

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **PECOS PRODUCTION COMPANY**3a. Address
400 W. ILLINOIS, STE 1070, MIDLAND TX 797013b. Phone No. (include area code)
432-620-84804. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 30, T18S, R32E

5. Lease Serial No.

NMNM94192

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SOUTHPAW 30 FEDERAL #1 & #2

9. API Well No.

30-025-36865 / 30-025-36547

10. Field and Pool, or Exploratory Area

WATKINS; YTS-7RVS-QN-GB

11. County or Parish, State

LEA CO., NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other GAS PROD/ALLOC
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PECOS PRODUCTION COMPANY REQUEST THE APPROVAL TO Flow PRODUCED GAS THRU HEATER TREATER AND DOWNSTREAM TO FRONTIER FIELD SERVICE SALES METER LOCATED IN SEC 19, T18S, R32E (SEE ATTACHED MAP'S).

THE SOUTHPAW 30 FEDERAL WELLS #1 & #2 GAS PRODUCTION IS ALLOCATED BY WELL TEST (BY PORT-A-CHEK).

PECOS PRODUCTION COMPANY IS SOLE OWNER (100%) OF LEASE.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**DORA LARA**Title **VP- ENGR. & OPERATIONS**

Signature

Date

01/11/2005**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

DAVID R. GLAD**MEMORANDUM ENGINEER**

Date

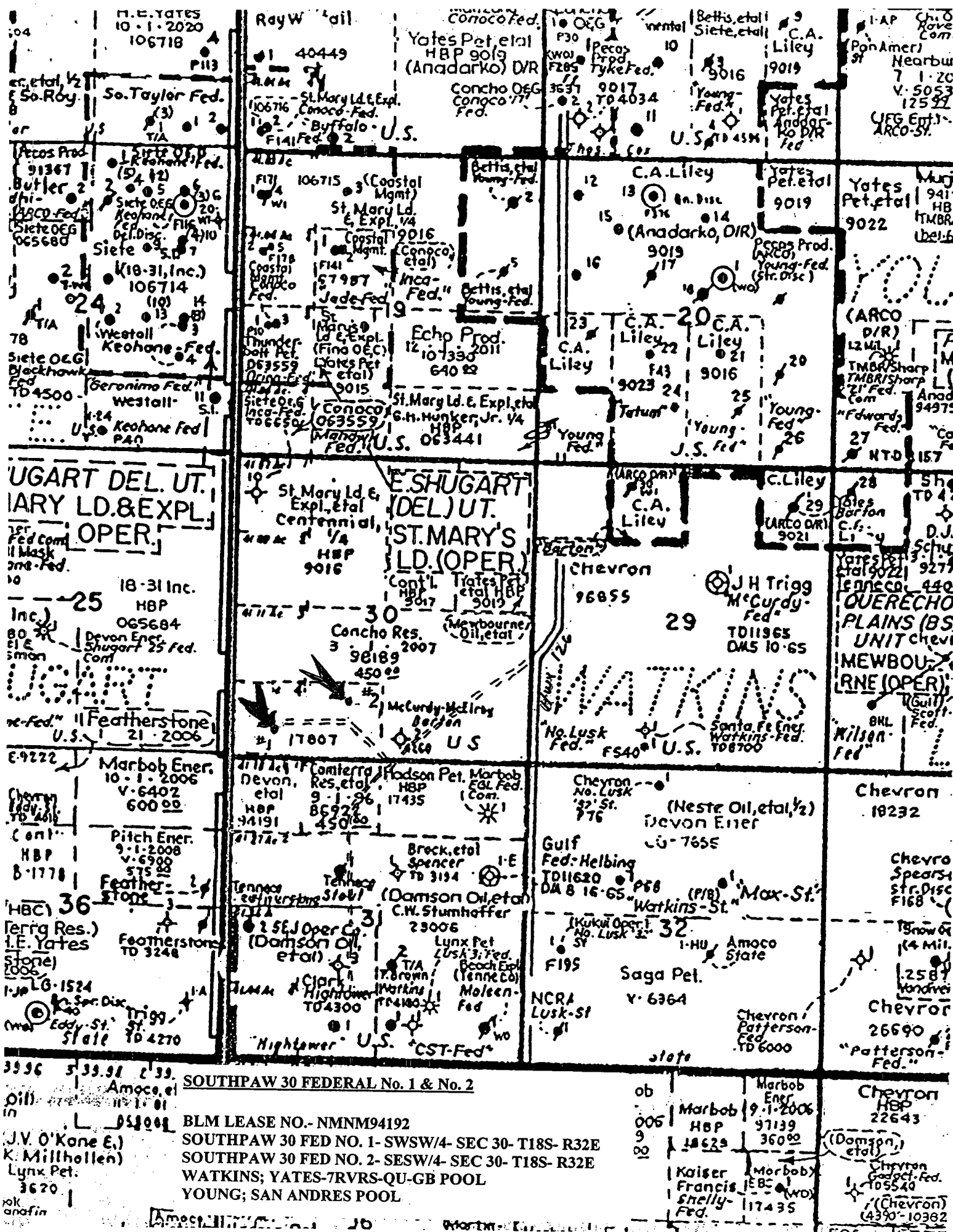
MAY 06 2005

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

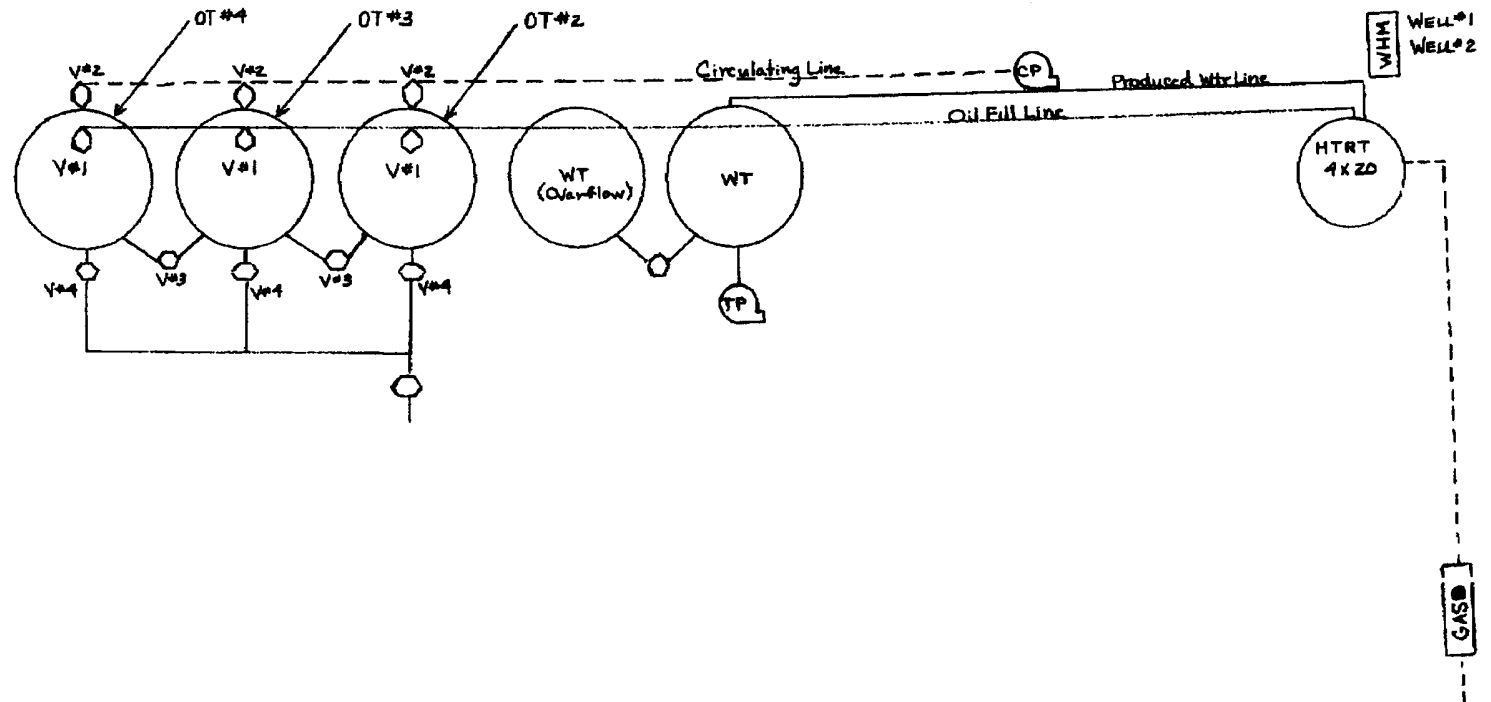


Southpaw Federal 30 Lease NM 94192

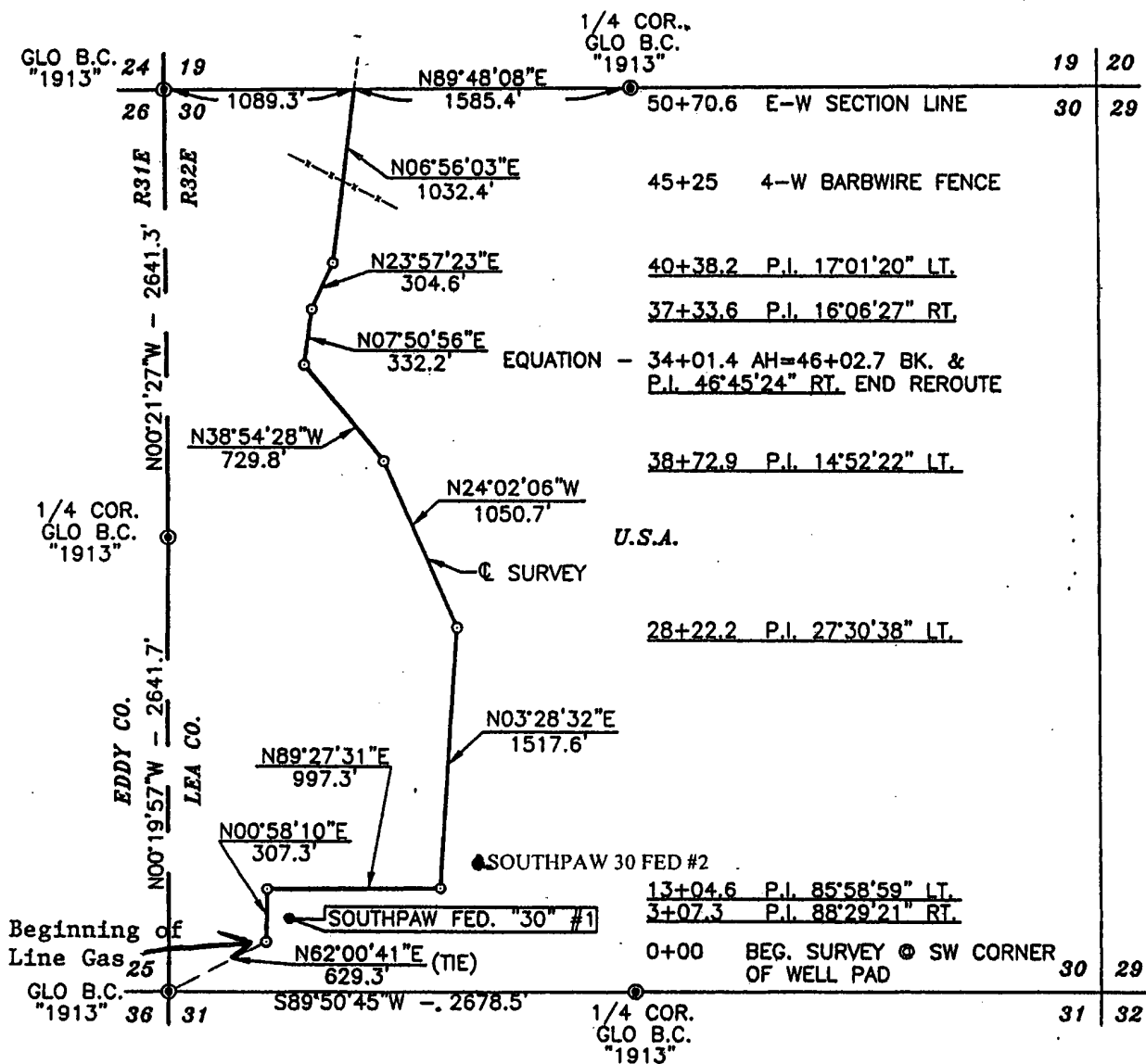
Pecos Production Company

UL A, Sec 30, T18S, R32E

Lea County, New Mexico



SECTION 30, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE AND 6271.9 FEET OR 1.188 MILES IN LENGTH CROSSING USA LAND IN SECTION 30, TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

