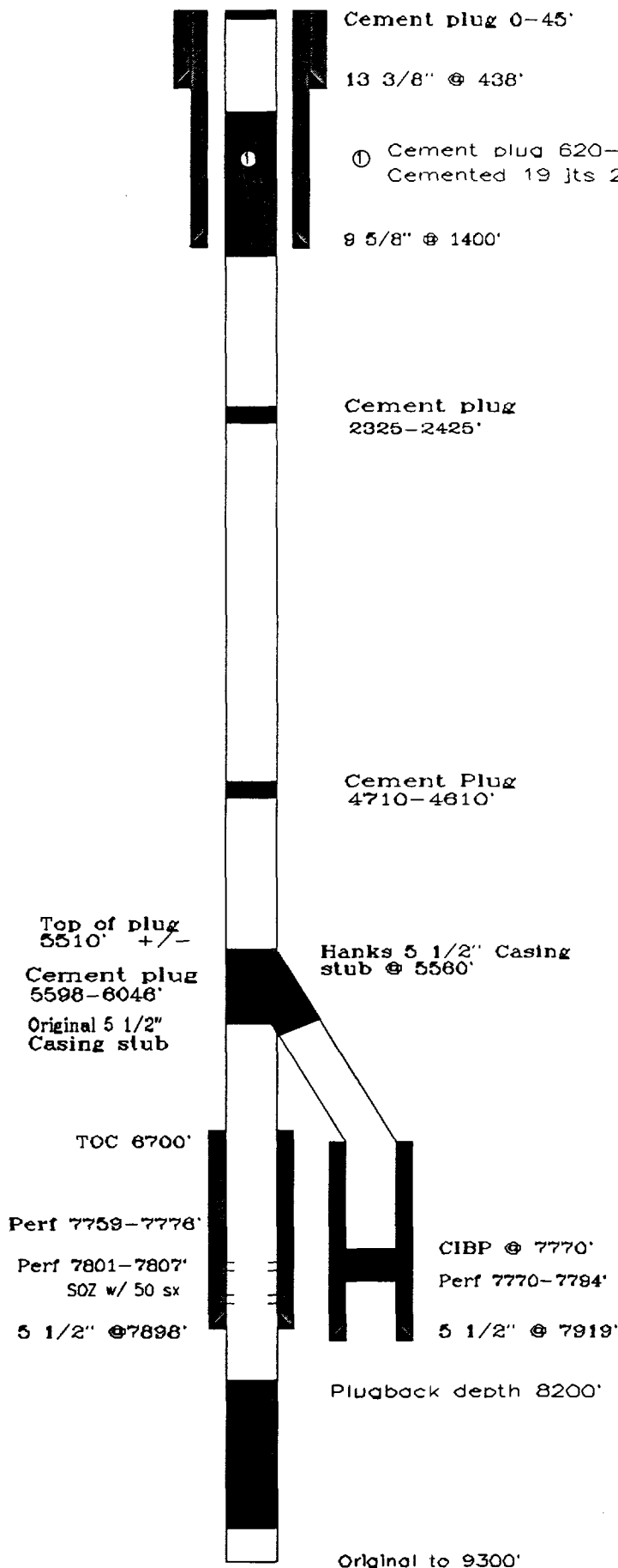


Wellbore Schematic

Monsanto - Hondo #1 /
 Roger C. Hanks - Kathy Eyre Federal #1
 1980' FWL, 660' FNL, Sec. 31, T19S, R25E
 Eddy County NM



BEFORE EXAMINER CATANACH
 CONSERVATION DIVISION
Neuberg EXHIBIT NO. 10
 CASE NO. 10731

Schematic prepared from data
 submitted to the NMOCD by
 previous operators. Not drawn
 to scale.

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Dagger Draw 31 Federal WELL NUMBER: 5 PROPOSED TOTAL DEPTH: 8,100'
LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico
FIELD: Dagger Draw Upper Penn North PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: D
DESCRIPTION OF WORK: Drill and complete as a pumping Cisco/Canyon oil producer.

DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15/93 EST. COMPLETION DATE: 9/1/93
ACCOUNTING WELL NUMBER: 556007
COMMUNICATIONS ACCOUNT NUMBER: 6007

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 8,100 Ft @ 14.35 \$/Ft	1514.101	116,235	NA		116,235
Drilling Daywork D/C\$/day 3 2 4500	1514.105	13,500	1515.105	9,000	22,500
Drilling Turnkey	1514.110		1515.110		0
Rig Mobilization and Demobilization	1514.115		1515.115		0
Road & Location Expense	1514.120	20,000	1515.123	1,000	21,000
Damages	1514.125	5,000	1515.125		5,000
Directional Drilling - Tools and Service	1514.130		1515.130		0
Drilling Fluids	1514.135	12,000	NA		12,000
Fuel, Power, and Water	1514.140	10,000	1515.140	1,500	11,500
Supplies - Bits	1514.145		1515.145	750	750
Supplies - Casing Equipment	1514.150	2,000	1515.150	3,000	5,000
Supplies - Liner Equipment	1514.155		1515.155		0
Supplies - Miscellaneous	1514.160	500	1515.160	500	1,000
Cement and Cmt. Services - Surface Csg	1514.165	17,000	NA		17,000
Cement and Cmt. Services - Int. Csg	1514.170		NA		0
Cement and Cmt. Services - Prod. Csg	NA		1515.172	30,000	30,000
Cement and Cmt. Services - Other	1514.175		1515.175		0
Rental - Drilling Tools and Equipment	1514.180	3,000	1515.180	1,000	4,000
Rental - Miscellaneous	1514.185	1,500	1515.185	1,000	2,500
Testing - Drill Stem / Production	1514.195	6,000	1515.195		6,000
Open Hole Logging	1514.200	20,000	NA		20,000
Mudlogging Services	1514.210	6,500	NA		6,500
Special Services	1514.190		1515.190		0
Plug and Abandon	1514.215	10,000	1515.215	(10,000)	0
Pulling and/or Swabbing Unit	NA		1515.217	15,000	15,000
Reverse Equipment	NA		1515.219	1,500	1,500
Wireline Services	1514.205		1515.205	5,000	5,000
Stimulation	NA		1515.221	20,000	20,000
Pump / Vacuum Truck Services	1514.220	500	1515.220	500	1,000
Transportation	1514.225	1,500	1515.225	1,500	3,000
Tubular Goods - Inspection & Testing	1514.230	500	1515.230	6,000	6,500
Unclassified	1514.245		1515.245		0
Telephone and Radio Expense	1514.240	500	1515.240	500	1,000
Engineer / Geologist	1514.250	900	1515.250	900	1,800
Company Labor - Field Supervision	1514.255	9,900	1515.255	4,500	14,400
Contract Labor / Roustabout	1514.265	1,000	1515.265	2,500	3,500
Legal and Professional Services	1514.270	500	1515.270	500	1,000
Insurance	1514.275	10,000	1515.275		10,000
Overhead	1514.280	4,400	1515.280	2,000	6,400
SUBTOTAL		272,935		98,150	371,085
Contingencies (10%)		27,294		9,815	37,109
ESTIMATED TOTAL INTANGIBLES		300,229		107,965	408,194

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
Nearburg EXHIBIT NO. 11
CASE NO. 10731

Nearburg Producing Company

Exploration and Production

Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Dagger Draw 31 Federal WELL NUMBER: 5 PROPOSED TOTAL DEPTH: 8,100'
LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico
FIELD: Dagger Draw Upper Penn North PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: D
DESCRIPTION OF WORK: Drill and complete as a pumping Cisco/Canyon oil producer.

DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15/93 EST. COMPLETION DATE: 9/1/93
ACCOUNTING WELL NUMBER: 556007
COMMUNICATIONS ACCOUNT NUMBER: 6007

TANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing	1520.305		NA		0
Surface Csg 1,300 Ft @ 15.30 \$/Ft	1520.310	19,890	NA		19,890
Intermediate Csg Ft @ \$/Ft	1520.315	0	NA		0
Protection Csg	1520.320	0	NA		
Production Csg 8,100 Ft @ 12.50 \$/Ft	NA		1522.325	101,250	101,250
Protection Liner	1520.330		NA		
Production Liner	NA		1522.335		
Tubing 7,800 Ft @ 3.10 \$/Ft	NA		1522.340	24,180	24,180
Rods Ft @ \$/Ft	NA		1522.345	0	0
Artificial Lift Equipment	NA		1522.350	80,000	80,000
Tank Battery	NA		1522.355	15,000	15,000
Separators/Heater Treater/Gas Units/FWKO	NA		1522.360	10,000	10,000
Well Head Equipment & Christmas Tree	1520.365	1,500	1522.365	10,500	12,000
Subsurface Well Equipment	NA		1522.370		0
Flow Lines	NA		1522.375	2,500	2,500
Saltwater Disposal Pump	NA		1522.381		0
Gas Meter	NA		1522.385	3,000	3,000
Lact Unit	NA		1522.387		0
Vapor Recovery Unit	NA		1522.389		0
Other Well Equipment	NA		1522.390		
ROW and Damages	NA		1522.393		
Surface Equipment Installation Costs	NA		1522.395	10,000	10,000
Elect. Installation	NA		1522.397	15,000	15,000
ESTIMATED TOTAL TANGIBLES		21,390		271,430	292,820
ESTIMATED TOTAL WELL COSTS		321,619		379,395	701,014

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: TRM	6/7/93
REVIEWED BY:	
APPROVED BY:	

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production

Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Dagger Draw 31 Federal WELL NUMBER: 5 PROPOSED TOTAL DEPTH: 8,100'
LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico
FIELD: Dagger Draw Upper Penn North PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: D
DESCRIPTION OF WORK: Directionally drill and complete as a pumping Cisco/Canyon oil producer. Directional work
necessary due to archeological reasons.
DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15/93 EST. COMPLETION DATE: 9/1/93
ACCOUNTING WELL NUMBER: 556007
COMMUNICATIONS ACCOUNT NUMBER: 6007

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 0 Ft @ 0.00 \$/Ft	1514.101	0	NA		0
Drilling Daywork D/C\$/day 35 2 4500	1514.105	157,500	1515.105	9,000	166,500
Drilling Turnkey	1514.110		1515.110		0
Rig Mobilization and Demobilization	1514.115	22,500	1515.115		22,500
Road & Location Expense	1514.120	20,000	1515.120	1,000	21,000
Damages	1514.125	5,000	1515.125		5,000
Directional Drilling – Tools and Service	1514.130	35,000	1515.130		35,000
Drilling Fluids	1514.135	15,000	NA		15,000
Fuel, Power, and Water	1514.140	10,000	1515.140	1,500	11,500
Supplies – Bits	1514.145	50,000	1515.145	750	50,750
Supplies – Casing Equipment	1514.150	2,000	1515.150	3,500	5,500
Supplies – Liner Equipment	1514.155		1515.155		0
Supplies – Miscellaneous	1514.160	500	1515.160	500	1,000
Cement and Cmt. Services – Surface Csg	1514.165	17,000	NA		17,000
Cement and Cmt. Services – Int. Csg	1514.170		NA		0
Cement and Cmt. Services – Prod. Csg	NA		1515.172	30,000	30,000
Cement and Cmt. Services – Other	1514.175		1515.175		0
Rental – Drilling Tools and Equipment	1514.180	3,500	1515.180	1,000	4,500
Rental – Miscellaneous	1514.185	1,500	1515.185	1,000	2,500
Testing – Drill Stem / Production	1514.195	6,000	1515.195		6,000
Open Hole Logging	1514.200	20,000	NA		20,000
Mudlogging Services	1514.210	7,500	NA		7,500
Special Services	1514.190		1515.190		0
Plug and Abandon	1514.215	10,000	1515.215	(10,000)	0
Pulling and/or Swabbing Unit	NA		1515.217	15,000	15,000
Reverse Equipment	NA		1515.219	1,500	1,500
Wireline Services	1514.205		1515.205	5,000	5,000
Stimulation	NA		1515.221	20,000	20,000
Pump / Vacuum Truck Services	1514.220	500	1515.220	500	1,000
Transportation	1514.225	1,500	1515.225	1,500	3,000
Tubular Goods – Inspection & Testing	1514.230	500	1515.230	6,000	6,500
Unclassified	1514.245		1515.245		0
Telephone and Radio Expense	1514.240	500	1515.240	500	1,000
Engineer / Geologist	1514.250	1,350	1515.250	900	2,250
Company Labor – Field Supervision	1514.255	13,500	1515.255	4,500	18,000
Contract Labor / Roustabout	1514.265	1,000	1515.265	2,500	3,500
Legal and Professional Services	1514.270	500	1515.270	500	1,000
Insurance	1514.275	10,000	1515.275		10,000
Overhead	1514.280	6,000	1515.280	2,000	8,000
SUBTOTAL		418,350		98,650	517,000
Contingencies (10%)		41,835		9,865	51,700
ESTIMATED TOTAL INTANGIBLES		460,185		108,515	568,700

