



Bonneville Fuels Corporation

PC N/R
996

April 16, 1999

State of New Mexico: Oil Conservation Division
Attn.: Mr. David Catenach: Examiner
2040 South Pacheco
Santa Fe, NM 87505
Phone: (505) 827-7131

APR 20 1999

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL: SURFACE COMMINGLING
Lake Shore Fed. S.C. 10-#2

Dear Mr. Catenach:

The Bonneville Fuels Corporation (Operator) does seek Administrative Approval to co-mingle gas, oil, and water production AT THE SURFACE from the Burton Flat Strawn Fm. Pool and the Avalon Morrow Fm. Pool intervals on the surface for the:

Lake Shore Fed. S.C. 10-#2 Wellbore
Unit I @ 1750' FSL & 660' FEL,
Section 10, T.21S., R.26E., Eddy County, New Mexico.

Both the Burton Flat Strawn Fm. Pool and the Avalon Morrow Fm. Pool are natural gas reservoirs which produce associated high gravity condensate and trace amounts of water in this wellbore (production streams are segregated down-hole). See Exhibit #1 and Exhibit #2.

All gas, oil and water production from the Strawn Fm. (producing up the casing/tubing annulus) shall be daily and separately metered and recorded. All combined Morrow Fm. and Strawn Fm. gas, oil and water production shall then be metered and gauged. The Morrow production (producing up the tubing) for gas, oil and water shall then be determined by subtracting metered Strawn Fm. production from gross metered and gauged Strawn Fm. and Morrow Fm. production. See Figure #1 and Figure #2 for surface facility diagrams.

BFC established a producing GOR history for the Strawn Fm. between July 1, 1998 and January 1, 1999 (see Exhibit #3: Page 1) producing various Strawn Fm. intervals up tubing (Strawn Fm. BTU Data is presented on Exhibit #4, Exhibit #5 and Exhibit #6):

Production Period:	Producing Interval:	GOR	BTU
DATES:	ZONE(S): DEPTHS:	SCF/STBC	BTU/SCF
7/1/98 to 9/30/98:	Upper Strawn Fm.: 9,724' to 9,777':	101,540	1,181
10/1/98 to 12/31/98:	Upper &		
	Lower Strawn Fm.: 9,724' to 9,952':	96,980	1,122
	Lower Strawn Fm. ONLY BTU:		1,076

Producing the Upper and Lower Strawn Fm.'s up the casing/tubing annulus between January 11, 1999 and February 19, 1999 did not substantially alter the GOR (108,300 SCF/STBO: See Exhibit #3: Page 2). Upper and Lower Strawn Fm. gas has averaged 1' 22 BTU per SCF. Strawn Fm. condensate gravity has varied between 60° API & 66° API (avg. 63° API: See Exhibit #7).

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Mr. David Catenach @ NMOCD

Request for Administrative Approval

Surface Co-Mingling Strawn Fm. and Morrow Fm. Production

Lake Shore Fed. S.C. 10-#2 Well:

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BFC has established a producing GOR history for the Morrow Fm. up the tubing (138,580 SCF/STBO: See Exhibit #3: Page 3) between February 21, 1999 and April 14, 1999 with a flowing tubing pressure of 550-670 PSIG. The Strawn Fm. has been shut-in on the annulus side during the pre- and post-frac test periods and has built up from 750 PSIG to 1700 PSIG and then from 1700 PSIG to 1875 PSIG. Morrow Fm. gas has equilibrated at 1071 BTU per SCF (See Exhibit #5: Morrow Gas). This is in line with a Morrow Fm. gas analysis of 1,061 BTU/SCF (See Exhibit #8). Morrow Fm. condensate gravity is 52 ° API (See Exhibit #9).

Attachments include the following:

1. An approved Form C-107 complete with a 5 page casing and cementing report.
2. An approved BLM Sundry Notice approving of BFC's proposed plan for surface commingling of Strawn Fm. & Morrow Fm. production from this wellbore.
3. An approved BLM Sundry Notice outlining successful pre-frac completion operations in the Morrow 'B' Fm.
4. A schematic diagram of proposed surface facilities at the well: Figure 1.
5. A schematic diagram of proposed production pad facilities identifying metering facilities and points at which Strawn Fm. gas (Pt. A), oil (Pt. B), and water (Pt. C) streams become co-mingled with Morrow Fm. production downstream of metering facilities: Figure 2.
6. A plat identifying off-set operated wells (Operators & producing horizons): Figure 3.
7. An address list for off-set Operators as required with the C-107.
8. Wellbore diagrams indicating flow stream pathways and physical segregation between the Morrow Fm. and Strawn Fm. intervals and production streams in the wellbore: Exhibit #1 and Exhibit #2.
9. A production history for each interval with relevant Gas, Condensate, Water & GOR Data: Exhibit #3: 3 Pages.
10. Exhibits identifying relevant gas and condensate properties:
 - Exhibit #4: Upper Strawn Fm. Gas Analysis: 7/14/98.
 - Exhibit #5: Electronic Production/Nomination Data with BTU Content @ Sales Meter:
 - Upper & Lower Strawn Fm. Data: 2/1/99 to 2/18/99.
 - Morrow Fm. Data: 2/20/99 to 2/28/99.
 - Exhibit #6: Lower Strawn Fm. Gas Analysis: 5/11/98.
 - Exhibit #7: Upper & Lower Strawn Fm.:
 - Condensate Gravity @ Sale: 1/22/99.
 - Exhibit #8: Morrow Fm. Gas Analysis: 3/4/99.
 - Exhibit #9: Morrow Fm. Condensate Analysis: 3/9/99.
11. A Letter from AMOCO Production Company (Condensate Purchaser at this well) Indicating condensate sales terms for Strawn and/or Morrow Condensate: Exhibit #10.
12. Exhibit #11: Marked Logs (4 Pages).
13. A copy of a letter received from the Office of the State of New Mexico Commissioner of Public Lands (Exhibit #12) supporting this commingling application and waiving objection to this practice - contingent on NMOCD and BLM Approval.

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Mr. David Catenach @ NMOCD

Request for Administrative Approval

Surface Co-Mingling Strawn Fm. and Morrow Fm. Production

Lake Shore Fed. S.C. 10-#2 Well

4/16/99

The Lake Shore Fed. S.C. 10-#2 communitizes production in the east half of Section 10 (Communitization Agreement Number NMNM 100717) among Federal, State and Fee leases in this 325.16 acre proration unit for both the Burton Flat Strawn Fm. and the Avalon Morrow Fm. Pools. Both the Bureau of Land Management (by Sundry Notice) and the State of New Mexico Land Office (by letter) have been noticed of, and do approve of, BFC's surface commingling plans - subject to NMOCD approval. BFC is certain this plan will materially benefit ALL PARTIES and be detrimental to none.

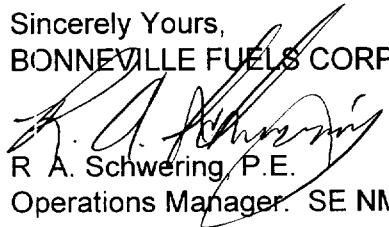
BFC has elected to NOT apply for down-hole commingling at this time in order to perform reservoir work required in order to understand the proper depletion of the Avalon Morrow Fm. Pool and the Burton Flat Strawn Fm. Pool in this wellbore. Current post-frac water production rates out of the Morrow Fm. (approx. 28 BWD w/ 2520 MCFD & 17 BCPD) is too high to permit commingling of these reservoirs at this time. At some point in the future liquid loading of the Strawn Fm. annular production, and decreasing BHP in the Morrow Fm. will make it economically necessary and prudent to co-mingle production down-hole. BFC will address down-hole commingling at that time.

ALSO ATTACHED IMMEDIATELY TO THIS LETTER IS AN AFFIDAVIT AND CERTIFICATION OF FACT stating that the value of the commingled gas and condensate production from this well shall NOT diminish the value of gas and condensate production from either the Morrow Fm. or Strawn Fm. production if permission to commingle production at the surface is granted.

Mr. Catenach, I have tried to address all of the issues attendant to the Administrative Approval of this matter. Please inform me immediately at my office (303) 376-2564 if there is any additional information that you need - or if this application is deficient in any manner. Please fax me an Approval @ (303) 863-1558 ASAP after approval so that BFC may commence commingling production and achieve desired economic production of this well. Thank you for your prompt attention to this matter.

Sincerely Yours,

BONNEVILLE FUELS CORPORATION


R. A. Schwering P.E.
Operations Manager. SE NM

cc: Mr. Tim Gumm: District Supervisor: NMOCD @ Artesia
Devon Energy: Working Interest Owner
Board of Land Commissioners: State of New Mexico
Bureau of Land Management: Roswell Resource Area
Well File

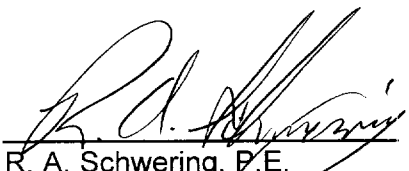
AFFIDAVIT AND CERTIFICATION OF FACT:

I, Robert A. Schwering, P.E., do state that approval of this Application for Surface Co-Mingling of Production will result in the economic recovery of oil and gas reserves from the Burton Flat Strawn Fm. Pool and the Avalon Morrow Fm. Pool from the Lake Shore Fed. S.C. 10-#2 wellbore. This approval shall NOT harm either the Mineral or Working Interests in this well and shall NOT harm the correlative rights of off-set Operators and their Working and Mineral Interest Participants.

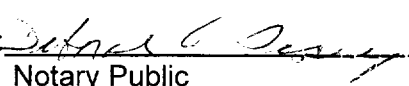
The price received for each barrel of condensate produced at this well is the same whether the condensate is from the Strawn Fm. (63° API) or the Morrow Fm. (52° API), or a commingled condensate from both zones with an intermediate gravity (between 52° API and 63° API: See Exhibit #10). The gas is sold on a BTU basis at an Electronic Meter with gas sampling ability and the full value of any gas produced from either the Strawn Fm. or the Morrow Fm., or a commingled gas from both zones, shall be received. No inert gases or gas contaminants in either interval shall harm the value of gas production from either or both zones in this well.

THEREFORE, THE FULL VALUE OF CONDENSATE AND GAS PRODUCTION FROM THE STRAWN FM. INTERVAL AND THE MORROW FM. INTERVAL SHALL BE RECEIVED WHETHER THESE INTERVALS ARE PRODUCED SEPARATELY OR ON A COMMINGLED BASIS. Granting permission to commingle this production at the surface shall NOT impair the value of production from either the Strawn Fm. or the Morrow Fm.

So Saith I:


R. A. Schwering, P.E.
Operations Manager: SE NM

Witness:


Notary Public

Expires: 5/30/2000

Dated:

4/16/99

License Number: _____: Colorado

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107
Revised 4-1-91

Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Operator	Address		
BONNEVILLE FUELS CORPORATION	1660 Lincoln: Suite 2200; Denver, Colorado 80264		
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County
Lake Shore Fed. S.C. 10-#2	Unit I	Section 10, T.21S., R.26E.,	Eddy County, New Mexico
All applicants for multiple completion must complete Items 1 and 2 below.			
1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Burton Flat: STRAWN		Avalon: Morrow
b. Top and Bottom of Pay Section (Perforations)	EXISTING: 9724' to 9952': OA		Existing: 10,743' to 10,848': Over all
c. Type of production (Oil or Gas)	GAS		GAS
d. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
e. Daily Production ☒ Actual : ☐ Estimated Oil Bbls. Gas MCF Water Bbls.	ACTUAL STRAWN: 1400 MCFD w/ 13 STBOD From Annulus Production: 1/11/99 to 2/11/99		Actual Morrow: 1585 MCFD with 12 STBOD From tubing Production: 2/21/99 to 3/8/99

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolift and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plan showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If a log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

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

Signature

R. A. SCHWERING, P.E.

Printed Name & Title Operations Manager: SE NM

Date 3/12/99 Telephone (303) 376-2564

OIL CONSERVATION DIVISION

Approved by:

Title:

Date:

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard production unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval - See rule 112-A-B - Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval - See Rule 112-C - Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

CASING AND CEMENTING REPORT

WELL Lake Shore Fed. S.C. 10-#2 AFE NO. DF 0245 DATE 3/6/98

Handwritten signature
F. Cowan

CASING STRING: COND/SURF/P1/P2/P3/P4/PROD (CIRCLE ONE)

DO: 11,344' TVD 11,344' BIT SIZE 7 7/8" OPEN HOLE VOLUME 3,904.44 FT³

UD PROPERTIES: TYPE MUD KCl-Ap/mo-Gel MW 9.25 PV/YP 15/12

API W.L. 5.8 HTHP @ 180°F: 16 cc LB/BBL LIGNOSULFONATE NO

HLT: 160 °F TIME SINCE CIRCULATING 6 HRS BHST: 180 °F

MUD FLOWLINE TEMP: 110 °F MUD SUCTION TEMP: 60 °F SURFACE TEMP: 40 °F

BLE PROBLEMS ENCOUNTERED WHILE DRILLING (HIGH GAS) LOST CIRC. TIGHT HOLE. OTHER

. CASING DETAIL FULL STRING/LINER

CASING DESCRIPTION (BOTTOM TO TOP)

