MF074053

State Lease	Control	Base File	County
MF074053	07-109434	111096	REEVES

Survey	T & P RY CO		
Block	57		
Block Name			
Township	3-S		
Section/Tract	24		
Land Part			
Part Description			
Acres	640		
Depth Below	4056	*Depth Above*	4118
		Depth Other	See Lease
Name	ENSERCH EXPLORATION INC		
Lease Date	10/13/1976		
Primary Term	3 mo		
Bonus ($)	$16,000.00		
Rental ($)	$0.18		
Lease Royalty	0.1250		

Leasing:_____

Analyst:_____

Maps:_____

GIS:_____

CAUTION

Documents in this file have been placed in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff

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ENSERCH EXPLORATION INC
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See paragraph 10 relating to Min. royalty of 50¢ p-a. to State.

TERMINATED IN ERROR

TERMINATED

Date 9-1-97

Accounting

Legal BP

Exploration

Execution

AK

TERMINATED

Date 8-1-97

Accounting

Legal BP

Exploration

Execution

RELINQUISHMENT ACT LEASE 74053

5/195

COUNTY: Reeves
TRACT : Sec. 24, Blk. 57, T-3 T&P Sur.
PART :
ACRES : 640

LESSEE : Enserch Exploration, Inc.
DATE : 10/13/76
TERM : 90 calendar days
BONUS : $16,000.00
RENTAL:
FILE : 111096

07-10943-4

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2. Ltr. to Enserch Expl. Co. 10/22/76 dr
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4. APPLICATION TO DRILL WELL # 1-24 1-6-77 MHM
5. APPLICATION TO DRILL WELL # 2-24 1-15-77 "
6. APPLICATION TO DRILL WELL # 3-24 2-3-77 "
7. COMP. REPORT WELL # 1-24 2-6-77 MHM
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10. Ltr to Enserch Explor. 2-23-77
11. APPLICATION TO DRILL WELL # 4-24 2-23-77 MHM
12. COMP. REPORT WELL # 4-24 " "
13. TELEGRAM to Mr. Louis Toppans 3-4-77
14. Ltr. to Enserch Expl. 3-18-77 gp
15. SHUT-IN MEMO 4-1-77 CG
16. SHUT-IN PAYMENT APPLIED 1/13/77 - 1/13/78 Wells 1,2 RWB
17. SHUT-IN PAYMENT APPLIED 2/1/77 - 2/1/78 Wells 3,4 RWB
18. LTR TO ENSERCH EXPLORATION 2-10-77
19. Phone Memo 4-29-77 CG
20. APPLICATION TO DRILL WELL # 1-24 (SWD) " MHM
21. DIVISION ORDER 7-1-77
22. DIVISION ORDER 7-1-77
23. DIVISION ORDER 7-1-77
24. DIVISION ORDER 7-1-77
25. Ltr. fr. Enserch 6-13-77 gp
26. Ltr fr. " 5-12-77 BT
27. APPLICATION TO DRILL WELL # 1-X 8-9-77 MHM
28. COMP. REPORT WELL # 1-X " "
29. Rental Payment 9-10-77
30. Lease Status Report 9-9-77 gp
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See Letter Dated 2-7-78 in M 65945 BT

See Letter Dated 3-22-78 in M 65945 lsg

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LEGAL ACTION REQUEST 4-24-78 BF

See Letter Dated 4-26-78 in M 65945

37. See Letter Dated 6-2078 in M 65945 BT
38. Rental Payment 9-7-78
39. See Letter Dated 12-1-78 in M 65945 BT
40. See Letter Dated 6-2-79 in M 65945 BT
41. Rental Payment 9-21-79
42. Ltr. to Enserch Explo. 9-21-80 (MU sdtrg) GG
43. Rental Payment 9-18-80
44. Rental Payment 9-5-81
45. Rental Payment 9-4-82
46. See Letter Dated 11-1-82 (55) in M 65945 lm
47. See Letter Dated 8-8-83 in M 65945
48. Rental Payment 9-10-83
49. Rental Payment 9-12-84
50. Rental Payment 9-11-85
51. See Assignment in M 65945 (60)
52. See Out of Office in M-75156
53. See Letter Dated in M 75156 (40)
54. See Letter Dated in M 75156 (41)
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57. See Assignment in M 65945 (61)
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59. See Letter Dated 3-4-90 in M 65945 (63)
60. See Letter Dated 3-24-90 in M 65945 (64)
61. See Letter Dated 4-4-90 in M 65945 (65)
62. Letter to Roy Oper 6-16-98
63. " " " 11/5/98
64. Shut-in Payment 12/28/98
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66. Ltr. to Charles Perry 9/30/99
67. Ltr. to Charles Perry 11/5/99

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80. Lease termination Letter 7-19-01 (Lease Terminated 8-1-97)	
81. Termination Letter 1-29-01	
See MF 040154 #53 for Assignment. 1/7/04	
scanned WM 3.29.2023	

Mineral Classified Land
Lease Consideration Comparison

N.

County REEVES

Area Sec 74, Blk 57, T-3, T&P

M. F.	Acres	Lease Date	Term	Total Bonus	B/Ac	Rental	Comparison
New	640	10-13-76	90 days	32,000.00	50.00	—	1/8
72931	640	12-15-75	5 yr.	48,000.00	75.00	1.00	1mi W (1/12)
73061	320	2-16-76	5 yr	16,000.00	50.00	1.00	1mi NNE (3/32)
71681	640	1-27-75	5 yr	32,000.00	50.00	1.00	1mi ESE (3/32)

111096

Remarks: SEE DEPTH LIMITATION IN LEASE

Consideration Recommended JMH

Not Recommended

No. 5367—General Land Office Lease Form Under Relinquishment Act
Revised September, 1975

RECEIVED
OCT 22 1976
General Land Office

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 13th day of October 19 76, by and between

Atlantic Richfield Company, A Pennsylvania Corporation

of P. O. Box 1610, Midland, Texas 79701
(Give Permanent Address)

individually and as agent for the State of Texas, party of the first part, herein referred to as the owner of the soil (whether one or more), and

Enserch Exploration, Inc., a Texas Corporation

of 1817 Wood Street, P. O. Box 2649, Dallas, Texas 76201
(Give Permanent Address)

party of the second part, hereinafter called Lessee, WITNESSETH:

1. The owner of the soil in the capacities aforesaid, for and in consideration of Sixteen Thousand and no/100 Dollars

($ 16,000.00), cash in hand paid, as his individual property and estate, receipt of which is hereby acknowledged, and a like amount paid to the STATE OF TEXAS, and of the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

All of Section No. 24, Block 57, T-3, T&P RR. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is the equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056 to 4,118 feet.

containing 640.00 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of ~~five (5) years~~ 90 calendar days from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land.

*3. When production of oil and/or gas is secured, Lessee agrees to pay or cause to be paid one-half (1/2) to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) to the owner of the soil, during the term hereof:

(a) As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided,

One-Fourth (1/4th) part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or 2) the highest market price thereof offered or paid for the field where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to the parties entitled to royalties through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of the royalty owners, the requirement that such gas be run through a separator or other equipment may be waived upon such terms and conditions as prescribed by them.

(b) As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (a) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) One-Fourth (1/4th) part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or the gross price paid or offered to the producer, whichever is greater; provided that the maximum pressure base in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

For the purposes of this lease "field" means the general area in which the land covered by this lease is located.

(c) As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons,

One-Fourth (1/4th) part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the

*NOTE: The total royalty payable under the lease should be inserted in paragraphs 3(a), 3(b), 3(c) and 3(d).

highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons, F.O.B. at the plant in which said gas is processed), whichever is greater.

(d) As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead", "dry" or any other gas, by fractionating, burning or any other processing, One-Fourth (1/4th) part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows:

(1) on the basis of the highest market price of each product for the same month in which such product is produced, or

(2) on the basis of the average gross sale price of each product for the same month in which such product is sold, whichever is greater.

4. Notwithstanding anything contained herein to the contrary, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, at any time or from time to time, upon not less than sixty (60) days notice to the holder of the lease, require that payment of any royalties accruing to such royalty owner under this lease be made in kind.

5. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

6. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle the royalty owners to a royalty thereon under the provisions of this lease.

7. All royalties which are required to be paid hereunder to the Commissioner of the General Land Office shall be due and payable in the following manner: Royalty on oil shall be due and payable on or before the 5th day of the second month succeeding the month of production, and royalty on gas shall be due and payable on or before the 15th day of the second month succeeding the month of production, accompanied by an affidavit completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all supporting documents and records required by law to confirm the gross production, disposition and market value. A copy of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts shall be filed with the General Land Office within thirty (30) days after entering into or making such contracts, agreements or amendments. The books, accounts and all other records pertaining to production, transportation, sale and marketing shall at any time be subject to inspection and examination by the Land Commissioner. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid. Any royalty not paid or affidavits and supporting documents not filed when due shall become delinquent and shall have added to the sum owing a delinquency penalty of one percent (1%) of such sum for each thirty (30) day period of delinquency or a fractional period thereof; provided, however, that each such penalty shall never be less than Five Dollars ($5.00). Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law. The State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

8. ~~If no well be commenced on said land on or before one (1) year from this date, this lease shall terminate as to both parties, unless on or~~ before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the _____ _____ Bank, at _____ _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the sum of _____ Dollars ($_____), and in addition shall pay to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date, which shall operate as a rental and cover the privilege of deferring the commencement of a well for one (1) year from said date. In like manner and upon like payments or tenders annually, the commencement of a well may be ~~further deferred for successive periods of one (1) year each during the primary term.~~

9. All payments or tenders of rental to the owner of the soil may be made by check or draft of Lessee, or any assignee hereof, and delivered on or before the rental paying date. If said bank (or any successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

10. During any year beginning with the anniversary date of this lease, if this lease is maintained by production, the royalties paid hereunder in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual delay rental less the amount of royalties paid during the preceding year. If no amount of delay rental is specified in this lease, then for the purpose of this paragraph and paragraph 29, rental shall be construed to be one dollar ($1.00) per acre which shall be in addition to the statutory minimum rental provided in paragraph 11 hereof.

11. It is understood and agreed that notwithstanding the fact that development may be in progress or production secured and royalty being paid hereunder the owner or operator of the leased premises shall continue to make annual rental payments to the State which, under such conditions, shall be the minimum of ten cents (10¢) per acre as provided by Article 5368 of the Revised Civil Statutes of Texas, 1925.

12. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if, after discovery and production of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay rental in the same manner as provided in Paragraph Number 8 of this lease. If a dry hole be completed and abandoned during the last year of the primary term, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in gas well within the primary term hereof, Lessee may resume payment of annual rental in the same manner as provided in Paragraph Number 8 in this lease on or before the rental paying date next ensuing after sixty (60) days from the

date of completion of such shut-in gas well and upon the failure to make such annual rental payment this lease shall ipso facto terminate. If at the expiration of the primary term or at any time thereafter a shut-in gas well is located on the leased premises, payments may be made in accordance with the provisions of Paragraph Number 29 hereof.

13. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, or if, after the expiration of the primary term, production of oil or gas on the leased premises after once obtained should cease from any cause, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in gas well royalties or compensatory royalties is made as hereinafter provided.

14. Lessee shall adequately protect the oil and gas under the above described land from drainage from the adjacent lands or leases. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligations herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases.

15. Written notice of operations hereunder shall be submitted to the Commissioner of the General Land Office by Lessee within five (5) days of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and shall include copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Commissioner of the General Land Office reserves the right to require Lessee to furnish logs on all wells drilled on said land and to annually furnish the said Commissioner with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease.

16. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended; and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of delay rentals in order to maintain this lease in effect during the primary or extended term in the absence of such drilling or reworking operations or production of oil or gas.

17. ~~The owner of the soil hereby warrants and agrees to defend the title to the land herein described, and agrees that Lessee shall have the~~ right at any time to redeem for said owner of the soil, by payment, any mortgage, taxes or other liens on the above described land, in the event of default of payment by said owner of the soil, ~~and be subrogated to the rights of the holder thereof, to the extent that Lessee may apply any rental or royalty due the owner of the soil from Lessee until any obligation thus incurred by the owner of the soil is discharged.~~

If the owner of the soil owns a less interest in the above described land than the entire and undivided surface estate therein (or a greater or lesser interest than the recited interest therein) then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the whole and undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to all of the undivided interest not covered by any lease, less the proportionate development and production costs allocable to such undivided interest, but in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production. Provided, however, before any adjustment of royalty or rental due the Commissioner of the General Land Office, Lessee shall furnish the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, a statement in writing executed by Lessee, or its duly authorized representative, setting forth the facts relative to the interest of the owner of the soil and the interest which Lessee claims under this lease.

18. Lessee shall have the right to use water produced on said land necessary for operations hereunder except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

19. When requested by the owner of the soil, Lessee shall bury its pipe lines below plow depth.

20. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of the owner of the soil.

21. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving waste oil that flows down the creeks, ravines and across the land embraced in the lease, whether said oil is produced from said land covered by this lease or other lands, provided the royalties herein specified are paid on said oil at the same rate under the same conditions provided for oil regularly produced.

22. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. Lessee shall have the right at any time until one hundred twenty (120) days after the expiration or termination of this lease to remove all machinery and fixtures placed by Lessee on said premises, including the right to draw and remove all casing; provided, however, that casing shall not be drawn and removed until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil and, provided further, that Lessee shall not remove casing with respect to any well thereon capable of producing oil and/or gas in paying quantities. Any machinery, fixtures and casing subject to removal as above set forth, which are allowed to remain on the premises, shall become the property of the owner of the soil on expiration of said one hundred twenty (120) day period, or such extension thereof as may be granted by the owner of the soil.

24. The rights and estates of either party hereto may be assigned, in whole or in part, and the provisions hereof shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns; but no change or division in the ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations, nor to diminish the rights, privileges and estates of Lessee, nor to impair the effectiveness of any payment made by, nor of any act performed by, Lessee hereunder. And no such change or division in the ownership of said land, the rentals or royalties, however accomplished, shall ever be binding upon Lessee for any purpose until thirty (30) days after Lessee has been furnished by the owner of the soil, or by his heirs, devisees, legal representatives or assigns, with satisfactory written evidence thereof, including (if such change is effected by conveyance) the original recorded muniments of title or certified copies thereof. An assignment of this lease, in whole or in part, shall, as to the extent of such assignment, relieve and discharge Lessee of all subsequent obligations hereunder. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the surface area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered, unless the assignor or assignee shall fail to file a certified copy of such assignment in the General Land Office prior to the next rental paying date, in which event the entire lease shall terminate for failure to pay the entire rental due as provided in Paragraph Number 8 hereof.

25. Lessee may at any time, and from time to time, execute and deliver to the owner of the soil or place of record, a release or releases covering any portion or portions of the above described premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. In the event any part of this lease is surrendered, as above provided, the delay rental then payable hereunder shall thereupon be reduced in the proportion that the acreage surrendered bears to the acreage which was covered by this lease immediately prior to such surrender, provided such release shall not thereby relieve the Lessee of any liabilities which may have accrued in connection with the

lease prior to the surrender of such acreage.

26. Provided further that if all or any part of this lease is assigned or released, such assignment or release shall be recorded in the county where the land is situated and the recorded instrument, or a copy of the recorded instrument certified to by the County Clerk of the County in which the instrument is recorded, shall be filed in the GENERAL LAND OFFICE accompanied by a filing fee of Five Dollars ($5.00). If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture by the Commissioner of the General Land Office.

27. This lease is issued under the provisions of Articles 5367 through 5379, Revised Civil Statutes of Texas, 1925, as amended, commonly known as the Relinquishment Act, Article 5421c-2, V.T.C.S., and other applicable statutes and amendments thereto, and should there be any provision herein not in conformity with said statutes, the law is recognized and understood to prevail notwithstanding anything in this lease to the contrary.

28. It is recognized that before this lease is effective a certified copy thereof (which is construed as meaning a certified copy made by the County Clerk from his records) shall be filed in the General Land Office in accordance with Article 5421c-2, V.T.C.S., and this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised therefor. The bonus due the State and a filing fee of Five Dollars ($5.00) shall accompany such certified copy to the General Land Office.

29. If, at the expiration of the primary term or at any time thereafter, there is located on the leased premises a well or wells capable of producing gas in paying quantities and such gas is not otherwise produced for lack of a suitable market and this lease is not otherwise being maintained in force and effect, Lessee may pay as royalty a sum of money equal to double the annual rental provided for in this lease but in no event to be less than Twelve Hundred Dollars ($1,200.00) per annum for each well capable of producing gas in paying quantities; such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil prior to the expiration of the primary term of this lease or, if the primary term has expired, within sixty (60) days after Lessee shuts in such well or ceases to produce gas therefrom or within sixty (60) days after this lease ceases to be otherwise maintained in force and effect; and if such payment is made, this lease shall be considered to be a producing lease and such shut-in gas well royalty payment shall extend the term of this lease for a period of one (1) year from the end of the primary term or, if after the primary term, from the first day of the month next succeeding the month in which such well was shut in or production ceased or this lease ceased to be otherwise maintained in force and effect; and thereafter, if no suitable market for such gas exists, Lessee may extend this lease for four (4) additional and successive periods of one (1) year each by the payment of a like sum of money each year as above provided, on or before the expiration of the extended term. Provided, however, that if, while this lease is being maintained in force and effect by payment of such shut-in gas well royalty, gas should be sold and delivered in paying quantities from a well situated within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case where drainage is occurring, the right to further extend this lease by such shut-in gas well royalty payments shall cease and this lease shall remain in force and effect for the remainder of the current one-year period for which the shut-in gas well royalty has been paid and for an additional period not to exceed five (5) years from the expiration of the primary term by payment by Lessee of compensatory royalty at the royalty rate provided for herein, of the value at the well of production from the well completed in the same producing reservoir from which gas is being sold and delivered and which is situated within one thousand (1,000) feet of or draining the leased premises on which such shut-in gas well is situated, such compensatory royalty to be paid monthly one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil beginning on or before the last day of the month next succeeding the month in which such gas is sold and delivered from the well situated within one thousand (1,000) feet of or draining the leased premises and completed in the same producing reservoir, provided further that in the event such compensatory royalties paid in any twelve-month period are in an amount less than the annual shut-in gas well royalties provided for herein, Lessee shall pay an additional sum of money equal to the difference between such compensatory royalties paid and such shut-in gas well royalties within thirty (30) days from the end of such twelve-month period; provided further that nothing herein shall relieve Lessee of the obligation of reasonable development, nor of the obligation to drill off-set wells as required by law.

30. None of the natural gas or casinghead gas, including both associated and nonassociated gas, produced from the mineral estate subject to this lease shall be sold or contracted for sale to any person, corporation, or other entity for ultimate use outside of the State of Texas unless and until the Railroad Commission of Texas shall find, after notice and hearing pursuant to Title 102 of the Revised Civil Statutes of Texas, 1925, as amended, that:

(a) the person, agency, or entity which executed the lease in question does not require said natural gas or casinghead gas to meet its own existing needs for fuel;

(b) no private or public hospital, nursing home, or other similar health-care facility in this state requires said natural gas or casinghead gas to meet its existing needs for fuel;

(c) no public or private school in this state, of elementary, secondary, or higher education level, requires said natural gas or casinghead gas to meet its existing needs for fuel;

(d) no facility of the State of Texas or of any county, municipality, or other political subdivision in this state requires said natural gas or casinghead gas to meet its existing needs for fuel;

(e) no producer of food and fiber requires said natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and

(f) no person who resides in the State of Texas and who relies on natural gas or casinghead gas to provide in whole or in part his existing needs for fuel or raw material requires said natural gas or casinghead gas to meet such needs.

31. The royalty provided for in Paragraphs 3 (a), 3 (b), 3 (c), and 3 (d) of this lease shall escalate to one-third (1/3rd), on a per well basis, after payout of the total cost of drilling, completing, equipping and operating during payout of each such well.

32. In addition to the terms and provisions contained in this lease, the following provisions are deemed to be incorporated in said lease:

(a) Within the primary term of said lease, Enserch Exploration, Inc. binds and commits itself to commence the drilling of a test well at a legal location of its selection on land covered thereby, and to drill same to a depth sufficient to adequately test the zone Delaware (Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P RR. Co. Survey, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056 to 4,118 feet.

(b) In the event the above well is completed as a well capable of producing oil and/or gas in paying quantities, Enserch shall conduct a continuous development program on the leased land with no more than thirty (30) days between the completion of one (1) well and commencement of the next well, with one (1) well to be drilled on each proration unit established by the Texas Railroad Commission. In the absence of field rules, a proration unit shall be deemed to consist of 80 acres for oil wells and 160 acres for gas wells. Upon the completion of said drilling program, Enserch shall release to Atlantic Richfield Company all undrilled proration units.

IN WITNESS WHEREOF, this instrument is executed on the date first above written, without warranty of any kind, either expressed or implied.

ATLANTIC RICHFIELD COMPANY, INDIVIDUALLY
AND AS AGENT FOR THE STATE OF TEXAS

ATTEST:

By: Muriel L. Mooney
Asst. Secretary

By: J. L. Wilson
J. L. Wilson, Vice-President

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared _____

_____, known to me to be the person _____ whose name _____ are/is subscribed to the foregoing instrument, and acknowledged to me that _____ he _____ executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this the _____ day of _____ A.D., 19_____.

_____

Notary Public in and for _____ County, Texas

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared _____

_____, known to me to be the person _____ whose name _____ are/is subscribed to the foregoing instrument, and acknowledged to me that _____ he _____ executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this the _____ day of _____ A.D., 19_____.

_____

Notary Public in and for _____ County, Texas

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared _____

_____, known to me to be the person _____ whose name _____ are/is subscribed to the foregoing instrument, and acknowledged to me that _____ he _____ executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this the _____ day of _____ A.D., 19_____.

_____

Notary Public in and for _____ County, Texas

STATE OF Texas)
)
COUNTY OF Dallas)

BEFORE ME, The undersigned authority, a Notary Public in and for said County and State, on this day personally appeared J. L. Wilson, Vice- President of Atlantic Richfield Company, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 20th day of October, A.D. 1976.

My Commission Expires:
March 31, 1978

Phyllis L. Dickey
Notary Public in and for
Dallas County, Texas

PHYLLIS L. DICKEY

M 74053

Lease

File Dated 10-22-76

Bob Armstrong, Commissioner

RECEIVED AS STATED

$16,000.00

Date 10-21-76

Reg. No. 14679

GENERAL LAND OFFICE

RECEIVED AS STATED

$5.00

Date 10-21-76

Reg. No. 14680

GENERAL LAND OFFICE

(1)

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 86963

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of Reeves }

I, Catherine Ashley, Clerk

of the County Court of Reeves County, Texas, do hereby certify that the foregoing is a true and correct copy of the original OIL & GAS LEASE from ATLANTIC RICHFIELD COMPANY to ENSERCH EXPLORATION, INC., as the same was filed for record in my office on the 22nd day of October, 1976 at 10:55 AM under File NO. 3913, to be recorded in the DEED RECORDS of Reeves County, Texas.

~~as the same appears of record in my office in book~~ xxxxx ~~page~~ xxxxx.

Given under my Hand and Seal of said Court, at office in Pecos, Texas

this 22nd day of October 1976.

Catherine Ashley Clerk,

By Joana Jaquez Deputy.

October 22, 1976

Enserch Exploration, Inc.
1817 Wood Street
P. O. Box 2649
Dallas, Texas 76201

Re: State Lease No. M-74053
Section 24, Blk. 57, T-3, T&P Ry. Co. Survey
(to approximate depth of 4056' - 4118')
Reeves County, Texas

Gentlemen:

The certified copy of Oil and Gas Lease, affecting the captioned tract, has been approved and filed in our records under M-74053 to which mineral file number you should refer in any future correspondence concerning this lease.

Your remittances in the amounts of $16,000.00 and $5.00 have been applied as the State's portion of the cash bonus and filing fee due on the lease. A receipt for this total amount is enclosed herewith.

Sincerely yours,

Bob Armstrong

By:

V. C. Morelle, Attorney

VCM/tv

encl.

(2) I. F. 74053

CORRESPONDENCE FILE

To ~~X~~ Enserch Expl. Co.

Dated 10-22-76

Exploration and Development

Lease Status Report

DO NOT DESTROY

TO: Mineral Acctg. DATE 7-10-77 NAME M. H. JANSZEN

M.F. No. 74053

Lease ARCO STATE

County REEVES

Operator ENSERCH EXPLORATION, INC.

FIELD: REAVES, N.

Effective Date

- ☐ P & A (Last Well on Lease) _____
- ☑ First Producing Well on Lease 12-13-76
- ☐ Commingle Production _____
- ☐ Unit & Pooling Agreements _____
- ☐ Amendments to Units _____
- ☐ Other: Note Below _____

GAS WELL POT: 3406 MCFGD;

ALSO TWO ADDITIONAL GAS WELLS.

Form 11/73

MINERAL ACCOUNTING
MEMORANDUM

(File in "B" File)

RE: M- 74053 Split from M- _____ which is

Operator _____ ☐ Producing

Lease Sec. 24, Blk. 57, TE Ry Co. Survey ☐ Nonproducing

County Reeves

		Date	Name
FROM:	Mineral Accounting	1-18-77	A J Wallis
TO:	Exploration & Development	_____	_____
TO:	Legal	_____	_____

NONPRODUCING

___ Delay Rental Due On _____ Not Received

✓ Primary Term Expired 1-12-77

PRODUCING STATUS

OIL: No production reported from _____ (mo./year) through _____ (mo./year)

Oil Royalty Status: ☐ Due $_____ ☐ Royalty paid in full

Name _____

GAS: No production reported from _____ (mo./year) through _____ (mo./year)

Gas Royalty Status: ☐ Due $_____ ☐ Royalty paid in full

Name _____

RENTAL: Three wells are indicated as being shut-in as of 12-30-76, 1-13-77 and 2-1-77

MAPS: Three Loc. Sh 1-18-77

(3) M-74053

Accounting Memo

1-18-77

API Well No. 42 (Instruction (7a & b))

REEVES
API NO.

DIST. 8
42 389 30448

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

M-74053
Unleased

FORM W-1
(12-22-75)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator
Enserch Exploration, Inc.

2. Address (Including City and Zip Code)
P. O. Box 4815
Midland, Texas 79701

3. Is Form F-5 (Organization Report) in Exact Operator Name Filed?
YES [X] NO [ ] (Instruction (2) on back side.)

4. Lease Name
Arco State
OCT 29 1976

5. Location (Sec., Blk., Survey)
Sec. 24, Blk. 57, Twp 3, T&P RR Survey

6. This well is to be located 10 miles SSW
Direction from Orla
Nearest Post Office or Town.

7. RRC District
8

8. County
Reeves

9. Well Number
1-24

10. Number of Acres in Lease
640

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)
660'

12. Total Depth
4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	4677 1200	40 Acres	160	No	None	Regular 1 [X] Rule 37 2 [ ]	Gas	0	0
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED R.R.C. OF TEXAS
OCT 29 1976
O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

660' FSL & 660' FWL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey 4450' Northeast of State No. 1-26

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Elevation 2982' GR
Comp: 12-13-76 (G-1)
Pfd: 3139-58
IPAOF: 3706 MCFGD (dry)
SIP: 1443
T.D: 4220

Jack L. Sledge
Signature
-Jack L. Sledge
Dist. Manager - Drilling & Production
Title
October 18, 1976
Date
Telephone: Area Code 915 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

10/26/76
10-21-76

STRICKLAND PLAT SERVICE
P. O. DRAWER 1387, AUSTIN, TEXAS 78767

RECEIVED
R.R.C. OF TEXAS
OCT 29 1976
O.G.
MIDLAND, TEXAS

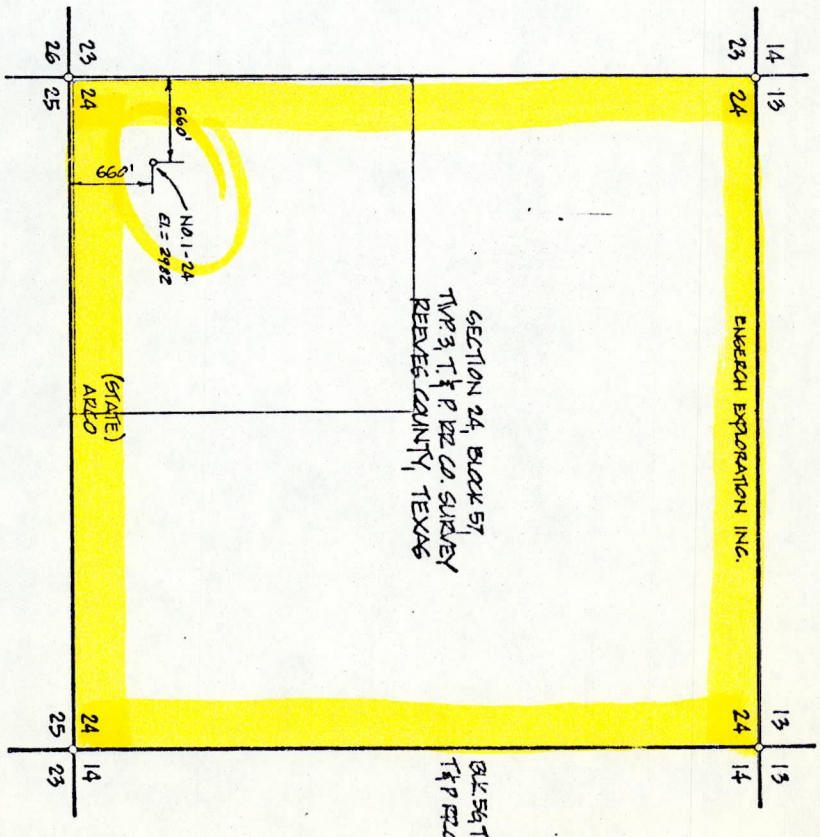
PLAT OF ENSERCH EXPLORATION INC.'S NO. 1-24, LOCATED 660' FWL AND 660' FSL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

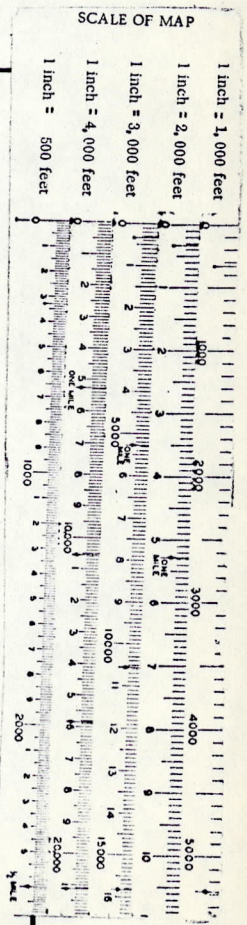
I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR



SCALE OF MAP



N.R.

E/P

ENSERCH EXPLORATION INC

(161)

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager — Drilling & Production
West Texas District
Drilling and Production Division

October 18, 1976

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

Re: Enserch Exploration, Inc.
Arco State No. 1-24
Sec. 24, Blk. 57, Twp 3
T&P RR Survey
Reeves County, Texas
Exception to Statewide Rule 13

Gentlemen:

Attached is Form W-1 for the subject well. We hereby request exception to Statewide Rule 13 to set less surface pipe than is required by the Texas Water Development Board and to make a tubingless completion by running 2-7/8" OD tubing as production casing. Our procedure would be to set approximately 250' of 8-5/8" OD surface casing with cement circulated to the surface and set 2-7/8" OD tubing at TD and circulate cement to the surface behind the 2-7/8" tubing.

The Texas Water Development Board requires fresh water protection to the base of the Rustler which is approximately 1000'. Administrative approval of this application is requested at the earliest possible date in order that we may commence the well immediately.

Yours truly,

Jack L. Sledge

JLS:bkh
Attachment
bcc: J. F. Lyle
J. M. Wetzel
C. A. Johnson

API Well No. 42
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

7. RRC District: 8

8. County: Reeves

1. Operator: Enserch Exploration, Inc.

4. Lease Name: Arco State

9. Well Number: 1-24

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

10. Number of Acres in Lease: 640

6. This well is to be located 10 miles SSW Direction from Orla, Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 660'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

12. Total Depth: 4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	467/ 1200	40 Acres	160	No	None	Regular 1 [X] Rule 37 2 [ ]	Gas	0	0
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

660' FSL & 660' FWL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey 4450' Northeast of State No. 1-26

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Elevation 2982' GR

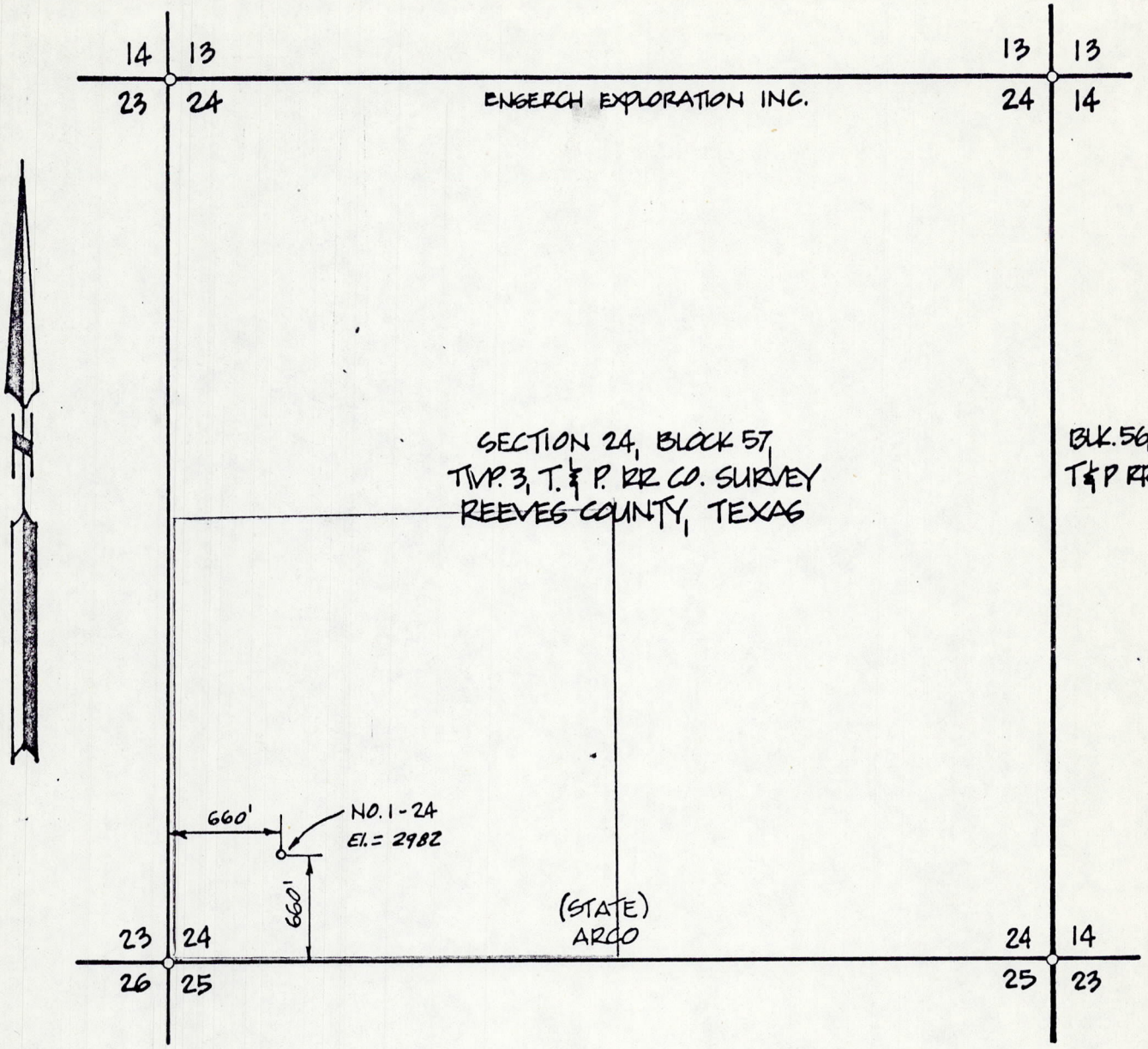
Jack L. Sledge -Jack L. Sledge
Signature

Dist. Manager - Drilling & Production
Title

October 18, 1976
Date

Telephone: Area Code 915, 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



PLAT OF ENSERCH EXPLORATION INC.'S NO. 1-24, LOCATED 660' FWL AND 660' FSL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

WELL STATUS REPORT

OPERATOR Ensearch Exploration Inc.

STATE LEASE NO. Unkown FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Arco-State WELL NO. 1-24

FIELD NAME Reaves North 3200 feet WILDCAT ____ COUNTY Reeves

REPORT NO. 1st SPUD DATE 10-21-76 DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 4200 feet

PERFS Unkown 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They have a flowing well head on this location, along with test tank on well pad. I think these wells are gas wells & they have taken a POTENTIAL TEST but its still ?????

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE Dec 1, 1976

(4)

M. F. 74053

APPLICATION TO DRILL

WELL # 1-24

FILED 1-6 1977

BOB ARMSTRONG, COMMISSIONER

BY: MHJ

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

REVISED M-74053

API well No. 42
Instruction (7a & b) on back side.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator: Enserch Exploration, Inc.

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

4. Lease Name: Arco State

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

6. This well is to be located 10 miles SSW Direction from Orla Nearest Post Office or Town.

7. RRC District: 8

8. County: Reeves

9. Well Number: 2-24

10. Number of Acres in Lease: 640

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320'

12. Total Depth: 4400'

NOV 19 1976

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, ~~Norch~~ (3200')	4400'	None	467/1200	40 Acres	160	No	2550'	Regular 1 [X] Rule 37 2 [ ]	Gas	0	1
Amended to change Location								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED R.R.C. OF TEXAS NOV 9 1976 O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD

1600' FSL & 1320' FEL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey 2550' Northeast of Arco State No. 1-24

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Jack L. Sledge - Jack L. Sledge
Signature

District Manager - Drilling and Production
Title

November 8, 1976
Date

Telephone: Area Code 915 682-9756

REMARKS: Elevation 2932' GR

Revised to show corrected location which was moved

380' south in order to move out of a low wash area.

~~Comp: 12-13-76 (Ser)~~
~~Pfd: 3157-G~~
~~1PAOF: 3,906 MCFGD~~
~~TD: 4400'~~

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Comp: 12-30-76 (G-1)
Pfd: 3157-G1
1PAOF: 904 MCFGD (dry)
SIWHP: 1422#
TD: 3250

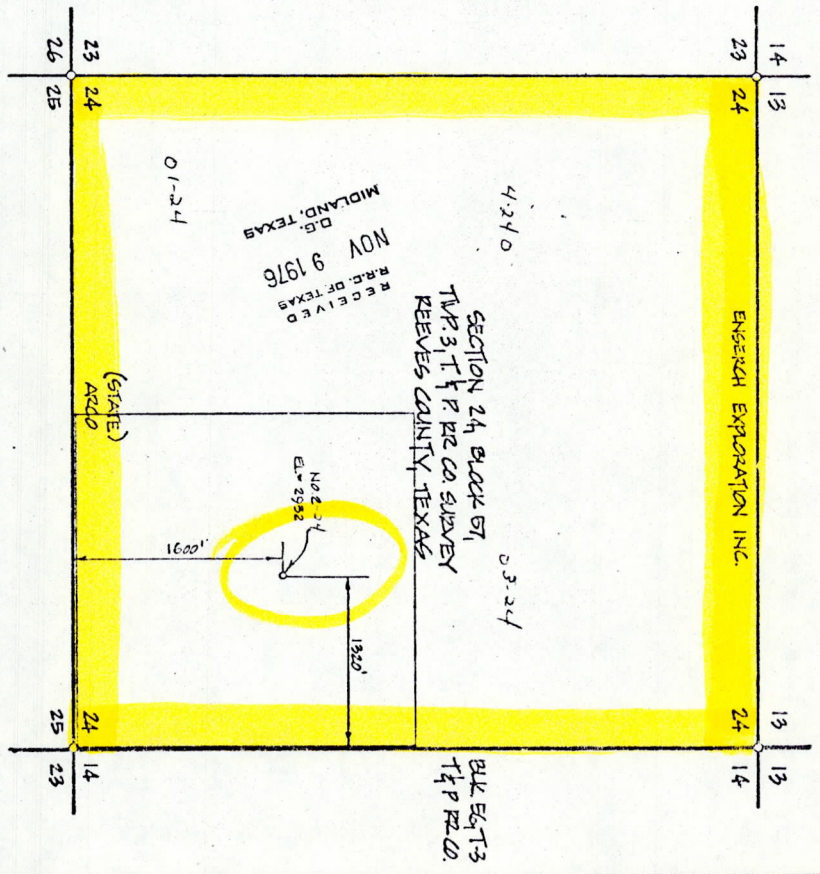
PLAT OF ENSERCH EXPLORATION INC.'S NO. 2-24, LOCATED 1600' FSL AND 1320' FEL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS — FRED P. ARMSTRONG — 2520 — REGISTERED PUBLIC SURVEYOR



SCALE OF MAP

1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

SURVEY PLAT SERVICE P. O. DRAWER 1867, AUSTIN, TEXAS 78767

SPS

11-16-76

11-19-76

NR

REEVES DIST. 8
API NO. 42 389 30450

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

Unleased 8

Act, Well No. Instruction (7a & b) on back side.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator: Enserch Exploration, Inc.

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

4. Lease Name: Arco State — OCT 29 1976

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

6. This well is to be located 10 miles SSW Direction from Orla, Nearest Post Office or Town.

7. RRC District: 8

8. County: Reeves

9. Well Number: 2-24

10. Number of Acres in Lease: 640

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320'

12. Total Depth: 4400'

10/26/76

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern, If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern, If no Rules, State 40 (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	467/1200	40 Acres	160	No	1320/~~2550'~~	Regular 1 [X] Rule 37 2 [ ]	Gas	0	1
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED R.R.C. OF TEXAS OCT 20 1976 O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1980' FSL & 1320' FEL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey ~~2550' Northeast~~ 1320 South of Arco State No. ~~1-24~~ 3-24

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS: Elevation 2932' GR

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Jack L. Sledge - Jack L. Sledge
Signature

District Manager - Drilling and Production
Title

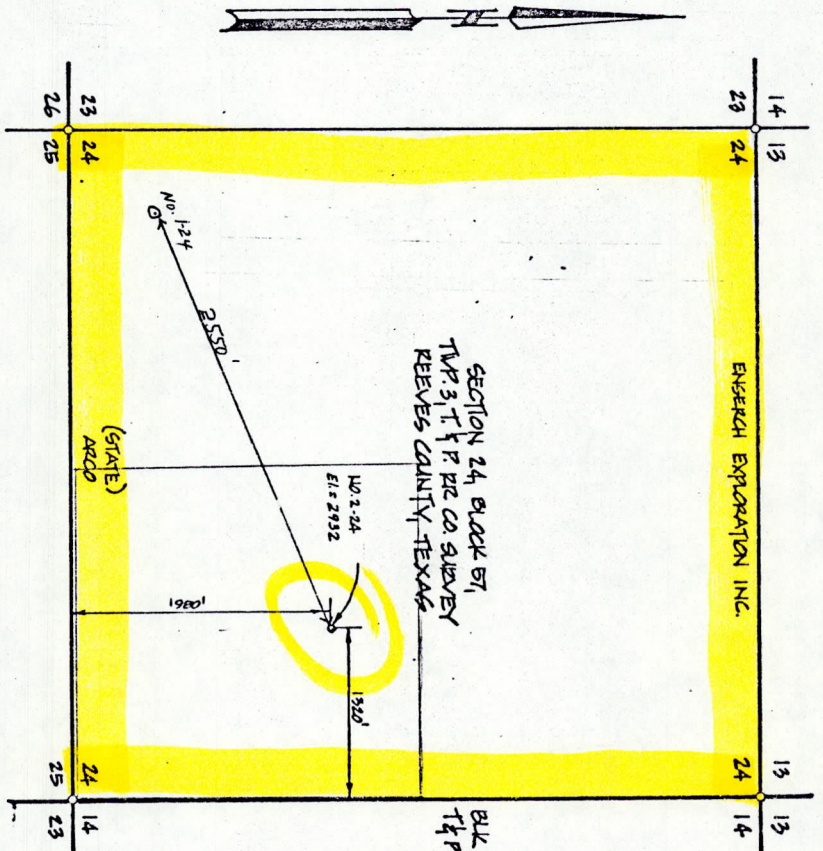
October 18, 1976
Date

Telephone: Area Code 915, 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

10-22-76

Surveyors PLAT SERVICE P. O. DRAWER 1867, AUSTIN, TEXAS 78767



PLAT OF ENSERCH EXPLORATION INC.'S NO. 2-24, LOCATED 1980' FSL AND 1320' FEL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS — FRED P. ARMSTRONG — REGISTERED PUBLIC SURVEYOR — 974

RECEIVED R.R.C. OF TEXAS OCT 20 1976 O.G. MIDLAND, TEXAS

SCALE OF MAP

1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

NR

ENSERCH EXPLORATION INC

File

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager — Drilling & Production
West Texas District
Drilling and Production Division

October 18, 1976

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

Re: Enserch Exploration, Inc.
Arco State No. 2-24
Sec. 24, Blk. 57, Twp 3
T&P RR Survey
Reeves County, Texas
Exception to Statewide Rule 13

Gentlemen:

Attached is Form W-1 for the subject well. We hereby request exception to Statewide Rule 13 to set less surface pipe than is required by the Texas Water Development Board and to make a tubingless completion by running 2-7/8" OD tubing as production casing. Our procedure would be to set approximately 250' of 8-5/8" OD surface casing with cement circulated to the surface and set 2-7/8" OD tubing at TD and circulate cement to the surface behind the 2-7/8" tubing.

The Texas Water Development Board requires fresh water protection to the base of the Rustler which is approximately 1000'. Administrative approval of this application is requested at the earliest possible date in order that we may commence the well immediately.

Yours truly,

Jack L. Sledge

JLS:bkh
Attachment
bcc: J. F. Lyle
J. M. Wetzel
C. A. Johnson

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

API Well No. 42
Instruction (7a & b) on back side.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

7. RRC District: 8

8. County: Reeves

1. Operator: Enserch Exploration, Inc.

4. Lease Name: Arco State

9. Well Number: 2-24

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

10. Number of Acres in Lease: 640

6. This well is to be located 10 miles SSW Direction from Orla, Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

12. Total Depth: 4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	467/1200	40 Acres	160	No	2550'	Regular 1 [X] Rule 37 2 [ ]	Gas	0	1
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

4. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1980' FSL & 1320' FEL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey 2550' Northeast of Arco State No. 1-24

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS: Elevation 2932' GR

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

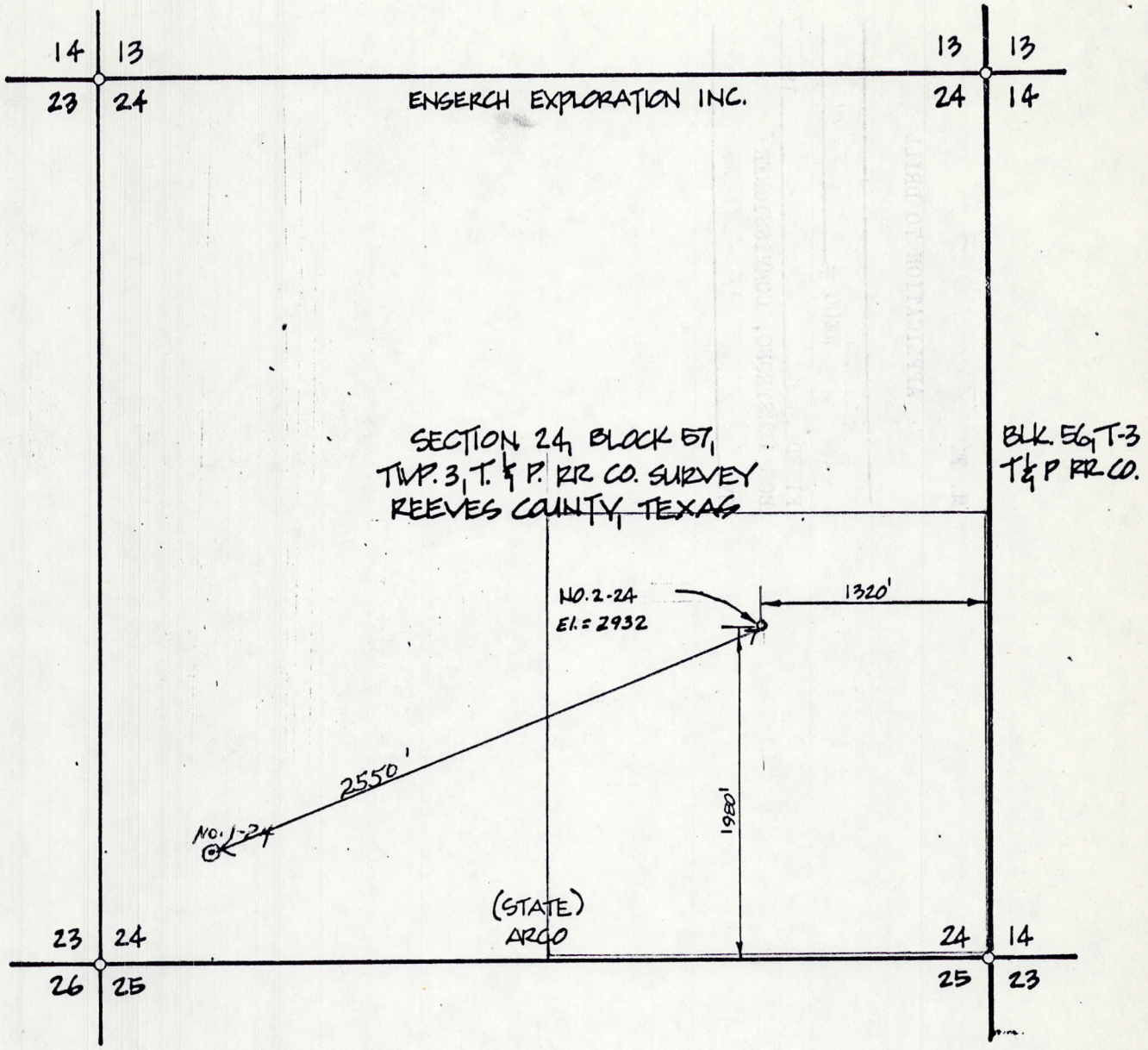
Jack L. Sledge - Jack L. Sledge
Signature

District Manager - Drilling and Production
Title

October 18, 1976
Date

Telephone: Area Code 915, 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



PLAT OF ENSERCH EXPLORATION INC.'S NO. 2-24, LOCATED 1980' FSL AND 1320' FEL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

(5)

M. F. 74053

APPLICATION TO DRILL

WELL # 2-34

FILED 2-15 19 77

BOB ARMSTRONG, COMMISSIONER

BY: MHJ

15-54-58

M-74053

Lse Expired 8

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

API well No. -- (Instructions (7a & b) on back.) REEVES API NO. 42 389 30453 DIST. 8

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator: Enserch Exploration, Inc.

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

4. Lease Name: Arco State — OCT 20 1976

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

6. This well is to be located 10 miles SSW Direction from Orla Nearest Post Office or Town.

7. RRC District: 8

8. County: Reeves

9. Well Number: 3-24

10. Number of Acres in Lease: 640

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320'

12. Total Depth: 4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	467/1200	40 Acres	160	No	1320'	Regular 1 [X] Rule 37 2 [ ]	Gas	0	2
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED R.R.C. OF TEXAS OCT 20 1976 O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1980' FNL & 1320' FEL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey — 1320' North of Arco State No. 2-24

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Elevation 2951' GR

Comp: 1-29-77 (G-1)
DFS: 3173-95
IPAOF: 821 MCFGD (dry)
SIWHP: 1437#
TD: 3300

Jack L. Sledge — Jack L. Sledge
Signature

Dist. Manager - Drilling & Production
Title

October 18, 1976
Date

Telephone: Area Code 915 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

RECEIVED R.R.C. OF TEXAS OCT 20 1976 O.G.

