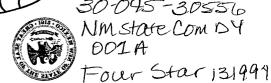
RECEIV NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

2009 JUN 11 AM 11 1620 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

	WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applic	on Acronyms: SL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
	[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	YPE OF APPLICATION - Check Those Which Apply for [A] [A] Location - Spacing Unit - Simultaneous Dedication [] NSL [] NSP [] SD
	Check One Only for [B] or [C] [B] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM
	[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR
	[D] Other: Specify
[2]	OTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply [A] Working, Royalty or Overriding Royalty Interest Owners
	[B] Offset Operators, Leaseholders or Surface Owner
	[C] Application is One Which Requires Published Legal Notice
	[D] Notification and/or Concurrent Approval by BLM or SLO Commissioner of Public Lands, New Mexico State Land Office
	[E] For all of the above, Proof of Notification or Publication is Attached, and/or,
	[F] Waivers are Attached
[3]	JBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE F APPLICATION INDICATED ABOVE.
	ERTIFICATION: I hereby certify that the information submitted with this application for administrative a accurate and complete to the best of my knowledge. I also understand that no action will be taken on this a until the required information and notifications are submitted to the Division.
	Note: Statement must be completed by an individual with managerial and/or supervisory capacity.
Print or	e Name: Alan W. Bohling Signature: Clash Bohling Title: Regulatory Agent Date: May 26, 2009 e-mail Address: ABohling@chevron.com



May 26, 2009

Chevron Midcontinent, L.P. 15 Smith Road Midland, Texas 79705 Tel: 432-687-7158

Fax: 432-687-7158 ABohlin@chevron.com

RE: Administrative DHC Application, New Mexico State Com DY #1A Well

API No. 30-045-30556

New Mexico Oil Conservation Division

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

UL H, Section 36, Township 31 North, Range 12 West NMPM

San Juan County, New Mexico

Gentlemen:

Four Star Oil & Gas Co. respectfully submits this application to the New Mexico Oil Conservation Division for Administrative approval allowing the down-hole commingle producing of two zones, the Fruitland Coal and Mesaverde, within the New Mexico State Com DY #1A wellbore. Working Interest Ownership is the same for each of these two zones.

Enclosed with this cover letter, you will find the required information:

- 1. NMOCD Form C-102(s) (Showing each zone(s) spacing unit and acreage dedication).
- 2. NMOCD Form C-107A including Supplemental Information.
- 3. Copies of other pertinent information (Production Curves, Pressure Data & Wellbore Diagram).

A Copy of this Administrative DHC Application, with attachments, is concurrently being sent to the Commissioner of Public Lands, New Mexico State Land Office.

If after your review of the enclosed material you should require any additional information, please contact me at 432-687-7158 (ABohling@chevron.com) for non-technical information, or Mr. Jarrod Sparks at 281-561-3772 for technical information.

Thank you in advance for your review and approval of our Administrative Application for Downhole Commingling of the Fruitland Coal and Mesaverde zones within the New Mexico State Com DY #1A wellbore.

Sincerely,

Alan W. Bohling
Regulatory Agent

Cc: Jarrod W. Sparks

District I

1625 N, French Drive Hobbs, NM 88240

<u>District II</u>

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

TYPE OR PRINT NAME __Alan W. Bohling

E-MAIL ADDRESS <u>ABohling@chevron.com</u>

State of New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A Revised June 10, 2003

APPLICATION TYPE

_x_Single Well

Establish Pre-Approved Pools

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	APPLICATION FOR DO	WNHOLE COMMINGLING	EXISTING WELLBORE x_YesNo
Four Star Oil & Gas Company (131994)	15 Smith Road, M	Gidland, Texas 79705	497)
Operator	Ado	dress	
New Mexico State Com DY Lease	H - Sec. Well No. Unit Letter-	36 - T31N - R12W Section-Township-Range	San Juan County
OGRID No131994_ Property Cod	de_ 19441 API No 30 -	045-30556 Lease Type:	FederalX _StateFee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin-Fruitland Coal		Blanco-Mesaverde
Pool Code	71629		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Proposed (2224'-2285')		(4285'-4852')
Method of Production (Flowing or Artificial Lift)	Artificial Lift Proposed-Rod Pump		Artificial Lift (plunger) Proposed – Rod pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	375# Calculated from Offset SITP (see attached explanation)		92#
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1160 BTU (Ideal) – from offset FC well (see attached)		1258 BTU (ideal/saturated)
Producing, Shut-In or New Zone	New zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates: See attached rates	Date: Rates:	Date: 1/28/09 Rates: 112 mcfd <1 BWPD 0 BOPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % % (See proposed Allocation Method attached sup sheet)	Oil Gas %	Oil Gas 100 % % (See proposed Allocation Method attached sup sheet)
	ADDITION	NAL DATA	
Are all working, royalty and overriding If not, have all working, royalty and over Are all produced fluids from all commit Will commingling decrease the value of	erriding royalty interest owners been ngled zones compatible with each of	n notified by certified mail?	Yes X No Yes No Yes X No Yes No X
If this well is on, or communitized with or the United States Bureau of Land Ma	anagement been notified in writing	of this application?	Yes X No
NMOCD Reference Case No. applicable Attachments: C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or continuous contents.	gled showing its spacing unit and ac at least one year. (If not available, and so ry, estimated production rates and so or formula.	reage dedication. attach explanation.) upporting data. r uncommon interest cases.	
	PRE-APPRO	VED POOLS	
If application is	to establish Pre-Approved Pools, th	e following additional information v	vill be required:
List of other orders approving downhole List of all operators within the proposed Proof that all operators within the propo- Bottomhole pressure data.	d Pre-Approved Pools		
I hereby certify that the information			
signature <u>Alauh Bo</u>	hlmgtitle	Regulatory Agent	DATE May 26, 2009

_ TELEPHONE NO. (_432___)_ 685-7158 __

NM COM DY-1A Supplemental Data for C-107A

Well History

This well was drilled and completed in the Mesaverde in March, 2002. Four Star Oil & Gas Co. proposes to add the Fruitland Coal and seeks approval to downhole commingle both of these zones. Current economic limitations does not warrant the drilling and completing of a stand-alone Fruitland Coal gas well, thus downhole commingling is the best method of capturing any existing Fruitland Coal reserves.

Expected Production Explanation:

Currently this well is producing approximately 112 mcfpd from the Mesaverde (MV) with occasional very small quantities of oil and water. Review of several recent Fruitland Coal (FC) offset producers, determined an expected original FC production rate around 85 mcfd with a dewatering stage of 2 years at a 5% increase in gas. Afterwards, based on older FC offset production, an expected decline in gas rate of 12% a year was used. No oil production is anticipated from the FC. Please see the attached production curves and tables for supporting data.

