

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

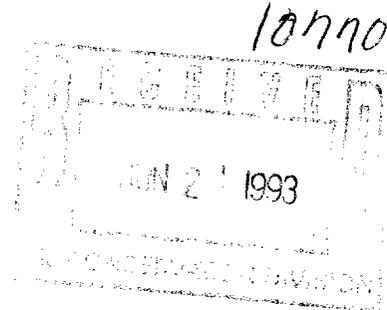
*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 21, 1993

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504



Re: No. 1 Lowe "25" Well
Application of Bahlburg Exploration Inc.
to Re-open Case 9706 and Amend Division
Order R-8989 which Approved an Unorthodox Oil
Well Location, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Bahlburg Exploration Inc., please find enclosed our referenced application for its No. 1 Lowe "25" Well which we request be set for hearing on the next available Examiner's docket now scheduled for July 15, 1993. Also enclosed is our proposed notice for this case.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

Very truly yours,

W. Thomas Kellahin

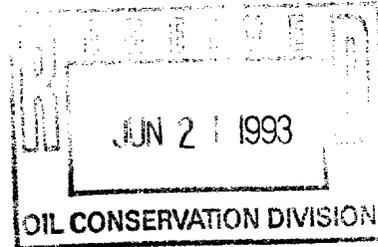
cc: Bahlburg Exploration Inc.

cc: **CERTIFIED MAIL:**

All parties shown in application

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF BAHLBURG EXPLORATION INC. TO
RE-OPEN CASE 9706 AND AMEND DIVISION
ORDER R-8989 WHICH APPROVED
AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO



CASE: 10770

APPLICATION

Comes now BAHLBURG EXPLORATION INC., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division to re-open Case 9706 and amend Division Order R-8989 so that its No. 1 Lowe "25" Well, Lea County, New Mexico which was drilled to test the Undesignated King-Devonian Pool at a previously approved unorthodox location 990 feet FSL and 50 feet FWL (Unit M) Section 25, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico can be recompleted and produced in any shallower formation which is found to be productive.

In support thereof, Applicant states:

1. On August 31, 1989, the Division issued Order R-8989 in Case 9706 which granted the application of Bahlburg Exploration Inc. to drill its No.1 Lowe "25" Well at an unorthodox well location to test for production in the Undesignated King-Devonian Pool in the SW/4SW/4 of Section 25, T13S, R37E, NMPM, Lea County, New Mexico.

2. On April 2, 1993, Bahlburg Exploration Inc. drilled the No. 1 Lowe "25" Well to a depth of 12,270 feet and despite all its attempts, was unable to make a successful completion of the well in the Undesignated King-Devonian Pool.

3. Bahlburg Exploration Inc. desires to make recompletion attempts in shallower zones in the No 1 Lowe "25" Well including but not limited to the Wolfcamp formation, any of the Pennsylvanian formations and the Mississippi formation.

4. The Wolfcamp formation in the No. 1 Lowe "25" Well appears to be the formation with the best potential for a successful "up-hole" completion. If successful, it is anticipated that this will be classified as an oil well on 40-acre oil spacing dedicated to the King-Wolfcamp Pool.

5. Division Rule 104(F)(I) provides for an administrative procedure such that the subject well may be recompleted in a shallower formation without hearing in the absence of any objection.

6. In this case, Bahlburg Exploration Inc. has contacted BTA Oil Producers, its offsetting operator towards whom the subject well encroaches, and has proposed to BTA Oil Producers a method to protect BTA's correlative rights.

7. If the subject well is capable of production in any shallower formation, it will be at unorthodox location and would require an exception to Division Rule 104 (F).

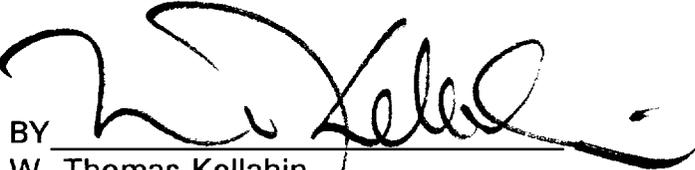
8. Approval of the application will afford the applicant the opportunity to attempt to salvage its investment in the subject well and to produce its just and equitable share of any hydrocarbons in any shallower formations, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

9. In accordance with Division Rule 1207, Applicant has notified those affected parties towards who the proposed location encroaches, with the names and addresses of those parties set forth as follows:

BTA Oil Producers
104 S. Pecos
Midland, Texas 79701
Attn: Mr. Robert Crawford

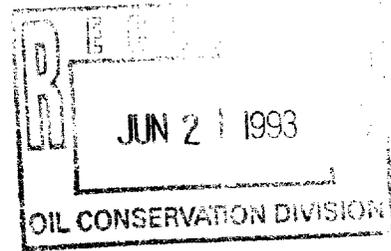
WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY 

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEY FOR APPLICANT

Bahlburg Exploration Inc.
NMOCD Application
Page 4



SUGGESTED NMOCD NOTIFICATION

CASE _____ Application of BAHLBURG EXPLORATION INC to Re-Open Case 9706 and to Amend Division Order R-8989, Lea County, New Mexico. Applicant seeks to re-open Case 9706 and amend Division Order R-8989 so that its No. 1 Lowe "25" Well, Lea County, New Mexico which was drilled to test the Undesignated King-Devonian Pool at a previously approved unorthodox location 990 feet FSL and 50 feet FWL (Unit M) Section 25, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico can be recompleted and produced in any shallower formation which is found to be productive, including but not limited to the King-Wolfcamp Pool. If the subject well is successful recompleted as an oil well, then the NW/4NW/4 (40-acres) will be the spacing and proration unit dedicated to the well. Said well is located approximately ___ miles _____ (direction) from _____ (place), New Mexico.