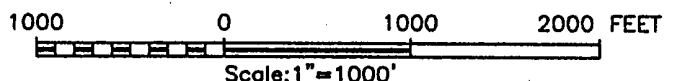
SOUTHPAW 30 FEDERAL No. 1 & No. 2

BLM LEASE NO.- NMNM94192
SOUTHPAW 30 FED NO. 1- SWSW/4- SEC 30- T18S- R32E
SOUTHPAW 30 FED NO. 2- SESW/4- SEC 30- T18S- R32E
WATKINS; YATES-7RVRS-QU-GB POOL
YOUNG; SAN ANDRES POOL

NOTE: BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

Attachment 2

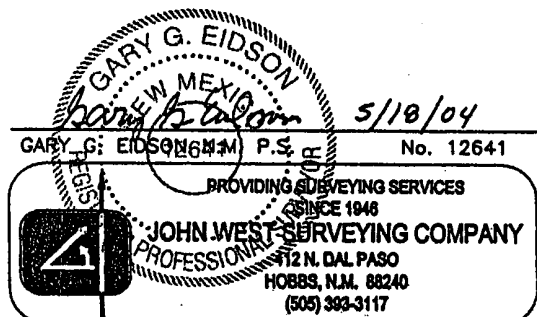
I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



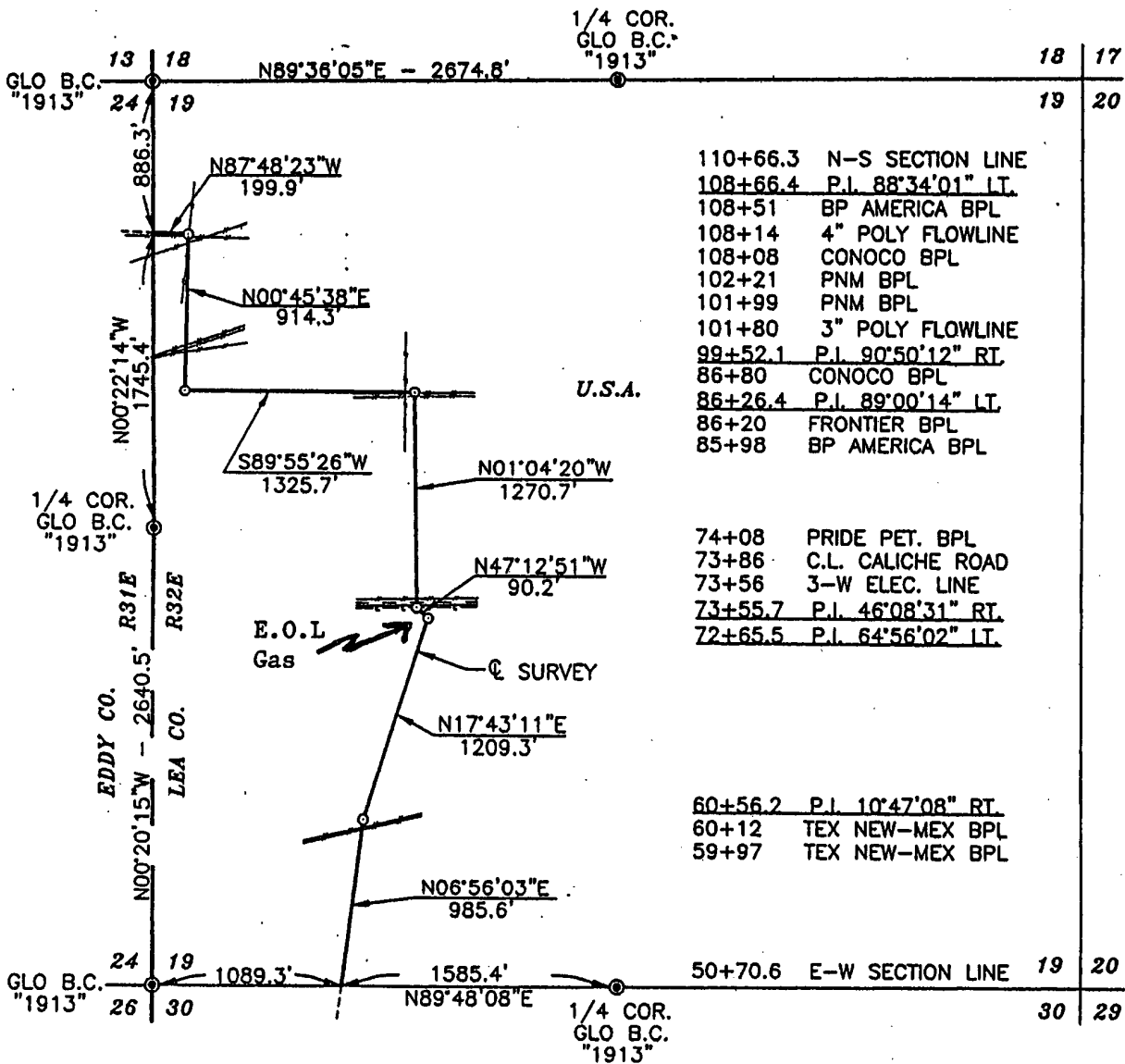
PECOS PRODUCTION COMPANY

SURVEY A PIPELINE CROSSING
SECTION 30, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 4/23/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0462	Drawn By: L.A.
Date: 4/28/04	DISK:CD#3
04110462	REV: 5/17/04



SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE AND 5995.7 FEET OR 1.136 MILES IN LENGTH CROSSING USA LAND IN SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

SOUTHPAW 30 FEDERAL No. 1 & No. 2

BLM LEASE NO.- NMNM94192
SOUTHPAW 30 FED NO. 1- SWSW/4- SEC 30- T18S- R32E
SOUTHPAW 30 FED NO. 2- SESW/4- SEC 30- T18S- R32E
WATKINS; YATES-7RVRS-QU-GB POOL
YOUNG; SAN ANDRES POOL

NOTE: BEARINGS SHOWN HEREON ARE
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Attachment 2

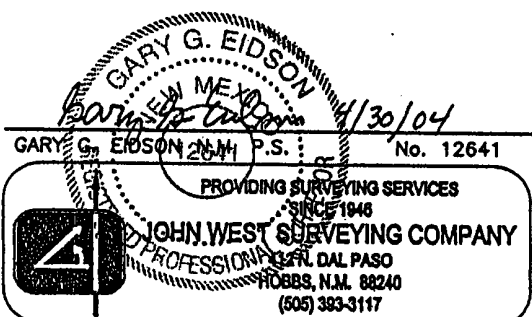