10/26/76

10-22-76

STRAUHUT PLAT SERVICE P. O. DRAWER 1687, AUSTIN, TEXAS 78767

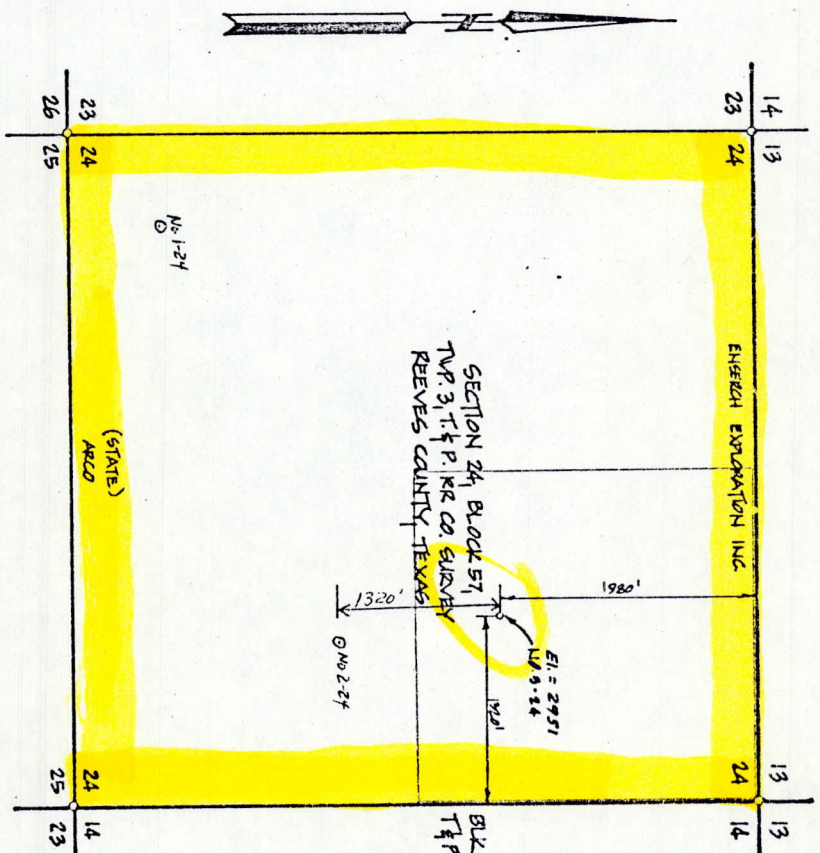
PLAT OF ENSERCH EXPLORATION INC.'S NO. 3-24, LOCATED 1320' FEL AND 1980' FNL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS — FRED P. ARMSTRONG — 914 — REGISTERED PUBLIC SURVEYOR



SCALE OF MAP

1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

N.R.

ENSERCH EXPLORATION INC

File

P. O Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager – Drilling & Production
West Texas District
Drilling and Production Division

October 18, 1976

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

Re: Enserch Exploration, Inc.
Arco State No. 3-24
Sec. 24, Blk. 57, Twp 3
T&P RR Survey
Reeves County, Texas
Exception to Statewide Rule 13

Gentlemen:

Attached is Form W-1 for the subject well. We hereby request exception to Statewide Rule 13 to set less surface pipe than is required by the Texas Water Development Board and to make a tubingless completion by running 2-7/8" OD tubing as production casing. Our procedure would be to set approximately 250' of 8-5/8" OD surface casing with cement circulated to the surface and set 2-7/8" OD tubing at TD and circulate cement to the surface behind the 2-7/8" tubing.

The Texas Water Development Board requires fresh water protection to the base of the Rustler which is approximately 1000'. Administrative approval of this application is requested at the earliest possible date in order that we may commence the well immediately.

Yours truly,

Jack L. Sledge

Jack L. Sledge

JLS:bkh
Attachment

bcc: J. F. Lyle
J. M. Wetzel
C. A. Johnson

API Well No. 42
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

7. RRC District: 8

8. County: Reeves

1. Operator: Enserch Exploration, Inc.

4. Lease Name: Arco State

9. Well Number: 3-24

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

10. Number of Acres in Lease: 640

6. This well is to be located 10 miles SSW Direction from Orla, Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320'

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

12. Total Depth: 4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	23. GAS
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CERTIFICATE

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REMARKS: Elevation 2951' GR

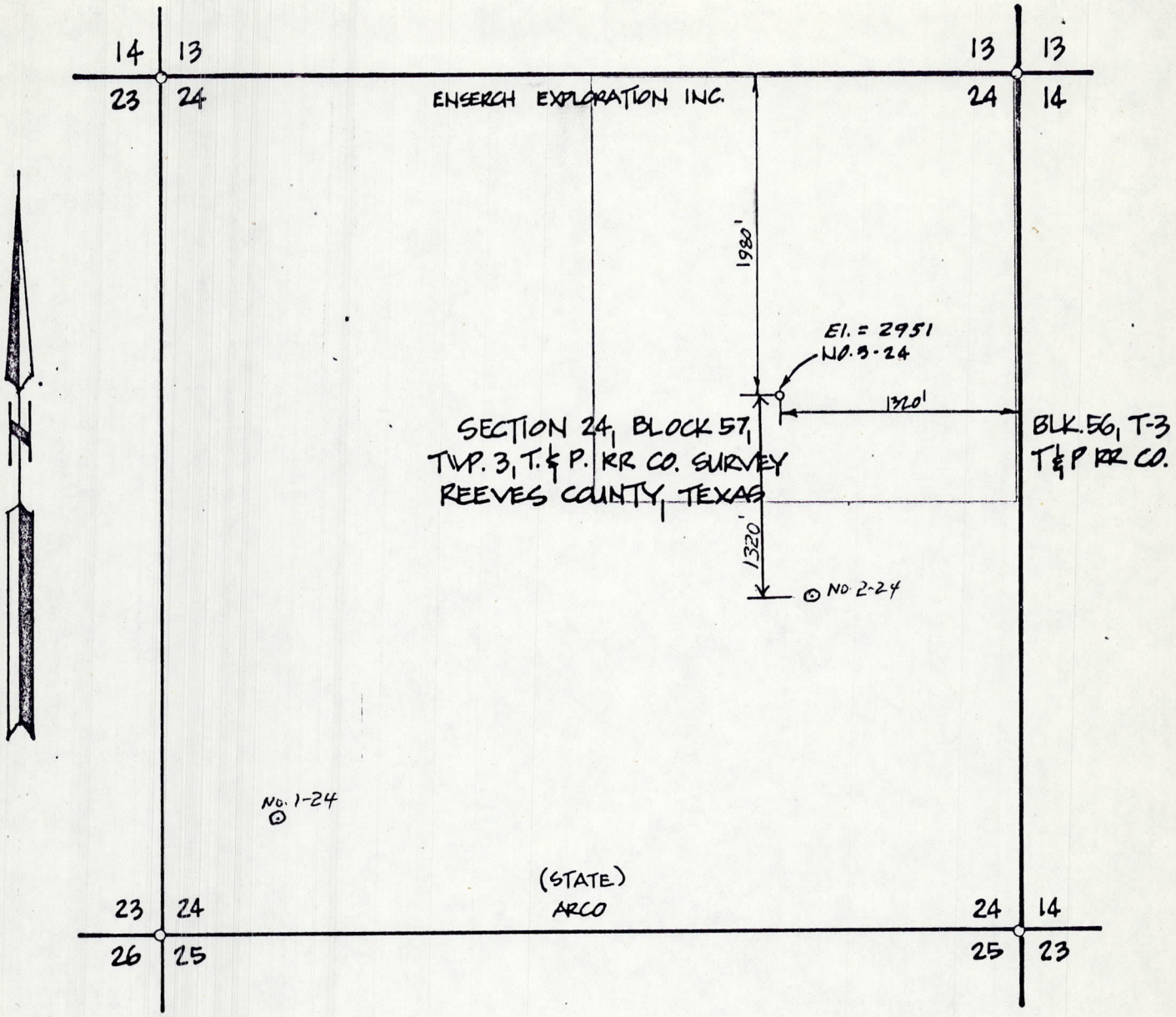
Jack L Sledge - Jack L. Sledge
Signature

Dist. Manager - Drilling & Production
Title

October 18, 1976
Date

Telephone: Area Code 915 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



PLAT OF ENSERCH EXPLORATION INC.'S NO. 3-24, LOCATED 1320' FEL AND 1980' FNL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

WELL STATUS REPORT

OPERATOR Ensearch Exploration Inc.

STATE LEASE NO. M-74053 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Arco State WELL NO. 3-24

FIELD NAME Reaves North 3200 feet WILDCAT ____ COUNTY Reeves

REPORT NO. 1st SPUD DATE 1-11-76 DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 3300 feet

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They have logged, ran pipe and are trying to make a well out of this location ?

BA/jmh/gs

2-25-75

James Weatherly
INSPECTOR

Jan 18, 1977
DATE

(6)

M. F. 74053

APPLICATION TO DRILL

WELL # 3-24

FILED 2-3 19 77

BOB ARMSTRONG, COMMISSIONER

BY: MHA

ENSERCH EXPLORATION INC

161

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager - Drilling & Production
West Texas District
Drilling and Production Division

December 30, 1976

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

m-74053

Re: Enserch Exploration, Inc.
Arco State No. 1-24
Reaves, North (3200') Field
Reeves County, Texas

Gentlemen:

Filed herewith are the following completion forms for the subject well:

Form G-1 (2 copies)
Form W-15 (2 copies)
Location Plat (2 copies)

We do not have a connection for the gas at this time. A Form P-4 will be submitted after a connection has been made.

Yours truly,

Jack L. Sledge

JLS:vjd

Encls-

bcc: General Land Office
J. F. Lyle
J. M. Wetzel
C. A. Johnson

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-1
Rev. 7/7/75

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

7. RRC District: 8
8. RRC Identification Number:

1. FIELD NAME (as per RRC Records or Wildcat): Reaves, North (3200')
2. LEASE NAME: Arco State
9. Well Number: 1-24
3. OPERATOR: Enserch Exploration, Inc.
10. County: Reeves
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701
11. Purpose of Test: Initial Potential [X] Retest [ ] Reclass [ ]
5. If Operator has changed within last 60 Days -- Give former Operator:
6. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp 3, T&P RR Survey
12. Pipe Line Connection: None
13. If Workover, give former Field (with Reservoir):
14. Completion Date: 12-13-76
15. List of Offset Operators Notified and Date of Notification:
16. Type of Electric or other Log Run: Sonic, Dual-Laterolog

Section I — GAS MEASUREMENT DATA

Date of Test: 12-13-76
Gas Measurement Method (Check One): Orifice Meter [ ] Positive Choke [ ] Orifice Vent Meter [X] Pitot Tube [ ] Critical-flow Prover [ ]
Gas produced during test: 137.1 MCF

Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2"	3/4"	113	4.5" Hg		47	1.0127	1.0233	0.9594	112.3
2	2"	3/4"	327	30" Hg		27	1.0333	1.0233	0.9676	334.6
3	2"	1-1/4"	536	10" Hg		53	1.0068	1.0233	0.9615	531.0
4	2"	1-1/4"	672	15" Hg		56	1.0039	1.0233	0.9633	665.0

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-In Temp.	Bottom Hole Temp.
0.573	None Deg. API	CF/Bbl	G_{mix} =	81 °F	92 °F @ 3049 (Depth)

$D_{eff}^{8/3}$ = ; $\sqrt{T_f}$ = $\sqrt{\quad}$ = ; $\sqrt{GL}$ = $\sqrt{\quad}$ =

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = = ; $\frac{\sqrt{GL}}{C}$ = = =

Run No.	Time of Run Min.	Choke Size	Wellhead Press P_w PSIA	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_1	P_w/P_1
Shut-In			1443.2		2083				
1	120	6/64"	1439.2	70	2071				
2	240	8/64"	1223.2	70	1496				
3	120	12/64"	771.2	70	595				
4	60	16/64"	723.2	70	523				

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2	$P_f^2 - P_s^2$
Shut-In					1568.2	2459	
1	BHP measured with Amerada			RPG-3	1557.2	2425	34
2	gauge Ser. No. 32030 0-4000 psig				1470.2	2161	298
3					1423.2	2025	434
4					1396.2	1949	510

Angle of Slope: θ = 45°
n = 1.000
Absolute Open Flow: 3206.3 MCF/DAY

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 133.84 feet at a measured depth of 4220 feet.

Signature of Authorized Representative

Roy H. Smith Drilling Company
Name of Company Conducting Survey

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementer or Authorized Representative

Name of Cementing Company

CERTIFICATE:
I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REPRESENTATIVE OF COMPANY

Agent
TITLE

Dec. 17, 1976
DATE

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Date Permit Issued: Oct. 20, 1976

19. Notice of Intention to Drill this Well was filed in Name of: Enserch Exploration, Inc.

20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 1

22. Total Number of Acres in this Lease: 640

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced 10-21-76; Completed 11-2-76

24. Distance to Nearest Well, Same Lease & Reservoir: None

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 660 Feet From West Line of The Arco State Lease; South Line And 660 Feet From

26. Elevation (DF, RKB, RT, GR, ETC): 2982' GR

27. Was Directional Survey Made: Yes [ ] No [X]

28. Top of Pay: 3122'

29. Total Depth: 4220'

30. P.B. Depth: 3820'

31. Surface Casing Determined By: Recommendation of Texas Water Development Board [ ] Field Rules [ ] Railroad Commission (Special) [X]

32. Is Well Multiple Completion? Yes [ ] No [X]

33. If Multiple Completion List All Reservoir Names (Completions in this Well)

34. Intervals Drilled By: Rotary Tools 0-4220' Cable Tools

35. Name of Drilling Contractor: Roy H. Smith Drilling Company

36. Is Cementing Affidavit Attached? Yes [X] No [ ]

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8" OD	24#	252'		175 sx. C	12-1/4"	Surface	231
4-1/2" OD	10.50#	4209'		1820sx. C	7-7/8"	1500'	3304
				950 sx. C	7-7/8"	Surface	2427
Note: 4½" casing perforated at 1500' and cement circulated to surface.							

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen

39. TUBING RECORD

Size	Depth Set	Packer Set
2-3/8" OD	3101'	3108'

40. Producing Interval (this completion) indicate Depth of Perforations or Open Hole

From 3139' To 3158' (18 holes)

From To

From To

From To

41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3139'-58'	1500 gals. 15% MCA 20,000 gals. 5% gelled acid 30,000# 20/40 sand

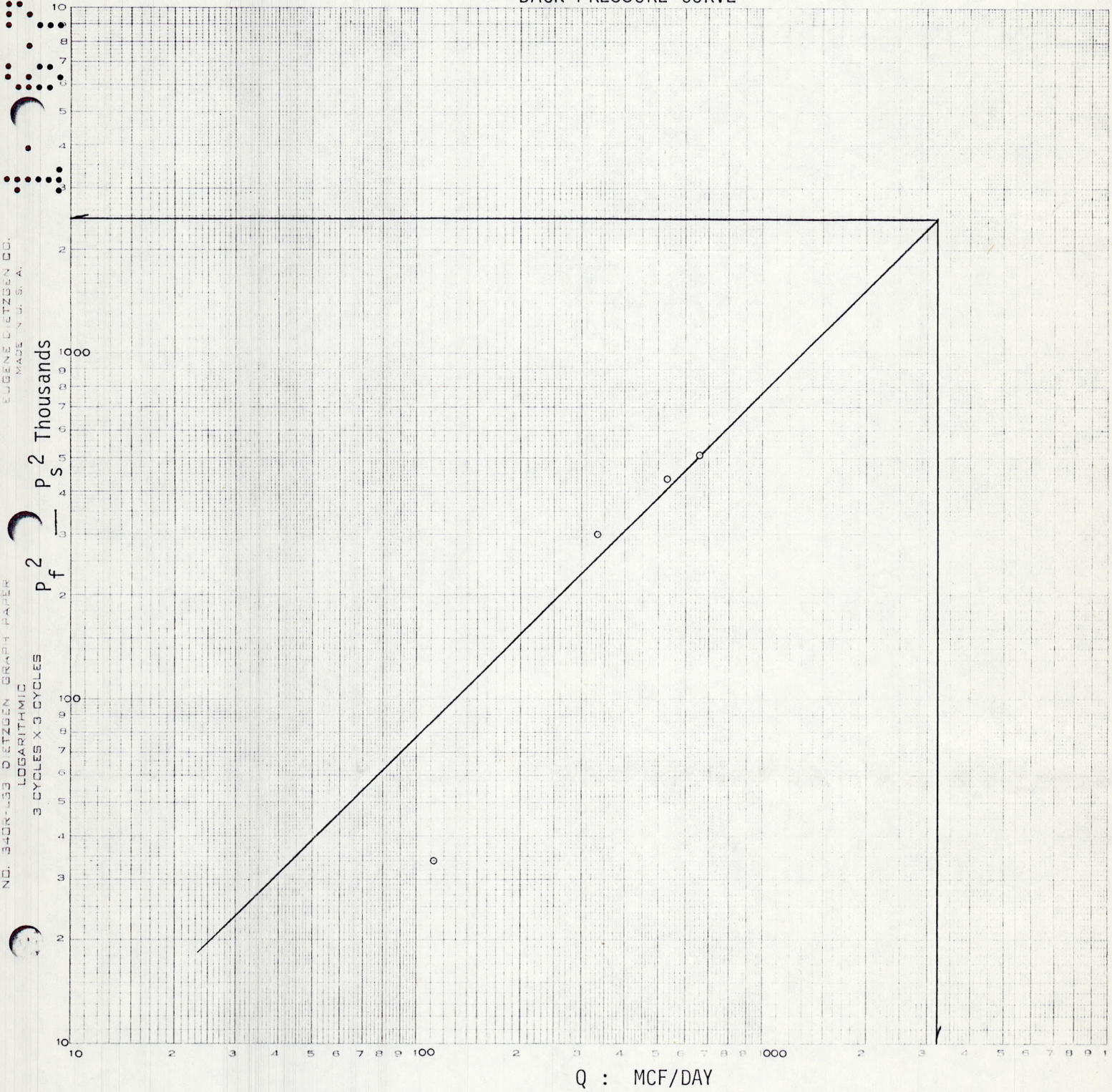
42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware Lime	3068'		
Bell Canyon	3122'		

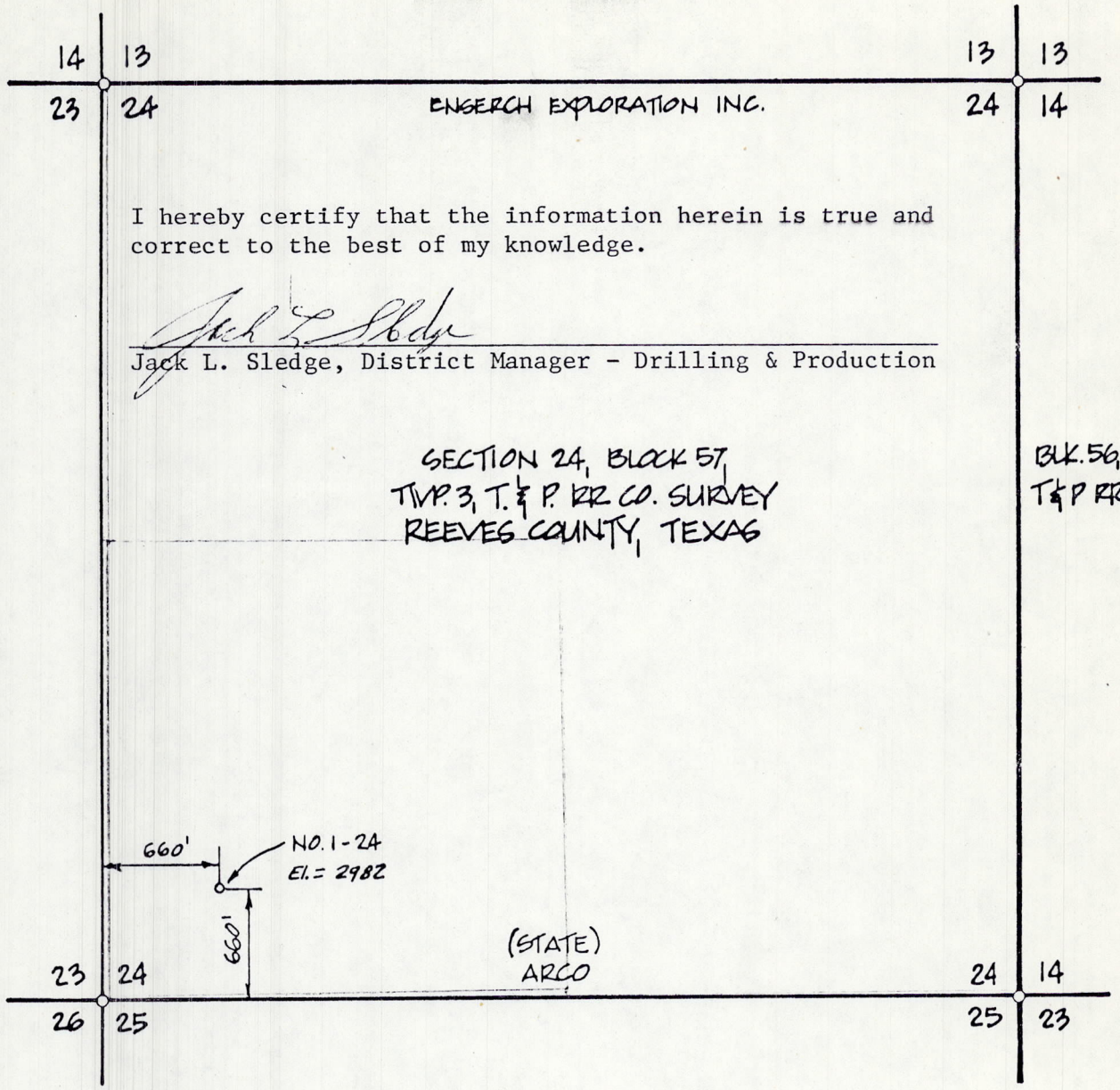
REMARKS

Company : Enserch Exploration, Inc.
Well : Arco State No. 1-24
Field : Reeves North
County : Reeves
State : Texas
Date : December 13, 1976

BACK PRESSURE CURVE



AOFP : 3206.3 MCF/D
n : 1.000
θ : 45°

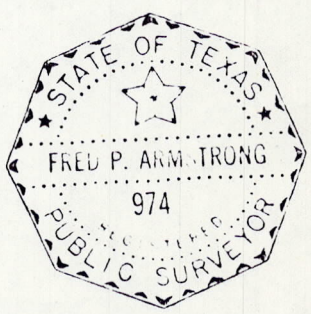


PLAT OF ENSERCH EXPLORATION INC.'S NO. 1-24, LOCATED 660' FWL AND 660' FSL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR



RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-68)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat): Reaves, North (3200')	*2. RRC District: 8
*3. Operator: Enserch Exploration, Inc.	*4. County: Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s): Arco State	*6. Well Number: 1-24
*7. Location (Section, Block, and Survey): Section 24, Block 57, Twp 3, T&P RR Co. Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date	10-22-'76		11-3-'76			
*9. (a) Size of Drill Bit (inches)	12-1/4		7-7/8			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)	8-5/8		4-1/2			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)	252		4209			
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*	"C" ~~2%~~ A7 ¼# C.Flake		Remarks			
(b) In Second Slurry			"C" ¼# C.Flake			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry	175		1100			
(b) In Second Slurry			720			
(c) In Third Slurry						
(d) Total Sacks of Cement Used	175		1820			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry	1.32		2.14			
(b) In Second Slurry			1.32			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry	231		2354			
(b) In Second Slurry			950			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)	231		3304			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)	Surface		Surface			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)	Yes		No			

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks: Production Casing
13a. Class "C" w/ 2% A-2, ¼# Celloflake

*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

Perry Willard
Signature of Cementer or Authorized Representative

Perry Willard Service Engineer
Name of Person and Title (type or print)

BJ-HUGHES Inc.
Cementing Company

Drawer P
Street Address or P.O. Box

Monahans, Texas 79756
City, State Zip Code

Telephone 915 943-2554 or 563-1263
Area Code

11-3-1976
Date

*OPERATOR

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Jack L Sledge
*Signature of Operator or Authorized Representative

Jack L. Sledge, Dist.Mgr.-Drilling & Prod.
*Name of Person and Title (type or print)

Enserch Exploration, Inc.
*Operator

P. O. Box 4815
*Street Address or P.O. Box

Midland, Texas 79701
*City, State Zip Code

*Telephone 915 682-9756
Area Code

December 30, 1976
*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-69)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) Reaves, North (3200')	*2. RRC District 8
*3. Operator Enserch Exploration, Inc.	*4. County Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Arco State	*6. Well Number 1-24
*7. Location (Section, Block, and Survey) Section 24, Block 57, Twp 3, T&P RR Co. Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date			11-4-'76	**Recementing thru perforations		
*9. (a) Size of Drill Bit (inches)				at 1500		
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)			4-1/2"			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)						
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*			"C" 16% Gel.			
(b) In Second Slurry			"C"			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry			850			
(b) In Second Slurry			100			
(c) In Third Slurry						
(d) Total Sacks of Cement Used			950			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry			2.70			
(b) In Second Slurry			1.32			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry			2295			
(b) In Second Slurry			132			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)			2427			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)			Surface			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)			Yes			

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:

*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

John M. Macon
Signature of Cementer or Authorized Representative

John Macon Service Foreman
Name of Person and Title (type or print)

BJ-HUGHES Inc.
Cementing Company

Drawer P
Street Address or P.O. Box

Monahans, Texas 79756
City, State Zip Code

Telephone 915 943-2554 or 563-1263
Area Code

11-4-1976
Date

*OPERATOR

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Jack L. Sledge
*Signature of Operator or Authorized Representative

Jack L. Sledge, Dist.Mgr.-Drilling & Prod.
*Name of Person and Title (type or print)

Enserch Exploration, Inc.
*Operator

P. O. Box 4815
*Street Address or P.O. Box

Midland, Texas 79701
*City, State Zip Code

*Telephone 915 682-9756
Area Code

December 30, 1976
*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

(7)

M. F. 74053

WELL #. 1-24 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER
FILED 1-6-77 BY MH

ENSERCH EXPLORATION INC

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager – Drilling & Production
West Texas District
Drilling and Production Division

January 13, 1977

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

M-74053

Re: Enserch Exploration, Inc.
Arco State No. 2-24
Reaves, North (3200') Field
Reeves County, Texas

Gentlemen:

Filed herewith are the following completion forms for the subject well:

Form G-1 (2 copies)
Form W-15 (2 copies)
Location Plat (2 copies)

We do not have a connection for the gas at this time. A Form P-4 will be submitted after a connection has been made.

Yours truly,

Jack L. Sledge

JLS:vjd

Encls-

bcc: General Land Office
J. F. Lyle
J. M. Wetzel
C. A. Johnson

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-1
Rev. 7/7/75

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

7. RRC District: 8
8. RRC Identification Number:

1. FIELD NAME (as per RRC Records or Wildcat): Reaves, North (3200')
2. LEASE NAME: Arco State
9. Well Number: 2-24
3. OPERATOR: Enserch Exploration, Inc.
10. County: Reeves
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701
11. Purpose of Test: Initial Potential [X] Retest [ ] Reclass [ ]
5. If Operator has changed within last 60 Days -- Give former Operator:
6. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp 3, T&P RR Co. Survey
12. Pipe Line Connection: None
13. If Workover, give former Field (with Reservoir):
14. Completion Date: 12-30-76
15. List of Offset Operators Notified and Date of Notification:
16. Type of Electric or other Log Run: GR-CNL

Section I — GAS MEASUREMENT DATA

Date of Test: 12-30-76
Gas Measurement Method (Check One): Orifice Meter [ ] Positive Choke [ ] Orifice Vent Meter [X] Pitot Tube [ ] Critical-flow Prover [ ]
Gas produced during test: 333.3 MCF

Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2"	1-1/4"	769	19" Hg	-	69	0.9915	1.0278	0.9645	755.8
2	2"	1"	546	26" Hg	-	66	0.9943	1.0278	0.9665	539.3
3	2"	1"	425	17" Hg	-	48	1.0117	1.0278	0.9639	425.9
4	2"	3/4"	278	23" Hg	-	48	1.0117	1.0278	0.9651	279.0

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture G_{mix} =	Avg. Shut-In Temp.	Bottom Hole Temp.
0.568	Dry Gas Deg. API	-- CF/Bbl		80 °F	90 °F @ 3009 (Depth)

$D_{eff}^{8/3}$ = ; $\sqrt{T_f}$ = $\sqrt{\quad}$ = ; $\sqrt{GL}$ = $\sqrt{\quad}$ =

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = ; $\frac{\sqrt{GL}}{C}$ = ____ = ____

Run No.	Time of Run Min.	Choke Size	Wellhead Press P_w PSIA	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_l	P_w/P_l
Shut-In			1422.2		2023				
1	240	18/64"	399.2	70	159				
2	240	16/64"	389.2	70	151				
3	240	14/64"	415.2	70	172				
4	240	12/64"	511.2	70	261				

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2	$P_f^2 - P_s^2$
Shut-In					1537.2	2363	
1	BHP measured with Amerada RPG-3				623.2	388	1975
2	Gauge Serial No. 32030N, 0-4000 psi				615.2	378	1985
3					660.2	436	1927
4					811.2	658	1705

Angle of Slope
θ = 45°
n = 1.000
Absolute Open Flow
903.9 MCF/DAY

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 129.33 feet at a measured depth of 3250 feet.

T. K. Slaughter
Signature of Authorized Representative

Roy H. Smith Drilling Company
Name of Company Conducting Survey

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementer or Authorized Representative

Name of Cementing Company

CERTIFICATE:
I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REPRESENTATIVE OF COMPANY

Agent
TITLE

1-7-77
DATE

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Date Permit Issued: November 10, 1976

19. Notice of Intention to Drill this Well was filed in Name of: Enserch Exploration, Inc.

20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 2

22. Total Number of Acres in this Lease: 640

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced 12-11-76; Completed 12-19-76

24. Distance to Nearest Well, Same Lease & Reservoir: 2550'

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 1600 Feet From South Line And 1320 Feet From East Line of The Arco State Lease

26. Elevation (DF, RKB, RT, GR, ETC): 2932' GR

27. Was Directional Survey Made: Yes [ ] No [X]

28. Top of Pay: 3132'

29. Total Depth: 3250'

30. P.B. Depth: 3187'

31. Surface Casing Determined By: Recommendation of Texas Water Development Board [X] Field Rules [ ] Railroad Commission (Special) [ ]

32. Is Well Multiple Completion? Yes [ ] No [X]

33. If Multiple Completion List All Reservoir Names (Completions in this Well):

34. Intervals Drilled By: Rotary Tools 0-3250' Cable Tools:

35. Name of Drilling Contractor: Roy H. Smith Drilling Company

36. Is Cementing Affidavit Attached? Yes [X] No [ ]

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8" OD	24#	280'		200sx. C	12-1/4"	Surface	264
4-1/2" OD	10.5#	3237'		1550 sx. C	7-7/8"	Surface	3286

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen

39. TUBING RECORD

Size	Depth Set	Packer Set
2-3/8" OD	3087'	3091'

40. Producing Interval (this completion) indicate Depth of Perforations or Open Hole

From 3157' To 3161' (6 holes)
From To
From To
From To

41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3157'-61'	250 gals. 7½% MCA Acid 2000 gals. 2% gelled KCL water 2000 lbs. 20/40 sand

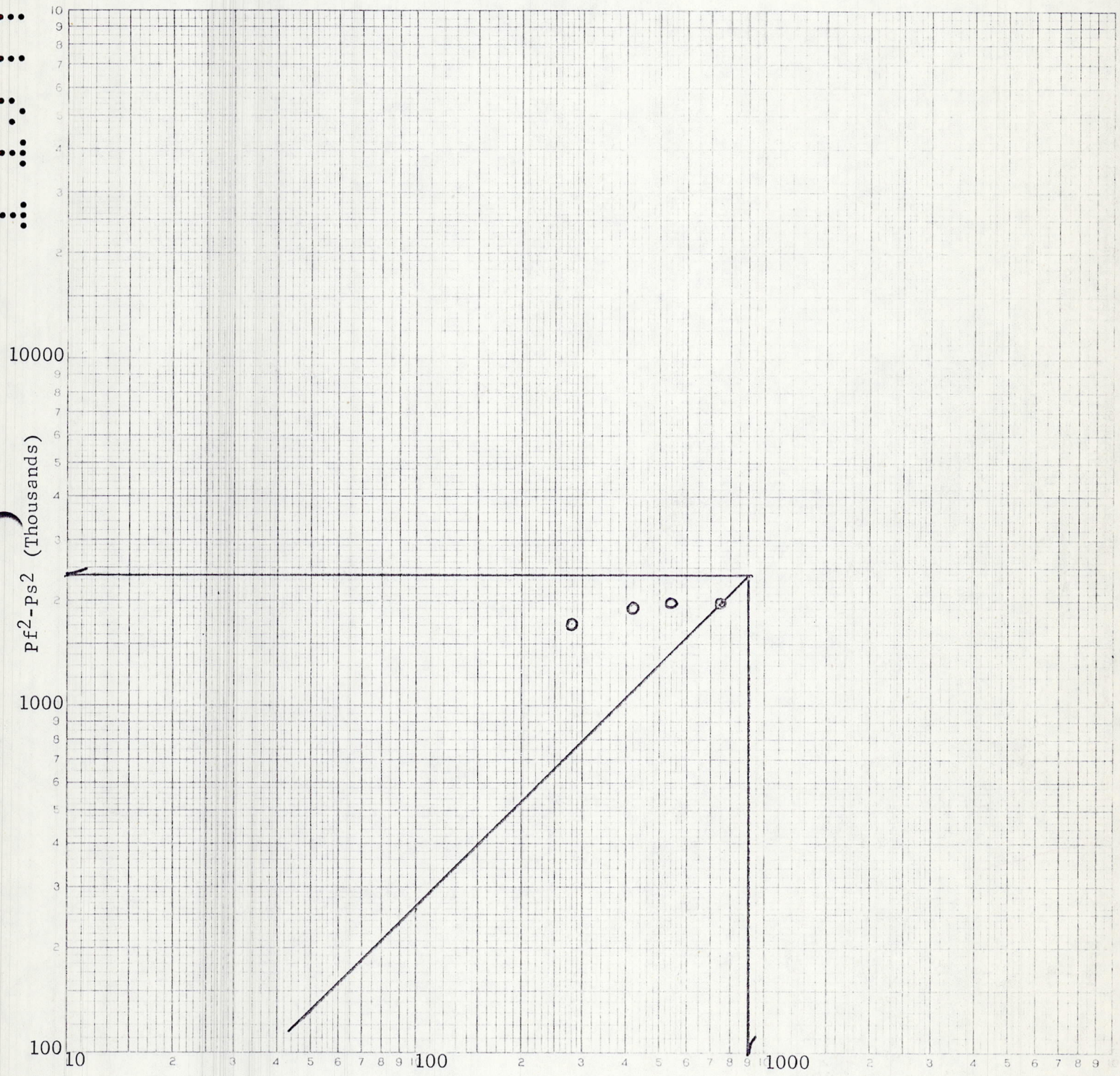
42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware	3080'		
Bell Canyon	3132'		

REMARKS

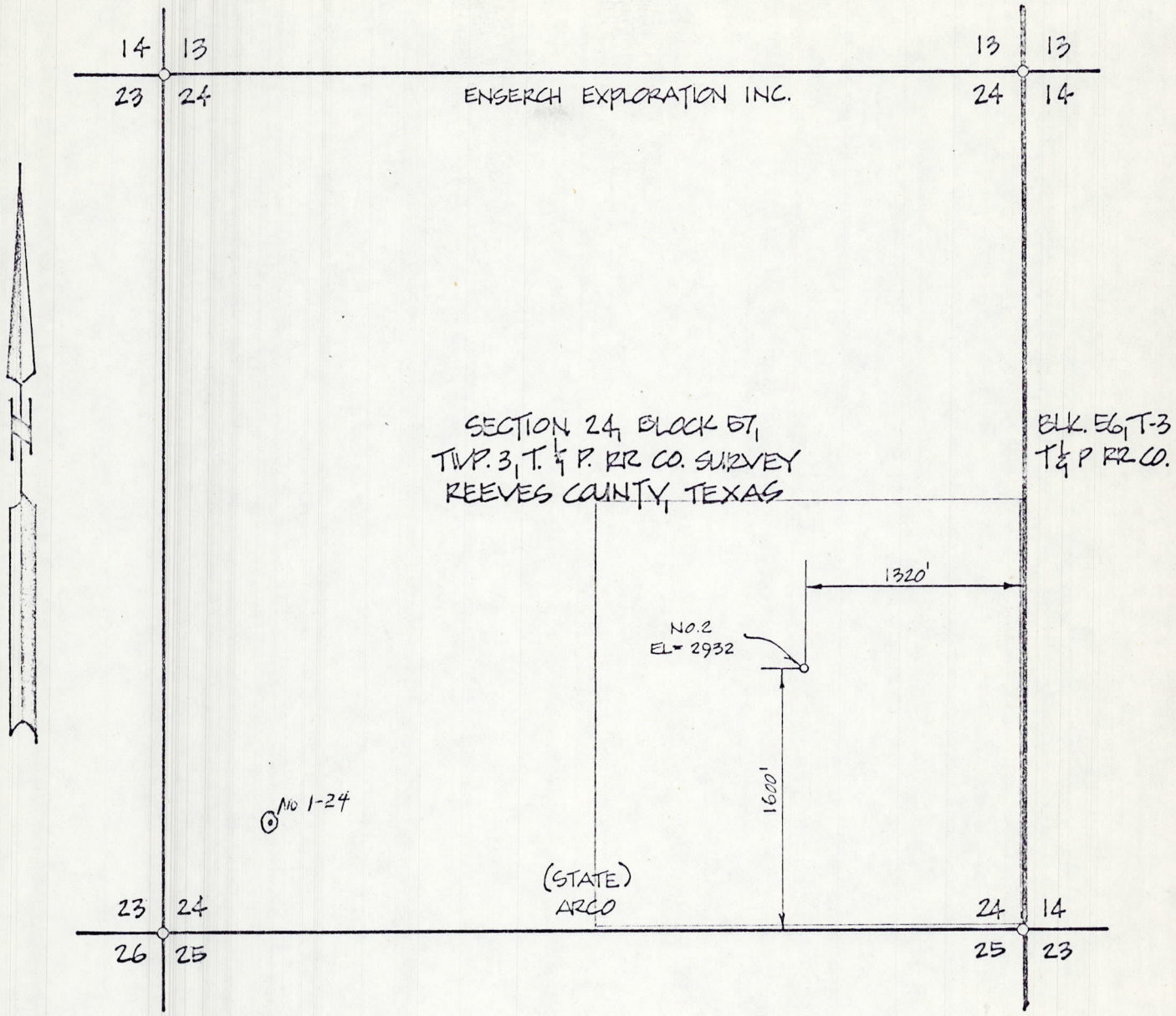
12-081

Company : Enserch Exploration, Inc.
Well : Arco State No. 2-24
Field : Reaves North (3200')
County : Reeves
State : Texas
Date : 12-30-76



AOF : 904 MCF/Day
n : 1.00
θ : 45°

Full Logarithmic, 3 × 3 Cycles



PLAT OF ENSERCH EXPLORATION INC.'S NO. 2-24, LOCATED 1600' FSL AND 1320' FEL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

I hereby certify that the information herein is true and correct to the best of my knowledge.

Jack L. Sledge
Jack L. Sledge, District Manager, Drilling & Production

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-[illegible])

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat): Reaves, North (3200')	*2. RRC District: 8
*3. Operator: Enserch Exploration, Inc.	*4. County: Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s): Arco State	*6. Well Number: 2-24
*7. Location (Section, Block, and Survey): Section 24, Block 57, Twp. 3, T&P RR Co. Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date	12-11-'176		12-20-'176			
*9. (a) Size of Drill Bit (inches)	12-1/4"		7-7/8"			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)	8-5/8"		4-1/2"			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)	280'		3237'			
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*	"C" 2% A7 ¼# C.Flake		"C" 2½% A2, ½# celloflake, ½# Tufplug			
(b) In Second Slurry			"C" ¼# Celloflake			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry	200		1070			
(b) In Second Slurry			480			
(c) In Third Slurry						
(d) Total Sacks of Cement Used	200		1550			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry	1.32		2.48			
(b) In Second Slurry			1.32			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry	264		2653			
(b) In Second Slurry			633			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)	264		3286			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)	Surface		Surface			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)	Yes		Yes			

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:

*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

James W Ashley II

Signature of Cementer or Authorized Representative

James W. Ashley II Service Engineer

Name of Person and Title (type or print)

BJ-HUGHES Inc.

Cementing Company

Drawer P

Street Address or P.O. Box

Monahans, Tx. 79756

City, State Zip Code

Telephone 915 943-2554 or 5631263

Area Code

12-12-1976

Date

*OPERATOR

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Jack L Sledge

*Signature of Operator or Authorized Representative

Jack L. Sledge, Dist.Mgr. - Drilling & Prod.

*Name of Person and Title (type or print)

Enserch Exploration, Inc.

*Operator

P. O. Box 4815

*Street Address or P.O. Box

Midland, Texas 79701

*City, State Zip Code

*Telephone 915 682-9756

Area Code

January 13, 1977

*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

(8)

M. F. 74053

WELL # 2-24 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER

FILED 1-15-77 BY M. H. JANSZEN

1-12-54

ENSERCH EXPLORATION INC

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager – Drilling & Production
West Texas District
Drilling and Production Division

February 1, 1977

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

M-74053

Re: Enserch Exploration, Inc.
Arco State No. 3-24
Reaves, North (3200') Field
Reeves County, Texas

Gentlemen:

Filed herewith are the following completion forms for the subject well:

Form G-1 (2 copies)
Form G-5 (2 copies)
Form W-15 (2 copies)
Form P-15 (2 copies)
Location Plat (2 copies)

We do not have a connection for the gas at this time. A Form P-4 will be submitted after a connection has been made.

Yours truly,

Jack L. Sledge

JLS:vjd

Encls-

bcc: General Land Office
J. F. Lyle
J. M. Wetzel
C. A. Johnson

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-1
Rev. 7/7/75

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

7. RRC District: 8
8. RRC Identification Number:

1. FIELD NAME (as per RRC Records or Wildcat): Reaves, North (3200')
2. LEASE NAME: Arco State
9. Well Number: 3-24
3. OPERATOR: Enserch Exploration, Inc.
10. County: Reeves
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701
11. Purpose of Test: Initial Potential [X] Retest [ ] Reclass [ ]
5. If Operator has changed within last 60 Days -- Give former Operator:
6. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp 3, T&P RR Co. Survey
12. Pipe Line Connection: None
13. If Workover, give former Field (with Reservoir):
14. Completion Date: 1-29-77
15. List of Offset Operators Notified and Date of Notification:
16. Type of Electric or other Log Run: Guard, Forxo, Acoustic Velocity

Section I — GAS MEASUREMENT DATA

Date of Test: 1-29-77
Gas Measurement Method (Check One): Orifice Meter [ ] Positive Choke [ ] Orifice Vent Meter [X] Pitot Tube [ ] Critical-flow Prover [ ]
Gas produced during test: 270 MCF

Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P_m or Choke Press	Diff. "Hg	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2"	1-1/4"	721		17	46	1.0137	1.0233	0.9639	720.9
2	2"	3/4"	461		51	41	1.0188	1.0233	0.9723	467.3
3	2"	1/2"	263		73	37	1.0229	1.0233	0.9759	268.7
4	2"	1/2"	160		35	32	1.0281	1.0233	0.9689	163.1

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-In Temp.	Bottom Hole Temp.
0.573	None Deg. API	Dry Gas CF/Bbl	G_{mix} =	78 °F	86 °F @ 3084 (Depth)

$D_{eff}^{8/3}$ = ; $\sqrt{T_f}$ = $\sqrt{\quad}$ = ; $\sqrt{GL}$ = $\sqrt{\quad}$ =

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = = ; $\frac{\sqrt{GL}}{C}$ = = =

Run No.	Time of Run Min.	Choke Size	Wellhead Press P_w PSIA	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_l	P_w/P_l
Shut-In	73 hrs.		1437.2		2066				
1	240	20/64"	331.2	70	110				
2	240	14/64"	520.2	70	271				
3	240	10/64"	765.2	70	586				
4	240	8/64"	875.2	70	766				

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2	$P_f^2 - P_s^2$
Shut-In					1549.2	2400	
1	BHP measured with Amerada RPG-3				542.2	294	2106
2	gauge, Serial No. 15065-N, 0-2100 psi				726.2	527	1873
3					976.2	953	1447
4					1113.2	1239	1161

Angle of Slope: θ = 45°
n = 1.000
Absolute Open Flow: 821.5 MCF/DAY

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 89.85 feet at a measured depth of 3300 feet.

R. S. Slaughter
Signature of Authorized Representative

Roy H. Smith Drilling Company
Name of Company Conducting Survey

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementer or Authorized Representative

Name of Cementing Company

CERTIFICATE:
I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Frank T. Stoke
REPRESENTATIVE OF COMPANY

Agent
TITLE

Feb. 1, 1977
DATE

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Date Permit Issued: October 21, 1976

19. Notice of Intention to Drill this Well was filed in Name of: Enserch Exploration, Inc.

20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 3

22. Total Number of Acres in this Lease: 640 Acres

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced 1-11-77; Completed 1-18-77

24. Distance to Nearest Well, Same Lease & Reservoir: 1320'

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 1320 Feet From North Line of The Arco State Lease And 1980 Feet From East Line

26. Elevation (DF, RKB, RT, GR, ETC): 2951' GR

27. Was Directional Survey Made: Yes [ ] No [X]

28. Top of Pay: 3150'

29. Total Depth: 3300'

30. P.B. Depth: 3254'

31. Surface Casing Determined By: Recommendation of Texas Water Development Board [ ] Field Rules [ ] Railroad Commission (Special) [X]

32. Is Well Multiple Completion? Yes [ ] No [X]

33. If Multiple Completion List All Reservoir Names (Completions in this Well):

34. Intervals Drilled By: Rotary Tools 0-3300' Cable Tools:

35. Name of Drilling Contractor: Roy H. Smith Drilling Company

36. Is Cementing Affidavit Attached? Yes [X] No [ ]

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8" OD	24#	267'		200 sx. C	12-1/4"	Surface	264
4-1/2" OD	10.5#	3284'		1400 sx. C	7-7/8"	Surface	3008

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen

39. TUBING RECORD

Size	Depth Set	Packer Set
2-3/8" OD	3108'	3109'

40. Producing Interval (this completion) indicate Depth of Perforations or Open Hole

From 3173' To 3195' (6 holes)
From To
From To
From To

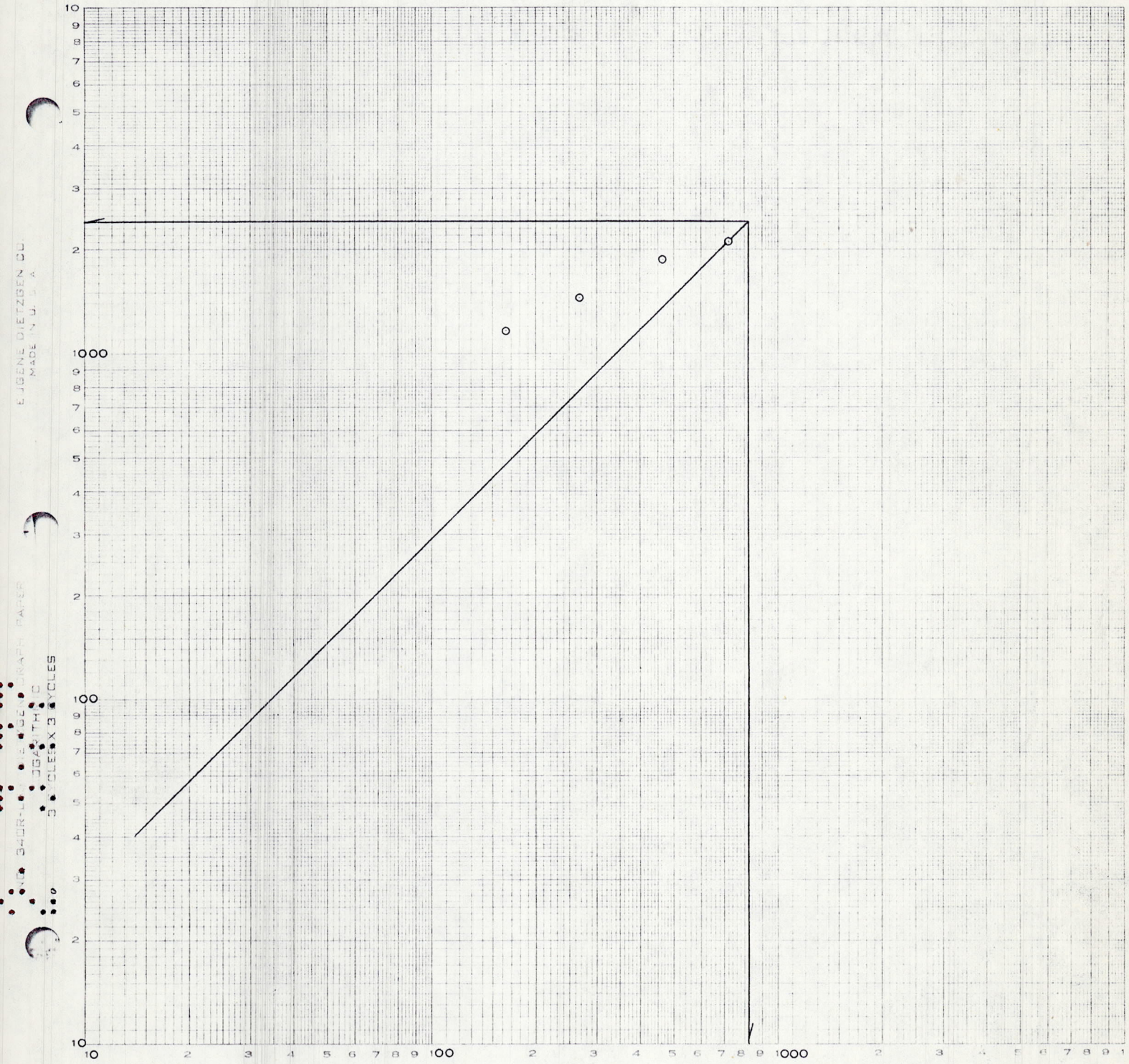
41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3173'-95'	250 gals. 7½% MCA 2000 gals. 2% Gelled KCL Water 2000# 20/40 sand

42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware	3097'		
Bell Canyon	3150'		

REMARKS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1

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 7/5/66

GAS WELL STATUS REPORT

1. FIELD NAME (as per RRC Records): Reaves, North (3200')	2. LEASE NAME: Arco State
3. OPERATOR: Enserch Exploration, Inc.	
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701	
5. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp. 3, T&P RR Co. Survey	
6. Pipeline Connection or Use of Gas: No Connection	

7. RRC District: 8	
8. RRC Identification Number	
9. Well Number: 3-24	
10. County: Reeves	
11. Utilized for: Sales	
12. Acres Allocated to this Well: 160	

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	720.9	(MCF)	E. Casing Pressure	Packer	(PSI)
B. Oil or Condensate Volume	Dry	(BBLS.)	F. Color of Liquid	–	
C. Gas/Liquid-Hydrocarbon Ratio	0	(CF/BBL.)	G. Gravity of Liquid	–	°API
D. Flowing Tubing Pressure	331	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	0.573	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	821.5	(MCF/DAY)	C. Shut-In Wellhead Pressure	1437	(PSI)
B. Date of Test	1-29-77		D. Length of Time Well Shut-In Prior to Test	62 hours	

Section III — A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Jack L. Sledge – Jack L. Sledge
SIGNATURE

February 1, 1977
DATE

District Manager - Drilling & Production
TITLE

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-60)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) Reaves, North (3200')	*2. RRC District 8
*3. Operator Enserch Exploration, Inc.	*4. County Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Arco State	*6. Well Number 3-24
*7. Location (Section, Block, and Survey) Section 24, Block 57, Twp. 3, T&P RR Co. Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date	1-12-'77					
*9. (a) Size of Drill Bit (inches)	12-1/4"					
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)	8-5/8"					
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)	267					
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*	"C" 2% A7 ¼# Celloflake					
(b) In Second Slurry						
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry	200					
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Sacks of Cement Used	200					
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry	1.32					
(b) In Second Slurry						
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry	264					
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)	264					
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)	Surface					
*18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)	Yes					

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:	*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

James W Ashley II
Signature of Cementer or Authorized Representative

James W. Ashley, Service Engineer
Name of Person and Title (type or print)

BJ-HUGHES Inc.
Cementing Company

Drawer P
Street Address or P.O. Box

Monahans, Tx. 79756
City, State Zip Code

Telephone 915 943-2554 or 563-1263
Area Code

1-13-77
Date

***OPERATOR**

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Jack L Sledge
*Signature of Operator or Authorized Representative

Jack L. Sledge, Dist.Mgr. - Drilling & Prod.
*Name of Person and Title (type or print)

Enserch Exploration, Inc.
*Operator

P. O. Box 4815
*Street Address or P.O. Box

Midland, Texas 79701
*City, State Zip Code

*Telephone 915 682-9756
Area Code

February 1, 1977
*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-65)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) Reaves, North (3200')	*2. RRC District 8
*3. Operator Enserch Exploration, Inc.	*4. County Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Arco State	*6. Well Number 3-24
*7. Location (Section, Block, and Survey) Section 24, Block 57, Twp. 3, T&P RR Co. Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date			1-19-'77			
*9. (a) Size of Drill Bit (inches)			7-7/8"			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)			4-1/2"			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)			3284'			
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*			Remarks			
(b) In Second Slurry			Remarks			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry			1000			
(b) In Second Slurry			400			
(c) In Third Slurry						
(d) Total Sacks of Cement Used			1400			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry			2.48			
(b) In Second Slurry			1.32			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry			2480			
(b) In Second Slurry			528			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)			3008			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)			Surface			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)			Yes			

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:

13a. Class "C" w/ 2½% A-2, ¼# Celloflake ¼# Tufplug per sack

13b. Class "C" w/ ¼# Celloflake, ¼# Tufplug

*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

Ronny Hayes

Signature of Cementer or Authorized Representative

Ronny Hayes Service Engineer

Name of Person and Title (type or print)

BJ-HUGHES INC.