KELLAHIN AND KELLAHIN

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EL PATIO BUILDING

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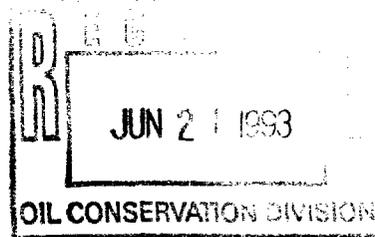
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 21, 1993

HAND DELIVERED



Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Re: No. 1 Lowe "25" Well
Application of Bahlburg Exploration Inc.
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Well Location, Lea County, New Mexico

10770

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By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

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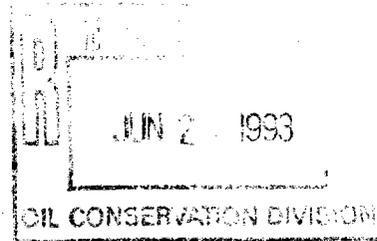
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ORDER R-8989 WHICH APPROVED
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LEA COUNTY, NEW MEXICO



CASE: 10770

APPLICATION

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In support thereof, Applicant states:

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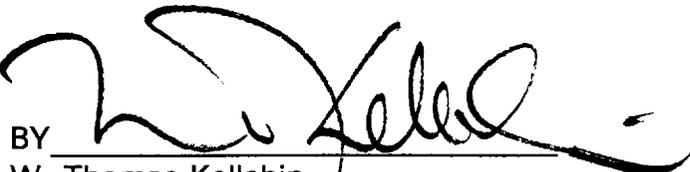
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9. In accordance with Division Rule 1207, Applicant has notified those affected parties towards who the proposed location encroaches, with the names and addresses of those parties set forth as follows:

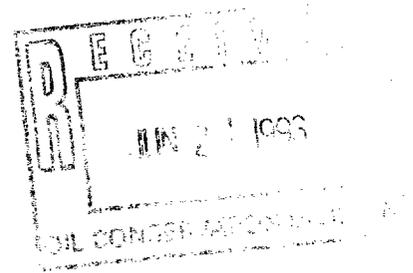
BTA Oil Producers
104 S. Pecos
Midland, Texas 79701
Attn: Mr. Robert Crawford

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY 

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEY FOR APPLICANT



SUGGESTED NMOCD NOTIFICATION

10770

CASE _____ Application of BAHLBURG EXPLORATION INC to Re-Open Case 9706 and to Amend Division Order R-8989, Lea County, New Mexico. Applicant seeks to re-open Case 9706 and amend Division Order R-8989 so that its No. 1 Lowe "25" Well, Lea County, New Mexico which was drilled to test the Undesignated King-Devonian Pool at a previously approved unorthodox location 990 feet FSL and 50 feet FWL (Unit M) Section 25, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico can be recompleted and produced in any shallower formation which is found to be productive, including but not limited to the King-Wolfcamp Pool. If the subject well is successful recompleted as an oil well, then the NW/4NW/4 (40-acres) will be the spacing and proration unit dedicated to the well. Said well is located approximately ___miles _____(direction) from _____(place), New Mexico.

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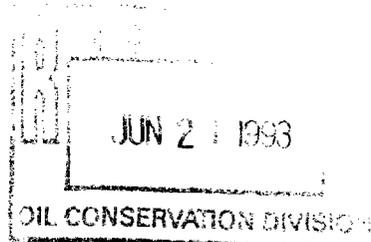
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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 21, 1993

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504



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10770

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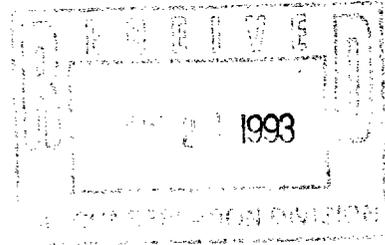
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All parties shown in application

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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IN THE MATTER OF THE APPLICATION
OF BAHLBURG EXPLORATION INC. TO
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ORDER R-8989 WHICH APPROVED
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LEA COUNTY, NEW MEXICO



CASE: 10790

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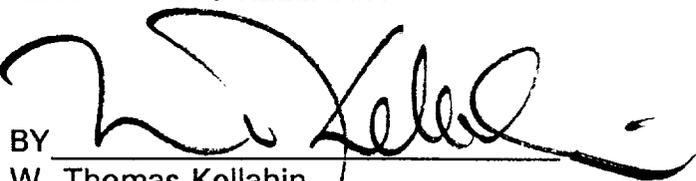
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BTA Oil Producers
104 S. Pecos
Midland, Texas 79701
Attn: Mr. Robert Crawford

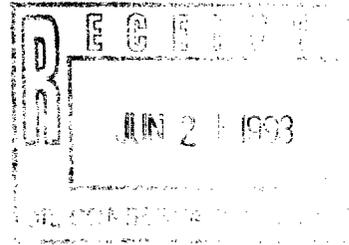
WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY 

