300	12987	39.47	1	30
JUL 1982	445	5,937	400	13342	47.34	1	30
AUG 1982	418	5,775	900	13816	68.29	1	29
SEP 1982	407	5,937	870	14588	68.13	1	30
OCT 1982	428	5,813	900	13582	67.77	1	30
NOV 1982	406	6,599	850	16254	67.68	1	30
DEC 1982	395	5,468	900	13844	69.50	1	31
Totals: 1982	<u>5,644</u>	<u>67,729</u>	<u>6,870</u>				
JAN 1983	380	5,597	900	14729	70.31	1	29
FEB 1983	359	4,089	813	11390	69.37	1	24
MAR 1983	447	5,374	900	12023	66.82	1	31
APR 1983	407	5,388	871	13239	68.15	1	30
MAY 1983	389	5,711	206	14682	34.62	1	31
JUN 1983	386	6,307	400	16340	50.89	1	30
JUL 1983	374	6,638	93	17749	19.91	1	31
AUG 1983	380	6,325	86	16645	18.45	1	30
SEP 1983	347	6,501	80	18735	18.74	1	30
OCT 1983	354	6,748	0	19063		1	31
NOV 1983	322	6,336	215	19678	40.04	1	30
DEC 1983	178	4,592	0	25798		1	30
Totals: 1983	<u>4,323</u>	<u>69,606</u>	<u>4,564</u>				
JAN 1984	387	5,098	329	13174	45.95	1	27

LEA NM
 EUNICE KING 19
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	EUNICE KING	Well Number:	19
Lease Number:		Cum Oil:	7,059
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	130,092 since AUG 2003
State:	NEW MEXICO	Cum Water:	73,916
County:	LEA	First Production Date:	JUL 2003
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	28C 21S 37E	Spot:	C NE NW
Latitude/Longitude:	32.4553 -103.16948	Lat/Long Source:	TS
Regulatory #:		Completion Date:	JUN 23, 2003
API:	30025068560005	Total Depth:	
Production ID:	1300210250685650350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production (2 years)

Year	Oil BBLs	Gas MCF	Water BBLs
Beginning			
Cum:			
2003	4,242	48,528	40,737
2004	2,817	81,564	33,179
Totals:	<u>7,059</u>	<u>130,092</u>	<u>73,916</u>

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
JUL 2003	449	0	5,219		92.08	1	31
AUG 2003	1,171	8,924	9,031	7621	88.52	1	31
SEP 2003	1,009	10,192	8,024	10102	88.83	1	30
OCT 2003	555	10,546	6,400	19002	92.02	1	29
NOV 2003	591	10,116	6,316	17117	91.44	1	30
DEC 2003	467	8,750	5,747	18737	92.48	1	30
Totals:							
2003	<u>4,242</u>	<u>48,528</u>	<u>40,737</u>				

JAN 2004	325	9,105	5,084	28016	93.99	1	31
FEB 2004	179	6,758	2,953	37755	94.28	1	25
MAR 2004	292	8,548	3,475	29274	92.25	1	31
APR 2004	278	5,677	2,929	20421	91.33	1	26
MAY 2004	482	9,451	4,833	19608	90.93	1	31
JUN 2004	435	9,785	4,710	22495	91.55	1	30
JUL 2004	301	11,978	3,156	39795	91.29	1	31
AUG 2004	227	11,535	3,069	50815	93.11	1	31
SEP 2004	298	8,727	2,970	29286	90.88	1	30
Totals:							
2004	2,817	81,564	33,179				

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Daily Avg 2004

~~10.3~~ BBL oil ~~22.5~~ mcf gas
10.3 32

LEA NM
 DAYTON HARDY 1
 MARATHON OIL COMPANY
 ACTIVE

Detailed Production Report

Lease Name:	DAYTON HARDY	Well Number:	1
Lease Number:	006399	Cum Oil:	66,874
Operator Name:	MARATHON OIL COMPANY	Cum Gas:	699,761
State:	NEW MEXICO	Cum Water:	1,996 since JAN 1970
County:	LEA	First Production Date:	
Field:	PENROSE-SKELLY	Last Production Date:	<u>OCT 2004</u>
Sec Twn Rng:	20I 21S 37E	Spot:	
Latitude/Longitude:	32.46345 -103.17698	Lat/Long Source:	TS
Regulatory #:		Completion Date:	
API:	30025099270000	Total Depth:	
Production ID:	1300210250992750350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production			(25 years)
Year	Oil BBLs	Gas MCF	Water BBLs