SIZE (O.D.)	LENGTH	NO. OF JOINTS	BOTTOM DEPTH	TOP DEPTH	HEIGHT	GRADE	CONNECTION	I.O.D.	TORQUE (FT. LBS.)
<u>5 1/2"</u>	<u>1.31</u>	<u>Float shoe</u>	<u>11,344</u>	<u>11,342.69</u>	<u>20#</u>	<u>N-80</u>	<u>8rd LTC</u>	<u>2"</u>	<u>6,700 TL</u>
	<u>84.66</u>	<u>2</u>	<u>11,342.69</u>	<u>11,258.03</u>		<u>L-80</u>		<u>4.728"</u>	<u>6,700 TL</u>
	<u>0.95</u>	<u>Float collar</u>	<u>11,258.03</u>	<u>11,257.08</u>		<u>N-80</u>		<u>2"</u>	<u>6,000 TL</u>
	<u>3554.24</u>	<u>89</u>	<u>11,257.08</u>	<u>7,702.74</u>		<u>L-80/N-80**</u>		<u>4.728"</u>	<u>4,200-5,000 API</u>
	<u>2.13</u>	<u>Stage collar</u>	<u>7,702.74</u>	<u>7,700.21</u>	<u>17#</u>	<u>K-55</u>		<u>4.5"</u>	<u>6,000 TL</u>
	<u>7,711.90</u>	<u>189</u>	<u>7,700.21</u>	<u>+ 11.69'</u>	<u>20#</u>	<u>L-80</u>			<u>4,200-5,150 API</u>

11,355.69

- 26.30

11,329.39

+ 14.61

11,344

TOTAL PIPE RUN IN HOLE

LESS CUTOFF PIPE

TOTAL PIPE TALLY LEFT IN HOLE

RKB TO CUTOFF

TOTAL SETTING DEPTH

TL: Thread-Locked w/ Tube-Lok

API: API Modified Pipe

** Marker Jts. (20') are N-80

LINER HANGER COMPANY (MWL, TIW, BOT, OTIS, OTHER, NONE) SUCESS (Y/N)

CENTRALIZERS: MANUFACTURER Gemoco/Howco TYPE 12-Turbolizer NUMBER RUN X
64-Centralizers

PLACEMENT (DEPTHS): Centralizers: 11,300; 11,214; 11,135; 11,051; 11,012; 10,928; 10,868; 10,785; 10,747; 10,667; 10,625; 10,562; 10,442; 10,321; 10,197; 10,113; 10,031; 9,948; 9,823; 9,740; 9,639; 9,516; 9,433; 9,377; 9,352; 9,331; 9,207; 9,002; 8,840; 8,675; 8,633; 8,591; 8,551; 8,515; 8,435; 8,352; 8,192; 7,985; 7,780; 7,741; 7,715; 7,658; 7,574; 7,455; 7,207; 6,961; 6,718; 6,437; 6,148; 6,064; 5,812; 5,533; 5,492; 5,242; 4,866; 4,623; 4,378; 4,100; 3,822; 3,578; 3,137; 2,875; 2,651; 2,446; 2,281.
Turbolizers: 11,330; 10,970; 10,826; 9,968; 9,781; 9,557; 9,473; 8,646; 7,690; 4,270; 3,420; 3,295.

* ATTACH PIPE TALLY

FRM2

Marker Jts: Morrow 'C' : 11,907.20' to 11,928.49' : N-80** : 21.29'
Morrow 'A' : 10,561.96' to 10,561.26' : N-80** : 20.28'
Strawn : 9,679.08' to 9,699.26' : N-80** : 20.88'
Cisco : 9,330.85' to 9,351.17' : N-80** : 20.32'
Wolfcamp : 8,515.23' to 8,550.52' : L-80 : 35.29'
Brushy Canyon : 4,100.26' to 4,134.61' : L-80 : 34.35'
Cherry Canyon : 3,215.39' to 3,253.29' : L-80 : 37.90'
Cherry Canyon : 3,136.79' to 3,174.39' : L-80 : 37.62'
Cherry Canyon : 2,227.50' to 2,227.50' : L-80 : 21.44'

Torque

Fracturing

Shot	Shoe	1	31	49	39	76	98	38	05	4200	98	38	05	4200	
		42	48	50	41	81	81	41	23	4200	49	41	23	4200	
		42	18	51	20	28	28	41	21	4200	100	41	21	4200	
		0	95	52	42	01	01	41	80	4200	101	41	80	4200	
		42	41	53	41	95	95	40	45	5000	103	40	45	5000	170
		37	45	54	39	17	17	41	95	4200	103	41	95	4200	
		41	98	55	39	80	80	41	96	4200	104	41	96	4200	
		41	83	56	39	81	81	40	30	4200	105	40	30	4200	
		41	98	57	41	91	91	40	84	4200	106	40	84	4200	
		39	84	58	41	94	94	41	81	4200	107	41	81	4200	
		41	84	59	41	78	78	41	98	4200	108	41	98	4200	
		373	70	53	430	25	25	452	52	7002	46	452	52	7002	34
		41	81	60	38	76	76	41	78	4200	109	41	78	4200	
		21	29	61	41	17	17	41	88	4200	110	41	88	4200	
		38	77	62	41	88	88	38	66	4200	111	38	66	4200	
		41	98	63	41	09	09	41	98	4200	112	41	98	4200	
		41	16	64	40	78	78	40	58	4200	113	40	58	4200	
		38	32	65	41	85	85	41	61	4200	114	41	61	4200	
		41	82	66	39	66	66	41	90	4200	115	41	90	4200	
		38	20	67	41	89	89	39	44	4200	116	39	44	4200	
		42	00	68	41	98	98	42	68	4200	117	42	68	4200	
		42	01	69	42	07	07	42	51	4200	118	42	51	4200	
		387	36	70	411	13	13	401	40	6,600	119	41	89	4200	24
		20	98	71	35	29	29	41	93	4200	120	41	93	4200	
		41	82	72	38	60	60	38	81	4200	121	38	81	4200	
		38	62	73	41	87	87	41	96	4200	122	41	96	4200	
		39	35	74	40	68	68	41	21	4200	123	41	21	4200	
		39	28	75	42	07	07	42	80	4200	124	42	80	4200	
		40	43	76	39	83	83	42	01	4200	125	42	01	4200	
		41	76	77	41	67	67	41	77	4200	126	41	77	4200	
		41	86	78	38	22	22	41	80	4200	127	41	80	4200	
		40	40	79	40	02	02	42	85	4200	128	42	85	4200	
		41	33	80	399	10	10	411	03	6,189	129	41	91	4200	24
		385	80	81	42	01	01	42	98	4200	130	42	98	4200	
		41	92	82	40	82	82	41	96	4200	131	41	96	4200	
		42	37	83	41	91	91	42	85	4200	132	42	85	4200	
		42	25	84	42	03	03	42	97	4200	133	42	97	4200	
		39	86	85	41	12	12	41	96	4200	134	41	96	4200	
		39	94	86	41	66	66	41	94	4200	135	41	94	4200	
		40	94	87	41	97	97	41	94	4200	136	41	94	4200	
		41	92	88	41	42	42	41	95	4200	137	41	95	4200	
		41	93	89	41	41	41	41	90	4200	138	41	90	4200	
		41	80	90	39	15	15	42	40	4200	139	42	40	4200	
		385	80	91	38	41	41	42	15	4200	140	42	15	4200	
		415	72	92	41	84	84	43	88	4200	141	43	88	4200	
		41	84	93	42	00	00	44	40	4200	142	44	40	4200	
		41	82	94	42	08	08	45	90	4200	143	45	90	4200	
		41	82	95	38	66	66	46	80	4200	144	46	80	4200	
		41	82	96	40	28	28	47	73	4200	145	47	73	4200	
		41	68	97	40	98	98	48	82	4200	146	48	82	4200	
		348	68	98	324	98	98	365	82	5,407	147	49	82	5,407	28

T.W. © 11,344'

5 1/2" 20π L80 L75C Casing
Frac String

Page 2 of 2

148	41	87	C 4300	147	41	92	4200	247	41	78	4200
149	41	81	5000	148	40	92	4200	248	41	77	4200
150	41	96	4800	149	42	02	4200	249	41	76	4200
151	41	71	4200	150	41	88	4200	250	41	70	4200
152	41	90	4200	151	37	90	4200	251	41	76	4200
153	41	71	4200	152	41	00	4200	252	41	76	4200
154	39	99	C 4200	153	37	62	C 4200	253	37	10	4200
155	42	02	4200	154	42	02	4200	254	41	78	4200
156	42	49	4400	155	41	85	4200	255	38	34	4200
157	40	81	4800	156	41	12	4300	256	41	73	4200
158	42	03	4200	157	41	88	4200	257	37	82	4200
6,373	90	457	87 4950.10	158	41	18	2969.90	10413	42	450	76 930.53
159	41	84	4500	159	38	33	4200	258	41	80	4200
160	42	02	C 4300	160	36	44	C 4600	259	41	97	4200
161	41	85	4200	161	37	24	4200	260	39	51	4200
162	41	10	4200	162	41	46	4200	261	41	91	4200
163	37	80	4200	163	42	02	4200	262	42	25	4200
164	40	48	4200	164	37	70	4200	263	41	82	4200
165	38	30	4300	165	41	94	4200	264	38	54	4200
166	41	25	C 4900	166	42	02	C 4200	265	42	28	4200
167	41	48	5000	167	41	92	4200	266	41	82	4200
168	41	26	4200	168	41	11	4200	267	42	05	4200
6,803	28	409	38 4540.28	169	41	15	2,568.12	10,827	42	413	75 516.82
169	41	91	4200	170	42	72	4200	268	39	10	4200
170	39	71	4200	171	41	47	4200	269	38	66	4200
171	40	35	4300	172	38	47	C 4200	270	41	95	4200
172	40	47	C 4200	173	41	91	4500	271	41	86	4200
173	40	71	4200	174	41	89	4200	272	41	89	4200
174	41	86	4200	175	39	82	4200	273	38	74	4200
175	39	72	4200	176	40	02	C 4200	274	37	77	4200
176	40	62	4200	177	42	88	4200	275	41	84	4200
177	42	03	4200	178	42	71	4200	276	42	94	4200
178	38	28	4200	179	41	92	4200	277	41	81	4200
7,209	37	406	11 4,134.61	180	34	53	2158.51	11,236	98	404	56 112.02
Marker	179	34	35 C 4300	181	39	87	4200	278	39	71	4200
180	39	19	4200	182	40	20	4200	279	42	98	4200
181	40	34	4200	183	40	41	4200	280	41	95	+ 11.69
182	40	30	4200	184	39	84	4200	Overall =	11,355	69	
183	39	25	4200	185	41	07	4200				
L.O	184	39	87 5100 Bay Threads	186	41	48	4200				
184	38	23	4200	187	40	91	4200				
185	40	13	C 4200	188	39	92	4200				
186	41	87	4200	189	40	33	4200				
187	39	33	4200	190	41	88	4200				
7,562	80	353	41 3,781.20	191	37	49	4200				
188	40	11	4200	192	41	86	C 4200				
189	40	37	4200	193	38	40	4200				
190	41	88	4200	194	41	98	4200				
191	37	49	4200	195	38	63	4200				
192	41	86	C 4200	196	38	22	4200				
193	38	40	4200	7,923	92	361	120 3,420.08	9,962	71	373	87 1,381.27
194	41	98	4200								
195	38	63	4200								
196	38	22	4200								

Overall =

Twist-Lock

API

Ad. [Signature]
Fredrick [Signature]
The 'A' Team

3/6/98

6-c

Lake Shore Fed. S.C. 10-#2

2nd Stage: 3 Slurries

II. PRIMARY CEMENTING DETAIL

CEMENTING CO: (HOWCO, DOWELL, BJ, WESTERN)

LEAD: TYPE: Super C VOL: 550 SX WT: 13.0 PPG YIELD 1.67 FT³/SK MIX WTR 8.29 GAL/SK
ADDITIVES: 70% 'C' + 12% Pozmix 'A' + 13% Silica Flour + 2% KCl + 0.3% Halad-9

LAB MEASUREMENTS: 12/24 HR. COMPRESSIVE STRENGTH _____ PSI/ _____ PSI AT _____ °F
BHCT _____ °F API W.L. _____ CC/30MIN FREE WATER _____ % N' _____ K' _____

THICKENING TIME (100UC) _____ HRS. PUMPING TIME (70 UC) _____ HRS. 20MIN UC TEST _____ UC

Middle: Type: Interfill 'H' Vol. 230 SX WT: 11.2 PPG Yield: 2.45 FT³/SK MIX WTR _____
Additives: 50% 'H' + 50% Pozmix 'A' + 10% Gel + 8 #/SK NaCl

TAIL: TYPE: 50/50 A VOL: 350 SX WT: 14.4 PPG YIELD 1.27 FT³/SK MIX WTR _____ GAL/SK
ADDITIVES: 50% 'H' + 50% Pozmix 'A' + 2% Gel + 1.5 #/SK KCl + 0.4% Halad-9

LAB MEASUREMENTS: 12/24 HR. COMPRESSIVE STRENGTH 588 PSI/ 1800 PSI AT 140 °F
BHCT 110 °F API W.L. 459 CC/30MIN FREE WATER 0 % N' 0.42 K' 0.37

THICKENING TIME (100VC) 57 HRS. PUMPING TIME (70 UC) 5:15 HRS. 20MIN UC TEST _____ UC

CONDITIONING TIME WITH CASING AT T.D. 6 HRS AT 7 BPM AND 200 PSI

SPACER TYPE: H₂O BBLs: 30 WT: 8.34 VISC: 27 PV/YP -/-

MIXED AND PUMPED 363 BBLs CEMENT FOR 0:55 HRS AT 5-8 BPM AND 250-500 PSI

DISPLACED CEMENT WITH 170 BBLs FOR 0:29 HRS AT 8-1 BPM AND 150-3000 PSI

CALCULATED DISPLACEMENT 170 BBLs BUMPED PLUG (Y/N) Yes WITH 3000 PSI (TOTAL)

BATCH MIX CEMENT (Y/N) No RETURNS (FULL, PARTIAL, NONE) Partial RECIPROCATED PIPE (Y/N) No

CEMENT TO SURFACE (Y/N) No CALCULATED TOC: 1976 W/ 0 % EXCESS AND Calypso HOLE SIZE

REMARKS: Bumped Plug & Closed 11" Tool.

