

CAPATAZ OPERATING INC.

LEASE DDI LISTING BY LEASE

FOR LEASES 67 THRU 67

LEASE	OWNER	OWN	TAX	SUS	HND	INT	COSTS	OIL REV	GAS REV
67	VICEROY #1	LEA				NM			
		DA951 H SCOTT DAVIS	P	1	.07400000	.00000000	.00000000	.00000000	
		DE760 TIMOTHY A DERNBACH	P	1	.02068000	.00000000	.00000000	.00000000	
		DU762 LISA L DURBAN	P	1	.00763000	.00000000	.00000000	.00000000	
		EU760 EUREKA GAS COMPANY, INC	P	1	.21455000	.00000000	.00000000	.00000000	
		FA762 JAMES FARNSWORTH	P	1	.00857000	.00000000	.00000000	.00000000	
		GA250 R S GADDY & ASSOCIATES	P	1	.01280000	.00000000	.00000000	.00000000	
		HE614 BESSEMER TR CO, TR OF F HENRY	P	1	.02442000	.00000000	.00000000	.00000000	
		JO416 JOHNSON & JOHNSON, TR 1-24-85	P	1	.03211000	.00000000	.00000000	.00000000	
		JT250 JTD RESOURCES, LLC	P	1	.15000000	.00000000	.00000000	.00000000	
		LE631 TIMOTHY T LEONARD	P	1	.02000000	.00000000	.00000000	.00000000	
		LE632 DAN M LEONARD	P	1	.02500000	.00000000	.00000000	.00000000	
		LE633 ROBERT K LEONARD	P	1	.01750000	.00000000	.00000000	.00000000	
		LE637 KEVIN K LEONARD	P	1	.01750000	.00000000	.00000000	.00000000	
		ME570 L S MELZER	P	1	.02028000	.00000000	.00000000	.00000000	
		ME572 MELZER OPERATING	P	7	.06177000	.00000000	.00000000	.00000000	
		MO760 MORGAN TRUST	P	1	.08687000	.00000000	.00000000	.00000000	
		MO762 MAURICE MORDKA	P	1	.01590000	.00000000	.00000000	.00000000	
		PJ232 PJC LIMITED PARTNERHSIP,	P	1	.06434000	.00000000	.00000000	.00000000	
		RI630 RIO AUREO, LLC	P	1	.03199000	.00000000	.00000000	.00000000	
		SA610 SANDFLY, INC	P	1	.01000000	.00000000	.00000000	.00000000	
		SE110 SEAY EXPLORATION COMPANY	P	1	.05286000	.00000000	.00000000	.00000000	
		TH270 THE LEONARD TRUST	P	1	.03123000	.00000000	.00000000	.00000000	
	TOTALS:	22 OWNERS				1.00000000	.00000000	.00000000	

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
 DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

OIL CONSERVATION DIVISION
 2040 Pacheco St.
 Santa Fe, NM 87505

WELL API NO.
 30-025-34625

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR OTHER _____

2. Name of Operator
 Capataz Operating Inc

3. Address of Operator
 PO Box 10549, Midland, TX 79702

7. Lease Name or Unit Agreement Name
 Viceroy

8. Well No.
 1

9. Pool name or Wildcat
 House Blinebry, South

4. Well Location
 Unit Letter E: 1980 Feet From The North Line and 330 Feet From The West Line

Section 13 Township 20S Range 38E NMPM Lea County

10. Date Spudded 11/30/95
06/01/99

11. Date T.D. Reached 06/16/99

12. Date Compl. (Ready to Prod.) 07/09/99

13. Elevations (DF & RKB, RT, GR, etc.) 3578 GR

14. Elev. Casinghead 3578

15. Total Depth 7800'

16. Plug Back T.D. 7800' 6610

17. If Multiple Compl. How Many Zones? --

18. Intervals Drilled By XX Rotary Tools Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
Blinebry 5994-6522

20. Was Directional Survey Made
 No

21. Type Electric and Other Logs Run
C2DLCNL, DLL, MLL

22. 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
8-5/8	24	1587	12-1/4	750sx 50/50 POZ "C" 250sx Class "C"	--
5-1/2	17	7800	7-7/8	770sx 35/65 POZ "C" 450sx 50/50 POZ "C"	--

24. **LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. **TUBING RECORD**

SIZE	DEPTH SET	PACKER SET
2-3/8	5922	NA

26. Perforation record (interval, size, and number)

5944-48	1JSPF	48 holes
6014-44	1JSPF	
6088-94	1JSPF	
6100-04	1JSPF	

27. **ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5944-6104	A/2000 gals 15% Nefe
	67804gals X200,000lbs
	20/40 sand

28. **PRODUCTION**

Date First Production 7/09/99

Production Method (Flowing, gas lift, pumping - Size and type pump)
Pumping

Well Status (Prod. or Shut-in)
Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>07/ /99</u>	<u>24</u>	<u>NA</u>		<u>69</u>	<u>168</u>	<u>148</u>	<u>2435</u>