Beginning

Cum:	59,413	457,191	
1970	936	26,445	23
1971	842	32,832	18
1972	745	18,840	3
1973	733	17,075	
1974	509	13,513	
1975	744	14,938	237
1976	286	8,591	109
1977	602	11,474	155
1978	478	9,296	126
1979	434	9,225	213
1980	391	5,707	123
1981	396	5,718	334
1982	172	2,835	172
1983	19	5,207	19
1984	40	10,740	155
1985	95	9,349	283
1986	39	5,486	26
1997		8,889	
1998		7,467	
1999		5,387	
2000		2,925	

Daily Avg. 2004

Ø oil

~~4.4~~ mcf
5.2

2001		3,390	
2002		3,036	
2003		2,590	
2004		1,615	
Totals:	66,874	699,761	1,996

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days on
JAN 1970	95	1,790	3	18843	3.06	1	
FEB 1970	53	1,241	2	23416	3.64	1	
MAR 1970	88	1,407	3	15989	3.30	1	
APR 1970	74	1,531	3	20690	3.90	1	
MAY 1970	52	1,527	0	29366		1	
JUN 1970	83	1,400	0	16868		1	
JUL 1970	76	1,781	0	23435		1	
AUG 1970	92	2,613	0	28403		1	
SEP 1970	81	2,850	9	35186	10.00	1	
OCT 1970	85	2,946	0	34659		1	
NOV 1970	70	3,307	0	47243		1	
DEC 1970	87	4,052	3	46575	3.33	1	
Totals: 1970	936	26,445	23				
JAN 1971	84	3,615	3	43036	3.45	1	
FEB 1971	74	2,857	3	38609	3.90	1	
MAR 1971	72	4,008	0	55667		1	
APR 1971	68	3,449	0	50721		1	
MAY 1971	58	3,195	0	55087		1	
JUN 1971	70	2,012	0	28743		1	
JUL 1971	61	1,992	0	32656		1	
AUG 1971	61	1,775	6	29099	8.96	1	
SEP 1971	60	1,989	0	33151		1	
OCT 1971	76	2,519	0	33145		1	
NOV 1971	84	2,738	3	32596	3.45	1	
DEC 1971	74	2,683	3	36257	3.90	1	
Totals: 1971	842	32,832	18				
JAN 1972	78	2,710	3	34744	3.70	1	
FEB 1972	77	1,117	0	14507		1	
MAR 1972	29	955	0	32932		1	
APR 1972	61	1,920	0	31476		1	
MAY 1972	84	1,728	0	20572		1	
JUN 1972	51	1,326	0	26001		1	
JUL 1972	63	1,664	0	26413		1	
AUG 1972	53	1,430	0	26982		1	
SEP 1972	62	1,327	0	21404		1	
OCT 1972	57	1,923	0	33737		1	
NOV 1972	57	1,427	0	25036		1	
DEC 1972	73	1,313	0	17987		1	

LEA NM
 EUNICE KING 1
 CHEVRON U S A INCORPORATED
 ACTIVE

Detailed Production Report

Lease Name:	EUNICE KING	Well Number:	1
Lease Number:	002615	Cum Oil:	187,424
Operator Name:	CHEVRON U S A INCORPORAT	Cum Gas:	1,004,675
State:	NEW MEXICO	Cum Water:	297,789
County:	LEA	First Production Date:	
Field:	PENROSE-SKELLY	Last Production Date:	<u>SEP 2004</u>
Sec Twn Rng:	28E 21S 37E	Spot:	C SW NW
Latitude/Longitude:	32.45166 -103.17377	Lat/Long Source:	TS
Regulatory #:		Completion Date:	
API:	30025068370000	Total Depth:	
Production ID:	1300210250683750350	Upper Perforation:	
Reservoir Name:	GRAYBURG	Lower Perforation:	
Prod Zone:	GRAYBURG	Gas Gravity:	
Prod Zone Code:	453GRBG	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		CRUDE OIL