*Had Partial Returns from 1/3 Job to end.

Uncore of TOC

TAG TOC AT NOC TESTED TOL TO _____ PPG TESTED SHOE TO _____ PPG

SUCCESSFUL CEMENT JOB (Y/N) Yes * SQUEEZE (TOL, SHOE, ZONE) _____ CBL BOND (GOOD/FAIR/POOR) NOC

STAGE JOB (Y/N) Yes DV TOOL AT 7700.2' IF SO, COMPLETE ANOTHER DETAIL FOR 2ND STAGE

II. SECONDARY CEMENT JOB

CEMENTING CO: (HOWCO, DOWELL, BJ, WESTERN)

TYPE OF REMEDIAL WORK (SHOE/TOL/ZONE) _____ ATTEMPT NO: _____

BREAKDOWN PRESSURE: _____ PSI AT RATE OF _____ BPM

INJECTION PRESSURE: INITIAL _____ PSI AT _____ BPM; FINAL: _____ PSI AT _____ BPM

TYPE SQUEEZE (RUNNING/HESITATION/DISPLACE & HOLD): _____, ISIP _____ PSI

HELD _____ PSI FOR _____ HRS. HAD _____ BBLs. BLEED BACK

SLURRY: TYPE: _____ VOL: _____ SX WT: _____ PPG YIELD _____ FT³/SK MIX WTR _____ GAL/SK

ADDITIVES: _____

SUCCESSFUL SQUEEZE JOB (Y/N) _____ TESTED SHOE TO _____ PPG TESTED TOL TO _____ PPG

REMARKS: _____

FRM22

R.A. [Signature]

F. Coway

The 'A' Team

Lake Shore Fed. S.C. 10-#2 1st Stage @ 11,344'

PRIMARY CEMENTING DETAIL CEMENTING CO: (HOWCO, DOWELL, BJ, WESTERN)
AD: TYPE: Super 'H' VOL: 50 SX WT: 13.0 PPG YIELD 1.62 FT³/SK MIX WTR 8.25 GAL/SK
ADDITIVES: 70% 'H' + 17% Pozmix 'A' + 13% Silica Flour + 2% KCl/SK + 0.5% H₂O₂ + 0.4% CFR-3
LAB MEASUREMENTS: 12/24 HR. COMPRESSIVE STRENGTH 350 PSI / 1,126 PSI AT 160 °F
BHCT 140 °F API W.L. 76 CC/30MIN FREE WATER 0.2 % N' 0.62 K' 0.023
THICKENING TIME (100UC) 8 HRS. PUMPING TIME (70 UC) 6:20 HRS. 20MIN UC TEST UC

IL: TYPE: Super 'H' VOL: 535 SX WT: 13.5 PPG YIELD 1.50 FT³/SK MIX WTR 7.55 GAL/SK
ADDITIVES: 70% 'H' + 17% Pozmix 'A' + 13% Silica Flour + 2% KCl/SK + 0.5% H₂O₂ + 0.4% CFR-3
LAB MEASUREMENTS: 12/24 HR. COMPRESSIVE STRENGTH 1,212 PSI / 2,338 PSI AT 160 °F
BHCT 140 °F API W.L. 64 CC/30MIN FREE WATER 0 % N' 0.24 K' 0.0003
THICKENING TIME (100VC) 12 HRS. PUMPING TIME (70 UC) 4:00 HRS. 20MIN UC TEST UC

CONDITIONING TIME WITH CASING AT T.D. 6 HRS AT 6 BPM AND 180 PSI
PACER TYPE: Super Flush GAL: 1,000 WT: 8.54 VISC: 50+ PV/YP 1/100
MIXED AND PUMPED 157 BBLs CEMENT FOR 0:25 HRS AT 7.2 BPM AND 380-900 PSI
DISPLACED CEMENT WITH 252 BBLs FOR 0:35 HRS AT 8-3-8-2 BPM AND 20-1000 PSI
CALCULATED DISPLACEMENT 250 BBLs BUMPED PLUG (Y/N) NO WITH N/A PSI (TOTAL)
MATCH MIX CEMENT (Y/N) Yes RETURNS (FULL, PARTIAL, NONE) FULL RECIPROCATED PIPE (Y/N) NO
CEMENT TO SURFACE (Y/N) NO CALCULATED TOC: 7,700 W/ 0 EXCESS AND Caliper HOLE SIZE

REMARKS: Circ: 10 Bbl. F/W KCl flush to pit. after
Dropped Bomb & Opened Tool.
Floats Held.
Est. T.O.C. @ 8,550' (Middle of Wolfcamp Pay)
* Unsuccessful in bringing cement to DV Tool.

TOC AT W.O.C. TESTED TOL TO N/A PPG TESTED SHOE TO N/A PPG
SUCCESSFUL CEMENT JOB (Y/N) Yes SQUEEZE (TOL, SHOE, ZONE) NO CBL BOND (GOOD/FAIR/POOR) W.O.C.
PAGE JOB (Y/N) Yes DV TOOL AT 7,700'. IF SO, COMPLETE ANOTHER DETAIL FOR 2ND STAGE

SECONDARY CEMENT JOB CEMENTING CO: (HOWCO, DOWELL, BJ, WESTERN)

TYPE OF REMEDIAL WORK (SHOE/TOL/ZONE) ATTEMPT NO:
BREAKDOWN PRESSURE: PSI AT RATE OF BPM
INJECTION PRESSURE: INITIAL PSI AT BPM; FINAL: PSI AT BPM
PIPE SQUEEZE (RUNNING/HESITATION/DISPLACE & HOLD): ISIP PSI
HOLD PSI FOR HRS. HAD BBLs. BLEED BACK
CURRENCY: TYPE: VOL: SX WT: PPG YIELD FT³/SK MIX WTR GAL/SK
ADDITIVES:

SUCCESSFUL SQUEEZE JOB (Y/N) TESTED SHOE TO PPG TESTED TOL TO PPG
REMARKS:

R. D. [Signature]
F. Cowar

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S CC

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Bonneville Fuels Corporation

3. Address and Telephone No.

1660 Lincoln Street, Suite 2200, Denver, Colorado New Mexico

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1750' FSL & 660' FEL, Section 10, T.21S., R.26E. N.M.P.M.

5. Lease Designation and Serial No.

NM 3606

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NM NM 100717

8. Well Name and No.

Lake Shore Fed. S.C. 10-

9. API Well No.

30-015-29879

10. Field and Pool, or Exploratory Area

Burton Flat Strawn/Morrow

11. County or Parish, State

Eddy County, New Mex

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other: Request to Commingle Morrow/Strawn Production at Surface
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent detail, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The following operations are proposed/underway at the subject well:

1. Acidize and/or fracture stimulate the Morrow 'B' Fm. Perfs. at 10,743'-10,848':OA as needed. Flow to clean-up & resume production to sales up tubing. Get 4 point test.
2. Receive and rig-up Strawn Fm. production facilities for production up annulus. Make the well ready for commingled sales of Strawn Fm. & Morrow Fm. at the surface. THE STRAWN FM. AND MORROW FM. PRODUCTIVE INTERVALS ARE ISOLATED FROM EACH OTHER IN THIS WELLBORE: SEE ATTACHED EXHIBIT #1 AND EXHIBIT #2.

With approval of this Sundry Notice Federal Approval by the BLM is sought for the following action: (NOTE: Royalty, Mineral & Working Interests: Identical in Morrow/Strawn zones). BFC seeks to meter the Strawn Fm. Gas, Oil, and Water production from the annulus of the wellbore. BFC will then commingle Morrow Fm. production with said Strawn Fm. production at the surface (after Oil, Gas, and Water separation) and meter and gauge daily the combined flow of Gas, Oil and Water from this wellbore to sales/production facilities. BFC will then determine the Morrow Fm. production by subtracting metered Strawn Fm. production from metered and gauged gross well production of Gas, Oil and Water. BFC WILL NOT commence said commingled sales until Federal BLM, State of New Mexico Board Land Commissioners and NMOCD Approval of this proposed action is received (attachments)

14. I hereby certify that the foregoing is true and correct: R. A. Schwering, P.E.

Signed [Signature] Title Operations Manager: SE NM Date 3/14/99

(This space for Federal or State office use)

Approved by [Signature] Title Petroleum Engineer Date 3/14/99
Conditions of approval, if any: erg. sig. J. B. Babcock

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Bonneville Fuels Corporation

3. Address and Telephone No.

1660 Lincoln Street, Suite 2200, Denver, Colorado 80264

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1750' FSL & 660' FEL, Section 10, T.21S., R.26E.

5. Lease Designation and Serial No.

NM 3606

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NM NM 100717

8. Well Name and No.

Lake Shore Fed. S.C. 10-#2

9. API Well No.

30-015-29879

10. Field and Pool, or Exploratory Area

Burton Flat Strawn/
Avalon Morrow

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion: Add Morrow 'B' Production
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other
☐ Change of Plans
☐ New Construction
☐ Non Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent detail, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The following operations were successfully undertaken to establish Morrow 'B' production in the subject well: (After the tubing/packer/fish was recovered from the well):

1. A CIBP was set @ 10,910' & 3 sx. of Class 'H' cement was dump-bailed on plug. This operation completed the abandonment of wet Morrow 'C' perfs. @ 10,924' to 10,943': OA.
2. A packer was set on the wire line @ 10,427' to 10,436' w/ tailpipe to 10,443'.
3. Prior to this operation the well produced from the Strawn Fm. up the casing/tubing annulus at a rate of 1400 MCFD & 13 BOPD from 1/11/99 to 2/11/99.
4. The Strawn Fm. was then cleaned up up the tubing (after the packer was engaged) and then the sliding sleeve was closed: See attached schematics Exhibit #1-5 Exhibit #6.
5. The Morrow 'B' Fm. was then perforated as follows (thru tubing w/ Schlumberger):
10,845' - 10,848': 4 SPF @ 0.24" diam.: 12 Holes.
10,819' - 10,822': 4 SPF @ 0.24" diam.: 12 Holes.
10,810' - 10,816': 4 SPF @ 0.24" diam.: 25 Holes.
10,743' - 10,753': 4 SPF @ 0.24" diam.: 41 Holes.
6. The Morrow 'B' Fm. was then produced to sales from 2/21/99 to 3/9/99 with an average rate of 1585 MCFD & 12 BOPD up the tubing while the Strawn Fm. on the annulus built up from an SICIP of 750 PSIG to an SICIP of 1700 PSIG (Morrow FTP steady @ 550 PSIG).

