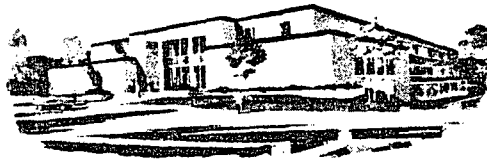


State of New Mexico

#366



Ref

JIM BACA
COMMISSIONER

Commissioner of Public Lands

January 30, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Perry R. Bass
P. O. Box 2760
Midland, Texas 79702

Re: Designation of Agent affidavits
Poker Lake Unit
Eddy County, New Mexico

Dear Mr. Bass

The Bureau of Land Management has forwarded to this office copies of your Designation of Agent designating Jubilee Energy Corporation to act as your agent to drill, test and complete the Poker Lake Unit Well No. 64, and a Designation of Agent designating J. Ray Steward to act as your agent to drill, test and complete the Poker Lake Unit well No. 65.

These documents have this date been accepted and filed in our unit files.

In the future please submit a copy of all Designation of Agents for the Poker Lake Unit Area to this office.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

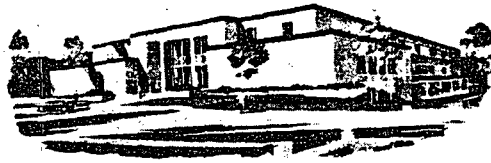
cc: OCD-Santa Fe, New Mexico Attn: Mr. Michael Stogner
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

M.S.

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

February 27, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Re: Poker Lake Unit Well No. 57
330' FSL & 1980' FWL
Section 28-25S-31E
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

This office is in receipt of your letter dated May 23, 1984, wherein as operator of the Poker Lake Unit Well No. 57 in the SE/4SW/4 of Section 28, Township 25 South, Range 31 East, you have determined that this well be produced on a lease basis in the Delaware Formation, and therefore, not be included in a Participating Area.

According to the data submitted, this office concurs with your determination that the Poker Lake Unit Well No. 57 is noncommercial and should not be included in a Participating Area. This action is subject to like concurrence by the Bureau of Land Management.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico, Attn: Mr. Armando Lopez
NMOGAD-Santa Fe, New Mexico

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

February 27, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Re: Poker Lake Unit Well No 60
1980' FNL & 1980' FWL
Section 33-25S-30E
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

This office is in receipt of your letter dated May 23, 1984, wherein as operator of the Poker Lake Unit Well No. 60 in the SE/4NW/4 of Section 33, Township 25 South, Range 30 East, you have determined that this well be produced on a lease basis in the Delaware Formation, and therefore, not be included in a Participating Area.

According to the data submitted, this office concurs with your determination that the Poker Lake Unit Well No. 60 is noncommercial and should not be included in a Participating Area. This action is subject to like concurrence by the Bureau of Land Management.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

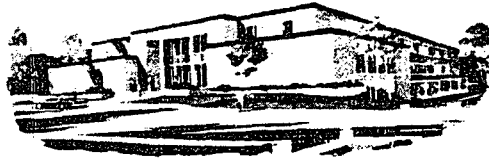
cc: OCD-Santa Fe, New Mexico
NMOGAD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

#366

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

March 8, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Re: 1985 Plan of Development
Poker Lake Unit
Eddy County, New Mexico

ATTENTION: Mr. Jens Hansen

Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Plan of Development for the Poker Lake Unit area Eddy County, New Mexico. Such plan proposes to drill the Poker Lake Unit Well No. 67 to be located in the NE/4SW/4 of Section 3-25S-31E, as a 15,550' Morrow Test. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

J. RAY STEWART
OIL & GAS PROPERTIES
P. O. BOX 451
MIDLAND, TEXAS 79702
(915) 689-8117

March 27, 1985

Bureau of Land Management
P.O. Box 26124
Albuquerque, New Mexico 87125

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Approval
of the Initial Delaware
"D" Participating Area.
Poker Lake Unit No. 65,
Tract No. 56
660' FNL and 660' FEL,
Section 19, T-25-S, R-30-E,
Eddy County, New Mexico

Gentlemen:

As Operator for the No. 65 Poker Lake Unit well and in accordance with provision of paragraph 11 of the Poker Lake Unit Agreement, I respectfully submit for your approval selection of the following described lands which would constitute the Initial Delaware "D" Participating Area for the Delaware (Ramsey Sand) Producing Zone, to-wit:

NE/4 NE/4 Section 19, T-25-S, R-30-E,
Eddy County, New Mexico, containing 40
acres of land.

In support of the application, the following items are attached hereto and made a part hereof:

- (1) Map showing the boundaries of the unit area and the proposed initial Participating Area.

Page 2
March 27, 1985

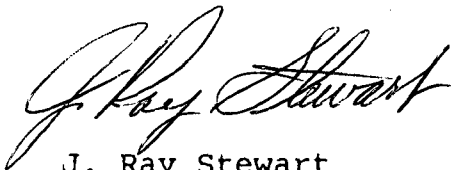
- (2) A schedule showing the lands entitled to participation with percentage of participation of each lease or tract indicated.

Applicant is also submitting in triplicate geological and engineering information with geologic maps supporting and justifying the proposed selection of the Participating Area.

The proposed initial Participating Area is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Unit Agreement on July 11, 1984, of Unit Well No. 65, in the NE/4 NE/4, Section 19, T-25-S, R-30-E, Eddy County, New Mexico, with initial production of oil from the Delaware (Ramsey Sand) Formation at a depth of 3,646 feet to 3,658 feet. The effective date of the initial area shall be July 11, 1984, pursuant to Section 11 of the Unit Agreement.

Applicant therefore respectfully requests your approval of the hereinabove selection of lands to constitute the initial Delaware "D" Participating Area, to be effective July 11, 1984.

Yours very truly,



J. Ray Stewart

JRS/sj

Attachments

In Re: Poker Lake Unit Area
Eddy County, New Mexico State

Application for
Approval of initial
participating area
for the Delaware Sand
formation.

Area Oil and Gas Supervisor
U. S. Geological Survey

Bass Enterprises Production Company, as unit operator for the Poker Lake unit agreement, pursuant to the provisions of section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the initial participating area for the Delaware Sand producing zone or formation, to wit:

Unit N, 665' FSL and 2015' FWL of Section 8, Range 30 East, Township 25 South, of Eddy County, New Mexico, containing 40 acres.

In support of this application, the following numbered items are attached hereto and made a part hereof:

- (1) An ownership map showing thereon the boundaries of the unit area and the proposed initial participating area.
- (2) A Schedule showing the lands entitled to participation in the unitized substances produced from the Delaware Sand formation, with the percentage of participation of each lease or tract indicated thereon. (The schedule may be patterned after exhibit B of the unit agreement with appropriate adjustments.)

Applicant is submitting separately in triplicate a geological and engineering report with accompanying geologic maps supporting and justifying the proposed selection of the participating area.

Consequently, applicant respectfully requests your approval of the hereinabove selection of lands to constitute the initial Delaware Sand participating area, to be effective July , 1985.

Dated this 10th day of July, 1985.

Louis W. Wilpitz, Landman
BASS ENTERPRISES PRODUCTION CO.

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN
FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit No. 63, Tract 65 FORMATION Delaware Sand
LOCATION N UNIT, 665' FEET FROM S LINE & 2015' FEET FROM W LINE,
SECTION, 8, RANGE 30E, TOWNSHIP 25S, COUNTY Eddy,
NEW MEXICO.

SPUD DATE 1-4-84 COMPLETION DATE 1-21-84 INIT. PROD. DATE 1-22-84
PERFORATIONS 3687'-96', 3707'-10', 3712'-14', 3716'-21', with
one shot per foot.

STIMULATION:

ACID 3500 gal. 7 1/2% Hcl.

FRACTURE 30,000 gal. 70 Quality Foam + 40,000# sand

POTENTIAL 31 BOPD + 30 BW, Gas TSTM

(ATTACH COPY OF C-104. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	<u>None</u>
Porosity (ϕ) %	<u>22.9</u>	
Water saturation (S_w), %	<u>58.5</u>	
Net thickness (h) 6% ϕ & 60% S_w , ft	<u>9'</u>	
Temperature (T), °F	<u>97°</u>	

Bottomhole pressure (P), psia 1200
 Recovery factor (RF) .137
 Recoverable oil, bbls 33,713 BBL
 Stock tank oil $= 7758 \times V_o \frac{\phi(1-S_w)}{B_o} = 7758 \times 320 \times \frac{.229(1-.585)}{1.00} = 246,000 \text{ BBL}$

PERFORMANCE DATA

Attached is a projected plot of oil production rate vs. time.

Initial rate 906 BBL/mo
 Economic limit 50 BBL/mo
 Decline rate 45% 2 yrs. then 12% to EL
 Ultimate Recoverable Oil 33,173 BBL

Attach plat showing proration unit and participation area.

<u>RECOVERABLE OIL</u>	<u>OIL (BBL)</u>
Oil sand previously produced	-
Sand perforated	<u>33,713 (1)</u>
Sand not perforate, but potentially productive	<u>- (2)</u>
Total recoverable oil	<u>33,713</u>

(1) performance recoverable oil if available

(2) $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}} =$

Participating area size based on ratio of production history and
 volumetrics 40 acres---minimum area is proration unit.

ECOMONIC

Well Cost \$ 205,313 (to depth of formation completed)

Recompletion Cost \$ -

TOTAL COST \$ 205,313

Net Oil Price = \$ 26.50/BBL

Operating Cost \$1,000/Month

YEAR	GROSS OIL	NET REVENUE LESS OPERATING COSTS	NET REVENUE DISCOUNTED AT 15%	CUMULATIVE DISCOUNTED NET REVENUE
1	8189	150,763	131,164	
2	4496	77,358	58,483	189,646
3	3098	49,586	32,627	222,274
4	2722	42,113	24,089	246,363
5	2347	34,640	17,216	263,579
6	2159	30,904	13,351	276,929
7	1784	23,457	8,820	285,749
8	1690	21,602	7,064	292,813
9	1408	17,866	5,074	297,887
10	1220	14,129	3,490	301,377
11	1126	10,393	2,235	303,611
12	1033	8,538	1,597	305,208
13	845	4,801	783	305,990
14	751	2,920	413	306,403
15	657	1,065	131	306,534
16	563	(817)		

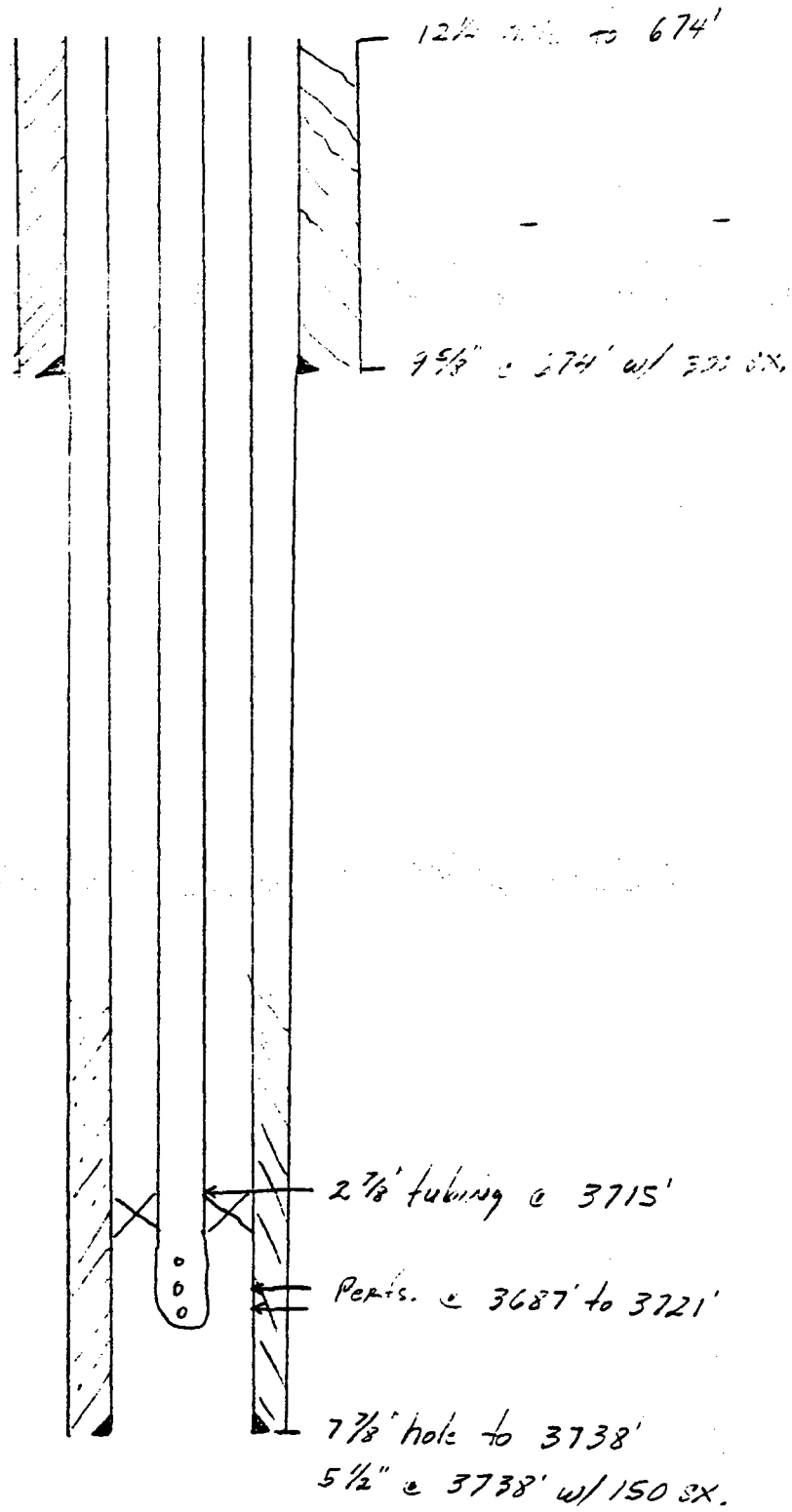
If payout is five years or less, well is considered economical.

Economical

Jubilee Energy Corporation
Poker Lake #63

Elevation: 3201' GL

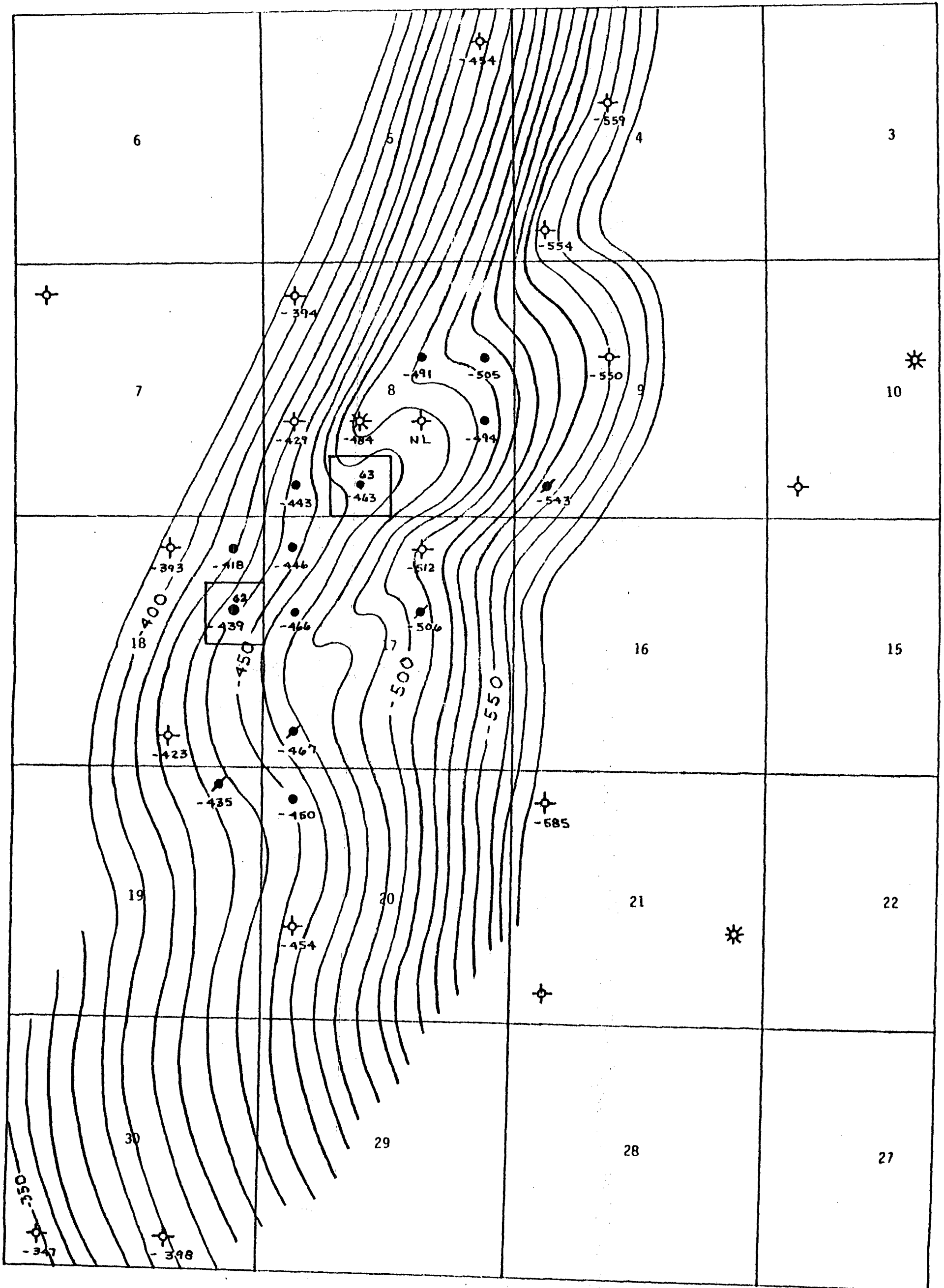
665' FSL & 2015' FWL
Sec. 8, T25S, R30E,
Eddy County, NM