NEW MEXICO
OIL CONSERVATION DIVISION
Nearburg EXHIBIT 12
CASE NO. 10731

Dallas, Texas

LEASE: Dagger Draw 31 Federal WELL NUMBER: 5 PROPOSED TOTAL DEPTH: 8,100'
LOCATION: 2,460' FWL and 330' FNL, Unit C, T19S, R25E, Eddy County New Mexico
FIELD: Dagger Draw Upper Penn North PROSPECT: EXPLORATORY, DEVELOPMENT, WORKOVER: D
DESCRIPTION OF WORK: Directionally drill and complete as a pumping Cisco/Canyon oil producer. Directional work
necessary due to archeological reasons.
DATE PREPARED: Revised 6/7/93 EST. SPUD DATE: 7/15/93 EST. COMPLETION DATE: 9/1/93
ACCOUNTING WELL NUMBER: 556007
COMMUNICATIONS ACCOUNT NUMBER: 6007

<u>TANGIBLE COSTS:</u>	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing	1520.305		NA		0
Surface Csg 1,300 Ft @ 15.30 \$/Ft	1520.310	19,890	NA		19,890
Intermediate Csg Ft @ \$/Ft	1520.315	0	NA		0
Protection Csg	1520.320	0	NA		
Production Csg 8,120 Ft @ 12.50 \$/Ft	NA		1522.325	101,500	101,500
Protection Liner	1520.330		NA		
Production Liner	NA		1522.335		
Tubing 7,820 Ft @ 3.10 \$/Ft	NA		1522.340	24,242	24,242
Rods Ft @ \$/Ft	NA		1522.345	0	0
Artificial Lift Equipment	NA		1522.350	80,000	80,000
Tank Battery	NA		1522.355	15,000	15,000
Separators/Heater Treater/Gas Units/FWKO	NA		1522.360	10,000	10,000
Well Head Equipment & Christmas Tree	1520.365	1,500	1522.365	10,500	12,000
Subsurface Well Equipment	NA		1522.370		0
Flow Lines	NA		1522.375	2,500	2,500
Saltwater Disposal Pump	NA		1522.381		0
Gas Meter	NA		1522.385	3,000	3,000
Lact Unit	NA		1522.387		0
Vapor Recovery Unit	NA		1522.389		0
Other Well Equipment	NA		1522.390		
ROW and Damages	NA		1522.393		
Surface Equipment Installation Costs	NA		1522.395	10,000	10,000
Elect. Installation	NA		1522.397	15,000	15,000
ESTIMATED TOTAL TANGIBLES		21,390		271,742	293,132
ESTIMATED TOTAL WELL COSTS		481,575		380,257	861,832

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: TRM	6/7/93
REVIEWED BY:	
APPROVED BY:	