ACCEPTED FOR RECORD
MAR 25 1999
WB

BLM

14. I hereby certify that the foregoing is true and correct: R. A. Schwering, P.E.

Signed: [Signature]

Title: Operations Manager: SE NM

Date: 3/14/99

(This space for Federal or State office use)

Approved by: [Signature]
Conditions of approval, if any:
(ORIG. SGD.) LES BABYAK

Title: PETROLEUM ENGINEER

Date: MAR 25 1999

35,

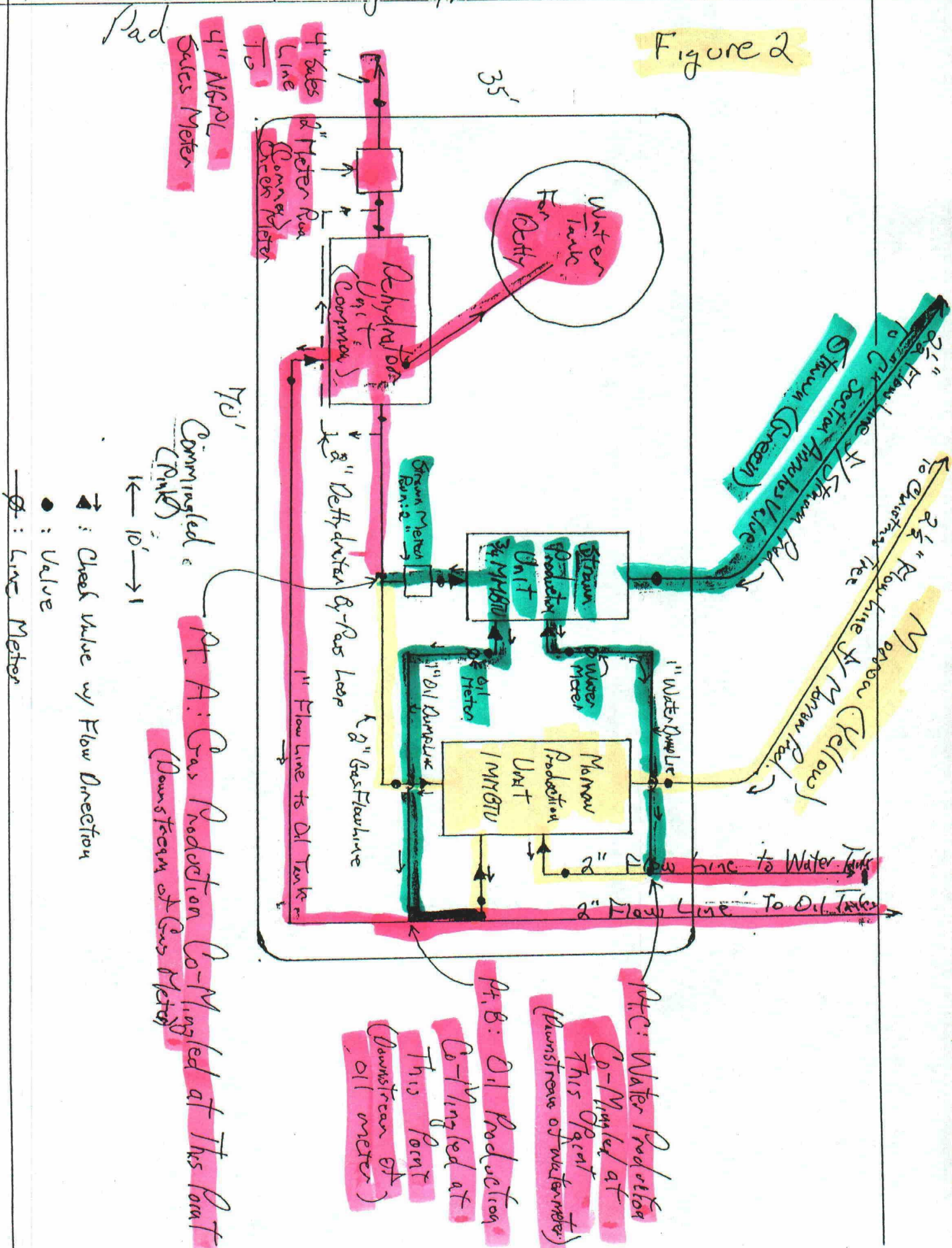
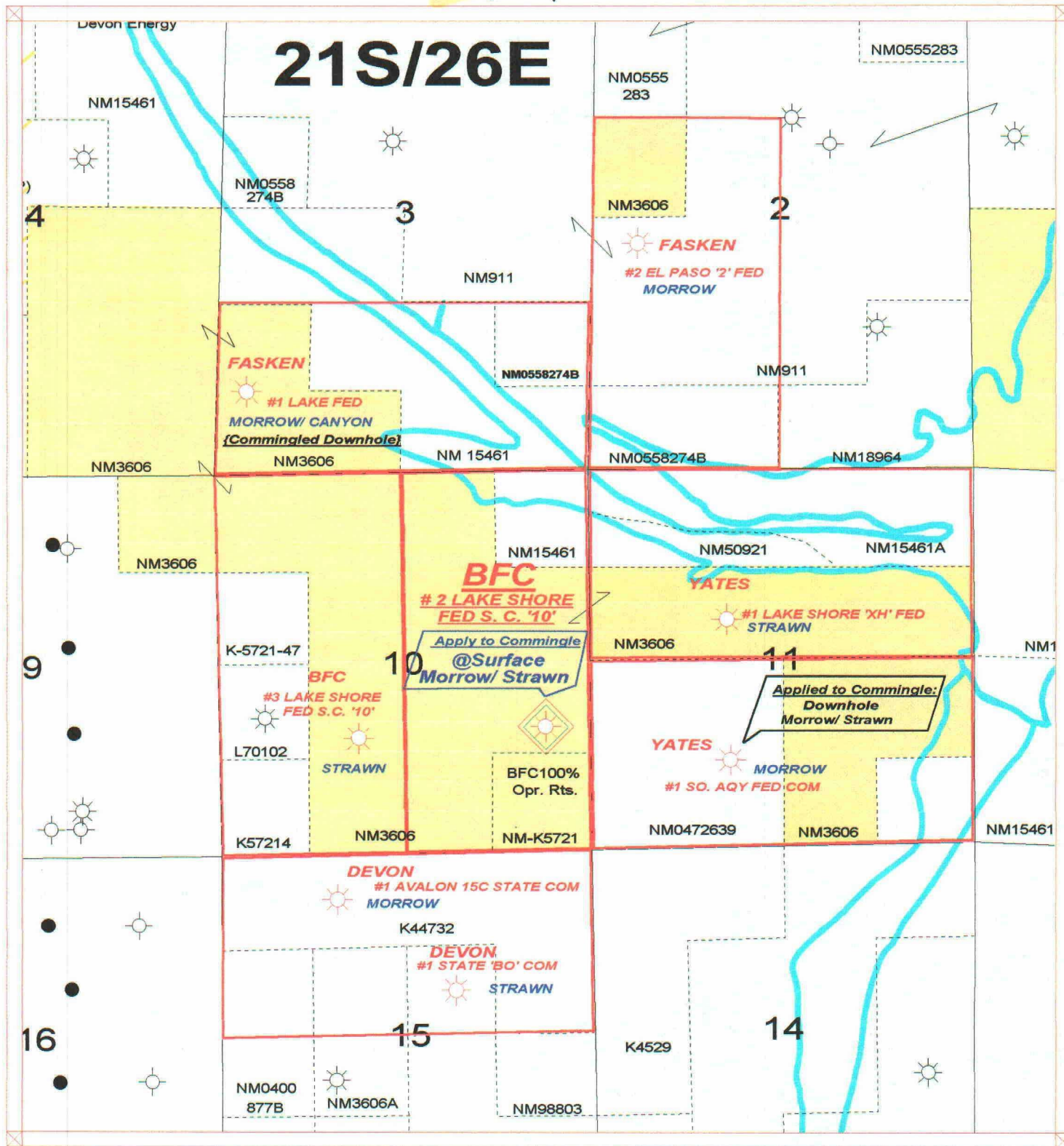


FIGURE 3



Bonneville Fuels Corp.

Eddy County, New Mexico
Multiple Completion Application
#2 LAKE SHORE FED. S. C. 10

Philip Wood

1" = 2000'

March, 1999

Scale 1:24000.

EXHIBIT #1

Cement to surface w/ 1,050 ex. Cement

13 3/4" Surf. Caerny
e 471'

Cement to surface w/ 1,200 sq. Cement

8 $\frac{5}{8}$ " Intermediate Casing
@ 2,276'

Bradenhead Squeeze
w/ #30 ex. Cement
5' Squeeze to 1,500 #
Base of Cement @
4,430' (Temp. Survey)

2 Gas Production w/ Oil & Water
5 From Strawn Fm. Up
Tubing/Casing Annulus
(Green)

2 Gas Production w/ Oil & Water
From Morrow 'B' Fm. Up Tubing
(Yellow)

← B.O.C.: Brackenhed Squeeze @ 4,430'
Void in Coverage @ 4,430' - 4,990'

← T.O.C.: 2nd Stage @ 4,990'

5,000'

Cement 2nd Stage
w/ 1,180 sq. Cement →
w/ Last Circulation
T.O.C. @ 4,990' (CBL)

5 2 7/8" G. 5# N-80 8rd. EUE Tubing
Bottom of Tubing @ 10,445'

D.V. Tool @ 7,700' - 7,702'.

8,000'

Cement 1st Stg. to
D.V. Tool w/:
585 sx. Super 'H' cement

5 1/2" 20# L-80 LTRC Casing

Tubing Detail: See Attached Diagram

Strawn Fr. Perf.
9,725' - 9,952' : OA
10,000'

Guiberson UNI-VI 10k

Packer @ 10,427' - 10,436': Isolates Strawn & Nomin

Morrow 'B' Pests
10,743' - 10,848' : OA

CIBA@ 10,910' w/ 35x. cement on top
(Isolates Wet Morrow's Zone)

11,000' Morrow's Ponds
10,924' - 10,942' : 0.4
WET

5½" Casing @ 11,344' →

- Fill @ 10, 985
- Float collar @ 11, 257'
- Float shoe @ 11, 342'

1944. 1945. 1946. 1947. 1948. 1949. 1950. 1951. 1952. 1953. 1954. 1955. 1956. 1957. 1958. 1959. 1960. 1961. 1962. 1963. 1964. 1965. 1966. 1967. 1968. 1969. 1970. 1971. 1972. 1973. 1974. 1975. 1976. 1977. 1978. 1979. 1980. 1981. 1982. 1983. 1984. 1985. 1986. 1987. 1988. 1989. 1990. 1991. 1992. 1993. 1994. 1995. 1996. 1997. 1998. 1999. 2000. 2001. 2002. 2003. 2004. 2005. 2006. 2007. 2008. 2009. 2010. 2011. 2012. 2013. 2014. 2015. 2016. 2017. 2018. 2019. 2020. 2021. 2022. 2023. 2024. 2025. 2026. 2027. 2028. 2029. 2030. 2031. 2032. 2033. 2034. 2035. 2036. 2037. 2038. 2039. 2040. 2041. 2042. 2043. 2044. 2045. 2046. 2047. 2048. 2049. 2050. 2051. 2052. 2053. 2054. 2055. 2056. 2057. 2058. 2059. 2060. 2061. 2062. 2063. 2064. 2065. 2066. 2067. 2068. 2069. 2070. 2071. 2072. 2073. 2074. 2075. 2076. 2077. 2078. 2079. 2080. 2081. 2082. 2083. 2084. 2085. 2086. 2087. 2088. 2089. 2090. 2091. 2092. 2093. 2094. 2095. 2096. 2097. 2098. 2099. 2100. 2101. 2102. 2103. 2104. 2105. 2106. 2107. 2108. 2109. 2110. 2111. 2112. 2113. 2114. 2115. 2116. 2117. 2118. 2119. 2120. 2121. 2122. 2123. 2124. 2125. 2126. 2127. 2128. 2129. 2130. 2131. 2132. 2133. 2134. 2135. 2136. 2137. 2138. 2139. 2140. 2141. 2142. 2143. 2144. 2145. 2146. 2147. 2148. 2149. 2150. 2151. 2152. 2153. 2154. 2155. 2156. 2157. 2158. 2159. 2160. 2161. 2162. 2163. 2164. 2165. 2166. 2167. 2168. 2169. 2170. 2171. 2172. 2173. 2174. 2175. 2176. 2177. 2178. 2179. 2180. 2181. 2182. 2183. 2184. 2185. 2186. 2187. 2188. 2189. 2190. 2191. 2192. 2193. 2194. 2195. 2196. 2197. 2198. 2199. 2200. 2201. 2202. 2203. 2204. 2205. 2206. 2207. 2208. 2209. 2210. 2211. 2212. 2213. 2214. 2215. 2216. 2217. 2218. 2219. 2220. 2221. 2222. 2223. 2224. 2225. 2226. 2227. 2228. 2229. 2230. 2231. 2232. 2233. 2234. 2235. 2236. 2237. 2238. 2239. 2240. 2241. 2242. 2243. 2244. 2245. 2246. 2247. 2248. 2249. 2250. 2251. 2252. 2253. 2254. 2255. 2256. 2257. 2258. 2259. 2260. 2261. 2262. 2263. 2264. 2265. 2266. 2267. 2268. 2269. 2270. 2271. 2272. 2273. 2274. 2275. 2276. 2277. 2278. 2279. 2280. 2281. 2282. 2283. 2284. 2285. 2286. 2287. 2288. 2289. 2290. 2291. 2292. 2293. 2294. 2295. 2296. 2297. 2298. 2299. 2300. 2301. 2302. 2303. 2304. 2305. 2306. 2307. 2308. 2309. 2310. 2311. 2312. 2313. 2314. 2315. 2316. 2317. 2318. 2319. 2320. 2321. 2322. 2323. 2324. 2325. 2326. 2327. 2328. 2329. 2330. 2331. 2332. 2333. 2334. 2335. 2336. 2337. 2338. 2339. 2340. 2341. 2342. 2343. 2344. 2345. 2346. 2347. 2348. 2349. 2350. 2351. 2352. 2353. 2354. 2355. 2356. 2357. 2358. 2359. 2360. 2361. 2362. 2363. 2364. 2365. 2366. 2367. 2368. 2369. 2370. 2371. 2372. 2373. 2374. 2375. 2376. 2377. 2378. 2379. 2380. 2381. 2382. 2383. 2384. 2385. 2386. 2387. 2388. 2389. 2390. 2391. 2392. 2393. 2394. 2395. 2396. 2397. 2398. 2399. 2400. 2401. 2402. 2403. 2404. 2405. 2406. 2407. 2408. 2409. 2410. 2411. 2412. 2413. 2414. 2415. 2416. 2417. 2418. 2419. 2420. 2421. 2422. 2423. 2424. 2425. 2426. 2427. 2428. 2429. 2430. 2431. 2432. 2433. 2434. 2435. 2436. 2437. 2438. 2439. 2440. 2441. 2442. 2443. 2444. 2445. 2446. 2447. 2448. 2449. 2450. 2451. 2452. 2453. 2454. 2455. 2456. 2457. 2458. 2459. 2460. 2461. 2462. 2463. 2464. 2465. 2466. 2467. 2468. 2469. 2470. 2471. 2472. 2473. 2474. 2475. 2476. 2477. 2478. 2479. 2480. 2481. 2482. 2483. 2484. 2485. 2486. 2487. 2488. 2489. 2490. 2491. 2492. 2493. 2494. 2495. 2496. 2497. 2498. 2499. 2500. 2501. 2502. 2503. 2504. 2505. 2506. 2507. 2508. 2509. 2510. 2511. 2512. 2513. 2514. 2515. 2516. 2517. 2518. 2519. 2520. 2521. 2522. 2523. 2524. 2525. 2526. 2527. 2528. 2529. 2530. 2531. 2532. 2533. 2534. 2535. 2536. 2537. 2538. 2539. 2540. 2541. 2542. 2543. 2544. 2545. 2546. 2547. 2548. 2549. 2550. 2551. 2552. 2553. 2554. 2555. 2556. 2557. 2558. 2559. 2560. 2561. 2562. 2563. 2564. 2565. 2566. 2567. 2568. 2569. 2570. 2571. 2572. 2573. 2574. 2575. 2576. 2577. 2578. 2579. 2580. 2581. 2582. 2583. 2584. 2585. 2586. 2587. 2588. 2589. 2590. 2591. 2592. 2593. 2594. 2595. 2596. 2597. 2598. 2599. 2600. 2601. 2602. 2603. 2604. 2605. 2606. 2607. 2608. 2609. 2610. 2611. 2612. 2613. 2614. 2615. 2616. 2617. 2618. 2619. 2620. 2621. 2622. 2623. 2624. 2625. 26

