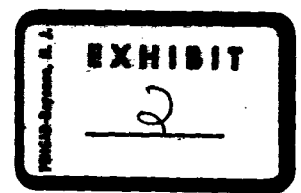


Southwest Royalties, Inc.
Sec. 17, T-19-S, R-25-E
Eddy County, NM
Julie COM, well #1
1/2 mile area of review and
2 mile radius



Southwest Royalties, Inc.
Julie #1
1980' FNL and 990' FEL
Section 17, T-19-S, R-25-E
Eddy County, New Mexico

Proposed Re-entry and Conversion to Injection Procedure

1. Dig out around dry hole marker. Set anchors. MIRUSU. Remove base plate. Install wellhead and nipple up BOP.
2. Pickup 4 3/4" bit, 3 1/2" drill collars and 2 7/8" workstring. Drill out surface plug from 0-50'. TIH to 206' and drill out 25 sack plug to 431'.
3. TIH to 2150' and drill out cement retainer and cement to 2250'. Test casing to 500 psi to assure that 4 squeeze holes at 2200' will hold pressure.
4. TIH with bit to 5200'. (Note: Records show that a cement retainer was set at 5465' with 200' +/- of cement on top (25 sacks.)) POH with tubing, collars and bit.
5. Pressure test casing to 500 psi.
6. Rig up wireline truck. Run GR-CNL Log from 5200' to 3000'. Run Cement Bond log from 5200' to surface to determine location of cement. Run initially with zero psi and again with 500 psi on well. (Note: When 4 squeeze holes were shot at 5510' when the well was plugged, 1000 sacks of cement was pumped with no returns at the surface. This bond log will be used to determine how far up the hole the cement went. We know that the well was cemented from 2200' to surface when the squeeze holes were shot at 2200'.)
7. Based on the results of the bond log, the well will be perforated at 4000' if required and cement squeezed above the top of our injection interval to assure adequate cement is obtained above the zone of injection. The volume of cement will be determined based on the cement bond log. This will be drilled out and pressure tested to 500 psi to assure casing integrity.
8. Perforate porous Abo intervals selected from the CNL log run in step 6 between 4000' and 5000'.
9. TIH with treating packer and below squeeze perf's at 3950' +/- . Acidize Abo injection interval with approximately 10,000 gallons 15% NEFE HCl.
10. POH with treating packer and workstring.
11. Pickup Model R injection packer (or equivalent) and 2 7/8" Internally plastic coated tubing and TIH to 3950' (or within 100' of the top perforation. Circulate corrosion inhibitor into annulus. Remove BOP, set packer and install wellhead.

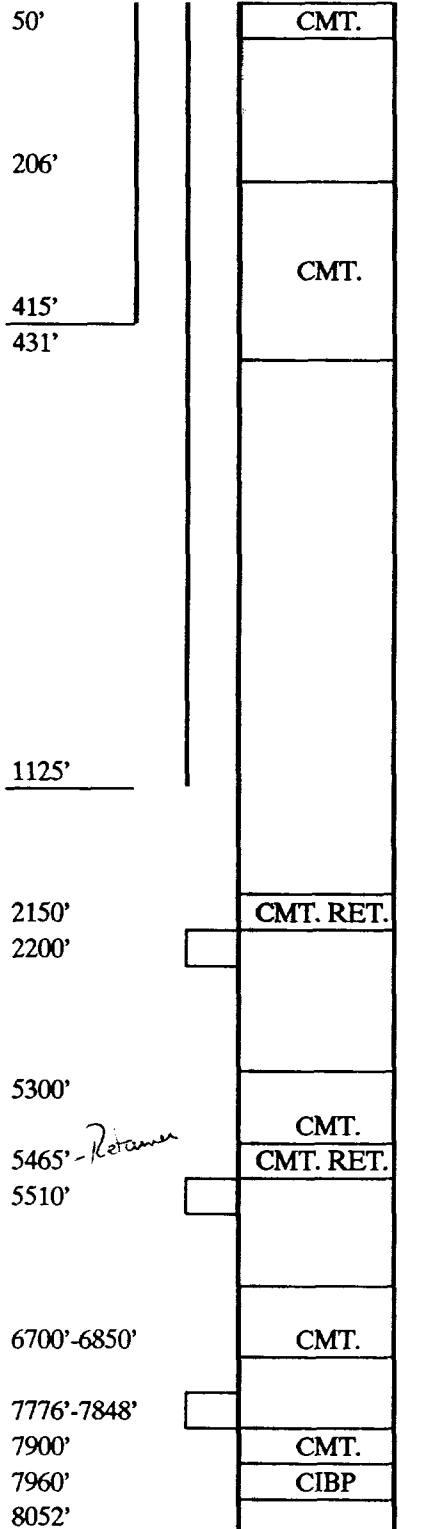
Julie #1
Re-entry Procedure

12. Set surface facilities and begin injection rate. Initial rate is anticipated to be 500 BWPD at approximately 300 psi. (Note: Yates operated Abo injection wells located in the area initially injected at rates above 1000 BWPD during the first year of injection at wellhead pressures similar to 300 psi.

WELL NAM JULIE #1
 LOCATION: 1980' FNL, 990' FEL, SEC. 17, T19S, R25E
 CO., STATE: EDDY CO., NEW MEXICO

ELEV.: 3523' GL, 3537' KB
 DATE: 6-15-92
 PREPARED BY: DENNIS MOORE

CURRENT STATUS



13 3/8"-48#-H40 CMT'D., W 300 SX.

*Circulate
Surface*

8 5/8" CMT'D. W/ 550 SX.

*Quartzite
Surface*

CMT'D. TO SURFACE W/ 525 SX.

*Squeeze
2,200'*

*Squeeze
CMT. W/ 1000 SX.
did not get returns
@ surface*

*TOC @ 6717' by
calc @ 70%*

PERFS. (10 SHOTS)

5.5"-15.5&17#-J55 CMT'D., W 280 SX.