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEY FOR APPLICANT

Bahlburg Exploration Inc.
NMOCD Application
Page 4



SUGGESTED NMOCD NOTIFICATION

10770

CASE _____ Application of BAHLBURG EXPLORATION INC to Re-Open Case 9706 and to Amend Division Order R-8989, Lea County, New Mexico. Applicant seeks to re-open Case 9706 and amend Division Order R-8989 so that its No. 1 Lowe "25" Well, Lea County, New Mexico which was drilled to test the Undesignated King-Devonian Pool at a previously approved unorthodox location 990 feet FSL and 50 feet FWL (Unit M) Section 25, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico can be recompleted and produced in any shallower formation which is found to be productive, including but not limited to the King-Wolfcamp Pool. If the subject well is successful recompleted as an oil well, then the NW/4NW/4 (40-acres) will be the spacing and proration unit dedicated to the well. Said well is located approximately ___miles _____(direction) from _____(place), New Mexico.

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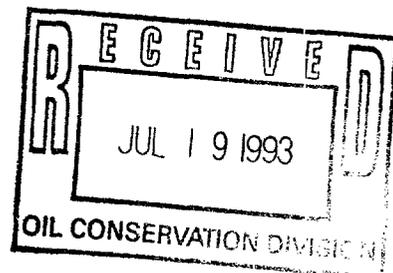
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

July 19, 1993



HAND DELIVERED

Mr. David R. Catanach
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Re: NMOCD Case 10770
No. 1 Lowe "25" Well
Application of Bahlburg Exploration Inc.
Amend Division Order R-8989,
Lea County, New Mexico

Dear Mr. Catanach:

On behalf of Bahlburg Exploration Inc., please find enclosed our suggested order for entry in this case along with two sets of the exhibits. Also enclosed is the floppy disk for the Order.

Very truly yours,

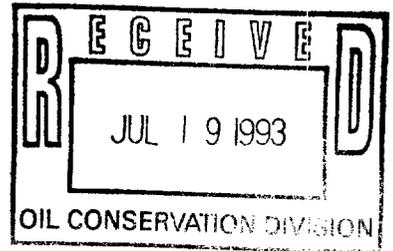
A handwritten signature in black ink, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

WTK:mg

Enclosure
cc: Bahlburg Exploration Inc.

Ord719.394



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF BAHLBURG EXPLORATION INC. TO
AMEND DIVISION ORDER R-8989,
LEA COUNTY, NEW MEXICO

CASE: 10770
Order R-

BAHLBURG EXPLORATION INC.'S
PROPOSED
ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 15, 1993, at Santa FE, New Mexico, before Examiner David R. Catanach.

NOW, on this ___ day of July, 1993, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Bahlburg Exploration Inc. seeks to amend Division Order R-8989 so that its No. 1 Lowe "25" Well, Lea County, New Mexico which was drilled to test the Undesignated King-Devonian Pool at a previously approved unorthodox location 990 feet FSL and 50 feet FWL (Unit M) Section 25, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico can be recompleted and produced in any shallower formation which is found to be productive, including but not limited to the King Wolfcamp Pool.

(3) On August 31, 1989, the Division issued Order R-8989 in Case 9706 which granted the application of Bahlburg Exploration Inc. to drill its No.1 Lowe "25" Well at an unorthodox well location to test for production in the Undesignated King-Devonian Pool in the SW/4SW/4 of Section 25, T13S, R37E, NMPM, Lea County, New Mexico.

(4) On April 2, 1993, Bahlburg Exploration Inc. drilled the No. 1 Lowe "25" Well to a depth of 12,270 feet and despite all its attempts, was unable to make a successful completion of the well in the Undesignated King-Devonian Pool.

(5) Bahlburg Exploration Inc. desires to make recompletion attempts in shallower zones in the No 1 Lowe "25" Well including but not limited to the Wolfcamp formation, any of the Pennsylvanian formations and the Mississippi formation.

(6) The Wolfcamp formation in the No. 1 Lowe "25" Well appears to be the formation with the best potential for a successful "up-hole" completion. If successful, it is anticipated that this will be classified as an oil well on 40-acre oil spacing dedicated to the King-Wolfcamp Pool.

Case No. 10770
Order R-
Page 3

(7) If the subject well is capable of production in any shallower formation, it will be at unorthodox location and requires an amendment to Order R-8989.

(8) In accordance with Division Rule 1207, Applicant has notified those affected parties towards who the proposed location encroaches and obtained a written consent and waiver of objection from each as follows:

BTA Oil Producers
Joseph V. Hughes, Jr.
Manzano Oil Corporation
William C. Bahlburg

(9) In addition, Bahlburg Exploration Inc. has contacted BTA Oil Producers, its offsetting operator, and all other interests owners towards whom the subject well encroaches, and has reached a settlement with all parties which will protect correlative rights.

(10) No party appeared in opposition to this application and it should be granted.