PARTICIPATING AREA - POKER LAKE UNIT WELL #63

Lease No.	Description of Participating Lands	Participating Acres	Lease and Unit Ownership	Lease and Unit W. I. Ownership
B-10678	SE/4 SW/4 Section 8, T-25-S, R-30-E, NMPM from surface to 3,838' Eddy County, New Mexico	40.00	Abo Drilling Partners 1983 .26553750 Abo Drilg. Partners 1983 35.405 Abo Drilling Partners 1983-1 .05820000 Abo Drilg. Partners 1983-1 7.760 Abo Drilling Partners 1984 .04001250 Abo Drilg. Partners 1984 5.335 H. S. Bargreen .04500000 H. S. Bargreen 6.000 John R. Barwin .02343750 John R. Barwin 3.125 Corbett Petroleum, Inc. .02343750 Corbett Petroleum, Inc. 3.125 C. Clyde Hamblin .09375000 C. Clyde Hamblin 12.500 Headland Corporation .09375000 Headland Corporation 12.500 KMR Oil & Gas Corporation .02343750 KMR Oil & Gas Corp. 3.125 Kenac Energy Inc. .01500000 Kenac Energy Inc. 2.000 Maternity Carousel, Inc. .02343750 Maternity Carousel, Inc. 3.125 W. C. Montgomery .03750000 W. C. Montgomery 5.000 Panda Pipe & Equipment .00750000 Panda Pipe & Equipment 1.000 Erma Lowe .03125000 Maralo, Inc. .03125000 State of New Mexico .12500000 The Superior Oil Company .06250000	100.000
			1.00000000	

T 25 S R 30 E



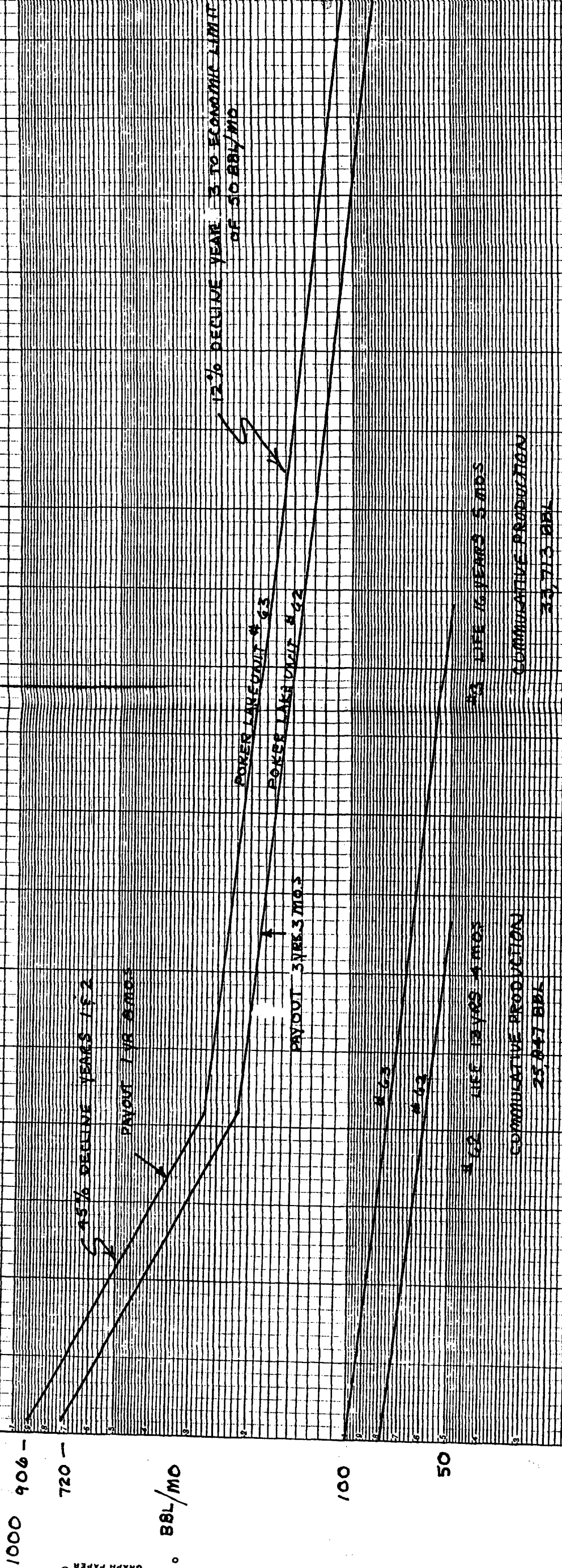
CORRAL CANYON
EDDY COUNTY, NEW MEXICO
STRUCTURE UPPER RAMSEY

CI = 10'
Scale 1" = 2000'

PJM

EXHIBIT 2

PRODUCTION HISTORY MODEL FOR POKER LAKE UNITS G2 & G3
BASED UPON DECLINE HISTORY OF THE KALPA LOWE #1 R-25 FEDERAL (EXHIBIT 1)
NO INTERFERENCE TIMES R 30 K



PJM 7-24-84

DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.			
1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950

J. RAY STEWART
OIL & GAS PROPERTIES
P. O. BOX 451
MIDLAND, TEXAS 79702
(915) 689-8117

March 27, 1985

Bureau of Land Management
P. O. Box 26124
Albuquerque, New Mexico 87125

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Approval
of the "Initial Delaware
Participating Area."
Poker Lake Unit No. 61,
Tract No. 37.
1980' FNL and 660' FWL,
Section 17, T-25-S, R-30-E,
Eddy County, New Mexico

Gentlemen:

As Operator for the No. 61 Poker Lake Unit well and in accordance with provision of paragraph 11 of the Poker Lake Unit Agreement, I respectfully submit for your approval selection of the following described lands which would constitute the "Initial Delaware Participating Area" for the Delaware (Ramsey Sand) Producing Zone, to-wit:

SW/4 NW/4 Section 17, T-25-S, R-30-E,
Eddy County, New Mexico, containing 40
acres of land.

In support of the application, the following items are attached hereto and made a part hereof:

- (1) Map showing the boundaries of the unit area and the proposed initial Participating Area.

Page 2
March 27, 1985

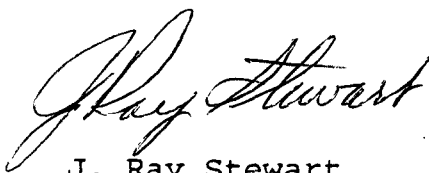
- (2) A schedule showing the lands entitled to participation with percentage of participation of each lease or tract indicated.

Applicant is also submitting in triplicate geological and engineering information with geologic maps supporting and justifying the proposed selection of the Participating Area.

The proposed initial Participating Area is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Unit Agreement on January 5, 1984, of Unit Well No. 61, in the SW/4 NW/4, Section 17, T-25-S, R-30-E, with initial production of oil from the Delaware (Ramsey Sand) Formation at a depth of 3,686 feet through 3,694 feet. The effective date of the initial area shall be January 5, 1984, pursuant to Section 11 of the Unit Agreement.

Applicant therefore respectfully requests your approval of the hereinabove selection of lands to constitute the initial Delaware Participating Area, to be effective January 5, 1984.

Yours very truly,

A handwritten signature in cursive script, reading "J. Ray Stewart".

J. Ray Stewart

JRS/sj

Attachments

POKER LAKE UNIT NO. 61

Poker Lake Unit No. 61 has had its only completion in the Delaware (Ramsey Sand) formation. The well was completed January 5, 1984, for a potential of 25 barrels of oil per day after acidizing with a total of 1,300 gallons 7½% HCL, and fracing with 16,000 gallons foam, 13,600# 20/40 sand, 6,400# 10/20 sand and 2,752 cubic feet of nitrogen. The well is currently averaging 10 barrels of oil per day.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EXPIRES AUGUST 31, 1982

1. TRACT DESIGNATION AND SERIAL NO.

10-261991-4

2. IN INDIAN, ALLOTTEE OR TRIBE NAME

3. UNIT AGREEMENT NAME

Poker Lake Unit

4. NAME OF LEASE NAME

5. WELL NO.

61

6. FIELD AND POOL OR WILDCAT

Corral Canyon-Delaware

7. SECTION, T. & R. OR BLOCK AND SURVEY OR AREA

Sec. 17, T25S, R30E

8. COUNTY OR PARISH

Edgar

9. STATE

N.M.

14. PERMIT NO. 803 WELLS UNITED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP ☐ REPAIR ☐ DIFF. REPAIR ☐ OTHER ☐

2. NAME OF OPERATOR

J. Ray Stewart

3. ADDRESS OF OPERATOR

P.O. Box 451, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

1980' FNL & 660' FWL

At top prod. interval reported below

3686'

At total depth

14. PERMIT NO. 803 WELLS UNITED

15. DATE SPUDDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DP, H.B., RT, CR, ETC.)* 19. ELEV. CASINGHEAD

12/03/83

12/16/83

1/05/84

3195.6' GR

3194.0'

20. TOTAL DEPTH, MD & TVD 21. PLUG BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS

3765'

3749'

X

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3686-3694' Delaware formation

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR-Borehole Compensated Sonic Log & GR-Compensated Neutron Log

No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	23.0#	760'	12 1/4"	520 SX	----
4 1/2"	11.6#	3764'	7 7/8"	200 SY	----

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	3626'	

31. PERFORATION RECORD (Interval, size and number)

3686-3694' (9 holes-1SPF)

Bridge plug @ 3700'

3706-3710' (5 holes-1 SPF)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3686-94'	1000 gal. 7-2 HCL, 16000 gal foam + 13600# 20/40 sand +
3706-10'	6400# 10/20 sand + 2752 of nit. 300 gal HCL acid

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
1/16/84		Pumping-1 1/2" X 16' rod pump				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
3/02/84	24		→	25	TSTM	42	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
-----	-----	→	25	TSTM	42	36	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Used to run gas engine on pumping unit

35. LIST OF ATTACHMENTS

ACCEPTED FOR RECORD TEST WITNESSED BY
PETER W. CHESTER Myron Dixon

MAR 13 1984

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Leary W. Franklin

TITLE

Agent

DATE March 9, 1984

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; corer intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRIP VERT. DEPTH
Delaware SS						
Upper Ramsey	3680'	3696	Perf 9 holes: 3686-94' Oil & formation water Perf 5 holes: 3706-3710' Formation water, Set BP @ 3700'	Anhydrite	440'	"
Lower Ramsey	3706'	3718'		Salt	810'	"
				Anhydrite	2090'	"
				Salt	2840'	"
				Anhydrite	3015'	"
			Salt	3110'	"	
			Anhydrite	3425'	"	
			Delaware IS	3630'	"	
			Delaware SS	3656'	"	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-123
Effective 1-4-83

All distances must be from the outer boundaries of the Section

Owner J. RAY STEWART	Lease POKER LAKE UNIT	Well No. 61
--------------------------------	---------------------------------	-----------------------

Section E	Section 17	Township 25S	Range 30E	County EDDY
---------------------	----------------------	------------------------	---------------------	-----------------------

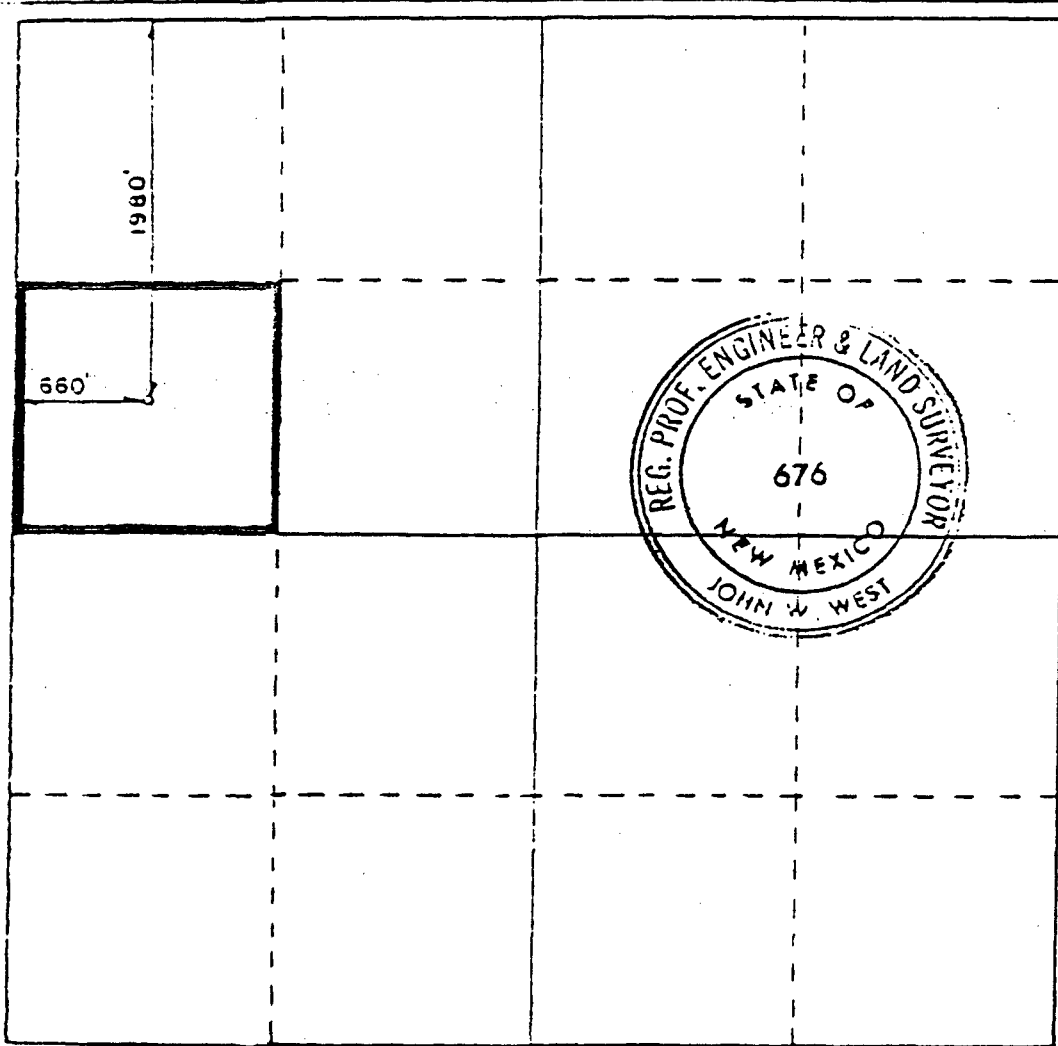
Well Location of Well:				
1980	feet from the	NORTH	line and	660
				feet from the
				WEST
Well Depth Elev. 3195.6	Producing Formation Delaware	Pool Poker Lake Unit	Dedicated Acreage: 40	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name John W. Frankles

Position

Agent

Company

J. Ray Stewart

Date

11/21/83

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 knowledge and belief.

Date Surveyed

11/13/83

Registered Professional Engineer
and Land Surveyor

John W. West

License No. **John W. West, 876**
RONALD J. ELLISON, 5218

J. Ray Stewart
P. O. Box 451
Midland, Texas

79702

Taxation and Revenue Department
Oil & Gas Accounting Division
Post Office Box 2308
Santa Fe, New Mexico 87504-2308

ASSIGNMENT OF PRODUCTION UNIT

Production Unit 20430 has been assigned to
your Poker Lake Unit

<u>Well No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>	<u>School District</u>	<u>Land Type</u>
61	E	17	25S	30E	Eddy	00C	02

PLEASE NOTIFY YOUR PURCHASERS OF THE PRODUCTION UNIT NUMBER ASSIGNMENT.

(Tesoro Crude Oil) ✓

CC: *Juan* 3/23/84

Please File!
WFO

OIL CONSERVATION DIVISION

Drawer DD Artesia, NM

DISTRICT OFFICE #2

Jan. thru Apr. 1984

NO. 2148 N

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE March 21, 1984

PURPOSE ALLOWABLE ASSIGNMENT - NEW WELL

Effective March 1, 1984 an allowable of 25 barrels of oil per day is hereby assigned to J. Ray Stewart, Poker Lake Unit #61-E-17-25-30 in the Corral Canyon-Delaware Pool.

L - F

MP - P

Mar. Total - 775 bbls.

Apr. Total - 750 bbls.

Form. - Delaware
Perfs. - 3686' - 3710'
TD - 3765'
Comp. - 1-5-84

LAC:fc

J. Ray Stewart

TCO

OIL CONSERVATION DIVISION


DISTRICT SUPERVISOR

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

RECEIVED-BYO

MAR 12 1984

O. C. D.
ARTESIA, OFFICEREQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

J. Ray Stewart

P.O. Box 451, Midland, Texas 79702

Reason(s) for filing (Check proper box)

New Well	☒	Change in Transporter of	
Completion	☐	Oil	☐
Change in Ownership	☐	Casinghead Gas	☐
		Dry Gas	☐
		Condensate	☐

Other (Please explain)

CASINGHEAD GAS MUST NOT BE
FLARED AFTER 4-21-84change of ownership give name
and address of previous ownerUNLESS AN EXCEPTION FROM
THE B. L. M. IS OBTAINED

DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, including Formation	Kind of Lease	Lease No.
Poker Lake Unit	61	Corral Canyon-Delaware	State, Federal or Fee Federal	LC-064894

Location
Unit Letter E : 1980 Feet From The North Line and 660 Feet From The WestLine of Section 17 To Township 25S Range 30E , NMPM, Eddy County

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)
Tesoro Crude Oil	P.O. Box 2297, Midland, Texas
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐	Address (Give address to which approved copy of this form is to be sent)

Well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	E	17	25S	30E	No	

this production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Interval	Diff. Interval
	X		X				X	
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.D.T.D.					
12/03/83	1/05/84	3765'	3749'					
Locations (DF, RAB, RT, CR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
3195.6' GR	Delaware	3686'	3626'					
Perforations		Depth Casing Shoe						
3686-3694' (9 holes-1 SPF) BP @ 3700', 3706-3710' (5 holes-1 SPF)		3764'						

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12 1/4"	8 5/8"	760'	520 BX
7 7/8"	4 1/2"	3764'	200 BX
	2 3/8"	3626'	

TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of initial volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
1/15/84	3/03/84	Pump	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hours	----	----	----
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF
67 bbls	25	42	TSTM

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-In)	Casing Pressure (Shut-In)	Choke Size

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Jerry W. Franklin

(Signature)

Agent

(Title)

March 9, 1984

OIL CONSERVATION DIVISION

APPROVED MAR 21 1984, 19Original Signed By
BY Leslie A. ClementsTITLE Supervisor District II

This form is to be filed in compliance with RULE 111.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviated tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for all wells on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of own well name or number, or transporter, or other such change of condition.

