


CASE 7307: MESA PETROLEUM COMPANY FOR  
COMPULSORY POOLING, RIO ARRIBA COUNTY,   
NEW MEXICO

Case No.

7307

Application

Transcripts

Small Exhibits

ETC



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

July 29, 1981

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. William F. Carr  
Campbell, Byrd & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 7307  
ORDER NO. R-6734

Applicant:

Mesa Petroleum Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

Other \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7307  
Order No. R-6734

APPLICATION OF MESA PETROLEUM  
COMPANY FOR COMPULSORY POOLING,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 15, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of July, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Mesa Petroleum Company, seeks an order pooling all royalty interests in the Mesaverde formation underlying the W/2 of Section 23, Township 26 North, Range 6 West, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.
- (3) That the applicant has the right to drill and has drilled its Federal Well No. 12E at a standard location thereon.
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

-2-

Case No. 7307  
Order No. R-6734

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all royalty interests, whatever they may be, in the Mesaverde formation underlying the W/2 of Section 23, Township 26 North, Range 6 West, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to the Mesa Petroleum Company Federal Well No. 12E drilled at a standard location thereon.

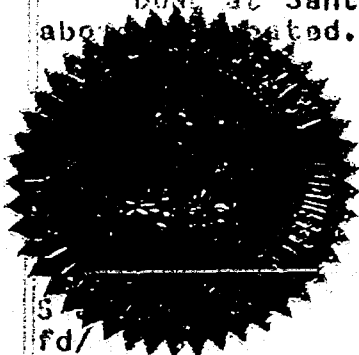
(2) That Mesa Petroleum Company is hereby designated the operator of the subject well and unit.

(3) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(4) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Rio Arriba County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above stated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

S  
fd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
15 July 1981

EXAMINER HEARING

-----  
IN THE MATTER OF:

Application of Mesa Petroleum Company  
for compulsory pooling, Rio Arriba  
County, New Mexico.

CASE  
7307  
and  
7308

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.  
CAMPBELL, BYRD, & BLACK P.A.  
Jefferson Place  
Santa Fe, New Mexico 87501

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I N D E X

CHARLES E. OSGOOD, JR.

Direct Examination by Mr. Carr

4

Cross Examination by Mr. Nutter

7

E X H I B I T S

Applicant Exhibit One, Plat, etc.

5

Applicant Exhibit Two, Plat, etc.

5

Applicant Exhibit Three, Correspondence

6

Applicant Exhibit Four, Correspondence

6

1  
2 MR. NUTTER: Call Case 7307 at this time.

3 MR. PEARCE: Application of Mesa Petroleum  
4 Company for compulsory pooling, Rio Arriba County, New Mexico.

5 MR. NUTTER: Are you going to consolidate  
6 them, Bill?

7 MR. CARR: Yes.

8 MR. NUTTER: We'll also call Case Number  
9 7308.

10 MR. PEARCE: Also application of Mesa  
11 Petroleum Company for compulsory pooling, Rio Arriba County,  
12 New Mexico.

13 MR. CARR: May it please the Examiner,  
14 my name is William F. Carr, with the law firm of Campbell,  
15 Byrd, and Black, P. A., Santa Fe, appearing on behalf of  
16 Mesa.

17 At this time we would request that cases  
18 7307 and 7308 be consolidated for purposes of hearing. The  
19 ownership under both tracts is the same. They're applica-  
20 tions to pool the east and west half of the same section.

21 MR. NUTTER: Cases 7307 and 08 will be  
22 combined or consolidated for hearing purposes only.

23 Please proceed,

24 MR. CARR: I have one witness who needs  
25 to be sworn.



(Witness sworn.)

CHARLES E. OSGOOD, JR.

being called as a witness and being duly sworn upon his oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you please state your name and  
place of residence?

A Charles E. Osgood, Junior, Denver,  
Colorado.

Q By whom are you employed and in what  
capacity?

A I'm an independent oil and gas producer  
and a petroleum industry consultant, and I'm appearing here  
today on behalf of Mesa Petroleum Company.

