

Eddy Co. N.M.
 Structure Map
 Top of Lower Morrow CI=100'
 Rock Tank Field

● wells that produce or
 have produced from
 Upper Morrow A Zone

NEW MEXICO
 OIL CONSERVATION DIVISION
 Redstone EXHIBIT **3**
 CASE NO. _____

SCHLUMBERGER
BOREHOLE COMPENSATED
SONIC LOG - GAMMA RAY

COMPANY: HONSANTO COMPANY
WELL: ROCK TANK UNIT #1
FIELD: WILDCAT
COUNTY: EDDY
LOCATION: 660 FHL 920 FHL
STATE: NEW MEXICO
Other Services: IES

Permanent Datum: G.L. 1943
Log Measured From: K.B. 19
Drilling Measured From: K.B.

Log No. 1-7-68
DNE
11026
11018
11016

Log Interval: 0
Log Interval: 0
Log Interval: 0

Log No. 2423
GEL CHEM
7 7/8
2423

Log Interval: 0
Log Interval: 0
Log Interval: 0

Log No. 1-7-68
DNE
11026
11018
11016

Log Interval: 0
Log Interval: 0
Log Interval: 0

Log No. 2423
GEL CHEM
7 7/8
2423

Log Interval: 0
Log Interval: 0
Log Interval: 0

COMPANY: HONSANTO COMPANY
WELL: ROCK TANK UNIT #1
FIELD: WILDCAT
COUNTY: EDDY
LOCATION: 660 FHL 920 FHL
STATE: NEW MEXICO
Other Services: SEC-DR

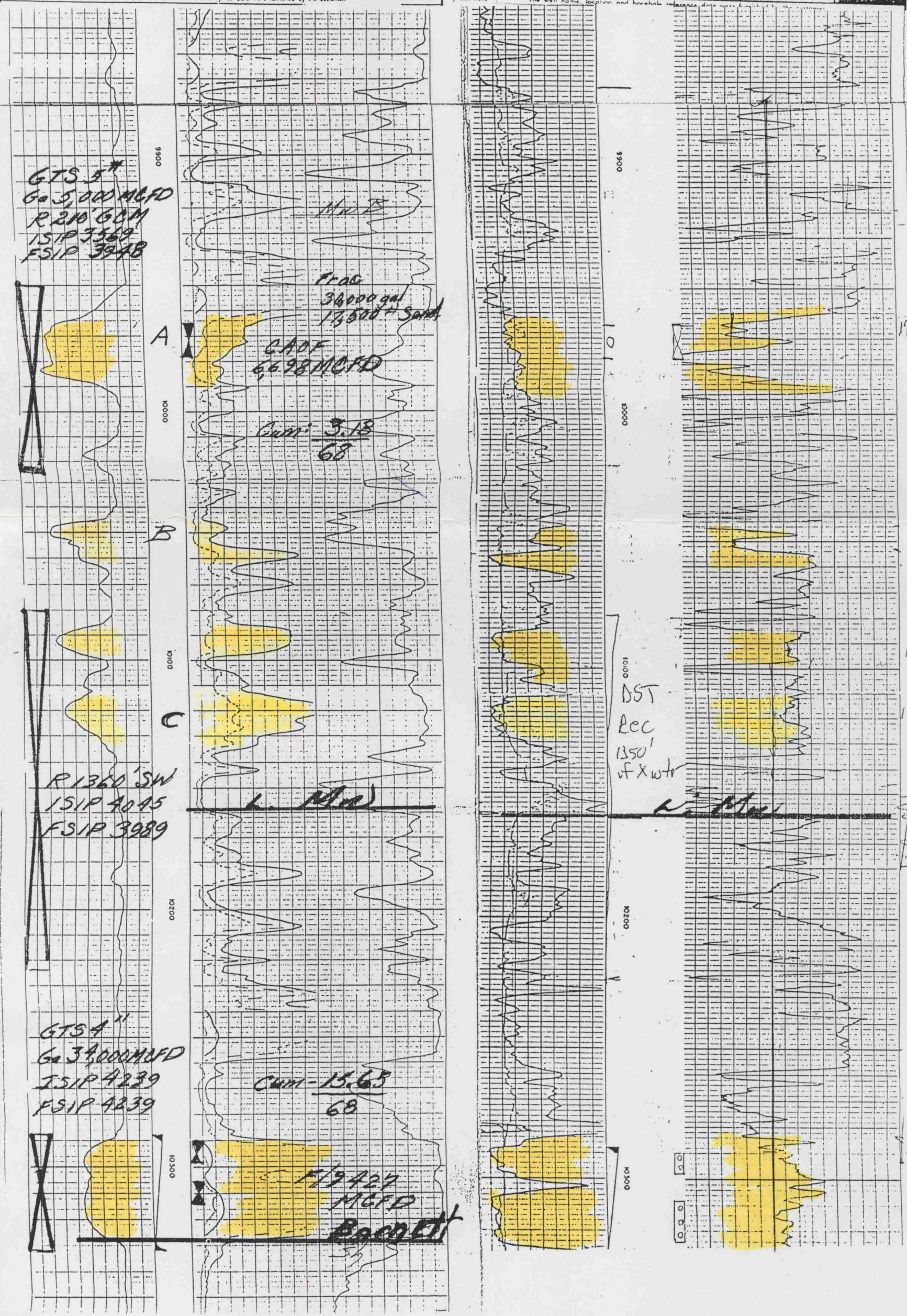
Permanent Datum: G.L. 1943
Log Measured From: K.B. 19
Drilling Measured From: K.B.

Log No. 1-7-68
DNE
11026
11015
11014
7423
85/88 2423
2423
7 7/8
GEL-CHEM

Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0

Log No. 1-7-68
DNE
11026
11015
11014
7423
85/88 2423
2423
7 7/8
GEL-CHEM

Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0
Log Interval: 0



GTS 3"
Ga 5,000 MCFD
R 210' 60M
ISIP 3369
FSIP 3948

Prod
34,000 gal
14,500 # Sand
GAP
6628 MCFD
Cum - 3.18
68

R 1360' SW
ISIP 4045
FSIP 3989

GTS 4"
Ga 3,000 MCFD
ISIP 4239
FSIP 4239

Cum - 15.63
68
F 19427
MCFD
BAGGETT

DST
Rec
1350'
w/ X wt

BOREHOLE.COM
SONIC LOG - GAMMA RAY

COMPANY: ARTISIA OFFICE COMPANY
 WELL: ROCK TANK UNIT #1
 FIELD: ROCK TANK (HARRON)
 COUNTY: EDDY STATE: NEW MEXICO
 LOCATION: 1650' FSL & 1650' FEL
 Sec: 1 Top: 23-5 Base: 24-E
 Other Services: IES
 Elevation: K.B. 4030 D.F. 4029 C.I. 4013

Schlumberger
INDUCTION - ELECTRICAL LOG

COMPANY: ARTISIA OFFICE COMPANY
 WELL: ROCK TANK UNIT #1
 FIELD: ROCK TANK (HARRON)
 COUNTY: EDDY STATE: NEW MEXICO
 LOCATION: 1650' FSL & 1650' FEL
 Sec: 1 Top: 23-5 Base: 24-E
 Other Services: BHC
 Permanent Depth: 6.1
 Log Measured From: 6.5
 D-Log Measured From: 6.5
 Date: 9-5-74
 Dip: 0%
 Depth: 1000'
 Log Interval: 10'
 Log Interval: 10'
 Casing - Logger: 2 7/8" 2480'
 Casing - Other: 2 7/8" 2480'
 Type Fluid in Hole: FRESH WATER



GTS 12"
 GR 2123 MCF, R. (SONIC)
 GR R. (CALIPER)
 GR 6,750 MCFD
 REC 120 MDY SW
 ISIP 3747
 FSIP 3747

| | |
|--------------------------------------|------|
| A - 16" - M SHORT NORMAL | 100 |
| INDUCTION | 1000 |
| RESISTIVITY ohms - m ² /m | 100 |
| 6FF40 INDUCTION | 1000 |

| | |
|--------------------------------|----|
| CALIPER HOLE DIAM IN INCHES | 10 |
| GAMMA RAY | 10 |
| INTERVAL TRANSIT TIME | 10 |

ATLAS FORM K-12-A35-1

COMPANY GULF OIL COMPANY, U.S.
WELL BUOTHE "BO" FEDERAL NO. 1
FIELD ROCK TANK
COUNTY EDDY STATE NEW MEXICO
LOCALITY
LOG NO. 10330
LOG DATE 1-2-20
LOG TIME 10:30