Allocation Explanation:

Four Star Oil & Gas Co. proposes to use an allocation calculated through the 'subtraction' method. Baseline production of the Mesaverde (MV) and decline will be established from existing gas production. The incremental production from the FC will be used to determine an appropriate allocation factor for the new zone.

Bottom Hole Pressure Explanation:

Currently, the NM Com DY-1A is producing from the Point Lookout and Menefee portions of the Mesaverde with a bottom-hole pressure of 92#. After completing in the Fruitland Coal, initial bottom-hole pressure of 375#, based on a recent nearby offset FC producer, is expected. It should be noted, that the NM Com DY-1A is already tied into a compressor with expected suction pressure to be ~15# and will be on rod pump. This will allow the produced fluids to be pumped off. Four Star Oil & Gas Co. does not expect any crossflow between the two zones.

District I (1625 N. French Dr., Hobbs, NM 88240) District II

1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u>

1000 Rio Brazos Rd., Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ A	PI Number	r		² Pool Co	ode	³ Pool Name				
30	-045-30556			71629	•		Basin-Fruitla	nd Coal		
⁴ Property Code					5 Property !	Name			⁶ Well Number	
19441					New Mexico Stat	e Com DY			1A	
⁷ OGRID No.					8 Operator i	Name			⁹ Elevation	
131994					Four Star Oil & G	as Company			5892'	
¹⁰ Surface Location										
UL or lot no.	Section	Townshi	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line County	
н	36	31N	12W		1975	North	660	East	San Juan	
			11 Bo	ottom F	Hole Location I	f Different From	m Surface			
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	t line County	
12 Dedicated Acres	13 Joint of	r Infill	14 Consolidation	Code 15	Order No.		'			
320 (N/2)	j	ı								

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.

OY#I (MV)	^Ω M#1A (MV)	M#1 (MV)	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. May 26, 2009 Signature Date Alan W. Bohling – Regulatory Agent Printed Name
			18SURVEYOR 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. 02/02/2001 Date of Survey Signature and Seal of Professional Surveyor: Neale C. Edwards 6857 Certificate Number

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u>

1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

1220 S. St. Francis	Dr., Santa I	Fe, NM 87505							MENDED REPOR
		W	ELL LO	OCATIO:	N AND ACE	REAGE DEDIC	CATION PLA	T	
1 /	API Numbe	r		² Pool Code	•	³ Pool Name			
3	0-045-30556			72319			Blanco-Mesa	verde	
⁴ Property Code					5 Property	Name	· · · · · · · · · · · · · · · · · · ·		⁶ Well Number
19441 New Me:				New Mexico Sta	te Com DY		İ	1A	
⁷ OGRID No.				8 Operator	Name			⁹ Elevation	
131994			Four Star Oil & Gas Company				1	5892'	
	•				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
Н	36	31N	12W		1975	North	660	East	San Juan
		I	11 Bo	ottom Ho	le Location I	f Different From	m Surface		<u> </u>
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
² Dedicated Acres 320 (N/2)	¹³ Joint o	!	onsolidation	Code 15 Or	rder 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, and that this organization either owns a working interest or unleased mineral interest in the land including
○ DY #I (MV)		M #1 (MV)	the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	∽ _M #IA (MV)	#1A 660' -	Clank Bolling May 26, 2009 Signature Date Alan W. Bohling – Regulatory Agent Printed Name
			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. 02/02/2001 Date of Survey
			Signature and Seal of Professional Surveyor: Neale C. Edwards 6857 Certificate Number

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Ad., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

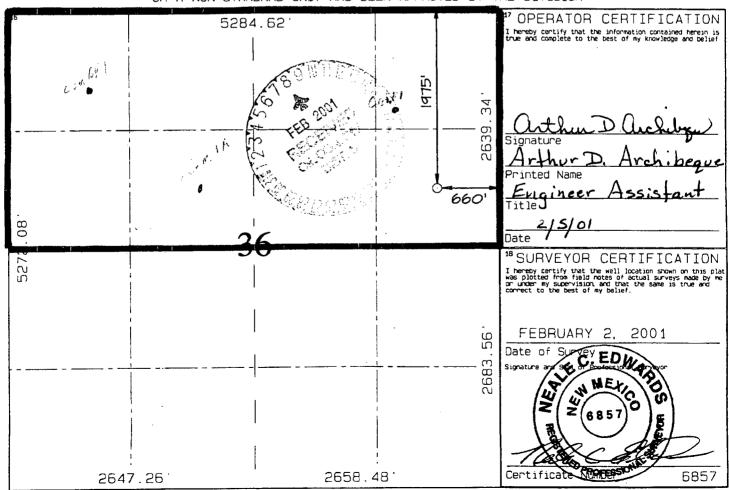
AMENDED REPORT

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe. NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number				²Pool Cod			Pool Nam			
`A	'LI MAWOE	٢			į.					
30-045-30 556 7231					3	E	BLANCO MES	SAVER)E	
*Property	Code				Propert	ty Name			WE	ell Number
1944	/			١	NEW WEXI	CO COM DY				1 A
'OGRID N	VO.				*Operato	or Name			• E	levation
13199	34			FOUR S	STAR DIL	& GAS COMPA	ANY			5892 ' 😁
	¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/We	st line	County
H	36	31N	12W		1975	NORTH	660	ΕA	ST	SAN JUAN
	<u> </u>	¹¹ Bo	ottom	Hole L	ocation :	If Different	From Surf	ace		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County
12 Dedicated Acres		13 Joint or Infi	II 14 Cons	olidation Code	¹⁵ Order No.					
320	1/2	I								
NO ALLOW	ABLE W	ILL BE AS	SSIGNE	D TO TH	S COMPLET	ION UNTIL ALL	INTERESTS H	IAVE BE	EN CO	NSOLIDATED