POKER LAKE UNIT # 61
1980' FNL & 660' FWL
SECTION 17, T25S, R30E
EDDY COUNTY, NEW MEXICO

GL: 3195.6' KB: 3207'

SPUD: 12-3-83

COMP: 1-5-84

LEASE # LC-064894-A

TRACT # 37

SMXCO 3-15-85

Potential: 3-20-84

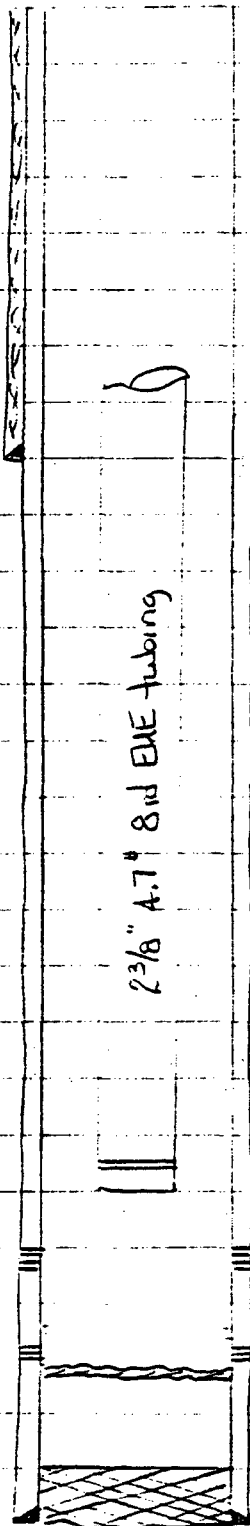
- (P) 25 BO + 42 BW + Gas TSTM

Upper Ramsey

1-4-84 Perf: 3686'-94' (9 shots)

Lower Ramsey

12-30-83 Perf: 3706'-10' (5 shots)



TDC 3765'

12 1/4" OH

760' - 8 5/8" 23# J55 ST+C Csg
Cmt'd w/ 520 sk. Circ 120 sk.

7 7/8" OH

SNc 3579'

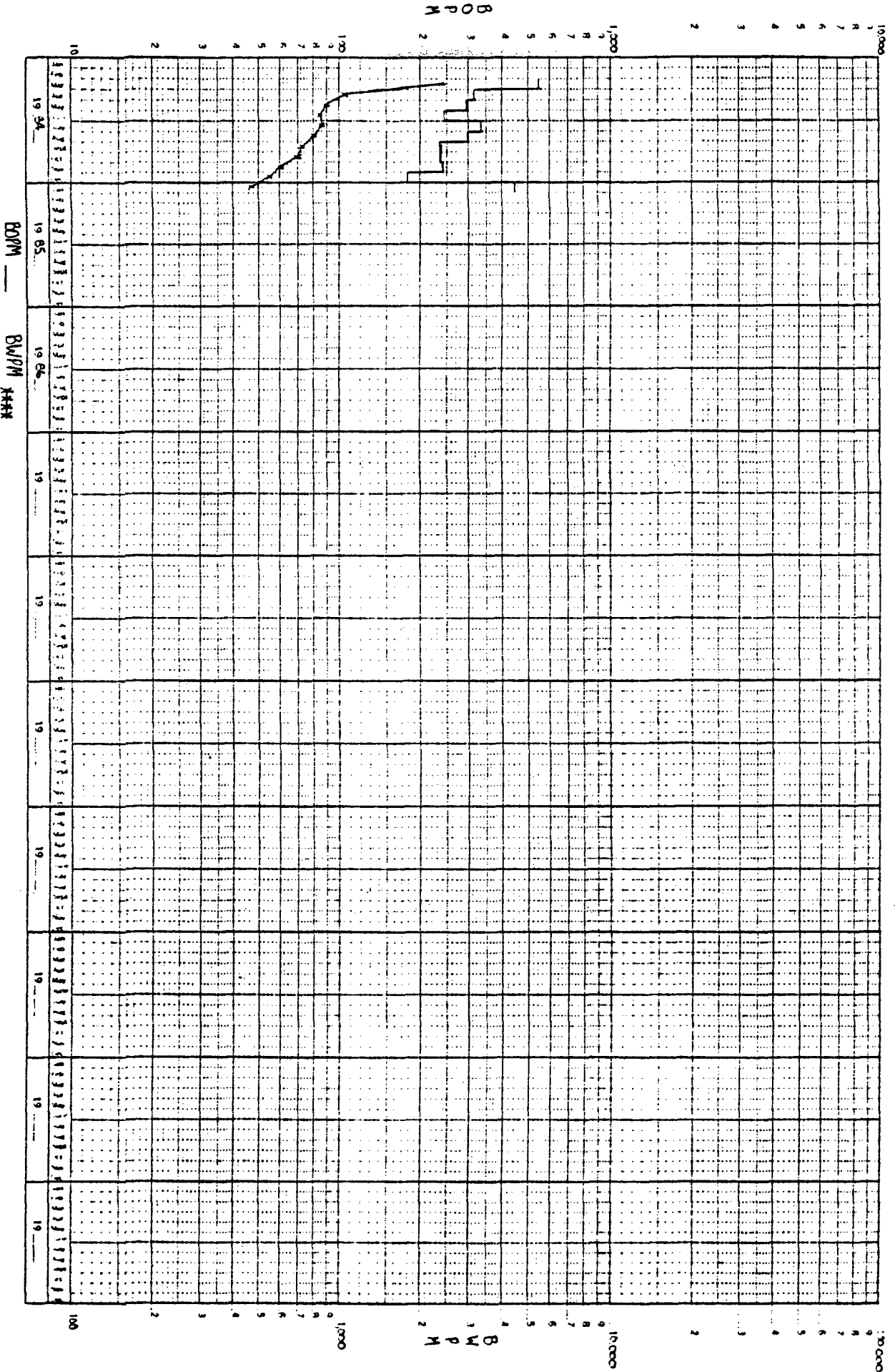
Btm 2 3/8" tube 3613'

CIRPe 3717' (remains after being
drilled on with sandline
drill).

PBDC 3734'

3764' - 4 1/2" 11.6# K55 LT+C Csg
Cmt'd w/ 200 sk Class C"

River Lake Unit No. 61
 CORONA LANTERN DRAWING



MILB:

CORRAL CANYON DELMARRE

COUNTY: Edo / New Mexico

1. **NAME**

J. RAY STEWART
POMER LAKE UNIT

RECEIVED

LEASE - 15-064894-A

WILLIS

PONER LAKE UNIT
61

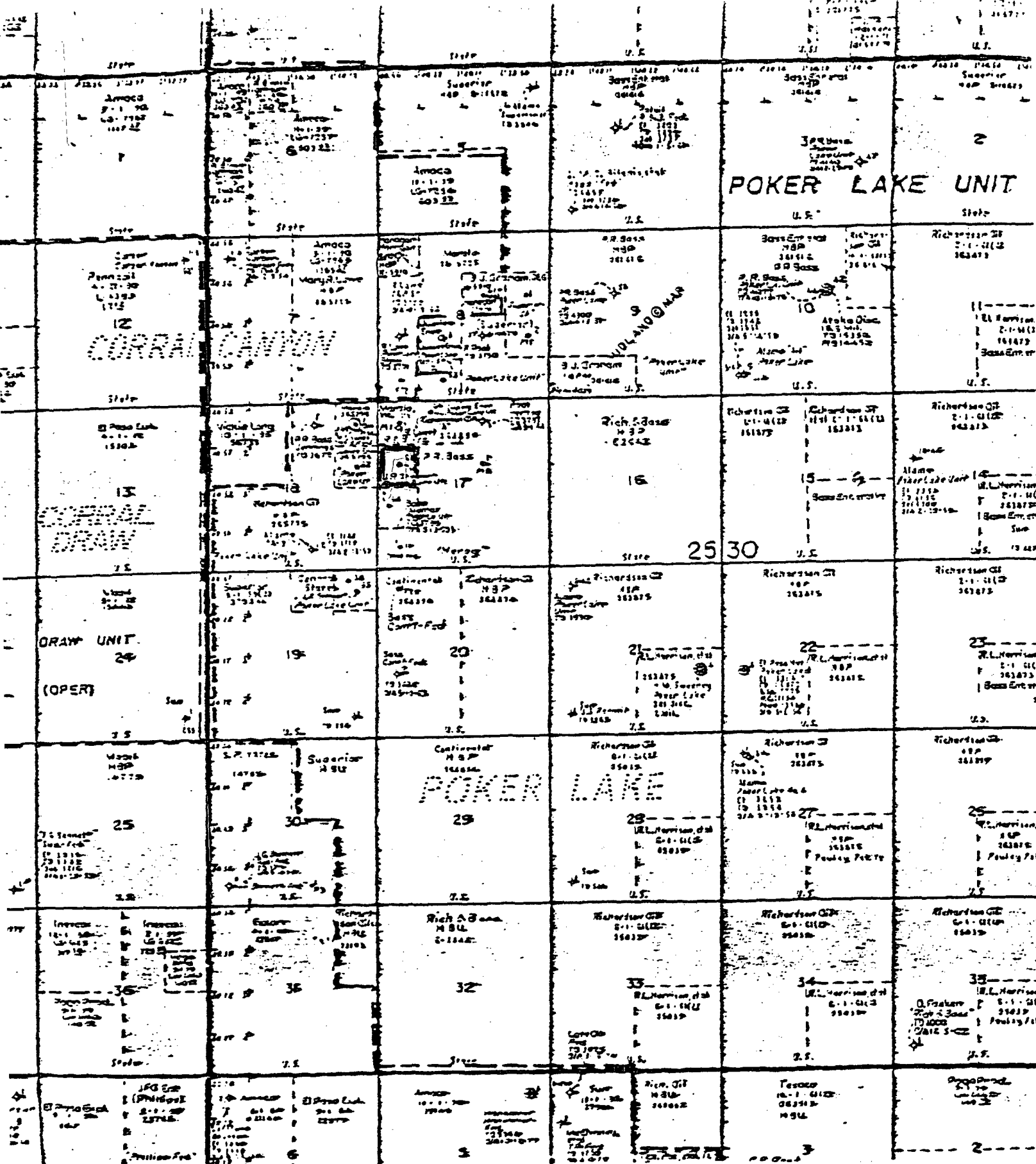
LEASE - LG-064894-A

	Number Produced Wells	Oil Produced Bbls.	Chemistive Oil Bbls.	Gas Produced MCF	Chemistive Gas MCF	Water Produced Bbls.	Chemistive Water Bbls.	Water Injection Bbls.	Chemistive Water Injection Bbls.	Produced G.O.R. Bbls./Bbl.	Produced W.O.R. Bbls./Bbl.	Produced W.O.R. Bbls./Bbl.
1964												
Jan.												
Feb.												
Mar.	1	543	543	TSN		1,140	1,140	—	—	1.26		
April	1	314	851	"	—	1,050	4,290	—	—	3.34		
May	1	293	1,152	"	—	895	3,185	—	—	3.03		
June	1	243	1,385	"	—	850	4,635	—	—	3.50		
July	1	333	1,728	"	—	842	4,641	—	—	3.91		
August	1	291	2,015	"	—	800	5,497	—	—	4.73		
Sept.	1	236	2,255	"	—	725	6,472	—	—	3.01		
Oct.	1	232	2,487	"	—	693	7,141	—	—	3.41		
Nov.	1	242	2,129	"	—	600	7,131	—	—	3.46		
Dec.	1	179	2,908	"	—	550	8,271	—	—	3.67		
Twenty Total		2,908	2,908			6,211	6,211					

[illegible]

EXHIBIT "B"
INITIAL DELAWARE PARTICIPATING AREA
POKER LAKE UNIT # 61

TRACT #	LEASE #	DESCRIPTION OF PARTICIPATING LANDS	PARTICIPATING ACRES	% OF LEASE OWNERSHIP	% OF UNIT OWNERSHIP
37	LC-064894-A	SW/4 NW/4 Section 17, T25S, R30E EDDY COUNTY, NEW MEXICO	40	J. Ray Stewart 100%	J. Ray Stewart 100%



PROPOSED PARTICIPATING AREA

PROFITABILITY ANALYSIS -OIL

DATE: September 10, 1984

EASE AND WELL: J. Ray Stewart
#61 Poker Lake Unit

FIELD/AREA: Corral Canyon Field

LOCATION: SW/4 NW/4 Section 17-T25S-R30E

CO. & STATE: Eddy County, New Mexico

WELL DEPTH: 3725 Feet

OBJECTIVE FORMATION(s): Delaware Sandstone

Formation	Net Pay (Ft.)	Drainage Area (Acs.)	Ø (%)	Sw (%)	Rsi (cf/bbl)	Bo	O.I.P. (B/NAF)	Rec. Eff. (%)	Rec. Factor (B/NAF)	Ultimate Recovery (Bbls)
Ramsey	8	40	23	50						30,880

ECONOMICS

PRODUCTION

Oil Price (grav. 36 °API)	\$ 30.00 /Bbl	Initial (Allowable*) Rate	25 B
Gas-Oil-Ratio: Nil MCF/Bbl.		Total Well Life	17 Y
Gas Price: None /MCF		Oil Purchaser:	Tesoro Petr. Corp
Gas Value None	\$ None /Bbl.	Oil Transport: Method- Truck	
		Cost - None	
Gross Inc./Gross Bbl.	\$ 30.00 /Bbl.	Gas Purchaser:	None
Royalty Burden (25 %)	(\$ 7.50)		
Prod. Tax-Oil&Gas 3.75	(\$ 1.125)		
Prop.-Tax-&Ins. WPT	(\$.90)		
Direct Op. Costs (\$ 605 /Mo.)	(\$.067)		
Overhead \$350 /Mo.	(\$.018)		
Net Inc./Gross Bbl.	\$ 20.39 /Bbl.		

*Basis of Allowable Initial Potenti

The economics have been calculated on the current average daily production of 10 Barrels.

Total

\$20.39 X 30,880 = \$629,643

W.I. 100 %

Operating Net Income	\$629,643
Completed Well Cost	\$250,504
Well's Profit	2.5 : 1 (%)
Payout	3.5 Yrs.
	12,285 Bbls.
Present Value O.N.I. (@ %)	
Present Value Profit	\$379,139 (%)

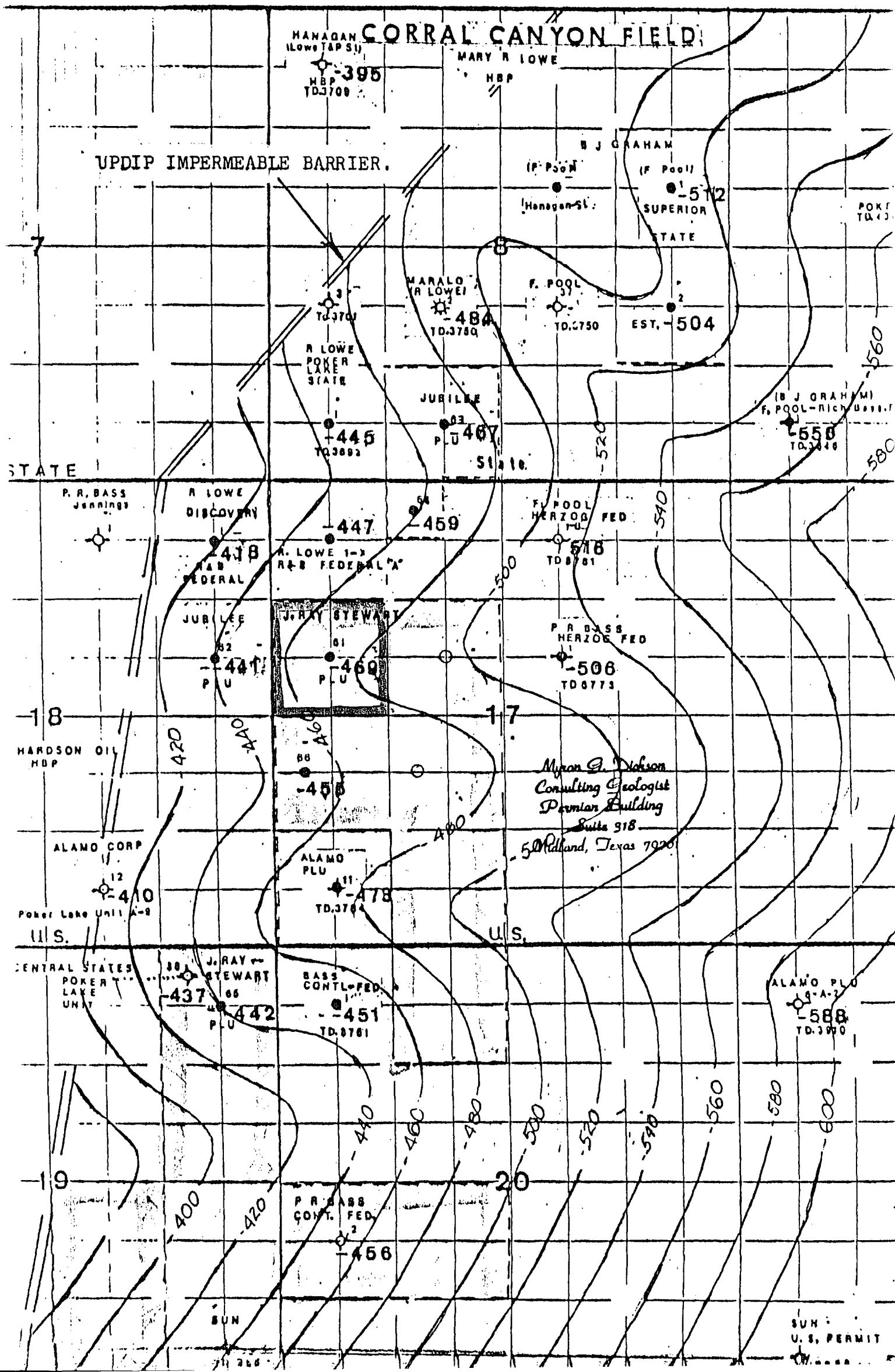
Remarks

- ** The ultimate recovery of 30,880 barrels of oil is based on the average production history of 9 wells in the field which have now reached a state of depletion, in which, there is no economic return.
- *** Based on depletion performance of known wells in the field.

TOP OF RAMSEY SAND.

C.L. = 20 FEET. SCALE: 1 INCH = 1320 FEET

SOUTH RANGE 30 EAST COUNTY EDDY STATE NEW MEX



In Re: Poker Lake Unit Area
Eddy County, New Mexico State

Application for
Approval of initial
participating area
for the Delaware Sand
formation.

Area Oil and Gas Supervisor
U. S. Geological Survey

Bass Enterprises Production Company, as unit operator for the Poker Lake unit agreement, pursuant to the provisions of section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the initial participating area for the Delaware Sand producing zone or formation, to wit:

Unit H, 1980' FNL and 660' FEL of Section 18, Range 30 East, Township 25 South, of Eddy County, New Mexico, containing 40 acres.

In support of this application, the following numbered items are attached hereto and made a part hereof:

- (1) An ownership map showing thereon the boundaries of the unit area and the proposed initial participating area.
- (2) A Schedule showing the lands entitled to participation in the unitized substances produced from the Delaware Sand formation, with the percentage of participation of each lease or tract indicated thereon. (The schedule may be patterned after exhibit B of the unit agreement with appropriate adjustments.)