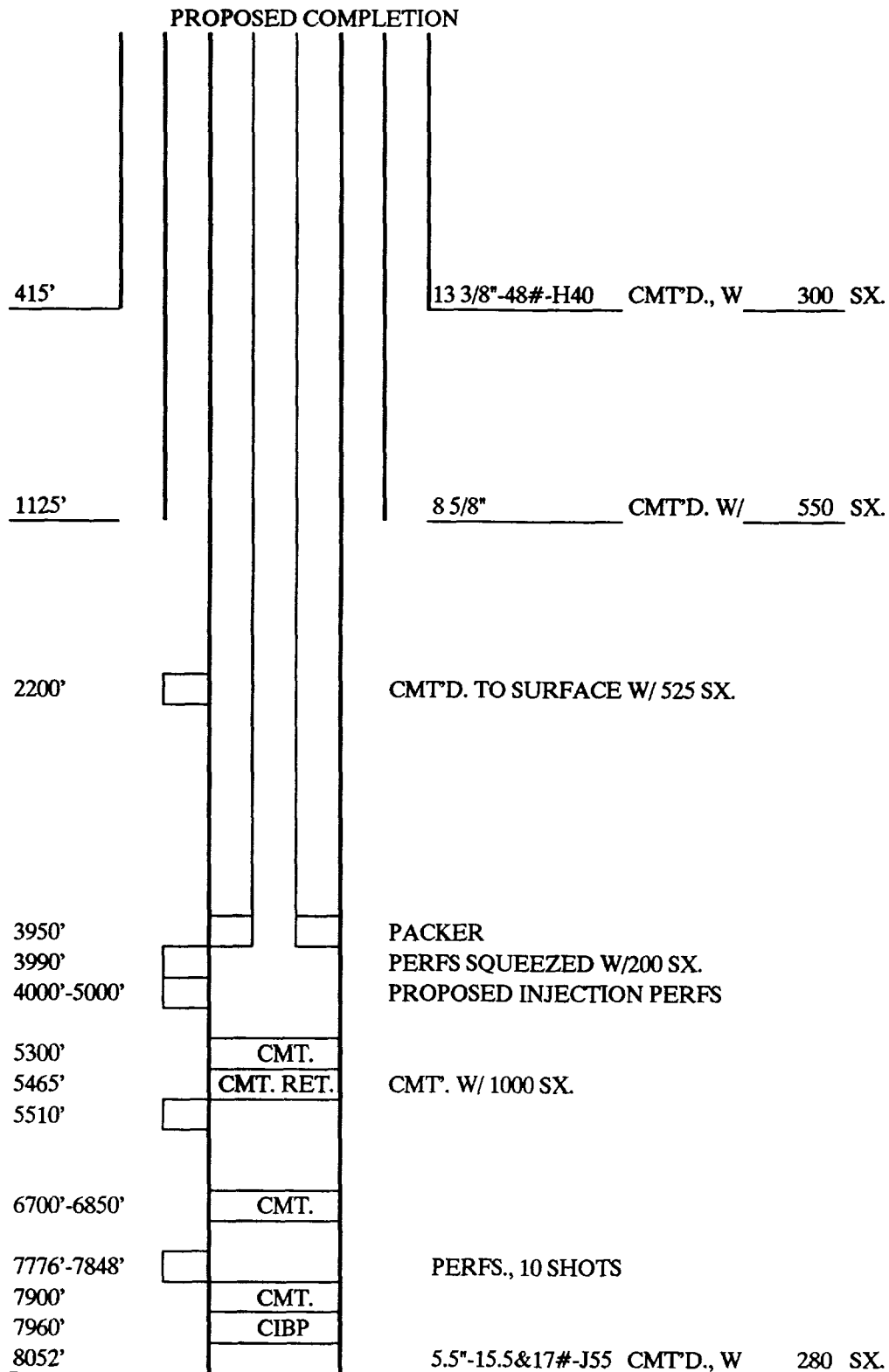
*Shot holes @
2200'*

*Shot holes @
5510'*

5465' - Retamer

WELL NAM JULIE #1
 LOCATION: 1980' FNL, 990' FEL, SEC. 17, T19S, R25E
 CO., STATE: EDDY CO., NEW MEXICO

ELEV.: 3523' GL, 3537' KB
 DATE: 7-28-92
 PREPARED BY: DENNIS MOORE



NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE	✓	
FILE	✓	✓
U.S.G.S.		
LAND OFFICE		
OPERATOR	✓	

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION

DEC 04 1986

C. C. D.

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator CONOCO INC.	8. Farm or Lease Name Julie Com
3. Address of Operator P. O. Box 460, Hobbs, N.M. 88240	9. Well No. 1
4. Location of Well UNIT LETTER H 1980 FEET FROM THE North LINE AND 990 FEET FROM THE East LINE, SECTION 17 TOWNSHIP 19S RANGE 25E N.M.P.M.	10. Field and Pool, or Wildcat North Dagger Draw Penn
15. Elevation (Show whether DF, RT, GR, etc.) 3523 GR	12. County Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

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

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- ① MIRU. POOH w/ Hq. Set CIBP @ 7960'. Spotted 7 sxs cmt on CIBP. Pumped 45 bbls 91b brine mud.
- ② Spotted 25 sxs from 6700'-6850'. Pumped 10 bbls 91b brine mud.
- ③ Shot 4 holes @ 5510'. Set ret @ 5465'. Pumped 1000 sxs class "H" cmt and did not get returns @ surface. Spotted 25 sxs on top of retainer
- ④ Shot 4 holes @ 2200'. Set ret @ 2150'. Pumped 525 sxs class "H" and got returns @ surface. Spot 25 sxs cmt from 431'-206'.
- ⑤ Spot 7sxs from 50'-surface. Install P&A marker and rig down on 11-12-86.