Log No. 10330
Log Date 1-2-20
Log Time 10:30

Log No. 10326
Log Date 1-2-20
Log Time 10:30

Log No. 10329
Log Date 1-2-20
Log Time 10:30

Log No. 10331
Log Date 1-2-20
Log Time 10:30

Log No. 10332
Log Date 1-2-20
Log Time 10:30

Log No. 10333
Log Date 1-2-20
Log Time 10:30

Log No. 10334
Log Date 1-2-20
Log Time 10:30

Log No. 10335
Log Date 1-2-20
Log Time 10:30

Log No. 10336
Log Date 1-2-20
Log Time 10:30

Log No. 10337
Log Date 1-2-20
Log Time 10:30

Log No. 10338
Log Date 1-2-20
Log Time 10:30

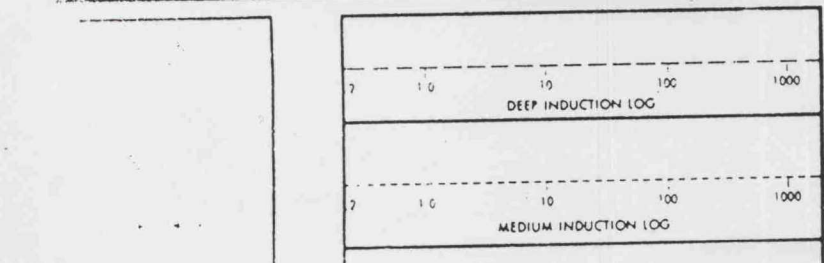
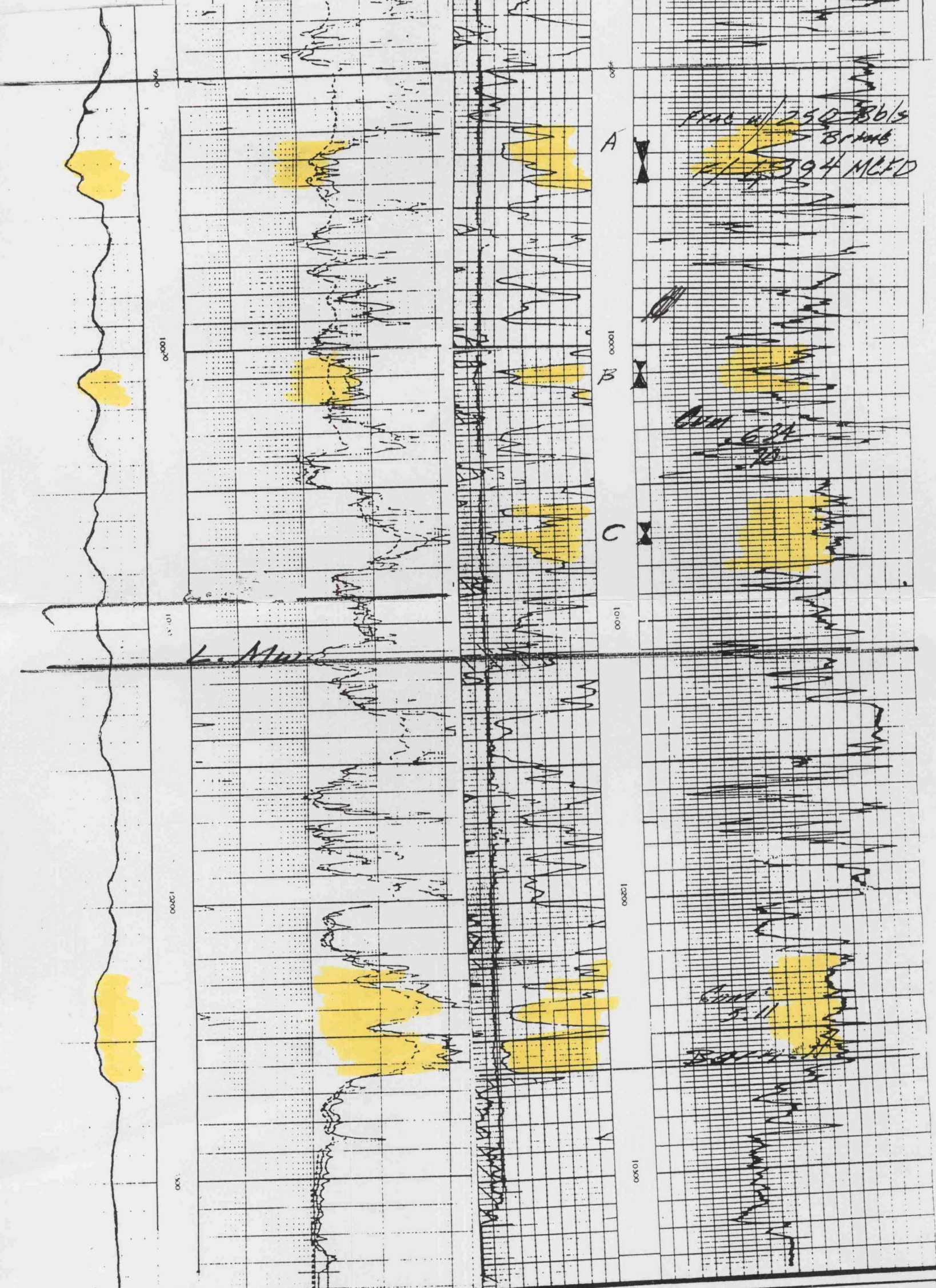
Log No. 10339
Log Date 1-2-20
Log Time 10:30

Log No. 10340
Log Date 1-2-20
Log Time 10:30

Pessier Atlas
Jan 9
Inscribed Log

COMPANY
WELL
FIELD
COUNTY
STATE

RECEIVED

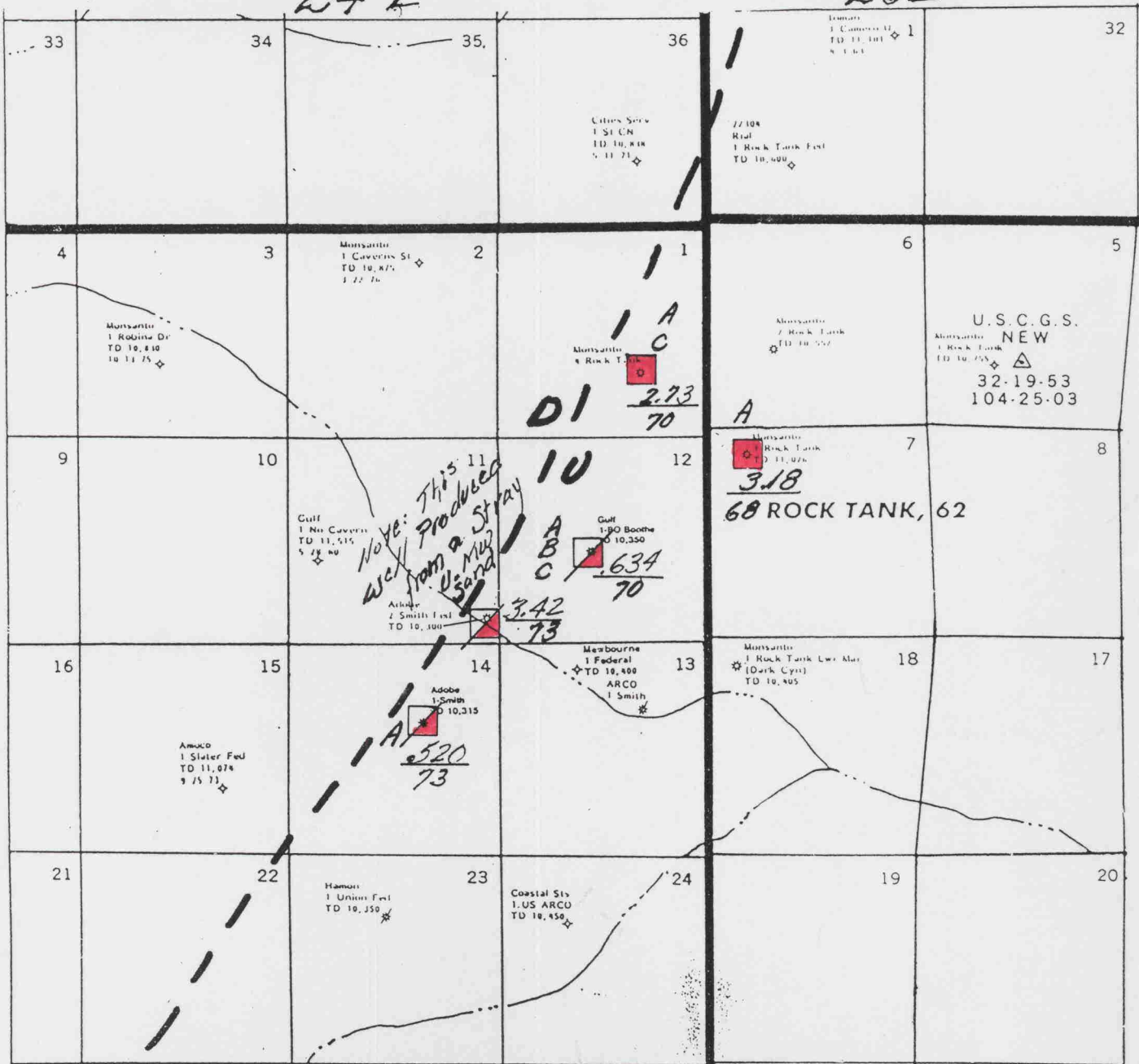


| | | | |
|--------------------------------|---------------------------|--|-----------------------|
| 0 API | 100 API | | |
| 7 | 9 | 11 | 13 15 |
| HOLE SIZE - INCHES | | | |
| - + 10 API/CO Millivolts | | | |
| S.P. or G/R & Caliper | | DEPTH | |
| | | ACOUSTILOG T ₁ T ₂ R ₁ R ₂ T ₃ | |
| Company | GULF OIL COMPANY, U.S. | Drillers T.D. | 10350' |
| Well | BUOTHE "BO" FEDERAL NO. 1 | Log F.R. | 10326' |
| Field | ROCK TANK | Log T.D. | 10329' |
| County | EDDY | Elevations: | |
| | | K.B. 4027' | D.F. 4026' G.L. 4008' |

24 E

25 E

T
23
S



Eddy Co. N.M.
Upper Morrow Cumulative
Production Plat

■ 2.73 (BCF)
70 (year of 1st Prod.)
Data to 4/97

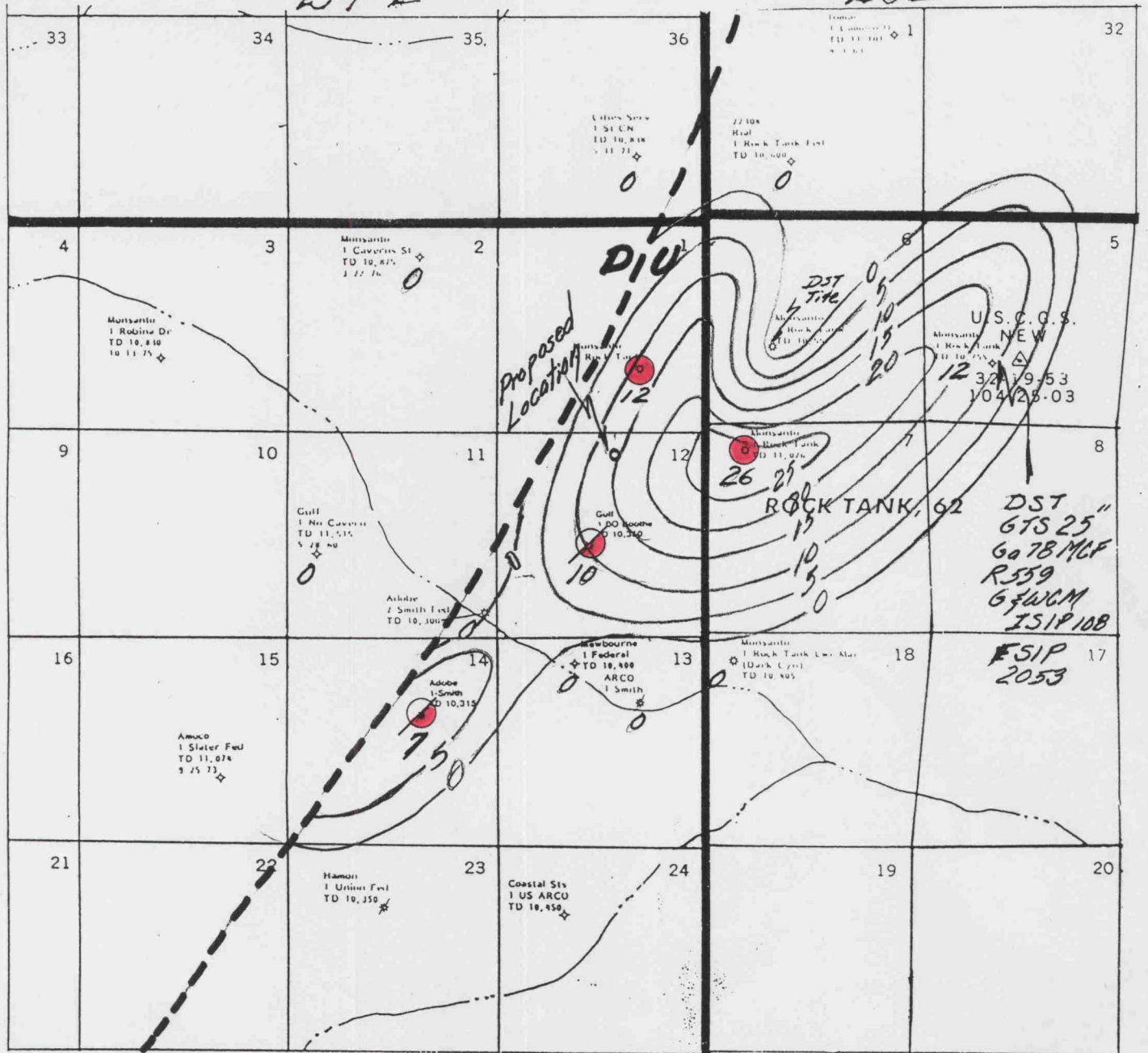
Note: U.M. Production
Comes from 4 Separate
Zones: Stray
A
B
C

NEW MEXICO
OIL CONSERVATION DIVISION
Redstone EXHIBIT **5**

CASE NO. _____

24 E

25 E



T
23
S

Eddy Co. N.M.

