

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED
OIL

96 AUG 30 PM 4:16

070 FARMINGTON, NM

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NMNM-9523
2. Name of Operator J. K. Edwards and Assoc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. C/O Walsh Engineering & Production Corp. 7415 East Main Farmington, NM 87402 505-327-4892	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1830' FNL & 1690' FEL, Sec. 17, T27N, R13W, Unit G	8. Well Name and No. #4 Dome Federal 17-27-13
	9. API Well No. 30-045-24049
	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
	11. County or Parish, State San Juan County, NM.

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Well Test
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water
	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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

8/30/96 Tested well with pitot gauge against 34 psig back pressure at 40 MCFD with approximately 3 BWPD. El Paso has been contacted to reconnect this well. As indicated in the attached cash flow forecast this well has a net present value, discounted at 10%, of \$46,297 assuming that the well has a 7.5% decline from the test rate. Since this is a Fruitland Coal well the operator expects the production to improve with time and therefore the attached economic forecast is pessimistic.

RECEIVED
SEP - 9 1996

OIL COAL DRILL
DML 3

14. I hereby certify that the foregoing is true and correct
Signed Paul C. Thompson (Paul C. Thompson) Title Agent Date 08/29/96

(This space for Federal or State office use)

Approved by _____ Title _____
Conditions of approval, if any: _____

ACCEPTED FOR RECORD
Date

SEP 05 1996

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent

FARMINGTON DISTRICT OFFICE

NMOCD

BY

-- RESERVE & ECONOMIC REPORT --

PREPARED BY -----	Paul Thompson, PE	COMB NAME	comb1	CATEGORY -	PDP
INTEREST OWNER -----	J.K. Edwards	FILE NAME	c17-4	COUNTY ---	San Juan
WELL &/OR LEASE -----	Dome 17-27-13 #4	EVAL. DATE	30-Aug-96	STATE ----	NM
FIELD OR RESERVOIR -	Fruitland Coal	EFFECTIVE DATE	JAN-97	OPERATOR -	J.K Edwards

--- GROSS PROD.---							NET OPERATING REVENUE			NET OPERATING EXPENSES			
---		---		---		---		---		---		---	
YEAR	OIL-BBLS	GAS-MCF	OIL-BBLS	GAS-MCF	OIL-\$	GAS-\$	OIL REVENUE-\$	GAS REVENUE-\$	TOTAL REVENUE-\$	DIR & INDIR OPR EXP-\$	SEV & ADV & TRANSP-	TOTAL EXPENSES-\$	
EXPONENTIAL DECLINE													
1997	0	14045	0	12290	\$0.00	\$1.20	\$0	\$14,748	\$14,748	\$4,000	\$1,429	\$5,429	
1998	0	12992	0	11368	0.00	1.24	0	14,051	14,051	4,120	1,362	5,482	
1999	0	12018	0	10515	0.00	1.27	0	13,387	13,387	4,244	1,297	5,541	
2000	0	11116	0	9727	0.00	1.31	0	12,754	12,754	4,371	1,236	5,607	
2001	0	10283	0	8997	0.00	1.35	0	12,152	12,152	4,502	1,178	5,680	
2002	0	9511	0	8322	0.00	1.39	0	11,578	11,578	4,637	1,122	5,759	
2003	0	8798	0	7698	0.00	1.43	0	11,031	11,031	4,776	1,069	5,845	
2004	0	8138	0	7121	0.00	1.48	0	10,509	10,509	4,919	1,018	5,938	
2005	0	7528	0	6587	0.00	1.52	0	10,013	10,013	5,067	970	6,037	
2006	0	6963	0	6093	0.00	1.57	0	9,540	9,540	5,219	924	6,143	
2007	0	6441	0	5636	0.00	1.61	0	9,089	9,089	5,376	881	6,256	
2008	0	5958	0	5213	0.00	1.66	0	8,660	8,660	5,537	839	6,376	
S-TOT	0	113791	0	99567	WT.	WT.	0	137,510	137,510	56,768	13,325	70,093	
REM.	0	15324	0	13409	AVG.	AVG.	0	23,600	23,600	17,628	2,287	19,914	
TOTAL	0	129116	0	112976	\$0.00	\$1.43	0	161,110	161,110	74,396	15,612	90,007	