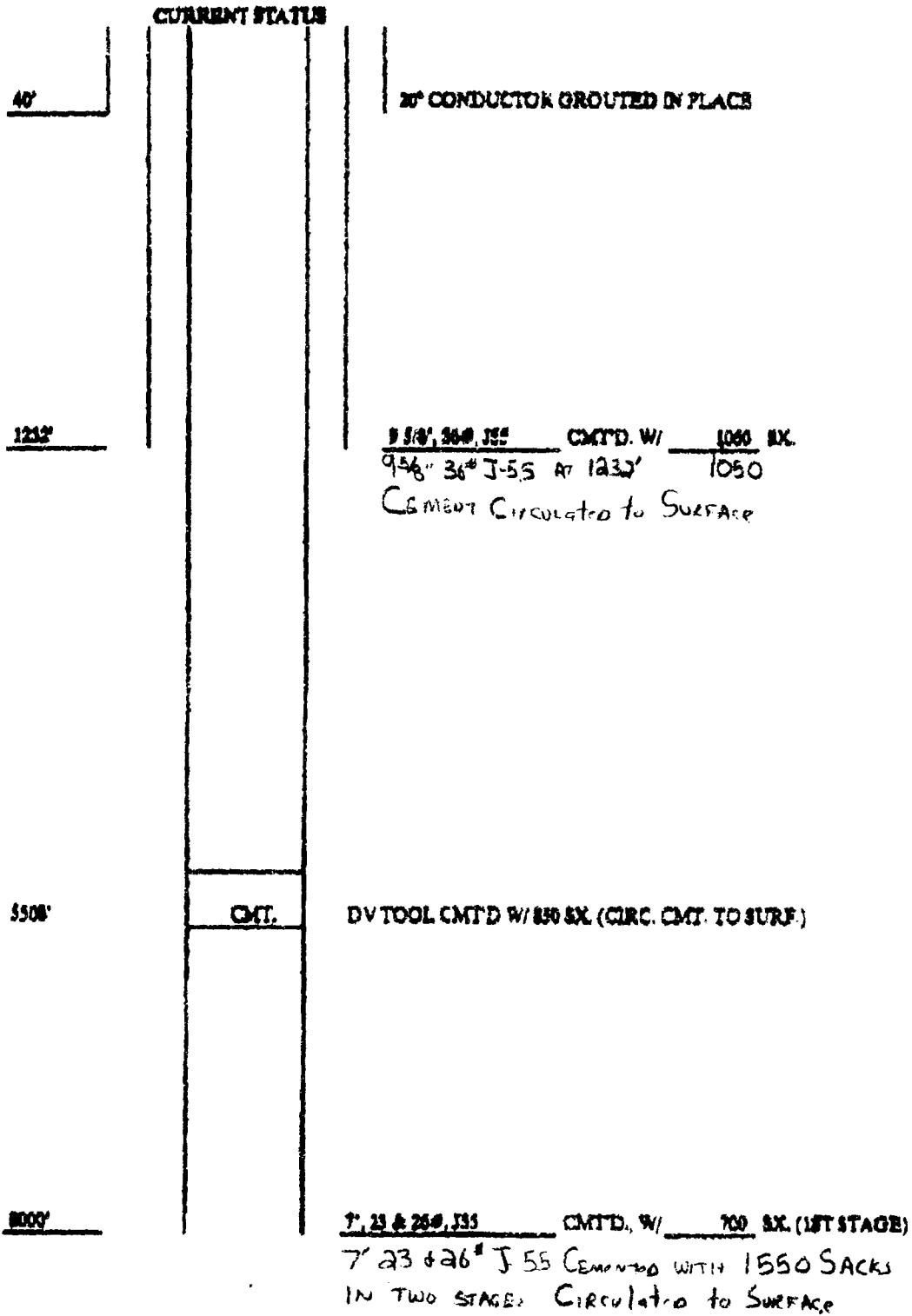
Post ID-2
1-2-86
PK A

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

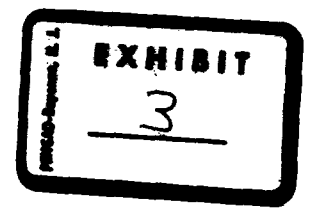
SIGNED *Francis D. Finney* TITLE Administrative Supervisor DATE 12-18-86