Cementing Company

Drawer P

Street Address or P.O. Box

Monahans, Tx. 79756

City, State Zip Code

Telephone 915 943-2554 or 563-1263

Area Code

1-19-1977

Date

*OPERATOR

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Jack L Sledge

*Signature of Operator or Authorized Representative

Jack L. Sledge, Dist.Mgr. - Drilling & Prod.

*Name of Person and Title (type or print)

Enserch Exploration, Inc.

*Operator

P. O. Box 4815

*Street Address or P.O. Box

Midland, Texas 79701

*City, State Zip Code

*Telephone 915 682-9756

Area Code

February 1, 1977

*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

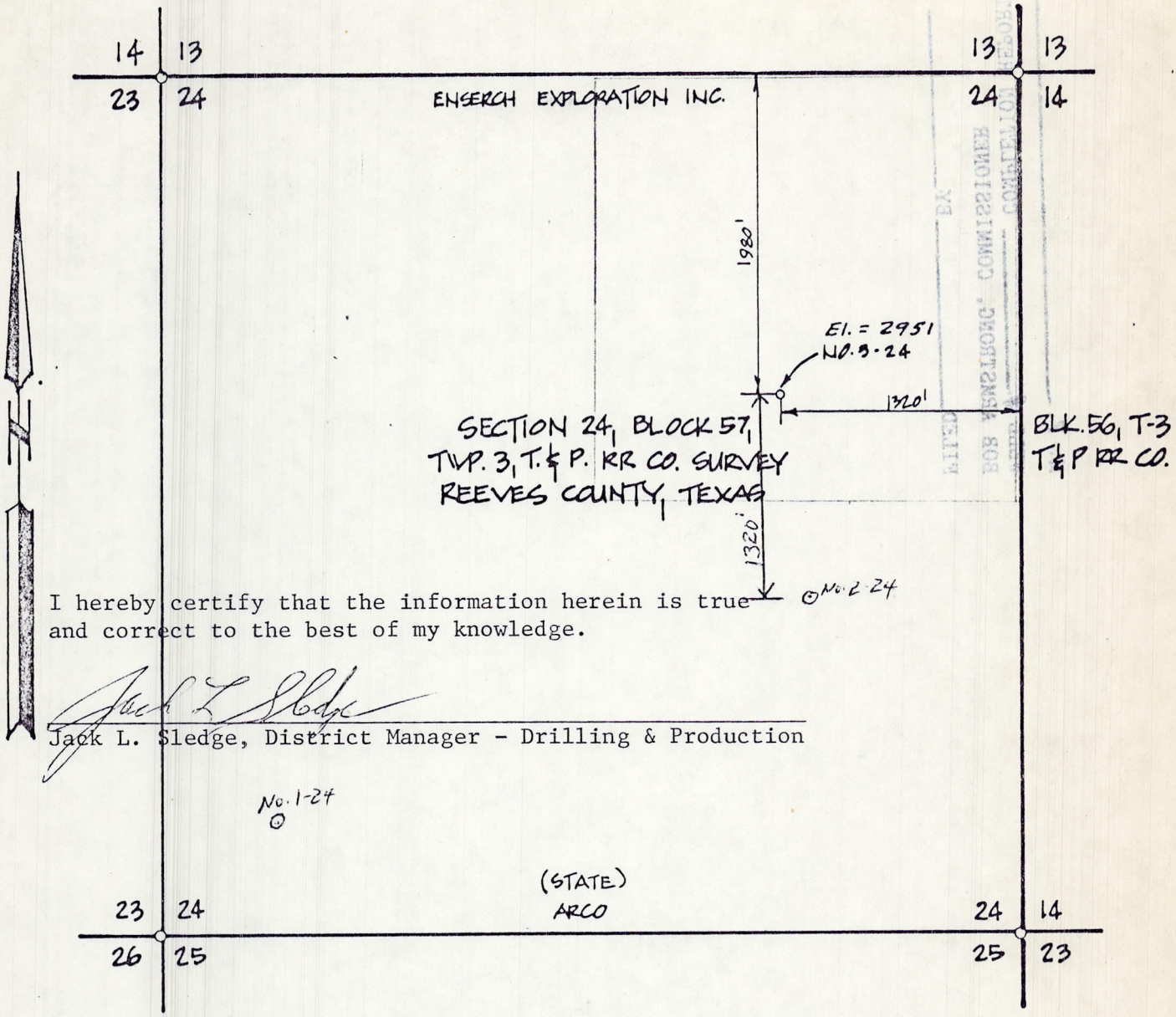
The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the Enserch Exploration, Inc. (OPERATOR), Arco State (LEASE), No. 3-24 (WELL); that such well is completed in the Reaves, North (3200') Field, Reeves County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 160 acres which can reasonably be considered to be productive of hydrocarbons.

– CERTIFICATE –

I declare under penalties prescribed in Article 6036c, R. C. S., that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date February 1, 1977 Signature Jack L. Sledge - Jack L. Sledge

Telephone 915 (AREA CODE) 682-9756 Title District Manager - Drilling & Production



I hereby certify that the information herein is true and correct to the best of my knowledge.

Jack L. Sledge

Jack L. Sledge, District Manager - Drilling & Production

PLAT OF ENSERCH EXPLORATION INC.'S NO. 3-24, LOCATED 1320' FEL AND 1980' FNL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong

REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

(9)

M. F. 74053

WELL #. 3-24 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER

FILED 2-3-77 BY MHV

February 23, 1977

Enserch Exploration Inc.
P.O. Box 2649
Dallas, Texas 76201

Re: State Lease M-74053
Arco State Lease,
Sec. 24, Blk 57 Township 3
Reeves County, Texas
Reaves, North (3200') Field

Gentlemen:

Documents filed with this office indicate that you have recently completed three gas wells on the captioned lease. Please advise us whether or not production is now occurring. If production is not in progress or expected to begin soon, this letter will serve as a reminder to comply with the shut-in gas well provision of paragraph 29 of the lease.

Yours very truly,

Bob Armstrong

By: Lanvil Gilbert, Senior Attorney
Energy Resources
Phone: 512-475-6749

LG/mow

cc: Enserch Exploration Inc.
P.O. Box 4815
Midland, Texas 79701

(10)

M. F. 74053
CORRESPONDENCE FILE
To
Enserch Explo Co.
F
Dated 2-23-77

M-74053

Unleased

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

API Well No. 42
Instruction (7a)

REEVES DIST. 8
42 389 30434
API NO.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

OCT 29 1976

1. Operator
Enserch Exploration, Inc.

2. Address (Including City and Zip Code)
P. O. Box 4815
Midland, Texas 79701

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?
YES [X] NO [ ] (Instruction (2) on back side.)

4. Lease Name
Arco State

5. Location (Sec., Blk., Survey)
Sec. 24, Blk. 57, Twp 3, T&P RR Survey

6. This well is to be located 10 miles SSW Direction from Orla Nearest Post Office or Town.

7. RRC District
8

8. County
Reeves

9. Well Number
4-24

10. Number of Acres in Lease
640

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)
1320'

12. Total Depth
4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore, if none State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	467/ 1200	40 Acres	160	No	2640'	Regular 1 [X] Rule 37 2 [ ]	Gas	0	3
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED
R.R.C. OF TEXAS
OCT 20 1976
O.G.
MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1980' FNL & 1320' FWL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey — 2640' West of Arco State No. 3-24

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Elevation 2974' GR

Comp: 1-27-77 (G-1)
DFS: 3143-65
IPAOF: 567 MCFGD (Dry)
SIP: 1178#
TD: 3750

Jack L. Sledge - Jack L. Sledge
Signature

Dist. Manager - Drilling & Production
Title

October 18, 1976
Date

Telephone: Area Code 915 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

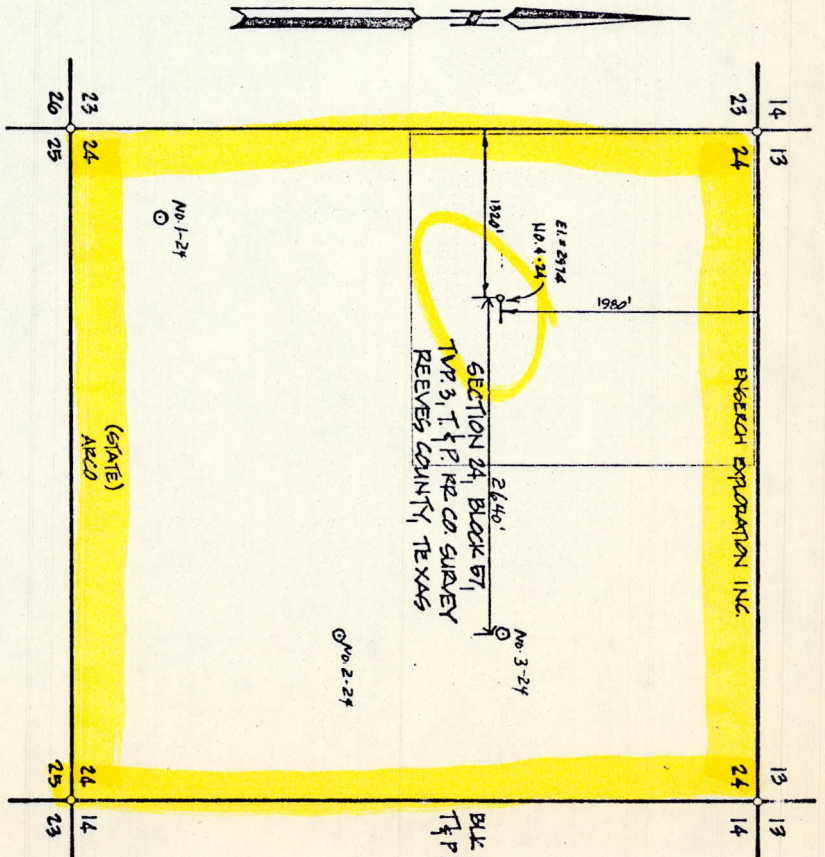
10-26-76

10-26-76

SURVEYING PLAT SERVICE
P. O. DRAWER 1857, AUSTIN, TEXAS 78767

10-22-76

SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet



PLAT OF ENSERCH EXPLORATION INC.'S NO. 4-24, LOCATED 1320' FWL AND 1980' FNL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

RECEIVED
R.R.C. OF TEXAS
OCT 20 1976
O.G.
MIDLAND, TEXAS

N.R.

File

ENSERCH EXPLORATION INC

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager — Drilling & Production
West Texas District
Drilling and Production Division

October 18, 1976

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

Attention: Mr. Archie P. Farr

Re: Enserch Exploration, Inc.
Arco State No. 4-24
Sec. 24, Blk. 57, Twp 3
T&P RR Survey
Reeves County, Texas
Exception to Statewide Rule 13

Gentlemen:

Attached is Form W-1 for the subject well. We hereby request exception to Statewide Rule 13 to set less surface pipe than is required by the Texas Water Development Board and to make a tubingless completion by running 2-7/8" OD tubing as production casing. Our procedure would be to set approximately 250' of 8-5/8" OD surface casing with cement circulated to the surface and set 2-7/8" OD tubing at TD and circulate cement to the surface behind the 2-7/8" tubing.

The Texas Water Development Board requires fresh water protection to the base of the Rustler which is approximately 1000'. Administrative approval of this application is requested at the earliest possible date in order that we may commence the well immediately.

Yours truly,

Jack L. Sledge

Jack L. Sledge

JLS:bkh
Attachment

bcc: J. F. Lyle
J. M. Wetzel
C. A. Johnson

API Well No. 42
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

7. RRC District: 8

8. County: Reeves

1. Operator: Enserch Exploration, Inc.

4. Lease Name: Arco State

9. Well Number: 4-24

2. Address (Including City and Zip Code): P. O. Box 4815, Midland, Texas 79701

5. Location (Sec., Blk., Survey): Sec. 24, Blk. 57, Twp 3, T&P RR Survey

10. Number of Acres in Lease: 640

6. This well is to be located 10 miles SSW Direction from Orla, Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320'

3. Is Form P--5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)

12. Total Depth: 4400'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore, If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, North (3200')	4400'	None	467/ 1200	40 Acres	160	No	2640'	Regular 1 [X] Rule 37 2 [ ]	Gas	0	3
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1980' FNL & 1320' FWL of Sec. 24, Blk. 57, Twp 3, T&P RR Survey — 2640' West of Arco State No. 3-24

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS: Elevation 2974' GR

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

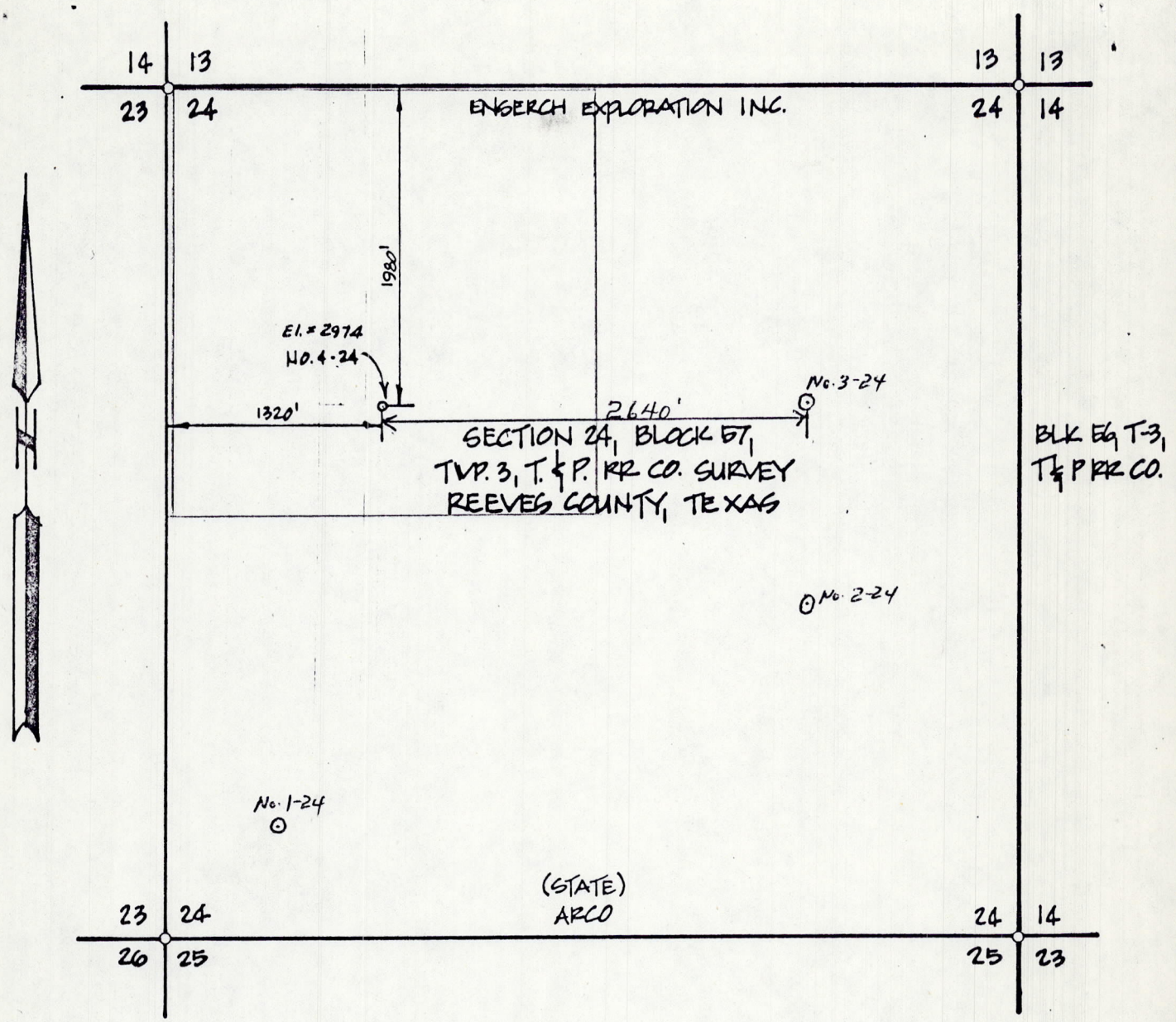
Jack L. Sledge - Jack L. Sledge
Signature

Dist. Manager - Drilling & Production
Title

October 18, 1976
Date

Telephone: Area Code 915, 682-9756

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



PLAT OF ENSERCH EXPLORATION INC.'S NO. 4-24, LOCATED 1320' FWL AND 1980' FNL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

WELL STATUS REPORT

OPERATOR Ensearch Exploration Inc.

STATE LEASE NO. M-74053 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Arco State WELL NO. 4-24

FIELD NAME Reaves North 3200 feet WILDCAT ____ COUNTY Reeves

REPORT NO. 1st SPUD DATE 1-3-77 DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 3250 feet

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: ____

BA/jmh/gs

2-25-75

James Weatherly
INSPECTOR

DATE Jan 17,1977

(11)

M. F. 74053

APPLICATION TO DRILL

WELL # 4-24

FILED 2-23 19 77

BOB ARMSTRONG, COMMISSIONER

BY: MHN

ENSERCH EXPLORATION INC

M-74053

P. O. Box 4815
Midland, Texas 79701
915-682-9756

Jack L. Sledge
District Manager — Drilling & Production
West Texas District
Drilling and Production Division

February 9, 1977

RECEIVED
FEB 11 1977
General Land Office

Railroad Commission of Texas
P. O. Box 2110
Midland, Texas 79701

161

Attention: Mr. Archie P. Farr

Re: Enserch Exploration, Inc.
Arco State No. 4-24
Reaves, North (3200') Field
Reeves County, Texas

Gentlemen:

Filed herewith are the following completion forms for the subject well:

Form G-1 (2 copies)
Form G-5 (2 copies)
Form W-15 (2 copies)
Form P-15 (2 copies)
Location Plat (2 copies)

We do not have a connection for the gas at this time. A Form P-4 will be submitted after a connection has been made.

Yours truly,

Jack L. Sledge

JLS:vjd

Encls-

bcc: General Land Office
J. F. Lyle
J. M. Wetzel
C. A. Johnson

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-1
Rev. 7/7/75

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

7. RRC District: 8
8. RRC Identification Number:

1. FIELD NAME (as per RRC Records or Wildcat): Reaves, North (3200')
2. LEASE NAME: Arco State
9. Well Number: 4-24
3. OPERATOR: Enserch Exploration, Inc.
10. County: Reeves
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701
11. Purpose of Test: Initial Potential [X] Retest [ ] Reclass [ ]
5. If Operator has changed within last 60 Days -- Give former Operator:
6. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp 3, T&P RR Co. Survey
12. Pipe Line Connection: None
13. If Workover, give former Field (with Reservoir):
14. Completion Date: 1-27-77
15. List of Offset Operators Notified and Date of Notification:
16. Type of Electric or other Log Run: DLL, Accoustic Velocity/GR

Section I — GAS MEASUREMENT DATA

Date of Test: 1-27-77
Gas Measurement Method (Check One): Orifice Meter [ ] Positive Choke [ ] Orifice Vent Meter [X] Pitot Tube [ ] Critical-flow Prover [ ]
Gas produced during test: 203.55 MCF

Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P_m or Choke Press	Diff. h_w Hg	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2"	1"	507		23	66	0.9943	1.0287	0.9656	500.8
2	2"	3/4"	366		36	57	1.0029	1.0287	0.9691	365.9
3	2"	3/4"	256		20	51	1.0088	1.0287	0.9648	256.4
4	2"	3/8"	87.4		33	49	1.0107	1.0287	0.9683	98.2

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture G_{mix} =	Avg. Shut-In Temp.	Bottom Hole Temp.
0.572	None Deg. API	Dry Gas CF/Bbl		78 °F	85 °F @ 3054 (Depth)

$D_{eff}^{8/3}$ = ____ | $\sqrt{T_f}$ = $\sqrt{\quad}$ = ____ | $\sqrt{GL}$ = $\sqrt{\quad}$ = ____

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = ____ = ____ | $\frac{\sqrt{GL}}{C}$ = ____ = ____

Run No.	Time of Run Min.	Choke Size	Wellhead Press P_w PSIA	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_l	P_w/P_l
Shut-In			1128.2		1273				
1	240	18/64"	269.2	70	72				
2	240	14/64"	347.2	70	121				
3	240	10/64"	539.2	70	291				
4	240	8/64"	861.2	70	742				

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2	$P_f^2 - P_s^2$
Shut-In					1354.2	1834	
1	BHP measured with Amerada RPG-3				461.2	213	1621
2	Gauge, Serial No. 10190N, 0-4000 psi				527.2	278	1556
3					746.2	557	1277
4					1022.2	1045	789

Angle of Slope
θ = 45°
n = 1.000
Absolute Open Flow
566.6 MCF/DAY

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 99.14 feet at a measured depth of 3250 feet.

T. P. Slaughter
Signature of Authorized Representative

Roy H. Smith Drilling Company
Name of Company Conducting Survey

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementer or Authorized Representative

Name of Cementing Company

CERTIFICATE:
I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Frank J. Miller
REPRESENTATIVE OF COMPANY

Agent
TITLE

2-9-77
DATE

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Date Permit Issued: October 21, 1976

19. Notice of Intention to Drill this Well was filed in Name of: Enserch Exploration, Inc.

20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 4

22. Total Number of Acres in this Lease: 640 Acres

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced 1-2-77; Completed 1-9-77

24. Distance to Nearest Well, Same Lease & Reservoir: 2640'

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 1320 Feet From North Line of The; West Line And 1980 Feet From Arco State Lease

26. Elevation (DF, RKB, RT, GR, ETC): 2974' GR

27. Was Directional Survey Made: Yes [ ] No [X]

28. Top of Pay: 3126' | 29. Total Depth: 3250' | 30. P.B. Depth: 3201' | 31. Surface Casing Determined By: Recommendation of Texas Water Development Board [ ] Field Rules [ ] Railroad Commission (Special) [X]

32. Is Well Multiple Completion? Yes [ ] No [X]

33. If Multiple Completion List All Reservoir Names (Completions in this Well):

34. Intervals Drilled By: Rotary Tools 0-3250' | Cable Tools

35. Name of Drilling Contractor: Roy H. Smith Drilling Company

36. Is Cementing Affidavit Attached? Yes [X] No [ ]

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8" OD	24#	250'		200 sx. C	12-1/4"	Surface	264
4-1/2" OD	10.5#	3241'		1410 sx. C	7-7/8"	Surface	3033

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen

39. TUBING RECORD

Size	Depth Set	Packer Set
2-3/8" OD	3109'	3110'

40. Producing Interval (this completion) indicate Depth of Perforations or Open Hole

From 3143' To 3165' (5 holes)
From To
From To
From To

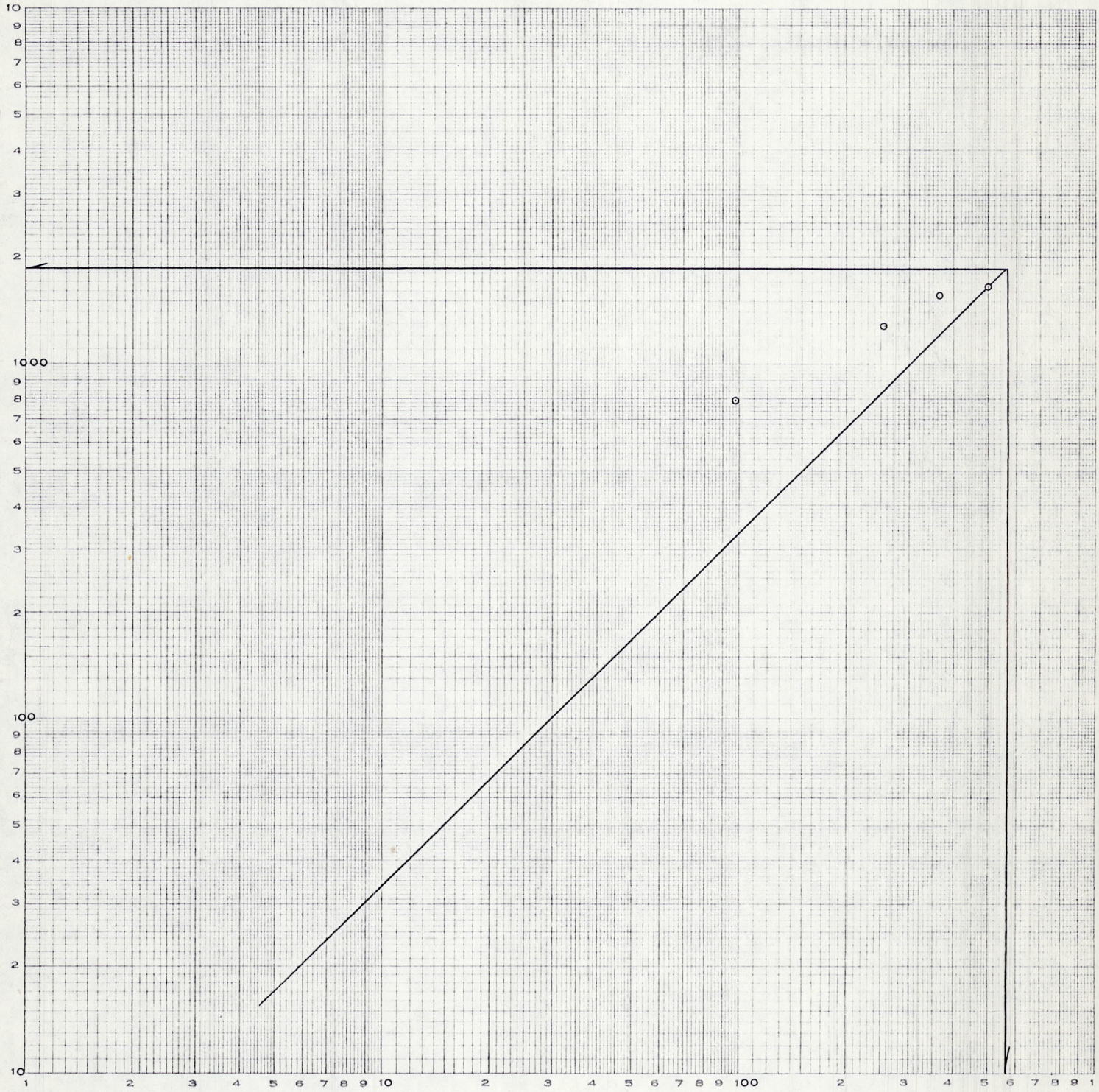
41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3143'-65'	750 gals. 7½% MCA
	2000 gals. 2% Gelled KCL water
	2000# 20/40 sand

42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware	3071'		
Bell Canyon	3126'		

REMARKS


EUGENE DIETZGEN CO.
MADE IN U. S. A.
NO. 3-HUR-L33 DIETZGEN GRAPH PAPER
LOGARITHMIC
3 CYCLES X 3 CYCLES

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 7/5/66

GAS WELL STATUS REPORT

1. FIELD NAME (as per RRC Records): Reaves, North (3200')	2. LEASE NAME: Arco State
3. OPERATOR: Enserch Exploration, Inc.	
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701	
5. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp. 3, T&P RR Co. Survey	
6. Pipeline Connection or Use of Gas: No Connection	
7. RRC District: 8	
8. RRC Identification Number:	
9. Well Number: 4-24	
10. County: Reeves	
11. Utilized for: Sales	
12. Acres Allocated to this Well: 160	

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	501	(MCF)	E. Casing Pressure	Packer	(PSI)
B. Oil or Condensate Volume	Dry	(BBLS.)	F. Color of Liquid	-	
C. Gas/Liquid-Hydrocarbon Ratio	0	(CF/BBL.)	G. Gravity of Liquid	-	°API
D. Flowing Tubing Pressure	269	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	0.572	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	567	(MCF/DAY)	C. Shut-In Wellhead Pressure	1128	(PSI)
B. Date of Test	1-27-77		D. Length of Time Well Shut-In Prior to Test	38 hours	

Section III — A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Jack L. Sledge - Jack L. Sledge
SIGNATURE

February 9, 1977
DATE

District Manager - Drilling & Production
TITLE

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the Enserch Exploration, Inc. (OPERATOR), Arco State (LEASE), No. 4-24 (WELL); that such well is completed in the Reaves, North (3200') Field, Reeves County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 160 acres which can reasonably be considered to be productive of hydrocarbons.

– CERTIFICATE –

I declare under penalties prescribed in Article 6036c, R. C. S., that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date February 9, 1977 Signature Jack L. Sledge - Jack L. Sledge

Telephone 915 (AREA CODE) 682-9756 Title District Manager - Drilling & Production

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-60)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) Reaves, North (3200')	*2. RRC District 8
*3. Operator Enserch Exploration, Inc.	*4. County Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Arco State	*6. Well Number 4-24
*7. Location (Section, Block, and Survey) Section 24, Block 57, Twp. 3, T&P RR Co. Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date	1-2-'77		1-10-'77			
*9. (a) Size of Drill Bit (inches)	12-1/4"		7-7/8"			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)	8-5/8"		4-1/2"			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)	250'		3241'			
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*	"C" 2% A-7 ¼# Celloflake		Remarks			
(b) In Second Slurry			Remarks			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry	200		1010			
(b) In Second Slurry			400			
(c) In Third Slurry						
(d) Total Sacks of Cement Used	200		1410			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry	1.32		2.48			
(b) In Second Slurry			1.32			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry	264		2505			
(b) In Second Slurry			528			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)	264		3033			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)	Surface		Surface			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)	Yes		Yes			

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks: Prod. Csg. 13a. Class "C" w/ 2½% A-2, ½# Celloflake, ½# Tufplug
13b. Class "C" w/ ¼# Celloflake, ¼# Tufplug

*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

James W Ashley II
Signature of Cementer or Authorized Representative

James W. Ashley Service Engineer
Name of Person and Title (type or print)

BJ-HUGHES Inc.
Cementing Company

Drawer P
Street Address or P.O. Box

Monahans, Tx. 79756
City, State Zip Code

Telephone 915 943-2554 or 563-1263
Area Code

1-10-1977
Date

***OPERATOR**

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Jack L Sledge
*Signature of Operator or Authorized Representative

Jack L. Sledge, Dist.Mgr.-Drilling & Production
*Name of Person and Title (type or print)

Enserch Exploration, Inc.
*Operator

P. O. Box 4815
*Street Address or P.O. Box

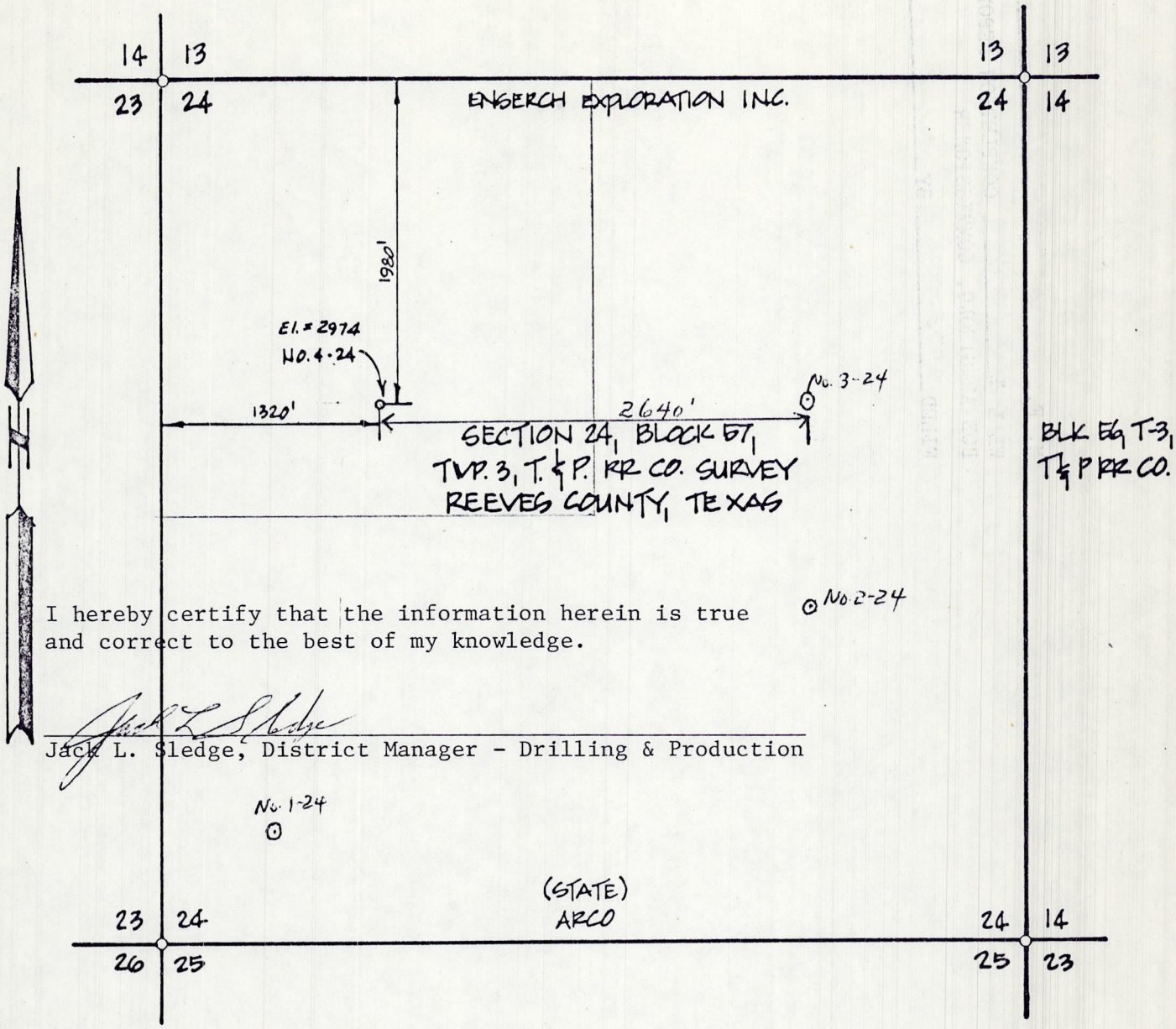
Midland, Texas 79701
*City, State Zip Code

*Telephone 915 682-9756
Area Code

February 9, 1977
*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.



I hereby certify that the information herein is true and correct to the best of my knowledge.

Jack L. Sledge

Jack L. Sledge, District Manager - Drilling & Production

PLAT OF ENSERCH EXPLORATION INC.'S NO. 4-24, LOCATED 1320' FWL AND 1980' FNL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong

REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS
FRED P. ARMSTRONG
974
REGISTERED PUBLIC SURVEYOR

(12)

M. F. 74053

WELL # 4-24 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER

FILED 7-12-77 BY MHJ

DOMESTIC SERVICE

Check the class of service desired; otherwise this message will be sent as a fast telegram

TELEGRAM	
DAY LETTER	
NIGHT LETTER	

$
S
E

WESTERN UNION
TELEGRAM

INTERNATIONAL SERVICE

Check the class of service desired; otherwise the message will be sent at the full rate

FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	Collect			

Send the following message, subject to the terms on back hereof, which are hereby agreed to

March 14, 1977

Mr. Louis Torrans
Enserch Exploration, Inc.
Suite 100, C & K Petroleum Bldg.
Midland, Texas

Acknowledge $2560.00 on 4 wells M-74053. Lease valid subject to proper shut-in affidavit.

L. Gilbert, Attorney
General Land Office
Austin, Texas 78701

WU1206 (R2-65)

(13)

M. F. 74053

CORRESPONDENCE FILE

To Louis Torres

~~From~~

Dated 3-14-77

March 18, 1977

Enserch Exploration, Inc.
P. O. Box 2649
1817 Wood Street
Dallas, Texas 75201

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-74053
Arco-State Lease
Reanes, North (3200')
Reeves County, Texas

Gentlemen:

This will acknowledge receipt of your $1,280.00 checks each for shut-in gas royalty for the above lease.

Please complete and return one copy of the enclosed shut-in gas affidavits for each check.

Sincerely yours,

George A. Clark, Supervisor
Resource Accounting
Telephone No. 512-475-2858
RWB/glc
Enclosures

(14)

M-74053

(TD) Enserch Explo.

3-18-77 jc

MEMORANDUM

TO: M-~~Ted~~ 74053

FROM: L. Gilbert

DATE: 4-1-77

SUBJECT: Shut-in royalties —

Here are 4 wells shut-in on this lease.

4 x $1200 = $4800.00. GCO get 1/2, or $2400.00. Ensearch has sent in $2560.00 (2 remittances of $1280.00 each). We should keep $2400.00 & refund $160.00.

L. Gilbert

(15)

M-7405-3

Shut-in memo

4-1-77

C. G.

SHUT-IN AFFIDAVIT

Enter appropriate comments, if any, and initial. Pass to next person within one day.

	Initial:	Date:
Affidavit Auditor	R. Burson	4-4-77
Comments:	OK	
Exploration & Development	MHJ	4-4-77
Comments:	OK	
Legal-Energy Resources	OK FG	4.4.77
Comments:		
Affidavit Auditor		
Comments:		

TEAR OFF AT PERFORATION AND RETAIN. DUPLICATES CANNOT BE FURNISHED NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF ITEMS STATED BELOW

ENSERCH EXPLORATION INC. 1817 Wood Street, P.O. Box 2649, Dallas, Texas 75201

025152

VOUCHER # 12-1151 INVOICE # T16626 P. O. 1276 1 $1,280.00

EE-T-ML-#16626
IN PAYMENT OF SHUT-IN GAS ROYALTY PER STATEMENT ATTACHED.
ARCO-STATE 1-24 WELL $640.00
ARCO-STATE 2-24 WELL 640.00

122

41867

COMMLANAUT

VENDOR CODE REFERENCE THIS NUMBER IN ALL CORRESPONDENCE DIRECT INQUIRIES TO: CASH MANAGEMENT GROUP

FORM 5226 12-75 LP:hj

SHUT-IN GAS ROYALTY RECEIPT

Lease No. EE-T-ML-#16626

Check No. 025152

To: Commissioner of the General Land
Office of the State of Texas
Austin, Texas 78701

Voucher No. 12-1151

Amount $1,280.00

Date December 22, 1976

Enclosed is our check in payment of shut-in gas royalty for the period from Jan. 11, 197 7, to Jan. 11, 197 8, inclusive, covering Oil, Gas, and Mineral Lease dated Oct. 13, 1976, from Atlantic Richfield Company to Enserch Exploration, Inc., recorded in Volume 340, Page 560, Deed Records of Reeves County, Texas, and covering 640 acres, more or less, in Section 24, Block 57, T-3, T & P R.R. Co. Survey, Reeves County, Texas.

Arco-State 1-24 Well
Arco-State 2-24 Well

41867

Very truly yours,
ENSERCH EXPLORATION, INC.
By (MRS.) KATHI L. ALEXANDER

Received the above shut-in gas royalty payment on this _____ day of _____, 197 _____.

PLEASE DATE, SIGN, AND RETURN ORIGINAL TO:
ENSERCH EXPLORATION, INC.
Attn: Division Order Section
Land Department
P.O. Box 2649, 1817 Wood St.
Dallas, Texas 75201

Social Security No. _____

FORM 888 15-75 TP-1(d) SHUT-IN GAS ROYALTY RECOUPMENT

Lease No. KE-T-Wi-116528 Check No. 082152

To: Commissioner of the General Land Voucher No. 124151
Office of the State of Texas
Austin, Texas 78701 Amount $640.00

Date December 22, 1976

Enclosed is our check in payment of shut-in gas royalty for the period from Jan. 11, 19 7 , to Jan. 11, 19 8 , inclusive, covering Oil, Gas, and Mineral Lease dated Oct. 13, 1976, from Adamsite Industrial Company, to Dweezil Exploration, Inc., recorded in Volume 39, Page 560, Deed Records of Reeves County, Texas, and covering 640 acres, more or less, in Section 24, Block 57, T-3, T & P R.R. Co. Survey, Reeves County, Texas.

Atco-State 1-24 Well
Atco-State 2-24 Well

Very truly yours,
ENRICH EXPLORATION, INC.
(Name)
By _____

Received the above shut-in gas royalty payment on this _____ day of _____, 19__.

RELEASE DATE, STON, AND RETURN ORIGINAL TO:

ENRICH EXPLORATION, INC.
Attn: Division Order Section
Land Department
P.O. Box 2849, 1817 Wood St.
Dallas, Texas 7520[illegible]

_____
_____
_____
Social Security No. _____

ENSERCH EXPLORATION INC.

1817 Wood Street, P.O. Box 2649
Dallas, Texas 75201
214-748-1110 Telex 73372

December 22, 1976

Land Department—U.S.
R. D. Whitten, Manager
Title Records and Ad Valorem
Tax Group
Thelma G. Anthony, Manager
Division Order Section
Peter J. Sawyer, Manager
Ad Valorem Tax Section
R. H. Russell, Manager
Lease Records Section

EE-T-ML-#16626
Atlantic Richfield Company
Reeves County, Texas

Arco-State 1-24 Well
Arco-State 2-24 Well

Commissioner of the General
Land Office of the State of Texas
Austin, Texas 78701

Gentlemen:

Attached please find our Check No. 025152 dated December 22, 1976 payable to your order in the amount of $1,280.00 and representing shut-in gas royalty due under the terms of the Oil and Gas Lease described on the attached Shut-in Gas Royalty Receipt.

You may wish to note that this payment reflects the Arco-State 2-24 Well, as well as the Arco-State 1-24 Well, as completion of the Arco-State 2-24 Well is expected prior to the expiration of the primary term.

Please date, sign and return the original of this shut-in receipt at your earliest convenience.

Very truly yours,

ENSERCH EXPLORATION, INC.

Kathi Alexander

Kathi L. Alexander

KLA:hj
Att.:

ck-1,280.00

41867

GENERAL LAND OFFICE LEASE NUMBER M- 74053

Operator Enserch Exploration, Inc.

Lease Name Arco State 24 Field Reaves, North (3200')

Description of Lease:

Area Rustler Tract Atlantic-Richfield Company

Part All Section 24 Block 57 (Township 3)

Grantee T&P RR Co. Survey Acres 640.0 County Reeves

The following well or wells are classified Gas Wells by the Railroad Commission of Texas and are Shut-in:

Well # 1 Number Gas Zones Completed 1 Potential MCF/day 3,206

Barrels Liquid No Condensate Date Shut-in December 13, ,1976

Well # 2 Number Gas Zones Completed 1 Potential MCF/day 905

Barrels Liquid No Condensate Date Shut-in December 31 ,1976

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? Yes
   If not, explain under Remarks.
2. Name of nearest purchaser Contract with Pioneer Natural Gas
3. Distance to nearest Gas Pipe Line 9 miles Price per MCF being offered $1.975/MMBTU
4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No
5. Is there a well that is draining this lease, but further than 1000'? No

If Yes on 4 and/or 5, furnish: Operator

Lease Date of first production

Remarks:

rec'd $1280.00
12/23/76
Reg # 41867

Overpaid Refund $80 per Carol G.

I certify that this statement is true and correct.

Enserch Exploration, Inc.

By: L. A. Johnson - Title District Production Manager

Sworn and subscribed to before me, the undersigned authority, on this 28th day of March, 1977

Verna J. Dawson

Notary Public in and for

Midland County, State of Texas

G.L.O. use only

Receiving Stamp

M.F. No._____

Affidavit and

Shut-in Gas Royalty Payment

For _____19__/_____19___

_____
Commissioner

Filed by_____
Clerk

G.L.O. use only:

M-_____

Has lease been amended?_____

Electric or Radio Active Logs filed?_____

Potential Test (RRC Form GWT-1 received?_____

Primary Term Expired _____, 19___

Acres_____Rental $_____Twice Rental $_____

Checked by_____Audited by_____

Shut-in Gas Royalty for_____19__to_____19__ $_____

Shut-In Affidavit
1/13/77 - 1/13/78
RWB

(16)

SHUT-IN AFFIDAVIT

Enter appropriate comments, if any, and initial. Pass to next person within one day.

	Initial:	Date:
Affidavit Auditor	R. Burson	4-4-77
Comments: OK		
Exploration & Development	MHJ	4-4-77
Comments: OK		
Legal-Energy Resources OK	LG	4-4-77
Comments:		
Affidavit Auditor		
Comments:		

TEAR OFF AT PERFORATION AND RETAIN. DUPLICATES CANNOT BE FURNISHED. NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF

ENSERCH EXPLORATION INC. 1817 Wood Street, P.O. Box 2649, Dallas, Texas 75201

COMPANY	VOUCHER	INVOICE	P O NO
05 ENSERCH EXPL., INC	0201954	0000T16626	0000000377 $***

EE-T-ML-#16626
IN PAYMENT OF SHUT-IN GAS ROYALTY PAYABLE TO THE COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS PER STATEMENT ATTACHED.
ARCO-STATE 3-24 $640.00
ARCO-STATE 4-24 $640.00

122

70408

COMMLANAUT
VENDOR CODE

REFERENCE THIS NUMBER IN ALL CORRESPONDENCE

DIRECT INQUIRIES TO CASH MANAGEMENT GROUP

FORM 5226 12-75

KLA:dc

SHUT-IN GAS ROYALTY RECEIPT

Lease No. EE-T-ML-#16626

Check No. 032221

To: Commissioner of the General Land
Office of the State of Texas
Austin, Texas 78701

Voucher No. 0201954

Amount $1,280.00

Date March 7, 1977

Enclosed is our check in payment of shut-in gas royalty for the period from January 29, 1977, to January 29, 1978, inclusive, covering Oil, Gas, and Mineral Lease dated October 13, 1976, from Atlantic Richfield Company to Enserch Exploration, Inc., recorded in Volume 340, Page 560, Deed Records of Reeves County, Texas, and covering 640 acres, more or less, in Section 24, Block 57, T-3, T & P RR Co. Survey, Reeves County, Texas. (State Lease M-74053)
Arco-State 3-24 Well
Arco-State 4-24 Well

70408

Very truly yours,
ENSERCH EXPLORATION, INC.

By PAT DUNLAP

Received the above shut-in gas royalty payment on this _____ day of _____, 197_____.

PLEASE DATE, SIGN, AND RETURN ORIGINAL TO:

ENSERCH EXPLORATION, INC.
Attn: Division Order Section
Land Department
P.O. Box 2649, 1817 Wood St.
Dallas, Texas 75201

_____

_____

Social Security No. _____

FORM 5256 12-75

SHUT-IN GAS ROYALTY RECEIPT

KLA:dc

Lease No. EE-T-ML-#16626 Check No. 032221

To: Commissioner of the General Land Office of the State of Texas Austin, Texas 78701 Voucher No. 0201954

Amount $1,280.00

Date March 7, 1977

Enclosed is our check in payment of shut-in gas royalty for the period from January 29, 1977 to January 29, 1978, inclusive, covering Oil, Gas, and Mineral Leases dated October 13, 1976 from Atlantic Richfield Company to Maverick Exploration, Inc. recorded in Volume 340, Page 560, Deed Records of Reeves County, Texas, and covering 640 acres, more or less, in Section 24, Block 57, T-3, T & P RR Co. Survey, Reeves County, Texas. (State Lease M-74053)

Arco-State 3-24 Well

Arco-State 4-24 Well

Very truly yours,

ENSERCH EXPLORATION, INC.

By _____

Received the above shut-in gas royalty payment on this _____ day of _____, 197_____

PLEASE DATE, SIGN, AND RETURN ORIGINAL TO:

ENSERCH EXPLORATION, INC.
Attn: Division Order Section
Land Department
P.O. Box 2649, 1817 Wood St.
Dallas, Texas 75201

_____

_____

Social Security No. _____

GENERAL LAND OFFICE LEASE NUMBER M- 74053

Operator Enserch Exploration, Inc.

Lease Name Arco State 24 Field Reaves, North (3200')

Description of Lease:

Area Rustler Tract Atlantic-Richfield Company

Part All Section 24 Block 57 (Township 3)

Grantee T&P RR Co. Survey Acres 640.0 County Reeves

The following well or wells are classified Gas Wells by the Railroad Commission of Texas and are Shut-in:

Well # 3 Number Gas Zones Completed 1 Potential MCF/day 821.5

Barrels Liquid No Condensate Date Shut-in January 29, ,19 77

Well # 4 Number Gas Zones Completed 1 Potential MCF/day 566

Barrels Liquid No Condensate Date Shut-in January 29 ,19 77

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? Yes
   If not, explain under Remarks.
2. Name of nearest purchaser Contract with Pioneer Natural Gas
3. Distance to nearest Gas Pipe Line 9 miles Price per MCF being offered $1.975/MMBTU
4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No
5. Is there a well that is draining this lease, but further than 1000'? No

If Yes on 4 and/or 5, furnish: Operator

Lease Date of first production

Remarks:

rec'd $1280.00
3/9/77
Reg# 70408
overpaid refund $80 per Darrell G.

I certify that this statement is true and correct.

Enserch Exploration, Inc.

By: L. A. Johnson Title District Production Manager

Sworn and subscribed to before me, the undersigned authority, on this 28th day of March, 19 77

Vesna J. Dawson

Notary Public in and for

Midland County, State of Texas

G.L.O. use only

Receiving Stamp

M.F. No._____

Affidavit and

Shut-in Gas Royalty Payment

For _____19__/_____19___

_____
Commissioner

Filed by_____
Clerk

G.L.O. use only:

M-_____

Has lease been amended?_____

Electric or Radio Active Logs filed?_____

Potential Test (RRC Form GWT-1 received?_____

Primary Term Expired _____, 19___

Acres_____Rental $_____Twice Rental $_____

Checked by_____Audited by_____

Shut-in Gas Royalty for_____19__to_____19__ $_____

RWA

Shut-in Affidavit

3/1/77 — 2/1/78

(17)

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

February 10, 1977

Enserch Exploration Company
1817 Wood Street
P. O. Box 2649
Dallas, Texas 75201

ATTENTION: R. F. Crawford
Manager- Contract Administration

RE: State Lease M-74053
Arco State #1-24
Reeves County, Texas

Gentlemen:

In accordance with the provisions set forth in our Oil or Gas Lease Form and/or the statutes, we ask that you furnish this office with a copy of the Contract covering gas sales from the above lease.