FIGURE 4

LAKE SHORE FEDERAL S. C. 10-#2
E/2 SECTION 10, T21S, R26E
APPLICATION FOR MULTIPLE COMPLETION

OFFSET OPERATOR ADDRESS LIST

| <u>Operator</u> | <u>Well(s)</u> |
|--|---|
| Devon Energy Corporation (Nevada)
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attn: Ms. Carla Wood | Avalon 15-C State Com. #1
<hr/> Section 15: NW/4
State "BO" Com. #1
Section 15: NE/4 |
| Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Ms. Janet Richardson | So. AQY Fed. Com. #1
<hr/> Section 11: SW/4
LakeShore XH Fed. #1
Section 11: NW/4 |
| Fasken Oil And Ranch, Ltd.
303 West Wall Avenue, Suite 1900
Midland, Texas 79701
Attn: Ms. Sally M. Kvasnicka | El Paso Federal #2
<hr/> Section 2: CW/2
Lake Federal #1
Section 3: SW/3 |

Dresser Oil Tools

DRESSER

PACKER INSTALLATION PLAN

EXHIBIT #2

| | | |
|--|----------------------------------|--|
| PREPARED FOR
BILL HANSFN | COMPANY
BONNEVILLE FUELS | DATE
FEB. 10, 1999 |
| WELL NAME
LAKE SHORE FCD.S.C. 10 #2 | LOCATION
EDDY CO., NEW MEXICO | TYPE OF INSTALLATION
NEW COMPLETION |

| INSTALLATION | LOGH | FROM | TO | DESCRIPTION | DR | LD |
|--------------|----------|----------|----------|--|-------|-------|
| | 10.00 | -0- | 10.00 | K.B. | 2.875 | 2.441 |
| | 31.50 | 10.00 | 41.50 | 1 - JOINT 2 7/8" N-80 TBG. | 2.875 | 2.441 |
| | 5.93 | 41.50 | 47.43 | 2 7/8" X 6' N-80 SUB. | 2.875 | 2.441 |
| | 3.97 | 47.73 | 51.40 | 2 7/8" X 4' N-80 SUB. | 2.875 | 2.441 |
| | 6.13 | 51.40 | 57.53 | 2 7/8" X 6' N-80 SUB. | 2.875 | 2.441 |
| | 10.00 | 57.53 | 67.53 | 2 7/8" X 10' N-80 SUB. | 2.875 | 2.441 |
| | 10290.56 | 67.53 | 10358.09 | 327 JOINTS 2 7/8" N 80 TUBING. | 2.875 | 2.441 |
| | 1.10 | 10358.09 | 10359.19 | 2 7/8" SEATING NIPPLE WITH 2.28" I.D. | 2.875 | 2.280 |
| | 31.60 | 10359.19 | 10390.79 | 1 - JOINT 2 7/8" N-80 TUBING. | 2.875 | 2.441 |
| | 2.85 | 10390.79 | 10393.64 | 2 7/8" X 2.25" "GL" SLIDING SLEEVE W/2.25" "GL" PROFILE. (CLOSED POSITION) | 3.668 | 2.250 |
| | 31.50 | 10393.64 | 10425.14 | 1 - JOINT 2 7/8" N-80 TBG. | 2.875 | 2.441 |
| | .41 | 10425.11 | 10425.55 | 2 7/8" X 2 3/8" CROSS-OVER | 3.750 | 1.938 |
| | 1.97 | 10425.55 | 10427.52 | 5 1/2" X 2 3/8" "XL" ON/OFF TOOL W/1.875" "F" PROFILE. | 4.375 | 1.875 |
| | 8.25 | 10427.52 | 10435.77 | 5 1/2" X 2 3/8" 17-20H W/L 10K UNI-PACKER VI. | 4.625 | 1.938 |
| | 6.14 | 10435.77 | 10441.91 | 6' X 2 3/8" N-80 SUB. | 2.875 | 1.995 |
| | .86 | 10441.91 | 10442.77 | 1.875" "R" PROFILE NIPPLE W/1.822 NO-GO. | 3.063 | 1.822 |
| | .41 | 10442.77 | 10443.18 | 2 3/8" RE-ENTRY GUIDE. | 3.063 | 2.548 |

GENERAL REMARKS:

PACKER HUNG IN 15,000# COMPRESSION.

PACKER CENTER RUBBER @ 10,430'.

RIGHT HAND RELEASE.

DRESSER REPRESENTATIVE

BILL PIERCE

SERVICE CENTER

HOBBS, NEW MEXICO

TELEPHONE NUMBER

(505) 392-5583

PBDC
10,885'

EXHIBIT #3: Page 1:

LAKE SHORE FEDERAL S.C. 10-#3:

PRODUCTION DATA: 7/1/98 TO 12/26/98:

PRODUCING UPPER STRAWN FM. UP TUBING: 9,724 to 9,777':

| MONTH: | GAS:
MCF: | OIL:
STBC: | GOR:
SCF/STBO: |
|----------------------------------|--------------|---------------|-------------------|
| JULY : | 51,543 | 355 | 145,192 |
| AUGUST: | 33,544 | 413 | 81,220 |
| SEPTEMBER: | 32,490 | 390 | 83,308 |
| CUMULATIVE PRODUCTION = | 117,577 | 1,158 | |
| AVG. GOR FOR UPPER STRAWN ONLY = | | | 101,535 |

PRODUCING UPPER & LOWER STRAWN FM. UP TUBING: 9,724 to 9,952':

| MONTH: | GAS:
MCF: | OIL:
STBC: | GOR:
SCF/STBO: |
|-------------------------------------|--------------|---------------|-------------------|
| OCTOBER: | 46,116 | 407 | 113,307 |
| NOVEMBER: | 39,145 | 441 | 88,764 |
| DECEMBER: | 27,425 | 314 | 87,341 |
| CUMULATIVE PRODUCTION = | 112,686 | 1,162 | |
| AVG. GOR FOR LOWER & UPPER STRAWN = | | | 96,976 |

| | | | |
|---|---------|-------|--------|
| CUMULATIVE STRAWN PRODUCTION 1998: | 230,263 | 2,320 | |
| AVG. GOR: 1998: STRAWN PRODUCED UP TUBING = | | | 99,251 |

EXHIBIT #3: PAGE 2:

LAKE SHORE FEDERAL S.C. 10-#3:

PRODUCTION DATA: 1/11/99 TO 2/11/99:

PRODUCING STRAWN FM. UP CASING ANNULUS: 9,724 to 9,952':

| DATE: | GAS:
MCF: | OIL:
STBC: | GOR:
SCF/STBO: | WATER:
STBW: |
|------------------------|--------------|---------------|-------------------|-----------------|
| 1/11/99 UP ANNULUS | 1,052 | | 0.1 10,520,000 | 0 |
| 1/12/99 UP ANNULUS | 2,130 | | 20 106,500 | 6 |
| 1/13/99 UP ANNULUS | 2,042 | | 23 88,783 | 0 |
| 1/14/99 UP ANNULUS | 1,768 | | 18 98,222 | 0 |
| 1/15/99 UP ANNULUS | 1,555 | | 19 81,842 | 0 |
| 1/16/99 try to recover | SI | SI | SI | SI |
| 1/17/99 tubing fish @ | SI | SI | SI | SI |
| 1/18/99 Morrow 'C' | SI | SI | SI | SI |
| 1/19/99 UP ANNULUS | 1,797 | | 30 59,900 | 0 |
| 1/20/99 UP ANNULUS | 2,222 | | 18 123,444 | 0 |
| 1/21/99 UP ANNULUS | 1,986 | | 27 73,556 | 0 |
| 1/22/99 UP ANNULUS | 1,721 | | 12 143,417 | 0 |
| 1/23/99 UP ANNULUS | 1,721 | | 20 86,050 | 0 |
| 1/24/99 UP ANNULUS | 1,468 | | 18 81,556 | 0 |
| 1/25/99 UP ANNULUS | 1,432 | | 7 204,571 | 0 |
| 1/26/99 UP ANNULUS | 1,032 | | 3 344,000 | 0 |
| 1/27/99 UP ANNULUS | 605 | | 4 151,250 | 0 |
| 1/28/99 UP ANNULUS | 605 | | 3 201,667 | 0 |
| 1/29/99 UP ANNULUS | 425 | | 0.1 4,250,000 | 0 |
| 1/30/99 UP ANNULUS | 343 | | 0.1 3,430,000 | 0 |
| 1/31/99 UP ANNULUS | 2,082 | | 20 104,100 | 0 |
| 2/1/99 UP ANNULUS | 1,738 | | 20 86,900 | 2 |
| 2/2/99 UP ANNULUS | 1,738 | | 30 57,933 | 0 |
| 2/3/99 UP ANNULUS | 1,052 | | 13 80,923 | 8 |
| 2/4/99 UP ANNULUS | 1,286 | | 3 428,667 | 0 |
| 2/5/99 UP ANNULUS | 1,194 | | 11 108,545 | 0 |
| 2/6/99 UP ANNULUS | 1,178 | | 10 117,800 | 1 |
| 2/7/99 UP ANNULUS | 1,178 | | 7 168,286 | 3 |
| 2/8/99 UP ANNULUS | 1,073 | | 0.1 10,730,000 | 0 |
| 2/9/99 recover fish & | SI | SI | SI | SI |
| 2/10/99 set packer @ | SI | SI | SI | SI |
| 2/11/99 Morrow 'B' | SI | SI | SI | SI |

| | | | |
|---|--------------|---------------|-----------------|
| | GAS:
MCF: | OIL:
STBC: | WATER:
STBW: |
| CUMULATIVE STRAWN PRODUCTION UP ANNULUS = | 36,423 | 336 | 20 |
| AVG. GOR FOR STRAWN PRODUCED UP ANNULUS = | | | 108,273 |

PRODUCING STRAWN FM. UP TUBING TO RECOVER KILL LOAD: 9,724 to 9,952':

| DATE: | GAS:
MCF: | OIL:
STBC: | GOR:
SCF/STBO: | WATER:
STBW: |
|-------------------|--------------|---------------|-------------------|-----------------|
| 2/12/99 UP TUBING | 1,039 | | 8 129,875 | 11 |
| 2/13/99 UP TUBING | 1,042 | | 13 80,154 | 9 |
| 2/14/99 UP TUBING | 1,117 | | 15 74,467 | 6 |
| 2/15/99 UP TUBING | 1,147 | | 29 39,552 | 4 |
| 2/16/99 UP TUBING | 1,151 | | 8 143,875 | 1 |
| 2/17/99 UP TUBING | 1,142 | | 15 76,133 | 4 |
| 2/18/99 UP TUBING | 1,112 | | 10 111,200 | 3 |
| 2/19/99 UP TUBING | 348 | | 0 3,480,000 | 0 |

| | | | |
|---|--------------|---------------|-----------------|
| | GAS:
MCF: | OIL:
STBC: | WATER:
STBW: |
| CUMULATIVE STRAWN PRODUCTION UP ANNULUS = | 8,098 | 98 | 38 |
| AVG. GOR FOR STRAWN PRODUCED UP ANNULUS = | | | 82,548 |

ON 2/19/99 CLOSED SLIDING SLEEVE AND ISOLATED STRAWN PRODUCTION ON ANNULUS.
ON 2/20/99 TO 2/21/99 PERFORATED MORROW 'B' FM. AND BEGAN PRODUCTION UP TUBING.