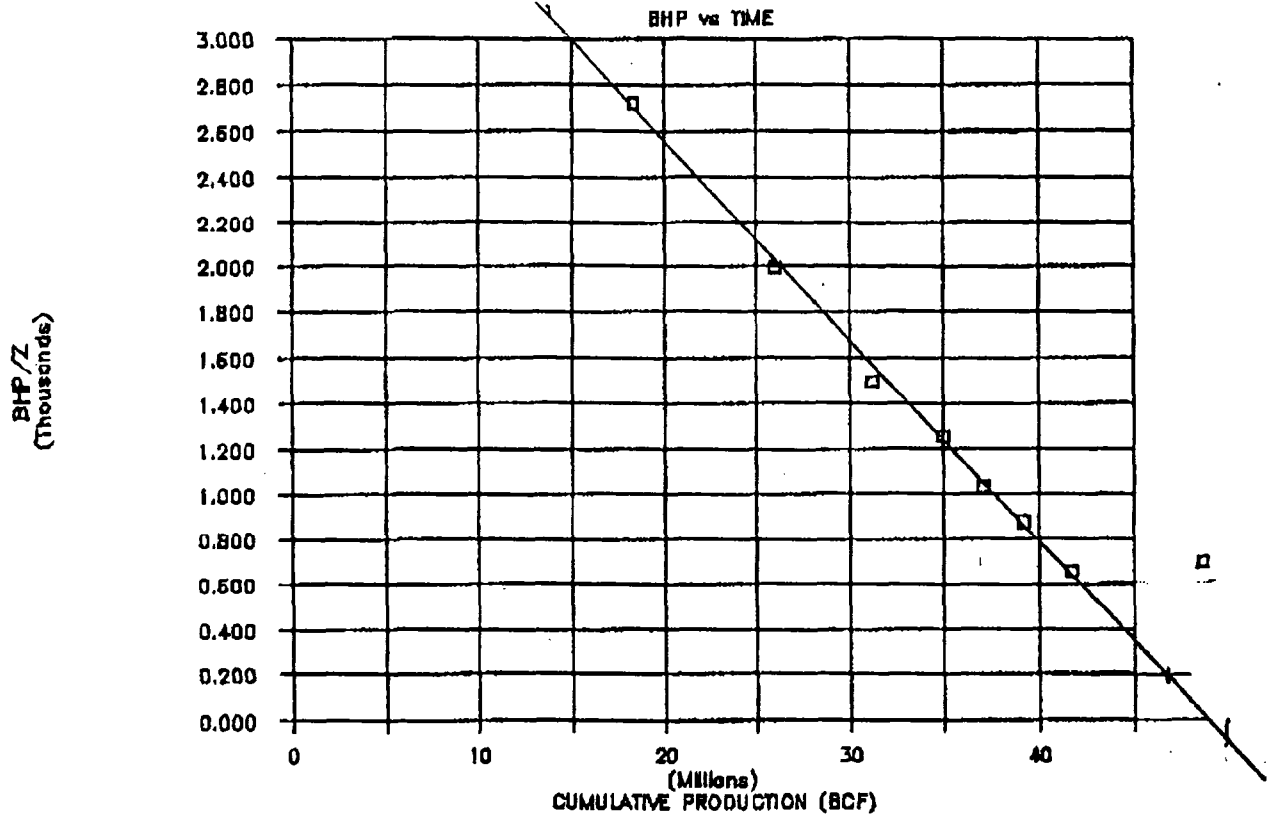
Porosity Isopach
 Upper Morrow A Sandstone
 $CI = 5' \phi \geq 8\%$

- Producing wells in U. Mw A Zone
- ⊗ Abandoned wells that were perf'd in the U. Mw A Zone

NEW MEXICO
 OIL CONSERVATION DIVISION
Redstone EXHIBIT **6**

CASE NO. _____

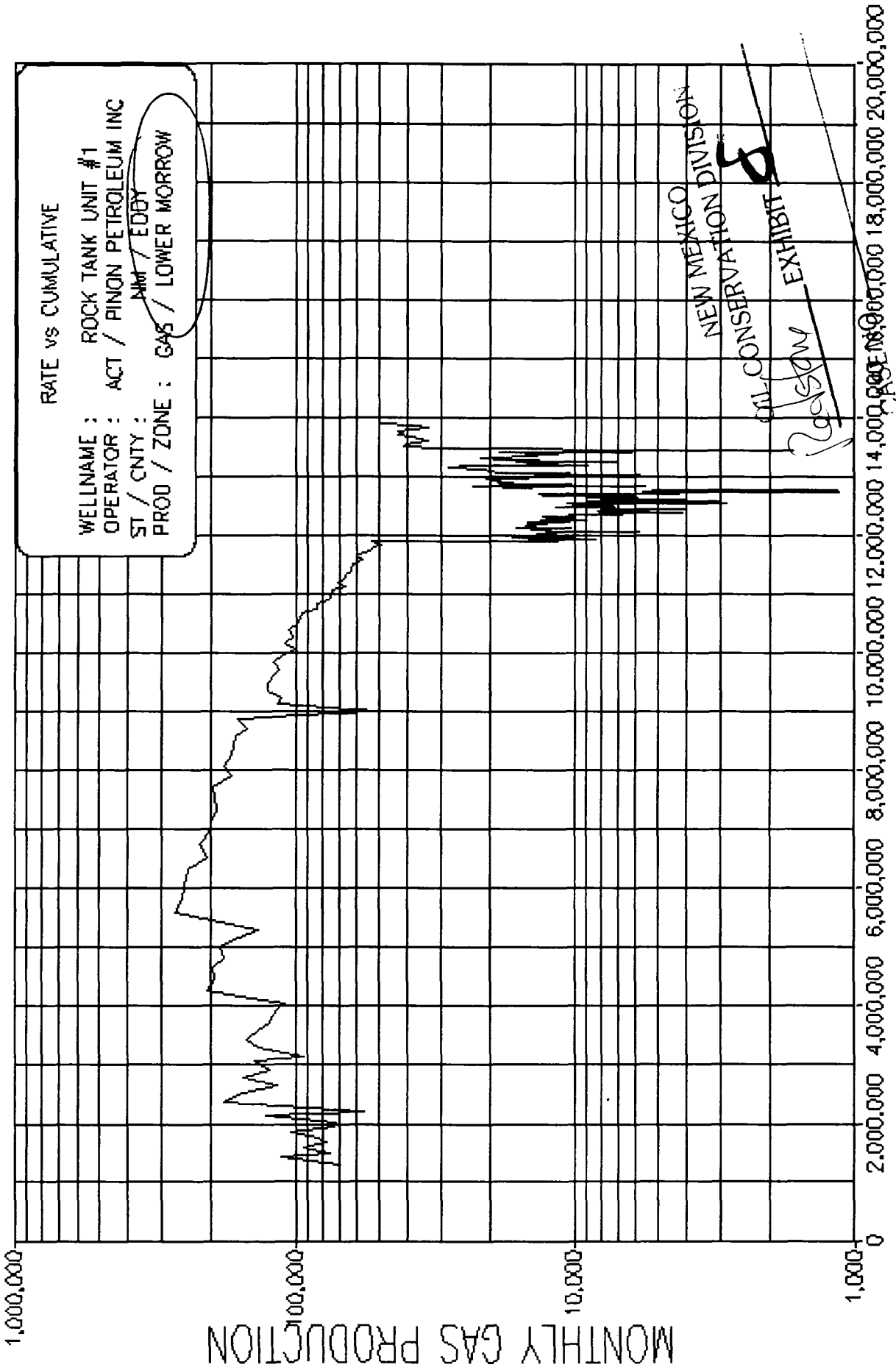
ROCK TANK FIELD (LOWER MORROW)



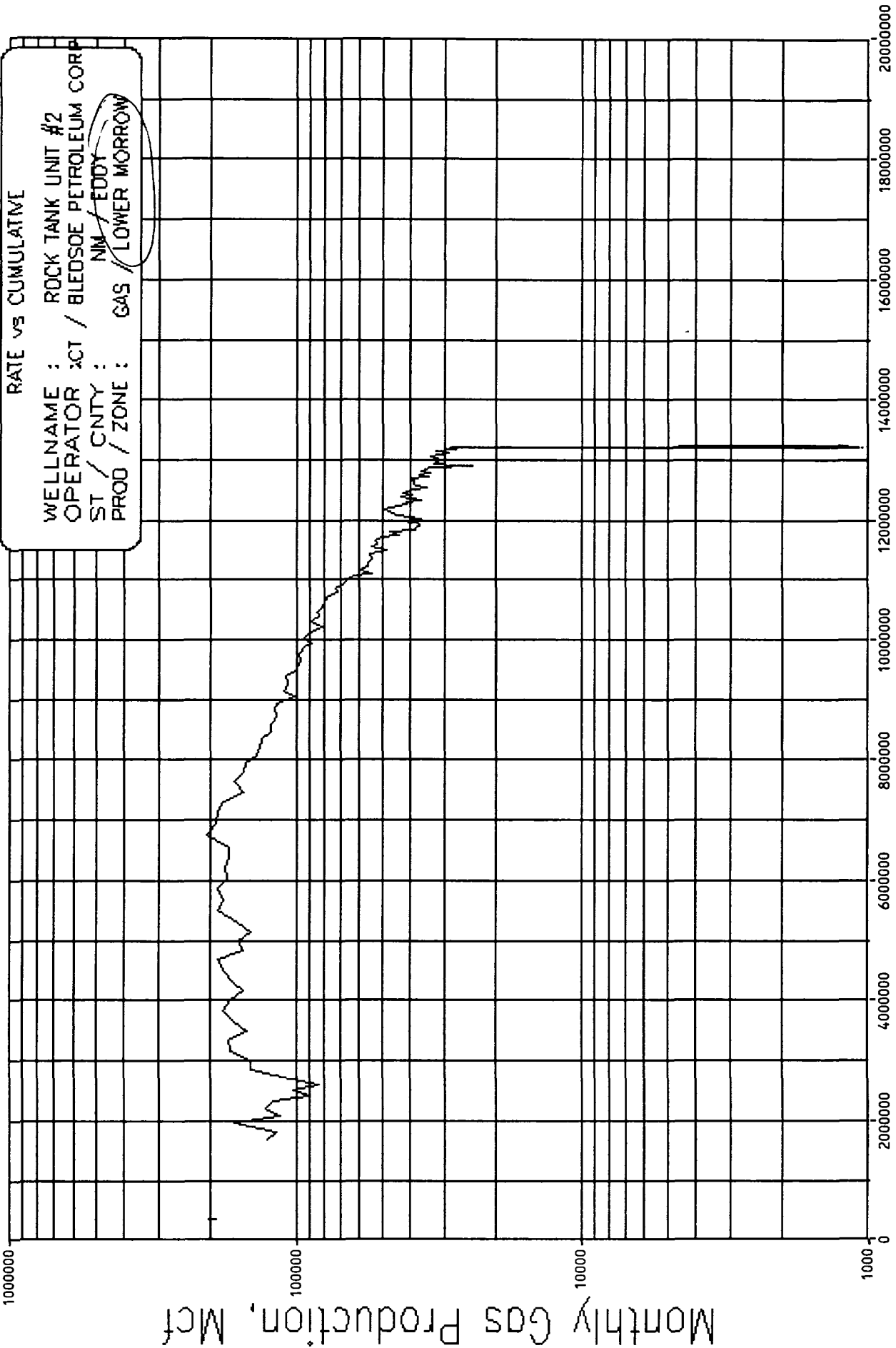
NEW MEXICO
OIL CONSERVATION DIVISION

Redstone EXHIBIT 7

CASE NO. _____



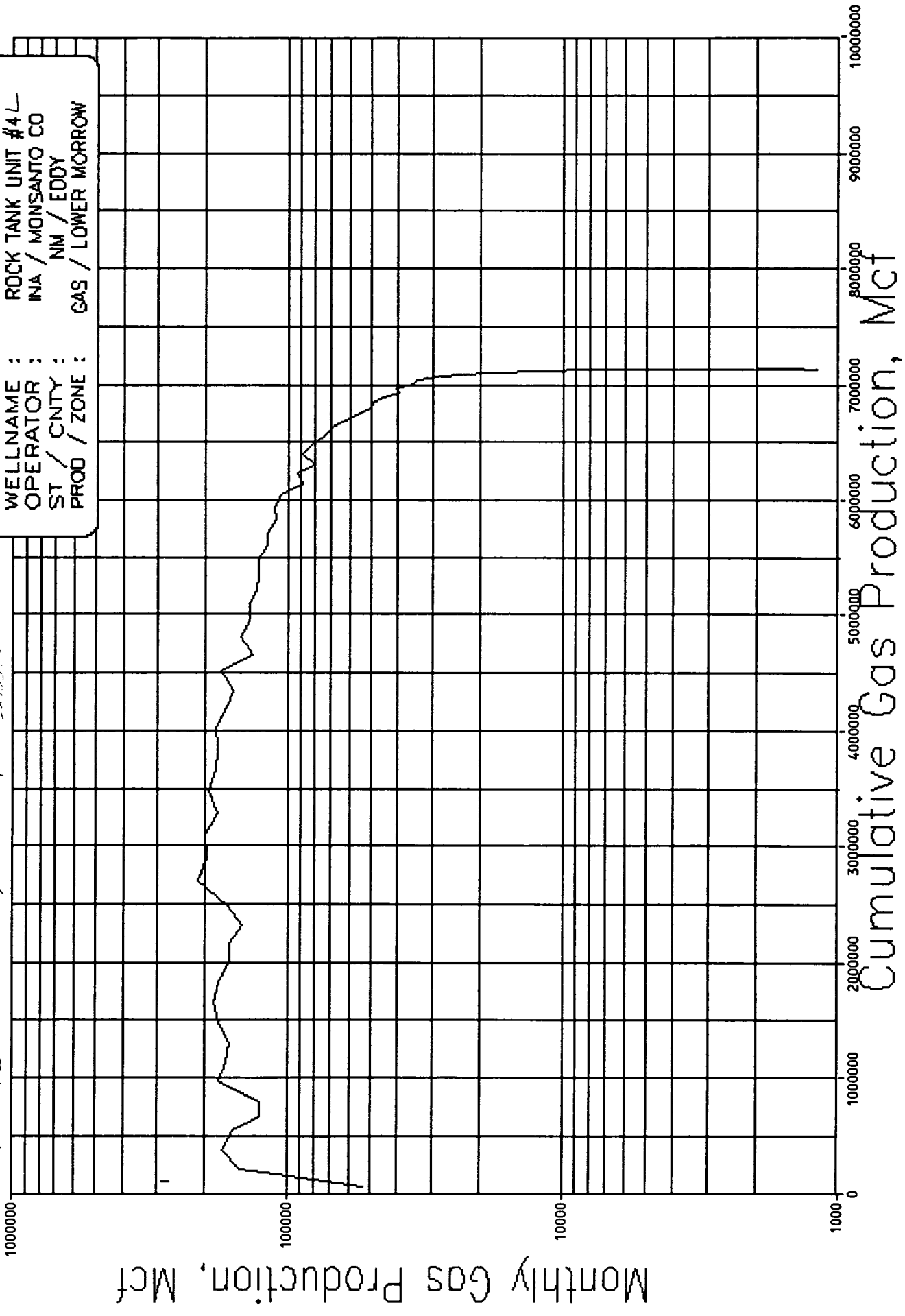
Cumulative Gas Volume



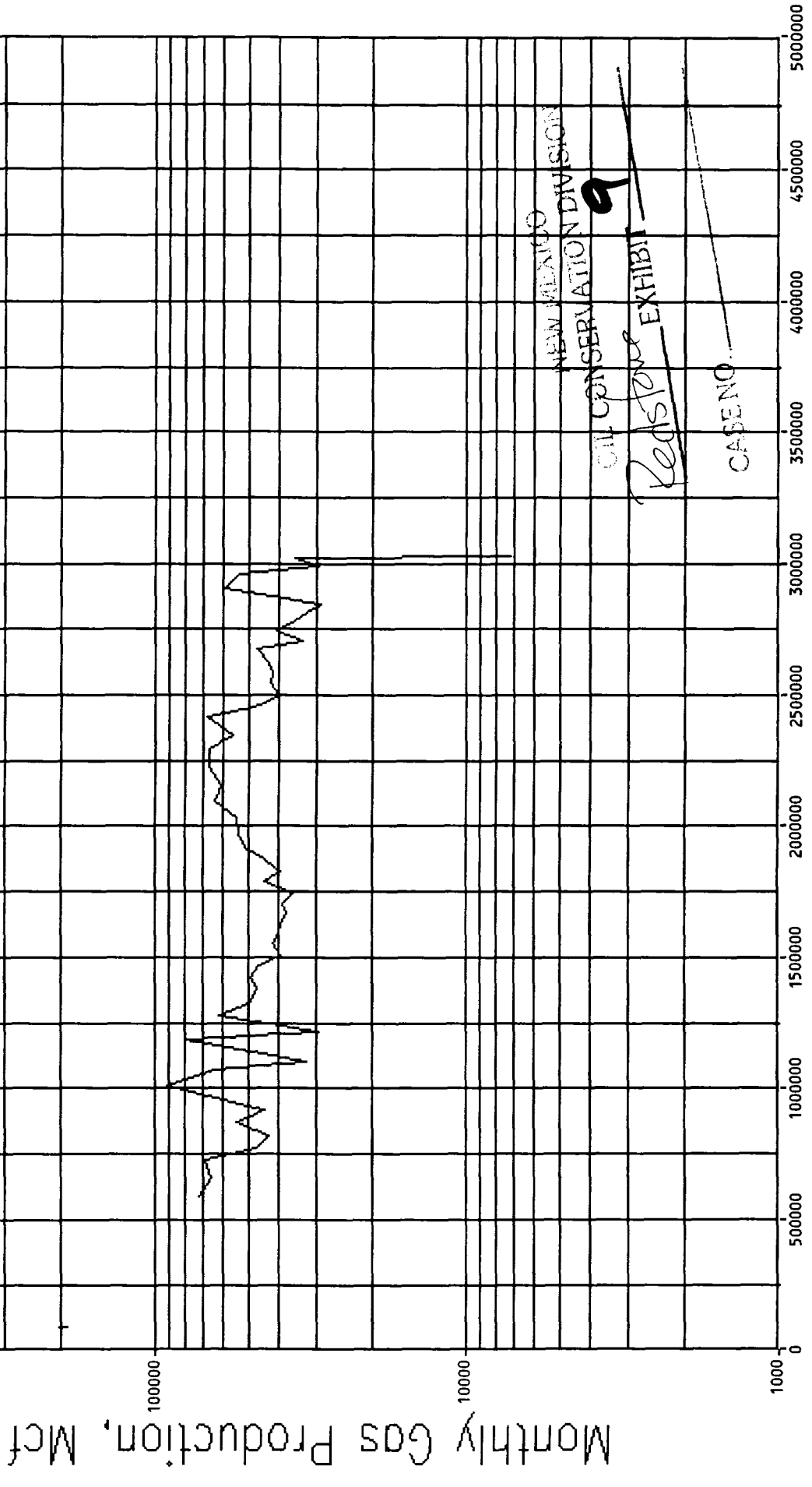
Cumulative Gas Production, Mcf

RATE vs CUMULATIVE
WELLNAME : ROCK TANK UNIT #4 L
OPERATOR : INA / MONSANTO CO
ST / CNTY : NM / EDDY
PROD / ZONE : GAS / LOWER MORROW

1970-78
10,200 - 244' 2000's



RATE vs CUMULATIVE
 WELLNAME : ROCK TANK UNIT #1
 OPERATOR : NA / BLEDSOE PETROLEUM CORP
 ST / CNTY : NM / EDDY
 PROD / ZONE : GAS / UPPER MORROW