		ANNUAL		PRIN.	CUM.		OPR CASH FLOW	-----	---PRESENT WORTH PROFILE---		
OPERATING		CAPITAL	INT.	PAYMENT	CASH FLOW	CASH FLOW	AFTER DEBT	DISC	NPV	DISC	NPV
YEAR	CASH FLOW--\$	INVEST--\$	1000--\$	1000--\$	BTAX--\$	BTAX--\$	REDUCTION	RATE--%	BTAX--\$	RATE--%	BTAX--\$
----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Based On Mid-Year Discounting											
1997	\$9,319	\$0	0.0	0.0	\$9,319	\$9,319	\$9,319	2	64,450	40	\$22,462
1998	8,569	0	0.0	0.0	8,569	17,888	8,569	5	56,319	45	20,793
1999	7,846	0	0.0	0.0	7,846	25,734	7,846	8	49,875	50	19,388
2000	7,148	0	0.0	0.0	7,148	32,882	7,148	10	46,297	55	18,188
2001	6,472	0	0.0	0.0	6,472	39,354	6,472	12	43,179	60	17,153
2002	5,819		0.0	0.0	5,819	45,172	5,819	15	39,202	65	16,250
2003	5,185		0.0	0.0	5,185	50,358	5,185	18	35,894	70	15,455
2004	4,572		0.0	0.0	4,572	54,929	4,572	20	33,987	75	14,750
2005	3,975		0.0	0.0	3,975	58,905	3,975	25	30,028	80	14,121
2006	3,396		0.0	0.0	3,396	62,301	3,396	30	26,940	85	13,555
2007	2,833		0.0	0.0	2,833	65,134	2,833	35	24,473	90	13,043
2008	2,283		0.0	0.0	2,283	67,417	2,283	BEFORE TAX SUMMARY			
S-TOT	67,417	0	0.0	0.0	67,417	67,417	67,417	MONTHS IN 1st YEAR -----			12
REM.	3,686	0	0.0	0.0	3,686	3,686	3,686	ECO LIFE ----- YEARS			15.00
TOTAL	71,103	0	0.0	0.0	71,103	71,103	71,103	NPV @ SELECT RATE- 10.0%			\$46,297

NET COST/BOE -----	\$/BOE	ERR	ULT OIL RECOV/ACRE ----	BBL	0	INT RATE RETURN - Mid-Yr	9999.9%	
NET RETURN/BOE ---	\$/BOE	ERR	ULT GAS RECOV/ACRE ----	MCF	403	PAYOUT -----	YRS	0.00
NET INCOME/BOE ---	\$/BOE	ERR	ULT OIL RECOV/ACRE-FT--	BBL	0	\$ PER NET INIT PROD RATE		\$0
OIL ECO RATE --	BBL/DAY	0.0	ULT GAS RECOV/ACRE-FT--	MCF	27	8/8 OIL RES -----	BBL	0
GAS ECO RATE --	MCF/DAY	12.9	INITAL W.I. -----	%	100.00000	8/8 GAS RES -----	MCF	129,116
INIT PROD RAT--	MCF/DAY	40	FINAL W.I. -----	%	100.00000	NET OIL RES -----	BBL	0
DECLINE RATE -----	%	7.5	INITAL REVENUE INT. -----	%	87.50000	NET GAS RES -----	MCF	112,976
EXPONENT - N -----		0.0	FINAL REVENUE INT. -----	%	87.50000	ULT OIL RECOV -----	BBL	0
PROD. RISK FACTOR ----	%	100.00	TANG & EQUIP RISK FACTOR-	%	100.00	ULT GAS RECOV -----	MCF	129,116
LSEHOLD RISK FACTOR --	%	100.00	IDC RISK FACTOR -----	%	100.00			