Annual Production			(35 years)
Year	Oil	Gas	Water
	BBLs	MCF	BBLs

Beginning			
Cum:	133,226	372,179	29,720
1970	2,868	20,654	1,443
1971	2,120	21,354	1,452
1972	1,735	16,621	1,460
1973	1,943	11,245	1,445
1974	1,731	12,920	1,277
1975	1,671	8,343	1,348
1976	2,033	14,096	1,205
1977	2,135	11,331	791
1978	2,384	10,781	363
1979	1,757	9,043	732
1980	1,800	5,404	1,798
1981	1,699	17,466	1,656
1982	1,311	9,424	1,306
1983	1,736	9,383	1,564
1984	1,507	8,562	1,568
1985	840	7,600	2,424
1986	1,221	6,891	3,744
1987	1,119	17,652	2,470
1988	1,067	19,250	1,604
1989	1,524	12,749	1,555
1990	1,649	19,903	12,022

1991	1,324	24,524	16,577
1992	1,886	21,087	12,975
1993	1,926	22,357	18,960
1994	1,230	22,601	20,755
1995	1,019	14,415	16,359
1996	958	14,861	14,050
1997	1,217	16,865	12,806
1998	1,267	14,945	11,241
1999	1,010	12,546	2,106
2000	1,066	16,091	2,145
2001	1,349	16,889	1,243
2002	886	15,710	1,582
2003	780	12,852	4,101
2004	2,430	136,081	89,942
Totals:	187,424	1,004,675	297,789

Avg 2004 Daily Production

~~6.66~~ bbls oil ~~312.3~~ mcf gas
8.88 497 →

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	GOR SCF/BBLS	% Water	# of Wells	Days on
JAN 1970	246	1,448	124	5887	33.51	1	
FEB 1970	223	1,396	112	6261	33.43	1	
MAR 1970	247	1,641	124	6644	33.42	1	
APR 1970	238	1,688	120	7093	33.52	1	
MAY 1970	246	1,915	123	7785	33.33	1	
JUN 1970	238	4,409	120	18526	33.52	1	
JUL 1970	238	1,249	120	5248	33.52	1	
AUG 1970	238	1,323	120	5559	33.52	1	
SEP 1970	228	1,282	120	5623	34.48	1	
OCT 1970	246	1,036	120	4212	32.79	1	
NOV 1970	235	1,106	120	4707	33.80	1	
DEC 1970	245	2,161	120	8821	32.88	1	
Totals: 1970	2,868	20,654	1,443				
JAN 1971	184	1,887	120	10256	39.47	1	
FEB 1971	166	1,503	112	9055	40.29	1	
MAR 1971	183	1,630	120	8908	39.60	1	
APR 1971	178	1,905	120	10703	40.27	1	
MAY 1971	185	2,329	124	12590	40.13	1	
JUN 1971	179	2,060	120	11509	40.13	1	
JUL 1971	179	1,974	124	11028	40.92	1	
AUG 1971	185	1,842	124	9957	40.13	1	
SEP 1971	170	1,666	120	9801	41.38	1	
OCT 1971	175	1,626	124	9292	41.47	1	
NOV 1971	152	1,394	120	9172	44.12	1	
DEC 1971	184	1,538	124	8359	40.26	1	
Totals: 1971	2,120	21,354	1,452				
JAN 1972	184	1,586	124	8620	40.26	1	
FEB 1972	169	1,505	116	8906	40.70	1	

Southern U.S. Business Unit
Domestic Production



Marathon
Oil Company

P.O. Box 3487
Houston, Texas 77253-3487
Telephone 713/296-2080

February 28, 2005

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

Re: Our LSE 003990
Dayton Hardy Lease
N/2SE/4 Section 20,
T-21-S, R-37-E,
Lea County, New Mexico

Gentlemen:

The purpose of this letter is to inform you of the ownership of different subsurface producing formations within the referenced lands so that we may surface commingle. The ownership of the Penrose Skelly Grayburg, Drinkard, Blinebry Oil & Gas, Tubb and the Eumont Yates Seven Rivers Queen formations are all identical.

Should you require any additional information concerning the ownership of this lease, please the undersigned

Sincerely,

Ken Dixon
Senior Landman