WELL NAME DAGGER DRAW #1
LOCATION: 640 PNL & 1987 PNL, SEC. 17, T19N, R35E
CO., STATE: EDDY CO., NEW MEXICO

ELEV.: 3926' OL
DATE: 8-11-52
PREPARED BY: DENNIS MOORE

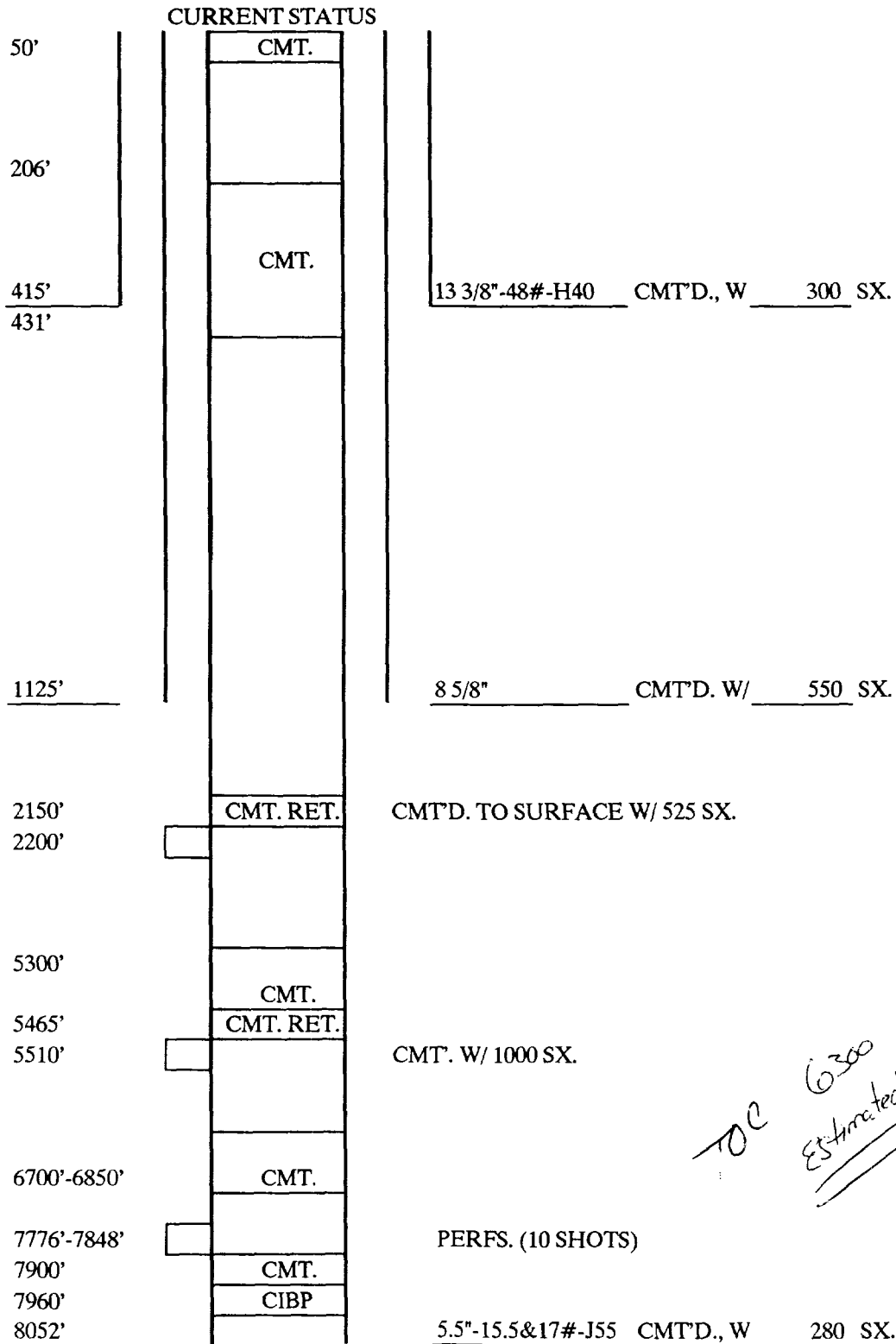


WELL IS CURRENTLY BEING COMPLETED IN THE UPPER PENN FORMATION

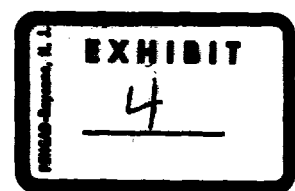


WELL NAM JULIE #1
 LOCATION: 1980' FNL, 990' FEL, SEC. 17, T19S, R25E