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
<u>160</u>	<u>NA</u>		<u>69</u>	<u>168</u>	<u>148</u>	<u>42</u>

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
Sold

Test Witnessed By
H Scott Davis

30. List Attachments

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

Signature [Signature] Printed Name H Scott Davis Title Agent Date 8/01/99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____
 T. Salt _____
 B. Salt _____
 T. Yates 2858 _____
 T. 7 Rivers _____
 T. Queen _____
 T. Grayburg 4109 _____
 T. San Andres 4264 _____
 T. Glorieta _____
 T. Paddock _____
 T. Blinbry 5994 _____
 T. Tubb 6522 _____
 T. Drinkard _____
 T. Abo 7083 _____
 T. Wolfcamp _____
 T. Penn _____
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn _____
 T. Atoka _____
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs _____
 T. _____
 T. _____
 T. _____

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzte _____
 T. Granite _____
 T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

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

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
3100	3120		Sandstone				
3120	3510		Anhydrite				
3510	3530		Sandstone				
4080	5360		Dolomite				
5360	5760		Limestone				
6020	7140		Dolomite				
7140	7310		Limestone				

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34625
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" 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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name Viceroy
2. Name of Operator Capataz Operating Inc	8. Well No. 1
3. Address of Operator PO Box 10549, Midland, TX 79702	9. Pool name or Wildcat House Blinebry, South
4. Well Location Unit Letter <u>E</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>330</u> Feet From The <u>West</u> Line Section <u>13</u> Township <u>20S</u> Range <u>38E</u> NMPM <u>Lea</u> County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3578GR

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <u>Downhole Tests</u> <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.

Well drilled to Total Depth of 7800'. 5-1/2" to TD. Tested Drinkard from 7008-39 (17 holes) acidized w/ 1500 gals 15% Nefe and 8820 gals gelled acid. Zone appears to have limited fluid entry. Set CIBP @ 6950 and perf'd Tubb 6660-6788 1JSPF (35 holes) and acidized w/ 3600 gals. Zone tested Hydrocarbon Bearing w/ limited fluid entry. Set CIBP @ 6610 and moved up hole to complete in field pay. These two may be commingled w/ Blinebry at a later date.

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

SIGNATURE [Signature] TITLE H Scott Davis Agent DATE 08/01/99

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY CHRIS WILLIAMS TITLE DISTRICT I SUPERVISOR DATE AUG 26 1999

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL API NO. 30-025-34625
3. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Viceroy
8. Well No. 1
9. Pool name or Wildcat House Blinebry, South
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3570 GR

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER
2. Name of Operator Capataz Operating Inc
3. Address of Operator PO Box 10549, Midland, TX 79702
4. Well Location Unit Letter E : 1980 Feet From The N Line and 330 Feet From The W Line Section 13 Township 20S Range 38E NMPM Lea County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

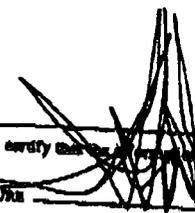
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input 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.**

Drilled 11" hole to 1587'. Ran 24# 8-5/8" casing to 1587' and cemented. Cemented w/ 750 sx 50/50 Poz "C" and 250 sx Class "C". Circulated 140 sx cement to surface. WOC 16-3/4 hr test csg and BOP Drill out shoe w/ 7-7/8 bit.

MIRU and spud 1130 hrs 06/01/99.

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

SIGNATURE  H Scott Davis, Agent

DATE 8-23-99

TYPE OR PRINT NAME H Scott Davis

915-620-8820

TELEPHONE NO.

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY: _____

ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT I SUPERVISOR

SEP 24 1999

DATE

OIL CONSERVATION DIVISION

2040 Pacheco St. Santa Fe, NM 87505

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

WELL API NO. 30-025-34625
5. Indicate Type of Lease STATE [] FEE [X]
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.)

7. Lease Name or Unit Agreement Name Viceroy

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []

8. Well No. 1

2. Name of Operator Capataz Operating Inc

9. Pool name or Wildcat House Blinebry, South

3. Address of Operator PO Box 10549, Midland, TX 79702

4. Well Location Unit Letter E : 1980 Feet From The N Line and 330 Feet From The W Line Section 13 Township 20S Range 38E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3570 GR

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 [] OTHER: []

SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [X] OTHER: []

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.

Drilled 11" hole to 1587'. Ran 24# 8-5/8" casing to 1587' and cemented. Cemented w/ 750 sx 50/50 Poz "C" and 250 sx Class "C". Circulated 140 sx cement to surface. WOC 16-3/4 hr test csg and BOP Drill out shoe w/ 7-7/8 bit.

MIRU and spud 1130 hrs 06/01/99.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE H Scott Davis Agent DATE 8-23-99

TYPE OR PRINT NAME H Scott Davis 915-620-8820 TELEPHONE NO.

(This space for State Use) ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR

APPROVED BY TITLE DATE SEP 24 1999

CONDITIONS OF APPROVAL, IF ANY:

