

Nearburg Producing Company

Exploration and Production
Midland, Texas

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TO: Paul Kautz, District Geologist - Deputy Inspector, NMOCD Hobbs

FROM: Clyde Findlay, Supervising Production Engineer, Nearburg Producing Company

DATE: April 30, 2001

SUBJECT: Condensate Gravity - Antler '17' State #1 - Strawn Gas Well

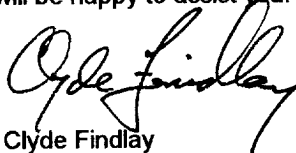
Dear Mr. Kautz:

I visited the Antler '17' State #1 on April 17th, 2001 to measure condensate gravity at separator conditions. Matt Lee, our Production Superintendent, assisted and witnessed the measurement.

A sample of condensate was obtained directly from the separator. The condensate measured 59.2 degrees API gravity at 110 degrees Fahrenheit. A 500 ml Pyrex glass cylinder was used to capture the sample. A calibrated Hydrometer with temperature measurement was utilized to measure the gravity. The condensate was white in color with a slight tint of yellow.

Based on the high GOR, reservoir pressure, depth, temperature, and condensate gravity and appearance, all indications are that the Antler '17' State #1 is a gas reservoir producing retrograde condensate. Please feel free to call me at 915-686-8235 if you have any questions regarding the Antler '17' State #1. I will be happy to assist you.

Thank You,



Clyde Findlay
Production Engineering Supervisor
Nearburg Producing Company

Legal Description: Antler '17' State #1
660' FNL & 660' FWL, Section 17
T22S, R35E, Lea County, New Mexico
Nearburg Producing Company, Operator

cc: Matt Lee, Tim MacDonald, Bob Shelton, Cap Horning, George Freizen, Kim Stewart