 CO., STATE: EDDY CO., NEW MEXICO

ELEV.: 3523' GL, 3537' KB
 DATE: 6-15-92
 PREPARED BY: DENNIS MOORE



TOC 6300 Estimated



WELL NAM JULIE #1
 LOCATION: 1980' FNL, 990' FEL, SEC. 17, T19S, R25E
 CO., STATE: EDDY CO., NEW MEXICO

ELEV.: 3523' GL, 3537' KB
 DATE: 7-28-92
 PREPARED BY: DENNIS MOORE

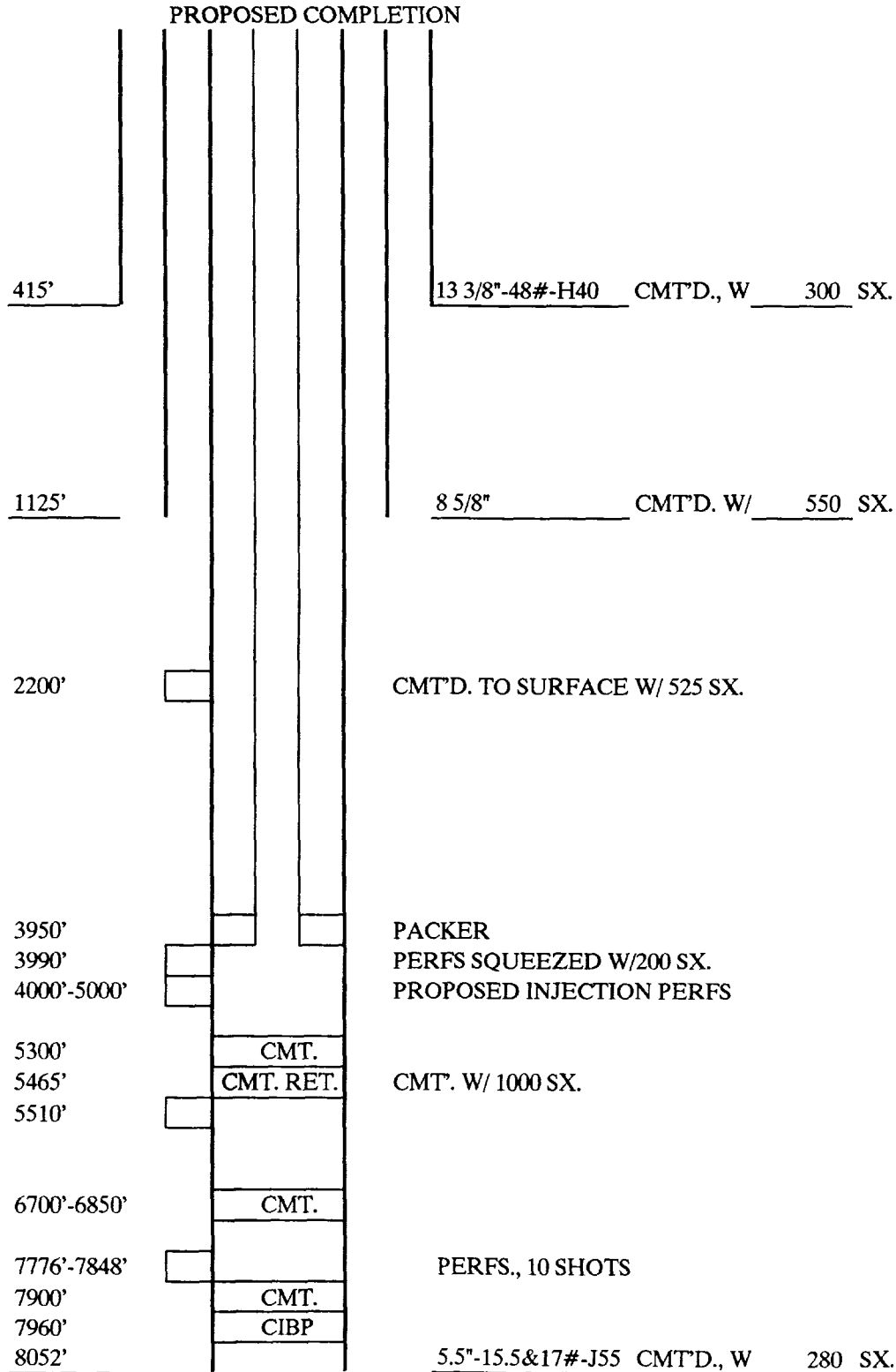
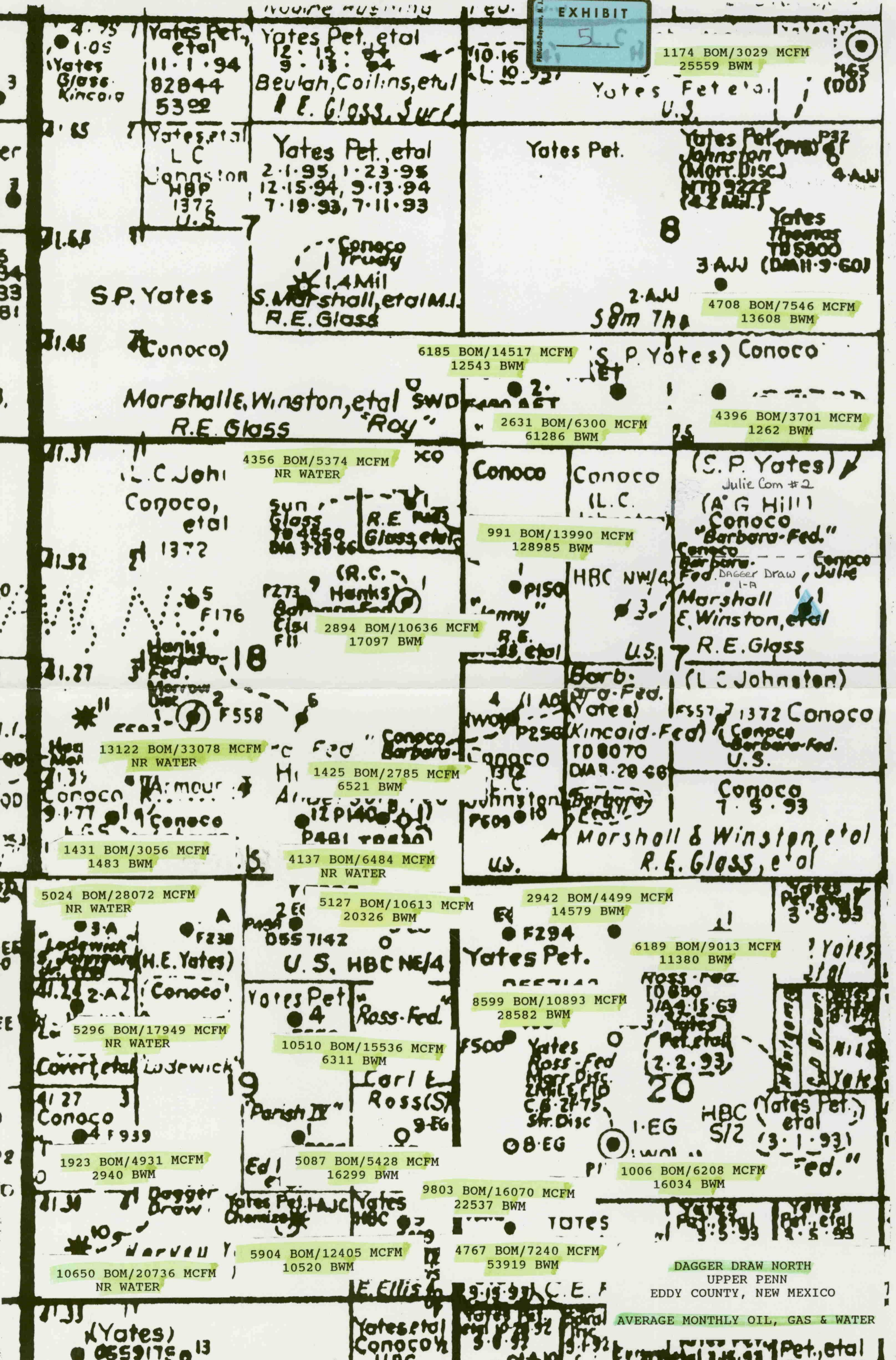