Q Mr. Osgood, have you previously testified  
before this Commission and had your credentials as a landman  
accepted and made a matter of record?

A Yes, I have.

Q Are you familiar with the applications  
filed on behalf of Mesa in Cases 7307 and 7308?

1

2

A. Yes.

3

4

Q And you're familiar with the subject lands?

5

A. Yes, sir, I am.

6

7

MR. CARR: Are the witness' qualifications acceptable?

8

MR. NUTTER: They are.

9

10

Q Will you briefly state what Mesa seeks with this application?

11

12

13

14

A. Mesa seeks to pool several overriding royalty interests in each of the two units involved. The interest seeking to be pooled amount to approximately 7 percent overriding royalty interests.

15

16

17

Q Will you please refer to what has been marked for identification as Mesa Exhibits One and Two, identify these, and explain to Mr. Nutter what they show?

18

19

20

21

A. Exhibits One and Two are a plat and a breakdown of the working interests, the oil and gas leasehold interests, and the overriding royalty interests in each of the two units.

22

23

24

These two plats were attached to the unitization agreements, which has been mailed to all the working interest owners and mineral owners.

25

Q What percentage of the working interest

1  
2 does Mesa represent here today?

3 A. 100 percent.

4 Q. Do the leases involved contain pooling  
5 clauses?

6 A. No, they don't.

7 Q. And that is the reason you have to come  
8 and seek a compulsory pooling order, is that right?

9 A. That's correct.

10 Q. Will you now refer to what has been  
11 marked for identification as Mesa Exhibit Number Three and  
12 identify this and explain what it shows?

13 A. It's a series of xeroxed copies of cor-  
14 respondence that was mailed to the people we're seeking to  
15 pool, requesting their execution of a communitization agree-  
16 ment.

17 Q. I'll now ask you to identify Exhibit --  
18 what has been marked as Applicant's Exhibit Number Four.

19 Q. This is a xeroxed copies of correspondence  
20 mailed by the firm of Campbell, Byrd, and Black to the people  
21 seeking to be pooled, giving them notice of the hearing  
22 today.

23 Q. In your opinion has Mesa made a good  
24 faith effort to obtain voluntary joinder in the well of all  
25 those who are being pooled in this hearing?

1

2

A. Absolutely.

3

Q. And Mesa will be the operator of the well?

4

A. That's correct.

5

Q. There is no need to pursue any line of questioning concerning risk factor or the economics involved, inasmuch as all the working interest is in, is that correct?

8

A. That's correct.

9

Q. Were Exhibits One through Four prepared by you or can you testify as to their accuracy?

11

A. Yes, I can.

12

MR. CARR: Mr. Nutter, at this time we would offer Applicant's Exhibits One through Four.

14

MR. NUTTER: Applicant's Exhibits One through Four in these cases will be admitted.

16

MR. CARR: I have nothing further on direct.

18

19

CROSS EXAMINATION

20

BY MR. NUTTER:

21

Q. Mr. Osgood, this original letter was mailed by Miller Resources to these overriding royalty interest owners in March.

24

A. That's correct.

25

Q. Was any reply received from any of them?

1  
2 A. We started the correspondence in August  
3 of 1980 and never have we had any written correspondence, any  
4 written response from any of these people.

5 Q. Are your addresses good, do you know?

6 A. Yes, they are.

7 Q. They're getting the letters?

8 A. Yes, they are.

9 Q. But they're not replying?

10 A. Yes sir.

11 MR. CARR: Mr. Nutter, I can explain the  
12 situation. There is a suit in Federal Court brought by Mr.  
13 Rueckhaus on behalf of this group of royalty interest owners  
14 against Mesa on an unrelated matter, and for that reason  
15 they are, until that is resolved, refusing to execute or  
16 correspond or communicate with Mesa on this and other matters.

17 MR. NUTTER: And Rueckhaus is one of  
18 the overriding royalty owners?

19 MR. CARR: Yes, he is, and he had an  
20 attorney present this morning, Tom Shaw from Albuquerque,  
21 who was unable to stay for the rest of the hearing, and we  
22 provided him with sets of the exhibits.