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



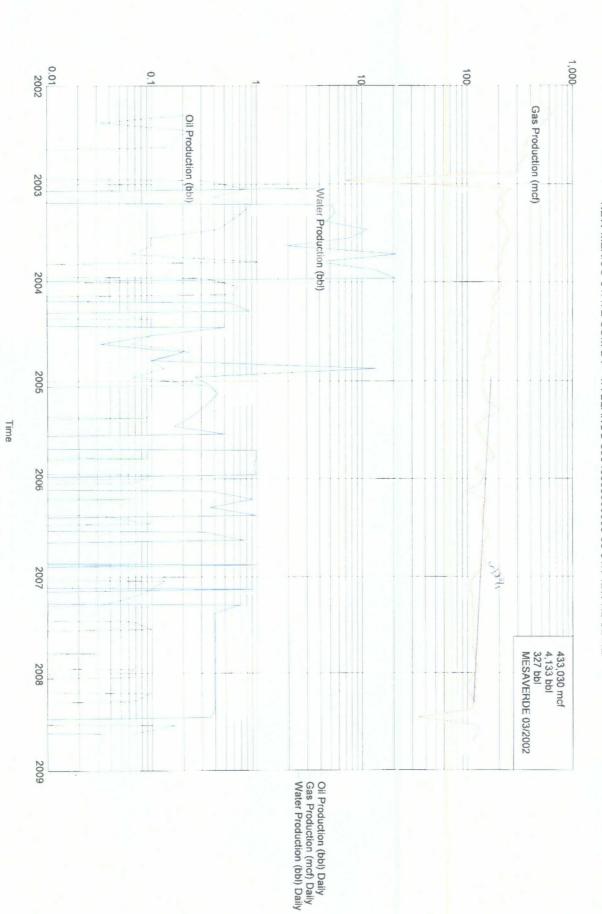
Proposed FC	Production	n Rates			Proposed MV F	Production	Rates
* Based on Rece	ent Offset FC	Completions	(attch'd)		**Based on Current	Rate @ 12%	
Month	Gas (MCFD)	Oil (BOPD)	Water (BWPD)		Gas (MCFD)	Oil (BOPD)	Water (BWPD)
1	85.0	0	10		112.0	0	0
2	89.3	0	9		110.9	0	0
3	93.7	0	8		109.8	. 0	0
4	98.4	0	7		108.7	0	0
5	103.3	0	7		107.6	0	0
6	108.5	0	6		106.5	0	0
7	113.9	0	5		105.4	0	0
_ 8	119.6	0	5		104.4	0	0
9	125.6	0	4		103.3	0	0
10	131.9	0	4		102.3	0	0
11	138.5	0	3		101.3	, O	0
12	145.4	0	3		100.3	0	0
13	152.6	0	3		99.3	0	0
14	160.3	0	3		98.3	0	0
15	168.3	0	2		97.3	0	0
16	176.7	0	2		96.3	0	0
17	185.5	0	. 2		95.4	0	0
18	194.8	0	2		94.4	0	0
19	204.6	0	2		93.5	0	0
20	214.8	0	1		92.5	0	0
21	225.5	0	1		91.6	0	0
22	236.8	0	1		90.7	0	0
23	248.6	0	1		89.8_	0	0
24	261.1	0	1		88.9	0	0
25	258.5	0	1		88.0	0	0
26	255.9	0	1		87.1	0	0
27	253.3	0	1		86.2	0	0
28	250.8	0	1		85.4	0	0
29	248.3	0	1		84.5	0	0
30	245.8	0	0		83.7	0	0
31	243.3	0	0		82.8	0	0
32	240.9	0	0	\sqcup	82.0	0	0
33	238.5	0	0		81.2	0	0
34	236.1	0	0		80.4	0	0
35	233.8	0	0	$\vdash \vdash$	79.6	0	0
36	231.4	0	0		78.8	0	0

^{**}MV – Current Production at current decline of 12%.

^{*}FC - 2 year dewater w/ initial prod of 85 mcfd and 12% decline after dewatering.

Lease Name: NEW MEXICO STATE COM DY County, State: SAN JUAN, NM Operator: FOUR STAR OIL & GAS COMPANY Field: BLANCO Reservoir: MESAVERDE Location: 36 31N 12W N2 SE NE

NEW MEXICO STATE COM DY - 1A BLANCO 30045305560000 36 31N 12W N2 SE NE



Production Rates

Detailed Production Report

Lease Name: Lease Number: Operator Name: State: County: Field: Sec Twn Rng: Latitude/Longitude Regulatory #: API: Production ID: Reservoir Name: Prod Zone: Prod Zone Code: Basin Name: Gas Gatherer: Liquid Gatherer: Status:	e:	POUR STAR OIL NEW MEXICO SAN JUAN BLANCO 36H 31N 12W 36.85744 30045305560000 23004304530556 MESAVERDE MESAVERDE 604MVRD SAN JUAN BAS ACTIVE	-108.04264	Cum Oil: Cum Gas: Cum Water First Product Last Product Spot: Lat/Long Sc Completion Total Depth Upper Perfor Lower Perfor Gas Gravity Oil Gravity Temp Grad N Factor: GOR:	Cum Gas: Cum Water: First Production Date: Last Production Date: Spot: Lat/Long Source: Completion Date: Total Depth: Upper Perforation: Lower Perforation: Gas Gravity: Oil Gravity: Temp Gradient: N Factor:		nce APR 2002 nce JAN 2003 2002 008 NE 3, 2002
Annual Production	on Oil BBLS	Gas MCF	(7 years) Water BBLS				
Beginning Cum:							
2002	35	115,455					
2003	165	80,392	3,081				
2004	66	61,079	501				
2005	19	55,269	190				
2006	10	50,752	143				
2007	18	41,577	145				
2007	17	38,727	74				
Totals:	1 /	30,727	/4				
Totals.	330	443,251	4,134				
					=====		======
Monthly Product	ion						
Date	Oil	Gas	Water	Cond Yld	% Water	# of	Davis
MO/YR	BBLS	MCF	BBLS	STB/MMCF	70 Water		Days
IVIO/ I K		WICF	BBLS	31 D/MINICE		Wells	on
MAR 2002	0	15,487				1	23
APR 2002	8	19,598		0.41		1	30
MAY 2002	1	16,161		0.07		1	31