NEW MEXICO
OIL CONSERVATION DIVISION

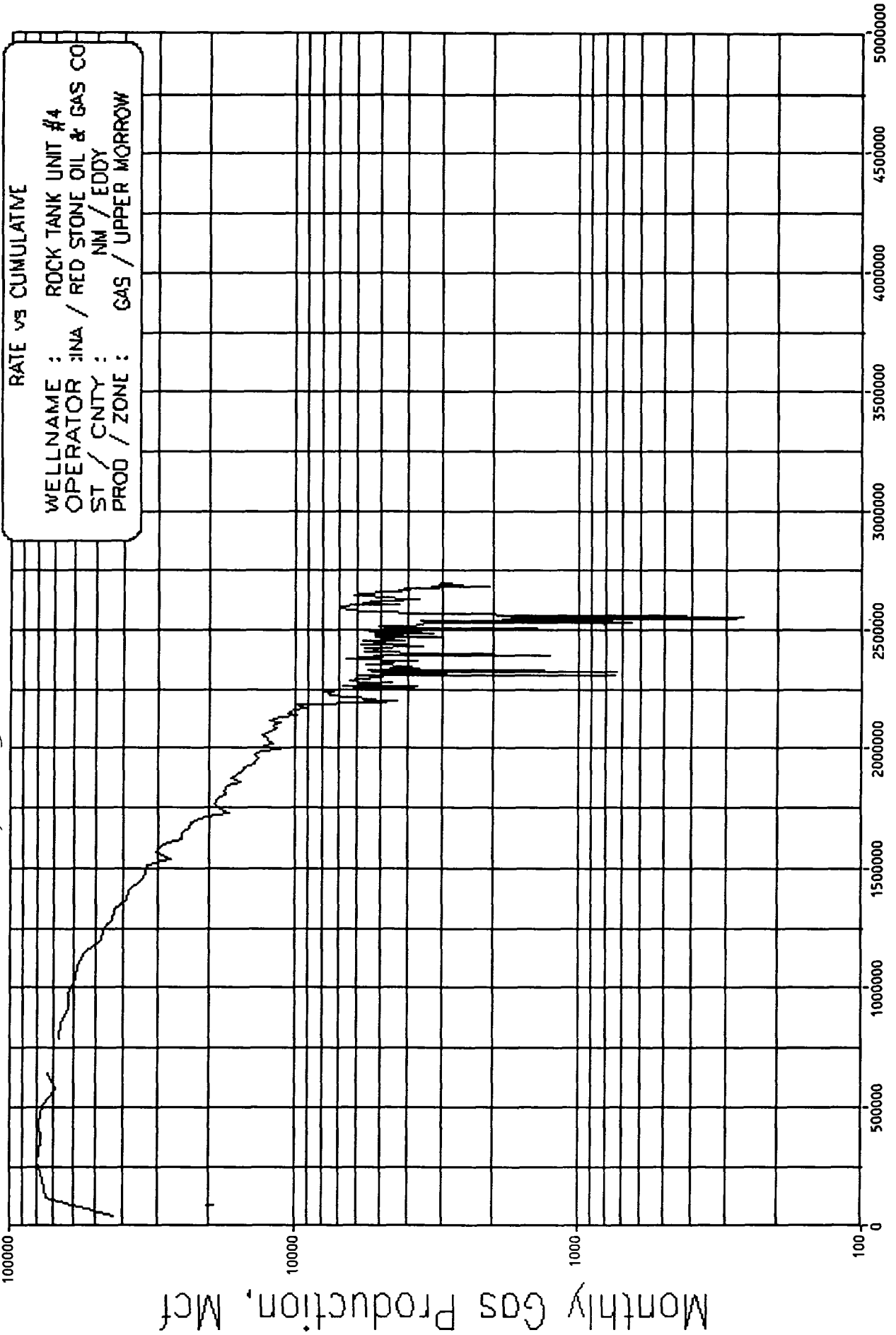
9

Redstone EXHIBIT

CASE NO.

Cumulative Gas Production, Mcf

1978 - PRESENT
9902-12 UPRR
10,019-30 M/SO2

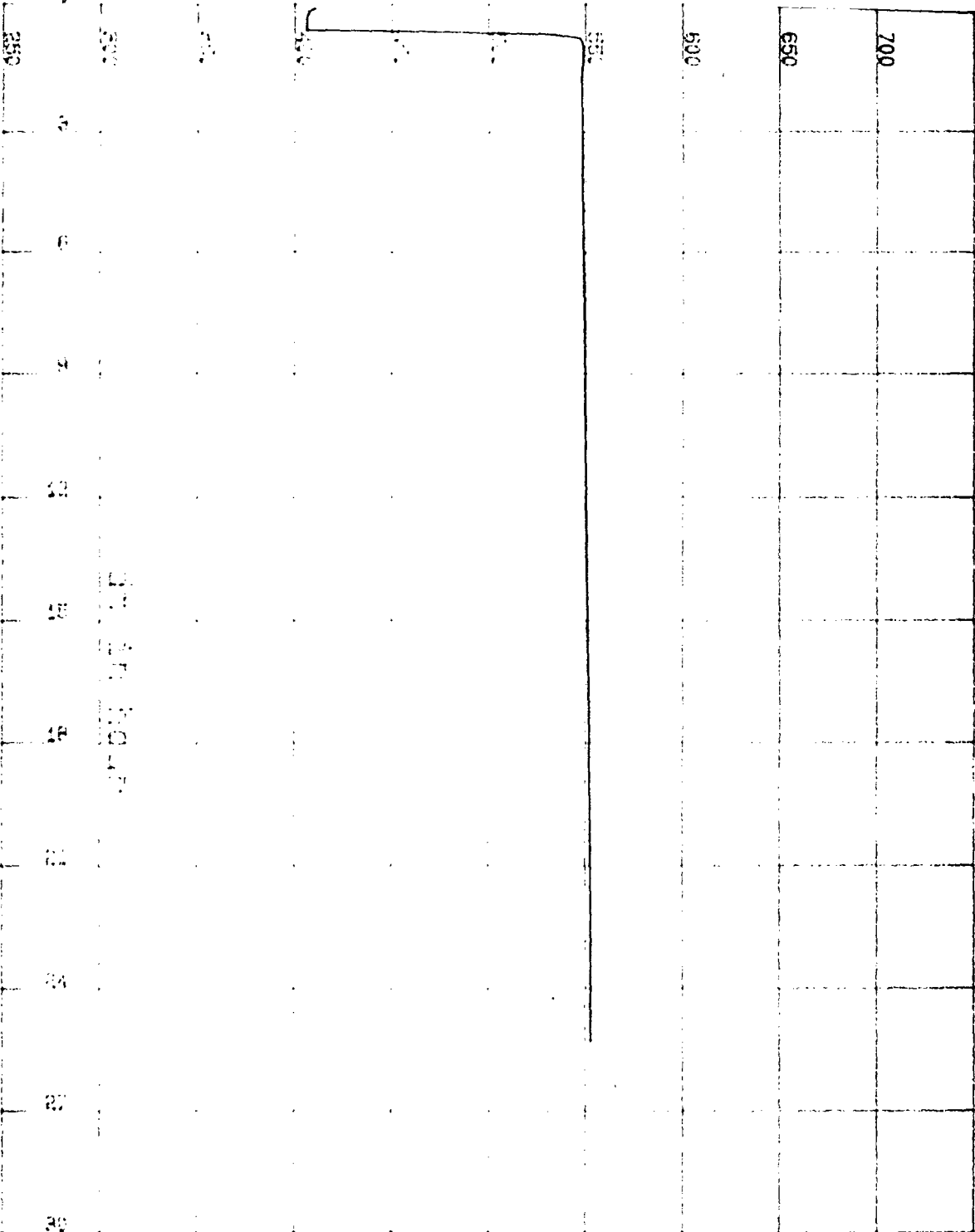


Cumulative Gas Production, Mcf

ILLEGIBLE

PSIA

LINEAR PLOT
Redstone Oil & Gas



Field: Rock Tank
Start time: 08:20:97/09:42:00
Comments:

Test Interval: 10290-10324
Stop time: 08:21:97/10:57:29

Well: Rock Tank Unit #1
Gauge Depth: 10307 feet

Garrett Services Inc.

NEW MEXICO

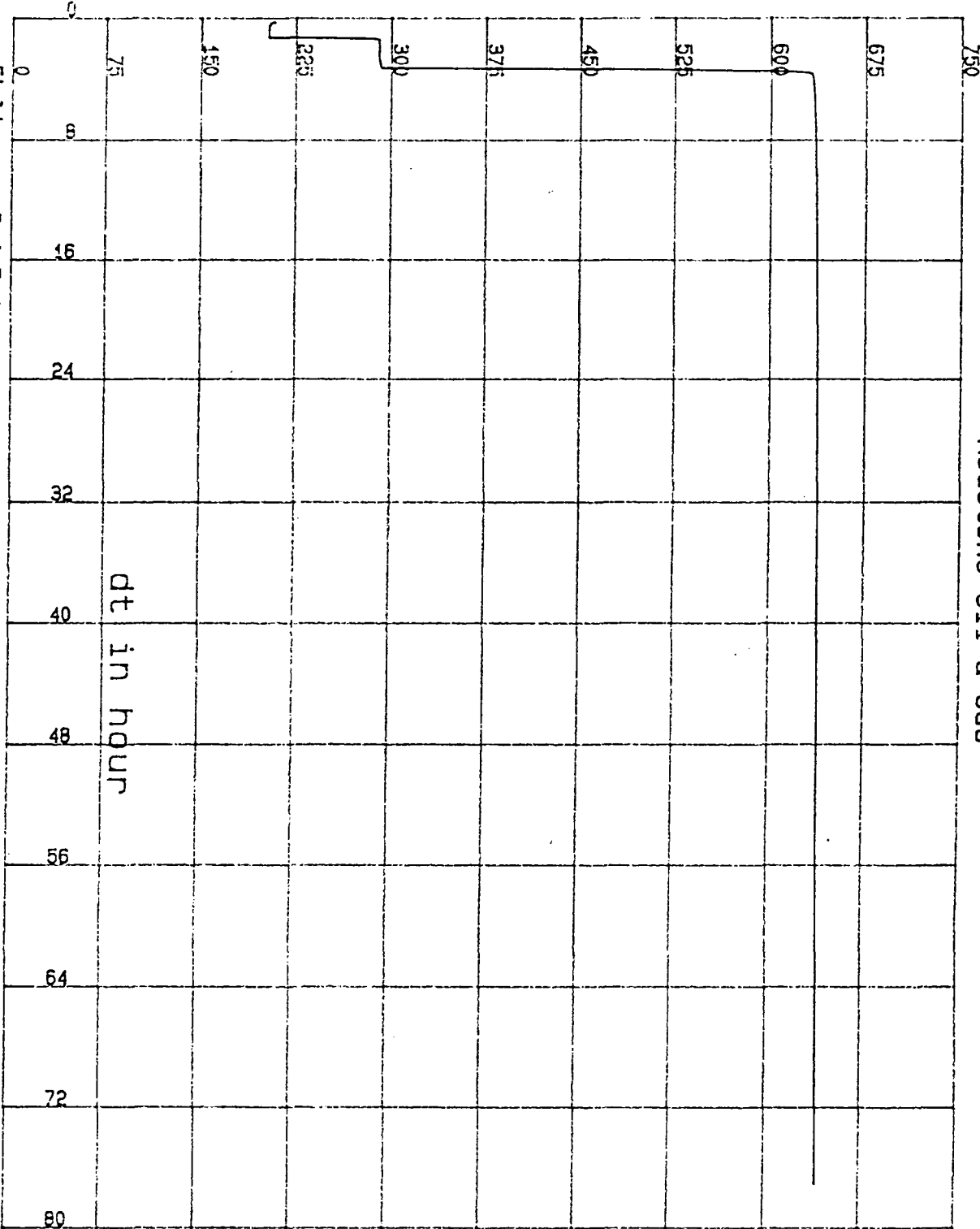
OIL CONSERVATION DIVISION

Redstone EXHIBIT 10

CASE NO.