The Contract is needed by this office in order to conduct an audit of your gas royalty reports and payments.

In addition to furnishing us with a copy of the Contract under which the gas is sold or processed please complete the attached "Gas Contract Brief".

If this Gas Contract covers more than one lease and/or mineral file number, one brief and copy of the contract will be sufficient, but the specific General Land Office lease and/or mineral file number must be noted in the appropriate spaces provided in the Contract Brief.

This information is needed by this office at your earliest convenience.

Sincerely yours,

Harry T. Finnell, Supervisor Gas Contracts
Resource Accounting
Telephone No. 512-475-4541
HF/glc
Enclosure

(18)

M. F. 74053

CORRESPONDENCE FILE

To Energy Executive

From

Dated 2-10-77

Phone

MEMORANDUM

TO: M-7405 3

FROM: L. Gilbert

DATE: 4-29-77

SUBJECT: Shut-in royalties.

A lady (X) from Ensearch called re our recent refund of $160.00 of their remittances totalling ($1280 + $1280) $2560.00.

I told her of the "missing comma" (in the Statute but not in the lease form) and told her we were due only $2400.00 rather than $2560.00 as remitted.

4 wells at $1200.00 each = $4800.00

STATE's HALF = $2400.00

Surface owner's half = 2400.00

L. Gilbert.

(X) Sorry, I can't remember her name.

(19)

M-74053

Phone Memorandum

4-29-77
L.G.

ENSERCH EXPLORATION INC

(161)

P. O. Box 4815
Midland, Texas 79701
915-682-9756

C. A. Johnson
District Production Manager
West Texas District
Drilling and Production Division

March 21, 1977

M-74053

Mr. Bob Armstrong
Commissioner, General Land Office
Austin, Texas 78701

Attention: Mr. Jack Howard

Gentlemen:

Attached is our application to the Railroad Commission for a permit to dispose of salt water into the Enserch Exploration, Inc. Arco State No. 1-24 located in Section 24, Block 57, Twp. 3, T&P RR Co. Survey, Reeves County, Texas. We would appreciate receiving, from you, any necessary Land Office approvals.

We are planning to drill a replacement well for gas production at a nearby location. If additional data is required please advise.

Yours very truly,

C. A. Johnson

CAJ:vjd

Attach-

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-14
Rev. 6-10-64

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION NOT PRODUCTIVE OF OIL OR GAS

1. Operator	2. Address	3. District
Enserch Exploration, Inc.	P. O. Box 4815 Midland, TX 79701	8

4. Lease Name and Lease or Identification No.	5. Well No.	6. Field	7. County
ARCO State #69368	1-24	Reaves, North (3200')	Reeves

8. Location (Sec.-Twp-Rge or Block & Survey)
Section 24, Block 57, Twp. 3, T & P RR Co. Survey

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
9. Surface Casing	8-5/8" OD	252'	175 sx.	Surface	cement circulated
10. Intermediate					
11. Long String	4-½" OD	4209'	1820 sx. 950 sx.	1500' Surface	cement circulated
12. Tubing	2-3/8" OD	3700'	13. Name, Model and Depth of Tubing Packing: Baker Model D 3600' (Proposed TBG & Packer Depths)		

14. Depth to Top of Injection Zone	15. Depth to Bottom of Injection Zone
3700'	3900'

16. Is Injection through Tubing, Casing or Annulus?	17. Perforations or Open Hole?	18. Is this a new well Drilled for Disposal?
Tubing	Perforation	No

19. List all Cement Squeeze Operations, Giving Interval and Number Sacks Cement

20. Depth of Deepest Fresh Water Zone	21. Depth of Shallowest Zone Productive of Oil or Gas in This Field
Base of Rustler, Approximately 1000'	3100'

22. Anticipated Daily Injection Volume (bbls.)	Minimum	Maximum	23. Open or Closed System?
	500	1000	Closed

24. Is Injection to be by Gravity or Pressure?	25. Approx. Pressure (Psi)	26.
Pressure-if required	500 psi	

27. Will it be necessary for water to be filtered or chemically treated? Yes / No	28. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? Yes or No
No	Yes

29. Have notices of this application been mailed or given to all offset operators? Yes / No	30. NAME AND ADDRESS OF SURFACE OWNER
Yes	State of Texas, General Land Office, Austin, TX

31. Are there any other Salt Water Disposal Wells using this same Zone in this Field?	Yes or No	32. If so name one such well below
	None	known

33. Name of Operator of Disposal Well in same zone	34. Lease Name	35. Well No.
	None known	

36. List Name and Addresses of all offset Operators

Texaco, Inc.	P. O. Box 3109	Midland, Texas	79702
Atlantic Richfield Co.	P. O. Box 1610	Midland, Texas	79702
Anadarko Production Co.	P. O. Box 1642	Houston, Texas	77001

Enserch Exploration, Inc.
37. OPERATOR

Jerry Nash - Dist. Pet. Eng.
Signature of Affiant

State of Texas)
County of Midland)

Before me, the undersigned authority, on this day personally appeared Jerry Nash known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states, that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct.

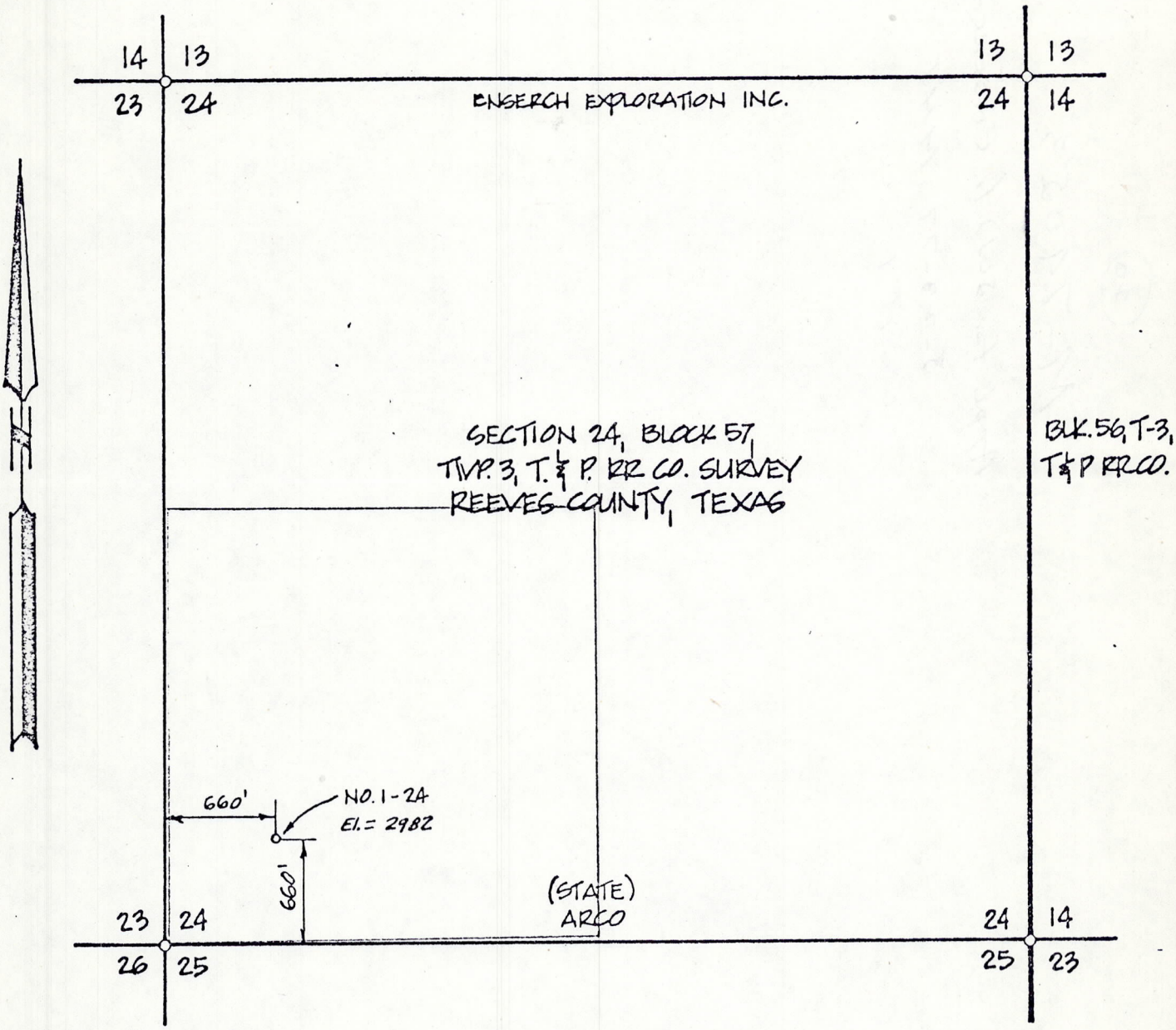
Subscribed and sworn to before me this 8th day of March, 1977.

SEAL

My commission expires June 1, 1977

Verna J. Dawson
Notary Public in and for Midland County, Texas

(See Reverse Side for Instructions)

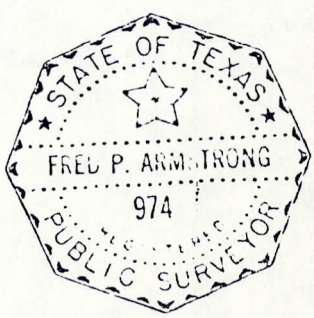


PLAT OF ENSERCH EXPLORATION INC.'S NO. 1-24, LOCATED 660' FWL AND 660' FSL OF SECTION 24, BLOCK 57, TWP. 3, T. & P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: October 15, 1976

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR



(20)

M-74053

Appl. for SWD fr. ENSERCH

3-23-77 MHL

Well #1

3-23-77

LH:hl

Form 5650 2/76

DIVISION ORDER

File No.: EE-T-ML-#16626

Date: June 16, 1977

TO: Enserch Exploration, Inc.
(Herein sometimes called "Purchaser")
P. O. Box 2649
1817 Wood Street
Dallas, Texas 75201

Each of the undersigned (herein referred to as "owners") hereby certifies and guarantees that the percentage and type of interest opposite his name set out below, is the interest of such person in the lands described herein and each such person warrants title to such interest and certifies that he is authorized to sell oil or gas produced from ENSERCH EXPLORATION, INC.'S/Arco State 24 No. 2 Well Well/Unit and is entitled to payment in the proportions set out below, for oil or gas produced and/or purchased from said well or wells now or hereafter completed on the following described land in Reeves County, Texas:

All of Section No. 24, Block 57, T-3, T&P RR. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is the equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056' to 4,118'.

YOUR COPY

This division order shall be effective with deliveries beginning with initial production and thereafter until you are furnished with an instrument in writing evidencing a change in the ownership different from that set out hereunder, you will give credit for oil or gas purchased from said well or wells attributable to the interests shown below, in the following manner, to wit:

Division of Interest	Credit To	P. O. Address

SEE OWNERSHIP STATEMENT ATTACHED

The following covenants are also parts of this division order and shall be binding on the undersigned, their respective legal representatives, successors and assigns:

1. Each of the undersigned hereby warrants and guarantees the title to the oil and gas royalties and/or working interest credited to each respective undersigned owner according to the division of interest as indicated.

2. The word "oil" as used herein is hereby declared to include all liquid hydrocarbons (including any condensate) purchased hereunder, and the word "gas" as used herein is hereby declared to include all gaseous substances, including oil well gas (casinghead gas).

3. Purchaser is authorized for its own account to receive such oil into its possession or to deliver same to any party designated by it, the oil so received to be run and measured in accordance with customary pipeline rules and regulations, including those of the governmental agency having recognized jurisdiction over or control of the production and handling of oil in such area.

4. The oil run hereunder shall, on the terms herein stated, become Purchaser's property immediately upon being received into Purchaser's possession or in the possession of Purchaser's designated nominee; and Purchaser agrees to receive the oil run hereunder and, subject to the further provisions hereof, to pay the respective owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for similar crude prevailing for the field where produced on the date of each respective run, or, if the condensate is purchased by a nominee, the price to be paid shall be the same price received by Purchaser from such nominee, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereon.

5. Royalties and working interest on gas run hereunder shall be paid for to the respective owners according to the division of interest herein indicated on the basis of net proceeds derived from the sale or sales thereof in accordance with the terms and conditions contained in the Gas Purchase Contract or any extension, renewal, modification, or amendment or any future contracts for the sale of gas made between you and any buyer thereof. "Net proceeds", as herein used, is defined as the gross proceeds received at the delivery point for said gas, less all costs of transporting, compressing, or any other conditioning necessary to market such gas.

6. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may hold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Purchaser has been furnished, or until Purchaser's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of gas which has been paid the undersigned is required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may recover said refund by deduction from future payments, or at Purchaser's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest, Purchaser is required to pay applicable to the undersigned's portion of the refund.

7. Settlements shall be paid monthly in Dallas, Texas, by Purchaser's check mailed to the respective parties set out above; however, if the proceeds for any one month amount to less than $5.00, Purchaser is hereby authorized to make payment thereof annually.

8. Purchaser is hereby relieved of any responsibility for determining when any interest herein set forth has been increased, decreased, terminated or transferred, and the undersigned agree to give written notice to Purchaser at its office in Dallas, Texas, of any change and to hold Purchaser harmless from all loss or expense that may result from any incorrect payment in the absence of Purchaser's receipt of such written notice. All such changes shall be made effective on the first day of the calendar month following the month in which notice is received by Purchaser. In the event of overpayment for oil or gas to the interest of any one of the undersigned herein, Purchaser is authorized upon discovery to recoup such amounts from future accruals to this or any other interest owned by such undersigned for which Purchaser may make settlement.

9. The undersigned severally agree to notify you of any change in their ownerships of interest in the right to receive the proceeds of sale of the production by delivering to you at the above address (or at such other address as you designate in written notice delivered to the undersigned) the original or a certified copy of instrument or instruments evidencing same and a transfer order in your favor, executed by the grantor and grantee in each such instrument. All such transfers shall be made subject to this Division Order and shall be effective at 7:00 A.M. on the first day of the calendar month following receipt by you of the instruments described in this paragraph notifying you of such change in ownership.

10. In case of an adverse claim or dispute which affects the title of any ownership credited hereunder, the parties credited hereon with such affected ownership severally authorize Purchaser to withhold payments accruing to such affected ownership, without obligation to pay interest on the amount so withheld, until corporate indemnity bond acceptable to Purchaser shall be furnished or until the claim or dispute is settled.

11. Purchaser is authorized, at its election, to withhold from the proceeds of production the amount of any tax placed thereon, or on the production thereof, by any governmental authority, and to pay the same on behalf of the undersigned.

12. Payments so made are to be in full settlement for such oil or gas so taken and sold from the wells on the above-described land.

13. The undersigned hereby adopt, ratify and confirm each oil and gas lease, unit designation or agreement, and gas sales or processing agreement, and all amendments thereof, under which the production covered hereby is produced, processed and sold.

14. This division order may be executed in counterparts and the covenants contained herein shall be binding on and shall inure to the benefit of all signers hereto, their heirs, successors and assigns, whether or not it is executed by all parties named herein, and all of the provisions herein contained shall apply to each of the undersigned separately and not jointly, and shall continue in full force and effect until the permanent cessation of production of oil or gas from the above-described land and termination of the valid and subsisting leasehold estates covering same.

15. This Division Order may be transferred by you to any firm, person or corporation succeeding you as distributor of the sale of the production, or part thereof, affected hereby, after which such transfer said successor shall be solely responsible to the undersigned for the performance of the covenants hereunder as to said part transferred. It shall not be necessary for any Owner hereunder to execute a new Division Order to any successor distributor of the proceeds of the sale of production, or part thereof, unless specifically requested by such successor.

WITNESSES:	OWNERS:	SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER
	Commissioner of the General Land Office of the State of Texas	

OWNERSHIP STATEMENT

Effective with deliveries beginning with initial production and thereafter until payout, credit will be given in the following manner:

WORKING INTERESTS

.75000000 W.I.	Enserch Exploration, Inc.	

ROYALTY INTERESTS

.12500000 R.I.	Atlantic Richfield Company	P. O. Box 2819 Dallas, TX 75221
.12500000 R.I.	Commissioner of the General Land Office of the State of Texas	Austin, TX 78701

After payout of the total cost of drilling, completing, equipping, and operating during payout of each well, the ownership will be as follows:

WORKING INTERESTS

.66666667 W.I.	Enserch Exploration, Inc.	

ROYALTY INTEREST

.16666666 R.I.	Atlantic Richfield Company	address shown above
.16666666 R.I.	Commissioner of the General Land Office of the State of Texas	address shown above

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

July 1, 1977

Enserch Exploration, Inc.
P.O. Box 2649
Dallas, Texas 75201

RE: State Lease M-74053
ARCO State 24 No. 2 Well
Sec. 24, Blk 57, T-3 T&P Ry. Co. Survey
Reeves County, Texas
Oil & Gas Division Order No. EE-T-ML-16626

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(21)

M. F. 24053

CORRESPONDENCE FILE

To

Research

~~From~~

Dated 7-1-77

ENSERCH EXPLORATION INC.

121

1817 Wood Street, P.O. Box 2649
Dallas, Texas 75201
214-748-1110 Telex 73372

June 16, 1977

Land Department—U.S
R. D. Whitten, Manager
Title Records and Ad Valorem
Tax Group
Thelma G. Anthony, Manager
Division Order Section
Peter J. Sawyer, Manager
Ad Valorem Tax Section
R. H. Russell, Manager
Lease Records Section

EE-T-ML-#16626
Arco State 24 No. 1, 2,
3, 4 Well
Reeves County, Texas

Dear Interest Owner:

Enclosed are copies of a division order reflecting your interest in production from the land described thereon. Please execute and return one copy of this division order taking into consideration the following instructions:

1. Division orders for corporations must be executed by an authorized officer or some other authorized party, attested by the secretary or assistant secretary and the corporate seal affixed.

2. Division orders for partnerships must be executed by all partners or by an authorized partner.

3. All signatures other than those for corporations must be witnessed by two unrelated witnesses.

4. The Social Security Number or Federal Tax Identification Number of each interest owner must be shown in the space provided on the reverse side of the division order.

5. Please be sure that your correct mailing address, including your ZIP Code, is shown in order that you will be assured of receiving checks addressed to you.

Very truly yours,

ENSERCH EXPLORATION, INC.
Formerly Lone Star Producing Company

Loretta Hudson

Loretta Hudson

LH:hl
Encl.

LH:hl

Form 5650 2/76

DIVISION ORDER

File No.: EE-T-ML-#16626

Date: June 16, 1977

TO: Enserch Exploration, Inc.
(Herein sometimes called "Purchaser")
P. O. Box 2649
1817 Wood Street
Dallas, Texas 75201

Each of the undersigned (herein referred to as "owners") hereby certifies and guarantees that the percentage and type of interest opposite his name set out below, is the interest of such person in the lands described herein and each such person warrants title to such interest and certifies that he is authorized to sell oil or gas produced from ENSERCH EXPLORATION, INC.'S/Arco State 24 No. 1 Well Well/Unit and is entitled to payment in the proportions set out below, for oil or gas produced and/or purchased from said well or wells now or hereafter completed on the following described land in Reeves County, Texas:

All of Section No. 24, Block 57, T-3, T&P RR. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is the equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056' to 4,118'.

YOUR COPY

This division order shall be effective with deliveries beginning with initial production and thereafter until you are furnished with an instrument in writing evidencing a change in the ownership different from that set out hereunder, you will give credit for oil or gas purchased from said well or wells attributable to the interests shown below, in the following manner, to wit:

Division of Interest	Credit To	P. O. Address

SEE OWNERSHIP STATEMENT ATTACHED

The following covenants are also parts of this division order and shall be binding on the undersigned, their respective legal representatives, successors and assigns:

1. Each of the undersigned hereby warrants and guarantees the title to the oil and gas royalties and/or working interest credited to each respective undersigned owner according to the division of interest as indicated.

2. The word "oil" as used herein is hereby declared to include all liquid hydrocarbons (including any condensate) purchased hereunder, and the word "gas" as used herein is hereby declared to include all gaseous substances, including oil well gas (casinghead gas).

3. Purchaser is authorized for its own account to receive such oil into its possession or to deliver same to any party designated by it, the oil so received to be run and measured in accordance with customary pipeline rules and regulations, including those of the governmental agency having recognized jurisdiction over or control of the production and handling of oil in such area.

4. The oil run hereunder shall, on the terms herein stated, become Purchaser's property immediately upon being received into Purchaser's possession or in the possession of Purchaser's designated nominee; and Purchaser agrees to receive the oil run hereunder and, subject to the further provisions hereof, to pay the respective owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for similar crude prevailing for the field where produced on the date of each respective run, or, if the condensate is purchased by a nominee, the price to be paid shall be the same price received by Purchaser from such nominee, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereon.

5. Royalties and working interest on gas run hereunder shall be paid for to the respective owners according to the division of interest herein indicated on the basis of net proceeds derived from the sale or sales thereof in accordance with the terms and conditions contained in the Gas Purchase Contract or any extension, renewal, modification, or amendment or any future contracts for the sale of gas made between you and any buyer thereof. "Net proceeds", as herein used, is defined as the gross proceeds received at the delivery point for said gas, less all costs of transporting, compressing, or any other conditioning necessary to market such gas.

6. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may hold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Purchaser has been furnished, or until Purchaser's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of gas which has been paid the undersigned is required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may recover said refund by deduction from future payments, or at Purchaser's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest, Purchaser is required to pay applicable to the undersigned's portion of the refund.

7. Settlements shall be paid monthly in Dallas, Texas, by Purchaser's check mailed to the respective parties set out above; however, if the proceeds for any one month amount to less than $5.00, Purchaser is hereby authorized to make payment thereof annually.

8. Purchaser is hereby relieved of any responsibility for determining when any interest herein set forth has been increased, decreased, terminated or transferred, and the undersigned agree to give written notice to Purchaser at its office in Dallas, Texas, of any change and to hold Purchaser harmless from all loss or expense that may result from any incorrect payment in the absence of Purchaser's receipt of such written notice. All such changes shall be made effective on the first day of the calendar month following the month in which notice is received by Purchaser. In the event of overpayment for oil or gas to the interest of any one of the undersigned herein, Purchaser is authorized upon discovery to recoup such amounts from future accruals to this or any other interest owned by such undersigned for which Purchaser may make settlement.

9. The undersigned severally agree to notify you of any change in their ownerships of interest in the right to receive the proceeds of sale of the production by delivering to you at the above address (or at such other address as you designate in written notice delivered to the undersigned) the original or a certified copy of instrument or instruments evidencing same and a transfer order in your favor, executed by the grantor and grantee in each such instrument. All such transfers shall be made subject to this Division Order and shall be effective at 7:00 A.M. on the first day of the calendar month following receipt by you of the instruments described in this paragraph notifying you of such change in ownership.

10. In case of an adverse claim or dispute which affects the title of any ownership credited hereunder, the parties credited hereon with such affected ownership severally authorize Purchaser to withhold payments accruing to such affected ownership, without obligation to pay interest on the amount so withheld, until corporate indemnity bond acceptable to Purchaser shall be furnished or until the claim or dispute is settled.

11. Purchaser is authorized, at its election, to withhold from the proceeds of production the amount of any tax placed thereon, or on the production thereof, by any governmental authority, and to pay the same on behalf of the undersigned.

12. Payments so made are to be in full settlement for such oil or gas so taken and sold from the wells on the above-described land.

13. The undersigned hereby adopt, ratify and confirm each oil and gas lease, unit designation or agreement, and gas sales or processing agreement, and all amendments thereof, under which the production covered hereby is produced, processed and sold.

14. This division order may be executed in counterparts and the covenants contained herein shall be binding on and shall inure to the benefit of all signers hereto, their heirs, successors and assigns, whether or not it is executed by all parties named herein, and all of the provisions herein contained shall apply to each of the undersigned separately and not jointly, and shall continue in full force and effect until the permanent cessation of production of oil or gas from the above-described land and termination of the valid and subsisting leasehold estates covering same.

15. This Division Order may be transferred by you to any firm, person or corporation succeeding you as distributor of the sale of the production, or part thereof, affected hereby, after which such transfer said successor shall be solely responsible to the undersigned for the performance of the covenants hereunder as to said part transferred. It shall not be necessary for any Owner hereunder to execute a new Division Order to any successor distributor of the proceeds of the sale of production, or part thereof, unless specifically requested by such successor.

WITNESSES:	OWNERS:	SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER
	Commissioner of the General Land Office of the State of Texas	

OWNERSHIP STATEMENT

Effective with deliveries beginning with initial production and thereafter until payout, credit will be given in the following manner:

WORKING INTERESTS

.75000000 W.I.	Enserch Exploration, Inc.	

ROYALTY INTERESTS

.12500000 R.I.	Atlantic Richfield Company	P. O. Box 2819 Dallas, TX 75221
.12500000 R.I.	Commissioner of the General Land Office of the State of Texas	Austin, TX 78701

After payout of the total cost of drilling, completing, equipping, and operating during payout of each well, the ownership will be as follows:

WORKING INTERESTS

.66666667 W.I.	Enserch Exploration, Inc.	

ROYALTY INTEREST

.16666666 R.I.	Atlantic Richfield Company	address shown above
.16666666 R.I.	Commissioner of the General Land Office of the State of Texas	address shown above

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

June 30 1977

Enserch Exploration, Inc.
P.O. Box 2649
Dallas, Texas 75201

RE: State Lease M-74053
ARCO State 24 No.1 Well
Sec. 24, Blk 57, T-3, T&P Ry. Co. Survey
Reeves County, Texas
Oil & Gas Division Order No. EE-T-ML-16626

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(22)

M. F. 14053
CORRESPONDENCE FILE

To Onserch

~~From~~

Dated 7-1-77

LH:hl

Form 5650 2/76

DIVISION ORDER

File No.: EE-T-ML-#16626

Date: June 16, 1977

TO: Enserch Exploration, Inc.
(Herein sometimes called "Purchaser")
P. O. Box 2649
1817 Wood Street
Dallas, Texas 75201

Each of the undersigned (herein referred to as "owners") hereby certifies and guarantees that the percentage and type of interest opposite his name set out below, is the interest of such person in the lands described herein and each such person warrants title to such interest and certifies that he is authorized to sell oil or gas produced from ENSERCH EXPLORATION, INC.'S/Arco State 24 No. 4 Well Well/Unit and is entitled to payment in the proportions set out below, for oil or gas produced and/or purchased from said well or wells now or hereafter completed on the following described land in Reeves County, Texas:

All of Section No. 24, Block 57, T-3, T&P RR. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is the equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056' to 4,118'.

YOUR COPY

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1. Each of the undersigned hereby warrants and guarantees the title to the oil and gas royalties and/or working interest credited to each respective undersigned owner according to the division of interest as indicated.

2. The word "oil" as used herein is hereby declared to include all liquid hydrocarbons (including any condensate) purchased hereunder, and the word "gas" as used herein is hereby declared to include all gaseous substances, including oil well gas (casinghead gas).

3. Purchaser is authorized for its own account to receive such oil into its possession or to deliver same to any party designated by it, the oil so received to be run and measured in accordance with customary pipeline rules and regulations, including those of the governmental agency having recognized jurisdiction over or control of the production and handling of oil in such area.

4. The oil run hereunder shall, on the terms herein stated, become Purchaser's property immediately upon being received into Purchaser's possession or in the possession of Purchaser's designated nominee; and Purchaser agrees to receive the oil run hereunder and, subject to the further provisions hereof, to pay the respective owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for similar crude prevailing for the field where produced on the date of each respective run, or, if the condensate is purchased by a nominee, the price to be paid shall be the same price received by Purchaser from such nominee, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereon.

5. Royalties and working interest on gas run hereunder shall be paid for to the respective owners according to the division of interest herein indicated on the basis of net proceeds derived from the sale or sales thereof in accordance with the terms and conditions contained in the Gas Purchase Contract or any extension, renewal, modification, or amendment or any future contracts for the sale of gas made between you and any buyer thereof. "Net proceeds", as herein used, is defined as the gross proceeds received at the delivery point for said gas, less all costs of transporting, compressing, or any other conditioning necessary to market such gas.

6. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may hold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Purchaser has been furnished, or until Purchaser's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of gas which has been paid the undersigned is required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may recover said refund by deduction from future payments, or at Purchaser's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest, Purchaser is required to pay applicable to the undersigned's portion of the refund.

7. Settlements shall be paid monthly in Dallas, Texas, by Purchaser's check mailed to the respective parties set out above; however, if the proceeds for any one month amount to less than $5.00, Purchaser is hereby authorized to make payment thereof annually.

8. Purchaser is hereby relieved of any responsibility for determining when any interest herein set forth has been increased, decreased, terminated or transferred, and the undersigned agree to give written notice to Purchaser at its office in Dallas, Texas, of any change and to hold Purchaser harmless from all loss or expense that may result from any incorrect payment in the absence of Purchaser's receipt of such written notice. All such changes shall be made effective on the first day of the calendar month following the month in which notice is received by Purchaser. In the event of overpayment for oil or gas to the interest of any one of the undersigned herein, Purchaser is authorized upon discovery to recoup such amounts from future accruals to this or any other interest owned by such undersigned for which Purchaser may make settlement.

9. The undersigned severally agree to notify you of any change in their ownerships of interest in the right to receive the proceeds of sale of the production by delivering to you at the above address (or at such other address as you designate in written notice delivered to the undersigned) the original or a certified copy of instrument or instruments evidencing same and a transfer order in your favor, executed by the grantor and grantee in each such instrument. All such transfers shall be made subject to this Division Order and shall be effective at 7:00 A.M. on the first day of the calendar month following receipt by you of the instruments described in this paragraph notifying you of such change in ownership.

10. In case of an adverse claim or dispute which affects the title of any ownership credited hereunder, the parties credited hereon with such affected ownership severally authorize Purchaser to withhold payments accruing to such affected ownership, without obligation to pay interest on the amount so withheld, until corporate indemnity bond acceptable to Purchaser shall be furnished or until the claim or dispute is settled.

11. Purchaser is authorized, at its election, to withhold from the proceeds of production the amount of any tax placed thereon, or on the production thereof, by any governmental authority, and to pay the same on behalf of the undersigned.

12. Payments so made are to be in full settlement for such oil or gas so taken and sold from the wells on the above-described land.

13. The undersigned hereby adopt, ratify and confirm each oil and gas lease, unit designation or agreement, and gas sales or processing agreement, and all amendments thereof, under which the production covered hereby is produced, processed and sold.

14. This division order may be executed in counterparts and the covenants contained herein shall be binding on and shall inure to the benefit of all signers hereto, their heirs, successors and assigns, whether or not it is executed by all parties named herein, and all of the provisions herein contained shall apply to each of the undersigned separately and not jointly, and shall continue in full force and effect until the permanent cessation of production of oil or gas from the above-described land and termination of the valid and subsisting leasehold estates covering same.

15. This Division Order may be transferred by you to any firm, person or corporation succeeding you as distributor of the sale of the production, or part thereof, affected hereby, after which such transfer said successor shall be solely responsible to the undersigned for the performance of the covenants hereunder as to said part transferred. It shall not be necessary for any Owner hereunder to execute a new Division Order to any successor distributor of the proceeds of the sale of production, or part thereof, unless specifically requested by such successor.

WITNESSES:	OWNERS:	SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER
	Commissioner of the General Land Office of the State of Texas	

OWNERSHIP STATEMENT

Effective with deliveries beginning with initial production and thereafter until payout, credit will be given in the following manner:

WORKING INTERESTS

.75000000 W.I.	Enserch Exploration, Inc.	

ROYALTY INTERESTS

.12500000 R.I.	Atlantic Richfield Company	P. O. Box 2819 Dallas, TX 75221
.12500000 R.I.	Commissioner of the General Land Office of the State of Texas	Austin, TX 78701

After payout of the total cost of drilling, completing, equipping, and operating during payout of each well, the ownership will be as follows:

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.66666667 W.I.	Enserch Exploration, Inc.	

ROYALTY INTEREST

.16666666 R.I.	Atlantic Richfield Company	address shown above
.16666666 R.I.	Commissioner of the General Land Office of the State of Texas	address shown above

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

July 1, 1977

Enserch Exploration, Inc.
P.O. Box 2649
Dallas, Texas 75201

RE: State Lease M-74053
ARCO State 24, No. 4 Well
Sec. 24, Blk 57, T-3, T&P Ry. Co. Survey
Reeves County, Texas
Oil & Gas Division Order No. EE-T-ML-16626

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Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(23)

M. F. 74053

CORRESPONDENCE FILE

To Enserch

~~From~~

Dated 7-1-77

LH:hl

Form 5650 2/76

DIVISION ORDER

File No.: EE-T-ML-#16626

Date: June 16, 1977

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(Herein sometimes called "Purchaser")
P. O. Box 2649
1817 Wood Street
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All of Section No. 24, Block 57, T-3, T&P RR. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is the equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056' to 4,118'.

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	Commissioner of the General Land Office of the State of Texas	

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ROYALTY INTEREST

.16666666 R.I.	Atlantic Richfield Company	address shown above
.16666666 R.I.	Commissioner of the General Land Office of the State of Texas	address shown above

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

July 1, 1977

Enserch Exploration, Inc.
P.O. Box 2649
Dallas, Texas 75201

RE: State Lease M-74053
ARCO State 24 No. 3 Well
Sec. 24, Blk 57, T-3, T&P Ry. Co. Survey
Reeves County, Texas
Oil & Gas Division Order No. 16626

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(24)

M. F. 74053
CORRESPONDENCE FILE

To
Ensech

~~From~~

Dated 7-1-77

ENSERCH EXPLORATION INC.

copy to HF

1817 Wood Street, P.O. Box 2649
Dallas, Texas 75201
214-748-1110 Telex 73372

R. F. Crawford
Manager
Contract Administration
Oil and Gas Marketing Department

note audit sheet : file
PCB 6/21/77

121

June 13, 1977

Mr. George A. Clark, Supervisor
Resource Accounting
General Land Office
Austin, Texas 78701

B

Re: State Lease M-74053 - Arco
State 1-24, 2-24, 3-24 & 4-24
State Lease M-~~64945~~ 65945 - State 1-26,
2-26, 3-26 & 4-26
Reeves County, Texas
EEI-T-GS-#305

Dear Mr. Clark:

We recently furnished your office a copy of the subject contract along with Gas Contract Brief Form MA-5. At that time, the wells had not been connected, and we now wish to adivse you that initial deliveries commenced from the wells into Pioneer Natural Gas Company's line on June 2, 1977.

The term of the contract became effective with initial deliveries and runs for a period of 10 years. The initial price of the gas is $1.975 per MMBTU, with escalations of 2.5¢ each six months during each of the next five succeeding 6-month periods following the initial 6-month period. The first 2.5¢ escalation occurs January 1, 1978. The first redetermination date is July 1, 1980, and each 12 months thereafter.

If you have any questions or need additional information, please let us know.

Very truly yours,

Shirley Rubarts

Mrs. Shirley Rubarts

SKR:jls

(25)

M. F. 74053

CORRESPONDENCE FILE

Enslick

From

Dated 6-13-77 gr

0.18.55

ENSERCH EXPLORATION INC

1817 Wood Street, P.O. Box 2649
Dallas, Texas 75201
214-748-1110 Telex 73372

R. F. Crawford
Manager
Contract Administration
Oil and Gas Marketing Department

May 10, 1977

Mr. Harry T. Finnell
Supervisor Gas Contracts
Resource Accounting
General Land Office
Austin, Texas 78701

Re: State Lease M-74053 - Arco
State 1-24, 2-24, 3-24 & 4-24
State Lease M-64945 - State 1-26,
2-26, 3-26 & 4-26
Reeves County, Texas
EEI-T-GS-#305

Dear Mr. Finnell:

Enclosed are Gas Contract Brief Form MA-5 and copy of Gas Purchase Contract dated March 4, 1977, between Enserch Exploration, Inc., as Seller, and Pioneer Natural Gas Company, as Buyer, covering gas purchased and sold from the captioned leases. The contract is for a term of 10 years from date of initial deliveries at an initial price of $1.975 per MCF, with an adjustment for BTU content.

To date, the wells have not been connected into Pioneer's system; however, you will be notified upon connection.

If we can be of further assistance, please let us know.

Very truly yours,

R. F. Crawford

skr
Enclosures

M. F. 74053

CORRESPONDENCE FILE

(16) Enoch Exploration

From

Dated 5-13-77

API Well No. 42 Instruction (7a & 7

REEVES DIST. 8
API NU. 42 389 30496

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

IVI-74053

FORM W-1
(12-22-75)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator
Enserch Exploration, Inc.

2. Address (Including City and Zip Code)
7701 N. Stemmons Freeway - Suite 800
Dallas, Texas 75247

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?
YES [X] NO [ ] (Instruction (2) on back side.)

4. Lease Name
Arco State 24

APR 29 1977

5. Location (Sec., Blk., Survey)
Sec. 24, Blk. 57, TWP 3, T&P RR Survey

6. This well is to be located 10 miles SSW Direction from Orla, Texas Nearest Post Office or Town.

7. RRC District
8

8. County
Reeves

9. Well Number
1-X

10. Number of Acres in Lease
640'

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)
660'

12. Total Depth
3400'

SPS

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Reaves, ~~North~~ (3200')	3400	None	467/ 1200	40 acres	160	Yes	2150	Regular 1 [X] Rule 37 2 [ ]	Gas	0	3
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED APR 18 1977 D.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

660' FWL & 1260' FSL of Sec. 24, Blk. 57, TWP 3, T & P RR Survey. 2150' SSW of Arco State 24 #4

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Elevation 2985' Gr

This is to be a replacement well for the Arco State 24 #1 which will be recompleted and used as a Salt Water Disposal Well.

C. H. Peeples
Signature

Drilling Supt. - Drilling Dept.
Title

April 6, 1977
Date

Telephone: Area Code 214 630-8711

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Comp: 8-9-77 (G-1)
AFS: 3150-61
IPAOF: 5 V3 MCFG)
TD: 3785

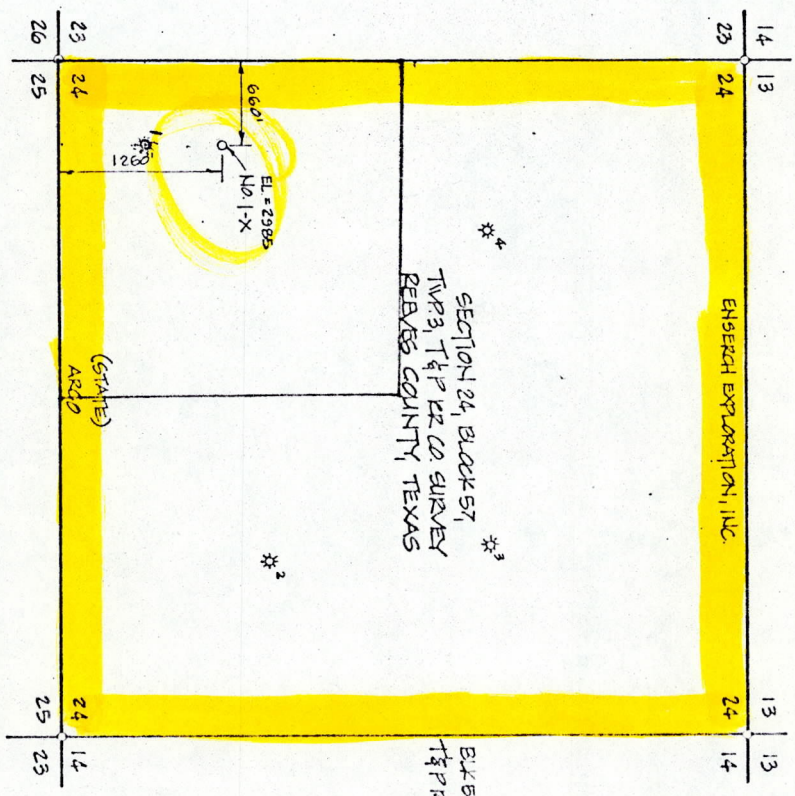
PLAT OF ENSERCH EXPLORATION INC.'S ARCO STATE "24" 1-X, LOCATED 660' FWL AND 1260' FSL OF SECTION 24, BLOCK 57, TWP. 3, T.& P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: March 30, 1977

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas, do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong
REGISTERED PUBLIC SURVEYOR

APR 18 1977
D.G.
MIDLAND, TEXAS



SCALE OF MAP

1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 5,000 feet

Surveyors PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767

4/26/77

N.P.

WELL STATUS REPORT

OPERATOR Ensearch Exploration Inc.

STATE LEASE NO. M-74053 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Arco States '24' WELL NO. 1-X

FIELD NAME Reaves North 3200 feet WILDCAT ____ COUNTY Reeves

REPORT NO. 1st SPUD DATE 5-7-77 DRILLING DEPTH 300 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They are three hundred feet deep and are broke down this date working on motor's for three(3) days. This rig has been in a drilling company yard down in East Texas and has not been used for several years and its all breaking down ? This is the first location they have tryed to drill for this company but have 4 to 5 more locations to drill ?

BA/jmh/gs

2-25-75

James Weatherly
INSPECTOR

May 24, 1977
DATE

WELL STATUS REPORT

OPERATOR Ensearch Exploration Inc.

STATE LEASE NO. M-74053 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Arco State 24 WELL NO. 1-X

FIELD NAME Reaves 3200 feet WILDCAT ____ COUNTY Reeves

REPORT NO. 2nd SPUD DATE 5-7-77 DRILLING DEPTH 2578 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They had to move the first small rotart rig off this location and now they have a second small rotary rig on this location ? I just wonder if they will ever get this location to Total Depth ??? 44 days is a long time to pnly be at 2578 feet ?

BA/jmh/gs

2-25-75

James Weatherly
INSPECTOR

DATE June 20,1977

WELL STATUS REPORT

OPERATOR Ensearch Exploration Inc.

STATE LEASE NO. M-74053 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Arco-State '24' WELL NO. 1

FIELD NAME Reaves N.3200 feet WILDCAT ____ COUNTY Reeves

REPORT NO. 3rd SPUD DATE 7-7-77 DRILLING DEPTH 2257 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Pete- I think this well location number is RIGHT ?? This rig is from Wich ita Falls, Texas and they will never get the locations all drilled for this outfit this whole year 1977 ?????

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE July 19, 1977

(27)

M. F. 74053

APPLICATION TO DRILL

WELL #. 1-X

FILED 8-7 1977

BOB ARMSTRONG, COMMISSIONER

BY: MH

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

M-74053

Form G-1
Rev. 7/7/75

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

7. RRC District: 8
8. RRC Identification Number:
9. Well Number: 1X
10. County: Reeves

1. FIELD NAME (as per RRC Records or Wildcat): Reaves North 3200'
2. LEASE NAME: Arco State 24
3. OPERATOR: Enserch Exploration, Inc.
4. ADDRESS: P. O. Box 4815 Midland, Texas 79701
5. If Operator has changed within last 60 Days — Give former Operator:
6. LOCATION (Section, Block, and Survey): Sec. 24 Blk. 57 TS 3 TPRR
11. Purpose of Test: Initial Potential [X] Retest [ ] Reclass [ ]
12. Pipe Line Connection: None
13. If Workover, give former Field (with Reservoir):
14. Completion Date: 8-9-77
15. List of Offset Operators Notified and Date of Notification:
16. Type of Electric or other Log Run: GR Comp. Neutron

Section I — GAS MEASUREMENT DATA

Date of Test: 8-9-77
Gas Measurement Method (Check One): Orifice Meter [ ] Positive Choke [ ] Orifice Vent Meter [X] Pitot Tube [ ] Critical-flow Prover [ ]
Gas produced during test: 48.33 MCF

Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2"	0.500	127		24	98	0.9653	1.0323	0.9659	122.2
2	2"	0.500	240		64	89	0.9732	1.0323	0.9745	235.0
3	2"	0.750	360		35	88	0.9741	1.0323	0.9689	350.7
4	2"	0.750	461		51	85	0.9768	1.0323	0.9723	452.0

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture G_{mix} =	Avg. Shut-In Temp.	Bottom Hole Temp.
0.563	None Deg. API	Dry Gas CF/Bbl		82 °F	94 °F @ 3050 (Depth)

$D_{eff}^{8/3}$ = ____ $\sqrt{T_f}$ = $\sqrt{\quad}$ = ____ $\sqrt{GL}$ = $\sqrt{\quad}$ = ____

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = ____ = ____ $\frac{\sqrt{GL}}{C}$ = ____ = ____

Run No.	Time of Run Min.	Choke Size	Wellhead Press P_w PSIA	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_1	P_w/P_1
Shut-In	78 hrs		883.2		780				
1	60	15/64	463.2	70	215				
2	60	18/64	418.2	70	175				
3	60	21/64	278.2	70	77				
4	60	29/64	176.2	70	31				

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2	$P_f^2 - P_s^2$
Shut-In					1473.2	2170	
1	BHP measured with Amerada RPG-3 gauge				1263.2	1596	574
2	serial No. 2544 N 0-2500 psi				1015.2	1037	1133
3					723.2	523	1647
4					543.2	295	1875

Angle of Slope
θ = 45°
n = 1.0000
Absolute Open Flow
523.1 MCF/DAY

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was _____ feet at a measured depth of _____ feet.

Signature of Authorized Representative

Name of Company Conducting Survey

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementer or Authorized Representative

Name of Cementing Company

CERTIFICATE:
I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Pamela Jeffries
REPRESENTATIVE OF COMPANY

Agent
TITLE

8-19-77
DATE

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Date Permit Issued: Apr. 27, 1977

19. Notice of Intention to Drill this Well was filed in Name of: Enserch Exploration, Inc.

20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 5

22. Total Number of Acres in this Lease: 640

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced July 7, 1977; Completed July 26, 1977

24. Distance to Nearest Well, Same Lease & Reservoir: 600

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 660 Feet From South Line and 1260 Feet From West Line of The Section 24 Lease

26. Elevation (DF, RKB, RT, GR, ETC): 2985 GR 2995 DF

27. Was Directional Survey Made: Yes [ ] No [X]

28. Top of Pay: 3150

29. Total Depth: 3285

30. P.B. Depth: 3223

31. Surface Casing Determined By: Recommendation of Texas Water Development Board [ ] Field Rules [ ] Railroad Commission (Special) [X]

32. Is Well Multiple Completion? Yes [ ] No [X]

33. If Multiple Completion List All Reservoir Names (Completions in this Well):

34. Intervals Drilled By: Rotary Tools 0-3285; Cable Tools:

35. Name of Drilling Contractor: Loggie Drilling Company

36. Is Cementing Affidavit Attached? Yes [X] No [ ]

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8 5/8	24	265		200	12 1/4	Surface	
4 1/2	10.5	3274		1700	7 7/8	450'	

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen
None				

39. TUBING RECORD

Size	Depth Set	Packer Set
2 3/8	3009.5	3009.5

40. Producing Interval (this completion) indicate Depth of Perforations or Open Hole

From 3150 To 3161 12 holes

From To

From To

From To

41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3150 - 61	100 gal. 10% inhibited acetic acid 2500 gal. maxi 0-74 8500 lbs 20-40 sand

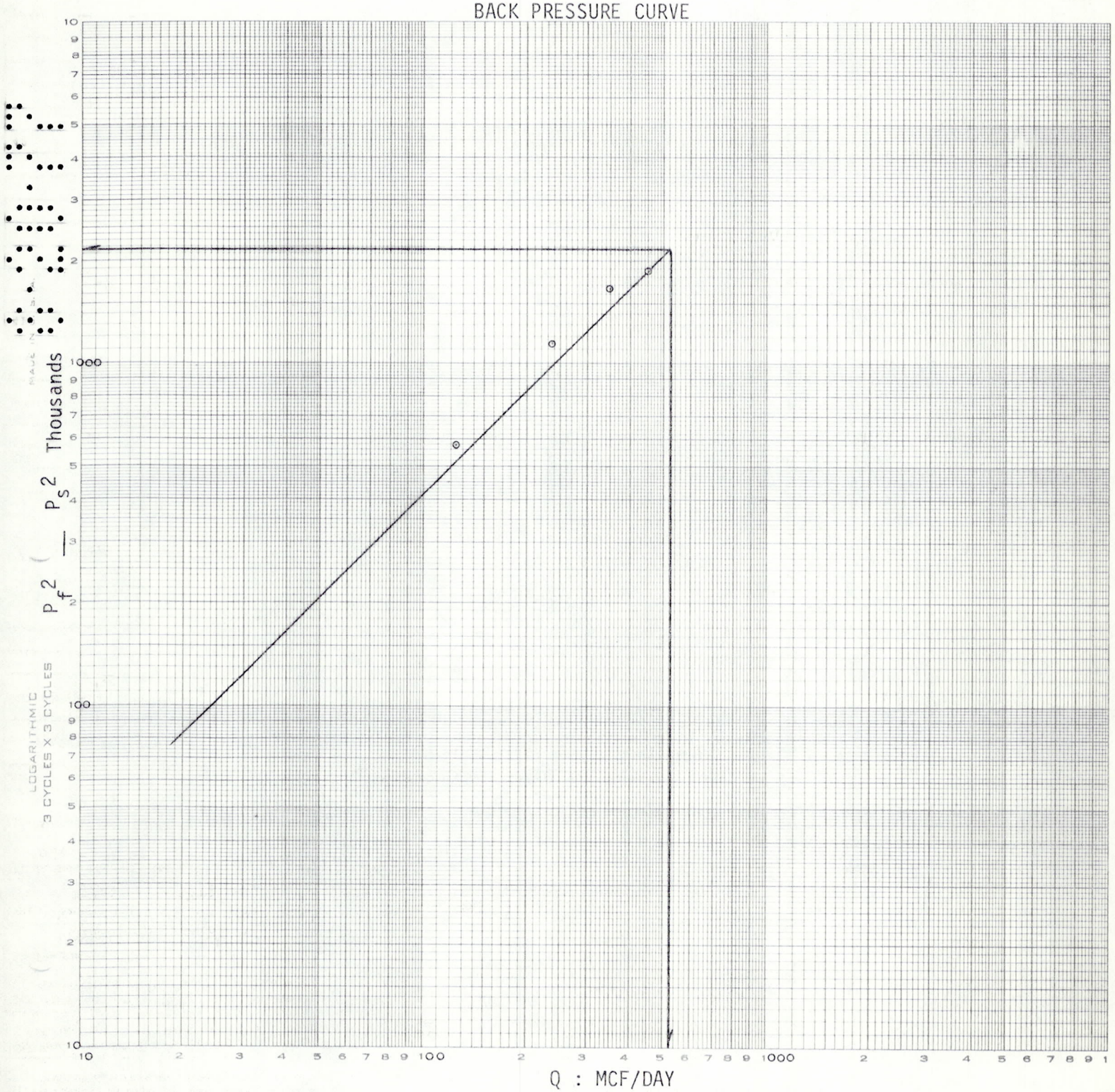
42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware Lime	3080		
Delaware Sand	3126		

REMARKS

Company : Enserch Exploration, Inc.
Well : Arco State No. 24-1X
Field : Reaves North 3200'
County : Reeves
State : Texas
Date : August 9, 1977

BACK PRESSURE CURVE



AOFP : 523.1 MCF/DAY
n : 1.0000
θ : 45°

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 7/5/66

GAS WELL STATUS REPORT

1. FIELD NAME (as per RRC Records)	Reaves, N. (3200)
2. LEASE NAME	Arco State 24
3. OPERATOR	Enserch Exploration, Inc.
4. ADDRESS	P. O. Box 4815, Midland, Texas 79701
5. LOCATION (Section, Block, and Survey)	Section 24, Block 57, Twp. 3, T&P RR Co. Survey
6. Pipeline Connection or Use of Gas	Pioneer Natural Gas Company
7. RRC District	8
8. RRC Identification Number	
9. Well Number	1-X
10. County	Reeves
11. Utilized for	Sales
12. Acres Allocated to this Well	160

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	452	(MCF)	E. Casing Pressure	Packer	(PSI)
B. Oil or Condensate Volume	Trace	(BBLS.)	F. Color of Liquid	--	
C. Gas/Liquid-Hydrocarbon Ratio	0	(CF/BBL.)	G. Gravity of Liquid	--	°API
D. Flowing Tubing Pressure	176	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	0.563	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	523.1	(MCF/DAY)	C. Shut-In Wellhead Pressure	883	(PSI)
B. Date of Test	8-9-77		D. Length of Time Well Shut-In Prior to Test	78 Hrs.	