I HEREBY CERTIFY THAT I DIRECTED AND AM
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TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE
AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET
THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



PECOS PRODUCTION COMPANY

SURVEY A PIPELINE CROSSING
SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

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Frontier

Field Services, LLC

4200 E. Skelly Drive, Suite 700

Tulsa, OK 74135

www.frontierenergyllc.com

OGRID: 221115

SETTLEMENT STATEMENT

Maljamar Gas Plant

PECOS PRODUCTION CO

November 2004 Production

Contract Number: 30029
Meter No: 6095007
Meter Name: SOUTHPAW FED 30 #1
Property No: 8000030001
Property Name: SOUTHPAW FED 30 #1

Plant Product %: 80.00%
Residue %: 80.00%
Pressure Base: 14.65
N2 - Mol%: 14.595
CO2 - Mol%: 0.143
Marketing Fee: \$0.0000

Field Volumes	Point of Receipt Volume		
	Mcf	BTU	MMBtu
Total System Volume	1,801,540	1.2484	2,249,026
100% Meter Volume	4,485	1.4890	6,678
Producer's Share	4,485	1.4890	6,678

Prices:	
Ethane:	\$0.6040517
Propane:	\$0.8216039
Iso Butane:	\$1.0357695
Normal But:	\$1.0073500
Pentanes+:	\$1.1193040
T & F:	\$0.0494400
Residue:	\$6.2330981