PRESSURE in PSIA

LINEAR PLOT
Redstone Oil & Gas



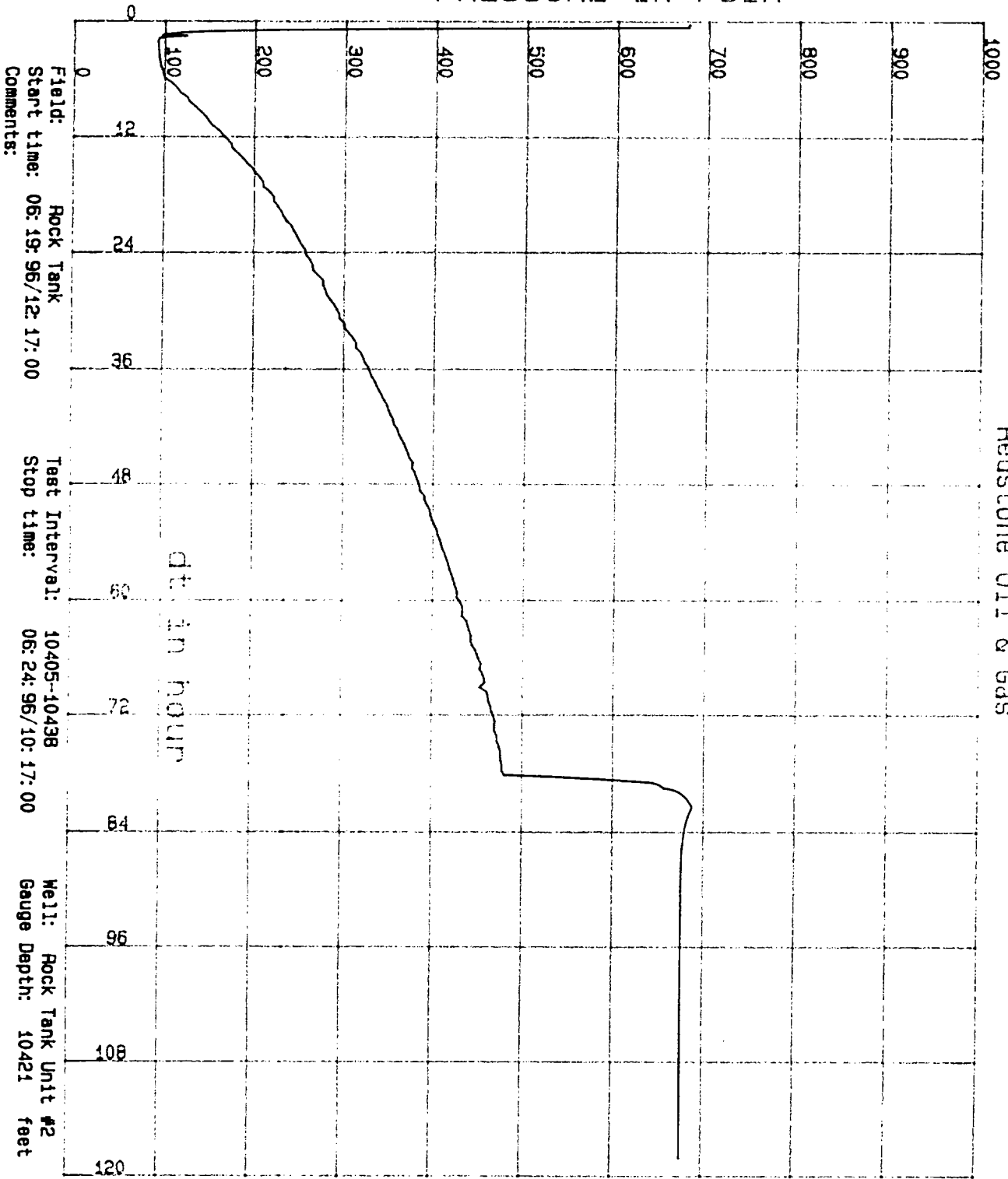
Field: Rock Tank
Start time: 06:02:96/10:25:00
Comments:

Test Interval: 10290-10324
Stop time: 06:05:96/15:26:01

Well: Rock Tank Unit #1
Gauge Depth: 10307 feet

PRESSURE in PSIA

LINEAR PLOT
Redstone Oil & Gas



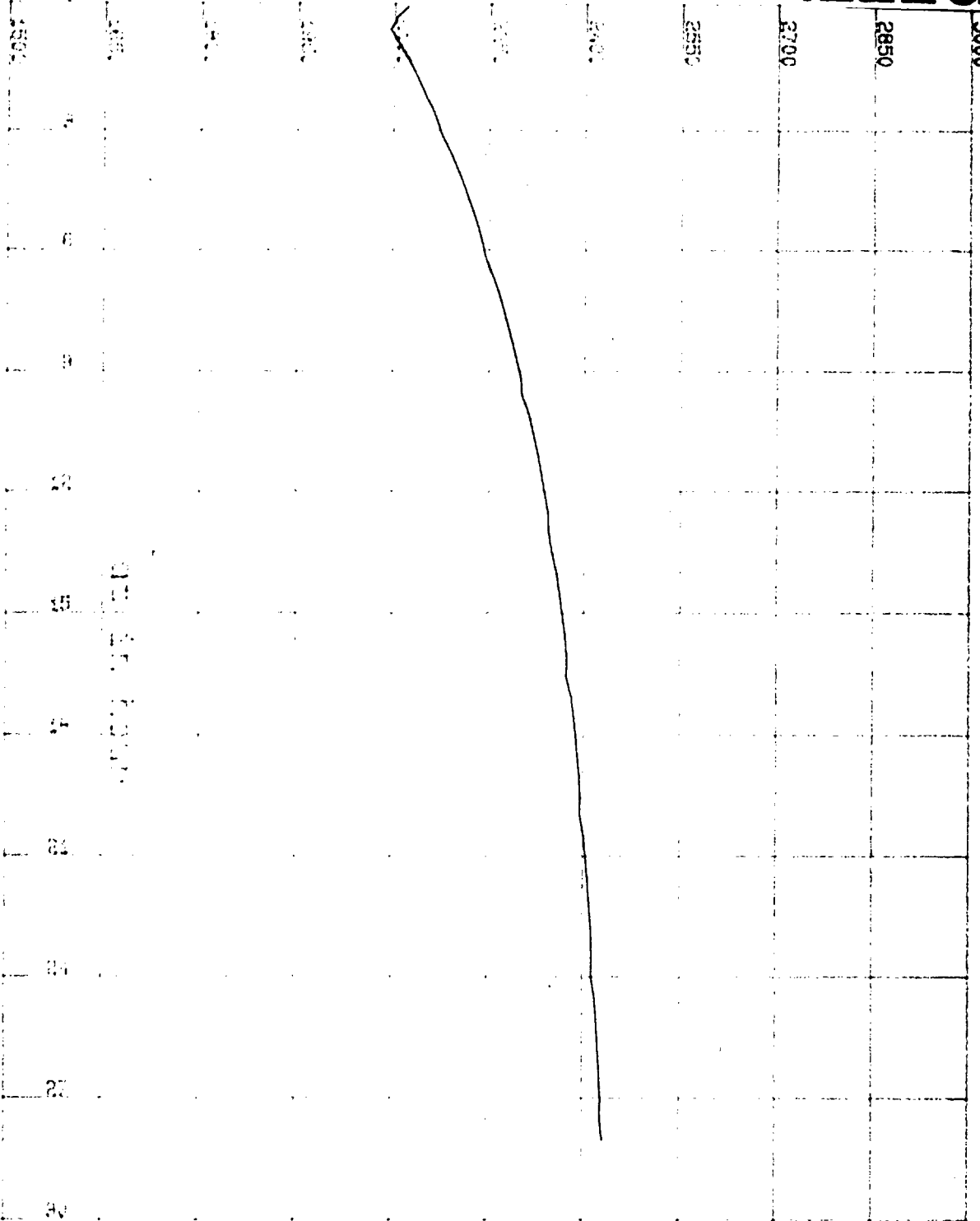
Jarrel Services Inc.

ILLEGIBLE

IN ASIA

LINEAR PLOT

Redstone Oil & Gas



Field: Rock Tank
 Start time: 09:11: 97/12: 04: 00
 Comments:

Test Interval: 9902-10060
 Stop time: 09: 12: 97/16: 04: 00

Well: Rock Tank Unit #4
 Gauge Depth: 9981 feet

Barrel Services Inc.

NEW MEXICO OIL CONSERVATION DIVISION

Redstone EXHIBIT 11

CASE NO.