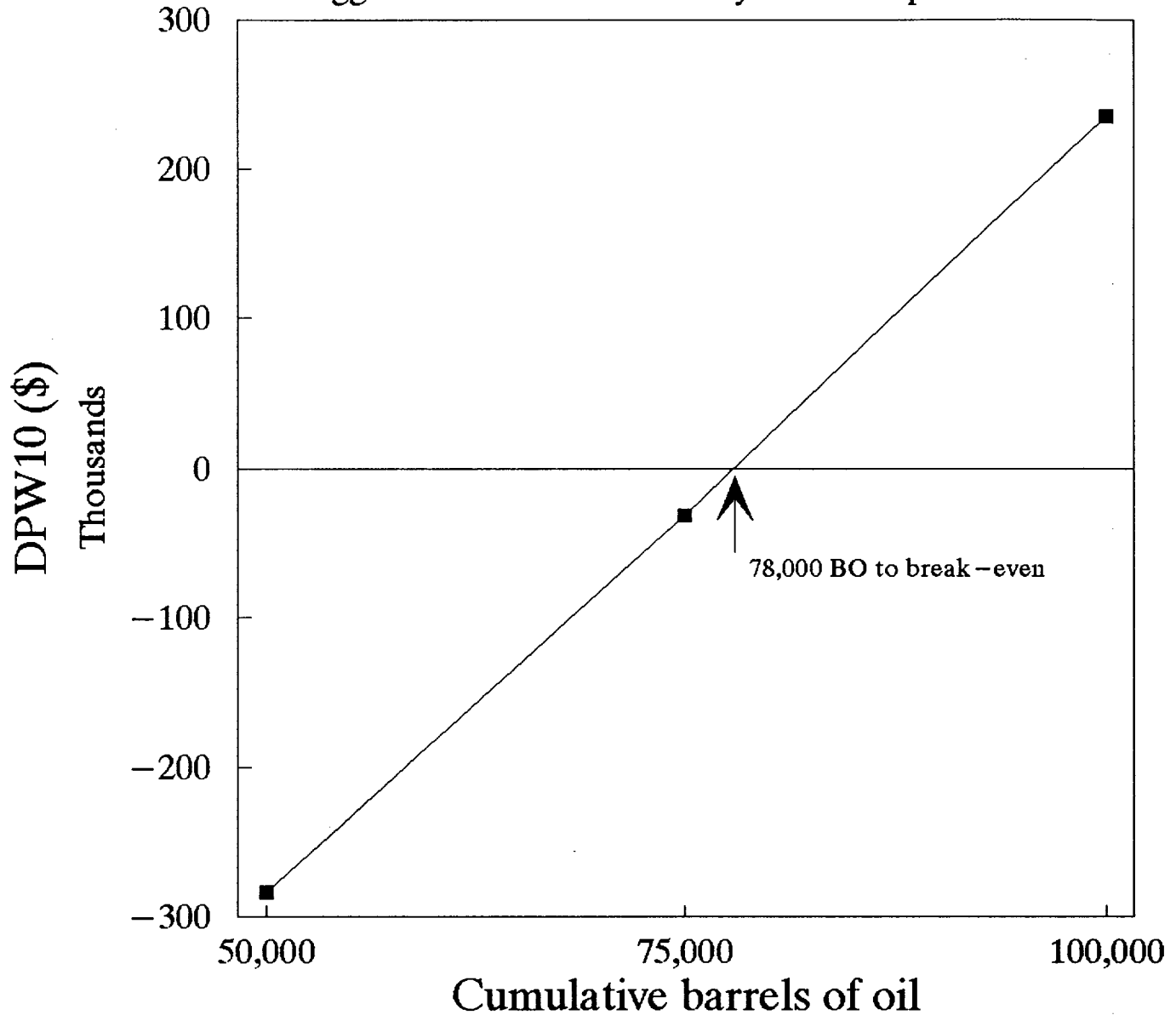
WI APPROVAL: COMPANY _____

BY _____

TITLE _____

DATE _____

Dagger Draw Area Cisco/Canyon Development Well



Assumptions:

\$701,014 completed well cost

2000 SCF/BBL GOR

185 BOPD, 370 M

86.5% net revenue

\$18.00/BBL oil fo

\$1.20/MCF gas f

\$8,000/Month fix

\$0.40/BBL salt v

7WPD initial rate

ated at 5% thereafter

ated at 5% thereafter

costs for 1993 escalated at 5% thereafter

al costs

BEFORE EXAMINER CATAL	
OIL CONSERVATION DIVISION	
<i>Harburg</i>	EXHIBIT NO. <i>13</i>
CASE NO.	<i>10731</i>

[illegible]

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<i>Neuburg</i>	EXHIBIT NO. <u>14</u>
SEE NO. <u>10731</u>	

Drainage Calculations

Nearburg Reservoir Parameters

Wells Evaluated: Nearburg Dagger Draw 31 Federal #1
Nearburg Dagger Draw 31 Federal #2
Nearburg Dagger Draw 31 Federal #4
Conoco Dagger Draw 11
Yates Pincushion AHN #1
Yates Pincushion AHN #3

Average feet of pay = 76

Average water saturation = 50%

Average Porosity = 12.8%

Bo = 1.52

Recovery Factor = 30%

Oil Reserves = $\frac{7758 (\text{Porosity \%}) (1 - S_w) (\text{Acres}) (\text{Feet of pay}) (\text{Recovery Factor})}{B_o}$

NEW MEXICO
OIL CONSERVATION DIVISION
Nearburg EXHIBIT *10A*

Well: Conoco Dagger Draw 11

Footage	Feet	Log Porosity	Log Porosity(Feet)	Adjusted (2 Times) Porosity	Adjusted Porosity(Feet)
7636-7642	6	0.055	0.33	0.110	0.66
7642-7645	3	0.090	0.27	0.180	0.54
7645-7650	5	0.040	0.20	0.080	0.40
7656-7660	4	0.050	0.20	0.100	0.40
7660-7664	4	0.040	0.16	0.080	0.32
7664-7666	2	0.130	0.26	0.260	0.52
7666-7670	4	0.050	0.20	0.100	0.40
7670-7678	8	0.010	0.08	0.020	0.16
7680-7686	6	0.050	0.30	0.100	0.60
7686-7690	4	0.125	0.50	0.250	1.00
7690-7694	4	0.025	0.10	0.050	0.20
7696-7706	10	0.035	0.35	0.070	0.70
7732-7738	6	0.050	0.30	0.100	0.60
7738-7748	10	0.120	1.20	0.240	2.40
7748-7750	2	0.080	0.16	0.160	0.32
7750-7756	6	0.055	0.33	0.110	0.66
7756-7760	4	0.030	0.12	0.060	0.24
7785-7800	15	0.040	0.60	0.080	1.20
Total	103		5.66		11.32

Cumulative prod. as of 1/1/93 = 315,849 BO
 Projected ultimate recovery = 925,457 BO

Based on Nearburg Average Parameters

Estimated drainage as of 1/1/93 = 42 Acres
 Estimated ultimate drainage = 124 Acres

NEW MEXICO
 OIL CONSERVATION DIVISION

Nearburg EXHIBIT *14B*

CASE NO. *10731*

Well: NPC Dagger Draw #2

<u>Footage</u>	<u>Feet</u>	<u>Log</u> <u>Porosity</u>	<u>Log</u> <u>Porosity(Feet)</u>	<u>Adjusted</u> <u>(2 Times)</u> <u>Porosity</u>	<u>Adjusted</u> <u>Porosity(Feet)</u>
7654-7670	16	0.35	5.6	0.70	11.20
7670-7672	2	0.03	0.06	0.06	0.12
7692-7694	2	0.17	0.34	0.34	0.68
7700-7704	4	0.06	0.24	0.12	0.48
7743-7750	7	0.04	0.28	0.08	0.56
7796-7816	20	0.07	1.4	0.14	2.80
Total	51		7.92		15.84

Cumulative prod. as of 1/1/93 =	305,047	BO
Projected ultimate recovery =	553,313	BO

Based on Nearburg Average Parameters

Estimated drainage as of 1/1/93 =	41	Acres
Estimated ultimate drainage =	74	Acres