(11) Approval of the application will afford the applicant the opportunity to attempt to salvage its investment in the subject well and to produce its just and equitable share of any hydrocarbons in any shallower formations, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Bahlburg Exploration Inc. to amend Division Order R-8989 so that its No. 1 Lowe "25" Well, Lea County, New Mexico which was drilled to test the Undesignated King-Devonian Pool at a previously

Case No. 10770
Order R-
Page 4

approved unorthodox location 990 feet FSL and 50 feet FWL (Unit M) Section 25, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico can be recompleted and produced in any shallower formation which is found to be productive, including but not limited to the King Wolfcamp Pool is hereby APPROVED without a production penalty.

(2) If the applicant is able to successfully complete the well in the wolfcamp formation then a 40-acre spacing and proration unit consisting of the SW/4SW/4 of said Section 25 and dedicated to the King-Wolfcamp Pool is hereby approved.

(3) In the alternative, if the applicant successfully completes the subject well in any other pool, then it shall dedicate an appropriate spacing and proration unit in accordance with the applicable spacing for that pool.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

SEAL

Ord719.394

Case 10770
R-8989-B

REPORT OF
SUB-SURFACE
DIRECTIONAL
SURVEY

BAHLBURG EXPLORATION INC.
NO. 1 LOWE "25"
LEA COUNTY, NEW MEXICO

<u>JOB NUMBER</u>	<u>TYPE OF SURVEY</u>	<u>DATE</u>
430-1589	SURFACE READOUT GYRO	FEB. 19, 1992
430-1589	ELECTRONIC MULTISHOT SURVEY	MAR. 21, 1993
430-1589	ELECTRONIC MULTISHOT SURVEY	APR. 1, 1993

SURVEY BY TIM STEPHENS

OFFICE: MIDLAND, TX

BALHBURG EXPLORATION
No. 1 Lowe "25"

slot #1
LOWE FIELD
LEA COUNTY, NEW MEXICO

S U R V E Y L I S T I N G

by
Eastman Teleco

Your ref : S.R.G. and E.M.S Survey to T.D.
Our ref : svy139
License :

Date printed : 1-Apr-93
Date created : 1-Apr-93
Last revised : 1-Apr-93

Field is centred on 0.000,0.000,0.00000,+
Structure is centred on 0.000,0.000,0.00000,N

Slot location is n0 0 0.000,w4 29 18.843
Slot Grid coordinates are N 0.000, E 0.000
Slot local coordinates are 0.00 N 0.00 E
Reference North is Grid North

BALHBURG EXPLORATION
 No. 1 Lowe "25", slot #1
 LOWE FIELD, LEA COUNTY, NEW MEXICO

SURVEY LISTING Page 1
 Your ref : S.R.G. and E.M.S Survey to T.D.
 Last revised : 1-Apr-93

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert. Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100Ft	Vert Sect
0.00	0.00	0.00	0.00	0.00 N	0.00 E	0.00	0.00
100.00	0.30	71.84	100.00	0.08 N	0.25 E	0.30	-0.10
200.00	0.33	95.81	200.00	0.13 N	0.78 E	0.13	-0.20
300.00	0.28	296.81	300.00	0.22 N	0.85 E	0.60	-0.29
400.00	0.17	14.85	400.00	0.47 N	0.67 E	0.30	-0.53
500.00	0.18	129.64	500.00	0.51 N	0.83 E	0.29	-0.58
600.00	0.27	279.62	600.00	0.45 N	0.72 E	0.44	-0.51
700.00	0.17	311.22	700.00	0.59 N	0.38 E	0.15	-0.62
800.00	0.24	243.35	800.00	0.59 N	0.08 E	0.24	-0.60
900.00	0.34	244.16	899.99	0.37 N	0.38 W	0.10	-0.33
1000.00	0.45	283.14	999.99	0.33 N	1.03 W	0.28	-0.24
1100.00	0.40	243.82	1099.99	0.26 N	1.72 W	0.29	-0.11
1200.00	0.08	321.37	1199.99	0.16 N	2.08 W	0.39	0.02
1300.00	0.12	307.87	1299.99	0.28 N	2.20 W	0.05	-0.09
1400.00	0.34	266.03	1399.99	0.33 N	2.58 W	0.26	-0.10
1500.00	0.36	198.35	1499.98	0.01 N	2.98 W	0.39	0.26
1600.00	0.42	257.31	1599.98	0.37 S	3.44 W	0.39	0.67
1700.00	0.56	210.67	1699.98	0.87 S	4.04 W	0.41	1.23
1800.00	0.83	246.67	1799.97	1.58 S	4.96 W	0.50	2.01
1900.00	0.90	208.74	1899.96	2.55 S	6.00 W	0.57	3.08
2000.00	0.74	231.83	1999.95	3.64 S	6.88 W	0.36	4.24
2100.00	1.13	213.71	2099.94	4.86 S	7.94 W	0.48	5.55
2200.00	1.01	208.18	2199.92	6.46 S	8.90 W	0.16	7.22
2300.00	0.99	227.19	2299.91	7.82 S	9.95 W	0.33	8.68
2400.00	0.85	226.64	2399.89	8.92 S	11.12 W	0.14	9.87
2500.00	0.72	234.30	2499.88	9.79 S	12.18 W	0.17	10.84
2600.00	1.09	214.78	2599.87	10.94 S	13.23 W	0.48	12.08
2700.00	0.83	230.79	2699.86	12.18 S	14.33 W	0.37	13.41
2800.00	1.12	216.52	2799.84	13.42 S	15.47 W	0.38	14.75
2900.00	0.77	230.43	2899.83	14.64 S	16.57 W	0.42	16.05
3000.00	0.99	227.28	2999.82	15.65 S	17.73 W	0.22	17.17
3100.00	1.15	205.11	3099.80	17.15 S	18.79 W	0.44	18.75
3200.00	1.09	185.82	3199.78	19.00 S	19.31 W	0.38	20.64
3300.00	0.82	163.00	3299.77	20.63 S	19.20 W	0.46	22.26
3400.00	0.82	172.26	3399.76	22.02 S	18.89 W	0.13	23.62
3500.00	0.87	149.02	3499.75	23.38 S	18.40 W	0.34	24.93
3600.00	0.99	170.38	3599.74	24.89 S	17.87 W	0.36	26.38
3700.00	0.77	151.89	3699.72	26.33 S	17.41 W	0.36	27.78
3800.00	0.91	152.35	3799.71	27.63 S	16.72 W	0.14	29.01
3900.00	0.73	159.21	3899.70	28.93 S	16.13 W	0.20	30.25
4000.00	0.55	193.11	3999.70	29.99 S	16.01 W	0.41	31.30
4100.00	0.45	168.63	4099.69	30.84 S	16.04 W	0.23	32.15
4200.00	0.46	198.38	4199.69	31.61 S	16.09 W	0.23	32.92
4300.00	0.16	214.74	4299.69	32.10 S	16.30 W	0.31	33.43
4400.00	0.44	173.61	4399.69	32.60 S	16.33 W	0.34	33.92
4500.00	0.44	182.83	4499.68	33.37 S	16.31 W	0.07	34.68
4600.00	0.31	180.31	4599.68	34.02 S	16.33 W	0.13	35.34
4700.00	0.44	136.76	4699.68	34.57 S	16.07 W	0.30	35.86
4800.00	0.43	142.71	4799.68	35.15 S	15.58 W	0.05	36.40
4900.00	0.52	198.95	4899.67	35.88 S	15.50 W	0.45	37.11

All data is in feet unless otherwise stated
 Coordinates from structure and TVD from wellhead.
 Vertical section is from wellhead on azimuth 185.10 degrees.
 Declination is 0.00 degrees, Convergence is 0.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Eastman Teleco

BALHBURG EXPLORATION
 No. 1 Lowe "25", slot #1
 LOWE FIELD, LEA COUNTY, NEW MEXICO

SURVEY LISTING Page 2
 Your ref : S.R.G. and E.M.S Survey to T.D.
 Last revised : 1-Apr-93

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert. Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100Ft	Vert Sect
5000.00	0.29	136.85	4999.67	36.49 S	15.47 W	0.46	37.72
5100.00	0.62	206.55	5099.67	37.16 S	15.54 W	0.59	38.39
5200.00	0.20	167.58	5199.67	37.81 S	15.75 W	0.48	39.06
5300.00	0.22	198.70	5299.67	38.16 S	15.77 W	0.11	39.42
5400.00	0.42	212.47	5399.66	38.66 S	16.03 W	0.21	39.93
5500.00	0.42	212.45	5499.66	39.28 S	16.42 W	0.00	40.58
5600.00	0.54	197.20	5599.66	40.03 S	16.76 W	0.17	41.37
5700.00	0.64	152.28	5699.65	40.98 S	16.64 W	0.46	42.30
5800.00	0.88	162.14	5799.64	42.20 S	16.14 W	0.27	43.47
5900.00	0.78	188.15	5899.63	43.61 S	16.00 W	0.39	44.86
6000.00	0.93	179.64	5999.62	45.09 S	16.10 W	0.20	46.35
6100.00	1.01	156.92	6099.61	46.72 S	15.74 W	0.39	47.93
6200.00	0.96	159.56	6199.59	48.31 S	15.11 W	0.07	49.46
6300.00	1.00	172.86	6299.58	49.96 S	14.70 W	0.23	51.07
6400.00	1.07	177.98	6399.56	51.76 S	14.56 W	0.12	52.85
6500.00	1.44	171.58	6499.54	53.94 S	14.35 W	0.40	55.00
6600.00	1.69	168.67	6599.50	56.63 S	13.87 W	0.26	57.64
6700.00	1.49	150.33	6699.46	59.20 S	12.94 W	0.54	60.12
6800.00	1.37	166.70	6799.43	61.50 S	12.02 W	0.42	62.32
6900.00	1.50	164.79	6899.40	63.92 S	11.40 W	0.14	64.68
6950.00	1.21	173.53	6949.39	65.08 S	11.17 W	0.71	65.81
7033.00	1.48	182.41	7032.36	67.02 S	11.12 W	0.41	67.74
7065.00	1.58	181.68	7064.35	67.87 S	11.15 W	0.32	68.60
7159.00	1.49	185.79	7158.32	70.38 S	11.31 W	0.15	71.11
7254.00	1.53	187.76	7253.29	72.87 S	11.60 W	0.07	73.61
7348.00	1.57	191.95	7347.25	75.37 S	12.04 W	0.13	76.15
7433.00	1.73	190.70	7432.22	77.77 S	12.52 W	0.19	78.58
7537.00	1.72	191.42	7536.17	80.85 S	13.12 W	0.02	81.69
7632.00	1.82	192.90	7631.12	83.71 S	13.74 W	0.12	84.60
7727.00	1.81	194.10	7726.08	86.64 S	14.44 W	0.04	87.58
7821.00	1.77	192.64	7820.03	89.50 S	15.12 W	0.06	90.49
7916.00	1.90	190.66	7914.98	92.48 S	15.73 W	0.15	93.51
8010.00	1.83	190.60	8008.93	95.48 S	16.30 W	0.07	96.55
8105.00	1.91	190.27	8103.88	98.53 S	16.86 W	0.08	99.64
8199.00	1.98	189.69	8197.83	101.67 S	17.41 W	0.08	102.82
8294.00	2.00	188.28	8292.77	104.93 S	17.93 W	0.06	106.11
8388.00	2.06	187.70	8386.71	108.23 S	18.39 W	0.07	109.44
8483.00	2.05	186.15	8481.65	111.61 S	18.80 W	0.06	112.84
8578.00	2.08	186.63	8576.59	115.01 S	19.18 W	0.04	116.26
8672.00	1.96	187.94	8670.53	118.30 S	19.60 W	0.14	119.57
8767.00	1.96	186.81	8765.48	121.52 S	20.02 W	0.04	122.82
8861.00	1.86	187.18	8859.42	124.63 S	20.40 W	0.11	125.95
8956.00	1.94	188.01	8954.37	127.75 S	20.82 W	0.09	129.10
9145.00	2.13	189.41	9143.25	134.38 S	21.84 W	0.10	135.79
9240.00	2.16	189.90	9238.18	137.89 S	22.43 W	0.04	139.34
9344.00	2.15	190.66	9342.11	141.74 S	23.13 W	0.03	143.23
9429.00	2.15	188.71	9427.05	144.88 S	23.67 W	0.09	146.41
9523.00	2.02	188.65	9520.99	148.26 S	24.18 W	0.14	149.82
9618.00	2.26	188.41	9615.92	151.77 S	24.71 W	0.25	153.37
9712.00	2.23	188.45	9709.85	155.41 S	25.25 W	0.03	157.04