EXHIBIT
5.C



1174 BOM/3029 MCFM
25559 BWM

6185 BOM/14517 MCFM
12543 BWM

4356 BOM/5374 MCFM
NR WATER

991 BOM/13990 MCFM
128985 BWM

2894 BOM/10636 MCFM
17097 BWM

13122 BOM/33078 MCFM
NR WATER

1425 BOM/2785 MCFM
6521 BWM

108070
DIA 9-28-68

1431 BOM/3056 MCFM
1483 BWM

4137 BOM/6484 MCFM
NR WATER

5024 BOM/28072 MCFM
NR WATER

5127 BOM/10613 MCFM
20326 BWM

2942 BOM/4499 MCFM
14579 BWM

5296 BOM/17949 MCFM
NR WATER

10510 BOM/15536 MCFM
6311 BWM

8599 BOM/10893 MCFM
28582 BWM

6189 BOM/9013 MCFM
11380 BWM

1923 BOM/4931 MCFM
2940 BWM

5087 BOM/5428 MCFM
16299 BWM

1006 BOM/6208 MCFM
16034 BWM

10650 BOM/20736 MCFM
NR WATER

5904 BOM/12405 MCFM
10520 BWM

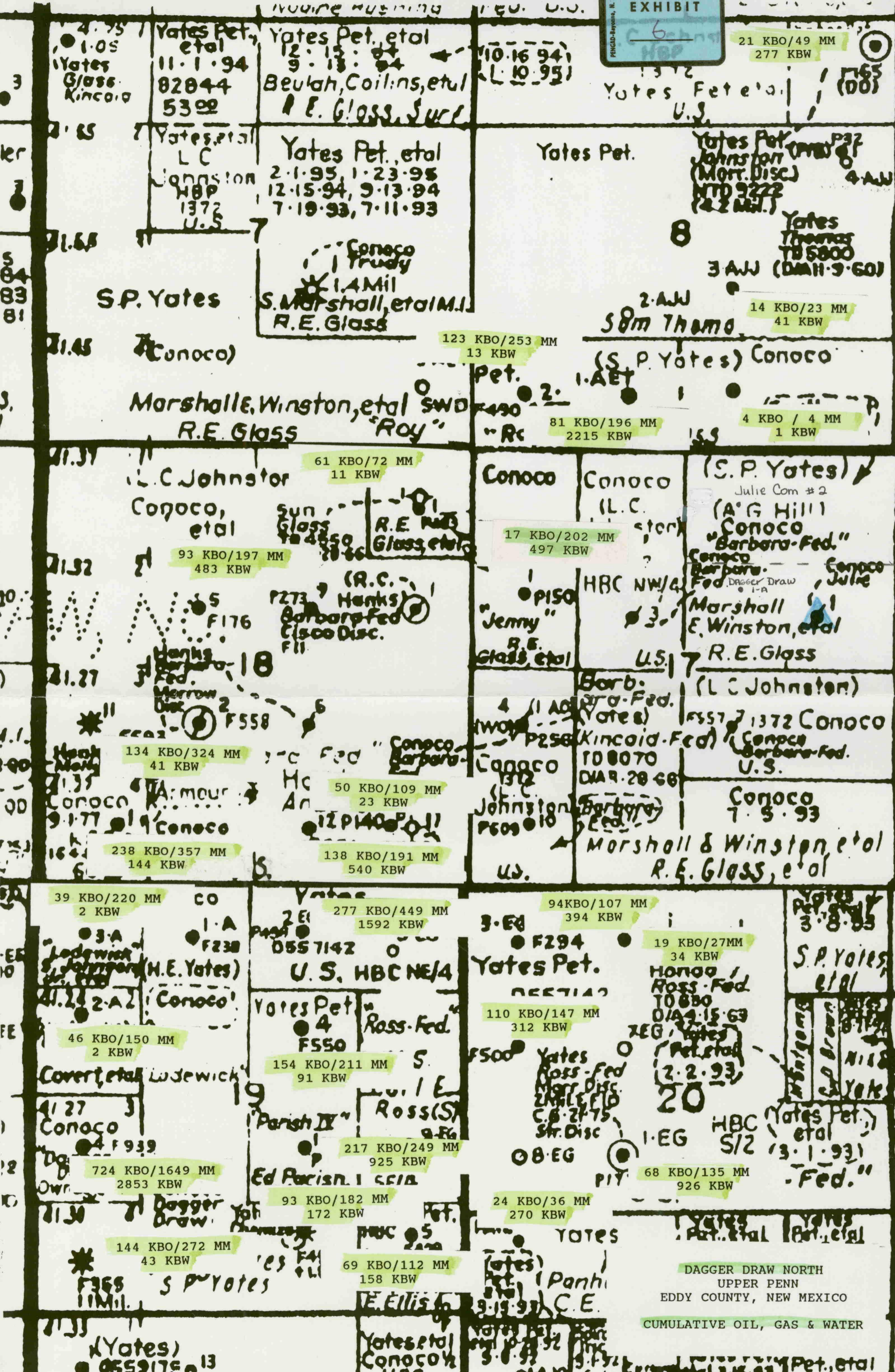
4767 BOM/7240 MCFM
53919 BWM

DAGGER DRAW NORTH
UPPER PENN
EDDY COUNTY, NEW MEXICO

AVERAGE MONTHLY OIL, GAS & WATER

EXHIBIT
6-1977
HBP

21 KBO/49 MM
277 KBW



4.75
1.05
Yates
Gloss
Kinco

Yates Pet.
etal
11-1-94
82044
5300

Yates Pet. etal
12-13-94
9-13-94
Beulah, Coilins, etal
R.E. Glass, Surf

10-16-94
L-10-95

Yates Fete etal
U.S.
165
(00)

1.65
Yates etal
L.C.
Johnston
HBP
1372
U.S.

Yates Pet. etal
2-1-95, 1-23-95
12-15-94, 9-13-94
7-19-93, 7-11-93

Yates Pet. etal
2-1-95, 1-23-95
12-15-94, 9-13-94
7-19-93, 7-11-93

Yates Pet.