**WELL COST ESTIMATE
DRILLING AND COMPLETION**

First Draft

State: N. Mexico County: Eddy Expenditure Type: (X) Development Drilling
 Field: Rock Tank Lease: Rock Tank () Injection Well
 Well Number: 5 File: () Exploratory Drilling
 Location: 2490' FEL & 500' FNL, Sec. 12, T23S, R24E () Recompletion
 Formation: Morrow
 Estimated TD: 10,500 feet

| INTANGIBLE COSTS | COST TO DRILL | COST TO COMPLETE | TOTAL WELL COST ESTIMATE | SUB ACCT | QTY |
|--|------------------|------------------|--------------------------|----------|-----|
| Location & Roads | \$25,000 | \$5,000 | \$30,000 | | |
| Damages & Right of Way | \$2,000 | | \$2,000 | | |
| Move in, Rig up and Rig down | \$0 | | \$0 | | |
| Drilling - Footage; 10,500' @ \$25.50/ft | \$267,750 | | \$267,750 | | |
| Drilling - Daywork; 3 days @ \$6500 /day | \$20,400 | | \$20,400 | | |
| Fuel | \$0 | | \$0 | | |
| Cement & Cementing Services | \$24,600 | \$14,000 | \$38,600 | | |
| Mud & Chemicals | \$20,000 | | \$20,000 | | |
| Mud Logging; 10 days @ 400 /day | \$4,000 | | \$4,000 | | |
| Water, including water hauling | \$20,000 | | \$20,000 | | |
| Coring, Core Analysis | | | \$0 | | |
| Bits, Reamers & Mills | | | \$0 | | |
| Rentals | \$20,000 | \$10,000 | \$30,000 | | |
| Formation Testing | | | \$0 | | |
| Logging, Open Hole | \$14,000 | | \$14,000 | | |
| Trucking, incl. Casing & Hot Shot Serv. | \$2,500 | | \$2,500 | | |
| Supervision (Engineering & Geological) | \$4,000 | \$5,250 | \$9,250 | | |
| Other, Drig Cost (misc. Labor) | \$2,500 | | \$2,500 | | |
| Overhead | \$1,000 | | \$1,000 | | |
| Completion, W.O. & Swabbing Units | | \$27,000 | \$27,000 | | |
| Logging Cased Hole | | \$3,000 | \$3,000 | | |
| Perforating | | \$5,600 | \$5,600 | | |
| Stimulation (acid) | | | \$0 | | |
| Completion Testing | | \$5,000 | \$5,000 | | |
| Other Compl Cost (misc Labor) | | \$2,500 | \$2,500 | | |
| Cement & Cement Services P & A | | | \$0 | | |
| Contingencies @ 5% | \$21,388 | \$3,868 | \$25,255 | | |
| TOTAL INTANGIBLE COSTS | \$449,138 | \$81,218 | \$530,355 | | |
| PERMANENT WELL EQUIPMENT | | | | | |
| Conductor Pipe | \$1,500 | | \$1,500 | | |
| Surface Casing 400', 13 3/8", @ \$17.79 /ft. | \$7,116 | | \$7,116 | | |
| Intermediate Casing 2500' 8 5/8" @ \$9.05 & 11.86/ft | \$24,030 | | \$24,030 | | |
| Production Casing: 10,500', 5 1/2", @ \$6.39 & 7.98 /ft. | | \$73,137 | \$73,137 | | |
| Tubing: 10200', 2 3/8", @ \$2.20 /ft. | | \$22,440 | \$22,440 | | |
| Casing & Tubing Heads | \$5,780 | \$3,600 | \$9,380 | | |
| XMAS Tree & Manifold Assembly | | \$4,500 | \$4,500 | | |
| Production Packer/Anchor Catcher | | \$8,000 | \$8,000 | | |
| Sucker Rods & Bottom Hole Pump | | | \$0 | | |
| Compressor | | | \$0 | | |
| Labor | | \$10,000 | \$10,000 | | |
| Treating, Separation & Tank Bty. Equip | | \$10,000 | \$10,000 | | |
| Flowlines, Gas Lines | | \$5,000 | \$5,000 | | |
| Misc. Fittings | | \$10,000 | \$10,000 | | |
| Trucking (Other than casing) | | \$1,500 | \$1,500 | | |
| Other | | \$1,000 | \$1,000 | | |
| TOTAL WELL EQUIPMENT | \$38,426 | \$149,177 | \$187,603 | | |
| TOTAL COST | \$487,564 | \$230,395 | \$717,958 | | |

NEW MEXICO
 OIL & GAS COMMISSION DIVISION
 EXHIBIT 12
 Redstone

RECOMMENDED BY: Scott Royal *SR*

DATE: 2/1/98

OPERATOR APPROVAL: **REDSTONE OIL & GAS COMPANY**

BY: *W.D. Droege*
 TITLE: *V.P. Operations*

DATE: 2/4/98

JOINT INTEREST APPROVAL: _____

BY: _____
 TITLE: _____

DATE: _____

FASKEN OIL AND RANCH, LTD.
COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd.
LEASE NAME: Carnero Federal
FIELD: Rock Tank (Morrow)
500' FNL & 2285' FWL
Sec. 12, T23S, R24E

DATE: July 30, 1997
WELL NO.: 1
COUNTY: Eddy

AFF NO: 138
STATE: New Mexico

TANGIBLES

| TUBULAR GOODS | SIZE (IN) | FOOTAGE (FT) | PRICE (\$/FT) | SUB | TOTAL | DRY HOLE |
|---|-----------|--------------|---------------|------------------|------------------|-----------------|
| Conductor Pipe | 20.000 | 0 | \$25.00 | \$0 | | \$0 |
| Surface Casing | 13.375 | 500 | \$18.00 | \$9,000 | | \$9,000 |
| Inter. Casing | 8.625 | 2,500 | \$9.00 | \$22,500 | | \$22,500 |
| Oil string | 5.500 | 10,200 | \$7.00 | \$71,400 | | \$0 |
| Tubing | 2.375 | 10,200 | \$3.00 | \$30,600 | \$133,500 | \$0 |
| WELLHEAD EQUIPMENT | | | | | | |
| Starting Head | | | | \$2,000 | | \$500 |
| Inter. Head | | | | \$9,500 | | \$3,500 |
| Tubing Head | | | | \$9,500 | | \$0 |
| Christmas Tree | | | | \$13,500 | \$34,500 | \$0 |
| SUB SURFACE PRODUCTION EQUIPMENT | | | | | | |
| Tubing Anchor and/or Packer | | | | \$5,000 | | \$0 |
| Sucker Rods, Pump, BHA, etc. | | | | \$0 | \$5,000 | \$0 |
| SURFACE PRODUCTION EQUIPMENT | | | | | | |
| Pumping Unit c/w Prime Mover | | | | \$0 | | \$0 |
| Production Unit | | | | \$20,000 | | \$0 |
| Tanks, Treaters, Separators, Circ. Pump | | | | \$17,100 | | \$0 |
| Labor | | | | \$11,900 | \$49,000 | \$0 |
| TOTAL TANGIBLES | | | | \$222,000 | \$222,000 | \$36,600 |

INTANGIBLES

CONTRACTOR DRILLING COST

| | FOOTAGE | RATE | | |
|-----------------------------|---------|---------|------------------|------------------|
| Drilling Cost | 10,200 | \$26.00 | \$266,000 | \$255,000 |
| Day Work | 8 | \$8.500 | \$68,000 | \$39,000 |
| Pulling Unit for Completion | 130 | \$125 | \$16,300 | \$0 |
| Reverse Drilling Equipment | | | \$4,500 | \$0 |
| | | | \$314,800 | \$314,800 |

CEMENTING SERVICES & EQUIPMENT

| | | |
|---------------|----------|----------------|
| Surface | \$4,000 | \$4,000 |
| Intermediates | \$13,700 | \$13,700 |
| Oil String | \$21,500 | \$0 |
| Other | \$0 | \$39,200 |
| | | \$4,000 |

FORMATION TREATMENT

| | | |
|--------------------------------|----------|------------|
| Acidizing Services & Material | \$20,000 | \$0 |
| Fracturing Services & Material | \$0 | \$0 |
| Tank Rental & Hauling | \$0 | \$20,000 |
| | | \$0 |

SPECIAL SERVICES

| | DAYS | RATE | | |
|---------------------------------|------|-------|-----------------|-----------------|
| Perforating & Wireline Services | | | \$7,500 | \$0 |
| Mud Logging | 25 | \$400 | \$10,000 | \$10,000 |
| Open Hole Logging | | | \$20,000 | \$20,000 |
| Cores, DST's, etc. | | | \$15,000 | \$15,000 |
| Packer & BP Rental | | | \$3,000 | \$0 |
| | | | \$55,500 | \$55,500 |

DRILLING FLUIDS

| | | |
|----------------------|----------|-----------------|
| Mud & Chemicals | \$36,000 | \$36,000 |
| Fresh & Brine Water | \$30,000 | \$30,000 |
| Oil for Drilling Mud | \$0 | \$0 |
| | | \$66,000 |

MATERIALS & SERVICES OTHER

| | | |
|--|----------|-----------------|
| Bits & Reamers | \$1,500 | \$1,500 |
| Fuel | \$0 | \$0 |
| Hauling - Trucking, Transport, & Pmp Truck | \$10,800 | \$2,300 |
| Tubular Inspection & Testing | \$2,300 | \$700 |
| Casing Expense (Run Csg., PU/LD Machine) | \$4,500 | \$0 |
| Valves, Piping, & Connections | \$500 | \$500 |
| Pit Liners | \$3,000 | \$3,000 |
| Rental Equipment | \$32,600 | \$21,875 |
| Welding & Roustabout Labor | \$1,300 | \$1,300 |
| Cattleguard & Fencing | \$500 | \$500 |
| Misc. Services & Supplies | \$5,000 | \$4,000 |
| | | \$62,000 |

LOCATION ACCESS & CLEAN UP

| | | |
|----------------------------------|----------|-----------------|
| Surveying | \$1,500 | \$1,500 |
| ROAD, LOCATION, PITS, & CLEAN UP | \$29,000 | \$29,000 |
| | | \$30,500 |

SUPERVISION & LEGAL, ETC.

| | | |
|---|----------|----------------|
| Geological, Engr. & Supervisory Expense | \$10,100 | \$10,100 |
| | | \$7,700 |

| | | |
|--------------------------|------------------|------------------|
| CONTINGENCIES 10% | \$58,700 | \$58,700 |
| TOTAL INTANGIBLES | \$655,800 | \$548,800 |

| | | |
|-------------------|------------------|------------------|
| TOTAL COST | \$877,800 | \$877,800 |
|-------------------|------------------|------------------|

NEW MEXICO OIL CONSERVATION DIVISION
Redstone EXHIBIT 13

CASE NO.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF REDSTONE OIL & GAS COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

Case NO. 11, 927

AFFIDAVIT OF JOE E. SMALL

STATE OF TEXAS)
COUNTY OF DALLAS) ss.

Joe E. Small, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters set forth herein.

2. I am employed by Redstone Oil & Gas Company ("Redstone") as a petroleum landman. I am Redstone's Vice President - Land.


3. On February 9, 1998, I mailed a proposal letter to all working interest owners in Section 12, Township 23 South, Range 24 East, NMPM, regarding Redstone's proposed Rock Tank Well No. 5, to be located 500 feet FNL and 2515 feet FEL of Section 12. A copy of Redstone's proposal letter is attached hereto as Exhibit A.



Joe E. Small

SUBSCRIBED AND SWORN TO before me this 16th day of February, 1998, by Joe E. Small.