Applicant is submitting separately in triplicate a geological and engineering report with accompanying geologic maps supporting and justifying the proposed selection of the participating area.

Consequently, applicant respectfully requests your approval of the hereinabove selection of lands to constitute the initial Delaware Sand participating area, to be effective July , 1985.

Dated this 10th day of July, 1985.

Louis W. Wilpitz, Landman
BASS ENTERPRISES PRODUCTION CO.

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN
FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit No. 62, Tract 39 FORMATION Delaware Sand

LOCATION H UNIT, 1980 FEET FROM N LINE & 660 FEET FROM E LINE,
SECTION, 18, RANGE 30E, TOWNSHIP 25S, COUNTY Eddy,
NEW MEXICO.

SPUD DATE 12-21-83 COMPLETION DATE 1-18-84 INIT. PROD. DATE 1-19-84

PERFORATIONS 3638'-40', 3643'-49', 3652'-61', 3672'-76', w/ one shot,
per foot

STIMULATION:

ACID 4500 gal. 7 1/2% MSR.

FRACTURE 20,000 gal 70 Quaility Foam + 20,000# sand

POTENTIAL 29 BOPD + 35 BW. Gas TSTM

(ATTACH COPY OF C-104. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED
WELL.)

VOLUMETRIC CALCULATION

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	40	None
Porosity (ϕ) %	22.6	
Water saturation (S_w), %	56.8	
Net thickness (h) 6% ϕ & 60% S_w , ft	11'	
Temperature (T), °F	97	

Bottomhole pressure (P), psia 1200
 Recovery factor (RF) .084
 Recoverable oil, bbls 25,847
 Stock tank oil = $7758 \times \frac{V_o \phi (1-S_w)}{B_o} = 7758 \times 440 \times .226(1-.560)$
1.08
 = 308,000 BBL

PERFORMANCE DATA

Attached is a projected plot of oil production rate vs. time.

Initial rate 720 BBL/mo
 Economic limit 50 BBL/mo
 Decline rate 45% 2 yrs. then 12% to EL
 Ultimate Recoverable Oil 25,847 BBL

Attach plat showing proration unit and participation area.

<u>RECOVERABLE OIL</u>	<u>OIL (BBL)</u>
Oil sand previously produced	<u>—</u>
Sand perforated	<u>25,847 (1)</u>
Sand not perforate, but potentially productive	<u>— (2)</u>
Total recoverable oil	<u>25,847</u>

(1) performance recoveralbe oil if available

(2) $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}} =$

Participating area size based on ratio fo production history and volumetrics 40 acres---minimum area is proration unit.

ECOMONIC

Well Cost \$ 217,536 (to depth of formation completed)

Recompletion Cost \$ -

TOTAL COST \$ 217,536

Net Oil Price = \$26.50/BBL

Operating Cost \$1,000/Month

YEAR	GROSS OIL	NET REVENUE LESS OPERATING COSTS	NET REVENUE DISCOUNTED AT 15%	CUMULATIVE DISCOUNTED NET REVENUE
1	6503	117,241	102,000	
2	3573	59,020	44,619	146,619
3	2441	36,522	23,031	170,650
4	2159	30,904	17,677	188,327
5	1877	25,312	12,580	200,907
6	1690	21,602	9,332	210,239
7	1502	17,866	6,718	216,957
8	1314	14,129	4,620	221,577
9	1126	10,393	2,952	224,529
10	1033	8,538	2,109	226,638
11	845	4,801	1,032	227,670
12	751	2,920	546	228,216
13	657	1,065	173	228,389
14	563	(817)		

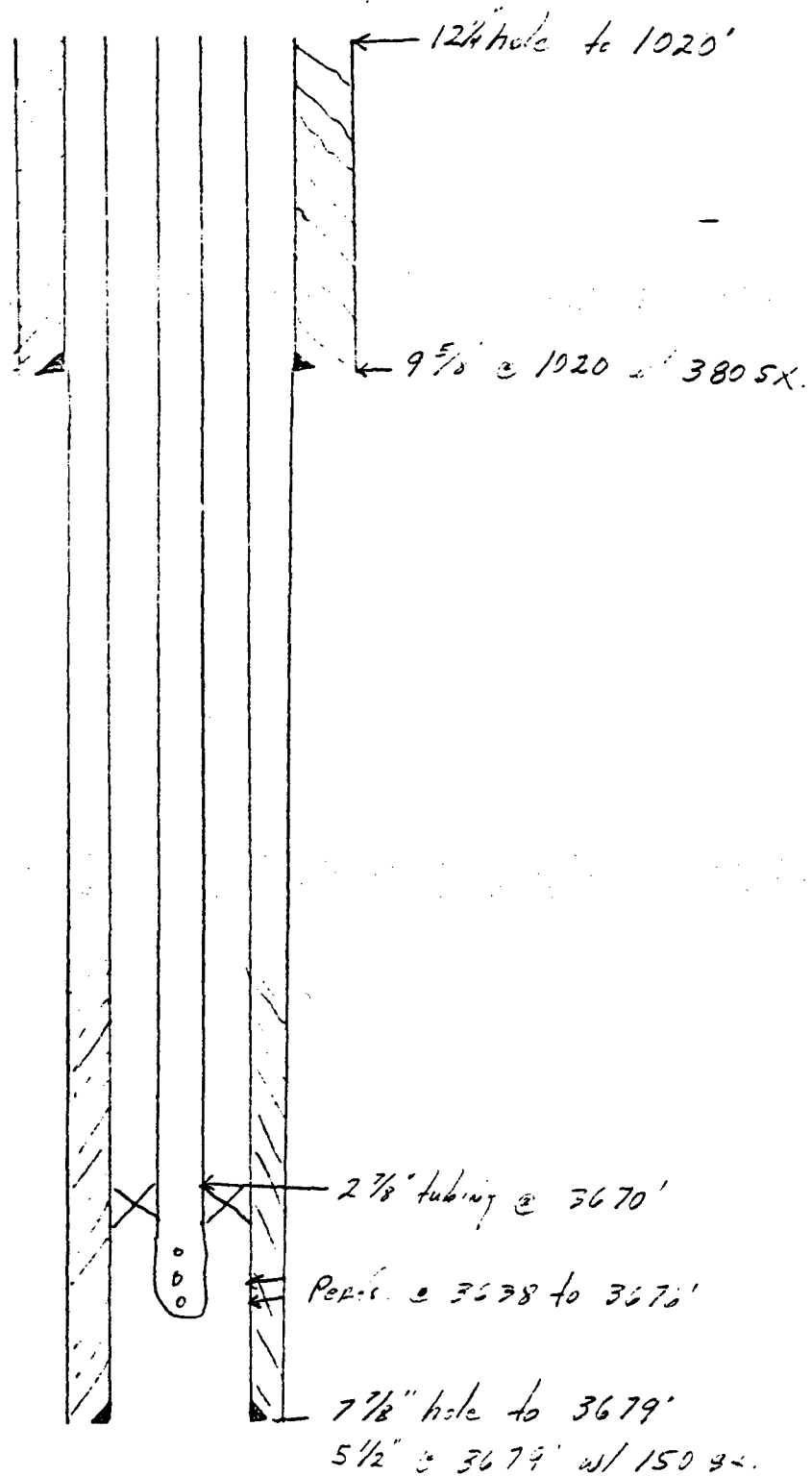
If payout is five years or less, well is considered economical.

Uneconomical.

Jubilee Energy Corporation
Poker Lake #62

Elevation: 3178.3' GR.

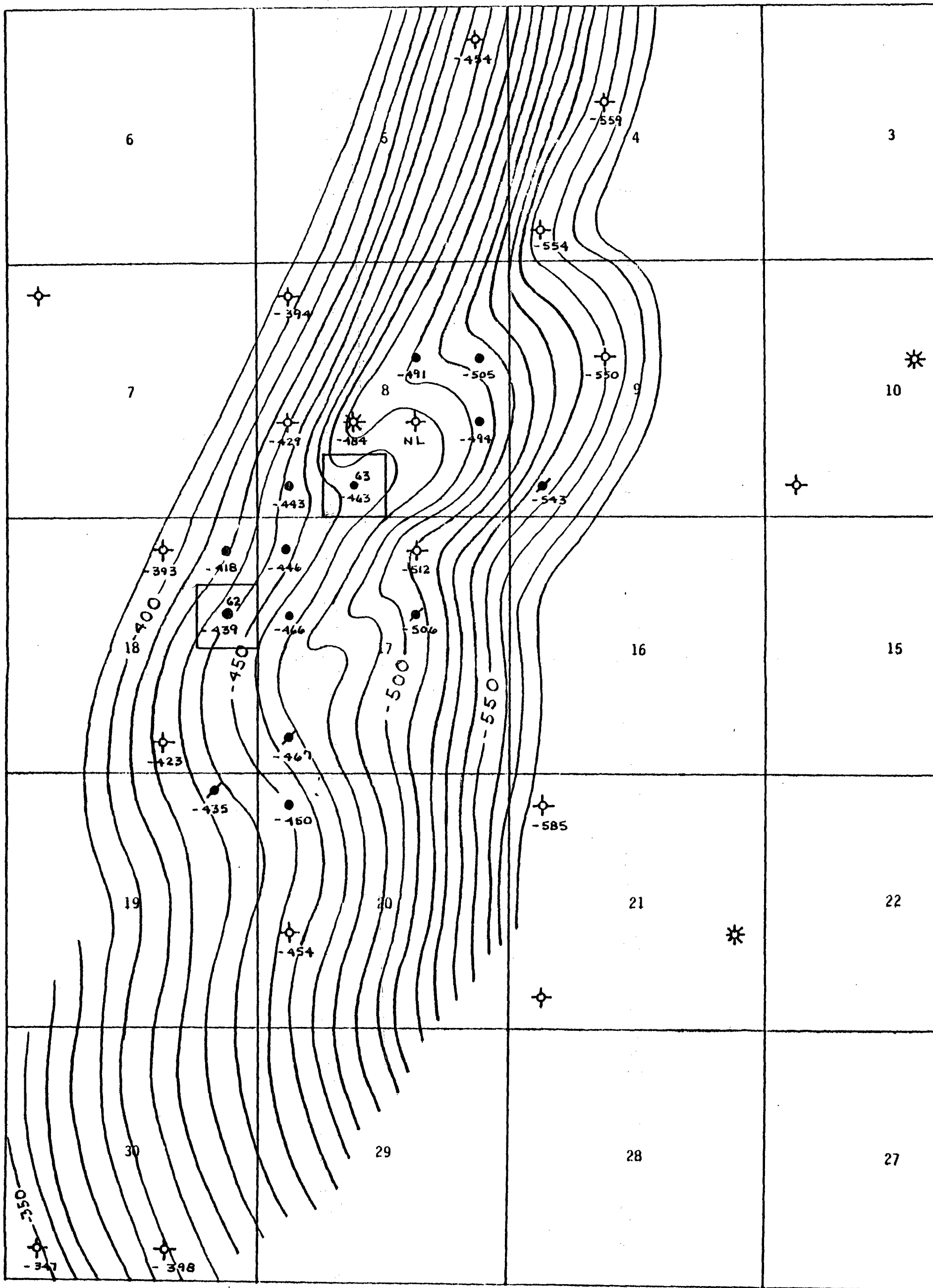
1980' FNL & 660' FEL
Sec. 18, T25S, R30E,
Eddy County, NM



PARTICIPATING AREA - POKER LAKE UNIT WELL #62

Lease No.	Description of Participating Lands	Participating Acres	Lease and Unit Ownership	Lease and Unit W. I. Ownership
LC-065705	SE/4 NE/4 Section 18, T-25-S, R-30-E, NMPM from surface to 3,766' Eddy County, NM	40.00	Abo Drilling Partners 1983 .26553750 Abo Drlg. Partners 1983 35.405% Abo Drilling Partners 1983-1 .05820000 Abo Drlg. Partn. 1983-1 7.760% Abo Drilling Partners 1984 .04001250 Abo Drlg. Partners 1984 5.335% H. S. Bargreen .04500000 H. S. Bargreen 6.000% John R. Barwin .02343750 John R. Barwin 3.125% Corbett Petroleum, Inc. .04687500 Corbett Petroleum, Inc. 6.250% C. Clyde Hamblin .09375000 C. Clyde Hamblin 12.500% Headland Corporation .09375000 Headland Corporation 12.500% Kenac Energy, Inc. .01500000 Kenac Energy, Inc. 2.000% Maternity Carousel, Inc. .02343750 Maternity Carousel, Inc. 3.125% W. C. Montgomery .03750000 W. C. Montgomery 5.000% Panda Pipe & Equipment .00750000 Panda Pipe & Equipment 1.000% Bass Brothers Enterprises, Inc. .01500000 Perry R. Bass .00500000 Featherstone Farms Ltd. .02700000 Erma Lowe .03750000 Maralo, Inc. .03750000 Minerals Management Service - Onshore (USA) .12500000 Jack B. Shaw .00150000 Jacqueline J. Shaw .00150000 <u>1.00000000</u>	100.000%

T 25 S R 30 E



CORRAL CANYON
EDDY COUNTY, NEW MEXICO
STRUCTURE UPPER RAMSEY

CI = 10'
Scale 1" = 2000'

P.1M

1000 906-

720 -

100

७०

PRODUCTION HISTORY MODEL FOR POKER LAKE UNIT 62

BASED UPON DECHINE HISTORY OF THE WAKPARKOUE #1 RES FEDERAL (EXHIBIT 1)

460-11-1111 DEC 8 11 25 3 AM 2011

45% DEFECTIVE YEARS 132

PAYOFF 1 **MR. D. MCDONALD**

payroll 3 yrs 3 mos

~~POWER LAKE POWER # 42~~

~~EX-118 42~~

12/0 DECEMBER YEAR 3 TO ECONOMIC LIMIT
OF 50 BBL/MO

OF 50884/M10

162 LEE BYRON ALEX

EDMUNDATIVE PRODUCTIONS

25847824

WOLF HILL 16. JEWELL 5. MOSS

COMPASSATIVE PRODUCTIVITY

773851

PJM 7-24-84

DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
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SEPT.
OCT.
NOV.
DEC.

J. RAY STEWART
OIL & GAS PROPERTIES
P. O. BOX 451
MIDLAND, TEXAS 79702
(915) 689-8117

March 27, 1985

Bureau of Land Management
P. O. Box 26124
Albuquerque, New Mexico 87125

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Approval
of the Initial Delaware
"E" Participating Area.
Poker Lake Unit No. 66,
Tract No. 37.
1980' FSL and 330' FWL,
Section 17, T-25-S, R-30-E,
Eddy County, New Mexico

Gentlemen:

As Operator for the No. 66 Poker Lake Unit well and in accordance with provision of paragraph 11 of the Poker Lake Unit Agreement, I respectfully submit for your approval selection of the following described lands which would constitute the Initial Delaware "E" Participating Area for the Delaware (Ramsey Sand) Producing Zone, to-wit:

NW/4 SW/4 Section 17, T-25-S, R-30-E,
Eddy County, New Mexico, containing 40
acres of land.

In support of the application, the following items are attached hereto and made a part hereof:

- (1) Map showing the boundaries of the unit area and the proposed initial Participating Area.

Page 2
March 27, 1985

- (2) A schedule showing the lands entitled to participation with percentage of participation of each lease or tract indicated.

Applicant is also submitting in triplicate geological and engineering information with geologic maps supporting and justifying the proposed selection of the Participating Area.

The proposed initial Participating Area is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Unit Agreement on October 15, 1984, of Unit Well No. 66, in the NW/4 SW4, Section 17, T-25-S, R-30-E, with initial production of oil from the Delaware (Ramsey Sand) Formation at a depth of 3,673 feet through 3,709 feet. The effective date of the initial area shall be October 15, 1984, pursuant to Section 11 of the Unit Agreement.

Applicant therefore respectfully requests your approval of the hereinabove selection of lands to constitute the initial Delaware "E" Participating Area, to be effective October 15, 1984.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J. Ray Stewart".

J. Ray Stewart

JRS/sj

Attachments

EXHIBIT "B"
 DELAWARE "E" PARTICIPATING AREA
 POKER LAKE UNIT # 66

TRACT #	LEASE #	DESCRIPTION OF PARTICIPATING LANDS	PARTICIPATING ACRES	LEASE OWNERSHIP % OF	UNIT OWNERSHIP % OF
37	LC-064894-A	NW/4 SW/4 Section 17, T25S, R30E EDDY COUNTY, NEW MEXICO	40	J. Ray Stewart 100%	J. Ray Stewart 100%

PROFITABILITY ANALYSIS -OIL

TE: January 9, 1985

ASE AND WELL: #66 Poker Lake Unit

FIELD/AREA: Corral Canyon

CAUTION: 330' FWL & 1980' FSL of Sec. 17,
T-25-S, R-30-E

CO. & STATE: Eddy County, New Mexico

LL DEPTH: 3740'

OBJECTIVE FORMATION (s): Delaware Sandstone

Formation	Net Pay (Ft.)	Drainage Area (Acs.)	ϕ (%)	Sw (%)	So (%)	Bo	O.I.P. (B/NAF)	Rec. Eff. (%)	Rec. Factor (B/NAF)	Ultimate Recovery (Bbls)
Monsey Sand	25	40	23	55	14		250	30	75	* 75,000

ECONOMICS

PRODUCTION

L Price (grav. 42 °API \$ 28.25 /Bbl.
s-Oil-Ratio: Nil MCF/Bbl.
s Price: None /MCF
s Value \$ None /Bbl.

Initial (Allowable*) Rate 46.5 BOE/D

** Total Well Life 17 Yrs

Oil Purchaser: Navajo Refining Co.

Oil Transport: Method- Trucking

Cost -

Gas Purchaser:

Gross Inc./Gross Bbl.	\$	28.25 /Bbl.
Valty Burden (25 %)	(\$	7.06)
od. Tax-Oil&Gas 7.7%	(\$	2.17)
xxxxTax&Ins WPT	(\$	.25)
rect Op. Costs (\$ 50 /Mo.)	(\$	.05)
erhead 506 P/Month	(\$	.56)
Net Inc./Gross Bbl.	\$	18.16 /Bbl.

*Basis of Allowable Pumped 46.5 Barrels
of Oil & 48.5 Barrels of Water in 24 Hrs.

Total

$$75,000 \text{ Bbls.} \times \$18.16 = \$1,362,000.$$

W.I.	100	%
------	-----	---

Operating Net Income	1,362,000	
Completed Well Cost	\$228,152	
Oil's Profit	5.96:1	(%)
Output	*** 1.16 (13.95 Mo.)	Yrs.
	12.563	Bbls.
Present Value O.N.I. (@ %)		
Present Value Profit		(%)

marks

Parameters for calculating ultimate recovery were taken from core analysis of the pay section.