0.49

31

28

1

1

0

11

JAN 2006

FEB 2006

2

0

4,083

2,965

							•	
Copy	right 200	9. All rights reserve	ed. IHS Inc.					
MAR	2006	2	4,677	28	0.43	93.33	1	31
APR		0	4,237	11			1	30
MAY	2006	1	4,235	30	0.24	96.77	1	31
JUN	2006	3	4,204	0	0.72		1	30
JUL	2006	0	4,943	10			1	31
AUG	2006	0	4,509	23			1	31
SEP	2006	0	4,193	0			1	30
OCT	2006	0	4,367	0			1	31
NOV	2006	2	4,566	30	0.44	93.75	1	30
DEC	2006	0	3,773	0			1	31
T	otals:							
	2006	10	50,752	143				
JAN	2007	4	3,324	0	1.21		1	31
FEB	2007	3	3,219	28	0.94	90.32	1	28
MAR		2	3,437	0	0.59		1	31
APR		1	3,360	. 21	0.30	95.45	1	30
MAY		0	3,506	12			1	31
JUN		2	3,373	12	0.60	85.71	1	30
JUL	2007	3	3,514	12	0.86	. 80.00	1	31
AUG	2007	0	3,459	12			1	31
SEP	2007	0	3,405	12			1	30
OCT	2007	1	3,515	12	0.29	92.31	1	31
NOV	2007	0	3,646	12			1	30
DEC	2007	2	3,819	12	0.53	85.71	1	31
Γ	Cotals:							
	2007	18	41,577	145				
JAN		2	3,417	12	0.59	85.71	1	31
FEB	2008	0	2,982	12			1	29
MAR	2008	3	3,160	12	0.95	80.00	1	31
APR	2008	2	3,543	12	0.57	85.71	1	30
MAY	2008	0	3,347	12			1	31
JUN	2008	0	1,051	11			1	30
JUL	2008	5	3,878	0	1.29		1	31
	2008	2	3,780	1	0.53	33.33	1	31
SEP	2008	0	3,348	1			1	30
°OCT	2008	1	3,317	1	0.31	50.00	1	31
NOV	2008	2	3,735		0.54		1	30
DEC	2008		3,169				1	31

74

Totals:

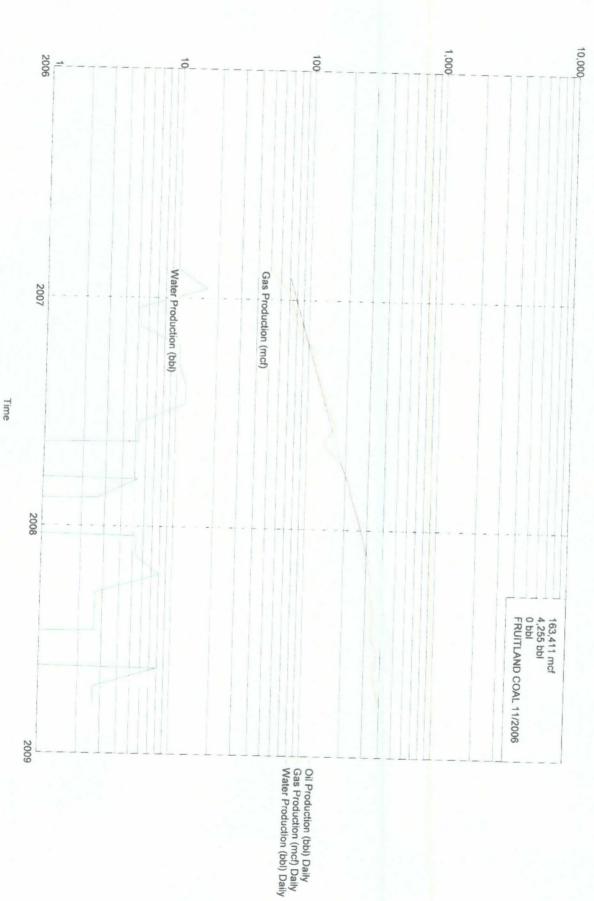
2008

17

38,727

Lease Name: RED RIVER
County, State: SAN JUAN, NM
Operator: MCKAY OIL & GAS LIMITED LIABILITY CO
Field: BASIN
Reservoir: FRUITLAND COAL
Location: 2 30N 12W NW SE SE

RED RIVER - 1 BASIN 30045337270000



SAN JUAN NM RED RIVER 1 MCKAY OIL & GAS LIMITED LIABILITY CORP ACTIVE

Production Report

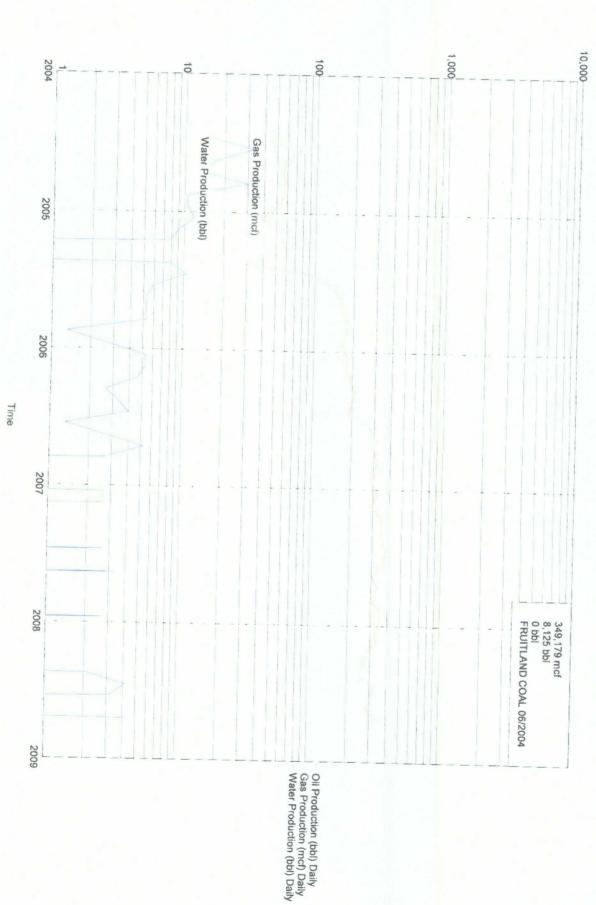
Lease Name: Lease Number: Operator Name: State: County: Field: Sec Twn Rng: Latitude/Longitude Regulatory #: API: Production ID: Reservoir Name: Prod Zone: Prod Zone Code: Basin Name: Gas Gatherer: Liquid Gatherer: Status:	:	RED RIVER MCKAY OIL & GAS NEW MEXICO SAN JUAN BASIN 2P 30N 12W 36.83724 -10 30045337270000 230043045337277162 FRUITLAND COAL FRUITLAND COAL FRUITLAND COAL 604FRLDC SAN JUAN BASIN ACTIVE)8.06094 29	Well Nur Cum Oil: Cum Gas: Cum Water First Product Last Product Spot: Lat/Long Sc Completion Total Depth Upper Perfor Lower Perfor Gas Gravity Oil Gravity Temp Grad N Factor: GOR:	etion Date: etion Date: ource: Date: :: oration: oration:	1 188,418 4,415 NOV DEC 2 NW SE TS AUG 2 2280	2008 SE
Annual Productio	===:		(3 years)				
Year	Oil BBLS	Gas MCF	Water BBLS				
Beginning							
Cum:							
2006		3,621	815				
2007		55,969	2,240				
2008		128,828	1,360				
Totals:							
		188,418	4,415				
M. (II. P. d. d.							
Monthly Producti		Coo	Watan	Cand VII	0/ W/stan	44 - E	Desir
Date MO/VP	Oil	Gas	Water	Cond Yld	% Water	# of	Days
MO/YR	BBLS	MCF	BBLS	STB/MMCF		Wells	on
NOV 2006		1,533	310			 I	30
DEC 2006		2,088	505			1	30
Totals:		2,000	505				50
2006		3,621	815				
AN 2007		2,342	160			1	30
FEB 2007		•				1	
. LD 200/		2,532	160			1	28

Copyright 2009. All rights reserved. IHS Inc.