EXHIBIT #3: Page 3

LAKE SHORE FEDERAL S.C. 10-#3:

PRODUCTION DATA: 1/11/99 TO 2/11/99:

PRODUCING MORROW FM. UP TUBING: 10,743' to 10,848': Pre-Frac:

| DATE: | GAS:
MCF: | OIL:
STBC: | GOR:
SCF/STBO: | WATER:
STBW: |
|-------------------|--------------|---------------|-------------------|-----------------|
| 2/21/99 UP TUBING | 668 | 0 | 6,680,000 | 3 |
| 2/22/99 UP TUBING | 1,372 | 13 | 105,538 | 4 |
| 2/23/99 UP TUBING | 1,394 | 12 | 116,167 | 1 |
| 2/24/99 UP TUBING | 1,571 | 17 | 92,412 | 2 |
| 2/25/99 UP TUBING | 1,578 | 10 | 157,800 | 0 |
| 2/26/99 UP TUBING | 1,571 | 11 | 142,818 | 0 |
| 2/27/99 UP TUBING | 1,571 | 15 | 104,733 | 0 |
| 2/28/99 UP TUBING | 1,575 | 2 | 787,500 | 2 |
| 3/1/99 UP TUBING | 1,578 | 14 | 112,714 | 3 |
| 3/2/99 UP TUBING | 1,583 | 21 | 75,381 | 0 |
| 3/3/99 UP TUBING | 1,576 | 7 | 225,143 | 0 |
| 3/4/99 UP TUBING | 1,565 | 15 | 104,333 | 0 |
| 3/5/99 UP TUBING | 1,558 | 35 | 44,514 | 0 |
| 3/6/99 UP TUBING | 1,558 | 0 | 15,580,000 | 0 |
| 3/7/99 UP TUBING | 1,543 | 5 | 308,600 | 2 |
| 3/8/99 UP TUBING | 1,539 | 12.0 | 128,250 | 0 |

GAS: OIL: WATER:
MCF: STBC: STBW:

CUM. PRE-FRAC MORROW PRODUCTION UP TUBING = 23,800 189 17
AVG. PRE-FRAC GOR FOR MORROW PRODUCED UP TUBING = 125,793

PRODUCING MORROW FM. UP TUBING: 10,743' to 10,848': Post-Frac:

| DATE: | GAS:
MCF: | OIL:
STBC: | GOR:
SCF/STBO: | WATER:
STBW: |
|-------------------|--------------|---------------|-------------------|-----------------|
| 3/24/99 UP TUBING | 1,777 | 25 | 71,080 | 42 |
| 3/25/99 UP TUBING | 2,066 | 20 | 103,300 | 24 |
| 3/26/99 UP TUBING | 2,186 | 19 | 115,053 | 35 |
| 3/27/99 UP TUBING | 2,234 | 10 | 223,400 | 36 |
| 3/28/99 UP TUBING | 2,327 | 7 | 332,429 | 13 |
| 3/29/99 UP TUBING | 2,327 | 7 | 332,429 | 25 |
| 3/30/99 UP TUBING | 2,367 | 20 | 118,350 | 27 |
| 3/31/99 UP TUBING | 2,445 | 25 | 97,800 | 25 |
| 4/1/99 UP TUBING | 2,459 | 27 | 91,074 | 33 |
| 4/2/99 UP TUBING | 2,565 | 18 | 142,500 | 23 |
| 4/3/99 UP TUBING | 2,565 | 17 | 150,882 | 24 |
| 4/4/99 UP TUBING | 2,542 | 20 | 127,100 | 31 |
| 4/5/99 UP TUBING | 2,708 | 13 | 208,308 | 20 |
| 4/6/99 UP TUBING | 2,734 | 12 | 227,833 | 34 |
| 4/7/99 UP TUBING | 2,744 | 18 | 152,444 | 28 |
| 4/8/99 UP TUBING | 2,756 | 20 | 137,800 | 29 |
| 4/9/99 UP TUBING | 2,781 | 15 | 185,400 | 25 |
| 4/10/99 UP TUBING | 2,790 | 23 | 121,304 | 35 |
| 4/11/99 UP TUBING | 2,798 | 23 | 121,652 | 20 |
| 4/12/99 UP TUBING | 2,708 | 13 | 208,308 | 20 |
| 4/13/99 UP TUBING | 2,734 | 12 | 227,833 | 34 |
| 4/14/99 UP TUBING | 2,744 | 18 | 152,444 | 28 |

GAS: OIL: WATER:
MCF: STBC: STBW:

CUM. POST FRAC MORROW PRODUCTION UP TUBING 55,357 382 611
AVG. POST FRAC GOR FOR MORROW PRODUCED UP TUBING = 144,914

TOTAL MORROW PRODUCTION UP TUBING = 79,157 571 628

AVG. GOR FOR MORROW PRODUCED UP TUBING = 138,580

EXHIBIT #4

Precision Gas Measurement, Inc.
P.O. Box 8323 Roswell, NM 88202

DOS 2.0

(505) 622-9874
Analysis Results Summary

Run No. 980714-2
Date Run 07/14/98
Date Sampled 07/14/98

Analysis for BONNEVILLE FUELS
Field: AVALON
Well Name: LAKESHORE S.C 10 FED 2
Sta. Number:
Purpose: SPOT
Sampling Temp: 88 DEG F
Volume/day:
Pressure on Cylinder: 584 PSIG

Upper Strawn

GPANGL.LC6

Producer: BONNEVILLE FUELS
County: EDDY State: NM
Sampled By: RANDY DROSS
Atmos Temp: 109 DEG F
Formation:
Line Pressure: 597.2 PSIA

GAS COMPONENT ANALYSIS

| | Mol % | GPM |
|--------------------|---------|-------|
| Carbon Dioxide CO2 | 0.486 | |
| Nitrogen N2 | 0.961 | |
| Methane C1 | 82.861 | |
| Ethane C2 | 9.903 | 2.634 |
| Propane C3 | 3.598 | 0.985 |
| Iso-Butane IC4 | 0.556 | 0.181 |
| Nor-Butane NC4 | 0.986 | 0.303 |
| Iso-Pentane IC5 | 0.262 | 0.095 |
| Nor-Pentane NC5 | 0.234 | 0.084 |
| Hexanes Plus C6+ | 0.175 | 0.075 |
| TOTAL | 100.000 | 4.358 |

Pressure Base: 14.650

Real BTU Dry: 1177
Real BTU Wet: 1157
Real Calc. Specific Gravity: 0.683
Field Specific Gravity: 0.000

Standard Pressure: 14.696
→ BTU Dry: 1181
BTU Wet: 1160

Z Factor: 0.9970
N Value: 1.2856
Avg Mol Weight: 19.7432
Avg CuFt/Gal: 56.0135
26 Lb Product: 0.3687
Methane+ GPM: 18.326
Ethane+ GPM: 4.358
Propane+ GPM: 1.724
Butane+ GPM: 0.738
Pentane+ GPM: 0.254

REMARKS:
SAMPLE TAKEN FROM NGPL SALES METER

Tue Jul 14 13:20:08 1998

Approved by: JEFF DECK

TO: Bob 863-1558
From: Jill

Point: 11398

BONNEWELL FLATS EDDY

Flow Date: 02/01/99 Thru: 02/28/99

Central Pt:

EXHIBIT #5

(All volumes at 14.73 Dry)

| Day | Mcf | Dth | Rpt Stat | Direction Of Flow | Btu Content | Confirmed Dth | Variance | Var% |
|-----|--------|--------|----------|-------------------|-------------|---------------|----------|--------|
| | 29,217 | 32,153 | | Source | | 28,728 | 3,425 | 12% |
| 1 | 1,453 | 1,631 | A | Source | 1.122 | 1,026 | 605 | 59% |
| 2 | 1,052 | 1,181 | A | Source | 1.122 | 1,026 | 155 | 15% |
| 3 | 1,286 | 1,443 | A | Source | 1.122 | 1,026 | 417 | 41% |
| 4 | 1,194 | 1,340 | A | Source | 1.122 | 1,026 | 314 | 31% |
| 5 | 1,178 | 1,322 | A | Source | 1.122 | 1,026 | 296 | 29% |
| 6 | 1,073 | 1,205 | A | Source | 1.122 | 1,026 | 179 | 17% |
| 7 | 1,103 | 1,238 | A | Source | 1.122 | 1,026 | 212 | 21% |
| 8 | 120 | 135 | A | Source | 1.122 | 1,026 | (891) | (87)% |
| 9 | 0 | 0 | A | Source | 0.000 | 1,026 | (1,026) | (100)% |
| 10 | 0 | 0 | A | Source | 0.000 | 1,026 | (1,026) | (100)% |
| 11 | 610 | 685 | A | Source | 1.122 | 1,026 | (341) | (33)% |
| 12 | 1,082 | 1,214 | A | Source | 1.122 | 1,026 | 188 | 18% |
| 13 | 1,118 | 1,255 | A | Source | 1.122 | 1,026 | 229 | 22% |
| 14 | 1,147 | 1,287 | A | Source | 1.122 | 1,026 | 261 | 25% |
| 15 | 1,151 | 1,291 | A | Source | 1.122 | 1,026 | 265 | 26% |
| 16 | 1,142 | 1,281 | A | Source | 1.122 | 1,026 | 255 | 25% |
| 17 | 1,112 | 1,248 | A | Source | 1.122 | 1,026 | 222 | 22% |
| 18 | 349 | 391 | A | Source | 1.123 | 1,026 | (635) | (62)% |
| 19 | 0 | 0 | A | Source | 0.000 | 1,026 | (1,026) | (100)% |
| 20 | 669 | 751 | A | Source | 1.122* | 1,026 | (275) | (27)% |
| 21 | 1,394 | 1,565 | A | Source | 1.122 * | 1,026 | 539 | 53% |
| 22 | 1,538 | 1,629 | A | Source | 1.059 | 1,026 | 603 | 59% |
| 23 | 1,572 | 1,656 | A | Source | 1.053 | 1,026 | 630 | 61% |
| 24 | 1,578 | 1,662 | A | Source | 1.053 | 1,026 | 636 | 62% |
| 25 | 1,571 | 1,682 | A | Source | 1.070 | 1,026 | 656 | 64% |
| 26 | 1,576 | 1,688 | A | Source | 1.071 | 1,026 | 662 | 65% |
| 27 | 1,571 | 1,683 | A | Source | 1.071 | 1,026 | 657 | 64% |
| 28 | 1,578 | 1,690 | A | Source | 1.071 | 1,026 | 664 | 65% |

STRAWN DATA

MORROW DATA

* Error in automation

EXHIBIT #6

Laboratory Services, Inc.