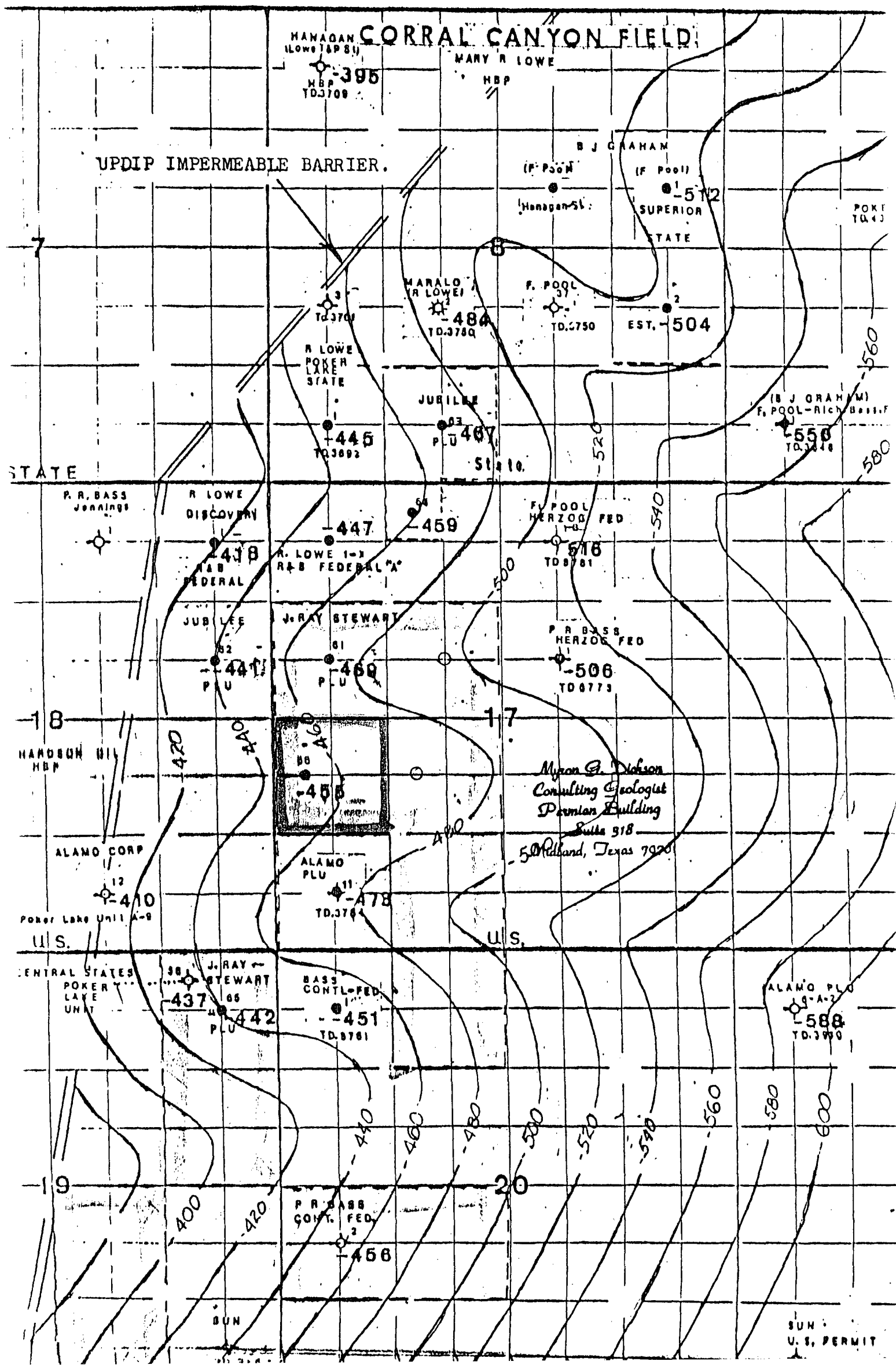
Based on depletion performance of known wells in the field. Economic limits are reached at 3 barrels per day.

Payout has been calculated on the current average daily production of 30 barrels per day.

TOP OF RAMSEY SAND.

C. I. = 20 FEET SCALE: 1 INCH = 1320 FEET

SOUTH RANGE 30 EAST COUNTY EDDY STATE NEW MEX



ROTARY ENGINEERS LABORATORIES CONVENTIONAL (PLUG) CORE ANALYSIS TABULAR DATA

COMPANY	J. Ray Stewart	WELL	Poker Lake #66	FIELD		Poker Lake Unit/Corral Canyon			
COUNTY	Eddy	STATE	New Mexico	DATE	9-16-84	ANALYST	DRM		
FORMATION	Delaware	TYPE ANALYSIS				Conventional (Plug)		JOB NO.	R-7269

REMARKS LITHOLOGICAL ABBREVIATIONS-PAGE (2) • ELEVATION

SAMPLE NUMBER	DEPTH	GRAIN DENSITY	POROSITY	PLUG PERM M.D.	FLUIDS SW	FLUIDS SO	FLO.	REMARKS
								Core # (1) 3663-3723', Cut 50', Recovered 58'
	3663-3666.7							No Analysis (Shale, Slightly Sandy, Laminated, No Show)
	3666.7-3669							No Analysis (Sand, Shaly, Laminated, No Show)
1	3669-3670	2.66	16.9	1.06	73.4	5.3	Tr.	Sand, Laminated S/P
2	-71	2.65	17.8	1.45	73.9	10.0	Tr.	Sand, Laminated S/P
3	-72	2.66	16.1	0.90	86.6	5.6	Tr.	Sand, Slightly Calcareous, Laminated S/P
4	-73	2.65	19.0	2.46	69.4	9.2	100	Sand, Slightly Calcareous, Laminated S/P
5	-74	2.64	19.4	4.78	64.8	13.5	100	Sand, Slightly Calcareous, Laminated S/P
6	3674-3675	2.66	15.5	0.68	74.5	5.9	60	Sand, Slightly Calcareous, Large S/P
7	-76 ✓	2.63	20.7	16.12	59.1	13.3	60	Sand, Calcareous
8	-77 ✓	2.60	27.3	207.90	55.3	15.9	100	Sand, Slightly Calcareous, S/P
9	-78 ✓	2.64	19.2	5.42	64.0	15.5	100	Sand, Slightly Calcareous
10	-79 ✓	2.65	17.4	2.13	45.1	8.2	50	Sand, Slightly Calcareous, 50% Shale
11	3679-3680 ✓	2.61	24.3	49.55	53.2	17.7	100	Sand, Slightly Calcareous
12	-81 ✓	2.61	24.4	42.14	53.8	17.7	100	Sand, Slightly Calcareous
13	-82 ✓	2.61	25.1	52.24	54.0	17.1	90	Sand, Slightly Calcareous, S/P
14	-83 ✓	2.62	23.1	29.12	54.7	15.3	100	Sand, Slightly Calcareous, S/P
15	-84 ✓	2.63	23.0	28.76	55.6	11.7	100	Sand, Slightly Calcareous
16	3684-3685 ✓	2.63	23.1	34.96	57.6	15.3	90	Sand, Slightly Calcareous, S/P
17	-86 ✓	2.62	23.2	33.45	55.7	15.9	100	Sand, Slightly Calcareous
18	-87 ✓	2.62	22.8	31.92	57.7	16.3	100	Sand, Slightly Calcareous
19	-88 ✓	2.62	22.0	27.44	56.2	15.4	100	Sand, Slightly Calcareous
20	-89 ✓	2.65	23.5	26.48	54.8	14.4	100	Sand, Slightly Calcareous
21	3689-3690 ✓	2.62	21.3	21.79	57.9	16.9	100	Sand, Slightly Calcareous
22	-91	2.63	20.6	12.64	56.9	15.9	100	Sand, Slightly Calcareous
23	-92	2.64	19.0	3.99	64.6	14.8	100	Sand, Slightly Calcareous
24	-93	2.63	23.7	6.46	61.8	13.5	100	Sand, Slightly Calcareous
25	-94	2.62	23.3	10.23	64.4	13.7	100	Sand, Slightly Calcareous
26	3694-3695	2.63	22.9	10.57	61.8	14.7	95	Sand, Slightly Calcareous, S/P
27	-96	2.65	19.7	2.23	70.1	8.9	50	Sand, Slightly Calcareous, Laminated S/P
28	-97	2.66	19.6	2.21	74.3	5.4	30	Sand, Slightly Calcareous, Laminated S/P
29	-98	2.66	19.7	1.98	79.4	4.5	Tr.	Sand, Slightly Calcareous, Laminated S/P
30	-99	2.66	19.5	2.06	76.6	4.5	Tr.	Sand, Slightly Calcareous, Laminated S/P
31	3699-3700	2.66	18.6	1.27	75.0	4.8	Tr.	Sand, Slightly Calcareous, Laminated S/P
32	-01 ✓	2.61	26.2	124.18	53.6	13.1	30	Sand, Slightly Calcareous, Laminated S/P
33	-02 ✓	2.61	24.9	48.94	54.5	15.9	100	Sand, Slightly Calcareous
34	-03 ✓	2.62	23.2	13.86	57.8	13.0	60	Sand, Slightly Calcareous
35	-04 ✓	2.62	23.5	13.81	61.8	12.1	90	Sand, Slightly Calcareous
36	3704-3705 ✓	2.62	23.1	23.17	50.0	9.4	60	Sand, Slightly Calcareous
37	-06 ✓	2.62	21.2	9.96	51.6	12.9	80	Sand, Slightly Calcareous
38	-07 ✓	2.62	23.5	15.41	59.2	15.0	100	Sand, Slightly Calcareous
39	-08 ✓	2.62	22.9	9.96	59.7	11.8	100	Sand, Slightly Calcareous
40	3708-3709 ✓	2.62	24.1	20.21	58.5	13.1	100	Sand, Slightly Calcareous

J. Ray Stewart
Poker Lake #66
Eddy County, N.M.

ROTARY ENGINEERS LABORATORIES

CONVENTIONAL (PLUG) CORE ANALYSIS TABULAR DATA Page (2)

SAMPLE NUMBER	DEPTH	GRAIN DENS- ITY	PORO- SITY	PLUG PERM M.O.	FLUIDS SW	FLUIDS SO	FLO.	REMARKS
41	3709-3710	2.61	25.3	110.31	56.7	15.6	30	Sand, Slightly Calcareous, Laminated S/P
42	-11	2.66	17.2	1.00	76.0	8.4	Tr.	Sand, Slightly Calcareous, Laminated S/P
43	-12	2.61	25.5	92.37	58.3	13.5	60	Sand, Slightly Calcareous, S/P
44	-13	2.62	22.7	9.38	65.2	9.6	30	Sand, Slightly Calcareous, Laminated S/P
	3713-3721		No Analysis (Sand, Shaly, Laminated, Slightly Calcareous, No Show)					
	3721-3723		Lost Core					
LITHOLOGICAL ABBREVIATIONS								
S/P-----Shale Partings								
Tr.-----Trace								
FLUIDS S _w -----Total Water Saturation %P.V.								
FLUIDS S _o -----Residual Oil Saturation %P.V.								

Page (2)

Rotary Engineers Laboratory, Inc.

CORE ANALYSIS

MIDLAND, TEXAS

CORE ANALYSIS

COMPANY J. Ray Stewart
 WELL Poker Lake #66
 FIELD Poker Lake Unit/Corral Canyon
 FORMATION Delaware
 COUNTY Eddy
 STATE New Mexico

DEPTH 3663 FROM 3723 TO
 DATE: 9-16-84 ANALYST DRM
 DRILLING FLUID _____
 ELEVATION _____
 LOCATION _____

GAMMA RAY LOG OF CORE

CORING GAMMA RAY
 TIME LOG
 10 20 30 (MIN. CORING TIME)

--- SANDSTONE
 □ LIMESTONE
 / DOLOMITE
 ■ COAL

— SHALE
 ▲▲ CHERT
 ✓✓ ANHYDRITE GYP
 / LOST CORE

TOTAL WATER SATURATION

0 — 0
 80 60 40 20

OIL SATURATION % P.V.

X — X
 0 20 40 60 80

0 — 0 PERMEABILITY X — X POROSITY

100 80 60 40 20 0 30 20 10 0

3650

3660

3670

3680

3690

3700

3710

3720

3730

3740

3750

3760

3770

3780

3790

POKER LAKE UNIT NO. 66

Poker Lake Unit No. 66 has had its only completion in the Delaware (Ramsey Sand) formation. The well was completed October 15, 1984 for a potential of 46.5 barrels of oil per day, after acidizing with 2,000 gallons of 7½% MSR, and fracing with 33,000 gallons quality foam with 41,500# 12/20 sand. The well is currently averaging 22 barrels of oil per day.

All distances must be from the outer boundaries of the Section.

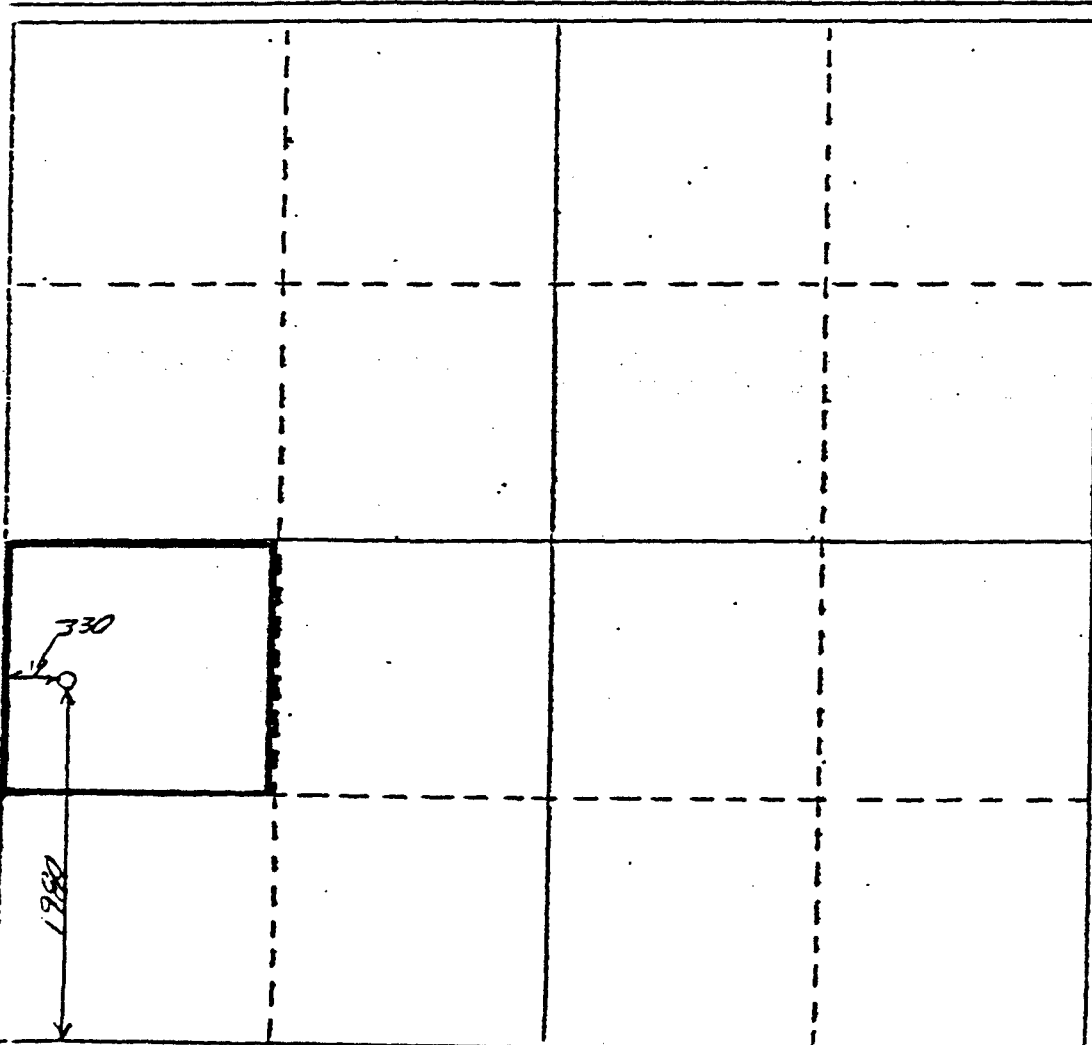
Operator J. Ray Stewart		Lense Poker Lake Unit		Well No. 66
Init Letter	Section 17	Township 25 South	Range 30 East	County Eddy
Actual Footage Location of Well: 1980 feet from the South line and 330 feet from the West line				
Ground Level Elev. 3198	Producing Formation Delaware		Pool Corral Canyon	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lense is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lense of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Name

Terry W. Franklin

Position

Agent

Company

J. Ray Stewart

Date

8/24/84

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 knowledge and belief.

August 23, 1984

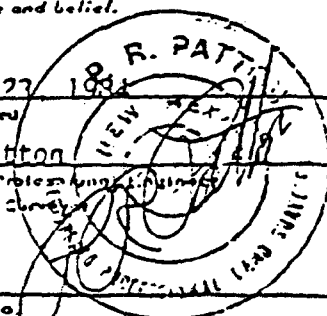
Date Surveyed

P.R. Patton

Registered Professional Engineer
and/or Land Surveyor

8112

Certificate No.



(Rev. 5-6-64) OPERATIONS COMPLETION REPORT UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.1

5. LEASE DESIGNATION AND SERIAL NO.

LC-064894-A

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Poker Lake

9. FARM OR LEASE NAME

9. WELL NO.

66

10. FIELD AND POOL, OR WILDCAT

Corral Canyon - Delaware

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 17, T25S, R30E

12. COUNTY OR PARISH
Eddy

13. STATE
N. Mex.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other

2. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. CESS. ☐ Other

2. NAME OF OPERATOR

J. Ray Stewart

3. ADDRESS OF OPERATOR

1610 North J, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1980' FSL & 330' FNL NW/4 SW/4 Unit L

At top prod. interval reported below Same

At total depth 3783' Same

14. PERMIT NO.

DATE ISSUED

8/29/84

15. DATE SPUDDED

8/31/84

16. DATE T.D. REACHED

9/16/84

17. DATE COMPL. (Ready to prod.)

10/15/84

18. ELEVATIONS (OF REB, RT, OR, ETC.)*

3198' GR

19. ELEV. CASINGHEAD

3197'

20. TOTAL DEPTH, MD & TVD

3783'

21. PLUG BACK T.D., MD & TVD

3740'

22. IF MULTIPLE COMPL., HOW MANY*

NA

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

3783'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3673 - 3709 Delaware formation

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Parabola Compensated Sonic Log

27. WAS WELL CORED

Yes

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

CASING SIZE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
3 5/8	24	585	12 1/4	450 sx Class C	Circ.
4 1/2	11.6	3779	7 7/8	200 sx 50/50 Poz	

29. LIVER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	3593	-

31. PERFORATION RECORD (Interval, size and number)

3673', 3673 - 91 & 3700 - 3709 w/1 shot/ft.
23 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3673 - 3709	2000 gals 7 1/2% MSR acid
	33,000 gals Quality foam &
	41,500# 12/20 sand

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—else and type of pump)				WELL STATUS (Producing or shut-in)	
10/16		1 1/2" insert pump				Producing	
DATE OF TEST	HOLES TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL	GAS—MCP	GAS—BSL	GAS-OIL RATIO
12/23/84	24	-	→	46.5	TSTM	48.5	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL	GAS—MCP	OIL GRAVITY-API (CORR.)		
	175	→	46.5	TSTM	NDV 48.5		42

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

Neal A. Taylor

35. LIST OF ATTACHMENTS

2 copies of log, certified copy of deviations & 1 copy of Form C-104

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Neal A. Taylor

TITLE

Agent

DATE 10/31/84

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of holes and lenses to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See Instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 33.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the productive interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Socks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See Instruction for Items 22 and 24 above.)