MAR 2007	3,307	320	I	30
APR 2007	3,439	320	1	30
MAY 2007	3,881	360	1	30
JUN 2007	4,321	360	1	30
JUL 2007	4,981	160	1	30
AUG 2007	4,131	160	1	30
SEP 2007	5,605	0	1	30
OCT 2007	6,509	160	1	30
NOV 2007	7,013	80	1	30
DEC 2007	7,908		1	30
Totals:				
2007	55,969	2,240		
JAN 2008	8,588	160	1	30
FEB 2008	9,084	160	1	29
MAR 2008	9,965	240	1	30
APR 2008	10,010	80	1	30
MAY 2008	10,606	80	1	30
JUN 2008	10,161	80	1	30
JUL 2008	11,246	0	1	30
AUG 2008	10,688	240	l	30
SEP 2008	11,286	80	1	30
OCT 2008	12,187	80	1	30
NOV 2008	12,299	80	1	30
DEC 2008	12,708	80	1	30
Totals:				
2008	128,828	1,360		

Lease Name: OLIVER UNIT
County, State: SAN JUAN, NM
Operator: XTO ENERGY INCORPORATED
Field: BASIN
Reservoir: FRUITLAND COAL
Location: 35 31N 12W SE NW SE

OLIVER UNIT - 1 BASIN 30045305460001



JAN 2005

25

Production Report

Lease Name: Lease Number: Operator Name: State: County: Field: Sec Twn Rng: Latitude/Longitude: Regulatory #: API: Production ID: Reservoir Name: Prod Zone: Prod Zone Code: Basin Name: Gas Gatherer: Liquid Gatherer: Status:		OLIVER UNIT XTO ENERGY INCOMEW MEXICO SAN JUAN BASIN 35J 31N 12W 36.85381 -108 30045305460001 2300430453054671629 FRUITLAND COAL FRUITLAND COAL 604FRLDC SAN JUAN BASIN ACTIVE	3.06367	Well Nun Cum Oil: Cum Gas: Cum Water: First Product Last Product Spot: Lat/Long Scompletion Total Depth Upper Perfor Lower Perfor Gas Gravity Oil Gravity: Temp Gradi N Factor: GOR:	etion Date: tion Date: ource: Date: : oration: oration:	1 384,253 8,377 JUN 2 DEC 2 SE NW TS AUG 10	2008 SE
Annual Production Year	oil BBLS	Gas MCF	(5 years) Water BBLS				
Beginning Cum: 2004 2005 2006 2007 2008 Totals:		11,932 41,179 90,024 123,218 117,900	3,955 2,220 1,120 420 662				
Monthly Production Date MO/YR	on Oil BBLS	(Most recent 48 of Gas MCF	55 months) Water BBLS	Cond Yld STB/MMCF	% Water	# of Wells	Days on
DEC 2004 Totals:		1,474	320			1	31

360

1,164

FEB 2005	1,803	280	
MAR 2005	2,829	240	
APR 2005	1,335	0	
MAY 2005	897	240	
JUN 2005	3,086	320	
JUL 2005	4,219	180	
		160	
AUG 2005	4,909		
SEP 2005	5,098	160	
OCT 2005	5,532	160	
NOV 2005	5,290	40	
DEC 2005	5,017	80	
Totals:			
2005	41,179	2,220	
		1.60	
JAN 2006	5,579	160	
FEB 2006	5,440	160	
MAR 2006	6,008	140	
APR 2006	6,415	80	
MAY 2006	6,106	100	
JUN 2006	5,760	120	
JUL 2006	8,446	40	
AUG 2006	9,118	80	
SEP 2006	9,119	160	
OCT 2006	9,666	80	
NOV 2006	9,276	•	
DEC 2006	9,270		
Totals:	2,071		
2006	90,024	1,120	
2000	90,024	1,120	
JAN 2007	9,862	80	
FEB 2007	8,997	80	
MAR 2007	10,708	0	
APR 2007	10,702	0	
MAY 2007	10,702	0	
JUN 2007	11,542	80	
JUL 2007	11,059	0	
AUG 2007	9,241	100	
SEP 2007	10,148	0	
OCT 2007	8,787	0	
NOV 2007	10,574	0	
DEC 2007	10,683	80	
Totals:			
2007	123,218	420	
		_	
JAN 2008	9,773	0	
FEB 2008	10,098	0	
MAR 2008	8,378	0	
APR 2008	7,850	0	
MAY 2008	7,571	63	
JUN 2008	9,934	126	
JUL 2008	9,089	95	
AUG 2008	8,570	0	
SEP 2008	11,563	126	
OCT 2008	11,877	63	
NOV 2008		63	
	10,992		
DEC 2008	12,205	126	
Totals:			

Copyright 2009. All rights reserved. IHS Inc.

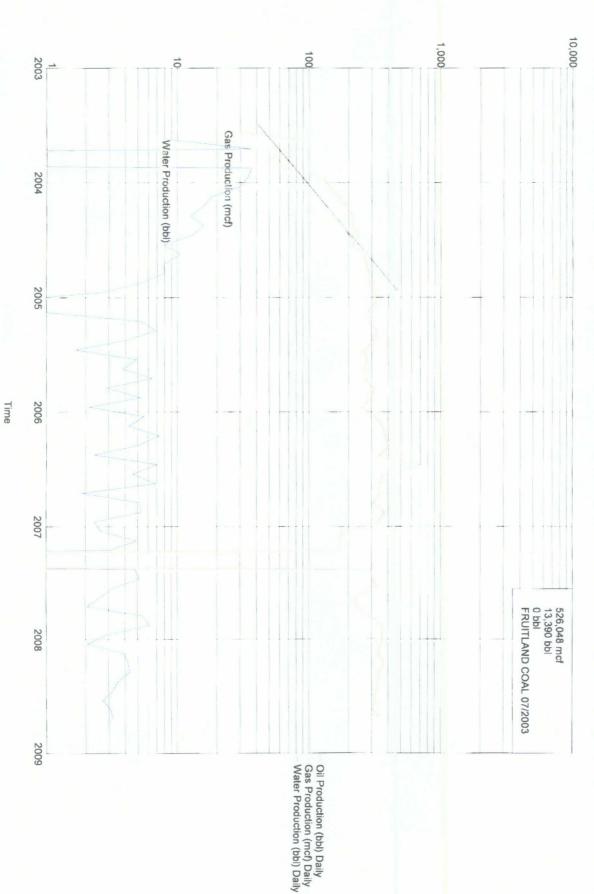
2008

117,900

662

Lease Name: MOSELEY
County, State: SAN JUAN, NM
Operator: BAYLESS ROBERT L PRODUCER LLC
Field: BASIN
Reservoir: FRUITLAND COAL
Location: 2 30N 12W SW NE NW