Yates Pet.
Johnston
(Morr. Disc)
HTD 9222
(2.2 Mil.)
4 AW

S.P. Yates

Conoco
Trudy
1.4 Mil
S. Marshall, etal M.I.
R.E. Glass

Conoco
Trudy
1.4 Mil
S. Marshall, etal M.I.
R.E. Glass

Yates Pet.
2 AW
S.M. Thoma

Yates
Thomas
TB 5800
3 AW (DIAH-9-60)

Marshall E. Winston, etal
R.E. Glass

Conoco

Marshall E. Winston, etal
R.E. Glass
"Roy"

Pet.
1. AET
2.
"Rc"
81 KBO/196 MM
2215 KBW

(S.P. Yates) Conoco
14 KBO/23 MM
41 KBW
4 KBO / 4 MM
1 KBW

L.C. Johnston
Conoco, etal

L.C. Johnston
Conoco, etal

61 KBO/72 MM
11 KBW
Sun
Glass
R.E. Glass, etal

Conoco
17 KBO/202 MM
497 KBW

(S.P. Yates)
Julie Com #2
(A.G. Hill)
Conoco
"Barbara-Fed."

Hanks
Fed.
F176

93 KBO/197 MM
483 KBW

(R.C. Hanks)
Barbara Fed
Cisco Disc.
F11

"Jenny"
R.E. Glass, etal

HRC NW/4
Marshall
E. Winston, etal
R.E. Glass

Hank
Morrow
Disc
F558

134 KBO/324 MM
41 KBW

Conoco
Barbara-Fed.

Barb.
Kinco
Fed.
100070
DIAH-20-60

(L.C. Johnston)
F557
1372 Conoco
Barbara-Fed.
U.S.

Conoco
F939

238 KBO/357 MM
144 KBW

50 KBO/109 MM
23 KBW
12 P140

Johnston
Barbara
Fed.

Conoco
7-5-93
Marshall & Winston, etal
R.E. Glass, etal

Lodewick
S. Johnston
(H.E. Yates)

39 KBO/220 MM
2 KBW

Yates
2 Et
277 KBO/449 MM
1592 KBW
0557142
U.S. HBC NE/4

Yates Pet.
0557142
110 KBO/147 MM
312 KBW

Yates
Pet. etal
3-8-93
S.P. Yates
etal

Conoco
F939

46 KBO/150 MM
2 KBW

Yates Pet.
4
F550
154 KBO/211 MM
91 KBW

Yates
Ross-Fed
Morr. Disc.
C.B. 2-75
Str. Disc

HBC
Yates
Pet. etal
(2-2-93)

Conoco
F939

724 KBO/1649 MM
2853 KBW

Ed Parish
1
93 KBO/182 MM
172 KBW

Yates
Ross-Fed
Morr. Disc.
C.B. 2-75
Str. Disc

HBC
S/2
Yates Pet.
etal
13-1-93
"Fed."

Dagger
Draw

144 KBO/272 MM
43 KBW

69 KBO/112 MM
158 KBW
E. Ellis

Yates
Pet.
Panhi
C.E.

Yates
Pet. etal
Yates
Pet. etal

(Yates)
0559175

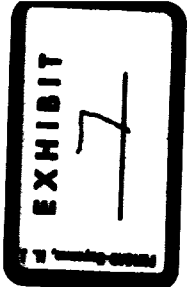
13

Yates etal
Conoco
HBC

Yates
Pet.
Panhi
C.E.