1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

Laner Strawn

FOR: Pro Well Testing & Wireline
Attention: Mr. Leonard Abney
P. O. Box 791
Hobbs, New Mexico 88241

SAMPLE
IDENTIFICATION: Lake Shore Fed. #2
COMPANY: Bonneville Fuels
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 5/11/98 2:00 PM
ANALYSIS DATE: 5/12/98
PRESSURE - PSIG 600
SAMPLE TEMP. °F 100
ATMOS. TEMP. °F 90

GAS (XX) LIQUID ()
SAMPLED BY: Rice
ANALYSIS BY: Vickie Walker

REMARKS:

COMPONENT ANALYSIS

| COMPONENT | MOL
PERCENT | GPM |
|------------------------|----------------|-------|
| Hydrogen Sulfide (H2S) | | |
| Nitrogen (N2) | 0.987 | |
| Carbon Dioxide (CO2) | 1.231 | |
| Methane (C1) | 90.791 | |
| Ethane (C2) | 4.611 | 1.230 |
| Propane (C3) | 1.912 | 0.861 |
| i-Butane (IC4) | 0.246 | 0.080 |
| n-Butane (NC4) | 0.287 | 0.090 |
| i-Pentane (IC5) | 0.153 | 0.056 |
| n-Pentane (NC5) | 0.110 | 0.040 |
| Hexane Plus (C6+) | 0.322 | 0.132 |
| | 100.000 | 1.989 |

BTU/CU.FT. - DRY 1076
AT 14.650 DRY 1071
AT 14.650 WET 1063
AT 14.73 DRY 1077
AT 14.73 WET 1059

MOLECULAR WT. 18.1092

→ BTU (dry) @ 14.694 = 1076 BTU/cf

SPECIFIC GRAVITY -
CALCULATED 0.625
MEASURED

EXHIBIT #8

Precision Gas Measurement, Inc.
P.O. Box 8323 Roswell, NM 88202

DOS 2.0

(505) 622-9874
Analysis Results Summary

Run No. 990305-1
Date Run 03/05/99
Date Sampled 03/04/99

Analysis for BONNEVILLE FUELS

Morrow Gas

GPANGL.LC6

Field: AVALON

Well Name: LAKESHORE FED SC 10 #2 *Morrow*

Producer: BONNEVILLE FUELS

Sta. Number:

County: EDDY

State: NM

Purpose: QUARTERLY

Sampled By: RANDY DROSS

Sampling Temp: 61 DEG F

Atmos Temp: 63 DEG F

Volume/day:

Formation:

Pressure on Cylinder: 471 PSIG

Line Pressure: 484.2 PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.650

| | | Mol % | GPM |
|----------------|-----|---------|-------|
| Carbon Dioxide | CO2 | 0.915 | |
| Nitrogen | N2 | 0.264 | |
| Methane | C1 | 93.157 | |
| Ethane | C2 | 3.971 | 1.056 |
| Propane | C3 | 1.057 | 0.290 |
| Iso-Butane | IC4 | 0.199 | 0.065 |
| Nor-Butane | NC4 | 0.212 | 0.066 |
| Iso-Pentane | IC5 | 0.085 | 0.031 |
| Nor-Pentane | NC5 | 0.048 | 0.017 |
| Hexanes Plus | C6+ | 0.092 | 0.039 |
| TOTAL | | 100.000 | 1.565 |

Real BTU Dry: 1058
Real BTU Wet: 1039
Real Calc. Specific Gravity: 0.605
Field Specific Gravity: 0.000

Standard Pressure: 14.696
→ BTU Dry: 1061
BTU Wet: 1043

Z Factor: 0.9977
N Value: 1.2995
Avg Mol Weight: 17.5013
Avg CuFt/Gal: 58.1087
26 Lb Product: 0.1312
Methane+ GPM: 17.269
Ethane+ GPM: 1.565
Propane+ GPM: 0.508
Butane+ GPM: 0.219
Pentane+ GPM: 0.088

REMARKS:

Approved by: JEFF DECK

Mon Mar 08 08:55:08 1999



Laboratory Services, Inc.

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

ASTM DISTILLATION

EXHIBIT #9

Bonneville Fuels Corporation
Attention: Mr. Bob Schwering
1660 Lincoln St. Suite 1800
Denver, Colorado 80264

Morrow Oil

March 9, 1999
Sampled By: Peter Wilson

Lakeshore Federal 10 #2

Percent Distilled

Temperature

| | |
|-----|-----|
| IBP | 122 |
| 5 | 181 |
| 10 | 207 |
| 20 | 236 |
| 30 | 262 |
| 40 | 290 |
| 50 | 323 |
| 60 | 364 |
| 70 | 410 |
| 80 | 471 |
| 90 | 558 |
| 95 | 611 |
| EP | 631 |

% Recovered = 99.0
% Residue = 0.5
% Loss = 0.5

API Gravity @ 60° F = 52.80

Rolland Perry



EXHIBIT # 10

**Amoco Production Company
Crude Oil Supply**

200 N. Loraine
Suite 1222
Midland, TX 79701
Phone: 915-687-9900
Facsimile: 915-687-9917

March 10, 1999

Mr. Bob Schwering
Bonneville Fuels Corporation
1660 Lincoln, Suite 2200
Denver, CO 80264

Via FAX: (303) 863-1558

Re: Commingling of Strawn and Morrow formation crude oil/condensate
Lake Shore Federal S.C. 10-2, Eddy County, New Mexico

In reference to our conversation this afternoon, this letter is to confirm that our purchase arrangement on the above well is as follows:

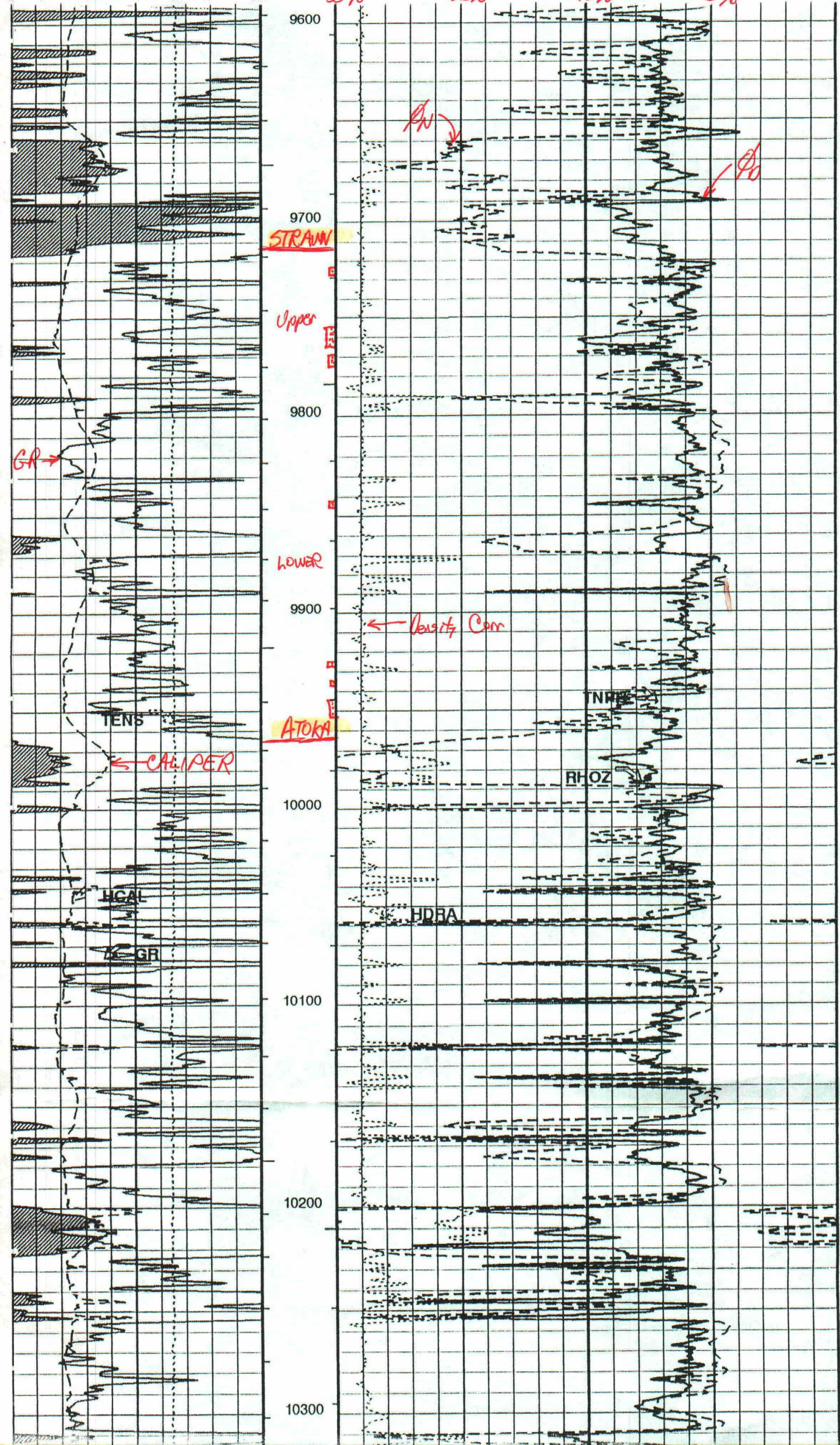
Koch Oil Company's posted price for West Texas Intermediate crude oil deemed 40.0° API gravity, EDQ plus \$1.35/bbl.

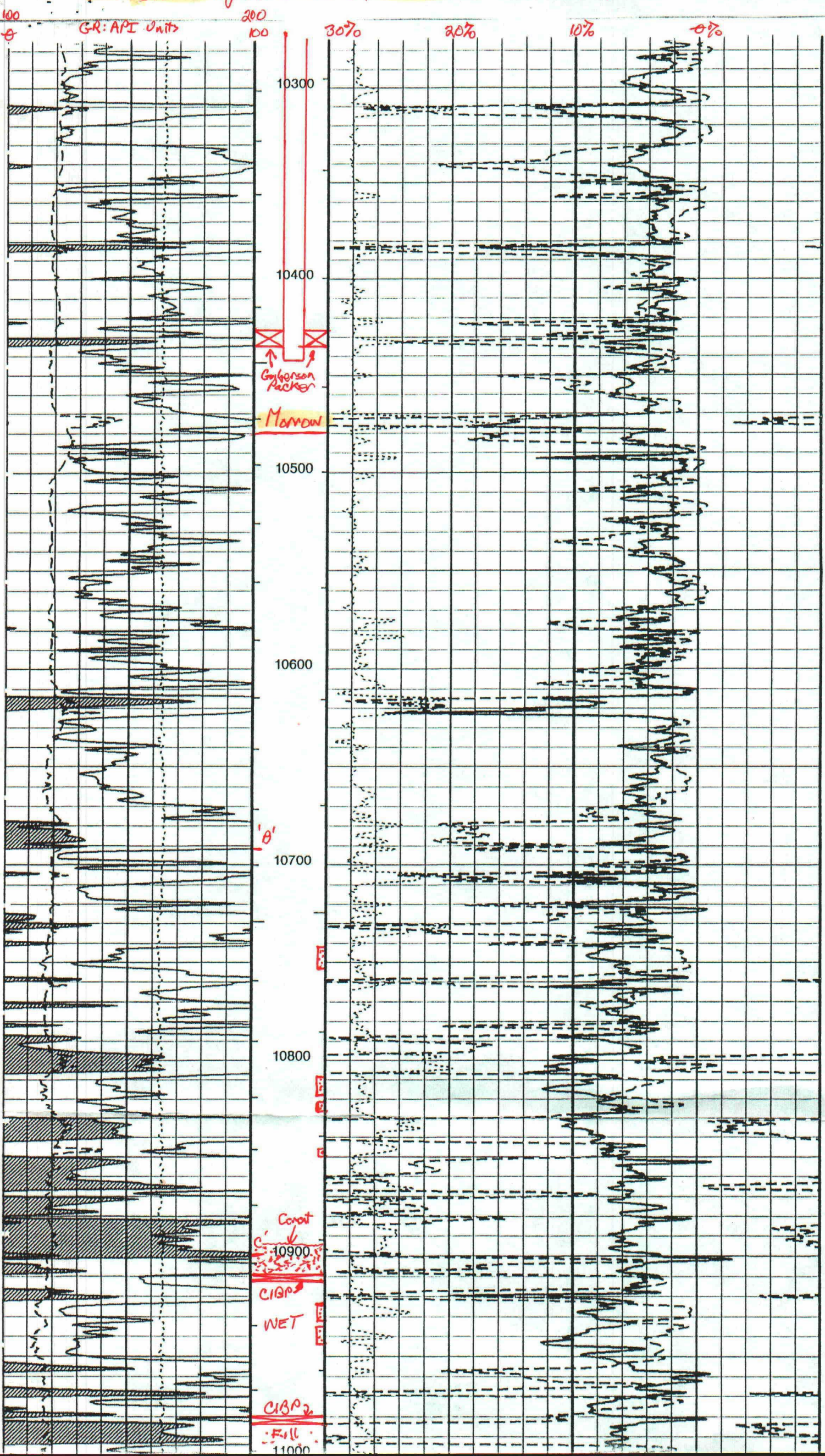
As this settlement price is based on a deemed API gravity of 40.0° (no price deduction for gravity), your crude settlement price will not be affected by the commingling of 63.0° API gravity Strawn production and 52.0° API gravity Morrow production.

Should you have any questions regarding this arrangement, please feel free to call me at (915) 687-9902.