NGL Settlement						
	Ethane	Propane	Iso-But.	Normal But.	Nat. Gasoline	Total
Shrinkage MMBtus	582	1,557	344	690	557	3,731
Well GPMs	2.787	4.147	0.871	1.698	1.814	11.317
Theo. Gallons	12,500	18,599	3,906	7,616	8,136	50,757
Actual Allocated Gallons	8,769	17,000	3,456	6,655	4,895	40,775
Net Price per Gallon	\$0.5546117	\$0.7721639	\$0.9863295	\$0.9579100	\$1.0698640	
NGL Value	\$4,863.39	\$13,126.79	\$3,408.75	\$6,374.89	\$5,236.98	\$33,010.80
Producer's Value						\$26,408.64

Residue Settlement								
	Net Delivery MMBtu	Liquid Shrink MMBtu	Plant Fuel MMBtu	Residue Returned MMBtu	Residue MMBtu	Residue Mcf	Gas Price /MMBtu	Residue Value
Total Plant Volume	2,171,781	702,397	140,383	676	1,266,069	1,254,645		
Producer's Share	6,678	3,731	486	0	2,366	2,345	\$6.23310	\$11,798.01

Total Settlement								
	Producer's Total Value NGLs + Residue	Fees					Net Due Producer	
		Low Meter	Gathering	Compression	Dehy	Taxes		
Rate			0.0000	0.0000	0.0000			
Volume			0	0	0			
Producer's Total Net Value	\$38,206.65		\$0.00	\$0.00	\$0.00	\$3,080.85		\$35,125.80

CONTACT INFORMATION		Fax: 918-492-4701
GAS PAYMENTS:	Jim Coghill	(918) 388-8411
CONTRACTS:	Jeff Hull	(918) 388-8420
DO/TAXES:	Dan Young	(918) 388-8414
OPERATIONS:	Mike Hicks	(918) 388-8417

PECOS PRODUCTION CO
ATTEN DEBBIE NEWCOMB
400 W. ILLINOIS SUITE 1070

MIDLAND, TX 7-9701

GPIS by eXigent

Date: December 14, 2004

Wildcat Measurement Service
P.O. Box 1836
Artesia, New Mexico 88211-1836
TollFree #888-421-9453
Office #505-746-3481
"Quality and Service is our First Concern"

PDS 06/25/00

Run No. 240820-05
Date Run 08/20/2004
Date Sampled 08/19/2004

Analysis for: PECOS PRODUCTION COMPANY

GPANGL.L60

Well Name: QUERECHO PLAINS UNIT #2

Field: LUSK

Sta. Number:

Purpose: SPOT

Sampling Temp: 81 DEG F

Volume/day:

Pressure on Cylinder: 62.4 PSIG

Producer: PECOS PRODUCTION COMPANY

County: LEA

State: NM

Sampled By: KARL HAENY

Atmos Temp: 75 DEG F

Formation:

Line Pressure: 75.6 PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.7300

		Mol %	GPM
Carbon Dioxide	CO2	0.2676	
Nitrogen	N2	2.4145	
Methane	C1	67.4708	
Ethane	C2	15.5089	4.1454
Propane	C3	8.6261	2.3751
Iso-Butane	IC4	0.9789	0.3202
Nor-Butane	NC4	2.6285	0.8286
Iso-Pentane	IC5	0.5693	0.2083
Nor-Pentane	NC5	0.6639	0.2404
Hexanes Plus	C6+	0.8715	0.3802
TOTAL		100.0000	8.4983

Real BTU Dry: 1394.26
Real BTU Wet: 1370.00
Real Calc. Specific Gravity: 0.8281
Field Specific Gravity: 0.0000

Standard Pressure: 14.6960
BTU Dry: 1384.64
BTU Wet: 1360.55

Z Factor: 0.9954
N Value: 1.2647
Avg Mol Weight: 23.8845
Avg CuFt/Gal: 52.7736
26 Lb Product: 1.2567
Methane+ GPM: 19.9343
Ethane+ GPM: 8.4983
Propane+ GPM: 4.3529
Butane+ GPM: 1.9778
Pentane+ GPM: 0.8290

REMARKS:
H2S ON LOCATION: NONE DETECTED

Approved by: DON NORMAN

Fri Aug 20 14:01:58 2004