All data is in feet unless otherwise stated
 Coordinates from structure and TVD from wellhead.
 Vertical section is from wellhead on azimuth 185.10 degrees.
 Declination is 0.00 degrees, Convergence is 0.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Eastman Teleco

BALHBURG EXPLORATION
 No. 1 Lowe "25", slot #1
 LOWE FIELD, LEA COUNTY, NEW MEXICO

SURVEY LISTING Page 3
 Your ref : S.R.G. and E.M.S Survey to T.D.
 Last revised : 1-Apr-93

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert. Depth	R E C T A N G U L A R C O O R D I N A T E S			Dogleg Deg/100Ft	Vert Sect
9807.00	2.40	179.88	9804.77	159.23 S	25.52 W	0.40	160.87	
9901.00	2.72	178.76	9898.68	163.43 S	25.46 W	0.34	165.04	
9996.00	2.79	178.09	9993.57	167.99 S	25.34 W	0.08	169.58	
10091.00	3.12	179.54	10088.44	172.89 S	25.24 W	0.35	174.45	
10185.00	3.25	175.17	10182.30	178.10 S	25.00 W	0.29	179.62	
10280.00	3.50	166.62	10277.13	183.61 S	24.10 W	0.59	185.02	
10374.00	3.56	166.18	10370.96	189.23 S	22.74 W	0.07	190.51	
10469.00	4.25	170.30	10465.73	195.57 S	21.44 W	0.78	196.70	
10563.00	3.83	170.45	10559.50	202.10 S	20.33 W	0.45	203.10	
10658.00	3.83	171.47	10654.29	208.36 S	19.33 W	0.07	209.26	
10752.00	3.93	168.47	10748.07	214.62 S	18.22 W	0.24	215.40	
10847.00	4.03	167.04	10842.84	221.07 S	16.82 W	0.15	221.69	
10942.00	4.35	168.46	10937.59	227.85 S	15.36 W	0.35	228.31	
11036.00	4.27	173.19	11031.32	234.82 S	14.23 W	0.39	235.15	
11131.00	4.59	175.77	11126.04	242.12 S	13.53 W	0.40	242.36	
11225.00	4.59	180.40	11219.74	249.63 S	13.28 W	0.39	249.82	
11320.00	5.06	187.41	11314.40	257.59 S	13.84 W	0.79	257.80	
11474.00	5.12	190.36	11467.80	271.08 S	15.96 W	0.17	271.43	
11509.00	5.31	194.58	11502.65	274.19 S	16.64 W	1.22	274.58	
11604.00	5.82	199.98	11597.20	282.97 S	19.40 W	0.77	283.57	
11660.00	6.58	199.78	11652.88	288.66 S	21.45 W	1.36	289.42	
11752.00	7.11	198.86	11744.22	299.00 S	25.08 W	0.59	300.05	
11845.00	7.69	181.72	11836.46	310.67 S	27.12 W	2.44	311.85	
11938.00	6.27	175.15	11928.77	321.95 S	26.88 W	1.75	323.07	
12030.00	6.46	186.42	12020.20	332.10 S	27.04 W	1.37	333.19	
12123.00	6.60	193.80	12112.60	342.49 S	28.90 W	0.91	343.70	
12216.00	6.72	189.40	12204.97	353.05 S	31.06 W	0.56	354.41	
12270.00	6.72	189.40	12258.60	359.28 S	32.09 W	0.00	360.71	