Sincerely,

Tim Gawne
Marketing Specialist

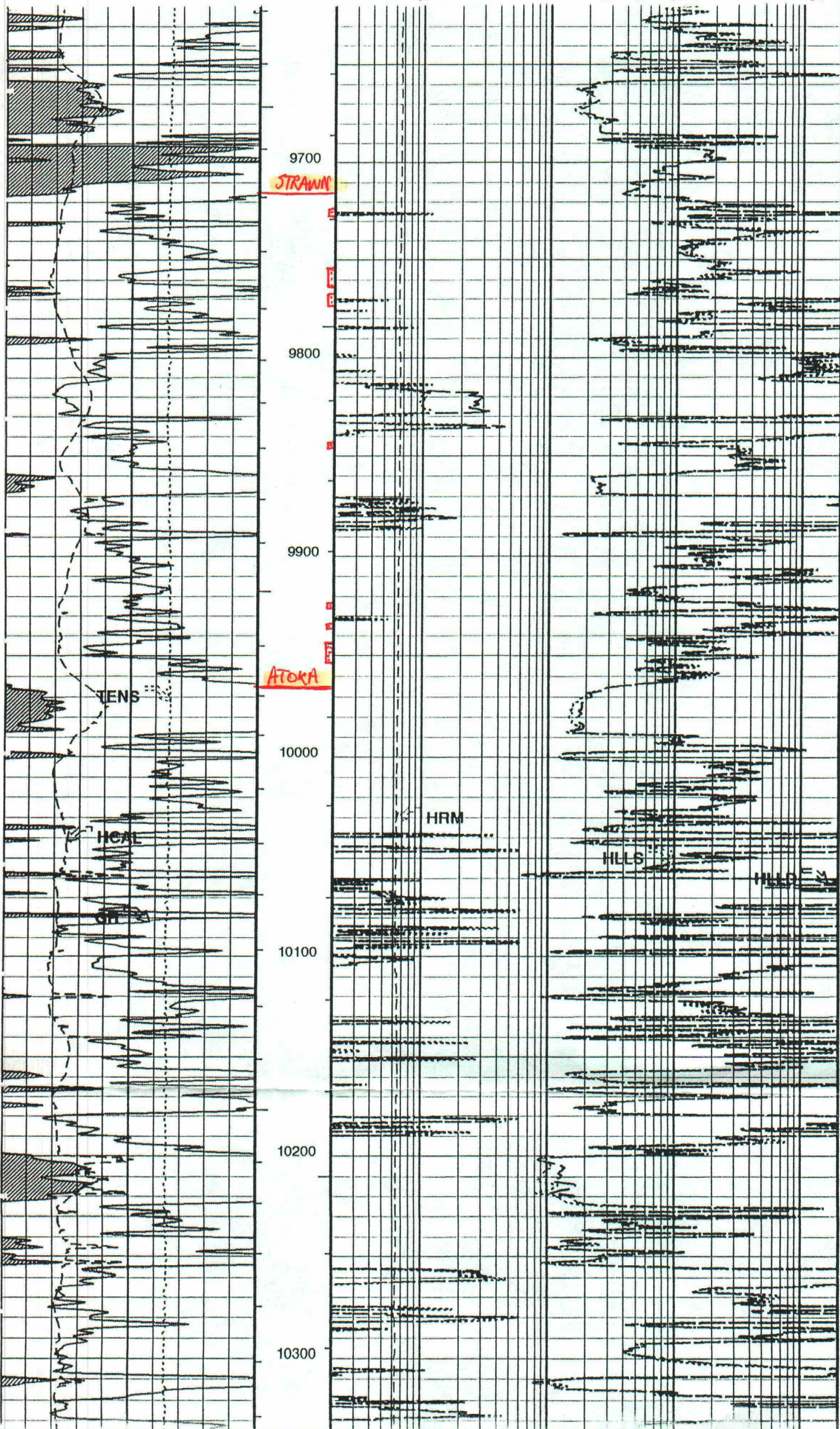




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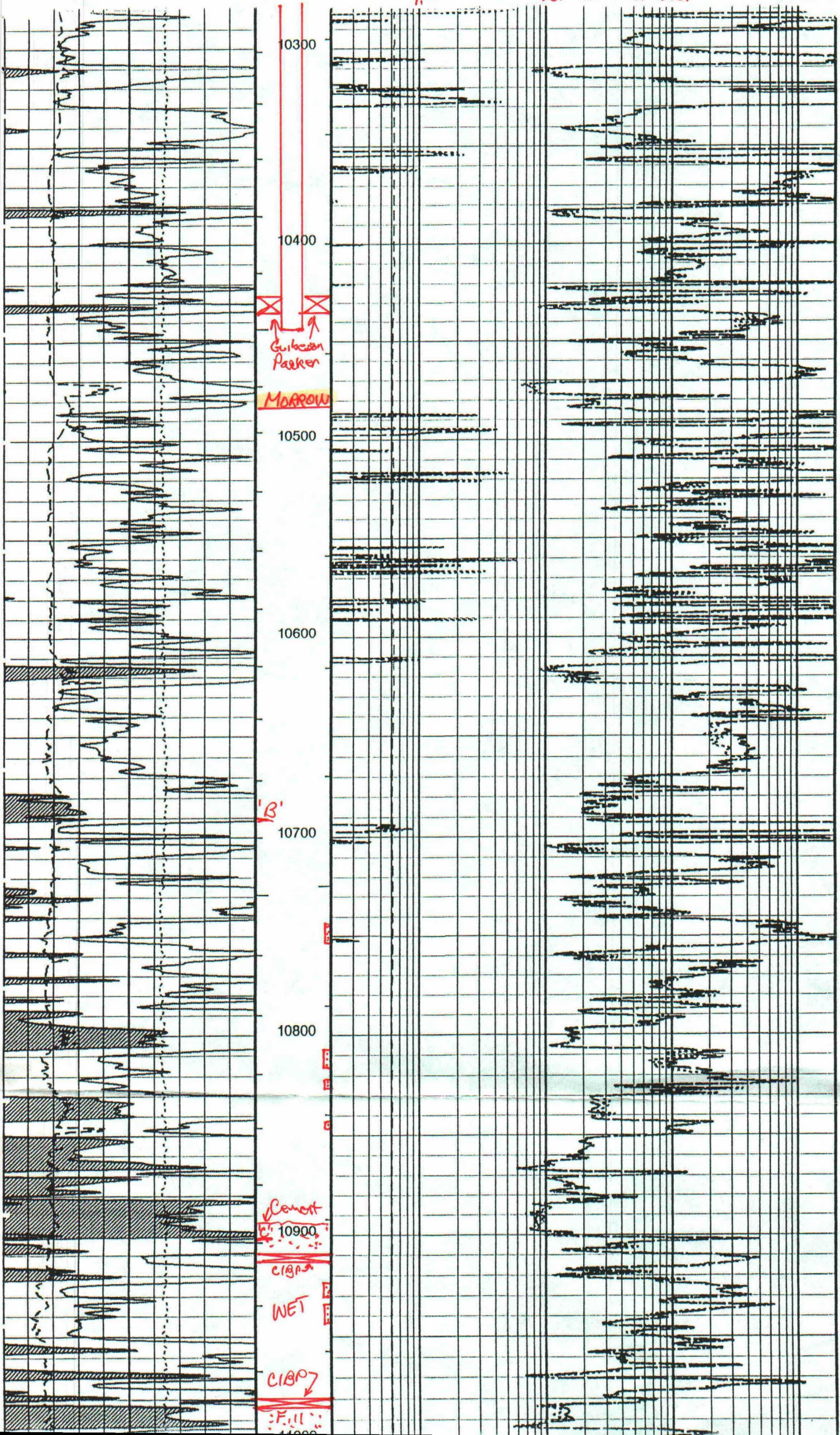
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1.0

10.0 Ω -M. 100.0

1000.0





COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

REC'D

APR 7 9 1999

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

April 6, 1999

Bonneville Fuels Corporation
1660 Lincoln Street, Suite 2200
Denver, Colorado 80264

Attention: Mr. R. A. Schwering

Re: Surface Commingling Application
Lake Shore 10 Federal Com Well No. 2
Lot 7, Sec. 10-21S-26E
Eddy County, New Mexico

Dear Mr. Schwering:

We are in receipt of your letter of March 14, 1999, wherein you have requested our approval to surface commingle Burton Flat Strawn and Avalon Morrow production from the Lake Shore 10 Federal Com Well No. 2.

It is our understanding that BFC will meter the Strawn gas, oil, and water production from the annulus of the wellbore. BFC will then commingle Morrow production with said Strawn production at the surface and meter and gauge daily the combined flow of gas, oil and water from this wellbore to sales/production facilities. BFC will then determine the Morrow production by subtracting metered Strawn production from metered and gauged gross well production of gas, oil and water.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit a \$30.00 dollar filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File, OCD-Attention: David Catanach, Ben Stone,
BLM-Roswell, New Mexico Attention: Mr. Les Babyak

"WE WORK FOR EDUCATION"



Bonneville Fuels Corporation

March 14, 1999

Mr. Pete Martinez
State of New Mexico: Board of Land Commissioners
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Phone: (505) 827-5791

RE: SURFACE COMMINGLING REQUEST: OIL, GAS AND WATER PRODUCTION
Lake Shore Fed. S.C. 10-#2 Wellbore

Dear Mr. Martinez:

The Bonneville Fuels Corporation is seeking approval from the State of New Mexico Commissioner of Public Lands to commingle gas, oil and water production at the surface from the Burton Flat Strawn Fm. (9,724' to 9,952': OA) and the Avalon Morrow Fm. (10,743' to 10,848': OA) produced separately from these two separate sources of supply in the wellbore of the:

Lake Shore Federal S.C. 10-#2:
1750' FSL & 660' FEL, Section 10, T.21S., R.26E. N.M.P.M.
Eddy County, New Mexico
Communitization Agreement #: NM NM 100717
API #: 30-015-29879

Attached you will find the following documents supporting this surface commingling application:

1. A completed Form C-107 complete with a 5 page casing and cementing report.
2. A Sundry Notice submitted to the BLM requesting approval of BFC's proposed plan for surface commingling of Strawn Fm. & Morrow Fm. production from this wellbore.
3. A Sundry Notice submitted to the BLM and NMOCD outlining successful completion operation in the Morrow 'B' Fm.
4. A schematic diagrams of proposed surface facilities at the well: Figure 1.
5. A schematic diagram of proposed production pad facilities identifying metering facilities and points at which Strawn Fm. gas (Pt. A), oil (Pt. B), and water (Pt. C) streams become co-mingled with Morrow Fm. production downstream of metering facilities: Figure 2.
6. A plat identifying off-set operated wells (Operators & producing horizons): Figure 3.
7. An address list for off-set Operators as required with the C-107.
8. Wellbore diagrams indicating flow stream pathways and physical segregation between the Morrow Fm. and Strawn Fm. intervals and production streams in the wellbore: Exhibit #1 and Exhibit #2.
9. A production history for each interval with relevant GOR, BTU & Oil Gravity Data: Exhibit #3: 3 Pages.
10. Exhibits identifying relevant gas and condensate properties:
 - Exhibit #4: Upper Strawn Fm. Gas Analysis: 7/14/98.
 - Exhibit #5: Electronic Production/Nomination Data with BTU Content @ Sales Meter:
 - Upper & Lower Strawn Fm. Data: 2/1/99 to 2/18/99.
 - Morrow Fm. Data: 2/20/99 to 2/28/99.
 - Exhibit #6: Lower Strawn Fm. Gas Analysis: 5/11/98.
 - Exhibit #7: Upper & Lower Strawn Fm.:
 - Condensate Gravity @ Sale: 1/22/99.
 - Exhibit #8: Morrow Fm. Gas Analysis: 3/5/99.
 - Exhibit #9: Morrow Fm. Condensate Analysis: 3/9/99.
11. A Letter from AMOCO Production Company (Condensate Purchaser at this well) Indicating condensate sales terms for Strawn and/or Morrow Condensate: Exhibit #10.
12. Exhibit #11: Marked Logs (4 Pages).
13. An Affidavit and Certification of Fact stating that proposed Surface Commingling Operations shall benefit ALL working, mineral and royalty interests in the well (all interests are common for both producing horizons) and shall not result in a diminution of value for the production from either producing horizon.
14. A copy of a planned letter to the NMOCD requesting approval of this Surface Commingling Application.

Page 2

Letter to Mr. Pete Martinez

State of New Mexico: Board of Land Commissioners
Permission Sought to Commingle Production at the Surface
Avalon Morrow Fm. and Burton Flat Strawn Fm. Production
Lake Shore Fed. S.C. 10-#2 Wellbore
3/14/99

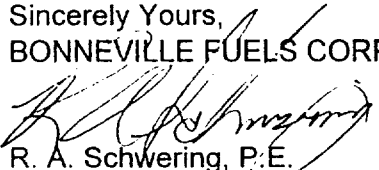
BFC is requesting that the Board of Land Commissioners either write a Letter to BFC and the NMOCD supporting BFC's Application to Commingle at the Surface referenced Avalon Morrow Fm. and Burton Flat Strawn Fm. production from the Lake Shore Fed. S.C. 10-#2 wellbore OR the fully executed attached Waiver in Support of this Surface Commingling Application. This will insure that BFC may pursue this commingling of production in a timely and expeditious manner.

Inspection of the attachments should assure you that such Surface Commingling shall result in an enhanced revenue mineral/royalty interest to the State of New Mexico while protecting the reservoir integrity AND VALUE of all producing horizons in the Lake Shore Fed. S.C. 10-#2 wellbore. Potential drainage of commercial reserves may result from off-set production if this application is not supported in a timely fashion.

I appreciate your timely response to this request. Please do not hesitate to call me at (303) 376-2564 if I can be of any further assistance in this matter. Please fax your approval to this proposal to (303) 863-1558 if it is all acceptable to you (follow by mail with hard copy) so that I can make NMOCD application ASAP.

Thank you for your timely attention to this matter.

Sincerely Yours,
BONNEVILLE FUELS CORPORATION


R. A. Schwering, P.E.
Operations Manager: SE NM

Attachments

Cc: Well File
NMOCD @ Artesia & Santa Fe
BLM @ Roswell