MOSELEY - 1G BASIN 30045313440000



SAN JUAN NM
MOSELEY 1G
BAYLESS ROBERT L PRODUCER LLC
ACTIVE

Production Report

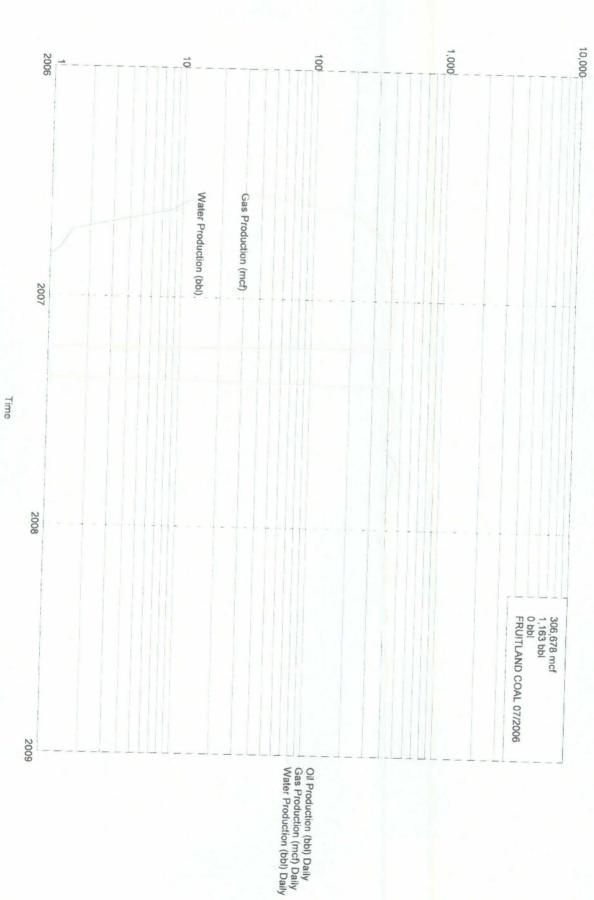
Lease Name:	MOSELEY		Well Nun	nber:	1 G	
Lease Number:			Cum Oil:			
Operator Name:	BAYLESS ROBERT	L PRODUCE	Cum Gas:		555,842	
State:	NEW MEXICO		Cum Water		13,461 sii	
County:	SAN JUAN		First Produc		JUL 20	
Field:	BASIN		Last Produc	tion Date:	DEC 2	
Sec Twn Rng:	2 30N 12W		Spot:		SW NE	NW
Latitude/Longitude:	36.84605 -10	08.07121	Lat/Long So		TS	
Regulatory #:			Completion		JUL 09,	2003
API:	30045313440000		Total Depth			
Production ID:	230043045313447162		Upper Perfo			
Reservoir Name:	FRUITLAND COAL		Lower Perfo			
Prod Zone:	FRUITLAND COAL		Gas Gravity			
Prod Zone Code:	604FRLDC		Oil Gravity:			
Basin Name:	SAN JUAN BASIN		Temp Gradi	ent:		
Gas Gatherer:			N Factor:			
Liquid Gatherer:	A CONTAIN	0.40	GOR:			
Status:	ACTIVE	GAS				
Beginning Cum: 2003 2004 2005 2006 2007 2008 Totals:	13,276 85,927 105,248 140,035 88,868 122,488	3,556 4,482 1,358 1,757 1,310 998			- 	
Monthly Production Date (MO/YR BB)	(Most recent 48 of Dil Gas LS MCF	f 66 months) Water BBLS	Cond Yld STB/MMCF	% Water	# of Wells	Days on
DEC 2004 Totals:	9,643	. 80			1	31
2004	85,927	4,482				

	-	
jan 2005	9,834	10
FEB 2005	8,540	27
MAR 2005	8,601	160
APR 2005	10,010	210
MAY 2005	9,516	125
JUN 2005	8,058	51
JUL 2005	8,305	149
AUG 2005	8,070	117
SEP 2005	8,011	196
OCT 2005	9,545	88
NOV 2005	9,060	160
DEC 2005	7,698	65
Totals:	7,096	03
2005	105,248	1,358
2003	103,248	1,336
JAN 2006	9,713	170
FEB 2006	11,087	130
MAR 2006	11,502	222
APR 2006		154
MAY 2006	12,380	154 71
	10,490	
JUN 2006	21,777	215
JUL 2006	11,044	140
AUG 2006	10,496	209
SEP 2006	10,522	57
OCT 2006	9,301	157
NOV 2006	11,465	161
DEC 2006	10,258	71
Totals:		
2006	140,035	1,757
1431 2002		0.0
JAN 2007	5,433	80
FEB 2007	5,234	150
MAR 2007	5,279	93
APR 2007	0	0
MAY 2007	9,009	145
JUN 2007	9,241	157
JUL 2007	10,073	100
AUG 2007	6,812	79
SEP 2007	7,034	63
OCT 2007	8,830	166
NOV 2007	10,897	188
DEC 2007	11,026	89
Totals:		
2007	88,868	1,310
JAN 2008	10,792	63
FEB 2008	10,140	120
MAR 2008	11,355	129
APR 2008	10,388	133
MAY 2008	10,126	108
JUN 2008	9,900	98
JUL 2008	9,565	83
AUG 2008	9,260	95
SEP 2008	11,168	98
OCT 2008	10,965	0
NOV 2008		
DEC 2008	9,852 8 077	0
DEC 2008	8,977	71

Copyright 2009	. All rights rese	erved. IHS Inc.		
Totals: _		122,488	998	

Lease Name: MOSELEY County, State: SAN JUAN, NM Operator: BAYLESS ROBERT L PRODUCER LLC Field: BASIN Reservoir: FRUITLAND COAL Location: 2 30N 12W NE NW SW

MOSELEY - 1R BASIN 30045335970000



Totals:

SAN JUAN NM
MOSELEY 1R
BAYLESS ROBERT L PRODUCER LLC
ACTIVE

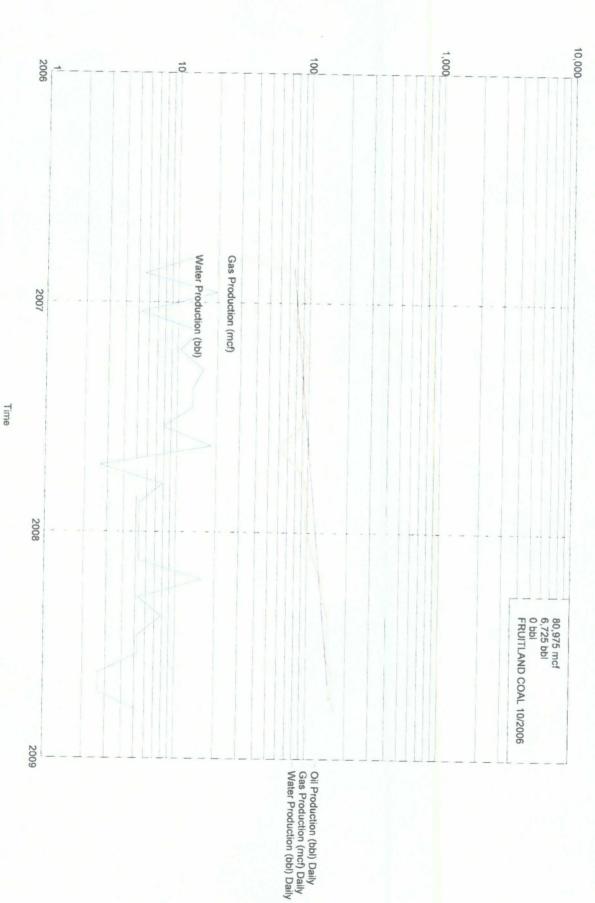
Production Report

Lease Name:		MOSELEY			 nber:	 1R	
Lease Number:		MECOLLETE		Cum Oil:		114	
Operator Name:		BAYLESS ROBERT L	PRODUCE	Cum Gas:		344,196	
State:		NEW MEXICO		Cum Water		1,179	
County:		SAN JUAN		First Produc	ction Date:	JUL 20	006
Field:		BASIN		Last Produc	tion Date:	DEC 2	008
Sec Twn Rng:		2L 30N 12W		Spot:		NE NW	
Latitude/Longitude			3.07436	Lat/Long So	ource:	TS	
Regulatory #:				Completion		JUL 03,	2006
API:		30045335970000		Total Depth		2315	
Production ID:		2300430453359771629)	Upper Perfo			
Reservoir Name:		FRUITLAND COAL		Lower Perfe			
Prod Zone:		FRUITLAND COAL		Gas Gravity	':		
Prod Zone Code:		604FRLDC		Oil Gravity	:		
Basin Name:		SAN JUAN BASIN		Temp Grad			
Gas Gatherer:				N Factor:			
Liquid Gatherer:				GOR:			
Status:		ACTIVE	GAS				
Annual Production Year Beginning Cum: 2006 2007 2008 Totals:	Oil BBLS	Gas MCF 52,520 140,111 151,565 344,196	(3 years) Water BBLS 836 199 144 1,179				
Monthly Producti Date MO/YR	on Oil BBLS	Gas MCF	Water BBLS	Cond Yld STB/MMCF	% Water	# of Wells	Days on
							
HH 2006		005	462				1.4
JUL 2006 AUG 2006		995 6.434	463			l 1	14
SEP 2006		6,434	242 45			l 1	30
OCT 2006		9,611				I 1	30
NOV 2006		10,956	36			1	30
DEC 2006		11,777	23 27) 1	29
DEC 2000		12,747	21			1	31

Copyright 2009. All rig	thts reserved. IHS Inc.			
2006	52,520	836		
JAN 2007	13,358	30	1	31
FEB 2007	12,107	18	1	28
MAR 2007	12,155	19	1	31
APR 2007	0	0	0	0
MAY 2007	12,595	19	1	30
JUN 2007	13,599	8	1	30
JUL 2007	13,687	20	1	31
AUG 2007	11,177	8	1	25
SEP 2007	14,386	10	1	29
OCT 2007	13,154	27	I	31
NOV 2007	11,404	14	1	29
DEC 2007	12,489	26	1	31
Totals:				
2007	140,111	199		
JAN 2008	11,214	20	1	26
FEB 2008	12,633	13	1	29
MAR 2008	12,640	12	1	30
APR 2008	11,919	13	1	30
MAY 2008	13,217	17	1	30
JUN 2008	11,896	16	1	25
JUL 2008	13,113	10	1	29
AUG 2008	13,684	16	1	31
SEP 2008	13,731	11	1	30
OCT 2008	13,597	0	1	31
NOV 2008	12,357	0	1	29
DEC 2008	11,564	16	1	31
Totals:				
2008	151,565	144		

Lease Name: KELLY County, State: SAN JUAN, NM Operator: MCKAY OIL & GAS LIMITED LIABILITY CO Field: BASIN Reservoir: FRUITLAND COAL Location: 1 30N 12W NW SE NW





SAN JUAN NM KELLY 1 MCKAY OIL & GAS LIMITED LIABILITY CORP ACTIVE

Production Report

Lease Name: Lease Number: Operator Name: State: County: Field: Sec Twn Rng: Latitude/Longitude Regulatory #: API: Production ID: Reservoir Name: Prod Zone: Prod Zone Code: Basin Name: Gas Gatherer: Liquid Gatherer: Status:	:	MCKAY OIL & GANEW MEXICOSAN JUANBASIN F 30N 12W 36.84313 -1 30045337290000 23004304533729716 FRUITLAND COALFRUITLAND COALFRUITLA	08.05243 529	Well Num Cum Oil: Cum Gas: Cum Water First Product Last Product Last Product Spot: Lat/Long School Completion Total Depth Upper Perform Lower Perform Gas Gravity Oil Gravity Temp Grad N Factor: GOR:	ction Date: ction Date: ction Date: ource: Date: n: coration: oration:	1 91,995 7,045 OCT 2 DEC 2 NW SE TS AUG 2 2421	2008 NW
Annual Productio	n Oil BBLS	Gas MCF	(3 years) Water BBLS				
Beginning		6,504 32,337 53,154 91,995	1,245 3,640 2,160 7,045				
Monthly Producti Date MO/YR	on Oil BBLS	Gas MCF	Water BBLS	Cond Yld STB/MMCF	% Water	# of Wells	Days on
OCT 2006 NOV 2006 DEC 2006 Totals:		844 2,554 3,106	475 170 600			1 1 1	30 30 30 30
2006 JAN 2007		6,504 2,266	1,245			1	30