Section III — A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

C. A. Johnson — C. A. Johnson
SIGNATURE

August 19, 1977
DATE

District Production Manager
TITLE

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)

INCLINATION REPORT
(One Copy Must Be Filed With Each Completion Report.)

1. FIELD NAME (as per RRC Records or Wildcat): Reaves, N. (3200')	2. LEASE NAME: Arco State 24
3. OPERATOR: Enserch Exploration, Inc.	
4. ADDRESS: P. O. Box 4815, Midland, Texas 79701	
5. LOCATION (Section, Block, and Survey): Section 24, Block 57, Twp. 3, T&P RR Co. Survey	

6. RRC District: 8	
7. RRC Lease Number. (Oil completions only)	
8. Well Number: 1X	
9. RRC Identification Number (Gas completions only)	
10. County: Reeves	

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
280	2.80	1	1.75	4.90	4.90
1272	9.92	1-1/4	2.18	21.63	26.53
2257	9.85	1	1.75	17.24	43.77
3285	10.28	1	1.75	17.99	61.76

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☐ yes ☒ no

18. Accumulative total displacement of well bore at total depth of 3285 feet = 61.76 feet.

*19. Inclination measurements were made in – ☐ Tubing ☐ Casing ☒ Open hole ☐ Drill Pipe

20. Distance from surface location of well to the nearest lease line 660 feet.

21. Minimum distance to lease line as prescribed by field rules 467 feet.

22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No

(If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

Signature of Authorized Representative

H. H. McDonald Tool Pusher

Name of Person and Title (type or print)

Eagle Drilling Co. Inc.

Name of Company

Telephone: 817 773-6003
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

C. A. Johnson

Signature of Authorized Representative

C. A. Johnson, Dist. Prod. Manager

Name of Person and Title (type or print)

Enserch Exploration, Inc.

Operator

Telephone: 915 682-9756
Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

* Designates items certified by company that conducted the inclination surveys.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-69)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) **Reaves, N (3200)**	*2. RRC District **8**
*3. Operator **Enserch Exploration, Inc.**	*4. County **Reeves**
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) **Arco State 24**	*6. Well Number **1-X**
*7. Location (Section, Block, and Survey) **Sec. 24, Blk. 57, TWP 3, T & P RR Survey**	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date	7-7-1977					
9. (a) Size of Drill Bit (inches)	12-1/4"					
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)	8-5/8"					
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)	265'					
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*	"C" 2% A7 ¼# Celloflake					
(b) In Second Slurry						
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry	200					
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Sacks of Cement Used	200					
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry	1.32					
(b) In Second Slurry						
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry	264					
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)	264					
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)	Surface					
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)	Yes					

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:	*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

John M. Macon
Signature of Cementer or Authorized Representative

John M. Macon Dist. Supt.
Name of Person and Title (type or print)

BJ-HUGHES Inc.
Cementing Company

Drawer P
Street Address or P.O. Box

Monahans, Tx. 79756
City, State Zip Code

Telephone 915 943-2554 or 563-1263
Area Code

7-7-1977
Date

***OPERATOR**

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Danny E. Hagins
*Signature of Operator or Authorized Representative

Danny E. Hagins, Sr. Drilling Supervisor
*Name of Person and Title (type or print)

Enserch Exploration, Inc.
*Operator

7701 N. Stemmons Fwy.
*Street Address or P.O. Box

Dallas, Texas 75247
*City, State Zip Code

*Telephone 214 630-8711
Area Code

August 10, 1977
*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-15
(Rev. 11-1-69)

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) Reeves, N (3200)	*2. RRC District 8
*3. Operator Research Exploration, Inc.	*4. County Reeves
*5. Lease Name(s) or Well Number(s) or I. D. Number(s) Arco State 24	*6. Well Number 1-X
*7. Location (Section, Block, and Survey) Sec. 24, Blk. 57, TWP 3, T & P RR Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date			7-28-'77			
9. (a) Size of Drill Bit (inches)			7-7/8			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)			4-1/2"			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)			3275'			
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry *(If additional space is needed, use "REMARKS" on reverse side.)*			Remarks			
(b) In Second Slurry			Remarks			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry			1070			
(b) In Second Slurry			400			
(c) In Third Slurry						
(d) Total Sacks of Cement Used			1470			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry			2.48			
(b) In Second Slurry			1.32			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry			2654			
(b) In Second Slurry			528			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)			3182			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)			Surface			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)			No			

CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

– OVER –

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:

13a. "C" w/ 2½% A-2, ¼# Celloflake & ¼# Tufplug per sack

13b. "C" ¼# Celloflake & ¼# Tufplug per sack

*27. Remarks:

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.

James W Ashley II

Signature of Cementer or Authorized Representative

James W. Ashley II Service Eng.

Name of Person and Title (type or print)

BJ-HUGHES Inc.

Cementing Company

Drawer P

Street Address or P.O. Box

Monahans, Tx. 79756

City, State Zip Code

Telephone 915 943-2554 or 563-1263

Area Code

7-28-1977

Date

***OPERATOR**

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.

Danny E. Hagins

*Signature of Operator or Authorized Representative

Danny E. Hagins, Sr. Drilling Supervisor

*Name of Person and Title (type or print)

Enserch Exploration, Inc.

*Operator

7701 N. Stemmons Fwy.

*Street Address or P.O. Box

Dallas, Texas 75247

*City, State Zip Code

*Telephone 214 630-8711

Area Code

August 10, 1977

*Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
   (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
   (2) Each copy of Form W-3;
   (3) Each copy of Form W-4 if a multiple parallel casing completion.
   B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
   C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
   A. Depth to protect fresh water determined by:
   (1) Field Rule
   (2) Texas Water Development Board, if no Field Rule
   B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
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5. If setting NO SURFACE CASING (See Item 4 above.):
   A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
   B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
   A. Cement short surface casing from the shoe to the surface.
   B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
   (1) the surface, or
   (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
   A. Cement to a point at least 600 feet above the casing shoe.
   B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
   A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
   B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
   C. A 10 foot cement plug is required to be placed in the top of the well.

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

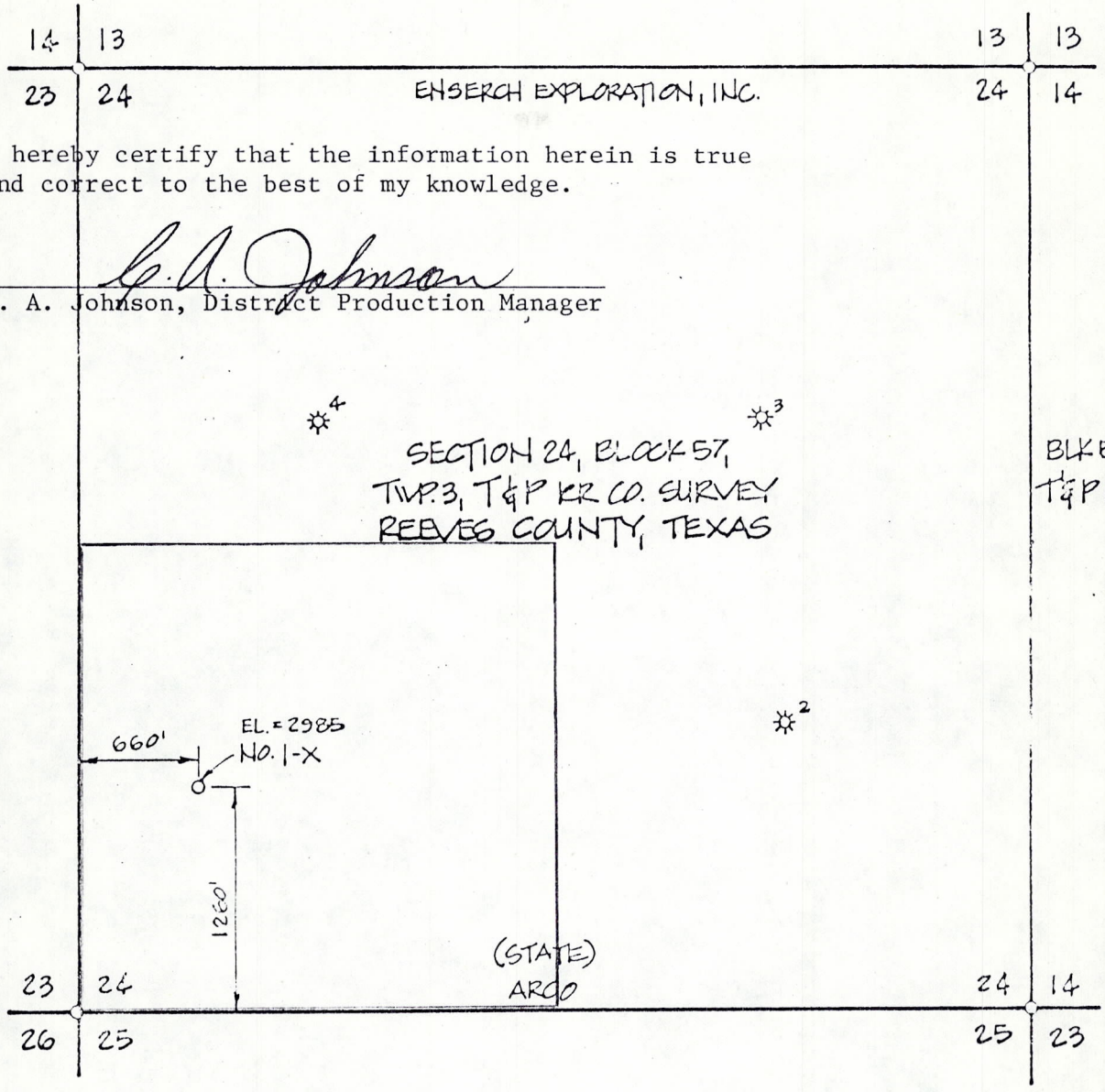
The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the Enserch Exploration, Inc. (OPERATOR), Arco State 24 (LEASE), No. 1-X (WELL); that such well is completed in the Reaves, N. (3200) Field, Reeves County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 160 acres which can reasonably be considered to be productive of hydrocarbons.

– CERTIFICATE –

I declare under penalties prescribed in Article 6036c, R. C. S., that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date August 19, 1977 Signature C. A. Johnson

Telephone 915 (AREA CODE) 682-9756 Title Dist. Prod. Manager



I hereby certify that the information herein is true and correct to the best of my knowledge.

C. A. Johnson

C. A. Johnson, District Production Manager

PLAT OF ENSERCH EXPLORATION INC.'S ARCO STATE "24" 1-X, LOCATED 660' FWL AND 1260' FSL OF SECTION 24, BLOCK 57, TWP. 3, T.& P. RR CO. SURVEY, REEVES COUNTY, TEXAS.

Scale: 1" = 1000'
Date: March 30, 1977

I, Fred P. Armstrong, a Registered Public Surveyor of the State of Texas, do hereby certify that the foregoing plat represents a survey as made by me on the ground this date, according to law.

Fred P. Armstrong

REGISTERED PUBLIC SURVEYOR

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form P-4
Rev. 3/1/77

Producer's Certificate of Compliance and Authorization to Transport Oil and/or Casinghead Gas From an Oil Lease or Gas and/or Condensate from a Gas Well.

Field Name (as per RRC records): Reaves, N. (3200)	RRC District: 8
Lease Name: Arco State 24	RRC Oil Lease No.
Operator Name: Enserch Exploration, Inc.	RRC Gas Well Ident. No.
Address: P. O. Box 4815, Midland, Texas 79701	Gas Well No.: 1-X
City, State, Zip Code: Midland, Texas 79701	Effective Date
	County: Reeves
	Survey: T&P RR Co.

GAS GATHERER, PURCHASER, AND NOMINATOR

NOTE: The names of all three of the above must be furnished for all gas sold.

Name: Enserch Exploration, Inc. Address: P. O. Box 4815 City, State, Zip Code: Midland, Texas 79701	RRC USE ONLY 100 % of the	INDICATE MARKET: ☐ Interstate ☒ Intrastate ☐ Gas Well Gas ☒ Full Well Stream ☐ Casinghead Gas	☒ Gatherer ☐ Purchaser ☐ Nominator
Name: Pioneer Natural Gas Company Address: Box 1111 City, State, Zip Code: Midland, Texas 79702	RRC USE ONLY 100 % of the	INDICATE MARKET: ☐ Interstate ☒ Intrastate ☒ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Gatherer ☒ Purchaser ☒ Nominator
Name: Address: Zip Code:	RRC USE ONLY _____ % of the	INDICATE MARKET: ☐ Interstate ☐ Intrastate ☐ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Gatherer ☐ Purchaser ☐ Nominator

OIL OR CONDENSATE GATHERER

Name: Address: City, State, Zip Code:	RRC USE ONLY _____ % of the	☐ Oil ☐ Condensate
Name: Address: City, State, Zip Code:	RRC USE ONLY _____ % of the	☐ Oil ☐ Condensate

INDICATE PURPOSE OF FILING

☒ New Oil Lease or Gas Well. Form W-1 (Application for Permit to Drill, Deepen or Plug Back) filed in the name of: Enserch Exploration, Inc. (Operator) Arco State 24 (Lease)

☐ Change of Gatherer ☐ Change of Purchaser ☐ Change of Nominator

☐ Change field name from _____

☐ Change operator name from _____

☐ Change lease name from _____

☐ Consolidation or subdivision of lease (Attachments required - - See instructions.)

Previous Form P-4 approval date if filed (or prior SW-1 number) _____ (mo. day yr.), _____ (SW-1 Number or Date)

REMARKS: _____

FOR RRC USE ONLY
Field No.
Operator No.
Approved

AUTHORIZATION BY CURRENT OPERATOR

The undersigned certifies that the above agent is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property in accordance with the regulations of the Railroad Commission of Texas, and that this authorization will be valid until further notice or until cancelled by the Railroad Commission of Texas, and the undersigned further certifies that the conservation laws of the State of Texas and all rules, regulations, and orders of the Railroad Commission of Texas have been complied with in respect to the property covered by this report.

Date	Signature	Title	Area Code & Telephone No.
8-19-77	C. A. Johnson	Dist. Prod. Manager	915/682-9756

OPERATOR NAME CHANGE (Acknowledgment required on changes of operator.)

The undersigned, being the previous operator, has transferred operating responsibility on the above property.

Previous Operator _____ Signature _____

Address _____ Title _____

City, State & Zip Code _____ Date _____ Area Code & Telephone No. _____

If there are additional gatherers, purchasers, or nominators, check here ☐ and use reverse side of this form.

(28)

M. F. 74053

WELL # 1-X COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER

FILED 8-9-77 BY MHL

8.30.5

FORM 3450 11/76

RENTAL RECEIPT

State No. M-74053
EE-T-ML-#16626

Lease No. _____ Check No. 44615 Voucher No. 9-76

9-2-77

Rental payable to Commissioner of the General Land Office of the State of Texas

Address Austin, Texas 78701

RECEIVED FROM **ENSERCH EXPLORATION** INC $ 64.00

SIXTY-FOUR AND NO/100---------- Dollars, being rental in full from

10-13-77 to 10-13-78 per terms of a certain

oil and gas lease dated October 13, 1976 and covering land in

2185

Reeves county, Texas, to wit:

640 acres, being all of Section No. 24, Block 57, T-3, T&P RR. Co. Survey,

of record in said County and State in Book 340 at Page 560, Deed Records

This receipt dated _____ day of _____, 19 77

PLEASE DATE, SIGN, AND RETURN ORIGINAL ONLY TO:

ENSERCH EXPLORATION INC
1817 WOOD STREET
P.O. BOX 2649
DALLAS, TEXAS 75201

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
BY: _____

RECEIVED
SEP 10 1977
General Land Office

(29) M-74053

Rental-Payment

9-10-77

OK report rec'd

ENERGY RESOURCES

WELL/LEASE STATUS REPORT INFORMATION

TO Duke Martin FROM B. J. Underwood

DATE ACTION INITIATED 2/15/77 DATE ACTION COMPLETED 9/9/77

ORIGINATING SOURCE Dale Jansen DATA SOURCE RRC

NAME OF OPERATOR Enserch Exploration OPERATOR NO. ____

RRC DISTRICT 08 FIELD Reeves FIELD CODE 75090500

LEASE Arco State 24 LEASE NO. OR WELL ID NO. 69586

OIL WELL ☐ GAS WELL ☒ WELL NO. 2-24 COUNTY Reeves

COMPLETION DATE 12/13/76 DEPTH 3250'

POTENTIAL ____ G.L.O. MINERAL FILE NO. 74053

OTHER INFORMATION ____

B

REPLY

DATE OF INITIAL PRODUCTION 6/77

GATHERER OF GAS Enserch

GATHERER OF CONDENSATE/CRUDE OIL Texaco

OTHER INFORMATION ____

PRODUCTION INFORMATION

PERIOD	GAS PRODUCTION (MCF)	CONDENSATE/CRUDE OIL PRODUCTION (BBLS)
6/77	4427	

ER-110

KB 9/14/77

(30)

M. F. 74053

CORRESPONDENCE FILE

Lease Status Report

Dated 9-9-77

ENSERCH EXPLORATION INC.

1817 Wood Street, P.O. Box 2649
Dallas, Texas 75201
214-748-1110 Telex 73372

121

October 6, 1977

Land Records Department
R. D. Whitten
Director
Thelma G. Anthony
Manager, Division Order Group
Lela F. Parker
Manager, Lease Records Group
Peter J. Sawyer
Manager, Ad Valorem Tax Group
Edgar W. Stanley
Manager, Graphic Arts and
Drafting Group

Commissioner of the
General Land Office
of the State of Texas
Austin, Texas 78701

EE-T-ML-#16626
Arco State 24 No. 1-X Well
Reeves County, Texas

Dear Interest Owner:

Enclosed are copies of a division order reflecting your interest in production from the land described thereon. Please execute and return one copy of this division order taking into consideration the following instructions:

1. Division orders for corporations must be executed by an authorized officer or some other authorized party, attested by the secretary or assistant secretary and the corporate seal affixed.

2. Division orders for partnerships must be executed by all partners or by an authorized partner.

3. All signatures other than those for corporations must be witnessed by two unrelated witnesses.

4. The Social Security Number or Federal Tax Identification Number of each interest owner must be shown in the space provided on the reverse side of the division order.

5. Please be sure that your correct mailing address, including your ZIP Code, is shown in order that you will be assured of receiving checks addressed to you.

Very truly yours,

ENSERCH EXPLORATION, INC.

Loretta Hudson

Loretta Hudson

LH:hl
Encl.

LH:hl

Form 5650 2/76

DIVISION ORDER

File No.: EE-T-ML-#16626

Date: October 5, 1977

TO: Enserch Exploration, Inc.
(Herein sometimes called "Purchaser")
P. O. Box 2649
1817 Wood Street
Dallas, Texas 75201

Each of the undersigned (herein referred to as "owners") hereby certifies and guarantees that the percentage and type of interest opposite his name set out below, is the interest of such person in the lands described herein and each such person warrants title to such interest and certifies that he is authorized to sell oil or gas produced from ENSERCH EXPLORATION, INC.'S/Arco State 24 No. 1-X Well Well/Unit and is entitled to payment in the proportions set out below, for oil or gas produced and/or purchased from said well or wells now or hereafter completed on the following described land in Reeves County, Texas:

All of Section No. 24, Block 57, T-3, T&P RR. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is the equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electrical Log Survey at an approximate measured depth of 4,056' to 4,118'.

YOUR COPY

This division order shall be effective with deliveries beginning with initial production and thereafter until you are furnished with an instrument in writing evidencing a change in the ownership different from that set out hereunder, you will give credit for oil or gas purchased from said well or wells attributable to the interests shown below, in the following manner, to wit:

Division of Interest	Credit To	P. O. Address

SEE OWNERSHIP STATEMENT ATTACHED

The following covenants are also parts of this division order and shall be binding on the undersigned, their respective legal representatives, successors and assigns:

1. Each of the undersigned hereby warrants and guarantees the title to the oil and gas royalties and/or working interest credited to each respective undersigned owner according to the division of interest as indicated.

2. The word "oil" as used herein is hereby declared to include all liquid hydrocarbons (including any condensate) purchased hereunder, and the word "gas" as used herein is hereby declared to include all gaseous substances, including oil well gas (casinghead gas).

3. Purchaser is authorized for its own account to receive such oil into its possession or to deliver same to any party designated by it, the oil so received to be run and measured in accordance with customary pipeline rules and regulations, including those of the governmental agency having recognized jurisdiction over or control of the production and handling of oil in such area.

4. The oil run hereunder shall, on the terms herein stated, become Purchaser's property immediately upon being received into Purchaser's possession or in the possession of Purchaser's designated nominee; and Purchaser agrees to receive the oil run hereunder and, subject to the further provisions hereof, to pay the respective owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for similar crude prevailing for the field where produced on the date of each respective run, or, if the condensate is purchased by a nominee, the price to be paid shall be the same price received by Purchaser from such nominee, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereon.

5. Royalties and working interest on gas run hereunder shall be paid for to the respective owners according to the division of interest herein indicated on the basis of net proceeds derived from the sale or sales thereof in accordance with the terms and conditions contained in the Gas Purchase Contract or any extension, renewal, modification, or amendment or any future contracts for the sale of gas made between you and any buyer thereof. "Net proceeds", as herein used, is defined as the gross proceeds received at the delivery point for said gas, less all costs of transporting, compressing, or any other conditioning necessary to market such gas.

6. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may hold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Purchaser has been furnished, or until Purchaser's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of gas which has been paid the undersigned is required under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Purchaser may recover said refund by deduction from future payments, or at Purchaser's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest, Purchaser is required to pay applicable to the undersigned's portion of the refund.

7. Settlements shall be paid monthly in Dallas, Texas, by Purchaser's check mailed to the respective parties set out above; however, if the proceeds for any one month amount to less than $5.00, Purchaser is hereby authorized to make payment thereof annually.

8. Purchaser is hereby relieved of any responsibility for determining when any interest herein set forth has been increased, decreased, terminated or transferred, and the undersigned agree to give written notice to Purchaser at its office in Dallas, Texas, of any change and to hold Purchaser harmless from all loss or expense that may result from any incorrect payment in the absence of Purchaser's receipt of such written notice. All such changes shall be made effective on the first day of the calendar month following the month in which notice is received by Purchaser. In the event of overpayment for oil or gas to the interest of any one of the undersigned herein, Purchaser is authorized upon discovery to recoup such amounts from future accruals to this or any other interest owned by such undersigned for which Purchaser may make settlement.

9. The undersigned severally agree to notify you of any change in their ownerships of interest in the right to receive the proceeds of sale of the production by delivering to you at the above address (or at such other address as you designate in written notice delivered to the undersigned) the original or a certified copy of instrument or instruments evidencing same and a transfer order in your favor, executed by the grantor and grantee in each such instrument. All such transfers shall be made subject to this Division Order and shall be effective at 7:00 A.M. on the first day of the calendar month following receipt by you of the instruments described in this paragraph notifying you of such change in ownership.

10. In case of an adverse claim or dispute which affects the title of any ownership credited hereunder, the parties credited hereon with such affected ownership severally authorize Purchaser to withhold payments accruing to such affected ownership, without obligation to pay interest on the amount so withheld, until corporate indemnity bond acceptable to Purchaser shall be furnished or until the claim or dispute is settled.

11. Purchaser is authorized, at its election, to withhold from the proceeds of production the amount of any tax placed thereon, or on the production thereof, by any governmental authority, and to pay the same on behalf of the undersigned.

12. Payments so made are to be in full settlement for such oil or gas so taken and sold from the wells on the above-described land.

13. The undersigned hereby adopt, ratify and confirm each oil and gas lease, unit designation or agreement, and gas sales or processing agreement, and all amendments thereof, under which the production covered hereby is produced, processed and sold.

14. This division order may be executed in counterparts and the covenants contained herein shall be binding on and shall inure to the benefit of all signers hereto, their heirs, successors and assigns, whether or not it is executed by all parties named herein, and all of the provisions herein contained shall apply to each of the undersigned separately and not jointly, and shall continue in full force and effect until the permanent cessation of production of oil or gas from the above-described land and termination of the valid and subsisting leasehold estates covering same.

15. This Division Order may be transferred by you to any firm, person or corporation succeeding you as distributor of the sale of the production, or part thereof, affected hereby, after which such transfer said successor shall be solely responsible to the undersigned for the performance of the covenants hereunder as to said part transferred. It shall not be necessary for any Owner hereunder to execute a new Division Order to any successor distributor of the proceeds of the sale of production, or part thereof, unless specifically requested by such successor.

WITNESSES:	OWNERS:	SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER
	Commissioner of the General Land Office of the State of Texas	

OWNERSHIP STATEMENT

Effective with deliveries beginning with initial production and thereafter until payout, credit will be given in the following manner:

WORKING INTERESTS

.75000000 W.I.	Enserch Exploration, Inc.	

ROYALTY INTERESTS

.12500000 R.I.	Atlantic Richfield Company	P. O. Box 2819 Dallas, TX 75221
.12500000 R.I.	Commissioner of the General Land Office of the State of Texas	Austin, TX 78701

After payout of the total cost of drilling, completing, equipping, and operating during payout of each well, the ownership will be as follows:

WORKING INTERESTS

.66666667 W.I.	Enserch Exploration, Inc.	

ROYALTY INTERESTS

.16666666 R.I.	Atlantic Richfield Company	address shown above
.16666666 R.I.	Commissioner of the General Land Office of the State of Texas	address shown above

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

November 8, 1977

Enserch Exploration, Inc.
P.O. Box 2649
Dallas, Texas 75201

RE: State Lease M-74053
ARCO State 24, No. 1-X Well
Sec. 24, Blk 57, T-3, T&P Ry. Co. Survey
Reeves County, Texas
Oil & Gas Division Order No. 16626

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(31)

M. F. 74053
CORRESPONDENCE FILE

To Research Exploration

From

Dated 11-8-77

FORM 3450 11/76

RENTAL RECEIPT

State No. 74053

Lease No. EE-T-ML-#16626 Check No. 73727 Voucher No. 8-31/9-2-78

Rental payable to Commissioner of the General Land Office of the State of Texas

Address Austin, Texas

RECEIVED FROM **ENSERCH EXPLORATION** INC. $ 64.00

SIXTY-FOUR AND NO/100---------- Dollars, being rental in full from

10-13-78 to 10-13-79 per terms of a certain

oil and gas lease dated October 13, 1976 and covering land in

Reeves county, Texas, to wit:

640 acres, being all of Section No. 24, Block 57, T-3, T&P RR. Co. Survey,

of record in said County and State in Book 340 at Page 560 Deed Records

This receipt dated _____ day of _____, 19 78

PLEASE DATE, SIGN, AND RETURN ORIGINAL ONLY TO:
ENSERCH EXPLORATION INC.
1817 WOOD STREET
P.O. BOX 2649
DALLAS, TEXAS 75201

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
BY: _____

1302

(38) M-74053

Rental Payment

9-7-78

FORM 5016 3/77

RENTAL RECEIPT

Lease No. State No. 74053 EE-T-ML-#16626 Check No. 101847 Voucher No. 9-368 9-20-79

Rental payable to Commissioner of the General Land Office of The State of Texas

Address Austin, Texas 78701 4785

RECEIVED FROM **ENSERCH EXPLORATION** INC $ 64.00

SIXTY-FOUR AND NO/100---------- Dollars, being rental in full from

10-13-79 to 10-13-80 per terms of a certain

oil and gas lease dated October 13, 1976 and covering land in

Reeves county, Texas, to wit:

640 acres, being all of Section # 24, Block 57, T-3, T&P RR. Co. Survey,

of record in said County and State in Book 340 at Page 560 Deed Records

This receipt dated _____ day of _____, 19 79

PLEASE DATE, SIGN, AND RETURN ORIGINAL ONLY TO:

ENSERCH EXPLORATION INC
1817 WOOD STREET
P.O. BOX 2649
DALLAS, TEXAS 75201

COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS

BY: _____

(41) M-74053

Rental Payment

9-21-79

FORM 5016 3/77

RENTAL RECEIPT

9-15-80

Lease No. State No. 74053 EE-T-ML-#16626 Check No. 132740 Voucher No. 9-593

Rental payable to Commissioner of the General Land Office of The State of Texas

Address Austin, Texas 78701

RECEIVED FROM **ENSERCH EXPLORATION** INC. $ 64.00

SIXTY-FOUR AND NO/100---------- Dollars, being rental in full from

10-13-80 to 10-13-81 per terms of a certain

oil and gas lease dated October 13, 1976 and covering land in

Reeves county, Texas, to wit:

3769

640 acres, being all of Section #24, Block 57, T-3, T&P RR. Co. Survey,

of record in said County and State in Book 340 at Page 560 Deed Records

This receipt dated _____ day of _____, 19 80

PLEASE DATE, SIGN, AND RETURN ORIGINAL ONLY TO:

ENSERCH EXPLORATION INC.
1817 WOOD STREET
P.O. BOX 2649
DALLAS, TEXAS 75201

COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS

BY: _____

(43) M-74053
Rental Payment
9-18-80

REGISTERED MAIL
Return Receipt Requested

RECEIVED
SEP 5 1981
General Land Office

DALLAS TEXAS SEP-3'81 U.S. POSTAGE 5 05 PB METER 640585

NELL HALL

ENSERCH EXPLORATION INC.

1817 Wood Street, P.O. Box 2649, Dallas, Texas 75201

Commissioner of the General
Land Office of the State of Texas
Austin, Texas 78701

FORM 158 12/75

REGISTERED MAIL
Return Receipt Requested

741222

169 RENTAL RECEIPT - ENSERCH EXPLORATION, INC. DATE 08/21/81

IN PAYMENT OF MONEY DUE PARTY OR PARTIES FOR OIL AND GAS LEASE:

LEASE NUMBER	DATED	LESSOR(S)	GROSS ACRES
44-1-16626	10/13/76	ATLANTIC RICHFIELD CO., INDV. & AS AGT. FOR THE STATE OF TEX (74053)	640.0000

RECORDED RECORDS OF:

COUNTY	STATE	BOOK/VOL	PAGE/FOLIO	REC TYPE	OTHER REFERENCE
REEVES	TX	340	560	DEED	

STATE LEASE NUMBER 74053

- - - - - - - - - - ANNUAL RENTAL BEGINNING 10/13/81- - - - - - - - - - - - - - -

NAME(S)	TAX NUMBER/ ACCOUNT NUMBER	ADVANCE ROYALTY	DELAY RENTAL
COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS (74053) AUSTIN, TEXAS 78701	74053		$64.00
		TOTAL	$64.00

PAYMENT MADE FOR

ENSERCH EXPLORATION, INC.

RECEIVED FROM ENSERCH EXPLORATION,INC. THE ABOVE DESCRIBED PAYMENT.

PLEASE DATE ___/___/___ AND SIGN, THEN RETURN ENTIRE ORIGINAL ONLY TO:

ENSERCH EXPLORATION, INC.
ATTENTION: LAND RECORDS DEPARTMENT
P.O. BOX 2649
DALLAS, TX 75221

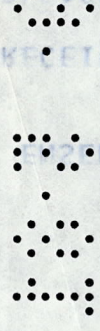
_____

_____

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
(74053)

0901-90COMMISS1

1322



9-3-81

TEAR OFF AT PERFORATION AND RETAIN, DUPLICATES CANNOT BE FURNISHED. NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF ITEMS STATED BELOW.

ENSERCH EXPLORATION INC P.O. Box 2649, Dallas, Texas 75221 171208

COMPANY	VOUCHER	INVOICE	P O NO	
205 ENSERCH EXPL.,INC	0907162	44116626	10810104	$********64.00

00144116626 RENTAL PAYMENT FOR 74053

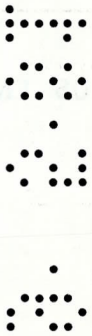
1322

121

90COMMISS1
VENDOR CODE

REFERENCE THIS NUMBER IN ALL CORRESPONDENCE

DIRECT INQUIRIES TO: CASH MANAGEMENT GROUP



General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

August 21, 1980

Enserch Exploration, Inc.
1817 Wood Street
P. O. Box 2649
Dallas, Texas 75201

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-74053
Arco State 24 and Arco State 24-1X Leases
Reeves (3200 Delaware) Field
Reeves County, Texas

Gentlemen:

Examination of your Gas Reports (Form MA-2), Pioneer Natural Gas Company's gas purchase statements, and your royalty payments received for the subject lease indicates for the period August, 1977 through July, 1978, gas royalty has been overpaid $319.74. (See attached schedule.)

If you agree with our findings, please take a credit of $319.74 as a separate line item on your next regular royalty remittance and attach a copy of this letter with your remittance for proper identification.

Sincerely yours,

Duke Martin, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
JS/glc
Enclosure

(42)

M. F. 74053

CORRESPONDENCE FILE

To Enserch Explo

From

Dated 8-21-80 gc

Page 1	Initials	Date
Prepared By	JS	8/21/80
Approved By		

Enserch Exploration, Inc. - Operator M-74053 Arco State 24 and Arco State 24-1X Leases Reeves County

Month/Year	Lease	Sales MCF	Price Per MMBTU	Effective Date	B.T.U.	B.T.U. Adjusted Price	Sales Value	Royalty Due @ .125 %	Royalty Paid	Difference	Accumulated Overage	
8/77	24-1X	1695	$ 1.975	6/01/77	.9889	$1.9532684	$ 331079	$ 41385	$ 41385	$ 0	$ 0	Payment received 10/05/77
									** 38281	< 38281 >	< 38281 >	Payment received 10/15/77
9/77	O.K. Both leases										< 38281 >	
10/77	O.K. " "										< 38281 >	
11/77	O.K. " "										< 38281 >	
12/77	24-1X	8918	2.00	12/01/77	.992	1.984	1769331	221166	218402	2764	< 35517 >	
12/77	24	11344	" "	" "	" "	" "	2250650	281331	277814	3517	< 32000 >	
1/78	24-1X	4030	" "	" "	" "	" "	799552	99944	102040	< 2096 >	< 34096 >	
1/78	24	11379	" "	" "	" "	" "	2257594	282199	284864	< 2665 >	< 36761 >	
2/78	O.K. Both leases		" "	" "	" "						< 36761 >	
3/78	24	11408	" "	" "	.997	1.994	2274755	284346	284140	206	< 36555 >	
4/78	O.K.		" "	" "							< 36555 >	
5/78	24	6877	" "	" "	.994	1.988	1367148	170893	171409	< 516 >	< 37071 >	
6/78	24	3462	2.025	6/01/78	.994	2.01285	696849	** 88627	87511	1116	< 35955 >	
7/78	24	4953	" "	" "	" "	" "	996964	124618	124142	476	< 35479 >	
									⊛ < 3505 >	3505	< 31974 >	
								TOTAL CREDIT DUE		$ 31974		

⊛ *3505 credit received 10/06/78 for 12/77. However, adjustments were included on 12/77 report, so this credit is cancelled out.

** Includes 15.21 add'l royalty due for 12/77 adjustment. (5/78 adjustment was made on 5/78 Report).

* # 38281 payment is a duplicate payment for 8/77 production on the Arco State 24-1X Lease. This payment was based on net value, rather than gross value, while the other payment of #413.85 was based on gross value.

© WILSON JONES COMPANY U.S.A. • "COLUMN WRITE" G7613C PADDED · WG7613C "WYRING" BOUND •

NELL HALL

ENSERCH EXPLORATION INC

9-4-82

1817 Wood Street, P. O. Box 2649
Dallas, Texas 75201

DALLAS TEX SEP-3'82 U.S. POSTAGE 4 10 PB METER 422551

REGISTERED MAIL
Return Receipt Requested

Form 23 1/78

740559

TEAR OFF AT PERFORATION AND RETAIN. DUPLICATES CANNOT BE FURNISHED. NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF ITEMS STATED BELOW.

ENSERCH EXPLORATION INC P.O. Box 2649, Dallas, Texas 75221 01214 216035

COMPANY	VOUCHER	INVOICE	P O NO	
205 ENSERCH EXPL.,INC	0907186	0044116626	0010820104	$*********64.00

00144116626 RENTAL PAYMENT FOR 74053

121

90COMMISSI
VENDOR CODE REFERENCE THIS CODE IN ALL CORRESPONDENCE

DIRECT INQUIRIES TO: ACCOUNTS PAYABLE

189 RENTAL RECEIPT - ENSERCH EXPLORATION, INC. DATE 08/23/82

IN PAYMENT OF MONEY DUE PARTY OR PARTIES FOR OIL AND GAS LEASE:

LEASE NUMBER	DATED	LESSOR(S)	GROSS ACRES
44-1-16626	10/13/76	ATLANTIC RICHFIELD CO., INDV. & AS AGT. FOR THE STATE OF TEX (74053)	640.0000

RECORDED RECORDS OF:

COUNTY	STATE	BOOK/VOL	PAGE/FOLIO	REC TYPE	OTHER REFERENCE
REEVES	TX	340	560	DEED	

STATE LEASE NUMBER 74053

- - - - - - - - - - ANNUAL RENTAL BEGINNING 10/13/82- - - - - - - - - - - - - - - -

NAME(S)	TAX NUMBER/ ACCOUNT NUMBER	ADVANCE ROYALTY	DELAY RENTAL
COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS (74053) AUSTIN, TEXAS 78701	74053		$64.00
		TOTAL	$64.00

PAYMENT MADE FOR

ENSERCH EXPLORATION, INC.

RECEIVED FROM ENSERCH EXPLORATION, INC. THE ABOVE DESCRIBED PAYMENT.

PLEASE DATE ___/___/___ AND SIGN, THEN RETURN ENTIRE ORIGINAL ONLY TO:

ENSERCH EXPLORATION, INC.
ATTENTION: LAND RECORDS DEPARTMENT
P.O. BOX 2649
DALLAS, TX 75221

_____

_____

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
(74053)

0901-90COMMISS1

01214

(45) 11-74053

Rental Payment

9-4-82

ENSERCH EXPLORATION INC.

P. O. Box 2649
Dallas, Texas 75221

DALLAS
SEP-8'83
TEX.
U.S.POSTAGE
2.55
P.B.METER
6101760

RESTRICTED DELIVERY

TEAR OFF AT PERFORATION AND RETAIN. DUPLICATES CANNOT BE FURNISHED. NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF ITEMS STATED BELOW.

ENSERCH EXPLORATION INC P.O. Box 2649, Dallas, Texas 75221 254930

COMPANY	VOUCHER	INVOICE	P O NO	
205 ENSERCH EXPL.,INC	0907212	0044116626	0010830104	$*********64.00

00144116626 RENTAL PAYMENT FOR 74053

03130

202F

90COMMISS1
VENDOR CODE REFERENCE THIS CODE IN ALL CORRESPONDENCE

DIRECT INQUIRIES TO: ACCOUNTS PAYABLE

215 RENTAL RECEIPT - ENSERCH EXPLORATION, INC. DATE 08/22/83

IN PAYMENT OF MONEY DUE PARTY OR PARTIES FOR OIL AND GAS LEASE:

LEASE NUMBER	DATED	LESSOR(S)	GROSS ACRES
44-1-16626	10/13/76	ATLANTIC RICHFIELD CO., INDV. & AS AGT. FOR THE STATE OF TEX (74053)	640.0000

RECORDED RECORDS OF:

COUNTY	STATE	BOOK/VOL	PAGE/FOLIO	REC TYPE	OTHER REFERENCE
REEVES	TX	340	560	DEED	

STATE LEASE NUMBER 74053

- - - - - - - - - - ANNUAL RENTAL BEGINNING 10/13/83- - - - - - - - - - - - - - - -

NAME(S)	TAX NUMBER/ ACCOUNT NUMBER	ADVANCE ROYALTY	DELAY RENTAL
COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS (74053) AUSTIN, TEXAS 78701	74053		$64.00
		TOTAL	$64.00

PAYMENT MADE FOR 03130

ENSERCH EXPLORATION, INC.

RECEIVED FROM ENSERCH EXPLORATION, INC. THE ABOVE DESCRIBED PAYMENT.

PLEASE DATE ___/___/___ AND SIGN, THEN RETURN ENTIRE ORIGINAL ONLY TO:

ENSERCH EXPLORATION, INC.
ATTENTION: LAND RECORDS DEPARTMENT
P.O. BOX 2649
DALLAS, TX 75221

_____

_____

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
(74053)

0901-90COMMISS1

(48) M-74053

Rental payment

9-10-83

TEAR OFF AT PERFORATION AND RETAIN. DUPLICATES CANNOT BE FURNISHED. NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF ITEMS STATED BELOW.

ENSERCH EXPLORATION INC

P.O. Box 2649, Dallas, Texas 75221

299273

COMPANY	VOUCHER	INVOICE	P O NO	
205 ENSERCH EXPL.,INC	0907151	0044116626	0010840104	$*********64.00

00144116626 RENTAL PAYMENT FOR 74053

03542

121
4.

90COMMISS1
VENDOR CODE REFERENCE THIS CODE IN ALL CORRESPONDENCE

DIRECT INQUIRIES TO: ACCOUNTS PAYABLE

153 RENTAL RECEIPT - ENSERCH EXPLORATION, INC. DATE 08/22/84

IN PAYMENT OF MONEY DUE PARTY OR PARTIES FOR OIL AND GAS LEASE:

LEASE NUMBER	DATED	LESSOR(S)	GROSS ACRES
44-1-16626	10/13/76	ATLANTIC RICHFIELD CO., INDV. & AS AGT. FOR THE STATE OF TEX (74053)	640.0000

RECORDED RECORDS OF:

COUNTY	STATE	BOOK/VOL	PAGE/FOLIO	REC TYPE	OTHER REFERENCE
REEVES	TX	340	560	DEED	

STATE LEASE NUMBER 74053

- - - - - - - - - - ANNUAL RENTAL BEGINNING 10/13/84- - - - - - - - - - - - - - -

NAME(S)	TAX NUMBER/ ACCOUNT NUMBER	ADVANCE ROYALTY	DELAY RENTAL
COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS (74053) AUSTIN, TEXAS 78701	74053		$64.00
		TOTAL	$64.00

PAYMENT MADE FOR 03542

ENSERCH EXPLORATION, INC.

RECEIVED FROM ENSERCH EXPLORATION,INC. THE ABOVE DESCRIBED PAYMENT.

PLEASE DATE ___/___/___ AND SIGN, THEN RETURN ENTIRE ORIGINAL ONLY TO:

ENSERCH EXPLORATION, INC.
ATTENTION: LAND RECORDS DEPARTMENT
P.O. BOX 2649
DALLAS, TX 75221

_____
COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
(74053)

0901-90COMMISS1

(49) M-74053

Rental Payment

9-12-84

TEAR OFF AT PERFORATION AND RETAIN. DUPLICATES CANNOT BE FURNISHED. NOTICE: THE ATTACHED CHECK IS TENDERED IN FULL PAYMENT OF ITEMS STATED BELOW.

EP Operating Company, a Limited Partnership
By Enserch Exploration, Inc., Managing General Partner

1817 Wood Street
Dallas, Texas 75201-9990

010098

COMPANY	VOUCHER	INVOICE	P O NO	
213 EP OPERATING COMPAN	0907123	0044116626	0010850104	$*********64.00

00144116626 RENTAL PAYMENT FOR 74053

01862

121

90COMMISS1
VENDOR CODE REFERENCE THIS CODE IN ALL CORRESPONDENCE

DIRECT INQUIRIES TO: ACCOUNTS PAYABLE

126 RENTAL RECEIPT DATE 08/22/85

EP OPERATING COMPANY, A LIMITED PARTNERSHIP, BY ITS
MANAGING GENERAL PARTNER, ENSERCH EXPLORATION, INC.
IN PAYMENT OF MONEY DUE PARTY OR PARTIES FOR OIL AND GAS LEASE:

LEASE NUMBER	DATED	LESSOR(S)	GROSS ACRES
44-1-16626	10/13/76	ATLANTIC RICHFIELD CO., INDV. & AS AGT. FOR THE STATE OF TEX (74053)	640.0000

RECORDED RECORDS OF:

COUNTY	STATE	BOOK/VOL	PAGE/FOLIO	REC TYPE	OTHER REFERENCE
REEVES	TX	340	560	DEED	

STATE LEASE NUMBER 74053

- - - - - - - - - - ANNUAL RENTAL BEGINNING 10/13/85- - - - - - - - - - - - - - - -

NAME(S)	TAX NUMBER/ ACCOUNT NUMBER	ADVANCE ROYALTY	DELAY RENTAL
COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS (74053) AUSTIN, TEXAS 78701	74053		$64.00
		TOTAL	$64.00

PAYMENT MADE FOR 01862

EP OPERATING CO., A LIMITED PARTNERSHIP

RECEIVED FROM EP OPERATING COMPANY, A LIMITED PARTNERSHIP, BY ITS MANAGING GENERAL PARTNER, ENSERCH EXPLORATION, INC., THE ABOVE DESCRIBED PAYMENT WHICH HAS BEEN DEPOSITED AS SET OUT ABOVE.

PLEASE DATE ___/___/___ AND SIGN, THEN RETURN ENTIRE ORIGINAL ONLY TO:
ENSERCH EXPLORATION,INC.
ATTENTION: LAND RECORDS DEPARTMENT
P.O. BOX 2649
DALLAS, TX 75221

_____
COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
(74053)

0901-90COMMISS1

50 M-74053.
Rental Payment
9-11-85

140 RENTAL RECEIPT DATE 08/21/86

EP OPERATING COMPANY, A LIMITED PARTNERSHIP, BY ITS MANAGING GENERAL PARTNER, ENSERCH EXPLORATION, INC.
IN PAYMENT OF MONEY DUE PARTY OR PARTIES FOR OIL AND GAS LEASE:

LEASE NUMBER	DATED	LESSOR(S)	GROSS ACRES
44-1-16626	10/13/76	ATLANTIC RICHFIELD CO., INDV. & AS AGT. FOR THE STATE OF TEX (74053)	640.0000

RECORDED RECORDS OF:

COUNTY	STATE	BOOK/VOL	PAGE/FOLIO	REC TYPE	OTHER REFERENCE
REEVES	TX	340	560	DEED	

STATE LEASE NUMBER 74053

- - - - - - - - - - ANNUAL RENTAL BEGINNING 10/13/86- - - - - - - - - - - - - - - -

NAME(S)	TAX NUMBER/ ACCOUNT NUMBER	ADVANCE ROYALTY	DELAY RENTAL
COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS (74053)- AUSTIN, TEXAS 78701	74053		$64.00
		TOTAL	$64.00

PAYMENT MADE FOR 01401

EP OPERATING CO., A LIMITED PARTNERSHIP

RECEIVED FROM EP OPERATING COMPANY, A LIMITED PARTNERSHIP, BY ITS MANAGING GENERAL PARTNER, ENSERCH EXPLORATION, INC., THE ABOVE DESCRIBED PAYMENT WHICH HAS BEEN DEPOSITED AS SET OUT ABOVE.

PLEASE DATE ___/___/___ AND SIGN, THEN RETURN ENTIRE ORIGINAL ONLY TO:
ENSERCH EXPLORATION, INC.
ATTENTION: LAND RECORDS DEPARTMENT
P.O. BOX 2649
DALLAS, TX 75221

_____

_____
COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
(74053)

0901-90COMMISS1

(53) B-74053
Partial Payment
9-9-86

Refer to PRODUCT codes on reverse side of stub.

Refer to DEDUCT codes on reverse side of stub.

*CALCULATED AT A PRESSURE BASE OF 14.65

DETACH AND RETAIN FOR TAX PURPOSES-DUPLICATE WILL NOT BE FURNISHED

PROPERTY I.D.	DATE MO.	DATE YR.	INT	PROD. CODE	NET BARRELS OR MCF*	BTU ADJ. / GROSS VALUE	PRICE BBL/MCF / GROSS VALUE	PRODUCTION TAXES	CODE	OTHER DEDUCTIONS	TOTAL NET VALUE	OWNER DECIMAL INT.	OWNER NET VALUE

Payment of minimum royalties per statement attached.
EE-T-ML #16626

X-733.23 08135

121

CHECK #	DATE	OWNER #	IRS/SSN		
478993	10-09-86	083940			$***733.23***

EP Operating Company, a Limited Partnership
Enserch Exploration, Inc., Managing General Partner

1817 Wood Street, Dallas, Texas 75201-9990
(ATTENTION: REVENUE ACCOUNTING SECTION)

TOTAL NET VALUE

PRODUCT CODES

10	OIL
20	NATURAL GAS
21	CASHINGHEAD GAS
22	LEASE USE GAS
23	RESIDUE GAS
30	CONDENSATE
31	DRIP CONDENSATE
40	PLANT PRODUCTS
41	GASOLINE
42	PROPANE
43	PENTANE
44	ISOPENTANE
45	BUTANE
46	ISOBUTANE
47	DIESEL
49	IN KIND

INTEREST TYPE

1	WORKING INTEREST
2	ROYALTY INTEREST
3	ROYALTY OVERRIDE
4	PRODUCTION PAYMENT
5	100% PAYOUT
6	MINERAL INTEREST
7	EXCESS ROYALTY
8	REMITTANCE OFFSET
9	SPLIT OFFSET

DEDUCT CODES

MEANING OF FIRST DIGIT OF CODE:

0 __	SALTWATER DISPOSAL, COMPRESSION & GATHERING
1 __	SALTWATER DISPOSAL, AND GATHERING
2 __	SALTWATER DISPOSAL, COMPRESSION
3 __	SALTWATER DISPOSAL
4 __	COMPRESSION AND GATHERING
5 __	GATHERING
6 __	COMPRESSION
7 __	NO MEANING

MEANING OF SECOND DIGIT OF CODE:

__ 0	TREATING, TRANSPORTATION, & LINE AMORTIZATION
__ 1	TREATING & TRANSPORTATION
__ 2	TREATING & LINE AMORTIZATION
__ 3	TREATING
__ 4	TRANSPORTATION & LINE AMORTIZATION
__ 5	TRANSPORTATION
__ 6	LINE AMORTIZATION
__ 7	NO MEANING

(COMBINE THE FIRST AND SECOND DIGITS IN ORDER TO DETERMINE THE MARKETING COSTS)

ADDITIONAL SPECIAL DEDUCT CODES

WF =	WINDFALL PROFIT TAX WITHHELD
ST =	STATE ROYALTY TAX WITHHELD (COLORADO/UTAH)
NR =	NON-RESIDENT ALIEN TAX WITHHELD
TW =	TEFRA TAX WITHHELD (MISSING IRS/SSN NUMBER)

FORM 5226-1 (PWO) 6/85

SHUT-IN GAS ROYALTY RECEIPT

Lease No. EE-T-ML#16626

Check No. 478993

To: State of Texas
c/o Commission of the General Land Office
Austin, TX 78701

Voucher No. _____

Amount $733.23

Date 10-9-86

Enclosed is our check in payment of ~~shut-in~~ minimum gas royalty for the period from October 13, 1986, to October 12, 1987, inclusive, covering Oil, Gas, and Mineral Lease dated October 13, 1976, from Atlantic Richfield to Enserch Exploration, Inc., recorded in Volume 340, Page 560, Deed Records of Reeves County, Texas, and covering All of Section 24, Blk 57, T-3, T & P RR Co. Survey from the surface down to the base of that zone which is equivalent of the Delaware-Bell Canyon formation, containing 640 acres more or less.

M-74053

X-733.23

Very truly yours,
EP OPERATING COMPANY, a Limited Partnership
ENSERCH EXPLORATION, INC., Managing General Partner
By Mary F Villarreal

Received the above ~~shut-in~~ minimum gas royalty payment on this _____ day of _____, 198 ____.