12,270 IS A PROJECTION BASED ON EMS SURVEY

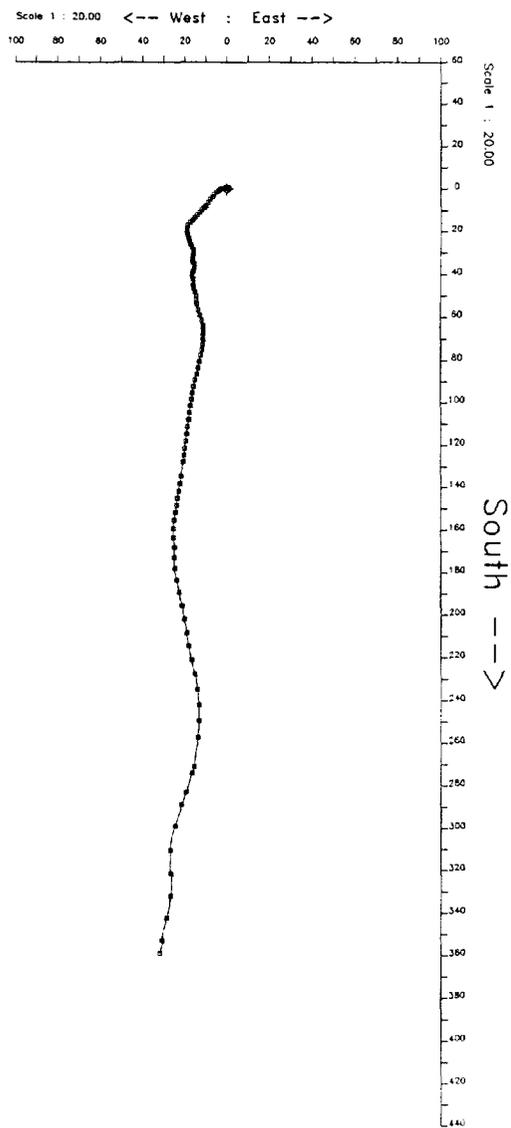
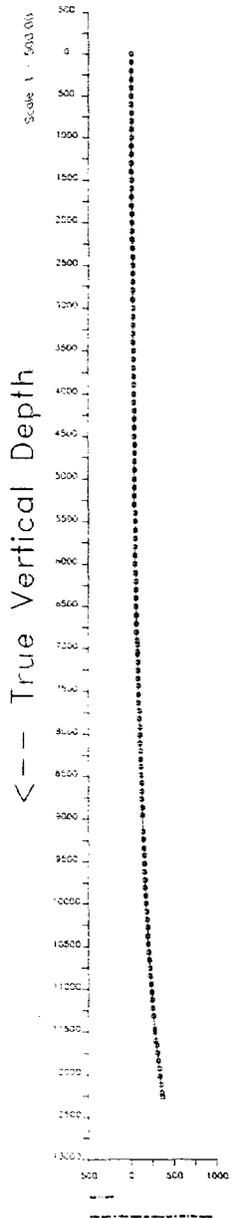
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 Coordinates from structure and TVD from wellhead.
 Vertical section is from wellhead on azimuth 185.10 degrees.
 Declination is 0.00 degrees, Convergence is 0.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Eastman Teleco

BALHBURG EXPLORATION

Structure : No. 1 Lowe 25

Field : LOWE FIELD

Location : LEA COUNTY, NEW MEXICO





2105 Market Street Midland, Texas 79703
915-694-9517 Fax 915-694-5648

SURVEY CERTIFICATION SHEET

STATE OF TEXAS
COUNTY OF MIDLAND

I, Tim Stephens, in the employ of Baker Hughes *INTEQ* did on the days of Feb. 19, 1993 thru Feb. 19, 1993 conduct or supervise the taking of a Surface Readout Gyro survey by the method of magnetic orientation from a depth of 0 feet to 6950 feet, with recordings of inclination and direction being obtained at approximate intervals of 100 feet.

This survey was conducted at the request of Bahlburg Exploration Inc. for their No. 1 Lowe "25", Lea County, State of New Mexico.

The data for this survey and the calculation were obtained and performed by me according to standards and procedures as set forth by Baker Hughes *INTEQ* and is true and correct to the best of my knowledge.

Tim Stephens
Directional Supervisor/Surveyor



2105 Market Street Midland, Texas 79703
915-694-9517 Fax 915-694-5648

SURVEY CERTIFICATION SHEET

STATE OF TEXAS
COUNTY OF MIDLAND

I, Tim Stephens, in the employ of Baker Hughes *INTEQ* did on the days of Mar. 21, 1993 thru Mar. 21, 1993 conduct or supervise the taking of a Electronic Multishot survey by the method of magnetic orientation from a depth of 6950 feet to 11,604 feet, with recordings of inclination and direction being obtained at approximate intervals of 93 feet.

This survey was conducted at the request of Bahlburg Exploration Inc. for their No. 1 Lowe "25", Lea County, State of New Mexico.

The data for this survey and the calculation were obtained and performed by me according to standards and procedures as set forth by Baker Hughes *INTEQ* and is true and correct to the best of my knowledge.