PREPARED BY Paul Thompson, PE
 INTEREST OWNER J.K. Edwards
 WELL &/OR LEASE NAME Dome 17-27-13 #4
 FIELD &/OR RESERVOIR Fruitland Coal
 COUNTY OR PARISH San Juan *EFF DATE (mmm-yy) JAN-97
 (2 CAP LETTERS) STATE NM EVALUATION DATE 30-Aug-96
 OPERATOR' NAME J.K Edwards
 PROJ COMB NAME -(COMB#) comb1 * Required IF to be SAVED and COMBINED
 PROJ SAVE FILE NAME c17-4 * Unique name required to SAVE.
 EXPONENTIAL DECLINE

NO OF WELLS (1 or more)*	1	RESERVE CATEGORY: PDP			
OIL WELL PROD - bbl/DAY	0	REMARKS BELOW:			
G O R -- Mcf/bbl	0.00				
GAS WELL PROD - Mcf/DAY	40				
CONDENSATE - bbl/MMcf	0.00				
EXPONENT -N- DECIMAL	0.00				
Eff. DECLINE RATE - - %	7.50				
YEARS OF CONSTANT PROD	0				
SET ECO LIMIT 1=YES 0=NO	0				
ECO RATE bbl OR Mcf/DAY	0				
MAX YEARS TO CALC (4-30)	30	INVEST	INVEST	INVEST	INVEST
INPUT OF ECONOMIC DATA		2nd YR	3rd YR	4th YR	5th YR
IDC & OTHER EXP - \$	0	0	0	0	0
TANG & LSE EQUIP - \$	0	0	0	0	0
LSEHOLD COST - \$	0	INITAL W.I. OWNED - %		100.0000	
DIR OPR EXP/WELL - \$/YR	4000	INITAL REVENUE INTEREST - %		87.5000	
DIR OPR EXP ESC --- %	3.00	FINAL W.I. OWNED - %		100.0000	
YEAR NO. TO START ESC	2	FINAL REVENUE INTEREST - %		87.5000	
INDIR OPR EXP- % NET REV	0.00	ACTIVATOR FOR REVERSION		0	
SEV TAX - % NET OIL REV	8.23	0 FOR NO REVERSION		*****	
SEV TAX - % NET GAS REV	8.23	1 FOR GROSS INCOME		\$	0
SEV TAX GAS - \$/Mcf	0.00	2 FOR NET INCOME		*****	
ADV TAX - % OF NET REV	1.46	OIL PRICE - \$/BBL		18.00	
LOAN PRINCIPAL - \$	0	OIL PRICE ESC - %		3.00	
ANNUAL INTEREST RATE %	0.00	OIL ESC START YEAR NO.		2	
TERM 0=FIX 1=DEDICATED	0	MAX OIL PRICE - \$/BBL		25.00	
TOTAL NO. MONTHS (FIX)	0	GAS PRICE - \$/MCF		1.20	
DEDICATION OF TOT REV %	0.00	GAS PRICE ESC - %		3.00	
CUMULATIVE PROD - bbl	0	GAS ESC START YEAR NO.		2	
CUMULATIVE PROD - Mcf	0	MAX GAS PRICE - \$/MCF		2.50	
ASSIGNED ACRES / WELL	320	SELECT DISCOUNT RATE -%		10.00	
AVERAGE THICKNESS - FT.	15	MID-YEAR =1 YEAR-END=0		1	
NET PROFIT INTEREST - %	0.00	BOE FACTOR		0.00	
TRANSPORTATION - \$/bbl	\$0.00	FED INCOME TAX RATE - %		31.00	
TRANSPORTATION - \$/Mcf	\$0.00	STATE INCOME TAX RATE - %		7.00	
PCT DEPLETION RATE - %	0.00	RECOVERY PERIOD (5, 7, 10)		7	
DEPL LIMITATION OF NET-%	0.00	DEPR METHOD (1.0, 1.5, 2.0)		200%	
SEC 29 TAX CREDIT- \$/Mcf	0.00	MID-PERIOD CONVENTION CODE		5	
SALVAGE - %	0.00	LOSS CARRY FWD (1=ON 2=OFF)		1	
PROD. RISK FACTOR ---- %	100.00	IDC RISK FACTOR ----- %		100.00	
LSEHOLD RISK FACTOR -- %	100.00	TANG & EQUIP RISK FACTOR - %		100.00	