Yates
Pet. etal
Yates
Pet. etal

DAGGER DRAW NORTH
UPPER PENN
EDDY COUNTY, NEW MEXICO
CUMULATIVE OIL, GAS & WATER



PRODUCING WELLS SURROUNDING PROPOSED JULIE SWD #1

OPER/WELL NAME	UNIT NUMBER	SEC-TWP-RGE	SURFACE CASING	CEMENT	INTERMEDIATE CASING	CEMENT	PRODUCTION CASING	CEMENT	EST. TOP OF CEMENT	PERFS.	T.D.	ELEV.	ABO TOP LOG
YATES/ROY #3 AET SWD	P	7-19S-25E	N/A	N/A	9 5/8 @ 1213	1425	7 @ 11180	3015	ABOVE 4000'	9766-9970	11180	3556 GR	4107(-551)
YATES/JOHNSON BE #1	A	8-19S-25E	N/A	N/A	8 5/8 @ 1000	630	7 @ 3219	450	2371	8975-9001	9222	3572 DF	4202
YATES/TOMAS #1	G	8-19S-25E	N/A	N/A	8 5/8 @ 1002	200	5 1/2 @ 2889	500	N/A	1112-1500G	5800	3552 GR	4127
YATES/TOMAS"AJJ" #3	J	8-19S-25E	N/A	N/A	9 5/8 @ 1076	900	7 @ 8230	1580	ABOVE 4000'	7748-7846	8230	3546 GR	-
YATES/ROY #2 AET	M	8-19S-25E	N/A	N/A	9 5/8 @ 1195	1100	7 @ 8250	2250	ABOVE 4000'	7796-7912	8038	3582 GR	4196(-603)
YATES/ROY #1 AET	N	8-19S-25E	N/A	N/A	9 5/8 @ 1173	750	7 @ 8000	300	5892	7780-7847	8038	3559 OP	4108
YATES/ROY #4 AET	O	8-19S-25E	N/A	N/A	9 5/8 @ 1075	1000	7 @ 8134	1600	ABOVE 4000'	7752-7812	8134	3545 GR	-
HANKS/KINCAID ST. #1	E	16-19S-25E	N/A	N/A	8 5/8 @ 1147	525	5 1/2 @ 7984	375	5699	7774-7848	9354	3508 DF	-
CONOCO/JENNY COM #1	F	17-19S-25E	N/A	N/A	9 5/8 @ 1198	800	7 @ 8099	1375	ABOVE 4000'	7749-7899G	8100	3543 DF	4186(-643)
HANKS/BARBARA FED. #3	F	17-19S-25E	12 3/4 @ 246	300	8 5/8 @ 1126	300	5 1/2 @ 7950	400	WELL P & A	7788-7872	7950	3526 DF	4850
HANKS/BARBARA FED #7	J	17-19S-25E	13 3/8 @ 404	300	8 5/8 @ 1115	750	5 1/2 @ 8054	280	WELL P & A	7756-7832	8054	3511 OP	4040
HANKS/BARBARA FED # 4	L	17-19S-25E	9 5/8 @ 1072	970	5 1/2 @ 7840	645	4 1/2 @ 7930:425(STH)	800	5144	7736-7816G	8072	3552 DF	4829
CONOCO/BARBARA FED #10	M	17-19S-25E	N/A	N/A	9 5/8 @ 1219	1200	7 @ 8105	1600	ABOVE 4000'	7682-7859	8105	3578 GR	-
CONOCO/CONOCO COM #1	A	18-19S-25E	N/A	N/A	9 5/8 @ 1225	2500	7 @ 8078	1505	ABOVE 4000'	7728-7804	8100	3553 GR	4900(-1347)
CONOCO/BARBARA FED #9	G	18-19S-25E	N/A	N/A	9 5/8 @ 1200	2160	7 @ 8100	3010	ABOVE 4000'	7722-7849	8100	3589 GR	4344(-755)
HANKS/BARBARA FED # 1	H	18-19S-25E	12 3/4 @ 425	400	8 5/8 @ 1070	725	5 1/2 @ 8225	800	3350	7661-7873	9040	3553 GR	4810
HANKS/BARBARA FED #6	J	18-19S-25E	13 3/8 @ 414	300	8 5/8 @ 1120	800	5 1/2 @ 8010	180	P & A	7690-7800	8170	3592 GR	-
CONOCO/BARBARA FED #11	L	18-19S-25E	N/A	N/A	9 5/8 @ 1208	1098	7 @ 8100	1750	ABOVE 4000'	7565-7884	8105	3505 GR	4116(-501)
CONOCO/LEHMAN FED #1	M	18-19S-25E	N/A	N/A	9 5/8 @ 1205	760	7 @ 8123	1720	ABOVE 4000'	7868-7911	8123	3613 GR	4150(-537)
CONOCO/BARBARA FED #12	O	18-19S-25E	N/A	N/A	9 5/8 @ 1200	2550	7 @ 8098	1500	ABOVE 4000'	7612-7896	8100	3604 GR	4140(-520)
CONOCO/BARBARA FED #8	P	18-19S-25E	N/A	N/A	9 5/8 @ 1200	800	7 @ 8100	820	2339	7881-7958	8104	3585 GR	4300(-715)
YATES/ROSS'EG' FED COM5	A	19-19S-25E	N/A	N/A	9 5/8 @ 1161	1300	7 @ 8230	1750	ABOVE 4000'	7725-7882	8300	3573 GR	-
YATES/E.G.ROSS #2	B	19-19S-25E	N/A	N/A	9 5/8 @ 1200	950	7 @ 8100	400	5290	7700-7910	8100	3688 OP	4165
CONOCO/LODEWICK 'A' #3	D	19-19S-25E	N/A	N/A	9 5/8 @ 1200	2375	7 @ 8052	1800	ABOVE 4000'	7546-7836	8100	3588 GL	4220(-632)
CONOCO/LODEWICK 'A' COM	E	19-19S-25E	N/A	N/A	9 5/8 @ 1221	2700	7 @ 7664	1350	ABOVE 4000'	7664-7875	7875	3585 GR	-
YATES/PARISH 'IV' COM-4	G	19-19S-25E	N/A	N/A	9 5/8 @ 1215	1410	7 @ 8250	1550	ABOVE 4000'	7747-7878	8250	3600 GR	-
CONOCO/DAGGER DRAW #10	H	19-19S-25E	N/A	N/A	9 5/8 @ 1231	2300	7 @ 8096	1350	ABOVE 4000'	7545-7853	8100	3568 GR	-
YATES/PARISH 'IV' COM#1	O	19-19S-25E	N/A	N/A	9 5/8 @ 1215	1100	7 @ 8210	1800	ABOVE 4000'	7617-7847	8210	3555 GR	-
YATES/CHARITZA AJC COM#1	P	19-19S-25E	N/A	N/A	9 5/8 @ 1090	900	7 @ 8248	1600	ABOVE 4000'	7614-7817	8250	3574 GR	5138(-1519)
YATES/PARISH 'IV' COM-5	C	20-19S-25E	N/A	N/A	8 5/8 @ 1093	1675	7 @ 8300	1300	ABOVE 4000'	7786-7864	8300	3560 GR	-
YATES/ROSS'EG' FED COM-	D	20-19S-25E	N/A	N/A	9 5/8 @ 1210	1100	7 @ 8080	800	2459	7762-7822	8080	3581 GR	-
YATES/ROSS'EG' FED #4	E	20-19S-25E	N/A	N/A	9 5/8 @ 1220	1000	7 @ 8300	1650	ABOVE 4000'	7792-7897	8300	3567 GR	-
YATES/ROSS'EG' FED #7	F	20-19S-25E	N/A	N/A	9 5/8 @ 1151	1270	7 @ 8300	1750	ABOVE 4000'	7800-7904	8300	3562 GR	-
YATES/ROSS'EG' FED COM-1	K	20-19S-25E	13 3/8 @ 293	250	9 5/8 @ 1064	600	4 1/2 @ 9441	490	ABOVE 4000'	7798-7841	9450	3563 KB	-
YATES/PATRIOT'A1Z'COM-1	M	20-19S-25E	N/A	N/A	9 5/8 @ 1086	1100	7 @ 8227	1675	ABOVE 4000'	7621-7839	8230	3537 GL	-
ANADARKO/OSAGE #1	J	21-19S-25E	13 3/8 @ 475	550	8 5/8 @ 1299	600	5 1/2 @ 7926	475	6031	7672-7863	9410	3478 GR	-