Tim Stephens
Directional Supervisor/Surveyor



2105 Market Street Midland, Texas 79703
915-694-9517 Fax 915-694-5648

SURVEY CERTIFICATION SHEET

**STATE OF TEXAS
COUNTY OF MIDLAND**

I, Tim Stephens, in the employ of Baker Hughes *INTEQ* did on the days of Apr. 1, 1993 thru Apr. 1, 1993 conduct or supervise the taking of a Electronic Multishot survey by the method of magnetic orientation from a depth of 11,604 feet to 12,216 feet, with recordings of inclination and direction being obtained at approximate intervals of 93 feet.

This survey was conducted at the request of Bahlburg Exploration Inc. for their No. 1 Lowe "25", Lea County, State of New Mexico.

The data for this survey and the calculation were obtained and performed by me according to standards and procedures as set forth by Baker Hughes *INTEQ* and is true and correct to the best of my knowledge.

Tim Stephens
Directional Supervisor/Surveyor

Submit to Appropriate District Office
 State Lease - 4 copies
 For Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

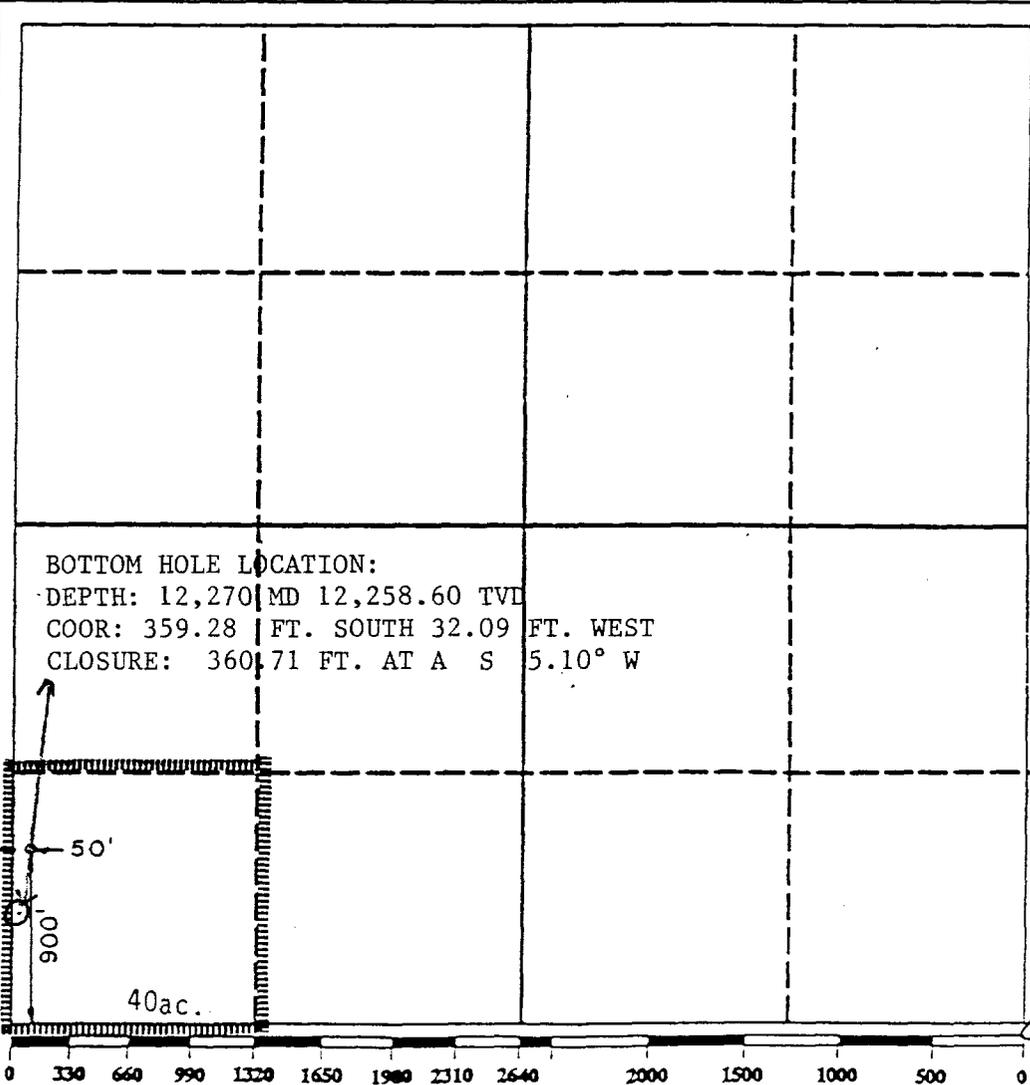
Operator William C. Bahlburg XXXXXXXXXXXXXXXXXXXX		Lease XXXXXXXXXX Lowe		Well No. XX 14-25	
Unit Letter M	Section 25	Township 13 South	Range 37 East	County Lea	
Actual Footage Location of Well: 900 feet from the South line and 50 feet from the West line					
Ground level Elev. 3856.6	Producing Formation Devonian		Pool King Devonian	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name
 William C. Bahlburg

Position
 Owner

Company
 Individual

Date
 12/28/92

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
 October 5, 1989

Signature of Professional Surveyor

Certificate No. JOHN W. WEST 676
 JOHN W. WEST 3239