37. SUMMARY OF FORMER ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS TENDENCY; CORRELATE INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CEMENTING LOG, TIME TOOL, OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERY

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS	NAME	TOP	THICKNESS, FEET
						DEPTH	
Delaware Sandstone	3645	Not Penetrated	Cored 3663 - 3723. Recovered 58', being 12' shaly sand w/very slight show of oil, 14' of porous clean sand w/good show of oil, 9' of shaly sand w/no shows, 10' porous clean sand w/good show of oil & 13' shaly sand w/no shows.	Rustler anhyd. Delaware Lime-stone	500	500	
				Delaware Sand	3618	3618	
					3645	3645	

POKER LAKE UNIT # 66
1980' FSL & 330' FWL
SECTION 17 T255, R30E
EDDY COUNTY, NEW MEXICO

GL: 3198' KB: 3209'

SPUD: 8-31-84

COMP: 10-15-84

LEASE # LC-064894-A

TRACT # 37

SMYCO 3-15-85

12 1/4" OH to 800'

12 1/4" OH

775' - 8 5/8" 24# J55 ST+C Csg
Cmt'd w/ 450 sks. Circ 75sk

Potential: 10-29-84

(P) 46.5 BW + 48.5 BW + Gas TSTM

7 7/8" OH

TOC @ 2990' (by Temp Srg.) 9-17-84

2 3/8" 4.7# J55 8rd EUE tubing

9-26-84 Perf: 3673', 3678'-91'
& 3700'-09' 15PF (23 Shots)

Btm tub @ 3593'

PBTD @ 3740'

TDE 3780'

3779' - 4 1/2" 11.6# J55 LT+C Csg
Cmt'd w/ 200 sk 50-50 P&Z

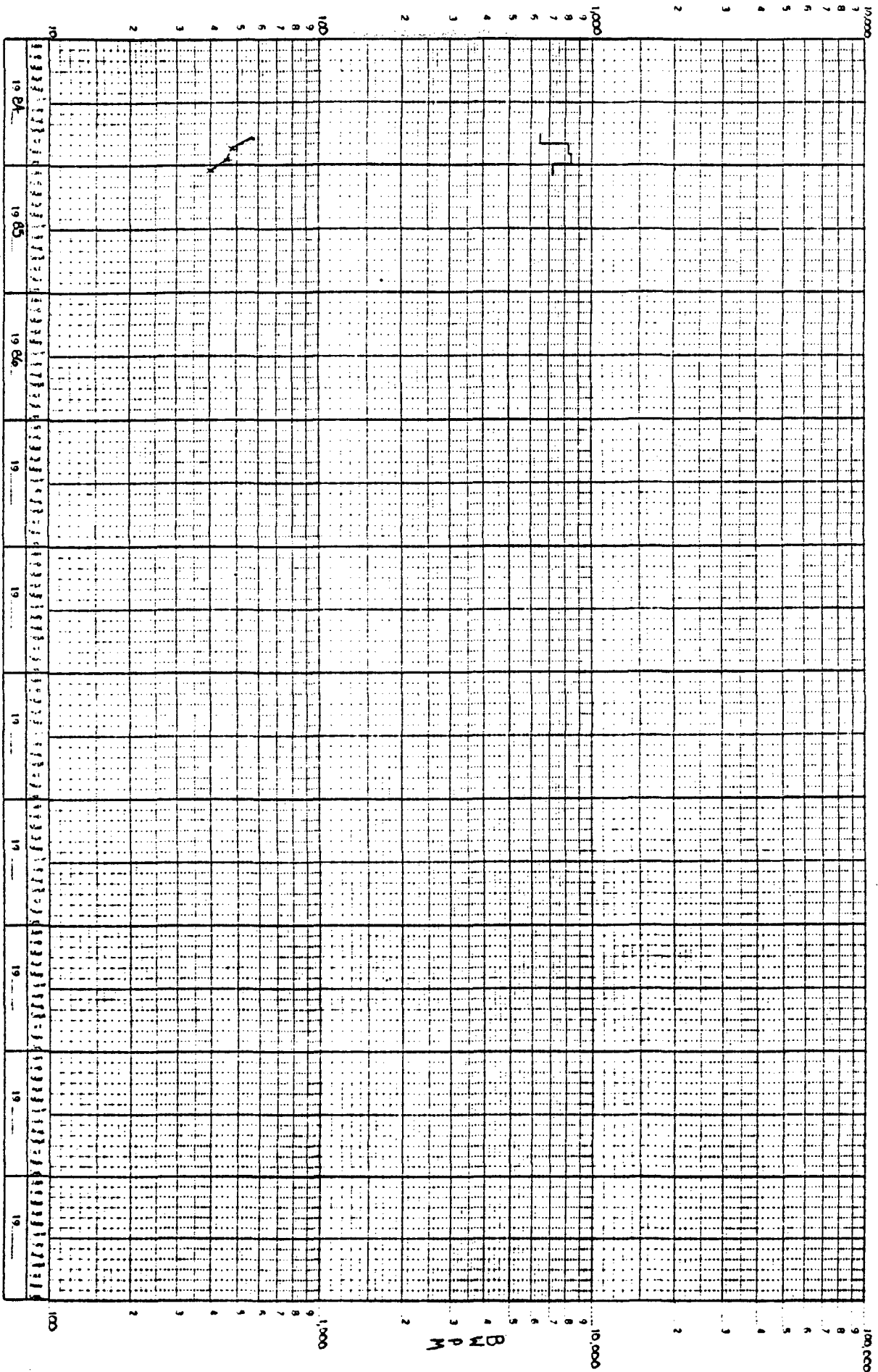
PRISON: GORRAL CANYON DETAWARE COUNTY: ESQV / New Mexico
OPERATOR: J. RAY STEWART
LEADER: ORDER LANE UNIT ~~NUMBER~~ LEASE # LT- 064874-A
WELLER: 6666

Month	Shower Producing Wells	Oil Produced Bbl.	Cumulative Oil Produced Bbl.	Gas Produced MCF	Cumulative Gas Produced MCF	Water Produced Bbl.	Cumulative Water Produced Bbl.	Water Injection Bbl.	Consolidated Water Injection Bbl.	Produced Oil Bbl. Oct/98	Produced Water Bbl./Bbl.	Injected Water Bbl./Bbl.	Remarks
Jan.													
Feb.													
March													
April													
May													
June													
July													
August													
Sept.													
Oct.	1	647.	647.	1514	—	576	576	—	—	—	89	—	
Nov.	1	831	1468	"	—	480	1056	—	—	—	58	—	
Dec.	1	862	2310	"	—	460	1516	—	—	—	55	—	
Total 1998		2,310	2,310			1,516	1,516						

1985

[illegible][illegible]

POWER LINE UNIT No. 66
CORRAL CANYON DELAWARE



20PM — 84PM ***

POKER LAKE UNIT NO. 65

Poker Lake Unit No. 65 has had its only completion in the Delaware (Ramsey Sand) formation. The well was completed July 11, 1984, for a potential of 38.3 barrels of oil per day after acidizing with 750 gallons of 7½% MSR, and fracing with 15,000 gallons foam w/nitrogen and 19,500# 10/20 sand. The well is currently averaging 11 barrels of oil per day.

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

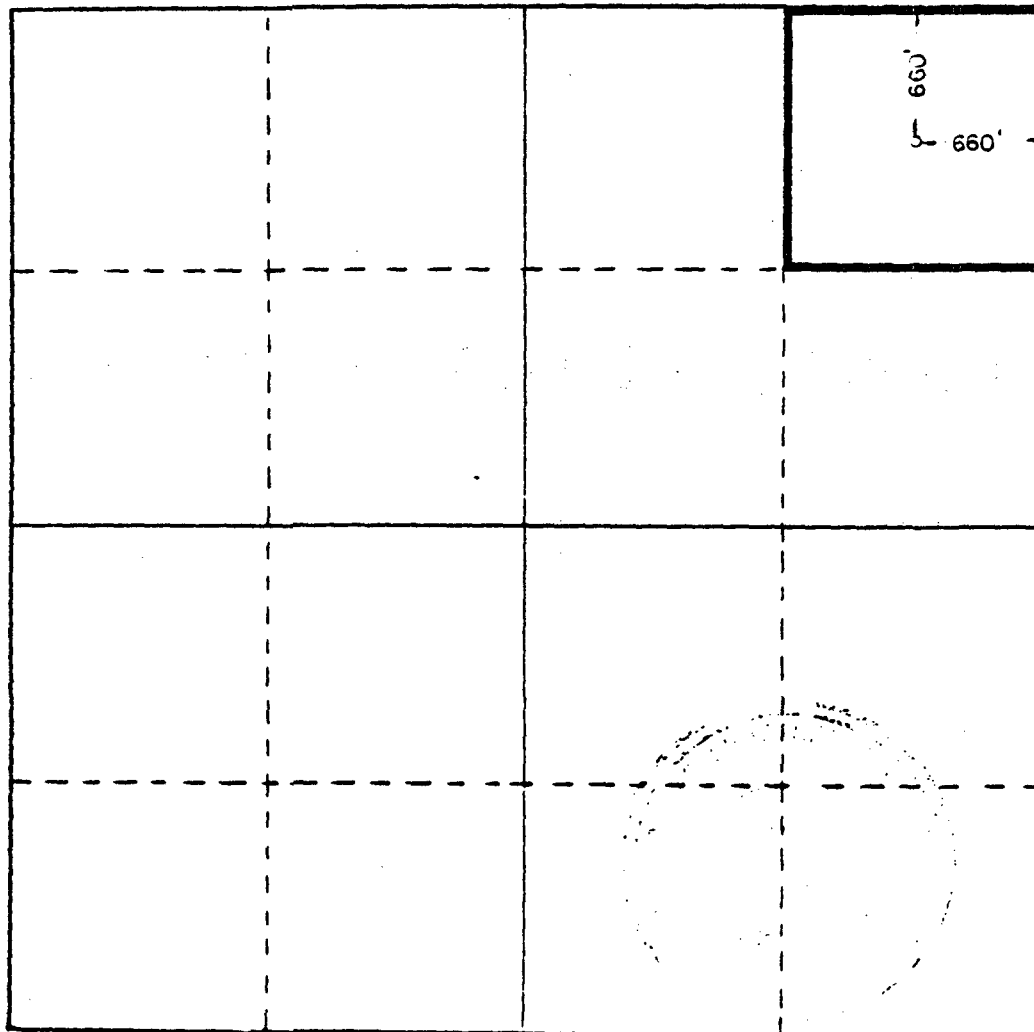
Operator J. RAY STEWART			Lease POKER LAKE UNIT			Well No. 65		
Unit Letter A	Section 19	Township 25 SOUTH	Range 10 EAST	County EDDY				
Actual Entrance Location of Well: 660 feet from the NORTH line and 660 feet from the EAST line								
Ground Level Elev. 3192.8	Producing Formation Delaware		Pool Corral Canyon			Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
Terry W. Franklin
 Position
Agent
 Company
J. Ray Stewart
 Date
5/14/84

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 knowledge and belief.

Date Surveyed
MAY 11, 1984
 Registered Professional Engineer
 and Land Surveyor

Certificate No. **JOHN # WEST, 676**
RONALD J. EIDSON, 3239



DOWELL DIVISION OF DOW CHEMICAL U.S.A.

An Operating Unit of The Dow Chemical Company

LABORATORY LOCATION

API WATER ANALYSIS REPORT FORM

DATE

LAB NO.

Company <u>J. Ray Stewart</u>		Sample No.	Date Sampled <u>6-22-84</u>	
Field	Legal Description	County or Parish <u>Eddy</u>	State <u>N.M.</u>	
Lease or Unit <u>POKER LAKE</u>	Well # <u>65</u>	Depth	Formation <u>Delaware</u>	Water, B/D
Type of Water (Produced, Supply, etc.)		Sampling Point		Sampled By

DISSOLVED SOLIDS

CATIONS

	mg/L	me/L	PPM
Sodium, Na (calc.)	<u>46792</u>	<u>2034.5</u>	<u>42,850</u>
Calcium, Ca	<u>8341</u>	<u>416.2</u>	<u>7638</u>
Magnesium, Mg	<u>1363</u>	<u>112.1</u>	<u>1248</u>
Barium, Ba	<u>—</u>	<u>—</u>	<u>—</u>
—	<u>—</u>	<u>—</u>	<u>—</u>
—	<u>—</u>	<u>—</u>	<u>—</u>

OTHER PROPERTIES

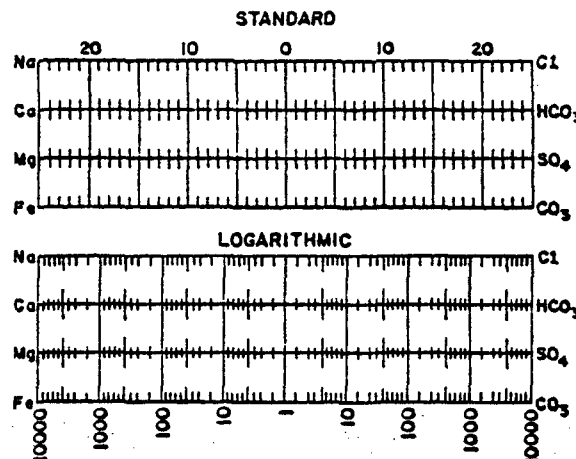
pH	<u>6.85</u>
Specific Gravity, 60/60 F.	<u>1.092</u>
Resistivity (ohm-meters) — F.	<u>—</u>
—	<u>—</u>
—	<u>—</u>

ANIONS

Chloride, Cl	<u>90880</u>	<u>2562.8</u>
Sulfate, SO ₄	<u>—</u>	<u>—</u>
Carbonate, CO ₃	<u>—</u>	<u>—</u>
Bicarbonate, HCO ₃	<u>0</u>	<u>—</u>
—	<u>—</u>	<u>—</u>
—	<u>—</u>	<u>—</u>

83,223

WATER PATTERNS — me/L



Total Dissolved Solids (calc.)

Iron, Fe (total)

Sulfide, as H₂S

1.2 ppm

REMARKS AND RECOMMENDATIONS:

Form. water

Jerry G. Greene
AREA ENGINEER

12

Taxation and Revenue Department
Oil & Gas Accounting Division
Post Office Box 2308
Santa Fe, New Mexico 87504-2308

J. Ray Stewart
P.O. Box 451
Midland, Texas

79702-0451

ASSIGNMENT OF PRODUCTION UNIT

Production Unit 20760 has been assigned to
your Poker Lake

<u>Well No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>	<u>School District</u>	<u>Land Type</u>
65	A	19	25S	30E	Eddy	00C	Federal

PLEASE NOTIFY YOUR PURCHASERS OF THE PRODUCTION UNIT NUMBER ASSIGNMENT.

Tesoro Crude Oil ~~_____~~

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillere, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 33.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 23. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Back Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Delaware Sandstone	3626	Not penetrated	Cored: 3650 - 3711 Recovered 61', being 9' of very porous, gray sandstone with good fluorescence in top 7', 4' of porous gray sand with no shows, 41' of silty laminated gray sand & shale - no shows, 7' fine grained gray sandstone, no shows.	Rustler Anhyd. Delaware Lime-stone Delaware Sandstone	755 3600 3626	755 3600 3626

38.

GEOLOGIC MARKERS

SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL G/S
OPERATOR	
PRODUCTION OFFICE	
Operator	

RECEIVED FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

AUG 17 1984

O. C. D.
ARTESIA, OFFICE

RECEIVED BY

AUG 06 1984

O. C. D.
ARTESIA, OFFICEForm C-104
Supersedes Old C-104 and
Effective 1-1-85

J. Ray Stewart

Address

1610 North J, Midland, Texas 79701

Reason(s) for filing (Check proper box)

New Well

☒

Change in Transporter of:

Recompletion

☐

Oil

☐

Dry Gas

☐

Change in Ownership

☐

Casinghead Gas

☐

Condensate

☐

CASINGHEAD GAS MUST NOT BE

FILED AFTER 9-23-84

UNLESS AN EXCEPTION FROM
THE D. L. M. IS OBTAINEDIf change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

LC-0703

Lease Name	Well No.	Pool Name, including Formation	Kind of Lease	Lease
Poker Lake Unit	65	Corral Canyon - Delaware	State, Federal or Fee	Federal
Location				
Unit Letter	A	660	Feet From The	North
		Line and	660	Feet From The
		East		
Line of Section	19	Township	25S	Range
		30E	, NMPM, Eddy	
County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil	☒ or Condensate	Address (Give address to which approved copy of this form is to be sent)
Tesoro Crude Oil		P.O. Box 2297, Midland, Texas 79702
Name of Authorized Transporter of Casinghead Gas	☐ or Dry Gas	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit	Sec.
	A	19
	25S	30E
	Is gas actually compressed? When	
	No	

If this production is commingled with that from any other lease or pool, give commingling order number:

V. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Resv.	Diff. R.
	X		X					
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
5/31/84	7/11/84	3711'	3678'					
Elevations (DF, RAB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
3192.8' GR	Delaware	3626' 3626'	3625'					
Perforations	Depth Casing Shoe							
3646' - 3658' (12 holes - 1 shot/ft.)	3710'							
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					
12 1/4"	8 5/8"	788'	500					
7 7/8"	4 1/2"	3710'	175					
4 1/2"	2 3/8"	3625'						

VI. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top
able for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
7/11/84	7/12/84	Pump	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hrs.		24	
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF
	38.3	44.1	TSTM

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-In)	Casing Pressure (Shut-In)	Choke Size

I. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation
Commission have been complied with and that the information given
above is true and complete to the best of my knowledge and belief.Neal A. Taylor
(Signature)

Agent

(Title)

8/03/84

(Date)

OIL CONSERVATION COMMISSION

APPROVED AUG 22 1984
Original Signed By
BY Leslie A. Clements
Supervisor District II
TITLE

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deep
well, this form must be accompanied by a tabulation of the devi
tests taken on the well in accordance with RULE 111.All sections of this form must be filled out completely for a
able on new and recompleted wells.Fill out only Sections I, II, III, and VI for changes of a
well name or number, or transporter, or other such change of cond
Separate Form C-104 must be filed for each pool in mu
recompleting wells.