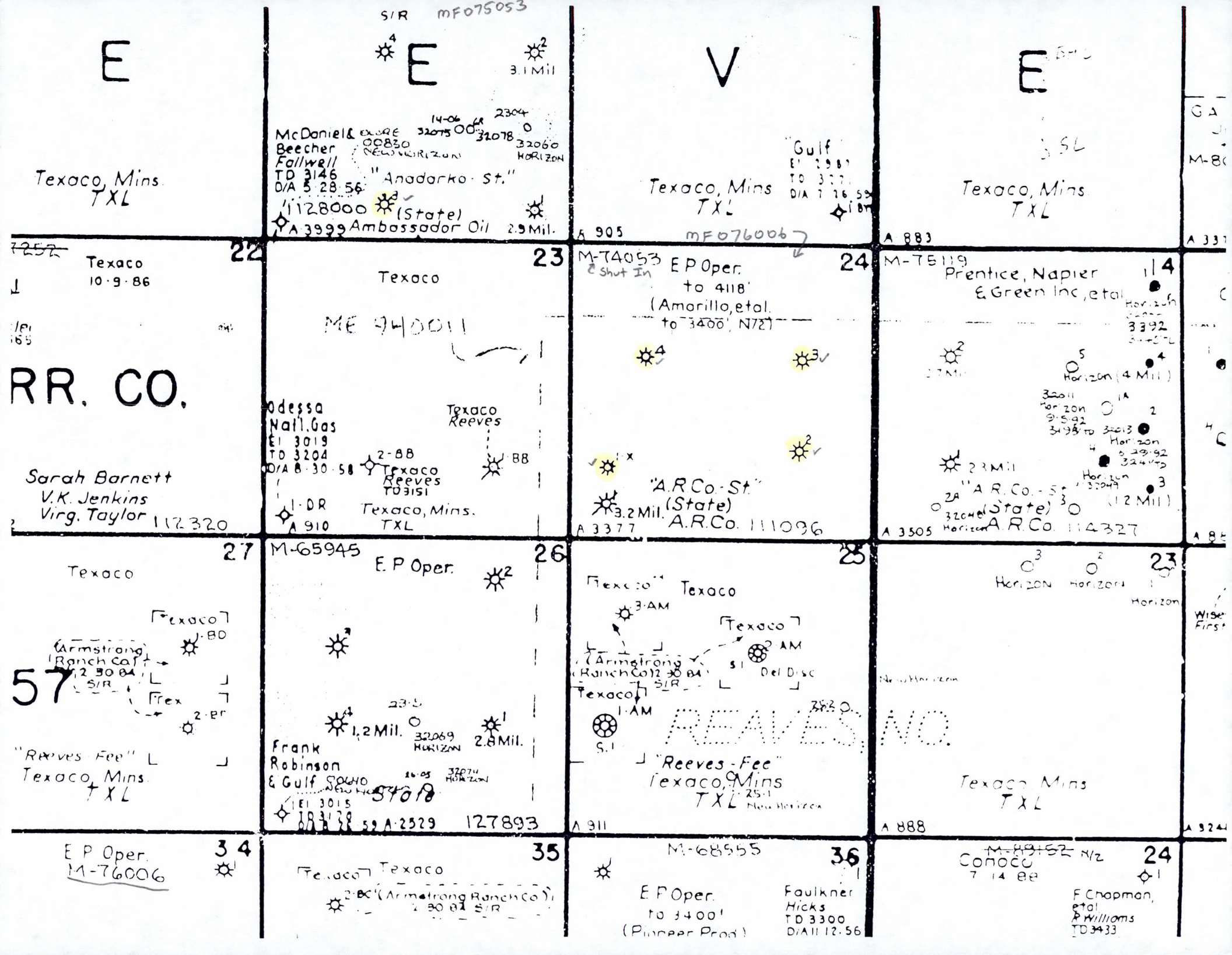
_____

_____

Social Security No. _____

PLEASE DATE, SIGN, AND RETURN ORIGINAL TO:
ENSERCH EXPLORATION, INC.
Attn: Division Order Section
Land Department
P.O. Box 2649, 1819 Wood Street
Dallas, Texas 75221

(36) M-74053
Min Roy Payment
10-14-86


E
Texaco, Mins.
TXL
S/R MF075053
E
3.1 Mil
McDaniel & Beecher Fallwell
TD 3146
D/A 5-28-56
"Anadarko St."
1128000
(State)
A 3999 Ambassador Oil 2.9 Mil.
V
Texaco, Mins
TXL
"Gulf"
TD 3377
A 905
MF076006
E
Texaco, Mins
TXL
A 883
22
Texaco
10-9-86
RR. CO.
Sarah Barnett
V.K. Jenkins
Virg. Taylor 112320
23
Texaco
ME 4H001
Odessa Natl. Gas
El 3019
TD 3204
D/A 8-30-58
Texaco Reeves
TD 3151
Texaco Reeves
Texaco, Mins.
TXL
A 910
M-74053
Shut In
EP Oper.
to 4118'
(Amarillo, etal.
to 3400', N727
24
"A.R.Co.-St."
(State)
3.2 Mil.
A.R.Co. 111096
A 3377
M-75119
Prentice, Napier & Green Inc, etal
14
3392
Horizon (4 Mil.)
3201
Horizon
3-5-92
3198 TD
3213
Horizon
3-29-92
3247 TD
2.3 Mil.
"A.R.Co.-St."
(State)
A.R.Co. 114327
(2 Mil.)
A 3505
27
Texaco
57
"Reeves-Fee"
Texaco, Mins.
TXL
M-65945
E.P Oper.
26
1.2 Mil.
32069
Horizon
2.8 Mil.
Frank Robinson & Gulf SOHIO
El 3015
5708
127893
A-2529
25
Texaco
Texaco
REAVES
"Reeves-Fee"
Texaco, Mins
TXL
A 911
23
Horizon
Horizon
Horizon
NO
Texaco, Mins
TXL
A 888
E.P Oper.
M-76006
34
35
Texaco
Texaco
(Armstrong Ranch Co.)
S/R
M-68555
36
E.P Oper.
to 3400'
(Pioneer Prod.)
Faulkner
Hicks
TD 3300
D/A 11-12-56
M-H9+52 N/2
CONOCO
7-14-88
24
F. Chapman, etal
& Williams
TD 3433

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
GAS WELL HISTORY Published 10/98
TEXAS GAS DIST.8&8A (#222,389,069912)

M-74053

OPERATOR (#181254)	WELL NAME	WELL #
ROYALTY OPERATING INC	ARCO STATE 24	4

LOCATION	STATE	DIST	COUNTY (#389)	RRC #
	TX	8	REEVES	069912

API #	FIELD (#750905000)	RESERVOIR
42-389-3045400	REAVES NORTH (3200)	3200

TOTAL DEPTH	UPPER PERF	LOWER PERF	GAS GATH	LIQ GATH	GAS GRAV	LIQ GRAV	TEMP GRAD	N-FACTOR	GOR
3250	3143	3165	ROYOI	PRIDP	0.59	34.1	1.100	1.000	300

COMP DATE	1ST PROD DATE	LAST PROD DATE	STATUS DATE	STATUS
7701	7706	9807		ACT

CUM THRU LPD GAS/MCF	GAS CUM SINCE DATE
60065	FPDAT

10 month gap –
Sept. '94 – June '95

13 month gap –
March '97 – April '98

RRCom
Last Production
8-98 8 MCFG
6-98 0 MCFG
8-97 → 4-98 " "

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	GAS/MCF	COND/BBLS	WATER/BBLS
1977	10010	0	2505
1978	9039	0	724
1979	3267	0	513
1980	3109	0	442
1981	2076	0	187
1982	2680	0	942
1983	2998	0	3991
1984	2658	0	1031
1985	1234	0	692
1986	1552	0	906
1987	3099	0	1360
1988	1705	0	12
1989	1551	0	29
1990	1285	0	271
1991	897	0	658
1992	822	0	1189
1993	861	0	883
1994	269	0	216
1995	2841	0	2394
1996	7784	0	8056
1997	322	0	108
1998	6	0	2

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JUN	1802	1802	0	0	541	2130
JUL	1843	3645	0	0	553	4650
AUG	1712	5357	0	0	514	4650
SEP	1281	6638	0	0	384	4500
OCT	1137	7775	0	0	341	4650
NOV	813	8588	0	0	63	4500
DEC	1422	10010	0	0	109	4650
1977	10010	10010	0	0	2505	29730
JAN	1383	11393	0	0	106	4650
FEB	2772	14165	0	0	213	2772
MAR	1157	15322	0	0	89	3069
APR	756	16078	0	0	58	2689
MAY	610	16688	0	0	47	1833
JUN	193	16881	0	0	15	1560
JUL	207	17088	0	0	16	1612
AUG	1013	18101	0	0	78	1606
SEP	476	18577	0	0	37	1503
OCT	171	18748	0	0	13	1674
NOV	266	19014	0	0	46	1530
DEC	35	19049	0	0	6	1550
1978	9039	19049	0	0	724	26048
JAN	282	19331	0	0	48	1550
FEB	1272	20603	0	0	218	980
MAR	141	20744	0	0	24	1085
APR	146	20890	0	0	25	1050
MAY	58	20948	0	0	10	945
JUN	290	21238	0	0	40	965
JUL	229	21467	0	0	32	965
AUG	296	21763	0	0	41	899
SEP	269	22032	0	0	37	845
OCT	165	22197	0	0	23	525
NOV	31	22228	0	0	4	296
DEC	88	22316	0	0	11	296
1979	3267	22316	0	0	513	10401
JAN	159	22475	0	0	20	296
FEB	332	22807	0	0	42	332
MAR	249	23056	0	0	31	249
APR	318	23374	0	0	49	318

MAY	318	23692	0	0	49	1240
JUN	314	24006	0	0	48	1200
JUL	305	24311	0	0	47	1240
AUG	165	24476	0	0	25	806
SEP	192	24668	0	0	30	780
OCT	187	24855	0	0	25	806
NOV	287	25142	0	0	38	780
DEC	283	25425	0	0	38	806
1980	3109	25425	0	0	442	8853

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	78	25503	0	0	10	806
FEB	44	25547	0	0	6	840
MAR	144	25691	0	0	19	930
APR	202	25893	0	0	27	900
MAY	398	26291	0	0	28	930
JUN	210	26501	0	0	15	900
JUL	53	26554	0	0	4	930
AUG	183	26737	0	0	13	434
SEP	228	26965	0	0	16	420
OCT	137	27102	0	0	10	434
NOV	216	27318	0	0	15	420
DEC	183	27501	0	0	24	434
1981	2076	27501	0	0	187	8378
JAN	176	27677	0	0	23	434
FEB	128	27805	0	0	17	420
MAR	353	28158	0	0	47	465
APR	292	28450	0	0	39	450
MAY	254	28704	0	0	34	465
JUN	185	28889	0	0	100	450
JUL	194	29083	0	0	104	465
AUG	112	29195	0	0	60	403
SEP	274	29469	0	0	148	390
OCT	246	29715	0	0	132	403
NOV	130	29845	0	0	70	390
DEC	336	30181	0	0	168	403
1982	2680	30181	0	0	942	5138
JAN	408	30589	0	0	204	403
FEB	353	30942	0	0	177	392
MAR	316	31258	0	0	158	227
APR	234	31492	0	0	117	259
MAY	165	31657	0	0	83	325
JUN	180	31837	0	0	396	195
JUL	296	32133	0	0	651	238
AUG	317	32450	0	0	697	-
SEP	225	32675	0	0	495	225
OCT	310	32985	0	0	682	574
NOV	141	33126	0	0	310	150
DEC	53	33179	0	0	21	155
1983	2998	33179	0	0	3991	3143

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	0	33179	0	0	0	-
FEB	307	33486	0	0	120	1189
MAR	860	34346	0	0	336	1271
APR	276	34622	0	0	108	1230
MAY	556	35178	0	0	217	1271
JUN	169	35347	0	0	63	1230
JUL	152	35499	0	0	57	1271
AUG	46	35545	0	0	17	1240
SEP	79	35624	0	0	30	1200
OCT	78	35702	0	0	29	1240
NOV	89	35791	0	0	33	1200
DEC	46	35837	0	0	21	1240
1984	2658	35837	0	0	1031	13582
JAN	64	35901	0	0	29	1240
FEB	92	35993	0	0	42	980
MAR	135	36128	0	0	62	1085
APR	139	36267	0	0	64	1050
MAY	227	36494	0	0	104	1085
JUN	71	36565	0	0	49	1050
JUL	159	36724	0	0	110	1085
AUG	33	36757	0	0	23	806
SEP	42	36799	0	0	29	780
OCT	79	36878	0	0	55	806
NOV	146	37024	0	0	101	780
DEC	47	37071	0	0	24	806
1985	1234	37071	0	0	692	11553
JAN	96	37167	0	0	48	806
FEB	58	37225	0	0	29	672
MAR	99	37324	0	0	50	744
APR	109	37433	0	0	55	720
MAY	151	37584	0	0	98	744
JUN	9	37593	0	0	6	720
JUL	39	37632	0	0	25	744
AUG	133	37765	0	0	86	620
SEP	120	37885	0	0	78	600
OCT	406	38291	0	0	264	620
NOV	193	38484	0	0	97	600
DEC	139	38623	0	0	70	620
1986	1552	38623	0	0	906	8210

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	266	38889	0	0	133	620
FEB	197	39086	0	0	99	672
MAR	0	39086	0	0	0	-
APR	161	39247	0	0	81	390
MAY	334	39581	0	0	167	403
JUN	314	39895	0	0	137	390
JUL	420	40315	0	0	183	744
AUG	432	40747	0	0	188	713
SEP	236	40983	0	0	103	390
OCT	343	41326	0	0	149	434
NOV	276	41602	0	0	120	420
DEC	120	41722	0	0	0	434
1987	3099	41722	0	0	1360	5610
JAN	102	41824	0	0	0	434
FEB	112	41936	0	0	0	406
MAR	158	42094	0	0	0	434
APR	185	42279	0	0	0	420
MAY	118	42397	0	0	0	434
JUN	130	42527	0	0	0	420
JUL	156	42683	0	0	0	434
AUG	108	42791	0	0	0	434
SEP	144	42935	0	0	0	420
OCT	179	43114	0	0	0	434
NOV	156	43270	0	0	6	330
DEC	157	43427	0	0	6	341
1988	1705	43427	0	0	12	4941
JAN	172	43599	0	0	7	279
FEB	100	43699	0	0	4	196
MAR	164	43863	0	0	7	217
APR	132	43995	0	0	5	210
MAY	141	44136	0	0	6	217
JUN	57	44193	0	0	0	210
JUL	170	44363	0	0	0	186
AUG	136	44499	0	0	0	186
SEP	116	44615	0	0	0	180
OCT	136	44751	0	0	0	186
NOV	130	44881	0	0	0	180
DEC	97	44978	0	0	0	186
1989	1551	44978	0	0	29	2433

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	142	45120	0	0	0	186
FEB	129	45249	0	0	0	168
MAR	95	45344	0	0	0	186
APR	129	45473	0	0	0	180
MAY	131	45604	0	0	44	186
JUN	107	45711	0	0	36	180
JUL	105	45816	0	0	35	186
AUG	81	45897	0	0	27	186
SEP	70	45967	0	0	23	180
OCT	109	46076	0	0	36	155
NOV	89	46165	0	0	30	150
DEC	98	46263	0	0	40	465
1990	1285	46263	0	0	271	2408
JAN	83	46346	0	0	34	155
FEB	100	46446	0	0	41	140
MAR	119	46565	0	0	49	155
APR	77	46642	0	0	32	150
MAY	88	46730	0	0	36	155
JUN	75	46805	0	0	75	150
JUL	54	46859	0	0	54	155
AUG	64	46923	0	0	64	124
SEP	38	46961	0	0	38	120
OCT	70	47031	0	0	70	124
NOV	50	47081	0	0	50	120
DEC	79	47160	0	0	115	124
1991	897	47160	0	0	658	1672
JAN	70	47230	0	0	102	124
FEB	56	47286	0	0	81	116
MAR	75	47361	0	0	109	124
APR	80	47441	0	0	116	120
MAY	65	47506	0	0	95	124
JUN	80	47586	0	0	120	90
JUL	71	47657	0	0	107	93
AUG	55	47712	0	0	83	93
SEP	63	47775	0	0	95	90
OCT	68	47843	0	0	102	68
NOV	64	47907	0	0	96	64
DEC	75	47982	0	0	83	75
1992	822	47982	0	0	1189	1181

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	58	48040	0	0	64	62
FEB	85	48125	0	0	94	85
MAR	81	48206	0	0	89	81
APR	72	48278	0	0	79	72
MAY	78	48356	0	0	86	93
JUN	59	48415	0	0	59	90
JUL	74	48489	0	0	74	74
AUG	67	48556	0	0	67	93
SEP	69	48625	0	0	69	69
OCT	67	48692	0	0	67	67
NOV	73	48765	0	0	73	73
DEC	78	48843	0	0	62	78
1993	861	48843	0	0	883	937
JAN	70	48913	0	0	56	70
FEB	57	48970	0	0	46	57
MAR	27	48997	0	0	22	93
APR	22	49019	0	0	18	60
MAY	24	49043	0	0	19	62
JUN	19	49062	0	0	15	30
JUL	20	49082	0	0	16	31
AUG	30	49112	0	0	24	31
SEP	0	49112	0	0	0	-
OCT	0	49112	0	0	0	-
NOV	0	49112	0	0	0	-
DEC	0	49112	0	0	0	-
1994	269	49112	0	0	216	434
JAN	0	49112	0	0	0	-
FEB	0	49112	0	0	0	-
MAR	0	49112	0	0	0	-
APR	0	49112	0	0	0	-
MAY	0	49112	0	0	0	-
JUN	0	49112	0	0	0	-
JUL	888	50000	0	0	710	888
AUG	680	50680	0	0	544	-
SEP	95	50775	0	0	76	775
OCT	414	51189	0	0	331	414
NOV	456	51645	0	0	365	660
DEC	308	51953	0	0	368	308
1995	2841	51953	0	0	2394	3045

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069912)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	59	52012	0	0	70	403
FEB	3	52015	0	0	4	435
MAR	11	52026	0	0	13	310
APR	226	52252	0	0	270	226
MAY	328	52580	0	0	392	328
JUN	1181	53761	0	0	1410	1181
JUL	1971	55732	0	0	2353	1971
AUG	1467	57199	0	0	1752	-
SEP	1099	58298	0	0	1312	-
OCT	1157	59455	0	0	386	-
NOV	282	59737	0	0	94	3000
DEC	0	59737	0	0	0	-
1996	7784	59737	0	0	8056	7854
JAN	233	59970	0	0	78	1147
FEB	89	60059	0	0	30	252
MAR	0	60059	0	0	0	-
APR	0	60059	0	0	0	-
MAY	0	60059	0	0	0	-
JUN	0	60059	0	0	0	-
JUL	0	60059	0	0	0	-
AUG	0	60059	0	0	0	-
SEP	0	60059	0	0	0	-
OCT	0	60059	0	0	0	-
NOV	0	60059	0	0	0	-
DEC	0	60059	0	0	0	-
1997	322	60059	0	0	108	1399
JAN	0	60059	0	0	0	-
FEB	0	60059	0	0	0	-
MAR	0	60059	0	0	0	-
APR	0	60059	0	0	0	-
MAY	2	60061	0	0	1	-
JUN	0	60061	0	0	0	-
JUL	4	60065	0	0	1	-
1998	6	60065	0	0	2	-

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
GAS WELL HISTORY Published 10/98
TEXAS GAS DIST.8&8A (#222,389,069779)

OPERATOR (#181254)	WELL NAME	WELL #
ROYALTY OPERATING INC	ARCO STATE 24	3

LOCATION	STATE	DIST	COUNTY (#389)	RRC #
	TX	8	REEVES	069779

API #	FIELD (#750905000)	RESERVOIR
42-389-3045300	REAVES NORTH (3200)	3200

TOTAL DEPTH	UPPER PERF	LOWER PERF	GAS GATH	LIQ GATH	GAS GRAV	LIQ GRAV	TEMP GRAD	N-FACTOR	GOR
3300	3173	3195	ROYOI	PRIDP	0.59	34.1	1.100	1.000	200

COMP DATE	1ST PROD DATE	LAST PROD DATE	STATUS DATE	STATUS
7701	7706	9807		ACT

CUM THRU LPD GAS/MCF	GAS CUM SINCE DATE
51552	FPDAT

RRCom

Last prod

12-98 22 mcfg

9-98 → 11-98 0 mcfg

6-98 " "

8-97 → 4-98 " "

M-74053

180 day gap
Sept. '94 –
Feb. '95

150 day gap–
May. – Sept. 95

120 day gap;
April – June '96

11 month gap–
June 97 – April 98

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	GAS/MCF	COND/BBLS	WATER/BBLS
1977	10171	0	2161
1978	8843	0	2150
1979	3110	0	720
1980	3028	0	1016
1981	1853	0	1925
1982	2360	0	2232
1983	2640	0	3254
1984	2313	0	546
1985	1125	0	569
1986	1758	0	992
1987	3645	0	2017
1988	2030	0	1076
1989	1764	0	977
1990	1455	0	708
1991	1022	0	799
1992	938	0	775
1993	997	0	469
1994	426	0	284
1995	734	0	490
1996	1081	0	878
1997	249	0	94
1998	10	0	4

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JUN	1442	1442	0	0	288	3000
JUL	1473	2915	0	0	295	6200
AUG	1711	4626	0	0	342	6200
SEP	1358	5984	0	0	272	6000
OCT	1204	7188	0	0	241	6200
NOV	554	7742	0	0	134	6000
DEC	2429	10171	0	0	589	6200
1977	10171	10171	0	0	2161	39800
JAN	1189	11360	0	0	288	6200
FEB	2848	14208	0	0	690	2848
MAR	1159	15367	0	0	281	3162
APR	787	16154	0	0	191	2720
MAY	586	16740	0	0	142	1808
JUN	204	16944	0	0	49	990
JUL	227	17171	0	0	55	1254
AUG	1029	18200	0	0	249	1578
SEP	450	18650	0	0	109	1477
OCT	131	18781	0	0	32	1103
NOV	178	18959	0	0	49	1020
DEC	55	19014	0	0	15	992
1978	8843	19014	0	0	2150	25152
JAN	67	19081	0	0	18	992
FEB	1278	20359	0	0	353	812
MAR	165	20524	0	0	46	1064
APR	162	20686	0	0	45	925
MAY	57	20743	0	0	16	797
JUN	301	21044	0	0	50	870
JUL	238	21282	0	0	40	899
AUG	295	21577	0	0	49	744
SEP	267	21844	0	0	45	720
OCT	163	22007	0	0	27	575
NOV	30	22037	0	0	5	301
DEC	87	22124	0	0	26	295
1979	3110	22124	0	0	720	8994
JAN	157	22281	0	0	47	295
FEB	327	22608	0	0	98	327
MAR	250	22858	0	0	75	250
APR	318	23176	0	0	110	318

MAY	319	23495	0	0	110	930
JUN	314	23809	0	0	109	900
JUL	304	24113	0	0	105	930
AUG	162	24275	0	0	56	806
SEP	188	24463	0	0	65	780
OCT	170	24633	0	0	60	806
NOV	261	24894	0	0	91	780
DEC	258	25152	0	0	90	806
1980	3028	25152	0	0	1016	7928

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	70	25222	0	0	25	806
FEB	40	25262	0	0	14	560
MAR	126	25388	0	0	44	620
APR	177	25565	0	0	62	600
MAY	350	25915	0	0	438	620
JUN	185	26100	0	0	231	600
JUL	46	26146	0	0	58	620
AUG	162	26308	0	0	203	248
SEP	208	26516	0	0	260	240
OCT	125	26641	0	0	156	248
NOV	197	26838	0	0	246	240
DEC	167	27005	0	0	188	248
1981	1853	27005	0	0	1925	5650
JAN	155	27160	0	0	174	248
FEB	111	27271	0	0	125	224
MAR	307	27578	0	0	345	307
APR	253	27831	0	0	285	253
MAY	222	28053	0	0	250	248
JUN	166	28219	0	0	138	240
JUL	174	28393	0	0	145	248
AUG	100	28493	0	0	83	186
SEP	245	28738	0	0	204	245
OCT	217	28955	0	0	181	217
NOV	114	29069	0	0	95	180
DEC	296	29365	0	0	207	296
1982	2360	29365	0	0	2232	2892
JAN	358	29723	0	0	251	358
FEB	309	30032	0	0	216	280
MAR	278	30310	0	0	195	162
APR	206	30516	0	0	144	185
MAY	145	30661	0	0	102	232
JUN	158	30819	0	0	284	139
JUL	261	31080	0	0	470	170
AUG	279	31359	0	0	502	-
SEP	197	31556	0	0	355	665
OCT	273	31829	0	0	491	273
NOV	130	31959	0	0	234	150
DEC	46	32005	0	0	10	155
1983	2640	32005	0	0	3254	2769

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	0	32005	0	0	0	-
FEB	269	32274	0	0	60	1044
MAR	755	33029	0	0	168	1116
APR	243	33272	0	0	54	1080
MAY	488	33760	0	0	108	1116
JUN	148	33908	0	0	40	1080
JUL	133	34041	0	0	36	1116
AUG	41	34082	0	0	11	1364
SEP	69	34151	0	0	19	1320
OCT	68	34219	0	0	19	1364
NOV	57	34276	0	0	16	1320
DEC	42	34318	0	0	15	1364
1984	2313	34318	0	0	546	13284
JAN	60	34378	0	0	22	1364
FEB	83	34461	0	0	30	1092
MAR	122	34583	0	0	44	1209
APR	126	34709	0	0	45	1170
MAY	206	34915	0	0	74	1209
JUN	65	34980	0	0	45	1170
JUL	144	35124	0	0	99	1209
AUG	31	35155	0	0	21	899
SEP	39	35194	0	0	27	870
OCT	71	35265	0	0	49	899
NOV	137	35402	0	0	94	870
DEC	41	35443	0	0	19	899
1985	1125	35443	0	0	569	12860
JAN	85	35528	0	0	38	899
FEB	52	35580	0	0	23	868
MAR	93	35673	0	0	42	961
APR	102	35775	0	0	60	930
MAY	171	35946	0	0	101	961
JUN	11	35957	0	0	7	930
JUL	47	36004	0	0	28	961
AUG	161	36165	0	0	95	837
SEP	145	36310	0	0	86	810
OCT	491	36801	0	0	291	837
NOV	233	37034	0	0	129	810
DEC	167	37201	0	0	92	837
1986	1758	37201	0	0	992	10641

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	312	37513	0	0	172	837
FEB	231	37744	0	0	127	812
MAR	0	37744	0	0	0	-
APR	189	37933	0	0	104	480
MAY	393	38326	0	0	217	496
JUN	369	38695	0	0	205	480
JUL	495	39190	0	0	275	496
AUG	508	39698	0	0	282	837
SEP	278	39976	0	0	154	480
OCT	404	40380	0	0	224	496
NOV	325	40705	0	0	181	480
DEC	141	40846	0	0	76	496
1987	3645	40846	0	0	2017	6390
JAN	119	40965	0	0	64	496
FEB	132	41097	0	0	71	464
MAR	185	41282	0	0	99	496
APR	218	41500	0	0	117	480
MAY	139	41639	0	0	74	496
JUN	153	41792	0	0	82	480
JUL	184	41976	0	0	99	496
AUG	127	42103	0	0	68	496
SEP	175	42278	0	0	94	480
OCT	218	42496	0	0	117	496
NOV	189	42685	0	0	95	390
DEC	191	42876	0	0	96	403
1988	2030	42876	0	0	1076	5673
JAN	209	43085	0	0	105	341
FEB	122	43207	0	0	61	224
MAR	184	43391	0	0	92	248
APR	148	43539	0	0	74	240
MAY	158	43697	0	0	79	248
JUN	64	43761	0	0	40	240
JUL	191	43952	0	0	119	248
AUG	152	44104	0	0	94	248
SEP	129	44233	0	0	80	240
OCT	153	44386	0	0	95	248
NOV	145	44531	0	0	90	240
DEC	109	44640	0	0	48	248
1989	1764	44640	0	0	977	3013

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	158	44798	0	0	70	217
FEB	143	44941	0	0	64	196
MAR	106	45047	0	0	47	217
APR	142	45189	0	0	63	210
MAY	145	45334	0	0	70	217
JUN	119	45453	0	0	57	210
JUL	126	45579	0	0	60	217
AUG	96	45675	0	0	46	206
SEP	82	45757	0	0	39	210
OCT	128	45885	0	0	61	186
NOV	100	45985	0	0	48	180
DEC	110	46095	0	0	83	775
1990	1455	46095	0	0	708	3041
JAN	93	46188	0	0	70	186
FEB	113	46301	0	0	85	168
MAR	135	46436	0	0	101	186
APR	87	46523	0	0	65	180
MAY	100	46623	0	0	75	155
JUN	85	46708	0	0	68	150
JUL	62	46770	0	0	50	155
AUG	74	46844	0	0	59	155
SEP	44	46888	0	0	35	150
OCT	81	46969	0	0	65	155
NOV	57	47026	0	0	46	150
DEC	91	47117	0	0	80	155
1991	1022	47117	0	0	799	1945
JAN	81	47198	0	0	71	155
FEB	64	47262	0	0	56	145
MAR	85	47347	0	0	74	155
APR	91	47438	0	0	80	150
MAY	73	47511	0	0	64	155
JUN	91	47602	0	0	80	120
JUL	82	47684	0	0	72	93
AUG	63	47747	0	0	55	93
SEP	72	47819	0	0	63	90
OCT	78	47897	0	0	68	93
NOV	73	47970	0	0	64	73
DEC	85	48055	0	0	28	85
1992	938	48055	0	0	775	1407

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	66	48121	0	0	22	93
FEB	97	48218	0	0	32	97
MAR	93	48311	0	0	31	93
APR	83	48394	0	0	28	83
MAY	90	48484	0	0	30	93
JUN	68	48552	0	0	38	90
JUL	86	48638	0	0	48	93
AUG	78	48716	0	0	43	93
SEP	81	48797	0	0	45	81
OCT	79	48876	0	0	44	93
NOV	86	48962	0	0	48	90
DEC	90	49052	0	0	60	93
1993	997	49052	0	0	469	1092
JAN	81	49133	0	0	54	93
FEB	65	49198	0	0	43	84
MAR	149	49347	0	0	99	149
APR	25	49372	0	0	17	90
MAY	27	49399	0	0	18	62
JUN	22	49421	0	0	15	150
JUL	23	49444	0	0	15	31
AUG	34	49478	0	0	23	34
SEP	0	49478	0	0	0	-
OCT	0	49478	0	0	0	-
NOV	0	49478	0	0	0	-
DEC	0	49478	0	0	0	-
1994	426	49478	0	0	284	693
JAN	0	49478	0	0	0	-
FEB	0	49478	0	0	0	-
MAR	640	50118	0	0	427	640
APR	72	50190	0	0	48	72
MAY	0	50190	0	0	0	-
JUN	0	50190	0	0	0	-
JUL	0	50190	0	0	0	-
AUG	0	50190	0	0	0	-
SEP	0	50190	0	0	0	-
OCT	22	50212	0	0	15	22
NOV	0	50212	0	0	0	-
DEC	0	50212	0	0	0	-
1995	734	50212	0	0	490	734

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069779)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	70	50282	0	0	70	70
FEB	216	50498	0	0	216	216
MAR	0	50498	0	0	0	-
APR	0	50498	0	0	0	-
MAY	0	50498	0	0	0	-
JUN	0	50498	0	0	0	-
JUL	141	50639	0	0	141	141
AUG	134	50773	0	0	134	-
SEP	195	50968	0	0	195	-
OCT	102	51070	0	0	38	-
NOV	131	51201	0	0	49	562
DEC	92	51293	0	0	35	92
1996	1081	51293	0	0	878	1081
JAN	117	51410	0	0	44	117
FEB	50	51460	0	0	19	112
MAR	67	51527	0	0	25	67
APR	0	51527	0	0	0	-
MAY	15	51542	0	0	6	62
JUN	0	51542	0	0	0	-
JUL	0	51542	0	0	0	-
AUG	0	51542	0	0	0	-
SEP	0	51542	0	0	0	-
OCT	0	51542	0	0	0	-
NOV	0	51542	0	0	0	-
DEC	0	51542	0	0	0	-
1997	249	51542	0	0	94	358
JAN	0	51542	0	0	0	-
FEB	0	51542	0	0	0	-
MAR	0	51542	0	0	0	-
APR	0	51542	0	0	0	-
MAY	3	51545	0	0	1	-
JUN	0	51545	0	0	0	-
JUL	7	51552	0	0	3	-
1998	10	51552	0	0	4	-

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
GAS WELL HISTORY Published 10/98
TEXAS GAS DIST.8&8A (#222,389,069586)

M-74053

OPERATOR (#181254)	WELL NAME	WELL #
ROYALTY OPERATING INC	ARCO STATE 24	2

LOCATION	STATE	DIST	COUNTY (#389)	RRC #
	TX	8	REEVES	069586

API #	FIELD (#750905000)	RESERVOIR
42-389-3045000	REAVES NORTH (3200)	3200

TOTAL DEPTH	UPPER PERF	LOWER PERF	GAS GATH	LIQ GATH	GAS GRAV	LIQ GRAV	TEMP GRAD	N-FACTOR	GOR
3250	3157	3161	ROYOI	PRIDP	0.58	34.1	1.100	1.000	240

COMP DATE	1ST PROD DATE	LAST PROD DATE	STATUS DATE	STATUS
7612	7706	9807		ACT

CUM THRU LPD GAS/MCF	GAS CUM SINCE DATE
65990	FPDAT

11 month gap
Feb - Dec. '97

RRcom
Last prod
8-98 11 MCFG
6-98 0 "
4-98 0 "
8-97 → 12-97 0 MCFG
Prior to 8-97 No Data

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	GAS/MCF	COND/BBLS	WATER/BBLS
1977	9370	0	1554
1978	12907	0	3413
1979	6334	0	32800
1980	6904	0	1315
1981	2499	0	4175
1982	3130	0	3309
1983	3290	0	2966
1984	3032	0	1071
1985	1397	0	1133
1986	1229	0	611
1987	2371	0	1078
1988	1649	0	807
1989	1940	0	895
1990	1548	0	929
1991	994	0	719
1992	871	0	589
1993	934	0	657
1994	2069	0	1294
1995	2460	0	1538
1996	1003	0	761
1997	1	0	0
1998	58	0	20

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JUN	1442	1442	0	0	192	3375
JUL	1473	2915	0	0	196	6975
AUG	1710	4625	0	0	228	6975
SEP	1317	5942	0	0	176	6750
OCT	1167	7109	0	0	156	6975
NOV	1071	8180	0	0	287	6750
DEC	1190	9370	0	0	319	6975
1977	9370	9370	0	0	1554	44775
JAN	2612	11982	0	0	701	6975
FEB	4683	16665	0	0	1256	4683
MAR	1991	18656	0	0	534	5177
APR	814	19470	0	0	218	2747
MAY	570	20040	0	0	153	1839
JUN	208	20248	0	0	56	1230
JUL	149	20397	0	0	40	1319
AUG	1040	21437	0	0	279	1633
SEP	460	21897	0	0	123	1528
OCT	138	22035	0	0	37	1287
NOV	195	22230	0	0	13	1190
DEC	47	22277	0	0	3	1023
1978	12907	22277	0	0	3413	30631
JAN	175	22452	0	0	11	1023
FEB	2185	24637	0	0	141	868
MAR	197	24834	0	0	13	1170
APR	191	25025	0	0	12	1017
MAY	91	25116	0	0	6	856
JUN	750	25866	0	0	7466	930
JUL	593	26459	0	0	5903	961
AUG	752	27211	0	0	7486	752
SEP	683	27894	0	0	6799	683
OCT	417	28311	0	0	4151	682
NOV	77	28388	0	0	767	660
DEC	223	28611	0	0	45	682
1979	6334	28611	0	0	32800	10284
JAN	402	29013	0	0	80	682
FEB	839	29852	0	0	168	839
MAR	636	30488	0	0	127	636
APR	810	31298	0	0	140	810

MAY	811	32109	0	0	140	1240
JUN	801	32910	0	0	138	1200
JUL	776	33686	0	0	134	1240
AUG	416	34102	0	0	72	899
SEP	483	34585	0	0	83	870
OCT	230	34815	0	0	58	899
NOV	352	35167	0	0	88	870
DEC	348	35515	0	0	87	899
1980	6904	35515	0	0	1315	11084

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	95	35610	0	0	24	899
FEB	53	35663	0	0	13	672
MAR	172	35835	0	0	43	744
APR	242	36077	0	0	61	720
MAY	478	36555	0	0	1024	744
JUN	254	36809	0	0	544	720
JUL	64	36873	0	0	137	744
AUG	221	37094	0	0	474	434
SEP	275	37369	0	0	589	420
OCT	165	37534	0	0	354	434
NOV	260	37794	0	0	557	420
DEC	220	38014	0	0	355	434
1981	2499	38014	0	0	4175	7385
JAN	211	38225	0	0	341	434
FEB	152	38377	0	0	246	364
MAR	421	38798	0	0	680	421
APR	346	39144	0	0	559	390
MAY	304	39448	0	0	491	403
JUN	213	39661	0	0	128	390
JUL	222	39883	0	0	133	403
AUG	128	40011	0	0	77	310
SEP	313	40324	0	0	188	313
OCT	283	40607	0	0	170	310
NOV	149	40756	0	0	89	300
DEC	388	41144	0	0	207	310
1982	3130	41144	0	0	3309	4348
JAN	469	41613	0	0	250	310
FEB	405	42018	0	0	216	420
MAR	364	42382	0	0	194	243
APR	270	42652	0	0	144	277
MAY	190	42842	0	0	101	348
JUN	208	43050	0	0	277	209
JUL	342	43392	0	0	456	255
AUG	365	43757	0	0	487	629
SEP	259	44016	0	0	345	259
OCT	358	44374	0	0	477	358
NOV	0	44374	0	0	0	-
DEC	60	44434	0	0	19	186
1983	3290	44434	0	0	2966	3494

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	0	44434	0	0	0	-
FEB	353	44787	0	0	110	1392
MAR	990	45777	0	0	309	1488
APR	318	46095	0	0	99	1440
MAY	640	46735	0	0	200	1488
JUN	195	46930	0	0	91	1440
JUL	174	47104	0	0	81	1488
AUG	53	47157	0	0	25	1457
SEP	91	47248	0	0	43	1410
OCT	89	47337	0	0	42	1457
NOV	78	47415	0	0	37	1410
DEC	51	47466	0	0	34	1457
1984	3032	47466	0	0	1071	15927
JAN	69	47535	0	0	45	1457
FEB	102	47637	0	0	67	1148
MAR	151	47788	0	0	99	1271
APR	156	47944	0	0	103	1230
MAY	254	48198	0	0	167	1271
JUN	80	48278	0	0	83	1230
JUL	178	48456	0	0	184	1271
AUG	38	48494	0	0	39	961
SEP	48	48542	0	0	50	930
OCT	91	48633	0	0	94	961
NOV	173	48806	0	0	179	930
DEC	57	48863	0	0	23	961
1985	1397	48863	0	0	1133	13621
JAN	117	48980	0	0	48	961
FEB	71	49051	0	0	29	896
MAR	116	49167	0	0	47	992
APR	128	49295	0	0	69	960
MAY	0	49295	0	0	0	-
JUN	7	49302	0	0	4	960
JUL	30	49332	0	0	16	992
AUG	102	49434	0	0	55	868
SEP	92	49526	0	0	49	840
OCT	312	49838	0	0	167	868
NOV	148	49986	0	0	74	840
DEC	106	50092	0	0	53	868
1986	1229	50092	0	0	611	10045

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	203	50295	0	0	102	868
FEB	151	50446	0	0	76	840
MAR	0	50446	0	0	0	-
APR	123	50569	0	0	62	300
MAY	255	50824	0	0	128	310
JUN	240	51064	0	0	103	300
JUL	321	51385	0	0	138	930
AUG	331	51716	0	0	142	868
SEP	181	51897	0	0	78	300
OCT	263	52160	0	0	113	310
NOV	211	52371	0	0	90	330
DEC	92	52463	0	0	46	341
1987	2371	52463	0	0	1078	5697
JAN	78	52541	0	0	39	341
FEB	86	52627	0	0	43	319
MAR	121	52748	0	0	61	341
APR	142	52890	0	0	71	330
MAY	90	52980	0	0	45	341
JUN	99	53079	0	0	50	330
JUL	120	53199	0	0	60	341
AUG	83	53282	0	0	42	341
SEP	188	53470	0	0	94	330
OCT	234	53704	0	0	117	341
NOV	203	53907	0	0	92	270
DEC	205	54112	0	0	93	279
1988	1649	54112	0	0	807	3904
JAN	224	54336	0	0	101	248
FEB	131	54467	0	0	59	224
MAR	204	54671	0	0	92	248
APR	163	54834	0	0	74	240
MAY	174	55008	0	0	79	248
JUN	70	55078	0	0	32	240
JUL	211	55289	0	0	95	248
AUG	169	55458	0	0	76	248
SEP	143	55601	0	0	65	240
OCT	169	55770	0	0	76	248
NOV	161	55931	0	0	73	240
DEC	121	56052	0	0	73	248
1989	1940	56052	0	0	895	2920

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	176	56228	0	0	107	248
FEB	160	56388	0	0	97	224
MAR	118	56506	0	0	72	248
APR	159	56665	0	0	97	210
MAY	162	56827	0	0	97	217
JUN	133	56960	0	0	80	210
JUL	125	57085	0	0	75	217
AUG	95	57180	0	0	57	217
SEP	82	57262	0	0	49	210
OCT	128	57390	0	0	77	186
NOV	100	57490	0	0	60	180
DEC	110	57600	0	0	61	775
1990	1548	57600	0	0	929	3142
JAN	93	57693	0	0	52	186
FEB	112	57805	0	0	62	168
MAR	133	57938	0	0	74	186
APR	86	58024	0	0	48	180
MAY	99	58123	0	0	55	186
JUN	84	58207	0	0	79	180
JUL	61	58268	0	0	57	186
AUG	72	58340	0	0	68	155
SEP	42	58382	0	0	39	150
OCT	75	58457	0	0	70	155
NOV	53	58510	0	0	50	150
DEC	84	58594	0	0	65	155
1991	994	58594	0	0	719	2037
JAN	74	58668	0	0	57	155
FEB	59	58727	0	0	45	145
MAR	78	58805	0	0	60	155
APR	84	58889	0	0	65	150
MAY	68	58957	0	0	52	155
JUN	85	59042	0	0	51	120
JUL	77	59119	0	0	46	93
AUG	59	59178	0	0	35	93
SEP	67	59245	0	0	40	90
OCT	73	59318	0	0	44	73
NOV	68	59386	0	0	41	68
DEC	79	59465	0	0	53	79
1992	871	59465	0	0	589	1376

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	62	59527	0	0	41	62
FEB	91	59618	0	0	61	91
MAR	87	59705	0	0	58	93
APR	77	59782	0	0	51	77
MAY	83	59865	0	0	55	93
JUN	64	59929	0	0	48	90
JUL	81	60010	0	0	61	93
AUG	74	60084	0	0	56	93
SEP	76	60160	0	0	57	76
OCT	74	60234	0	0	56	93
NOV	80	60314	0	0	60	80
DEC	85	60399	0	0	53	93
1993	934	60399	0	0	657	1034
JAN	76	60475	0	0	48	76
FEB	62	60537	0	0	39	84
MAR	29	60566	0	0	18	93
APR	24	60590	0	0	15	60
MAY	26	60616	0	0	16	62
JUN	21	60637	0	0	13	30
JUL	22	60659	0	0	14	31
AUG	32	60691	0	0	20	32
SEP	1200	61891	0	0	750	1200
OCT	29	61920	0	0	18	31
NOV	196	62116	0	0	123	196
DEC	352	62468	0	0	220	496
1994	2069	62468	0	0	1294	2391
JAN	1115	63583	0	0	697	1115
FEB	367	63950	0	0	229	367
MAR	302	64252	0	0	189	341
APR	0	64252	0	0	0	-
MAY	53	64305	0	0	33	403
JUN	210	64515	0	0	131	300
JUL	33	64548	0	0	21	33
AUG	68	64616	0	0	43	-
SEP	79	64695	0	0	49	147
OCT	19	64714	0	0	12	19
NOV	210	64924	0	0	131	210
DEC	4	64928	0	0	3	93
1995	2460	64928	0	0	1538	3028

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,069586)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	83	65011	0	0	70	83
FEB	212	65223	0	0	179	212
MAR	27	65250	0	0	23	27
APR	0	65250	0	0	0	-
MAY	166	65416	0	0	140	217
JUN	18	65434	0	0	15	30
JUL	241	65675	0	0	203	241
AUG	85	65760	0	0	72	-
SEP	4	65764	0	0	3	-
OCT	18	65782	0	0	6	-
NOV	144	65926	0	0	48	251
DEC	5	65931	0	0	2	5
1996	1003	65931	0	0	761	1066
JAN	1	65932	0	0	0	31
FEB	0	65932	0	0	0	-
MAR	0	65932	0	0	0	-
APR	0	65932	0	0	0	-
MAY	0	65932	0	0	0	-
JUN	0	65932	0	0	0	-
JUL	0	65932	0	0	0	-
AUG	0	65932	0	0	0	-
SEP	0	65932	0	0	0	-
OCT	0	65932	0	0	0	-
NOV	0	65932	0	0	0	-
DEC	0	65932	0	0	0	-
1997	1	65932	0	0	0	31
JAN	8	65940	0	0	3	8
FEB	39	65979	0	0	13	-
MAR	2	65981	0	0	1	-
APR	0	65981	0	0	0	-
MAY	4	65985	0	0	1	-
JUN	0	65985	0	0	0	-
JUL	5	65990	0	0	2	5
1998	58	65990	0	0	20	13

DWIGHTS ENERGYDATA, INC.
GAS WELL HISTORY
TEXAS GAS DIST.8&8A

RUN DATE: 11/20/98
Published 10/98
(#222,389,072422)

OPERATOR (#181254)	WELL NAME	WELL #
ROYALTY OPERATING INC	ARCO STATE 24	1X

LOCATION	STATE	DIST	COUNTY (#389)	RRC #
	TX	8	REEVES	072422

API #	FIELD (#750905000)	RESERVOIR
42-389-3049600	REAVES NORTH (3200)	3200

TOTAL DEPTH	UPPER PERF	LOWER PERF	GAS GATH	LIQ GATH	GAS GRAV	LIQ GRAV	TEMP GRAD	N-FACTOR	GOR
3285	3150	3161	ROYOI	EOTEO	0.56	35.7	1.100	1.000	290

COMP DATE	1ST PROD DATE	LAST PROD DATE	STATUS DATE	STATUS
7708	7708	9807		ACT

CUM THRU LPD GAS/MCF	GAS CUM SINCE DATE
24333	FPDAT

M-74053

15 year gap - June '82 - Nov. '97

6 month gap - Jan. - June '98

RRcom

Last prod

7-98 9 mcfG

1-98 → 6-98 0 mcfG

8-97 → 11-97 " "

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,072422)

*** ANNUAL PRODUCTION HISTORY ***

YEAR	GAS/MCF	COND/BBLS	WATER/BBLS
1977	8374	0	5495
1978	8580	0	6319
1979	2584	0	9789
1980	1751	0	3623
1981	1917	0	3456
1982	1095	0	3468
1997	23	0	73
1998	9	0	29

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,072422)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
AUG	1367	1367	0	0	827	1400
SEP	1260	2627	0	0	762	6000
OCT	1116	3743	0	0	675	6200
NOV	667	4410	0	0	465	6000
DEC	3964	8374	0	0	2766	6200
1977	8374	8374	0	0	5495	25800
JAN	1853	10227	0	0	1293	6200
FEB	2880	13107	0	0	2009	3428
MAR	1261	14368	0	0	880	3264
APR	297	14665	0	0	207	2580
MAY	410	15075	0	0	286	2666
JUN	137	15212	0	0	96	2580
JUL	91	15303	0	0	63	2666
AUG	954	16257	0	0	666	1293
SEP	415	16672	0	0	290	1401
OCT	124	16796	0	0	87	1147
NOV	123	16919	0	0	344	1110
DEC	35	16954	0	0	98	1147
1978	8580	16954	0	0	6319	29482
JAN	178	17132	0	0	498	1147
FEB	1310	18442	0	0	3668	980
MAR	192	18634	0	0	538	1240
APR	188	18822	0	0	526	1078
MAY	94	18916	0	0	263	1188
JUN	137	19053	0	0	989	1050
JUL	109	19162	0	0	787	1085
AUG	132	19294	0	0	953	279
SEP	120	19414	0	0	867	270
OCT	73	19487	0	0	527	279
NOV	13	19500	0	0	94	137
DEC	38	19538	0	0	79	132
1979	2584	19538	0	0	9789	8865
JAN	70	19608	0	0	145	132
FEB	147	19755	0	0	304	147
MAR	112	19867	0	0	232	112
APR	143	20010	0	0	296	143
MAY	143	20153	0	0	296	899
JUN	141	20294	0	0	292	870

JUL	137	20431	0	0	283	899
AUG	72	20503	0	0	149	899
SEP	84	20587	0	0	174	870
OCT	173	20760	0	0	358	899
NOV	266	21026	0	0	550	870
DEC	263	21289	0	0	544	899
1980	1751	21289	0	0	3623	7639

DWIGHTS ENERGYDATA, INC. RUN DATE: 11/20/98
ROYALTY OPERATING INC Published 10/98
ARCO STATE 24 (#222,389,072422)

*** MONTHLY PRODUCTION HISTORY ***

MONTH	GAS MCF	CUM GAS MCF	COND BBLS	CUM COND BBLS	WATER BBLS	ALLOW
JAN	73	21362	0	0	151	899
FEB	40	21402	0	0	83	812
MAR	132	21534	0	0	273	899
APR	185	21719	0	0	383	870
MAY	367	22086	0	0	565	899
JUN	194	22280	0	0	298	870
JUL	49	22329	0	0	75	899
AUG	169	22498	0	0	260	806
SEP	210	22708	0	0	323	780
OCT	127	22835	0	0	195	806
NOV	200	23035	0	0	308	780
DEC	171	23206	0	0	542	806
1981	1917	23206	0	0	3456	10126
JAN	162	23368	0	0	513	806
FEB	116	23484	0	0	367	336
MAR	321	23805	0	0	1017	372
APR	264	24069	0	0	836	360
MAY	232	24301	0	0	735	372
JUN	0	24301	0	0	0	-
JUL	0	24301	0	0	0	-
AUG	0	24301	0	0	0	-
SEP	0	24301	0	0	0	-
OCT	0	24301	0	0	0	-
NOV	0	24301	0	0	0	-
DEC	0	24301	0	0	0	-
1982	1095	24301	0	0	3468	2246
JAN	0	24301	0	0	0	-
FEB	0	24301	0	0	0	-
MAR	0	24301	0	0	0	-
APR	0	24301	0	0	0	-
MAY	0	24301	0	0	0	-
JUN	0	24301	0	0	0	-
JUL	0	24301	0	0	0	-
AUG	0	24301	0	0	0	-
SEP	0	24301	0	0	0	-
OCT	0	24301	0	0	0	-
NOV	0	24301	0	0	0	-
DEC	23	24324	0	0	73	-
1997	23	24324	0	0	73	-

3 15-year gap

JAN	0	24324	0	0	0	-
FEB	0	24324	0	0	0	-
MAR	0	24324	0	0	0	-
APR	0	24324	0	0	0	-
MAY	0	24324	0	0	0	-
JUN	0	24324	0	0	0	-
JUL	9	24333	0	0	29	-
1998	9	24333	0	0	29	-

Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

Certified Mail No. P329158036
Return Receipt Requested

June 16, 1998

Royalty Operating Inc.
Attn: Jim Stinson
P.O. Box 3993
Abilene, Texas 79604-3993

RE: Notice of Underpayment on State Lease M-74053

Dear Mr. Stinson:

The Royalty Management Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Royalty Operating, Inc. Through this review, it was determined that $2,019.30 has been underpaid to the State for the reporting period of September 1995 through May 1997. This amount comprises $1,496.61 in additional royalty, $252.80 in penalty and $269.89 in interest, which has been computed through July 12,1998 in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- A brief summary of our review (Attachment I);
- Schedule supporting our royalty, penalty and interest calculations (Attachment II), and;
- Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. We will prepare the GLO-2 Reports for correction of the delinquent amounts reflected in this notice. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

Printed on recycled paper with soybean ink

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this lease or to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Royalty Operating, Inc. or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Metha Kester at (512) 475-2317.