FEB 2007	2,586	440	1	28
MAR 2007	3,088	320	1	30
APR 2007	2,825	480	1	30
MAY 2007	2,786	400	1	30
UN 2007	2,891	400	1	30
UL 2007	2,671	240	1	30
AUG 2007	1,770	560	1	30
SEP 2007	2,479	80	1	30
OCT 2007	2,975	240	1	30
NOV 2007	3,078	160	1	30
DEC 2007	2,922	160	1	3
Totals:				
2007	32,337	3,640		
AN 2008	3,140	160	1	3
EB 2008	3,447	160	1	2
MAR 2008	3,927	480	1	3
APR 2008	3,996	160	1	3
MAY 2008	4,467	240	1	3
UN 2008	4,391	160	1	3
UL 2008	4,253	160	1	3
AUG 2008	4,789	80	1	3
SEP 2008	4,688	80	1	3
OCT 2008	5,036	160	1	3
NOV 2008	5,156	160	1	3
DEC 2008	5,864	160	1	3
Totals:				
2008	53,154	2,160		

NM COM DY-1A FRUITLAND COAL

Gas Gravity=	0.676	WE THE WAY	
N2=	0.225	%	
CO2=	1.300	%	
H2S=	0.000	%	
Condensate?	n	(y/n)	
Tpc=	377.92	R	
Ppc=	671.16	psia	
Average Temp.=	65	Deg F	
TVD =	2285	Ft	
		Press.	
		psig	<u>z</u>
SI Tubing	Pressure=	353	0.930
	BHP =	375	0.926
Average Tbg P	ressure:	353	0.930

Procedure:

- 1) Input the SITP, Gas Gravity, TVD, Avg Temp, etc
- Based on the calcd BHP, input the average Tbg Press and get the "Final" BHP estimate

09/08/08 14:13:57
PHYMERY OF LOST RECENT GAS AUMINISTE

Station ID: 35337
Station Name: 2THEREATH | GILBREATH |

•																																										
Nonanes Decanes	Heptanes Octanes	Hexanes	Normal-pentane	Iso-pentane	Normal-butane	Iso-butane	Propage	Ethano	GPM	Z-Factor:	Ideal BTU:	Pressure Base:	Dry BTU :	Ideal Specific Grav:	Specific Gravity:	Helium de	Hydrogen Sulfide	Carbon Monoxide	Carbon Dioxide	Nitrogen	Decanes	Nonanes	Octates	Heptanes	Hexanes	Normal-pentane	Iso-pentane	Normal-butane	Iso-butane	Propane	Ethane	Methane	Components		Birective Date:	miaryzed bace.	Sampre to Date:	Cample to Date	rap racucattet:	Analysis Source:	Analysis No.:	
C10 C3	G 7	66	NC5	IC5	NC4	104	3 (3 !						rav:	.;	HE	H2S	9	C02	N2	CTO	C9	B	C7	90	NCS	ICS	NC4	IC4	G (3 ;	3										
0.000	0.000	0.147	0.038	0.052	0.097	0.062	0.40	0		0.9970	1058.8519	14.7300	1061.3160	0.6028	0.6040	0.0000	0.0000:	0.0000	1.0340	0.2140	0.0000	0.0000		0.0000	0.3380	0.1060	0.1420	0.3080	0.1910	0.8690	1 7580	95.0400	MOT *	Number 1	04/01/03	00/11/00	03/23/03	00/00/00	27.00	35337	315617	
0.000	0.000	0.242	0.049	0.067	0.131	0 081	0.366	u ()		0.9970	1078.2994	14.7300	1080.9381	0.6176	0.6188	0.0000	0.0000	0.0000	1.1790	0.2030	0.0000	0.0000		0.0000	0.5550	0.1360	0.1840	0.4150	0.2470	1 0840	2 1210	0968 26	MOT &	Number 2	04/15/04	04/13/04	04/12/04	60/21/10 60/71/10	R526	35337	330015	
0.000	0.000	0.228	0.055	0.070	0.121	0.232	0.465			0.9970	1069.4503	14.7300	1072.0243	0.6144	0.6156	0.0000	0.0000 %55	0.0000 GED	,	0.1460 35	0.0000	0.0000.659		0.0000		0.1510	0 1900	0.3850	0 2180	0 9170	1 7330	003690	Mol &	Number 3	04/13/05	50/11/00	04/08/05	50/80/40	K293	35337	343664	
0.000	0.000	0.331	0.143	0.184	0.23.	0.906	1.742			0.9970	1202.8804	14.7300	1206.7440	0.6916	0.6935	0.0000	0.0000	0.0000	. 0.7630	0.2780	0.0000	0.0000		0.0000	0.7580	0.3940	0.503.0	1.2070	0 7260	1910.	6 5101	200 200	Mol &	Number 4	04/01/07	04/26/06	04/25/06	04/25/06	K169	35337	373322	
0.000	0.000	0.243	0.143	0.197	0.202	0.996	o	2		0.9970	1208.9205	14.7300	1212.8622	0.6957	0.6977	0.0000	0.0000	0.0000	0.7900	0.2620	0.0000	0.0000		0.0000	0.5570	0.3940	0 5370	1.3170	0.8600	7.0891	1 0001	0757 40	Mol %	Number 5	04/12/07	04/12/07	04/11/07	04/11/07	K978	35337	373323	
0.000	0.000	0.187	0.139	0.505	0 363	0.795	1.478			0.9970	1168.8773	14.7300	1172.4189	0.6771	0.6789	0.0000	0.0000	0.0000	1.2450	0.2360	0.0000	0.0000		0.0000	0.4290	0.0200	מיייים איייים	1 1570	0.6710	0.000	66.9469	00 0000	Mol %	Number 6	04/07/08	04/07/08	04/04/08	04/04/08	K742	35337	387244	
0.000	0.000	0.201	0,134	0 182	0.35 0	0.761	1.412	•		0.5970	163.4326 1163.4326	14.7300	1166.9197	0.6744	0.6761			0.0000	1.3010	0.2250	0.0000	0 0000	6	0.0000	0.4600	0 3710	0 4970	1 1100	0.7630	3 2 CC	67.5440		Mol *	Number 7	04/11/68 04/11/08	04/11/08	04/10/08	04/10/08	K755	35337	387320	

Chevron

NM Com DY-1A San Juan County, New Mexico Current Well Schematic as of 1/30/2009