Notary Public

My Commission Expires:

NEW MEXICO
OIL CONSERVATION DIVISION
Redstone EXHIBIT 14
CASE NO. 11927



February 9, 1998

TO THE OWNERS ON THE ATTACHED LIST:

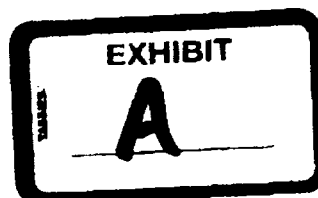
Re: Proposed Rock Tank #5
500' FNL & 2,515' FEL Section 12-23S-24E
NMPM, Eddy County, New Mexico

Gentlemen:

Pursuant to the terms of our Operating Agreement dated January 1, 1970 covering all of Section 12-23S-24E as to the Morrow formation, and to our Operating Agreement dated August 1, 1967 covering the Rock Tank Unit, Redstone Oil & Gas Company (Redstone) hereby proposes the drilling of a well at the captioned location. Redstone proposed to drill this well to a depth of 10,500 feet or a depth sufficient to test the Lower Morrow formation, whichever is lesser. Our estimated dry hole cost is \$487,564 and our estimated total well cost is \$717,958. Attached is our AFE for the drilling and completing of this well.

The existing spacing for the Morrow is the 640 acres comprising all of Section 12. As to any gas zones below the top of the Wolfcamp which the Division spaces on 320 acres, Redstone proposes the owners form a spacing unit consisting of the N/2 of Section 12.

In accordance with the above mentioned Operating Agreements, please indicate your election to participate in the above proposal with thirty days from the receipt of this letter by signing and returning one copy of this letter and the AFE to me at your earliest convenience.



8235 DOUGLAS AVENUE, SUITE 1050
DALLAS, TEXAS 75225

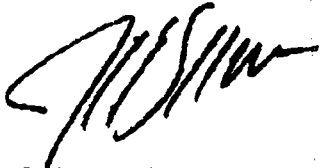
(214) 368-0202
FAX (214) 739-0061

Working Interest Owners
February 9, 1998
Page 2

If you have any questions regarding this matter, please advise.

Very truly yours,

REDSTONE OIL & GAS COMPANY



Joe E. Small, CPL
Vice President - Land

THE FOLLOWING ELECTION IS HEREBY MADE:

- ___ 1. We elect to participate in the drilling of the well as described above.
- ___ 2. We elect not to participate in the drilling of the well as described above

By : _____

Name: _____

Date: _____

Working Interest Owners

February 9, 1998

Page 3

Brooks Oil and Gas Interests

9696 Skillman, LB 34

Dallas, TX 75243

Max W. Coll II F/A/O

Rt. 9, Box 72F

Santa Fe, NM 87505

Fasken Oil & Ranch, Ltd.

303 West Wall, Suite 1900

Midland, TX 79701

Finwing Corporation

P.O. Box 10886

Midland, TX 79702

William Taylor Lagrone

P.O. Box 8020466

Dallas, TX 75380

Manta Oil and Gas Corp.

P.O. Box 10886

Midland, TX 79702

Petratis Oil & Gas, Inc.

P.O. Box 10886

Midland, TX 79702

SES Oil & Gas, Inc.

214 W. Texas, Ste. 900

Midland, TX 79702-0371

Olwick Corp.

P.O. Box 10886

Midland, TX 79702

Redstone Oil & Gas Company

8235 Douglas Ave., Ste. 1050

Dallas, TX 75225

**WELL COST ESTIMATE
DRILLING AND COMPLETION**

First Draft

State: N. Mexico County: Eddy Expenditure Type: (X) Development Drilling
 Field: Rock Tank Lease: Rock Tank () Injection Well
 Well Number: 5 Fr: () Exploratory Drilling
 Location: 2450' FEL & 500' FNL, Sec. 12, T23S, R24E () Recompletion
 Formation: Morrow
 Estimated TD: 10,500 feet

| | COST TO DRILL | COST TO COMPLETE | TOTAL WELL COST ESTIMATE | SUB ACCT | QTY |
|--|------------------|---------------------|--------------------------------|-------------|-----|
| INTANGIBLE COSTS | | | | | |
| Location & Roads | \$25,000 | \$5,000 | \$30,000 | | |
| Damages & Right of Way | \$2,000 | | \$2,000 | | |
| Move In, Rig up and Rig down | \$0 | | \$0 | | |
| Drilling - Footage: 10,500' @ \$25.50/ft | \$267,750 | | \$267,750 | | |
| Drilling - Daywork: 3 days @ \$6800 /day | \$20,400 | | \$20,400 | | |
| Fuel | \$0 | | \$0 | | |
| Cement & Cementing Services | \$24,600 | \$14,000 | \$38,600 | | |
| Mud & Chemicals | \$20,000 | | \$20,000 | | |
| Mud Logging: 10 days @ 400 /day | \$4,000 | | \$4,000 | | |
| Water, including water hauling | \$20,000 | | \$20,000 | | |
| Coring, Core Analysis | | | \$0 | | |
| Bits, Reamers & Mills | | | \$0 | | |
| Rentals | \$20,000 | \$10,000 | \$30,000 | | |
| Formation Testing | | | \$0 | | |
| Logging, Open Hole | \$14,000 | | \$14,000 | | |
| Trucking, Incl. Casing & Hot Shot Serv. | \$2,500 | | \$2,500 | | |
| Supervision (Engineering & Geological) | \$4,000 | \$5,250 | \$9,250 | | |
| Other, Drig Cost (misc. Labor) | \$2,500 | | \$2,500 | | |
| Overhead | \$1,000 | | \$1,000 | | |
| Completion, W.O. & Swabbing Units | | \$27,000 | \$27,000 | | |
| Logging Cased Hole | | \$3,000 | \$3,000 | | |
| Perforating | | \$5,600 | \$5,600 | | |
| Stimulation (acid) | | | \$0 | | |
| Completion Testing | | \$5,000 | \$5,000 | | |
| Other Compl Cost (misc Labor) | | \$2,500 | \$2,500 | | |
| Cement & Cement Services P & A | | | \$0 | | |
| Contingencies @ 5% | \$21,368 | \$3,868 | \$25,236 | | |
| TOTAL INTANGIBLE COSTS | \$448,138 | \$81,218 | \$529,356 | | |
| PERMANENT WELL EQUIPMENT | | | | | |
| Conductor Pipe | \$1,500 | | \$1,500 | | |
| Surface Casing 400', 13 3/8", @ \$17.75/ft | \$7,118 | | \$7,118 | | |
| Intermediate Casing 2500' @ 5 7/8" @ \$9.05 & 11.85/ft | \$24,030 | | \$24,030 | | |
| Production Casing: 10,500', 5 1/2", @ \$6.38 & 7.95/ft | | \$73,137 | \$73,137 | | |
| Tubing: 10200', 2 3/8", @ \$2.20/ft | | \$22,440 | \$22,440 | | |
| Casing & Tubing Heads | \$5,760 | \$3,800 | \$9,560 | | |
| XMAS Tree & Manifold Assembly | | \$4,500 | \$4,500 | | |
| Production Pecker/Anchor Catcher | | \$8,000 | \$8,000 | | |
| Sucker Rods & Bottom Hole Pump | | | \$0 | | |
| Compressor | | | \$0 | | |
| Labor | | \$10,000 | \$10,000 | | |
| Treating, Separation & Tank Bty. Equip | | \$10,000 | \$10,000 | | |
| Flowlines, Gas Lines | | \$5,000 | \$5,000 | | |
| Misc. Pippings | | \$10,000 | \$10,000 | | |
| Trucking (Other than casing) | | \$1,500 | \$1,500 | | |
| Other | | \$1,000 | \$1,000 | | |
| TOTAL WELL EQUIPMENT | \$38,428 | \$148,177 | \$186,605 | | |
| TOTAL COST | \$487,864 | \$230,395 | \$718,259 | | |

RECOMMENDED BY: Scott Royal
 OPERATOR APPROVAL: REDSTONE OIL & GAS COMPANY
 BY: [Signature]
 TITLE: [Signature]
 JOINT INTEREST APPROVAL:
 BY: _____
 TITLE: _____

DATE: 2/1/88
 DATE: 2/9/88
 DATE: _____

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF REDSTONE OIL &
GAS COMPANY FOR COMPULSORY
POOLING AND AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. _____

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

James Bruce, being duly sworn upon his oath, deposes and states:

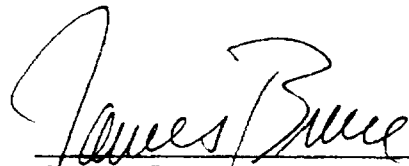
1. I am over the age of 18, and have personal knowledge of the matters set forth herein.

2. I am an attorney for Applicant.

3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.


4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207.



James Bruce

SUBSCRIBED AND SWORN TO before me this 4th day of February, 1998, by James Bruce.



Notary Public

My Commission Expires:
3/14/2001

NEW MEXICO
OIL CONSERVATION DIVISION
Redstone EXHIBIT 15

CASE NO. _____

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

January 28, 1998

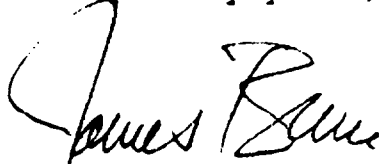
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Fasken Land and Minerals, Ltd.
Suite 1900
303 West Wall Street
Midland, Texas 79701

Ladies and Gentlemen:

Enclosed is a copy of an application for compulsory pooling filed at the New Mexico Oil Conservation Division by Redstone Oil & Gas Company regarding the Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico. This matter will be heard at 8:15 a.m. on Thursday, February 19, 1998 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to appear at the hearing and participate in the case. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce
Attorney for Redstone
Oil & Gas Company



SENDER:
 • Complete items 1 and/or 2 for additional services.
 • Complete items 3, 4, and 4b.
 • Print your name and address on the reverse of this form so that we can return this card to you.
 • Attach this form to the front of the mailpiece, or on the back if space does not permit.
 • Write "Return Receipt Requested" on the mailpiece below the article number.
 • The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Fasken Land & Mineral Ltd
 303 W. Wall, Suite 1900
 Midland, Tx 79701

4a. Article Number

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 1-30-98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
[Handwritten Signature]

PS Form 3811, December 1994 102506-97-8-0179 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

Z 432 549 368

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

| | |
|---|---------|
| Sent to Fasken Land & Minerals | |
| Street & Number 303 W. Wall, Suite 1900 | |
| Post Office, State, & ZIP Code Midland, Tx 79701 | |
| Postage | \$ 2.55 |
| Certified Fee | 1.35 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing in Whose Name & Date Delivered | 1.10 |
| TOTAL Postage & Fees | \$ 3.00 |
| Postmark or Delivery Point | |

PS Form 3800, April 1995