Sincerely,

Mike Nicklaus

Mike Nicklaus, Supervisor
Royalty Management/Energy Resources

Enclosures
Attachments

ATTACHMENT I

REVIEW SUMMARY

State Lease M- 74053

We have reviewed our records for the period September 1995 through May 1997 to determine if oil and gas royalty has been correctly reported and paid. Volumes reported to the General Land Office (GLO) were compared to volumes reported to the Texas Railroad Commission (RRC) with any differences being noted. .

As a result of this review, it was determined that gas royalty had not been paid on select months.

Therefore, we have concluded that additional revenue is due in the following amounts:

	ROYALTY	PENALTY	INTEREST	TOTAL
GAS	**$ 1,496.61**	**$252.80**	**$269.89**	**$2,019.30**

(See Attachment II for supporting calculations)

ROYALTY OPERATING INC.
STATE LEASE M-74053
REAVES NORTH FIELD
ARCO STATE 24 LEASE
REEVES COUNTY, TEXAS
RRC GAS WELL ID #72422, 69586,69779, 69912
ROYALTY DECIMAL: .125

ATTACHMENT II

PENALTY/
INTEREST DATE:
7/12/98

AUDITOR: M KESTER
FILE NAME: M-74053
DATE: 06/16/98

	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
MONTH/ YEAR	RRC SALES VOLUME (A)	ESTIMATED PRICE (B)		GROSS VALUE (1) X (2)	ROYALTY DUE (3) X (.125)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (4)+(6)+(7)
Jun-96	1,199	1.5900		1,906.41	238.30	696	25.00	49.91	313.21
Jul-96	* 141	1.9300		272.13	34.02	665	25.00	6.78	65.80
Aug-96	1,686	1.9300		3,253.98	406.75	635	40.68	77.03	524.46
Sep-96	1,298	1.9300		2,505.14	313.14	604	31.31	56.11	400.56
Oct-96	1,277	1.9300		2,464.61	308.08	574	30.81	52.16	391.05
Nov-96	413	1.9300		797.09	99.64	543	25.00	15.86	140.50
Dec-96	** 0	1.9300		0.00	0.00	512	0.00	0.00	0.00
Jan-97	** 0	3.5000		0.00	0.00	484	0.00	0.00	0.00
Feb-97	139	3.5000		486.50	60.81	453	25.00	7.88	93.69
Mar-97	67	3.5000		234.50	29.31	423	25.00	3.51	57.82
Apr-97	** 0	3.5000		0.00	0.00	392	0.00	0.00	0.00
May-97	15	3.5000		52.50	6.56	362	25.00	0.65	32.21
	6,235			11,972.86	1,496.61		$252.80	$269.89	$2,019.30

COMMENTS:

(A) RRC VOLUME - REPRESENTS SALES VOLUME TAKEN FROM THE RRC P2 REPORTS.
*.REPRESENTS RRC #69779 ONLY.
** THESE MONTHS WERE REPORTED AND PAID CORRECTLY.

(B) PRICE - REPRESENTS SALES PRICE TAKEN FROM THE COMPTROLLERS COUNTY AVERAGE GAS PRICE LISTING.
UPON RECEIPT OF CORRECT SALES PRICE WE WILL CORRECT OUR SCHEDULE.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES FOR DELINQUENT ROYALTIES AND DELINQUENT REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 5-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
PENALTY (3) • For delinquent royalty	NONE	The greater of 1% of the delinquent amount or $5.00 for each 30-day delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or $25.00 For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or $25.00
• For delinquent report, affidavit, or other document	NONE	$5.00 per document for each 30-day period of delinquency	$10.00 per document for each 30-day period of delinquency
INTEREST • For delinquent royalty	6% per year, compounded annually; accrual begins 30 days after due date (1)	6% per year, compounded annually; accrual begins 30 days after due date (1)	12% per year, simple; accrual begins 60 days after due date (2)

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

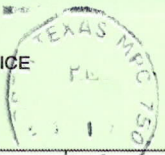
(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann. § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit indentifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

M-74053 (62)
Letter
6-16-98

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Print your name, address, and ZIP Code in this box •

General Land Office
1700 Congress Avenue
Austin, Texas 78701-1495

Attn: Metha Kester

RECEIVED
98 NOV 12 PM 6:
ENERGY RESOURCES

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write *"Return Receipt Requested"* on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ROYALTY OPERATING INC
ATTN JIM STINSON
401 S SHERMAN STE 101
RICHARDSON TEXAS 75081

4a. Article Number

P 622 212 007

4b. Service Type

- ☐ Registered
- ☒ Certified
- ☐ Express Mail
- ☐ Insured
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

1/1/0

5. Received By: *(Print Name)*

8. Addressee's Address *(Only if requested and fee is paid)*

6. Signature: *(Addressee or Agent)*

X

PS Form **3811**, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

Certified Mail No._____

Return Receipt Requested

SECOND REQUEST

November 5, 1998

Royalty Operating Inc.
Attn: Jim Stinson
401 S. Sherman Suite 101
Richardson, Texas 75081-4012

Re: Notice of Underpayment on State Lease M-74053

Dear Mr. Stinson:

Enclosed is a copy of our letter to you dated June 17, 1998 requesting additional revenue . As of this date we have not received your payment of the amount owed or a reply to this letter.

The amount now due is $2,089.66 which is comprised of $1,496.61 in additional royalty, $252.80 in penalty, and $340.25 in interest. Penalty and interest has been computed through December 2, 1998 in accordance with Section 52.131 of the Texas Natural Resources Code.

You are also hereby notified that if the amount now due is not received in the office by December 2, 1998, this lease will be forwarded to our legal division for appropriate action.

If you have any questions, please contact Metha Kester at (512)475-2317.

Sincerely,

Mike Nicklaus

Mike Nicklaus, Supervisor
Royalty Management/Energy Resources

Enclosures
Attachments

Printed on recycled paper with soybean ink

ATTACHMENT I

REVIEW SUMMARY

State Lease M- 74053

We have reviewed our records for the period September 1995 through May 1997 to determine if oil and gas royalty has been correctly reported and paid. Volumes reported to the General Land Office (GLO) were compared to volumes reported to the Texas Railroad Commission (RRC) with any differences being noted. .

As a result of this review, it was determined that gas royalty had not been paid on select months.

Therefore, we have concluded that additional revenue is due in the following amounts:

	ROYALTY	PENALTY	INTEREST	TOTAL
GAS	**$ 1,496.61**	**$252.80**	**$340.25**	**$2,089.66**

(See Attachment II for supporting calculations)

ATTACHMENT II

AUDITOR: M KESTER
FILE NAME: M-74053
DATE: 11/05/98

ROYALTY OPERATING INC.
STATE LEASE M-74053
REAVES NORTH FIELD
ARCO STATE 24 LEASE
REEVES COUNTY, TEXAS
RRC GAS WELL ID #72422, 69586,69779, 69912
ROYALTY DECIMAL: .125

PENALTY/
INTEREST DATE:
12/2/98

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTH/ YEAR	RRC SALES VOLUME (A)		ESTIMATED PRICE (B)	GROSS VALUE (1) X (2)	ROYALTY DUE (3) X (.125)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (4)+(6)+(7)
Jun-96	1,199		1.5900	1,906.41	238.30	839	25.00	61.11	324.41
Jul-96	* 141		1.9300	272.13	34.02	808	25.00	8.38	67.40
Aug-96	1,686		1.9300	3,253.98	406.75	778	40.68	96.15	543.58
Sep-96	1,298		1.9300	2,505.14	313.14	747	31.31	70.83	415.28
Oct-96	1,277		1.9300	2,464.61	308.08	717	30.81	66.65	405.54
Nov-96	413		1.9300	797.09	99.64	686	25.00	20.54	145.18
Dec-96	** 0		1.9300	0.00	0.00	655	0.00	0.00	0.00
Jan-97	** 0		3.5000	0.00	0.00	627	0.00	0.00	0.00
Feb-97	139		3.5000	486.50	60.81	596	25.00	10.74	96.55
Mar-97	67		3.5000	234.50	29.31	566	25.00	4.89	59.20
Apr-97	** 0		3.5000	0.00	0.00	535	0.00	0.00	0.00
May-97	15		3.5000	52.50	6.56	505	25.00	0.96	32.52
	6,235			11,972.86	1,496.61		$252.80	$340.25	$2,089.66

COMMENTS:

(A) RRC VOLUME - REPRESENTS SALES VOLUME TAKEN FROM THE RRC P2 REPORTS.
*.REPRESENTS RRC #69779 ONLY.
** THESE MONTHS WERE REPORTED AND PAID CORRECTLY.

(B) PRICE - REPRESENTS SALES PRICE TAKEN FROM THE COMPTROLLERS COUNTY AVERAGE GAS PRICE LISTING.
UPON RECEIPT OF CORRECT SALES PRICE WE WILL CORRECT OUR SCHEDULE.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES FOR DELINQUENT ROYALTIES AND DELINQUENT REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 8-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
PENALTY (3) • For delinquent royalty	NONE	The greater of 1% of the delinquent amount or $5.00 for each 30-day delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or $25.00 For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or $25.00
• For delinquent report, affidavit, or other document	NONE	$5.00 per document for each 30-day period of delinquency	$10.00 per document for each 30-day period of delinquency
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(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

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A royalty payment that is not accompanied by the required royalty affidavit indentifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

Shut-In Affidavit

Enter appropriate comments, if any, and initial.
Pass to next department:

	INITIAL:	DATE:
Affidavit Auditor		2/2/99

Comments: _____

_____

Mineral Leasing _____ / /

Comments: _____

_____

Legal-Energy _____ / /

Comments: _____

_____

Shut-in Affidavit

Texas General Land Office GLO-RA-92 (2-98)
Garry Mauro, Commissioner

Please respond fully to all applicable questions on this affidavit. Shut-in may be denied for failure to provide information establishing the validity of this request for shut-in status. For shut-in leases contained within units, separate affidavits must be submitted for each state lease in unit.

Land Office Lease No.	Operator		
M- 074053	Royalty Operating, Inc.		
Lease Name: Arco State	Field Name: Reaves N. Gas Field		
Area	Tract	Part	Acres: 640
Section: 24 / Block: 57	Grantee: Arco	County: Reeves	

Shut-in Payments

Wells must be capable of producing in paying quantities. Attach an extra sheet to list additional wells.

GAS

Well #	RRC ID #	Date shut-in
2	069586	10/31, 19 98

Reason shut-in: See Notation on back

Well capable of producing @ 70 MCF/D + 0 Bbls condensate + 10 Bbls water

Well #	RRC ID #	Date shut-in
3	069779	10/31, 19 98

Reason shut-in: See notation on back

Well capable of producing @ 70 MCF/D + 0 Bbls condensate + 10 Bbls water

Well #	RRC ID #	Date shut-in
4	069912	10/31, 19 98

Reason shut-in: See notation on back

Well capable of producing @ 70 MCF/D + 0 Bbls condensate + 10 Bbls water

OIL

RRC Lease ID #	No. of Wells for ID #	Total Daily Potential Rate for ID # Bbls oil	MCF gas	Bbls water

Reason oil wells are shut-in

Method of water disposal for above gas and oil leases consists of an intricate system of separators and water transfer pumps that lead to the operators permitted disposal well 1X nearby in Sec 24 Blk 57 Twp. 3.

Total shut-in payment due for this lease $ 1,920.00 .

Indicate which **one** of these is applicable.

- ☒ payment is being made at the rate of twice the annual rental
- ☐ payment is being made at the rate of $ _____ for each well/completion

Are gas wells connected to a pipeline?

- ☒ Yes
  - Will purchaser take gas?
    - ☒ yes–price per MCF offered $ _____
    - ☐ no
  - Name of nearest purchaser _____
  - Distance _____
  - Price offered $ _____
- ☐ No

List all producing wells within 1000 feet of this lease. If there are wells more than 1000 feet from the lease which are draining the lease, list these also.

Operator	Lease Name	Well #	RRC ID #	Distance	Completion Interval	Status
"Us"	Arco State 34	1	074252	1000	3200	Shut-in

Please provide any additional relevant information here.

The operator owns the entire gas field consisting of 35 wells. The wells on this lease were shut-in to revamp the gathering system by replacing gathering lines, rebuilding the gas compressor, up grading the water disposal system, and cleaned out the wells on each lease. During the shut-in period, the company caused electric power lines to be built to the lease, installed electric service to the well heads, equipped the "flowing wells" with pumpjacks, and cleaned out the well bores and is in the process of reactivating the wells. All of the wells on this lease should be back on line within the next 6 months.

Contact Rex Gifford **Phone (** 800 330.9587 **)**

Operator's representative

I certify that this statement is true and correct.

Greg Boyles President

By _____ Title President

Sworn and subscribed to before me, the undersigned authority, on this 21st day of December, 1998

_____

Notary Public in and for Dallas County, State of Texas

JESSICA A. MARCOS
Notary Public, State of Texas
My Commission Expires
5-19-2002

General Land Office use only

Receiving Stamp

NEW HORIZON EXPLORATION INC.

16933

12/21/98 16933

Description	Net Amount
FOR LEASE M-074053 SHUT-IN ROYALTIES FOR 1998	1,920.00

121

99020410

VENDOR: GENELA GENERAL LAND OFFICE OF TEXAS TOTAL: 1,920.00

M-74053
Ht. Statement
12-28-58

99020410

Perry & Perry, Inc. 214 West Texas, Suite 900 P.O. Box 371 Midland, Texas 79702-0371 telephone 915.682.7861 facsimile 915.682.5852 toll free 800.725.0925

RECEIVED

July 14, 1999

Mr. Robert Hatter
General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701-1495

RE: STATE LEASE No. 75053, 74053 and 75119
Reeves County, Texas

Dear Mr. Hatter:

Our client, AmiOil Limited Company, has contacted you regarding royalty reductions on the captioned leases.

Enclosed herewith are Marginal Properties Royalty Incentive Program Applications covering such request.

Thank you for considering our request and should you need additional information please contact me at (800) 725-0925 or Peter J. Noonan at (281) 364-0302.

Yours Truly,

Charles W. Perry

Charles W. Perry
Perry & Perry, Inc. / AmiOil Ltd. Co.

070699ch.wp

Marginal Properties Royalty Incentive Program Application

Texas General Land Office ER-005 (1-96)

APPLICATION

Please type or print, refer to the instructions on the reverse side.

1. Applicant (Lease Operator): AMOIL LIMITED COMPANY
Telephone No. (Area code & number): 1-281-364-0302 Peter Noonan
~~1-800-725-0925 Charles Perry~~

Address: 24900 Pitkin, Suite #150
Houston, Texas 77386

2. State Lease No.: M- 074053
Type (SF/RAL/ROW):
Acreage: 160.0

3. Base Royalty: 25%
Unit Royalty: Not applicable
Adjacent Royalty: NA

4. Lease/Unit Name: Arco State # 2-24
No. of Active Wells: 1

5. Field Name: Reeves (North 3200)
RRC District: 08
RRC ID#: 069586
County: Reeves

6. Qualifying Reservoir Name: Delaware
Approx. Subsea Depth: 3150

7. Prior Qualified Reservoir: Delaware
Reduced Royalty Rate:
Initial Approval Date:

8. Lease/Unit Production, BOE (For qualifying period):
9. BOE/Day:

Applicant Signature: Roger E. Barnes
Full Name: ROGER E. BARNES
Title: AGENT
Application Date: 7/16/99

FOR RELINQUISHMENT ACT LEASES

Name & Mailing Address of the Owner(s) of the Soil	Undivided Acreage	Undivided Base Royalty	Reduced Royalty Rate: Undivided	Reduced Royalty Rate: Net
Vastar Resources 15375 Memorial Houstin, Texas 77079				
			Aggregate Reduced Royalty Rate =	

GLO STAFF RECOMMENDATION

Average Oil Price (During qualifying period):
SLB Approval Date:

Reduced Royalty Rate:
Qualified Reservoir:

Effective Date From:
To:

Comments/Conditions:

Marginal Properties Royalty Incentive Program
Application Affidavit

Texas General Land Office ER-005 (1-96)

STATE OF TEXAS §
COUNTY OF §

(Corporation Acknowledgement)

BEFORE ME, the undersigned Notary Public in and for the State of Texas, on this day personally appeared _____ , known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and who by me duly sworn on his oath deposed and said that he/she has read the attached foregoing Marginal Properties Royalty Incentive Program Application form, and that every answer and assertion made on such form is within his/her knowledge and true and correct, and that he/she executed the same in the capacity stated, and as the act and deed of said corporation.

SWORN TO AND SUBSCRIBED BEFORE ME, on this _____ day of _____ 19 ____ .

_____
Notary Public, State of Texas
My Commission expires _____

STATE OF TEXAS §
COUNTY OF Midland §

(Individual Acknowledgement)

BEFORE ME, the undersigned Notary Public in and for the State of Texas, on this day personally appeared Roger Barnes, Agent for Amoil Limited Company, known to me to be the person whose name is subscribed to the foregoing instrument, as and who by me duly sworn on his/her oath deposed and said that he/she has read the attached foregoing Marginal Properties Royalty Incentive Program Application form, and that every answer and assertion made on such form is within his/her knowledge and true and correct, and that he/she executed the same, as the act and deed of said individual.

SWORN TO AND SUBSCRIBED BEFORE ME, on this 16 day of July 1999 .

CHARLES W. PERRY
NOTARY PUBLIC
State of Texas
Comm. Exp. 11-30-2000

Charles W. Perry
Notary Public, State of Texas
My Commission expires _____

Application

LINOP CORP. ??

Texas General Land Office ER-005 (1-96)

APPLICATION

Please type or print, refer to the instructions on the reverse side.

1. Applicant (Lease Operator) AMOIL LIMITED COMPANY			Telephone No. (Area code & number) 1-281-364-0302 Peter Noonan 1-800-725-0925 Charles Perry	
Address 24900 Pitkin, Suite #150 Houston, Texas 77386				
2. State Lease No. M- 074053	Type (SF/RAL/ROW)	Acreage 160.0	3. Base Royalty 25%	Unit Royalty Not applicable	Adjacent Royalty NA
4. Lease/Unit Name Arco State # 3-24			No. of Active Wells 1		
5. Field Name Reaves (North 3200)			RRC District 08	RRC ID# 069779	County Reeves
6. Qualifying Reservoir Name Delaware			Approx. Subsea Depth 3150		
7. Prior Qualified Reservoir Delaware			Reduced Royalty Rate	Initial Approval Date	
8. Lease/Unit Production, BOE (For qualifying period)			9. BOE/Day		
Applicant Signature Roger E. Barnes	Full Name ROGER E. BARNES		Title AGENT	Application Date 7/16/99	

FOR RELINQUISHMENT ACT LEASES

Name & Mailing Address of the Owner(s) of the Soil	Undivided Acreage	Undivided Base Royalty	Reduced Royalty Rate Undivided	Reduced Royalty Rate Net
Vastar Resources 15375 Memorial Houstin, Texas 77079				
			Aggregate Reduced Royalty Rate =	

GLO STAFF RECOMMENDATION

Average Oil Price (During qualifying period)		SLB Approval Date
Reduced Royalty Rate		Qualified Reservoir
Effective Date	From:	To:
Comments/Conditions:		

Marginal Properties Royalty Incentive Program
Application Affidavit

Texas General Land Office ER-005 (1-96)

STATE OF TEXAS §
COUNTY OF §

(Corporation Acknowledgement)

BEFORE ME, the undersigned Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and who by me duly sworn on his oath deposed and said that he/she has read the attached foregoing Marginal Properties Royalty Incentive Program Application form, and that every answer and assertion made on such form is within his/her knowledge and true and correct, and that he/she executed the same in the capacity stated, and as the act and deed of said corporation.

SWORN TO AND SUBSCRIBED BEFORE ME, on this ____ day of _____ 19 ____ .

_____
Notary Public, State of Texas
My Commission expires _____

STATE OF TEXAS §
COUNTY OF Midland §

(Individual Acknowledgement)

BEFORE ME, the undersigned Notary Public in and for the State of Texas, on this day personally appeared Roger Barnes, Agent for Amoil Limited Company, known to me to be the person whose name is subscribed to the foregoing instrument, as and who by me duly sworn on his/her oath deposed and said that he/she has read the attached foregoing Marginal Properties Royalty Incentive Program Application form, and that every answer and assertion made on such form is within his/her knowledge and true and correct, and that he/she executed the same, as the act and deed of said individual.

SWORN TO AND SUBSCRIBED BEFORE ME, on this 16 day of July 1999 .

NOTARY PUBLIC STATE OF TEXAS
CHARLES W. PERRY
NOTARY PUBLIC
State of Texas
Comm. Exp. 11-30-2000

Charles W. Perry
Notary Public, State of Texas
My Commission expires _____

Marginal Properties Royalty Incentive Program Application

Texas General Land Office ER-005 (1-96)

APPLICATION

Please type or print, refer to the instructions on the reverse side.

1. Applicant (Lease Operator)	AMOIL LIMITED COMPANY	Telephone No. (Area code & number)	1-281-364-0302 Peter Noonam ~~1-800-725-0925 Charles Perry~~
Address	24900 Pitkin, Suite #150 Houston, Texas 77386		
2. State Lease No. / Type (SF/RAL/ROW) / Acreage	M- 074053 / 160.0	3. Base Royalty / Unit Royalty / Adjacent Royalty	25% / Not applicable / NA
4. Lease/Unit Name	Arco State # 4-24	No. of Active Wells	1
5. Field Name / RRC District / RRC ID# / County	Reaves (North 3200) / 08 / 069912 / Reeves		
6. Qualifying Reservoir Name	Delaware	Approx. Subsea Depth	3150
7. Prior Qualified Reservoir	Delaware	Reduced Royalty Rate / Initial Approval Date	
8. Lease/Unit Production, BOE (For qualifying period)		9. BOE/Day	
Applicant Signature / Full Name / Title / Application Date	Roger E. Barnes / ROGER E. BARNES / AGENT / 7/16/99		

FOR RELINQUISHMENT ACT LEASES

Name & Mailing Address of the Owner(s) of the Soil	Undivided Acreage	Undivided Base Royalty	Reduced Royalty Rate: Undivided	Reduced Royalty Rate: Net
Vastar Resources 15375 Memorial Houstin, Texas 77079				
		Aggregate Reduced Royalty Rate =		

GLO STAFF RECOMMENDATION

Average Oil Price (During qualifying period)	SLB Approval Date
Reduced Royalty Rate	Qualified Reservoir
Effective Date From:	To:
Comments/Conditions:	

Marginal Properties Royalty Incentive Program
Application Affidavit

Texas General Land Office ER-005 (1-96)

STATE OF TEXAS §
COUNTY OF §

(Corporation Acknowledgement)

BEFORE ME, the undersigned Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and who by me duly sworn on his oath deposed and said that he/she has read the attached foregoing Marginal Properties Royalty Incentive Program Application form, and that every answer and assertion made on such form is within his/her knowledge and true and correct, and that he/she executed the same in the capacity stated, and as the act and deed of said corporation.

SWORN TO AND SUBSCRIBED BEFORE ME, on this _____ day of _____ 19 ____ .

_____
Notary Public, State of Texas
My Commission expires _____

STATE OF TEXAS §
COUNTY OF Midland §

(Individual Acknowledgement)

BEFORE ME, the undersigned Notary Public in and for the State of Texas, on this day personally appeared Roger Barnes, Agent for Amoil Limited Company, known to me to be the person whose name is subscribed to the foregoing instrument, as and who by me duly sworn on his/her oath deposed and said that he/she has read the attached foregoing Marginal Properties Royalty Incentive Program Application form, and that every answer and assertion made on such form is within his/her knowledge and true and correct, and that he/she executed the same, as the act and deed of said individual.

SWORN TO AND SUBSCRIBED BEFORE ME, on this 16 day of July 1999 .

NOTARY PUBLIC STATE OF TEXAS
CHARLES W. PERRY
NOTARY PUBLIC
State of Texas
Comm. Exp. 11-30-2000

Charles W. Perry
Notary Public, State of Texas
My Commission expires _____

File No. M-74053

Ltr. From Perry & Perry

Date Filed: 7/19/99

David Dewhurst, Commissioner

By Daryl Martyn

(65)

5.19.00

Texas General Land Office

David Dewhurst Commissioner

Stephen F. Austin Building

1700 North Congress Avenue

Austin, Texas 78701-1495

512-463-5001

September 30, 1999

[VIA FAX: (915) 682-5852]
Mr. Charles Perry
Perry & Perry, Inc.
P. O. Box 371
Midland, Texas 79702-0371

Re: State Leases 74053, 75053 and 75119; Arco State 24 and Anadarko State 14 Leases , Reeves County, Texas; documentation of production/workover operations.

Dear Mr. Perry:

The purpose of this letter is to inform you that our records show time periods of non-production for the above-referenced state leases. Please provide us within 30 days of the date of this letter evidence that the leases are held by production or otherwise held under the terms of your lease. The dates in question are as follows:

Anadarko State 14 Lease:
September 1994 through March 1995, inclusive
November 1997 through December 1997

Arco State 24 Lease:
June 1997 through November 1997, inclusive

If the leases did produce during all or part of these time periods, please provide us with copies of meter charts and gas sales receipts. If the leases were held by operations, please provide copies of work tickets/contractor invoices clearly showing that operations, the kind sufficient to maintain the lease, were conducted during the periods of non-production.

Please call me directly at (512) 305-8592 if you have any questions.

Sincerely,

Jeffrey T. Pender
Legal Services Division

File No. M-74053
Ltr. to Charles Perry

Date Filed: 9/30/99

David Dewhurst, Commissioner

By Daryl Morgan

66

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write *"Return Receipt Requested"* on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

3. Article Addressed to:

Mr. Charles Perry
Perry & Perry, Inc.
P.O. Box 371
Midland, Tx 79702-0371

4a. Article Number

Z 346 531 256

4b. Service Type

- ☐ Registered
- ☐ Certified
- ☐ Express Mail
- ☐ Insured
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

MIDLAND, TX DOWNTOWN STATION USPS 8 1999

5. Received By: *(Print Name)*

CAROL ADLER

6. Signature *(Addressee or Agent)*

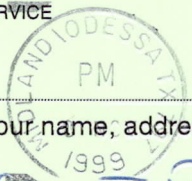
CAROL ADLER

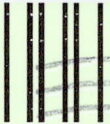
8. Addressee's Address *(Only if requested and fee is paid)*

PS Form **3811,** December 1994 102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.

UNITED STATES POSTAL SERVICE





First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Print your name, address, and ZIP Code in this box •

Jeffrey T Pender
General Land Office
1700 N. Congress Rm 626
Austin Tx 78701-1495

Texas General Land Office

David Dewhurst Commissioner

November 5, 1999

Mr. Charles Perry
Perry & Perry, Inc.
P.O. Box 371
Midland, Texas 79702-0371

[Via Fax: (915) 682-5852 and Certified Mail, Return-Receipt Requested: Z 346 531 256]

RE: State Leases 74053, 75053, and 75119; Arco State 24 and Anadarko State 14 Leases, Reeves County, Texas

Dear Mr. Perry:

In response to your telephonic request on September 30, 1999, I put our request for documentation in writing and faxed it to you the same day. It has been over thirty days since I made the request and you have not provided any of the documentation. If I have not received the documentation within 30 days of the date of this letter, we will consider the above-referenced leases terminated pursuant to 31 TAC § 9.94(b)(4).

Attached is a copy of my September 30 fax detailing the requested information.

Sincerely,

Jeffrey T. Pender
Legal Services Division
(512) 305-8592

cc: David Hall, Deputy Commissioner
M-74053, M-75053, M-75119

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
512-463-5001

(67)

File No. M-74053
Ltr. to Charles Perry

Date Filed: 11/5/99

David Dewhurst, Commissioner

By Betsy Morgan

Perry & Perry, Inc. 214 West Texas, Suite 900 P.O. Box 371 Midland, Texas 79702-0371 telephone 915.682.7861 facsimile 915.682.5852 toll free 800.725.0925

November 8, 1999

99 NOV 22 AM 11:51
GENERAL LAND OFFICE
LEGAL SERVICES

Mr. Jeffrey T. Pender
General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701-1495

RE: State Leases 74053,75053 and 75119;
Arco State # 24 and Anardarko State # 14 Leases;
Reeves County, Texas

Dear Mr. Pender:

In reply to your Certified Letter dated November 5, 1999 concerning our request for royalty reduction on the captioned leases. I would like to acquaint you with the following information.

This request was made on behalf of our client Mr. Peter Noonan, Operating Officer for AmiOil Ltd. Co., whose address is 24900 Pitkin, Suite 150, Spring, Texas 77386. Mr. Noonan can be reached by phone at (281) 363-5017.

Our office has tried to locate the records you requested by contacting Mr. Rex Gifford with New Horizons Co., whose address is 401 South Sherman, Suite 101, Richardson, Texas 75081, who was predecessor in title to the captioned leases.

Perry & Perry. Inc. is an Independent Land Services Company having been in business in Midland since 1967. Our relationship with the General Land Office has always been excellent and we hope that will continue in the future.

We apologize for any inconvenience our client has caused the GLO.

Yours Truly,

Charles W. Perry

Charles W. Perry

copy to: AmiOil Ltd. Co.
New Horizons Company

102299ch.wp

File No. M-74053

Ltr. From Charles Perry

Date Filed: 11/22/99

David Dewhurst, Commissioner

By Deryl Morgan

(68)

Texas General Land Office

David Dewhurst Commissioner

February 16, 2000

[Via Fax only: (915) 448-6639]
Mr. Peter Noonan
24900 Pitkin, Suite 150
Spring, Texas 77386

RE: State Leases 74053, 75053 and 75119; Arco State 24 and Anadarko State 14 Leases, Reeves County, Texas; Status of lease problems

Dear Mr. Noonan:

Thank you for coming to Austin yesterday to meet with Mr. Hatter and me. Based on our discussions I believe we can quickly resolve the issue of whether the above leases have terminated due to non-production. Recall that in my September 30, 1999 letter to your land services consultant, Mr. Charles Perry, I stated that there are three periods of time for which Railroad Commission records show no production from the subject leases:

Anadarko State 14 Lease:
Sept. 1994 through March 1995
Nov. 1997 through Dec. 1997

Arco State 24 Lease:
June 1997 through Nov. 1997.

At the meeting you presented a letter dated January 18, 2000 from Greg Boyles (New Horizons) to me. As I noted, I never received that letter. The letter alleges that during the time New Horizons was operator, it converted the eight wells on the leases to pumping wells. The work occurred from Fall 1994 through Spring 1995 as part of a field-wide workover program. We accept the letter as sufficient documentation of workover operations during that time.

You indicated that you thought workover operations took place on these leases during the second half of 1997, as well. If so, all periods of non-

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1700 North Congress Avenue
Austin, Texas 78701-1495
512-463-5001

production would be accounted for. Please forward that documentation to me at your earliest convenience.

Sincerely,

Jeffrey T. Pender
Legal Services Division

cc: David Hall, Deputy Commissioner

(69)

File No. M-74053
Ltr. to Peter Noonan

Date Filed: 2/10/00

David Dewhurst, Commissioner

By Deryl Morgan

AFFIDAVIT OF FACT

State of Texas in the County of Wink and City of Kermit
being duly sworn on his oath, deposes and says:
The following leases that I was operating has their full time pumper and field operator for New Horizon and Royalty Operations groups were in effect due the following reasons.

a.we rework all the wells in Arco State 24 and Anadarako 14 leases from June 1997- December 1997, but we failed to achieve production due to blown gathering and plugged field lines that were buried. It took a long time to find the Plugs to create production for those leases

Signature 02/21/00
Dated

Print Name EFRAIN ROSAS
Drivers License # State of Texas

Subscribed and sworn to before me on 02/21/00

(Signature)

Notary Public in and for the County of Winkler in Texas

(Seal)

AFFIDAVIT OF FACT

State of Texas in the County of Wink and City of Kermit
being duly sworn on his oath, deposes and says:
The following leases that i was operating has their full time pumper and field operator for New Horizon and Royalty Operations groups were in effect due the following reasons,

a.we rework all the wells in Arco State 24 and Anadarako 14 leases from June 1997- December ,1997, but we failed to achieve production due to blown gathering and plugged field lines that were buried. It took a long time to find the Plugs to create production for those leases

Anastacio Almance — 02/21/00

Signature — Dated

Print Name Anastacio Almance

Drivers License # 09671131 State of Texas

Subscribed and sworn to before me on 02/21/00

(Signature)

Notary Public in and for the County of Winkler in Texas

(Seal)

24900 PITKIN, #150, SPRING, TX 77386
Phone (281) 363-5017 **Fax 281-292-5121**

LinOp Corporation

Fax

Privileged/Confidential information may be contained in this facsimile and is intended only for the use of the addressee. If you are not the addressee, or the person responsible for delivering it to the person addressed, you may not copy or deliver this to anyone else. If you receive this facsimile by mistake, please notify us immediately by telephone. Thank you.

To: Jeffrey T. Pender **From: DEAN/DONNA**

Fax: 512 463-6311 **Pages: 5**

Phone: **Date:** 2/25/00

Re: State Leases 74053, 75053, 75119 **CC:**

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:**

Dear Mr. Pender:

Following is a copy of your letter and two affidavit of facts pertaining to the lease problems. If you need originals of the attached documents, please call me at (281) 363-5017. Thank you for your help!

Peter Noonan

70

File No. M-74053
AFF. Unit

Date Filed: 2/25/00

David Dewhurst, Commissioner

By Beryl Morgan

Texas General Land Office

David Dewhurst Commissioner

February 29, 2000

Mr. Peter Noonan
AmiOil Ltd. Company
24900 Pitkin, Suite 150
Spring, TX. 77386

Re: Royalty Reduction Applications, State Leases MF-075053, MF-074053 and MF-075119, Reeves County, TX.

Dear Operator:

Enclosed is a copy of the GLO rule addressing royalty reductions for marginal wells. The rule is codified in § 9.7 of the Texas Administrative Code. Please note in subsection (c) (2) of the rule that the School Land Board (SLB) may consider a lease for royalty reduction if the average daily price of oil during the qualifying period was equal to or less than $25 per barrel. Please be advised that because of the continued increase of WTI crude prices, the GLO staff is not currently recommending applications for SLB approval.

You have the right to appeal staff's decision to not recommend your application for SLB approval. You may do so by personally appearing before the SLB to present your case. In the alternative to your appearance, GLO staff will reconsider their decision if you show that either the lease(s) will be abandoned absent a major investment(s) combined with royalty reduction(s) or that there is some valid reason for unusual operating costs that cause the applicable lease(s) to be uneconomic at current oil prices.

If you opt to pursue the matter, please be advised that we were unable to process your applications due to several problems. Those problems are summarized as follows:

1. The leased properties include several Relinquishment Act Land (RAL) tracts. Subsection 32.067(a)(6)(d) of Title 2 of the Public Domain statute states in pertinent part "...the state's royalty rate may be reduced **only** (emphasis added) if the royalty rate for the owner of the soil is reduced in the same proportion. Therefore, please have the soil owner(s) complete and return the enclosed affidavit showing that they have reached agreement with AmiOil Ltd. Co. to reduce the royalty in the same proportion as the state's royalty rate reduction. Please note that the state's royalty interest cannot be less then 3.1625%.

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Congress Avenue

Austin, Texas
78701-1495

512-463-5001

2. Please file an amended Application Form and indicate what time period you seek to designate as the 12 months qualifying period and please provide documentation to support the reported annual production (i.e. copies of Railroad Commission Forms P-1 and P-2). As noted on the enclosed Application Form Instructions, please note on the respective accompanying plat those wells that are active and those that are inactive but completed in the applicable field interval.

A copy of the latest revision of the GLO's Marginal Properties Royalty Reduction Program Application Form is enclosed for your use. Should you opt to fill out the application and need to discuss any part of it, you may contact me by phone at (512) 463-5326 or by email at james.irwin@glo.state.tx.us.

If you opt to withdraw your applications, please advise the undersigned either by E-mail or in writing. Your cooperation is appreciated.

Yours truly,

James M. Irwin, Jr., P. E.
Staff Reservoir Engineer

cc: R. Hatter, w/o attach
P. Boone, w/o attach

File No. M-74053 (72)

Ltr. to Peter Noonan

Date Filed: 2/29/00

David Dewhurst, Commissioner

By Daryl Morgan

Texas General
Land Office

David Dewhurst
Commissioner

COPY

July 18, 2000

Ms. Pamela B. Larson
Columbine I Limited Partnership
P.O. Box 22066
Denver, Colorado 80222

RE: Assignment filing

Dear Ms. Larson:

The General Land Office received the following instrument on June 19, 2000, and has filed it in MF074053 and MF075119.

> Assignment of Oil and Gas Lease (100%) with an execution date of March 11, 1993, from Atlantic Richfield Company, as Assignor, to Columbine I Limited Partnership, as Assignee, recorded in Reeves County, Texas.

Filing fees of $100.00 were received in connection with the above assignment. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 475-2230.

Sincerely,

Jim Baumgardner
Landman
Energy Resources

Columbine I Limited Partnership; MF074053 MF075119

Stephen F. Austin Building
1700 North
Congress Avenue
Austin, Texas
78701-1495
512-463-5001

• Checked for MF #'s_____
• Entered in database: 3032
• Problem file?Y____ N____
• Acknowlegement letter sent _____

FILE NO. 589 ATLATNIC RICHFIELD COMPANY TO COLUMBINE I LIMITED PARTNERSHIP

Recording Requested by and
When Recorded Return to:

Columbine I Limited Partnership
P. O. Box 22066
Denver, Colorado 80222

Mail Tax Statements to:

Columbine I Limited Partnership
4500 Cherry Creek Drive
Suite 980
Denver, Colorado 80222

CORRECTION ASSIGNMENT AND CONVEYANCE

THIS CORRECTION ASSIGNMENT AND CONVEYANCE (hereinafter called "Correction Assignment"), dated effective as of the first day of July, 1992, at 7:00 a.m. local time (herein called "Effective Time") is from ATLANTIC RICHFIELD COMPANY, a Delaware corporation, (hereinafter called "Assignor"), whose mailing address is 1601 Bryan Street, Dallas, Texas 75201, and Columbine I Limited Partnership, an Oklahoma limited partnership, (hereinafter called "Assignee"), whose mailing address is P. O. Box 22066, Denver, Colorado 80222.

RECITALS

By that certain Assignment and Conveyance (the "Assignment") executed on August 11, 1992, effective as of the Effective Time, Assignor transferred, granted, bargained, conveyed and assigned to Assignee certain properties, rights and interests described in the Assignment as the Royalty Interest. Capitalized terms used but not specifically defined in this Correction Assignment have the same meaning or definition given such terms in the Assignment.

A master counterpart of the Assignment is recorded in Book 670, Page 371 of the County Clerk's records of Pecos County, Texas. Recording counterparts of the Assignment, containing only those portions of the exhibits to the Assignment that describe property located in a particular county, are recorded, among other places, in counties as described in Schedule 1 attached to this Correction Assignment.

The Assignment contains certain errors or omissions in the descriptions of Royalty Interests contained or intended to be contained, as the case may be, in Exhibit A to the Assignment. The pages of Exhibit A to the Assignment (labeled with the original Property Grouping, State, County and page number) which contain errors are attached to this Correction Assignment still marked with the heading "Exhibit A", and substitutes for such pages, along with certain omitted descriptions, are included in Corrected Exhibit A, attached hereto and made a part hereof.

Assignor and Assignee desire to correct the Assignment of record to reflect the original intention of the parties.

CORRECTION OF ASSIGNMENT

In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby amend the Assignment such that those pages of Exhibit A to the Assignment attached hereto and marked with the heading "Exhibit A") are deleted in their entirety, from the Assignment and the pages attached hereto as Corrected Exhibit A are substituted therefor, it being recognized that Corrected Exhibit A includes not only replacements for the property descriptions set forth in the pages attached hereto and marked with the heading "Exhibit A", but also additional descriptions for properties not previously covered by the Assignment. Any reference to Exhibit A contained in the Assignment shall be deemed to refer to Exhibit A as originally attached thereto except that (a) no regard shall be given in any such reference to the pages attached hereto and marked with the heading "Exhibit A", and (b) any such reference shall be deemed to include the pages attached hereto as Corrected Exhibit A.

This Correction Assignment is executed in multiple counterparts, all of which are identical except that in order to facilitate recording or filing of this Correction Assignment, (i) the counterpart to be recorded in a given county may contain only those portions of exhibits hereto that describe property located in that county, and (ii) each counterpart filed with a federal or state agency or office may contain only those portions of exhibits hereto that describe property under the jurisdiction of that agency or office; all of such counterparts together shall constitute one and the same instrument. Assignor and Assignee have each retained a counterpart of this Correction Assignment with complete exhibits. Another counterpart of this Correction Assignment with complete exhibits is to be filed in the official real property records of Pecos County, Texas.

This Correction Assignment is made subject to all of the terms, provisions, covenants and conditions of the Assignment, which are incorporated herein by reference.

For the above-cited consideration, Assignor and Assignee hereby adopt, ratify and confirm the Assignment, as amended and corrected by this Correction Assignment, according to its terms, provisions, covenants and conditions, and without limitation of the foregoing, Assignor hereby grants, bargains, sells and conveys to Assignee , subject to all of the terms, provisions, covenants and conditions contained in the Assignment, all of Assignor's right, title and interest in and to the following:

(a) Assignor's right, title, and interest in and to or derived under (i) the royalty interest reserved in favor of Assignor or its predecessor(s) in title, as lessor in any oil and gas lease or oil, gas, and mineral lease in which Assignor or its predecessor(s) in title is the lessor and which covers property as described in Corrected Exhibit A hereto, or any part thereof or any interest therein; (ii) the royalty interest, non-participating royalty interest or non-executory mineral interest either granted to or reserved by or in favor of Assignor or its predecessor(s) in title in any deed, grant, or conveyance in which Assignor or its predecessor(s) in title is either the grantor or grantee and which covers property as described in Corrected Exhibit A hereto, or any part thereof or any interest therein; (iii) each overriding royalty interest, net profit interest or other non-cost bearing interest either granted to or reserved by or in favor of Assignor or its predecessor(s) in title in any assignment or conveyance in which Assignor or its predecessor(s) in title is either the assignor or assignee and which covers property as described in Corrected Exhibit A hereto, or any part thereof or any interest therein; and (iv) without limitation of the foregoing, each royalty interest, overriding royalty interest, net profit interest or other non-cost bearing interest which has been unitized, communitized or pooled under unit, communitization, pooling or similar agreements, or under orders of state regulatory agencies, and which unitized, communitized or pooled interest covers property as described in Corrected Exhibit A hereto, or any part thereof or any interest therein, INSOFAR AND ONLY INSOFAR AS (but without limitation of the provisions of subsection (iv), above) each Additional Royalty Interest (as hereinafter defined) covers or relates to the lands and other property described in Corrected Exhibit A under the heading "Description of Lands;"

(b) All of Assignor's rights, titles, and interests in and to all units, pooled acreage, proration or spacing units, or other allocation of acreage established by, or in accordance with applicable state, federal, tribal,or local law, to the extent and solely to the extent that such rights, titles,and interests relate to the interests described in Subsection (a) above;

STATE OF TEXAS REEVES COUNTY

True and Correct copy of Original filed in Reeves County Clerks Office

(c) All of Assignor's right, title, and interest in and to all oil, gas, and other minerals produced from the interests described in Subsections (a) and (b) above subsequent to the Effective Time and all proceeds of such production;

such rights, titles, and interests described in Subsections (a), (b), and (c) above shall be referred to collectively as "Additional Royalty Interests".

TO HAVE AND TO HOLD the Additional Royalty Interests unto Assignee, its successors and assigns, forever.

Except as expressly amended and corrected hereby, the Assignment shall continue in force and effect as originally executed. Except as expressly set forth herein, this Correction Assignment is not intended to and shall not alter, amend or otherwise affect the grant of Royalty Interests to Assignee contained in the Assignment.

EXECUTED on March 11, 1993, to be effective for all purposes as of the Effective Time.

ATLANTIC RICHFIELD COMPANY

By: _____
Name: J. A. Sansbury
Title: Attorney-in-Fact

ASSIGNOR

COLUMBINE I LIMITED PARTNERSHIP

By: Queenstown Oil & Gas, Inc.,
General Partner

By: _____
Name: A. S. Pollack
Title: President

ASSIGNEE

STATE OF TEXAS
REEVES COUNTY

True and Correct copy of Original filed in Reeves County Clerks Office

STATE OF COLORADO §
§
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on this 11th day of March, 1993, by J. A. Sansbury, as Attorney-in-Fact of Atlantic Richfield Company, a Delaware corporation, on behalf of such corporation.

Deanna L. Messerli
Notary Public, State of Colorado

My Commission Expires: 1-15-96

[Notarial Seal]

STATE OF COLORADO §
§
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on this 11th day of March, 1993, by A. S. Pollack, as president of Queenstown Oil & Gas, Inc., a corporation, on behalf of such corporation, in its capacity as general partner of Columbine I Limited Partnership, an Oklahoma limited partnership.

Deanna L. Messerli
Notary Public, State of Colorado

My Commission Expires: 1-15-96

[Notarial Seal]

True and Correct copy of Original filed in Reeves County Clerks Office

SCHEDULE I

Attached to and made a part of that certain CORRECTION ASSIGNMENT AND CONVEYANCE dated effective as of the first day of July, 1992, from ATLANTIC RICHFIELD COMPANY to COLUMBINE I LIMITED PARTNERSHIP.

The recording references below for the Assignment are to the appropriate official records of real property for the respective states and counties.

State	County	Book	Page
Texas	Andrews	641	752 Rec.#923051
	Atascosa	File #3770	
	Calhoun	86	432 File #27214
	Camp	13	848
	Cooke	845	756 File #13200
	Crane	343	24 File #56631
	Crockett	0480	856 File #114054
	Dawson	OGL 349	119 File #3508
	Dewitt	300	209 File #42433
	Duval	135	791-802 File #43138
	Ector	1122	538 File #12860
	Gregg	2410	117 File #015450
	Hardin	956	419 File #24920
	Henderson	1426	506 File #10612
	Irion	96	302 Doc. #12679
	Jasper	88	305 Doc. #79108
	Live Oak	369	65
	Loving	89	335 File #554
	Marion	546	751 File #1965
	Martin	21	195 File #1517
	McMullen	333	385 File #48269
	Montague	960	521 File #3552
	Moore	425	330 File #108952
	Orange	836	480 Doc. #108011
	Pecos	670	371
	Reeves	520	88 File #001840
	Runnels	75	367 File #1806
	Schleicher	371	157 File #067504
	Sherman	193	754 File #000760
	Stephens	1063	106 File #2453
	Stonewall	371	311 File #1078
	Tom Green	322	98 File #354752
	Tyler	531	702
	Upshur	114	553 File #004577
	Wharton	29	791 File #135665
	Zapata	463	419 File #092005

True and Correct copy of Original filed in Reeves County Clerks Office

STATE: TEXAS
COUNTY/PARISH: REEVES
PAGE NO. 1

CORRECTED EXHIBIT A

PAGE NO. 121

ATTACHED TO AND MADE A PART OF THAT CERTAIN CORRECTION ASSIGNMENT AND CONVEYANCE, DATED EFFECTIVE JULY 1, 1992 BY AND BETWEEN ATLANTIC RICHFIELD COMPANY (ASSIGNOR) AND COLUMBINE I LIMITED PARTNERSHIP (ASSIGNEE)

FIELD NAME	PROPERTY NAME	INTR TYPE	DESCRIPTION OF LANDS
FORD	DAVIS -A- (RRC17889)	OR	FROM SURFACE DOWN TO DEPTH OF 3,000 FEET UNDER 3 TRACTS, AS FOLLOWS: TRACT 1 - S/2 NE/4; TRACT 2 - N/2 SE/4 AND TRACT 3 - S/2 SE/4, ALL IN SECTION 20, BLK. 57, T AND P RR CO. SURVEY. ARCO INTEREST RESERVED IN THREE ASSIGNMENTS, DATED 11-29-62, 2-25-63 AND 4-18-63, ALL SUBJECT TO CONSOLIDATION AGREEMENT, DATED 4-1-63 FROM SINCLAIR OIL AND GAS CO. TO J. M. C. RITCHIE.
FORD	DAVIS/28/ORR	OR	W/2 NW/4, NW/4 SE/4, AND 104.22 ACRE TRACT OF THE N/2 OF SECTION 28, ALL IN BLK. 57, T1, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,100 FEET SUBSURFACE.
FORD	SINCLAIR-DAVIS ORR	OR	N/2 NE/4 OF SECTION 20, BLK. 57, T1, T + P RR CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,000 FEET SUBSURFACE.
KEN REGAN	ARCO STATE (SLEDGE)	RI	SE/4 OF SECTION 12, BLK. 56, T-3, T AND P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,500 FEET SUBSURFACE. ARCO INTEREST RESERVED IN LEASE DATED 10-20-76 FROM ARCO TO CUSTER OIL CO., RECORDED AT VOL. 340, PG. 574 OF THE DEED RECORDS.
KEN REGAN	ARCO-STATE (098343)	RI	SW/4 OF SECTION 12, BLK. 56, T-3, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 4,050 FEET SUBSURFACE. ARCO INTEREST RESERVED IN LEASE, DATED 6-1-81 FROM ARCO IND. AND AS AGENT FOR THE STATE OF TEXAS TO TOM CRADDICK.
KEN REGAN	HILL, GEORGE P.	OR	NE/4 NE/4, NE/4 NW/4 OF SECTION 20, BLK. 56, T3, T AND P RR CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,650 FEET SUBSURFACE.
OLDS	ARNOLD	OR	W/2 NW/4 OF SECTION 30, BLK. 56, T AN P RR CO. SURVEY, TO DEPTH OF 3,098 FEET AND E/2 NW/4 OF SECTION 30, TO DEPTH OF 3,115 FEET. ARCO INTEREST RESERVED IN ASSIGNMENTS, DATED 2-25-82 AND 7-16-84 FROM ARCO TO RICHARD C. SLACK, RECORDED IN BK. 428, PG. 349 OF THE DEED RECORDS.
REAVES NORTH	ARCO STATE (SUN)	RI RI	ALL OF SEC. 14, BLK. 56, T-3, T AND P RY CO. SURVEY, ALL LIMITED TO PRODUCTION FROM THE SURFACE TO THE BASE OF THE DELAWARE-BELL CANYON FORMATION. ARCO INTEREST RESERVED IN AN OIL AND GAS LEASE DATED 7-11-77 FROM ARCO TO TEXAS PACIFIC OIL CO., RECORDED AT VOL. 350, PG. 207 OF THE DEED RECORDS.
REAVES NORTH	ARCO STATE (ENSERCH)	RI	ALL OF SECTION 24, BLK. 57, T-3, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO THE BASE OF THE ZONE EQUIVALENT TO THE DELAWARE- BELL CANYON FORMATION, IDENTIFIED IN THE TEXACO - NO. 1 R. M. REEVES WELL, AS BETWEEN DEPTHS OF 4,056 FEET AND 4,118 FEET SUBSURFACE.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

FILED FOR RECORD ON THE 15th DAY OF March A.D. 1993 AT 2:00P M.

DULY RECORDED ON THE 15th DAY OF March A.D. 1993 AT 3:30P M.

CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

BY Glynnis Wells DEPUTY

STATE OF TEXAS
REEVES COUNTY

True and Correct copy of Original filed in Reeves County Clerks Office

VOL 525 PAGE 45

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 520, PAGE 88, THRU 98. OFFICIAL PUBLIC RECORDS

I hereby certified on 1ST MAY 2000

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Norma Chavez DEPUTY

NORMA CHAVEZ

CORRECTED
EXHIBIT A

Attached to and made a part of that certain Correction Assignment and Conveyance (the "Correction Assignment") dated March 11, 1993, by and between Atlantic Richfield Company (Assignor) and Columbine I Limited Partnership (Assignee).