POKER LAKE UNIT # 65
660' FNL & 660' FEL
SECTION 19 T25S, R30E
EDDY COUNTY, NEW MEXICO

GL: 3192.8' KB: 3202.8'

SPUD: 5-31-84

Comp: 7-11-84

LEASE # LC-070341

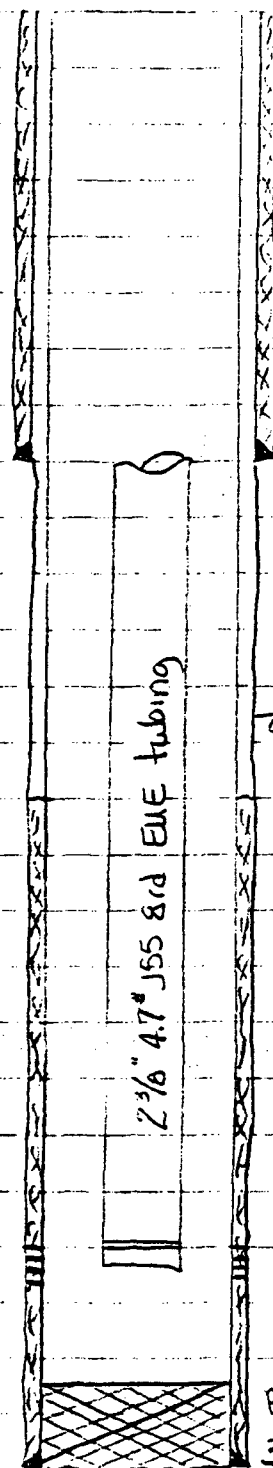
Tract # 56

SMYCO 3-15-85

Potential: 7-12-84

(P) 38 80 + 44 BW + GAS TSTM

6-18-84 Perf: 3646'-58' (12 shots)



12 1/4" OH

788'-8 5/8" 24" K55 ST+C Csg.
Cmt'd w/ 500 SKS. Circ. 90 SK

7 7/8" OH

TOC @ 3125' (by Temp Sny) 6-11-84

SN @ 3620'

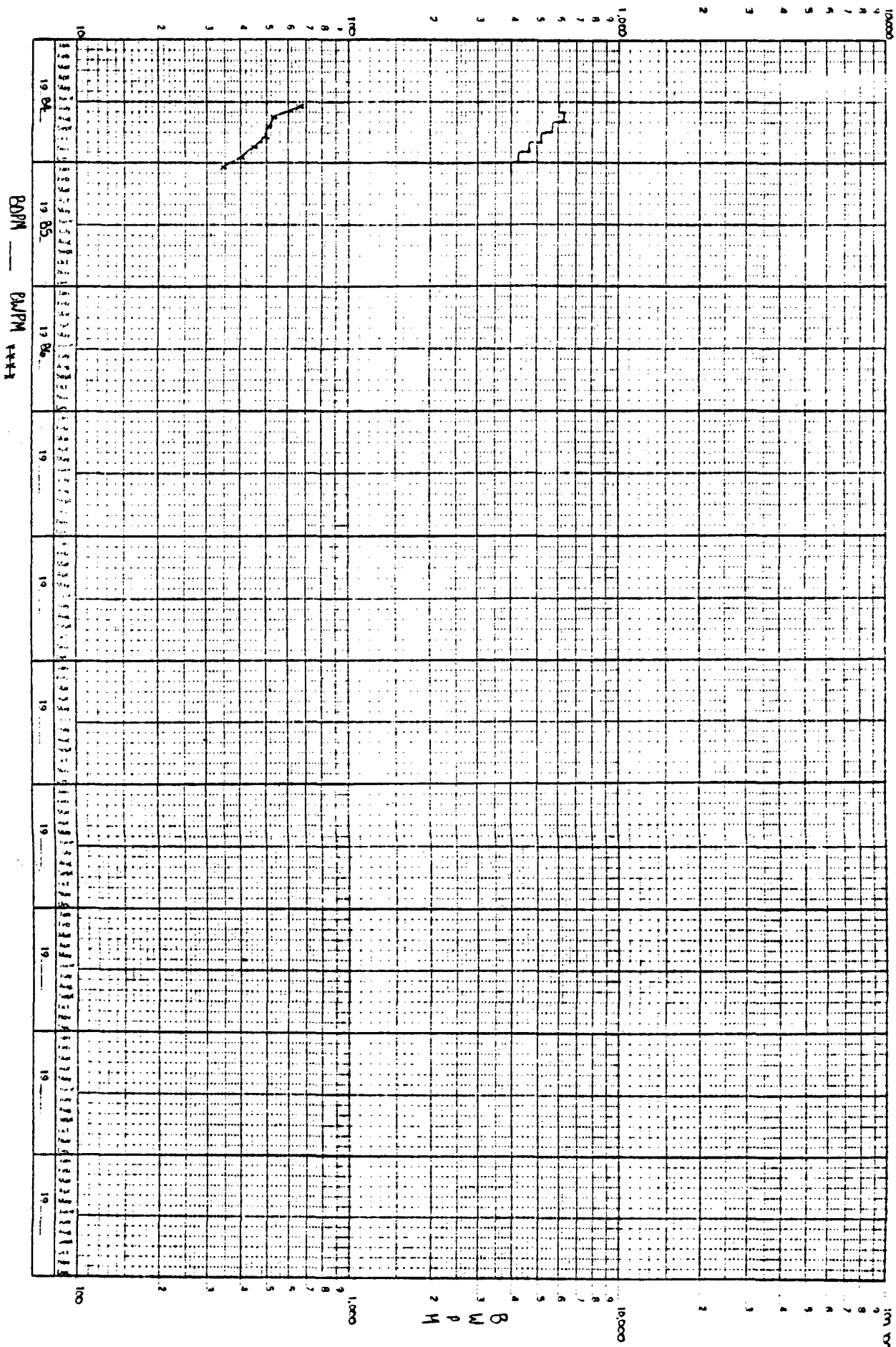
Btm 2 7/8" @ 3656'

PBTD @ 3675'

3710'-4 1/2" 10.5" J55 LT+C Csg.
Cmt'd w/ 175 SKS 50/50 PBZ

TD @ 3711'

FIG. 8 LINE UNIT No. 65
Coxsack, N.Y. PMW DEVIATE



COUNTY: Essex / New Mexico

LEASE # LC-070341

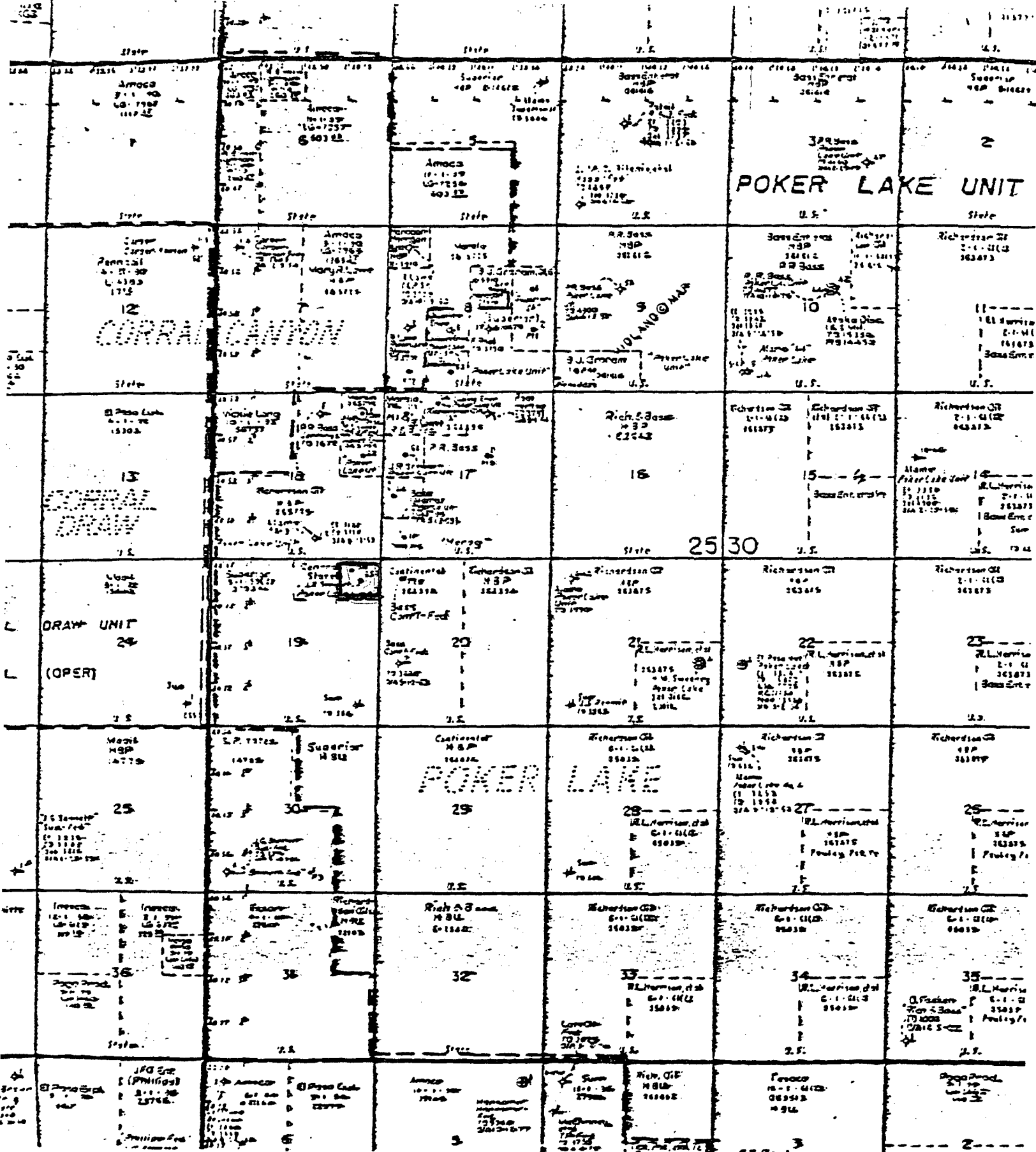
1984	Number Produced Wells	Oil Produced Bbl.	Cumulative Oil Bbl.	Gas Produced MCF	Cumulative Gas MCF	Water Produced Bbl.	Cumulative Water Bbl.	Water Injection Bbl.	Cumulative Water Injection Bbl.	Producing Q O R BBL/BBL	Producing W O R BBL/BBL	Injected W O R BBL/BBL	REMARKS
Jan.													
Feb.													
March													
April													
May													
June													
July	1	603	603	1511	-	660	660	-	-	-	1.09	-	
August	1	630	1,233	"	-	530	1,190	-	-	-	.84	-	
Sept.	1	574	1,807	"	-	515	1,705	-	-	-	.90	-	
Oct.	1	519	2,326	"	-	488	2,193	-	-	-	.94	-	
Nov.	1	465	2,791	"	-	450	2,643	-	-	-	.91	-	
Dec.	1	415	3,206	"	-	400	3,043	-	-	-	.96	-	
Yearly Total		3,164	3,206			3,043	3,043						

1985

[illegible][illegible]

EXHIBIT "B"
DELAWARE "D" PARTICIPATING AREA
POKER LAKE UNIT # 65

TRACT #	LEASE #	DESCRIPTION OF PARTICIPATING LANDS	PARTICIPATING ACRES	% OF LEASE OWNERSHIP	% OF UNIT OWNERSHIP
56	LC-070341	NE NE, Section 19, T25S, R30E EDDY COUNTY, NEW MEXICO	40	J. Ray Stewart 100%	J. Ray Stewart 100%



PROPOSED PARTICIPATING AREA

ROTARY ENGINEERS LABORATORIES
CONVENTIONAL (PLUG) CORE ANALYSIS TABULAR DATA

COMPANY J. Ray Stewart	WELL Poker Lake #65	FIELD Poker Lake Unit/Corral Canyon
COUNTY Eddy	STATE New Mexico	DATE 6-8-84
FORMATION Delaware	TYPE ANALYSIS Conventional (Plug)	JOB NO. R-7198

REMARKS				ELEVATION				
SAMPLE NUMBER	DEPTH	GRAIN DENS- ITY	PORO- SITY	PLUG PERM M.D.	FLUIDS Sw	FLUIDS So	FLO.	REMARKS
			Core # (1) 3650-3711', Cut 61', Recovered 61'					
1	3650-3651	2.63	21.6	12.80	58.8	13.5	100	Sand, Calcareous
2	-52	2.63	24.5	7.87	64.7	14.3	100	Sand, Calcareous
3	-53	2.63	22.6	26.48	38.3	7.5	100	Sand, Calcareous
4	-54	2.63	23.6	50.59	59.1	15.7	60	Sand, Calcareous, S/P
5	3654-3655	2.65	18.6	2.54	70.6	9.5	100	Sand, Calcareous, S/P, Laminated
6	-56	2.68	12.4	0.09	77.8	11.1	30	Limestone, Sand, Calcareous, S/P
7	-57	2.66	18.4	1.75	80.6	5.8	50	Sand, Calcareous, S/P, Laminated
8	-58	2.66	19.5	1.22	82.0	3.6	Sc.	Sand, Calcareous, S/P, Laminated
9	-59	2.65	19.0	1.72	77.6	3.7	Sc.	Sand, Calcareous, S/P, Laminated
	3659-3711		No Analysis (Sand, Shaly, No Show)					
LITHOLOGICAL ABBREVIATIONS								
S/P-----				Shale Partings				
Sc.-----				Scattered				

Rotary Engineers Laboratory, Inc.

CORE ANALYSIS

MIDLAND, TEXAS

CORE ANALYSIS

COMPANY J. Ray Stewart
 WELL Poker Lake #65
 FIELD Poker Lake Unit/Corral Canyon
 FORMATION Delaware
 COUNTY Eddy
 STATE New Mexico

DEPTH FROM 3650 TO 3711
 DATE 6-8-84 ANALYST DRM
 DRILLING FLUID _____
 ELEVATION _____
 LOCATION _____

GAMMA RAY LOG OF CORE

CORING TIME LOG
 10 20 30 (MIN. CORING TIME)

--- SANDSTONE
 □ LIMESTONE
 / DOLOMITE
 ■ COAL

— SHALE
 ▲▲ CHERT
 ✓✓ ANHYDRITE GYP
 / LOST CORE

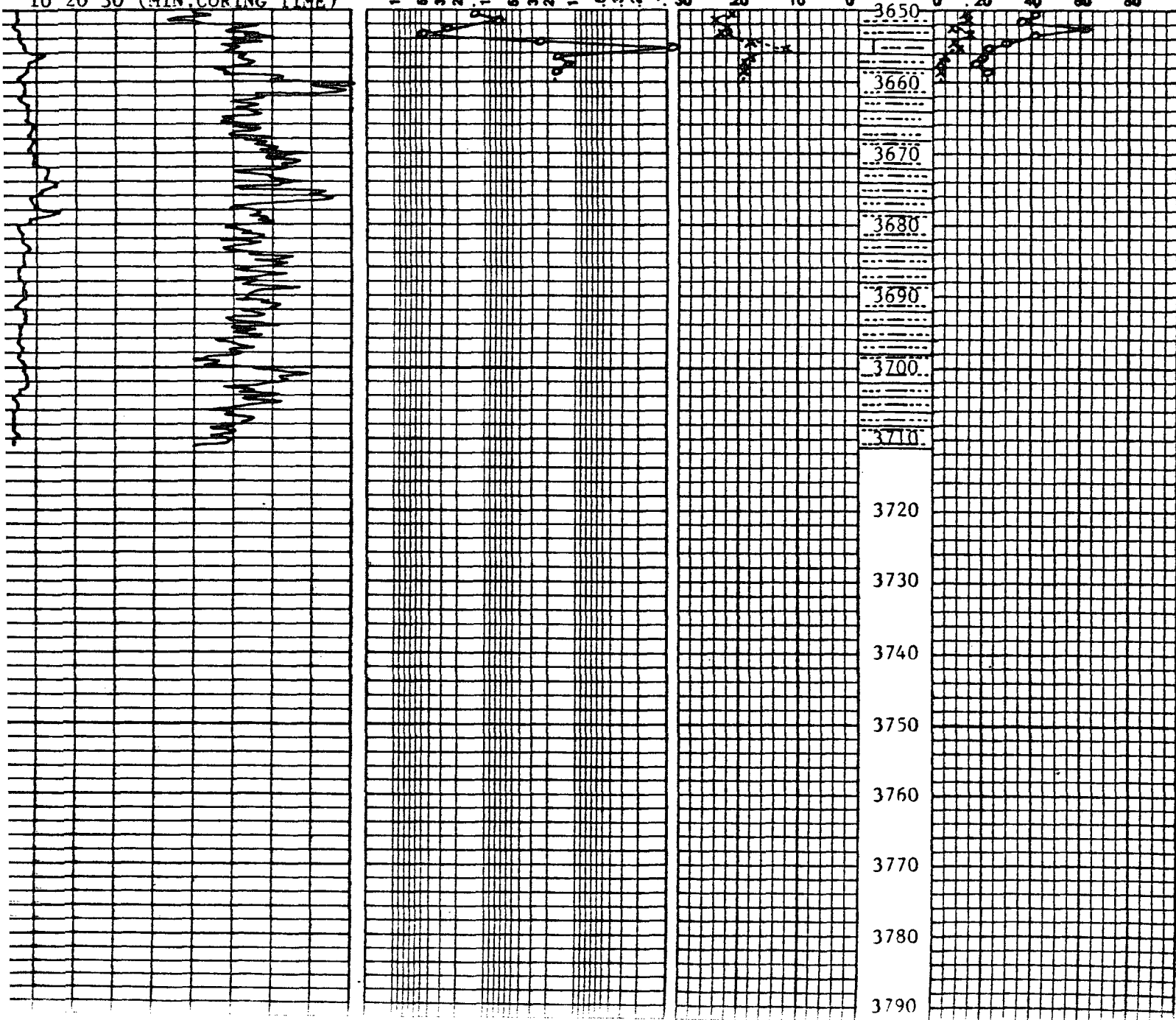
TOTAL WATER SATURATION

0 80 60 40 20

OIL SATURATION % P.V.