23 MR. NUTTER: I see.

24 Q. Now none of these people will have to  
25 contribute anything to the well costs, is that correct?

1

2

A. That's correct.

3

Q. They're carried out of the working interests.

4

5

A. They're overriding royalty interest owners.

6

7

Q. Okay.

8

MR. NUTTER: Are there any further questions of Mr. Osgood? He may be excused.

10

Do you have anything further, Mr. Carr?

11

MR. CARR: Nothing further in this

12

case.

13

MR. NUTTER: Does anyone have anything they wish to offer in Cases 7307 and 7308?

14

15

We'll take the cases under advisement.

16

17

(Hearing concluded.)

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## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Cases Nos. 7307-7308 heard by me on 7/15 1981.

[Signature] Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

To that certain Communitization Agreement dated September 1, 1980, covering Township 26 North-Range 6 West, Section 23: E $\frac{1}{2}$ , Rio Arriba County, New Mexico, containing 320.00 acres, more or less.

Tract I (SE $\frac{1}{4}$ )  
160.00 acres

Working Interest:

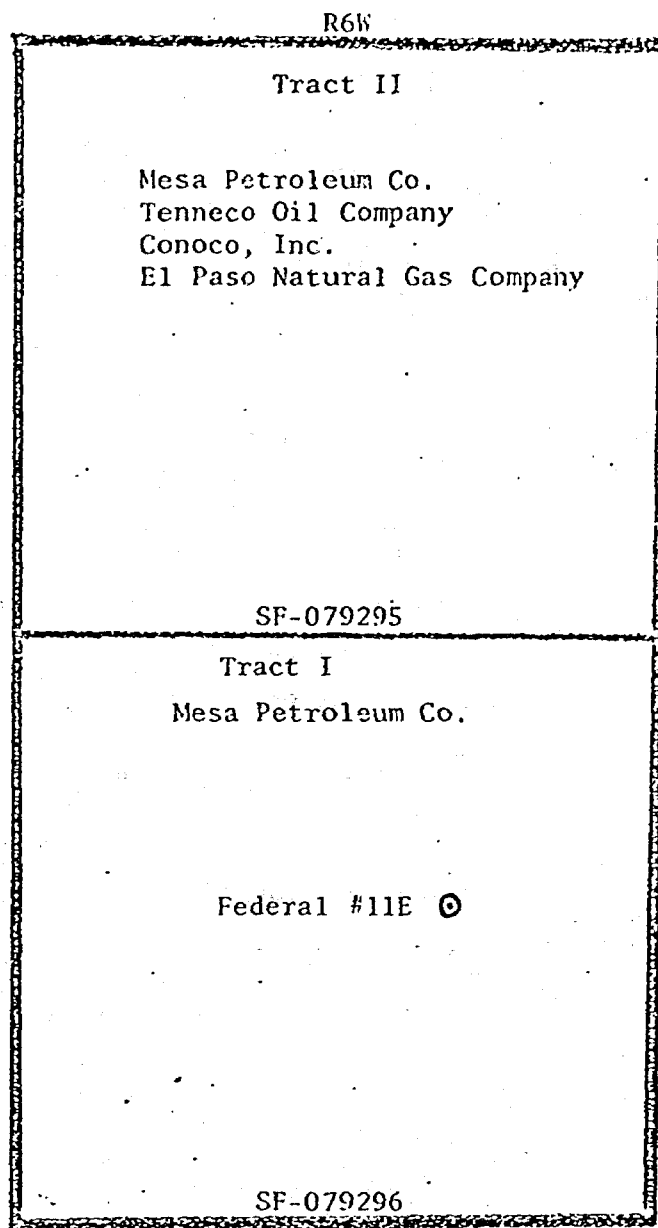
Mesa Petroleum Co.

Royalty Owner:

United States of America

Overriding Royalty Owner:

Buttram Energies, Inc.