PREAMBLE

1. Unless the context otherwise requires, all terms that are defined in the Correction Assignment to which this Corrected Exhibit A is attached shall have the meanings stated in said Correction Assignment.

2. This exhibit is arranged and divided by State and within each State, by County or Parish. If a lease, assignment, deed or other instrument covers land in two or more counties or parishes, a description of the lease or instrument, may be included for the exhibit for each such county or parish. Such multiple descriptions of a lease or other instrument are not to be construed as increasing the interest assigned to the Assignee hereunder as to such lease or instrument.

3. This exhibit includes the following headings:

State: The State in which the Royalty Interests are located.

Field Name: Assignor's internal field name for identification purposes. The field name may not correspond with the official field name. Field boundaries, as designated by Assignor, may not correspond with official field boundaries.

Property Name: Assignor's internal name for one or more Additional Royalty Interests for identification purposes. The name may be that of a well located on the Additional Royalty Interest or a unit relating thereto, as reflected by Assignor's records. Well and unit names may not conform to official well and unit names.

Intr Type: Interest Type

RI. A royalty interest reserved in favor of Assignor or its predecessor(s) in title, as lessor, in an oil and gas lease or oil, gas and mineral lease in which Assignor or its predecessor(s) in title is the lessor. A royalty interest, non-participating royalty granted to or reserved by or in favor of Assignor or its predecessor(s) in title in a deed, grant or conveyance in which Assignor or its predecessor(s) in title is either the grantor or grantee.

OR. An overriding royalty interest or other non-cost bearing interest either granted to or reserved by or in favor of Assignor or its predecessor(s) in title in any assignment or conveyance in which Assignor or its predecessor(s) in title is either the assignor or assignee.

UI. A royalty interest, overriding royalty interest, net profit interest or other non-cost bearing interest which has been unitized, communitized or pooled under unit, communitization, pooling or similar agreements, or under orders of state or federal regulatory agencies.

XX. A net profit interest either granted to or reserved by or in favor of Assignor or its predecessor(s) in title in an assignment or conveyance in which Assignor or its predecessor(s) in title is either the assignor or assignee.

Description of Lands: The description of the lands and depths included in the Additional Royalty Interests. The description does not necessarily signify that Assignor owns the entire interest described or that Assignor owns such interest as to all depth intervals described.

The recordation reference is to the volume or book and page or the file number, microfilm index number, instrument number, entry number or other identification number of the deed records, oil and gas records, official public records of real/immovable property, conveyance records, oil and gas books or other applicable public records of such state and county or parish. If no recordation reference is shown, the instrument may not be recorded in such county or parish.

4. Notwithstanding any provision hereof to the contrary, the Correction Assignment to which this Corrected Exhibit A is attached is intended to and does cover any and all producing zones and/or formations underlying the lands described in this Corrected Exhibit A, without regard to any depth or formation restrictions set forth herein. For purposes of the preceding sentence, a zone and/or formation shall be deemed to be "producing" to the extent, as of the Effective Date, (a) there is actual production of oil, gas and/or other hydrocarbons from such zone or formation, or (b) there is a well or wells located on the lands described in this Corrected Exhibit A which are completed to such zone or formation, but such well or wells are being reworked or are otherwise temporarily shut-in.

STATE OF TEXAS
REEVES COUNTY

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STATE: TEXAS
COUNTY/PARISH: REEVES
PAGE NO. 1

EXHIBIT A

PAGE NO. 121

ATTACHED TO AND MADE A PART OF THAT CERTAIN CORRECTION ASSIGNMENT AND CONVEYANCE, DATED EFFECTIVE JULY 1, 1992 BY AND BETWEEN ATLANTIC RICHFIELD COMPANY (ASSIGNOR) AND COLUMBINE I LIMITED PARTNERSHIP (ASSIGNEE)

FIELD NAME	PROPERTY NAME		INTR TYPE	DESCRIPTION OF LANDS
FORD	DAVIS -A- (RRC17889)		OR	FROM SURFACE DOWN TO DEPTH OF 3,000 FEET UNDER 3 TRACTS, AS FOLLOWS: TRACT 1 - S/2 NE/4; TRACT 2 - N/2 SE/4 AND TRACT 3 - S/2 SE/4, ALL IN SECTION 20, BLK. 57, T AND P RR CO. SURVEY. ARCO INTEREST RESERVED IN THREE ASSIGNMENTS, DATED 11-29-62, 2-25-63 AND 4-18-63, ALL SUBJECT TO CONSOLIDATION AGREEMENT, DATED 4-1-63 FROM SINCLAIR OIL AND GAS CO. TO J. M. C. RITCHIE.
FORD	DAVIS/28/ORR		OR	W/2 NW/4, NW/4 SE/4, AND 104.22 ACRE TRACT OF THE N/2 OF SECTION 28, ALL IN BLK. 57, T1, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,100 FEET SUBSURFACE.
FORD	SINCLAIR-DAVIS ORR		OR	N/2 NE/4 OF SECTION 20, BLK. 57, T1, T + P RR CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,000 FEET SUBSURFACE.
KEN REGAN	ARCO STATE	(SLEDGE)	RI	SE/4 OF SECTION 12, BLK. 56, T-3, T AND P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,500 FEET SUBSURFACE. ARCO INTEREST RESERVED IN LEASE DATED 10-20-76 FROM ARCO TO CUSTER OIL CO., RECORDED AT VOL. 340, PG. 574 OF THE DEED RECORDS.
KEN REGAN	ARCO-STATE (098343)		RI	SW/4 OF SECTION 12, BLK. 56, T-3, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 4,050 FEET SUBSURFACE. ARCO INTEREST RESERVED IN LEASE, DATED 6-1-81 FROM ARCO IND. AND AS AGENT FOR THE STATE OF TEXAS TO TOM CRADDICK.
KEN REGAN	HILL, GEORGE P.		OR	NE/4 NE/4, NE/4 NW/4 OF SECTION 20, BLK. 56, T3, T AND P RR CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,650 FEET SUBSURFACE.
OLDS	ARNOLD		OR	W/2 NW/4 OF SECTION 30, BLK. 56, T AN P RR CO. SURVEY, TO DEPTH OF 3,098 FEET AND E/2 NW/4 OF SECTION 30, TO DEPTH OF 3,115 FEET. ARCO INTEREST RESERVED IN ASSIGNMENTS, DATED 2-25-82 AND 7-16-84 FROM ARCO TO RICHARD C. SLACK, RECORDED IN BK. 428, PG. 349 OF THE DEED RECORDS.
REAVES NORTH	ARCO STATE	(SUN)	RI	SW/4 OF SEC. 14, BLK. 56, T-3, T AND P RY CO. SURVEY, AND
			RI	E/2 OF SEC. 14, BLK. 56, T-3, T AND P RY CO. SURVEY, ALL LIMITED TO PRODUCTION FROM THE SURFACE TO THE BASE OF THE DELAWARE-BELL CANYON FORMATION. ARCO INTEREST RESERVED IN AN OIL AND GAS LEASE DATED 7-11-77 FROM ARCO TO TEXAS PACIFIC OIL CO., RECORDED AT VOL. 350, PG. 207 OF THE DEED RECORDS.
REAVES NORTH	ARCO STATE	(ENSERCH)	RI	ALL OF SECTION 24, BLK. 57, T-3, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO THE BASE OF THE ZONE EQUIVALENT TO THE DELAWARE- BELL CANYON FORMATION, IDENTIFIED IN THE TEXACO - NO. 1 R. M. REEVES WELL, AS BETWEEN DEPTHS OF 4,056 FEET AND 4,118 FEET SUBSURFACE.

MF075115

MF075053

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VOL 525 PAGE 43

File No. MF074053
Assignment
Date Filed: 7/18/00
By Darla Desburrow, Commissioner

28.

8-13-00

Texas General
Land Office

David Dewhurst
Commissioner

COPY

July 18, 2000

Ms. Pamela B. Larson
Columbine I Limited Partnership
P.O. Box 22066
Denver, Colorado 80222

RE: Assignment filing

Dear Ms. Larson:

The General Land Office received the following instrument on June 19, 2000, and has filed it in MF074053 and MF075119.

> Assignment of Oil and Gas Lease (100%) with an execution date of August 11, 1992, from Atlantic Richfield, as Assignor, to Columbine I Limited Partnership, as Assignee, recorded in Reeves County, Texas.

Filing fees of $100.00 were received in connection with the above assignment. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 475-2230.

Sincerely,

Jim Baumgardner
Landman
Energy Resources

Columbine I Limited Partnership; MF074053 MF075119

Stephen F. Austin Building
1700 North
Congress Avenue
Austin, Texas
78701-1495
512-463-5001

Columbine I Limited Partnership
P.O. Box 22066
Denver, Colorado 80222
Telephone (303) 321-0606
Fax (303) 316-7650

June 14, 2000

Mr. Jim Baumgardner
State of Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Re: Relinquishment Act Oil and Gas Leases
75119 ✓
ARCO State 14 (#622310)
All of Section 14, Blk. 56, T-3, T&P RR Co.
74053 ✓
ARCO State 24 (#622320)
All of Section 24, Blk. 57, T-3, T&P RR Co.
Reeves County, Texas

Dear Mr. Baumgardner:

Enclosed for your approval are the following assignments of Atlantic Richfield Company's royalty interest under the oil and gas leases described on the attached schedule to Columbine I Limited Partnership:

1. Assignment and Conveyance dated effective July 1, 1992 from Atlantic Richfield Company to Columbine I Limited Partnership, recorded in Volume 520, Page 88.

2. Correction Assignment and Conveyance dated effective July 1, 1992 from Atlantic Richfield Company to Columbine I Limited Partnership, recorded in Volume 525, Page 439.

RECEIVED
00 JUN 14 PM 4:57
LAND RESOURCES

Enclosed is a check in the amount of $200.00 to cover the fees ($50 per lease per assignment.) We are enclosing a certified copy of each assignment and copies for each lease file. If you have any questions or need additional information, you may contact me at (303) 321-0606 extension 105.

Sincerely,

Pamela B. Larson

Pamela B. Larson

Enclosures

cc: A.S. Pollack

Oil and Gas Leases
ATLANTIC RICHFIELD COMPANY/COLUMBINE I LIMITED PARTNERSHIP
Relinquishment Act
Reeves County, Texas

Oil and Gas Lease Dated July 11, 1977, from Atlantic Richfield Company, to Texas Pacific Oil Company, Inc. covering all of Section No. 14, Block 56, T-3, T&P Ry. Co. Survey, as to all depths and horizons from the surface down to the base of that zone which is equivalent of the zone (Delaware-Bell Canyon) encountered in the Texaco No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Ry. Co. Survey, Reeves County, Texas, encountered on the Gamma Ray Sonic Electric Log at a approximate measured depth of 4056 to 4118 feet.

Oil and Gas Lease dated October 13, 1976, from Atlantic Richfield Company, to Enserch Exploration, Inc., covering all of Section 24, Block 57, T-3, T&P Ry. Co. Survey, as to all depths and horizons from the surface down to the base of the zone equivalent to the Delaware-Bell Canyon Formation, identified in the Texaco - No. 1 R. M. Reeves Well located in Section No. 25, Block 57, T-3, T&P Ry. Co. Survey, Reeves County, Texas, as between depths of 4056 feet to 4118 feet subsurface.

COLUMBINE I LIMITED PARTNERSHIP

DETACH AND RETAIN THIS STATEMENT

State approval
Arco State 14 (#622310)
Arco State 24 (#622320)

129

00 54558

6-15-2000	IDENTIFICATION NO.	TOTAL	$200.00

• Checked for MF #'s
• Entered in database: 3031
• Problem file? Y ___ N ___
• Acknowlegement letter sent ___

MAY 08 2000

FILE NO. 1840 ATLANTIC RICHFIELD COMPANY TO COLUMBINE I LIMITED PARTNERSHIP

Recording Requested by and When Recorded Return to:

Aviva, Inc.
P. O. Box 22066
Denver, Colorado 80222

Mail Tax Statements to:

Aviva, Inc.
4500 Cherry Creek Drive
Suite 980
Denver, Colorado 80222

ASSIGNMENT AND CONVEYANCE

THIS ASSIGNMENT AND CONVEYANCE (hereinafter called "Assignment"), dated effective as of the first day of July, 1992, at 7:00 a.m. local time (herein called "Effective Time") is from ATLANTIC RICHFIELD COMPANY, a Delaware corporation, (hereinafter called "Assignor"), whose mailing address is 1601 Bryan Street, Dallas, Texas 75201, and Columbine I Limited Partnership, an Oklahoma limited partnership, (hereinafter called Assignee"), whose mailing address is P. O. Box 22066, Denver, Colorado 80222.

PART I

GRANTING AND HABENDUM CLAUSES

For ten dollars and other good and valuable consideration, the receipt and sufficiency of which Assignor hereby acknowledges, Assignor hereby transfers, grants, bargains, sells, conveys, and assigns to Assignee, and the successors and assigns of Assignee, all of Assignor's right, title, and interest in and to the following:

(a) Assignor's right, title, and interest in and to or derived under (i) the royalty interest reserved in favor of Assignor or its predecessor(s) in title, as lessor, in any oil and gas lease or oil, gas, and mineral lease in which Assignor or its predecessor(s) in title is the lessor and which covers property as described in Exhibit A hereto, or any part thereof or any interest therein; (ii) the royalty interest, non-participating royalty interest or non-executory mineral interest either granted to or reserved by or in favor of Assignor or its predecessor(s) in title in any deed, grant, or conveyance in which Assignor or its predecessor(s) in title is either the grantor or grantee and which covers property as described in Exhibit A hereto, or any part thereof or any interest therein; (iii) each overriding royalty interest, net profit interest or other non-cost bearing interest either granted to or reserved by or in favor of Assignor or its predecessor(s) in title in any assignment or conveyance in which Assignor or its predecessor(s) in title is either the assignor or assignee and which covers property as described in Exhibit A hereto, or any part thereof or any interest therein; and (iv) without limitation of the foregoing, each royalty interest, overriding royalty interest, net profit interest or other non-cost bearing interest which has been unitized, communitized or pooled under unit, communitization, pooling or similar agreements, or under orders of state regulatory agencies, and which unitized, communitized or pooled interest covers property as described in Exhibit A hereto, or any part thereof or any interest therein, INSOFAR AND ONLY INSOFAR AS (but without limitation of the provisions of subsection (iv), above) each Royalty Interest covers or relates to the lands and other property described in Exhibit A under the heading "Description of Lands;"

(b) All of Assignor's rights, titles, and interests in and to all units, pooled acreage, proration or spacing units, or other allocation of acreage established by, or in accordance with applicable state, federal, tribal, or local law, to the extent and solely to the extent that such rights, titles, and interests relate to the interests described in Subsection (a) above;

STATE OF TEXAS REEVES COUNTY

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(c) All of Assignor's right, title, and interest in and to all oil, gas, and other minerals produced from the interests described in Subsections (a) and (b) above subsequent to the Effective Time and all proceeds of such production;

such rights, titles, and interests, described in Subsections (a), (b), and (c) above, subject to the reservations, exceptions, terms, and conditions herein contained, shall be referred to collectively as "Royalty Interests" and singularly as each "Royalty Interest."

TO HAVE AND TO HOLD the Royalty Interests unto Assignee, its successors and assigns, forever.

PART II

RESERVATION; TERM AND TERMINATION; PERMITTED ENCUMBRANCES; TERMS AND CONDITIONS

2.1 **Reservation**. Assignor hereby reserves and excepts unto Assignor, its successors and assigns, all of Assignor's right, title, and interest, if any, in and to (i) any executive right or reversionary mineral fee interest or servitude of Assignor, its successors and assigns, in any oil and gas lease or other term or determinable royalty or other non-cost bearing term or determinable interest pursuant hereto, and (ii) all leasehold, working, operating, and other cost bearing interests, if any, of Assignor in and to the lands or other properties described in Exhibit A under the heading "Description of Lands" (including, without limitation, any cost bearing interest of Assignor with respect to which Assignor may have made a non-consent election under a joint operating or similar agreement and any entitlement of Assignor to proceeds attributable to any interest of others who have made a non-consent election); together with all rights, titles, and interests of Assignor incident to the ownership of any interest excepted above, and (iii) all oil, condensate, or natural gas wells, water source wells, and water and other types of injection wells, whether producing, operating, shut-in, or temporarily abandoned; platforms, equipment, fixtures, tanks, tank batteries, gas plants, disposal facilities, buildings, structures, field separators and liquid extractors, compressors, pumps, pumping units, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, implements, tools, appliances, cables, wires, towers, casing, tubing and rods, gathering lines or other pipelines, field gathering systems, and any and all other fixtures and equipment of every type and description; lands, tenements, appurtenances, surface leases, easements, permits, licenses, servitudes, and rights-of-way; and all leases, options, rights of first refusal, all rights under farmin and farmout agreements, operating agreements or other agreements and instruments, other than those specifically described in Exhibit A, but only to the extent the properties described in subparagraph (iii) specifically relate to the properties described above in subparagraphs (i) and/or (ii).

2.2 **Expiration and Termination**. While the expiration and termination of a Royalty Interest provided for herein shall be automatic, Assignee covenants and agrees, promptly after such expiration and termination occurs, only if requested in writing by Assignor, to execute and deliver to Assignor such instrument or instruments, in recordable form, as are necessary or appropriate to evidence such expiration and termination of record in the jurisdiction where the applicable interest is located and/or such governmental agency as may have jurisdiction thereof.

2.3 **Permitted Encumbrances**. Each Royalty Interest is assigned and accepted subject to (a) all liens, charges, contracts, agreements, instruments, obligations and other encumbrances, if any, whether or not disclosed in the public records, affecting such Royalty Interest, including, without limitation, all instruments creating or transferring such Royalty Interest, unit agreements, pooling orders, communitization orders, division orders, transfer orders, operating agreements and marketing contracts, if any, and (b) all laws, rules, regulations and orders of governmental authorities or tribunals having or asserting jurisdiction, in each case to the extent the same are valid, enforceable and affect such Royalty Interest (herein called the "Permitted Encumbrances").

STATE OF TEXAS REEVES COUNTY

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2.4 **No Warranty of Title; Subrogation**. This Assignment is made without warranty of title, express, implied, or statutory, and without recourse, even as to the return of the purchase price, but with full substitution and subrogation of Assignee, and all persons claiming by, through and under Assignee, to the extent assignable, in and to all covenants and warranties by the Assignor's predecessors in title and with full subrogation of all rights accruing under the statutes of limitation or prescription under the laws of various states in which each Royalty Interest is located and all rights of actions of warranty against all former owners, if any, of each Royalty Interest. Any covenants or warranties implied by statute or law by the use of the word "grant," "transfer," or "convey" or other similar words in this Assignment are hereby expressly restrained, disclaimed, waived, and negated.

2.5 **Disclaimer of Obligation of Assignor**. This Assignment shall never be deemed to impose any obligation, express or implied, on Assignor, its successors or assigns, relating to the Royalty Interests from and after the Effective Time. Without limiting the generality of the foregoing, except as provided in Paragraph 3.9, Assignor shall have no obligation, express or implied, to Assignee, its successors or assigns, (a) to perform or enforce any obligation, express or implied, in any instrument creating or transferring any Royalty Interest or any instrument included in the Permitted Encumbrances; (b) to comply with any law, rule, regulation, judgment or order of any governmental agency or tribunal relating to any Royalty Interest; or (c) to develop, produce, preserve, protect or perpetuate any Royalty Interest, or any part thereof or any interest therein.

2.6 **Further Disclaimers**. Assignor and Assignee agree that, to the extent required by applicable law to be operative, the disclaimers of certain warranties contained in this paragraph are "conspicuous" disclaimers for the purposes of any applicable law, rule or order. The Royalty Interests are assigned to Assignee without recourse (even as to the return of the purchase price or other consideration), covenant or warranty of any kind, express, implied or statutory. WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESSED, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE RELATING TO (i) THE CONDITION OF THE ROYALTY INTEREST (INCLUDING WITHOUT LIMITATION, ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), OR (ii) ANY INFRINGEMENT BY ASSIGNOR OR ANY OF ITS AFFILIATES OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY. ASSIGNEE EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER 17, SUBCHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), TEXAS BUSINESS & COMMERCE CODE.

2.7 **Assumption by Assignee**. Assignee hereby assumes and agrees to perform and discharge all obligations, if any, relating to the Royalty Interests, but only to the extent that such obligations are valid, enforceable, and affect the Royalty Interests and are attributable to the period after the Effective Time.

2.8 **Call on Oil**: Assignor shall have the option, but not the obligation, at any time and from time to time, upon thirty (30) days' advance notice to Assignee, to purchase all oil and other liquid hydrocarbon production attributable to the Royalty Interests. Such purchases shall be:

> at a price which is the average of the three (3) highest prices posted in the field or general area where the subject Royalty Interest is located during the month of production by others for oil and liquid hydrocarbons of like grade, quality, and specific gravity (e.g. West Texas/New Mexico Intermediate, West Texas Sour, Wyoming Sweet, Heavy Louisiana Sweet, North Texas Sour, etc.), subject to differentials and adjustments stated in such posting, subject to the same differentials and adjustments.

Payments made by Assignor shall be made by mailing a check on or before the 30th day of the month following production.

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If after exercising its option, Assignor should thereafter wish to cease purchasing Assignee's oil, it may do so upon thirty (30) days' advance notice to Assignee. Should Assignor elect not to exercise its option to purchase, or having made an election should Assignor determine to cease purchasing, such action shall not be a waiver of the right to exercise the option at any later time. Assignor shall not be required to purchase or furnish a market for the production.

PART III

MISCELLANEOUS

3.1 **Further Assurances**. Assignor and Assignee agree to take all such further actions and to execute, acknowledge, and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment. So long as authorized by applicable law so to do, Assignor agrees to execute, acknowledge, and deliver to Assignee all such other additional instruments, notices, division orders, transfer orders, and other documents and to do all such other and further acts and things as may be necessary or useful to more fully and effectively grant, convey, and assign to Assignee the Royalty Interests conveyed hereby or intended so to be.

3.2 **Multiple Counterparts**. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one assignment.

3.3 **Recordation**. To facilitate recording or filing of this Assignment, (i) the counterpart to be recorded in a given county or parish may contain only those portions of Exhibit A that describe property located in such county or parish and (ii) each counterpart filed with a federal or state agency or office may contain only those portions of Exhibit A that describe property under the jurisdiction of that agency or office. Assignor and Assignee have each retained a counterpart of this Assignment with a complete Exhibit A. Another counterpart of this Assignment with a complete Exhibit A is to be filed in the official real property records of Pecos County, Texas.

3.4 **Governmental Assignments**. Separate assignments of certain of the Royalty Interests may be executed on officially approved forms by Assignor to Assignee in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain all of the exceptions, reservations, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignment. The interests conveyed by such separate assignments are the same, and not in addition to, the Royalty Interests conveyed herein.

3.5 **Governing Law**. The provisions of this Assignment relating specifically to title to real property that, due to applicable law, must be governed by the law of the jurisdiction in which any such real property is located shall be governed by the laws of such jurisdiction. All other provisions of this Assignment shall be governed by and construed in accordance with the laws of the State of Texas, excluding any conflicts of law rule or principle that might refer same to the laws of another jurisdiction.

3.6 **Exhibit**. Reference is made to Exhibit A which is attached hereto and made a part hereof for all purposes. Any references in Exhibit A to instruments on file in the public records are made for all purposes. Reference in Exhibit A to an instrument shall never be deemed to infer that such instrument is valid, binding or enforceable or affects the applicable property nor shall such reference create any right, title, interest or claim in favor of any party other than Assignee, its successors or assigns.

3.7 **Headings**. Headings are included in this Assignment for convenience of reference and shall in no way define, limit, extend, or describe the scope or intent of any provision of this Assignment.

3.8 **Successors and Assigns**. This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

STATE OF TEXAS REEVES COUNTY

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3.9 **Acceptance by Assignee**. The Assignee hereby accepts this Assignment and in order to evidence such acceptance Assignee has executed the counterpart hereof with a complete Exhibit A to be filed in the official real property records of Pecos County, Texas.

EXECUTED in the presence of the undersigned witnesses on the 11th day of August, 1992, to be effective for all purposes as of Effective Time.

WITNESSES:

_____
Name

_____
Name

ATLANTIC RICHFIELD COMPANY

By: _____
Name: J. A. Sansbury
Title: Attorney in Fact

ASSIGNOR

WITNESSES:

_____
Name

_____
Name

COLUMBINE I LIMITED PARTNERSHIP
Queenstown Oil & Gas, Inc.,
General Partner

By: _____
Name: A. S. Pollack
Title: _____

ATTEST:

_____
Name: _____
Title: _____

ASSIGNEE

Attachments:

Exhibit A - Description Royalty Interests.

True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF TEXAS §
§
COUNTY OF DALLAS §

COLORADO, ILLINOIS, OKLAHOMA, NEBRASKA, NEW MEXICO, NORTH DAKOTA, TEXAS, WYOMING, AND UTAH

The foregoing instrument was acknowledged before me on this 11th day of August, 1992, by J. A. Sansbury as Attorney-in-Fact of Atlantic Richfield Company, a Delaware corporation, on behalf of such corporation.

MISSISSIPPI

Personally appeared before me, a notary public of the state and county aforesaid, within my jurisdiction, the within named J. A. Sansbury who acknowledged to me that he is the Attorney-in-Fact of Atlantic Richfield Company and that he signed and delivered the foregoing instrument on the day and year therein mentioned as Attorney-in-Fact of Atlantic Richfield Company, A Delaware corporation, for and on behalf of such corporation, as its free act and deed after first having been duly authorized by said corporation to do so.

ALABAMA

I, Beverly A. Farmer, a notary public in and for said county in said state, hereby certify that J. A. Sansbury, whose name as Attorney-in-Fact of Atlantic Richfield Company, a Delaware corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, in his capacity as Attorney-in-Fact and with full authority, executed the same voluntarily for and as the act of said corporation.

LOUISIANA

On the 11th day of August, 1992, before me personally appeared J. A. Sansbury, to me personally known, who, being by me duly sworn or affirmed did say that he is the Attorney-in-Fact of Atlantic Richfield Company, a Delaware corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors and that J. A. Sansbury acknowledged the instrument to be the free act and deed of the corporation.

ARKANSAS, INDIANA, MONTANA, AND PENNSYLVANIA

On this the 11th day of August, 1992, before me, Beverly A. Farmer, the undersigned notary public, personally appeared J. A. Sansbury, known to me and who acknowledged himself to be the Attorney-in-Fact of Atlantic Richfield Company, a Delaware corporation, and that he, as such Attorney-in-Fact, being authorized to do so, executed the foregoing instrument as the act of the corporation and for the purposes therein contained, by signing the name of the corporation by himself as Attorney-in-Fact.

STATE OF TEXAS REEVES COUNTY
True and Correct copy of Original filed in Reeves County Clerks Office

320 91

CALIFORNIA

On this 11th day of August in the year 1992, before me, Beverly A. Farmer, a notary public of said State, duly commissioned and sworn, personally appeared J. A. Sansbury, personally known to me to be the person who executed the within instrument as Attorney-in-Fact on behalf of Atlantic Richfield Company, a Delaware corporation, and acknowledged to me that he subscribed the name of such corporation thereto by himself as Attorney-in-Fact, and that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 11th day of August, 1992.

NOTARY PUBLIC STATE OF TEXAS
BEVERLY A. FARMER
Notary Public
STATE OF TEXAS
My Commission Expires
May 15, 1995

Beverly A. Farmer
Notary Public, State of Texas

STATE OF TEXAS
REEVES COUNTY

True and Correct copy of Original filed in Reeves County Clerks Office

EXHIBIT A

Attached to and made a part of that certain Assignment and Conveyance dated August 11, 1992, by and between Atlantic Richfield Company (Assignor) and Columbine I Limited Partnership (Assignee).

PREAMBLE

1. Unless the context otherwise requires, all terms that are defined in the Assignment and Conveyance dated August 11, 1992, by and between Atlantic Richfield Company (Assignor) and Columbine I Limited Partnership (Assignee) to which this Exhibit A is attached shall have the meanings stated in said Assignment and Conveyance.

2. This Exhibit is arranged and divided by State and within each State, by County or Parish. If a lease, assignment, deed or other instrument covers land in two or more counties or parishes, a description of the lease, or instrument, may be included for the Exhibit for each such county or parish. Such multiple descriptions of a lease or other instrument are not to be construed as increasing the interest assigned to the Purchaser hereunder as to such lease or instrument.

3. This Exhibit includes the following headings:

State: The State in which the Royalty Interests are located.

Field Name: ARCO's internal field name for identification purposes. The field name may not correspond with the official field name. Field boundaries, as designated by ARCO, may not correspond with official field boundaries.

Property Name: ARCO's internal name for one or more Royalty Interests for identification purposes. The name may be that of a well located on the Royalty Interest or a unit relating thereto, as reflected by ARCO's records. Well and unit names may not conform to official well and unit names.

Intr Type: Interest Type

RI. A royalty interest reserved in favor of ARCO or its predecessor(s) in title, as lessor, in an oil and gas lease or oil, gas and mineral lease in which ARCO or its predecessor(s) in title is the lessor. A royalty interest, non-participating royalty granted to or reserved by or in favor of ARCO or its predecessor(s) in title in a deed, grant or conveyance in which ARCO or its predecessor(s) in title is either the grantor or grantee.

OR. An overriding royalty interest or other non-cost bearing interest either granted to or reserved by or in favor of ARCO or its predecessor(s) in title in any assignment or conveyance in which ARCO or its predecessor(s) in title is either the assignor or assignee.

UI. A royalty interest, overriding royalty interest, net profit interest or other non-cost bearing interest which has been unitized, communitized or pooled under unit, communitization, pooling or similar agreements, or under orders of state or federal regulatory agencies.

XX. A net profit interest either granted to or reserved by or in favor of ARCO or its predecessor(s) in title in an assignment or conveyance in which ARCO or its predecessor(s) in title is either the assignor or assignee.

Description of Lands: The description of the lands and depths included in the Royalty Interests. The description does not necessarily signify that ARCO owns the entire interest

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described or that ARCO owns such interest as to all depth intervals described.

The recordation reference is to the volume or book and page or the file number, microfilm index number, instrument number, entry number or other identification number of the deed records, oil and gas records, official public records of real property, conveyance records, oil and gas books or other applicable public records of such state and county or parish. If no recordation reference is shown, the instrument may not be recorded in such county or parish.

4. Notwithstanding any provision hereof to the contrary, the Purchase and Sale Agreement to which this Exhibit A is attached is intended to and does cover any and all producing zones and/or formations underlying the lands described in this Exhibit A, without regard to any depth or formation restrictions set forth herein. For purposes of the preceding sentence, a zone and/or formation shall be deemed to be "producing" to the extent, as of the Effective Date, (a) there is actual production of oil, gas and/or other hydrocarbons from such zone or formation, or (b) there is a well or wells located on the lands described in this Exhibit A which are completed to such zone or formation, but such well or wells are being reworked or are otherwise temporarily shut-in.

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520 97

True and Correct copy of Original filed in Reeves County Clerks Office

STATE: TEXAS
COUNTY/PARISH: REEVES
PAGE NO. 1

EXHIBIT A

PAGE NO. 121

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND CONVEYANCE, DATED AUGUST 11, 1992 BY AND BETWEEN ATLANTIC RICHFIELD COMPANY (ASSIGNOR) AND COLUMBINE I LIMITED PARTNERSHIP (ASSIGNEE)

FIELD NAME	PROPERTY NAME	INTR TYPE	DESCRIPTION OF LANDS
FORD	DAVIS -A- (RRC17889)	OR	FROM SURFACE DOWN TO DEPTH OF 3,000 FEET UNDER 3 TRACTS, AS FOLLOWS: TRACT 1 - S/2 NE/4; TRACT 2 - N/2 SE/4 AND TRACT 3 - S/2 SE/4, ALL IN SECTION 20, BLK. 57, T AND P RR CO. SURVEY. ARCO INTEREST RESERVED IN THREE ASSIGNMENTS, DATED 11-29-62, 2-25-63 AND 4-18-63, ALL SUBJECT TO CONSOLIDATION AGREEMENT, DATED 4-1-63 FROM SINCLAIR OIL AND GAS CO. TO J. M. C. RITCHIE.
FORD	DAVIS/28/ORR	OR	W/2 NW/4, NW/4 SE/4, AND 104.22 ACRE TRACT OF THE N/2 OF SECTION 28, ALL IN BLK. 57, T1, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,100 FEET SUBSURFACE.
FORD	SINCLAIR-DAVIS ORR	OR	N/2 NE/4 OF SECTION 20, BLK. 57, T1, T + P RR CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,000 FEET SUBSURFACE.
KEN REGAN	ARCO STATE (SLEDGE)	RI	SE/4 OF SECTION 12, BLK. 56, T-3, T AND P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,500 FEET SUBSURFACE. ARCO INTEREST RESERVED IN LEASE DATED 10-20-76 FROM ARCO TO CUSTER OIL CO., RECORDED AT VOL. 340, PG. 574 OF THE DEED RECORDS.
KEN REGAN	ARCO-STATE (098343)	RI	SW/4 OF SECTION 12, BLK. 56, T-3, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 4,050 FEET SUBSURFACE. ARCO INTEREST RESERVED IN LEASE, DATED 6-1-81 FROM ARCO IND. AND AS AGENT FOR THE STATE OF TEXAS TO TOM CRADDICK.
KEN REGAN	HILL, GEORGE P.	OR	NE/4 NE/4, NE/4 NW/4 OF SECTION 20, BLK. 56, T3, T AND P RR CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 3,650 FEET SUBSURFACE.
OLDS	ARNOLD	OR	W/2 NW/4 OF SECTION 30, BLK. 56, T AN P RR CO. SURVEY, TO DEPTH OF 3,098 FEET AND E/2 NW/4 OF SECTION 30, TO DEPTH OF 3,115 FEET. ARCO INTEREST RESERVED IN ASSIGNMENTS, DATED 2-25-82 AND 7-16-84 FROM ARCO TO RICHARD C. SLACK, RECORDED IN BK. 428, PG. 349 OF THE DEED RECORDS.
REAVES NORTH	ARCO STATE (SUN)	RI RI	SW/4 OF SEC. 14, BLK. 56, T-3, T AND P RY CO. SURVEY, AND E/2 OF SEC. 14, BLK. 56, T-3, T AND P RY CO. SURVEY, ALL LIMITED TO PRODUCTION FROM THE SURFACE TO THE BASE OF THE DELAWARE-BELL CANYON FORMATION. ARCO INTEREST RESERVED IN AN OIL AND GAS LEASE DATED 7-11-77 FROM ARCO TO TEXAS PACIFIC OIL CO., RECORDED AT VOL. 350, PG. 207 OF THE DEED RECORDS.
REAVES NORTH	ARCO STATE (ENSERCH)	RI	ALL OF SECTION 24, BLK. 57, T-3, T + P RY CO. SURVEY, LIMITED FROM THE SURFACE DOWN TO THE BASE OF THE ZONE EQUIVALENT TO THE DELAWARE- BELL CANYON FORMATION, IDENTIFIED IN THE TEXACO - NO. 1 R. M. REEVES WELL, AS BETWEEN DEPTHS OF 4,056 FEET AND 4,118 FEET SUBSURFACE.

520 98

STATE: TEXAS
COUNTY/PARISH: REEVES
PAGE NO. 2

EXHIBIT A

PAGE NO. 122

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND CONVEYANCE, DATED AUGUST 11, 1992 BY AND BETWEEN ATLANTIC RICHFIELD COMPANY (ASSIGNOR) AND COLUMBINE I LIMITED PARTNERSHIP (ASSIGNEE)

FIELD NAME	PROPERTY NAME	INTR TYPE	DESCRIPTION OF LANDS
TORO	BELL STATE #1	OR	E/2 OF SECTION 49, BLK. 51, T7, T AND P RR CO. SURVEY, CONTAINING 320 ACRES, MORE OR LESS, LIMITED FROM THE SURFACE DOWN TO A DEPTH OF 5,238 FEET SUBSURFACE.

True and Correct copy of Original filed in Reeves County Clerks Office

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

FILED FOR RECORD ON THE 24th DAY OF August A.D. 1992 AT 2:04 P M.

DULY RECORDED ON THE 24th DAY OF August A.D. 1992 AT 4:00 P M.

BY Lisa Reynolds DEPUTY

CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

74.

File No: MF074053

Assignment

Date Filed: 5/15/00

David Dorman, Commissioner

By _____

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 525, PAGE 439 THRU 445 OFFICIAL PUBLIC RECORDS

I hereby certified on 1ST MAY 2000

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Norma Chavez DEPUTY

NORMA CHAVEZ

Texas General Land Office

David Dewhurst Commissioner

February 1,2000

LANTERN PETROLEUM
ATTN: DIVISION ORDER DEPT.
P O BOX 2281
MIDLAND TX 79702

Re: Property Name: SEE ATTACHED EXHIBIT A
Mineral File No: SEE ATTACHED EXHIBIT A
Property Number: SEE ATTACHED EXHIBIT A

Dear Sir or Madam:

We have received the division orders submitted by your company for the above-referenced lease and added it to our files. Please be sure to reference this mineral file number in all future royalty payments, reports and correspondence concerning the lease.

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may in some cases affect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office is acquiescent in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 463-5408.

Sincerely,

Shirley m. Chou

Shirley Chou
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

KK

DIVISION ORDER

PLEASE RETURN ONE COPY TO:

PREPARED: 01/24/00

LANTERN PETROLEUM
A DIVISION OF COAST ENERGY GROUP
P.O. BOX 2281
MIDLAND, TX 79702

MF074053

LANTERN'S PROPERTY #: TX65991-00

EFFECTIVE 7 A.M.: 12/01/99

PROPERTY NAME: ARCO STATE 24 #1X

OPERATED BY: LINOP CORPORATION

DESCRIPTION: SECTION 24, BLOCK 57, T-3, REEVES COUNTY, TEXAS.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil/gas and related liquid /gaseous hydrocarbons produced from the property described above.

OWNER#:	CREDIT TO:	DECIMAL:	*TI:
07034	THE COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	.12500000	R

* TYPE INTEREST: R = ROYALTY, O = OVERRIDING ROYALTY, W = NET WORKING INTEREST, P = PRODUCTION PAYMENT, U = UNLEASED MINERAL INTEREST

Read all covenants appearing on the reverse side hereof which are incorporated herein by reference. The undersigned agrees that each covenant shall be deemed and considered an essential part of this Division Order in like manner and with the same effect as if printed above the undersigned's signature.

SIGNATURE OF WITNESS/ATTEST

SIGNATURE OF OWNER

** SOCIAL SECURITY OR TAX I.D. # OF THIS ACCOUNT:

YOUR COPY

BY:

DAYTIME PHONE #:

TITLE:
(OFFICER, PARTNER, TRUSTEE, EXECUTOR, etc.)

OWNER'S REMITTANCE ADDRESS:

MAIL CORRESPONDENCE TO (IF DIFFERENT):

** IN ACCORDANCE WITH FEDERAL LAW, 31% TAX WILL BE WITHHELD IF YOU DO NOT PROVIDE YOUR CORRECT SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER.

This agreement does not amend any lease or operating agreement between the interest owners and the lessee or operator or any other contracts for the purchase of oil or gas.

Terms of Sale: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this Division Order. Payor shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

Payment: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $25 may be accrued before disbursement until the total amount equals $25 or more, or until December 31 of each year, whichever occurs first. Owner agrees to refund to payor any amounts attributable to an interest or part of an interest that owner does not own.

Indemnity: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney's fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

Dispute; Withholding of Funds: If a suit is filed that affects the interest of the owner; written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

Termination: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

Notices: The owner agrees to notify payor in writing of any changes in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed above unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this Division Order, an owner may have certain statutory rights under the laws of this state (where the subject property is located).

YOUR COPY

EXHIBIT A (DATED 2/1/00)

PROPERTY NAME	MINERAL FILE NUMBER	PROPERTY NUMBER
ARCO STATE 24 #1X	MF074053 T	TX65991-00
ARCO STATE 44 #1	MF068514 T	TX65968-00
ARCO STATE 14 #1	MF075053 T	TX65990-00
ARCO STATE 34-4	MF076006	TX66041-00
STACK STATE	MF065945	TX65988-00
ANADARKO STATE 14 #2	MF075053 T	TX65964-00
ANADARKO STATE 14	MF075053 T	TX65989-00
PHILLIPS 66 2 & 3A	MF047118	TX65978-00
ROBINSON 26	MF065945	TX65962-00

(75)

M.F. 074053

Correspondence File

To

From Division order from

Dated Lanteon Peer. 1-24-00

Texas General Land Office

David Dewhurst Commissioner

last prod 1998

Thursday, January 20, 2000

ROYALTY OPERATING INC
401 SOUTH SHERMAN
RICHARDSON, TX
75081-4012

RE: Termination of State Lease **MF074053**

Dear Sir:

We are in the process of updating our files for the year 2000. Our records indicate that the above-referenced lease has terminated due to non-production. This lease has not been held by timely paid shut-in payments and there is no documentation in this office of any reworking operations.

If this well(s) is plugged, copies of Railroad Commission Form W-3 must be filed with our office. If delinquent royalties are due, our Audit Division will notify you shortly.

If you disagree with this assessment and you can provide documentation, please send such evidence to this office at the address above, within 30 days of receiving this letter. Failure to reply or failure to present convincing evidence of the continuation of the lease will result in the mineral file being endorsed as terminated.

Sincerely,

John Brodnax

Landman
Mineral Leasing

cc: David Hall, Deputy Commissioner of Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

(30)

File No. MF074053

Pre terminatin letter

Date Filed: 1/28/00

By David Dewhurst, Commissioner

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ROYALTY OPERATING INC
401 SOUTH SHERMAN
RICHARDSON TX 75081-4012

COMPLETE THIS SECTION ON DELIVERY

A. Received by *(Please Print Clearly)*

B. Date of Delivery 3/1/

C. Signature

X [signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ✓
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Copy from service label)* Z 192 579 055

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

TX GENERAL LAND OFFICE
P O BOX 12873
AUSTIN TX 78711-2873

ATTN: JOHN BRODNAX

Z 192 579 055

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail *(See reverse)*

Sent to Royalty Operating	
Street & Number 401 S Sherman	
Post Office, State, & ZIP Code Richardson	
Postage	$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	$
Postmark or Date	

PS Form **3800**, April 1995

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services *(See front).*

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier *(no extra charge).*

2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt, and mail the article.

3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.

4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.

5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

6. Save this receipt and present it if you make an inquiry.

102595-99-M-2444

PS Form **3800**, April 1995 *(Reverse)*

March 6, 2000

ROYALTY OPERATING INC
401 SOUTH SHERMAN
RICHARDSON TX 75081-4012

RE: Termination of State Lease MF074053
RRC# 072422, 069586, 069779, 069912 Lease Name: Arco State '24'

Dear Sir:

The above referenced oil & gas lease has been endorsed to show the lease terminated for cessation of production. Our office has not been contacted regarding my letter dated January 20th, 2000 to indicate otherwise.

If you have any questions, please give me a call at my number listed below.

Sincerely,

John Brodnax
Minerals Leasing
Energy Resources
(512) 463-5407

cc: David Hall, Deputy Commissioner of Energy Resources

(77)

File No. M-074053

Final termination letter

Date Filed: 3-13-00

David Dewhurst, Commissioner

By

H 16

XRA1341-01
03/11/87
19:16:30

EP OPERATING COMPANY
DIVISION OF INTEREST MASTER - CURRENT
AS OF 03/11/87

COMPANY... 13 PROPERTY.. 876626 DI.. 01 ARCO-STATE
DISTRICT..70 WEST TEXAS COUNTY..195 REEVES STATE..44 TEXAS

LAST.MAINT.DATE.. 03/17/83
MINIMUM ROYALTY Y
BASE LSE NO 0016626

---------- H E A D E R D A T A ----------

PURCHASERS..

M-74053

---------- C O M P A N Y ----------
WORK-INT.. .75000000 CHG.DT.. 03/83
ROY-INT... .00000000 CHG.DT.. 03/83
BUR-INT... .25000000 CHG.DT.. 03/83

COMMENTS... 0-1662600-00 ARCO-STATE-24-#1 & 0-1662602-00 ARCO-STATE-24-#2 & 0-1662604-00 ARCO-STATE-24- >COMMENTS CONTINUED ON OWNER

---------- O W N E R D A T A ----------

OWNER NUMBER	OWNER NAME	INTEREST TYP	INTEREST SUF	PAY CD	EXEMPT TX	EXEMPT DE	STATUS NG	STATUS ST	SP LS	WF CT	R B	DECIMAL INTEREST	LSE AGRM	POOL	TRACT	-EFFECTIVE- FROM	THRU	
000013	EP OPERATING CO P O BOX 2649 DALLAS TX 75221	1	01	00	N	00	Y	N	00		B	.75000000				07/77 07/77	99/99 99/99	**
002448	ATLANTIC RICHFIELD CO P O BOX 85063 DALLAS TX 75285	2	01	01	N	77	Y	N	00		B	.12500000				07/77 07/77	99/99 99/99	**
083940	STATE OF TEXAS C/O COMMISSIONER OF THE GENERAL LAND OFFICE AUSTIN TX 78701	2	01	01	P	77	Y	N	22		B	.12500000				07/77 07/77	99/99 99/99	**

1.00000000

lessee
surface

49.91.4

121

ENSERCH EXPLORATION INC

1817 Wood Street
Dallas, Texas 75201
214-748-1110

Mailing Address
P.O. Box 2649
Dallas, Texas 75221

Land Records Department
R. D. Whitten, CPL
Director
Thelma G. Anthony, CPL
Manager, Division Order Section
Nell Hall, CPL
Manager, Lease Records Section
Lela F. Parker, CPL
Manager, Lease Administration Section

April 15, 1987

General Land Office
State of Texas
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, Texas 78701

DO: DON'T ADD up

EE-T-ML-# 6376 M-44265
T. H. Foxall B-1
Wise County, Texas
EE-T-ML-# 8113 M-50434
Ida Mae Oldham A-1
Midland County, Texas
EE-T-ML-# 14115 M-66821
G. V. Garcia
EE-T-ML-# 15023 & 15037
Louis F. Puig A-1 & B-1
Webb County, Texas
EE-T-ML-# 16871 & 16870
Amarillo State 36 #1 & 3
EE-T-ML-# 16626
Arco State 24 #2
EE-T-ML-# 16968 & 17054
Anadarko State 14 #3 & 34 #1
Reeves County, Texas
EE-T-ML-# 16972
Neal A #1
Pecos County, Texas

Dear Mr. Mullen:

Reference is made to your letter of March 12, 1987 requesting copies of Division of Interest Statements, current lessee, and surface owners name and address which we are currently making payments.

We enclose said information.

If any further documentation is required, please feel free to contact the undersigned at (214) 670-2316.

Very truly yours,

ENSERCH EXPLORATION, INC.

Terri Campbell
Division Order
Title Analyst

TC:vg

From: Lannie Stimson
To: Jesse Arellano
Date: 4/17/01 10:47AM
Subject: Re: Terminations

For 75053:
Our records show payments for oil received in the months of 3/00, 7/00 and 8/00. Also RRC shows gas production on gas well ID 08-072948 continuously for the months of 7/99 through 12/00 (small production). There are other wells on this lease which are producing.

For 74053:
RRC shows gas production for well 08-069586 for the months of 7/99 through 12/00. There are other wells on this lease which are producing .

For 68514:
RRC shows gas production (small amounts) for well 08-076234 from 3/99 through 12/00. As far as I can tell this is the only well reported on that lease. Payments have not been received since 5/98 and the royalty amount will be very small.
Thanks

CC: Joe King

79.

File No. MF074053

Reinstatement of Lease

Date Filed: 4-19-01

David Dewhurst, Commissioner

By

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

7000 0520 0024 4427 1482

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
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PS Form 3800, February 2000 **See Reverse for Instructions**

Certified Mail Provides:

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Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail or Priority Mail.
- Certified Mail is not available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

July 19, 2001

VIA CRRR#7000 0520 0024 6427 1482

RE-OP Corporation
900 East Pecan, Suite 300 # 101
Pflugerville, TX 78660

RE: **Termination of State Leases MF074053**
Lease Name: Arco State 24
RRC#'s 072422, 069912, 069586, 069779
Field Name: Reeves North
Reeves County, TX

Gentlemen:

A review of our records has determined that the above-referenced leases **terminated** August 1, 1997 due to non-production. The leases have not been held by timely paid shut-in payments and there is no documentation in this office of any reworking operations. As a result, the leases have terminated under the terms and conditions of the leases and the laws of the state as further defined in Title 31 of the Texas Administrative Code ("the Code"). Pursuant to the Code, a recorded original or certified copy of a Release of the State Oil and Gas Leases must be filed with our office.

If the wells are plugged, copies of Railroad Commission Form W-3 must be filed with our office. Our Audit Division will notify you shortly if delinquent royalties are due.

In accordance with the provisions of the Code, if you disagree with this assessment you must provide evidence to this office at the address shown above within 30 days of receipt of this letter. **Failure to reply or failure to present convincing evidence of the continuation of the lease will result in the mineral file being endorsed as terminated. You will receive no further communication from this office prior to termination.**

Sincerely,

Bob Baker
Landman
Minerals Leasing

Office (512) 463-5407
Fax (512) 475-1543
e-mail (robert.baker@glo.state.tx.us)

(50)

File No. MFO 74053

Termination letter

Date Filed: 7-19-01

David Dewhurst, Commissioner

By Bob Baker

Texas General Land Office

David Dewhurst Commissioner

February 16, 2000

[Via Fax Only: (915) 448-6639]
Mr. Peter Noonan
24900 Pitkin, Suite 150
Spring, Texas 77386

RE: State Leases 74053, 75053 and 75119; Arco State 24 and Anadarko State 14 Leases, Reeves County, Texas; Status of lease problems

Dear Mr. Noonan:

Thank you for sending the documentation that I requested in my letter to you dated February 16, 2000. Based on the affidavits you provided I consider the issue of whether the Arco State 24 and Anadarko State 14 Leases have expired due to non-production during the period June 1997 through December 1997, resolved in your favor. Unless I hear from you otherwise, I will return your applications under the Marginal Royalty Incentive Program to our Mineral Leasing division for processing.

Sincerely,

Jeffrey T. Pender, Director
Legal Services Division, Energy Section

cc: David Hall, Deputy Commissioner

Stephen F. Austin Building
1700 North
Congress Avenue
Austin, Texas
78701-1495
512-463-5001

File No. M-74053 (71)

Ltr. to Peter Noonan

Date Filed: 2/28/00

David Dewhurst, Commissioner

By Daryl Morgan

January 29, 2001

VIA CRRR#7000 0520 0024 6427 0775

RE-OP Corporation
900 East Pecan, Suite 300 # 101
Pflugerville, TX 78660

RE: **Termination of State Leases MF075053,MF074053 MF068514**
Lease Name: Anadarko State 14, Arco 24, Arco 44
Field Name: Reeves North
Reeves County, TX

Gentlemen:

A review of our records has determined that the above-referenced leases terminated due to non-production. Royalty Operating Co. was notified of this last year. The lease has not been held by timely paid shut-in payments and there is no documentation in this office of any reworking operations. As a result, this lease has terminated under the terms and conditions of the lease and the laws of the state as further defined in Title 31 of the Texas Administrative Code ("the Code").

If the wells are plugged, copies of Railroad Commission Form W-3 must be filed with our office. Our Audit Division will notify you shortly if delinquent royalties are due.

In accordance with the provisions of the Code, if you disagree with this assessment you must provide evidence to this office at the address shown above within 30 days of receipt of this letter. **Failure to reply or failure to present convincing evidence of the continuation of the lease will result in the mineral file being endorsed as terminated. You will receive no further communication from this office prior to termination.**

Sincerely,

Bob Baker
Landman
Minerals Leasing
Office (512) 463-5407
Fax (512) 475-1543
e-mail (robert.baker@glo.state.tx.us)

(150) (81)

File No. MF074053

Termination letter

Date Filed: 1-29-01

David Dewhurst, Commissioner

By Bob Bahn