X --- X

○ --- ○ PERMEABILITY X --- X POROSITY



PROFITABILITY ANALYSIS -OIL

DATE: January 9, 1985

J. Ray Stewart

BASE AND WELL: #65 Poker Lake Unit

FIELD/AREA: Corral Canyon

LOCATION: 660' FNL & 660' FFL, Sec. 19,
T-25-S & R-30-E

CO. & STATE: Eddy County, New Mexico

WELL DEPTH: 3,711'

OBJECTIVE FORMATION(s): Delaware Sandstone

Formation	Net Pay (Ft.)	Drainage Area (Acs.)	Ø (%)	Sw (%)	Rsi (cf/bbl)	Bo	O.I.P. (B/NAF)	Rec. Eff. (%)	Rec. Factor (B/NAF)	Ultimate Recovery (Bbls)
mesey Sand	10	40								*45,000

ECONOMICS

PRODUCTION

Oil Price (grav. 42 °API) \$ 28.25 /Bbl.
 Gas-Oil-Ratio: Nil MCF/Bbl.
 Gas Price: None /MCF
 Gas Value \$ None /Bbl.
 Gross Inc./Gross Bbl. \$ 28.25 /Bbl.
 Royalty Burden (25 %) (\$ 7.06)
 Prod. Tax-Oil&Gas 7.7% (\$ 2.17)
~~max Tax & Insx~~ WPT (\$.25)
 Direct Op. Costs (\$ 50.00 /Mo.) (\$.10)
 Overhead \$506.00 P/Month (\$ 1.05)
 Net Inc./Gross Bbl. \$ 17.62 /Bbl.

Initial (Allowable*) Rate _____ BO
 Total Well Life 20 Yr
 Oil Purchaser: Navajo Refining Co.
 Oil Transport: Method- Trucking
 Cost -
 Gas Purchaser: None

*Basis of Allowable Pumped 38.3
Barrels Oil & 44.1 Barrels Water in 24 Hrs.

Total

45,000 Bbls. X \$17.62 = \$792,900.

W.I. 100 %

Operating Net Income	\$ 792,900
Completed Well Cost	\$ 222,646
Well's Profit	3.56:1 (%)
ayout	**(26.25 Mo.) 2.18 Yrs.
	12,600 Bbls.
Present Value O.N.I. (@ %)	
Present Value Profit	(%)

Remarks

Ultimate recovery based on down dip well which has produced 45,000 barrels in 20 years.

Economic Limit is reached at 3 barrels per day.

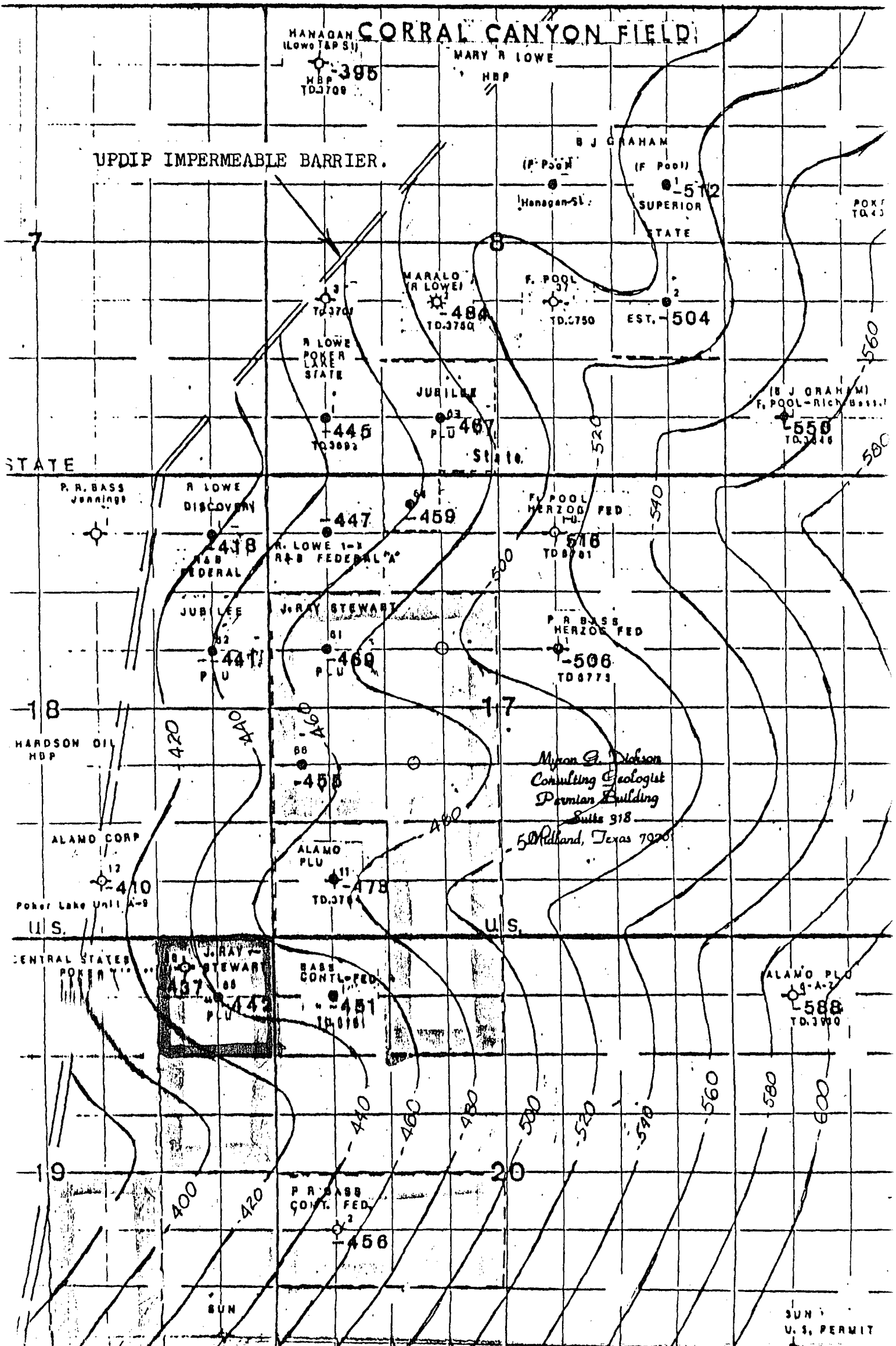
ayout is calculated on the current average daily production of 16 barrels.

STRUCTURE MAP

TOP OF RAMSEY SAND.

C. I. = 20 FEET SCALE: 1 INCH = 1320 FEET

SOUTH RANGE 30 EAST COUNTY EDDY STATE NEW ME



State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

August 9, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Re: Poker Lake Unit
Change of Unit Operator
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

This office is in receipt of your letter of August 2, 1985, together with a document entitled Change of Unit Operator, Poker Lake Unit Area, Eddy County, New Mexico.

The Commissioner of Public Lands has this date accepted and approved Bass Enterprises Production Company to succeed Perry R. Pass as Unit Operator for the Poker Lake Unit Area, Eddy County, New Mexico.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

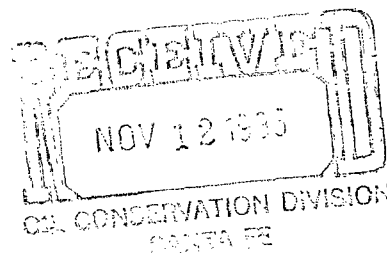
JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER
201 MAIN ST.
FORT WORTH, TEXAS 76102
817/390-8400

November 5, 1985



#366

BUREAU OF LAND MANAGEMENT
P. O. Box 1397
Roswell, New Mexico 88201
Attention: Mr. Joe Lara

COMMISSIONER OF PUBLIC LANDS
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attention: Mr. Ray Graham

NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Richard Stamets

RE: 1986 Plan of Development
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Poker Lake Unit Agreement dated March 18, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Poker Lake Unit for the year 1986.

History of Past Development - We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1985 Activity - The following is the results of the well drilled during the year 1985:

Poker Lake Unit Well No. 67 - Located 1980' FSL and 1980' FWL, Section 3, T25S-R31E, Eddy County, New Mexico. This well is currently drilling at a depth below 14,000' to a projected total depth of 15,550' or to the depth necessary to adequately test the Morrow formation, whichever the lesser depth. The 1987 Plan of Development will contain the results of the drilling of this well.

Participating Areas

We will submit during the year 1986 recommendations for commercial determinations when sufficient production data is available.

Future Development

During the year 1986, we plan to conduct additional seismic operations and re-evaluate existing seismic in an endeavor to high grade portions of the unit area for future drilling when the gas market and the price of gas improve to provide adequate economic incentive for the investment of capital.

Bureau of Land Management
Commissioner of Public Lands
New Mexico Oil Conservation Division
November 5, 1985
Page 2 of 3

Offset Obligations

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Poker Lake Unit Agreement or pursuant to applicable regulations.

Additional Development

This Plan of Development will constitute the activity to be conducted under the terms of the Poker Lake Unit Agreement for the period ending December 31, 1986. In the event economic conditions should change resulting in the improvement of gas marketing and the price of gas in this unit area, the operator will modify this Plan of Development to provide for additional activity.

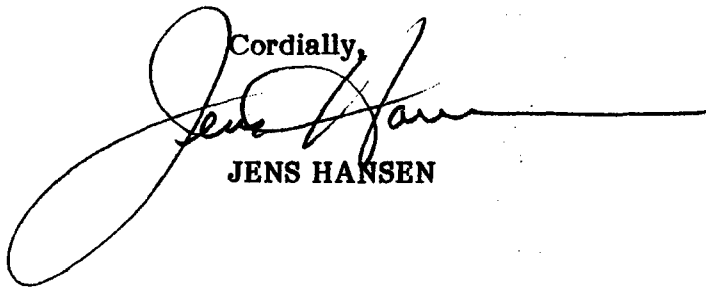
Modifications

In accordance with the terms and provisions of the Poker Lake Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

Effective Date

This Plan of Development shall be effective from January 1, 1986 to December 31, 1986.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) original signed letter to Bass for its records.

Cordially,

JENS HANSEN

JH:jh

AGREED AND ACCEPTED this _____ day of _____, 1985.

BUREAU OF LAND MANAGEMENT

By _____

Bureau of Land Management
Commissioner of Public Lands
New Mexico Oil Conservation Division
November 5, 1985
Page 3 of 3

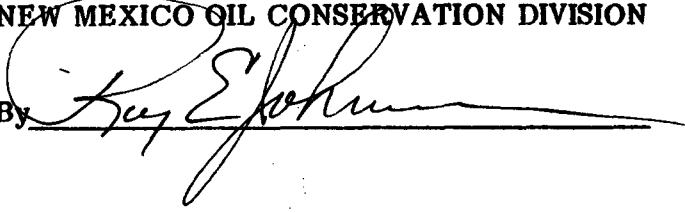
AGREED AND ACCEPTED this _____ day of _____, 1985.

COMMISSIONER OF PUBLIC LANDS

By _____

AGREED AND ACCEPTED this 12th day of November, 1985.

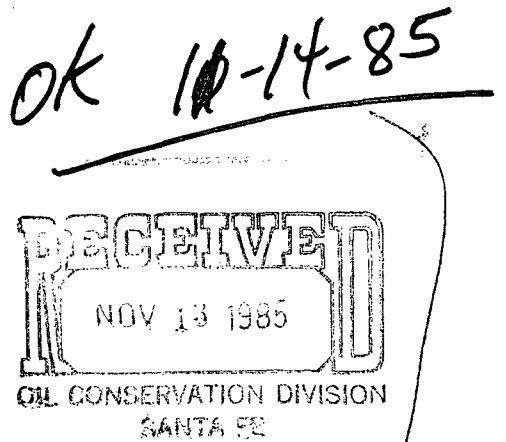
NEW MEXICO OIL CONSERVATION DIVISION

By 

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER
201 MAIN ST.
FORT WORTH, TEXAS 76102
817/390-8400

November 8, 1985



BUREAU OF LAND MANAGEMENT
P. O. Box 1397
Roswell, New Mexico 88201
Attention: Mr. Joe Lara

COMMISSIONER OF PUBLIC LANDS
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attention: Mr. Ray Graham

NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Richard Stamets

Dot
Unit letter
#1 Thx Ray

w/letter

Wells No. 61 through No. 66 → RE: Commercial Determinations
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

Enclosed herewith for your review and further handling are requests for commercial determination and participating area for six wells drilled in the Poker Lake Unit which were not operated by Bass.

The wells being submitted for review are:

<u>Well</u>	<u>Location</u>	<u>Operator</u>
No. 61	1980' FNL, 660' FWL, Section 17, T25S-R30E	J. Ray Stewart
No. 62	1980' FNL, 660' FWL, Section 18, T25S-R30E	Jubilee Energy Corporation
No. 63	2015' FWL, 665' FSL, Section 8, T25S-R30E	Jubilee Energy Corporation
No. 64	1650' FWL, 330' FNL, Section 17, T25S-R30E	Jubilee Energy Corporation
No. 65	660' FNL, 660' FEL, Section 17, T25S-R30E	J. Ray Stewart
No. 66	1980' FSL, 330' FWL, Section 17, T25S-R30E	J. Ray Stewart



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

November 14, 1985

#366

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Re: Commerical Determinations
Wells No. 61 through
No. 66, Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

The above referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON
Senior Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque
OCD District Office - Artesia

CHANGE OF UNIT OPERATOR
POKER LAKE UNIT AREA
COUNTY OF EDDY, STATE OF NEW MEXICO
CONTRACT NO. 14-08-001-303

This indenture, dated as of the 18th day of July, 1985, by and between Perry R. Bass, hereinafter designated as "First Party," and Bass Enterprises Production Co., hereinafter designated as "Second Party".

WITNESSETH

WHEREAS, under the provisions of the Act of February 25, 1920, 41 STAT. 437, 30 U.S.C. Section 81, et seq., as amended by the Act of August 8, 1946, 60 STAT. 950, the Secretary of the Interior, on the sixteenth day of July, 1952, approved a unit agreement for the Poker Lake Unit Area, wherein the First Party is presently designated as Unit Operator; and

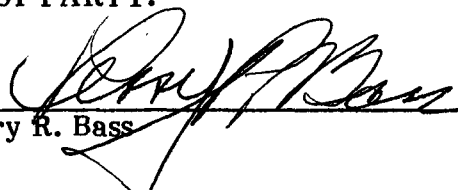
WHEREAS, the First Party desires to transfer, assign, release, and quitclaim, and the Second Party desires to assume all the rights, duties and obligations of the Unit Operator under the unit agreement; and

NOW, THEREFORE, in consideration of the premises hereinbefore set forth, the First Party does hereby transfer, assign, release, and quitclaim unto the Second Party all of the First Party's rights, duties, and obligations as Unit Operator under said unit agreement; and

Second Party hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all of the terms of said Unit Agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the Bureau of Land Management, Commissioner of Public Lands, and the New Mexico Oil Conservation Division; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

FIRST PARTY:


Perry R. Bass

SECOND PARTY:

BASS ENTERPRISES PRODUCTION CO.


By Wm. Arthur Hamilton
Vice President

AGREED AND ACCEPTED this ____ day of _____, 19__.

BUREAU OF LAND MANAGEMENT

By _____

AGREED AND ACCEPTED this ____ day of _____, 19__.

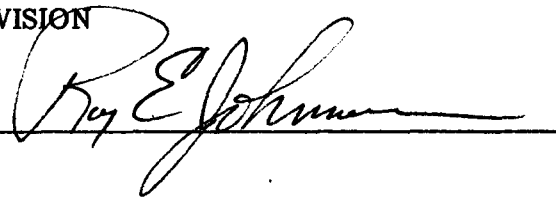
COMMISSIONER OF PUBLIC LANDS

By _____

AGREED AND ACCEPTED this 12th day of August, 1985.

NEW MEXICO OIL CONSERVATION
DIVISION

By

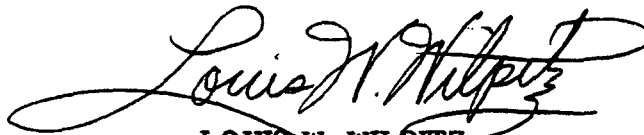


Bureau of Land Management
Commissioner of Public Lands
New Mexico Oil Conservation Division
November 8, 1985
Page 2

The requests for commercial determination and participating area were prepared by the respective operator of each well as listed above. Would you please review these submittals and advise of your findings.

Should there be any questions with regard to these submittals, please feel free to contact me at (817) 390-8585.

Sincerely,

A handwritten signature in cursive script, reading "Louis W. Wilpitz". The signature is fluid and stylized, with a large initial "L" and a long, sweeping underline.

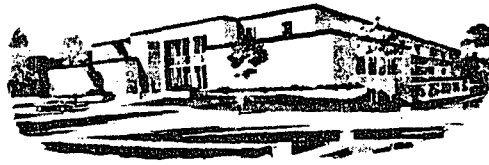
LOUIS W. WILPITZ
Landman

LWW:jh
Enclosures

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

November 26, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Re: 1986 Plan of Development
Poker Lake Unit
Eddy County, New Mexico

ATTENTION: Mr. Jens Hansen

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Poker Lake Unit Area, Eddy County, New Mexico. Such plan proposes to conduct additional seismic operations and re-evaluate existing seismic in an endeavor to high grade portions of the unit area for future drilling when the gas market and the price of gas improve to provide adequate economic incentive for the investment of capital. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

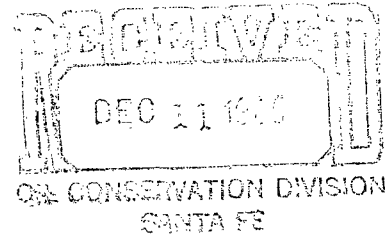
cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



IN REPLY
REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell District Office
P.O. Box 1397
Roswell, New Mexico 88201



3180 (065)

Bass Enterprises Production Company
Attention: Mr. Jens Hansen
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

DEC 6 1985

Gentlemen:

Enclosed is an approved copy of your 1986 Plan of Development for the Poker Lake Unit, Eddy County, New Mexico.

Such plan proposes to conduct additional seismic operations and reevaluate existing seismic in an endeavor to high grade portions of the unit area for future drilling when the gas market and the price of gas improve to provide adequate incentive for the investment of capital.

Approval of this plan is subject to like approval by the Commissioner of Public Lands and the New Mexico Oil Conservation Division.

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.
District Manager

Attachment:

/cc:NMOCD, Santa Fe