SKELLY OIL COMPANY
Box 38
Hobbs, New Mexico

SEE FORM C-105 ATTACHED

MEXICO "K" LEASE WELL NO. 12 - Owned & Operated By Skelly Oil Company

Located in the SW/4 NW/4 Section 29-24S-38E, Lea County, New Mexico

REPORT OF DRILL STEM TEST

D.S.T. No. 1 - 3703-3845':
5/8" bottom, 1" top chokes, 3½" drill pipe. Tool open 4 hours with good blow of air immediately. Gas to surface in 1 hour and 45 minutes and continued as fair blow throughout test. No fluid to surface. Pulled 3½" drill pipe and recovered 258' of gas-cut drilling fluid. Had 10' of drilling fluid on top of tool that was very slightly stained with oil. No water. Hyd. pressure in 1740#, out 1680#, F.P. 25-115#, 20-Minute Buildup 235#.

D.S.T. No. 2 - 3845-3930':
5/8" bottom, 1" top chokes, 3½" drill pipe. Tool open 4 hours with very weak blow of air and continued as very weak blow for 30 minutes and died. No gas or fluid to surface. Pulled drill pipe and recovered 176' very slightly gas-cut drilling fluid. No show of oil or water. Hyd. pressure in 1850#, out 1820#, F.P. 55-90#, 20-Minute buildup 150#.

D.S.T. No. 3 - 6580-6750':
5/8" bottom, 1" top chokes, 3½" drill pipe. Tool open 3 hours with fair blow of air throughout test. Gas surfaced at end of 3 hours when tool was closed for buildup. Pulled drill pipe and recovered 420' of mud-cut oil, estimated 90% oil and 10% mud, and 570' of drilling fluid. No show of formation water. Hyd. pressure in and out 3030#, IFP 115#, FFP 465#, 20-Minute buildup 940#.

D.S.T. No. 4 - 6750-6840':
5/8" bottom, 1" top chokes, 3½" drill pipe. Tool open 3 hours with weak blow of air for 3 minutes and died. Pulled drill pipe and recovered 60' of drilling mud, no show of oil, gas or water. Hyd. pressure in and out 3065#, no build up or flowing pressure.

D.S.T. No. 5 - 6840-6910':
5/8" bottom, 1" top chokes, 3½" drill pipe. Tool open 5 hours with fair blow of air and continued as fair blow. Gas to surface in 3 hours and 55 minutes and continued as fair blow throughout test. No fluid to surface. Pulled drill pipe and recovered 180' of slightly oil and gas-cut mud, est. 5% oil and 90' of clean oil and 120' of drilling fluid. No show of water. Hyd. pressure in 3200#, out 3140#, F.P. 115-200#, 20-Minutes buildup 350#.