Tract II (NE $\frac{1}{4}$ )  
160.00 acres

Working Interests:

Mesa Petroleum Co.  
Tenneco Oil Company  
Conoco, Inc.  
El Paso Natural Gas Company

Royalty Owner:

United States of America

Overriding Royalty Owners:

J. C. Beach  
Erema Boring  
Edgar Alfred Boring  
Melvin D. Rueckhaus  
New Mexico Veterans  
Service Commission,  
Guardian of Joseph  
V. Daniells, Jr.  
Tenneco Oil Company  
Susan Elizabeth Schulze  
Linda Muriel Adkins  
Myra Loudene Jones  
Janice E. Robertson

Federal #11E  
Township 26 North - Range 6 West, N.M.P.M.  
Section 23: E $\frac{1}{2}$   
Rio Arriba County, New Mexico

Mesaverde Formation

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
MESA EXHIBIT NO. 1  
CASE NO. 7307 + 7308



EXHIBIT "B"

To that certain Communitization Agreement dated September 1, 1980, covering Township 26 North - Range 6 West, N.M.P.M., Section 23: E $\frac{1}{2}$ , Rio Arriba County, New Mexico, containing 320.00 acres, more or less.

Operator of Communitized Area: Mesa Petroleum Co.

Tract I:

Lease Date: October 1, 1948

Lease Term: 5 years

Lessor: United States of America

Serial Number: SF-079296

Original Lessee: Remah N. Hurley

Present Lessee: Mesa Petroleum Co.

Description of Land Committed: Township 26 North - Range 6 West, N.M.P.M.  
Section 23: SE $\frac{1}{4}$   
Rio Arriba County, New Mexico

Basic Royalty Rate: 12.5%

Name and Percentage of Each Working Interest Owner:

Mesa Petroleum Co.	100.00%
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Name and Percentage of Each Royalty Owner:

United States of America	12.50%
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Name and Percentage of Each Overriding Royalty Owner:

Buttram Energies	5.00%
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Tract II:

Lease Date: July 1, 1948

Lease Term: 5 years

Lessor: United States of America

Serial Number: SF-079295

Original Lessee: Ora E. Reames

Present Lessees: Mesa Petroleum Co.  
El Paso Natural Gas Company  
Tenneco Oil Company  
Conoco, Inc.

Description of Lands Committed: Township 26 North - Range 6 West, N.M.P.M.  
Section 23: NE $\frac{1}{4}$   
Rio Arriba County, New Mexico

Basic Royalty Rate: 12.5%

Name and Percentage of Each Working Interest Owner:

Mesa Petroleum Co.	16.66667%
Tenneco Oil Company	36.11111%
Conoco, Inc.	36.11111%
El Paso Natural Gas Company	11.11111%

Name and Percentage of Each Royalty Owner:

United States of America	12.50000%
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Name and Percentage of Each Overriding Royalty Owner:

New Mexico Veterans Service Commission, Guardian of Joseph V. Daniells, Jr.	2.50000%
J. C. Beach	2.50000%
Erema Boring	1.25000%
Edgar Alfred Boring	.16667%
Melvin D. Rueckhaus	2.75000%
Tenneco Oil Company	.16667%
Susan Elizabeth Schulze	.16667%
Linda Muriel Adkins	.16667%
Myra Loudene Jones	.16666%
Janice E. Robertson	.16666%

# RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
I	160 acres	50%
	Mesa Petroleum Co.	41.25000%
	United States of America	6.25000%
	Buttram Energies, Inc.	2.50000%
II	160 acres	50%
	Mesa Petroleum Co.	5.62500%
	Tenneco Oil Company	14.35417%
	Conoco, Inc.	14.35417%
	El Paso Natural Gas Company	4.41666%
	United States of America	6.25000%
	J. C. Beach	1.25000%
	Erema Boring	.62500%
	Edgar Alfred Boring	.08334%
	Melvin D. Rueckhaus	1.37500%
	New Mexico Veterans Service Commission, Guardian of Joseph V. Daniells	1.25000%
	Tenneco Oil Company	.08334%
	Susan Elizabeth Schulze	.08333%
	Linda Muriel Adkins	.08333%
	Myra Loudene Jones	.08333%
	Janice E. Robertson	.08333%

To that certain Communitization Agreement dated September 1, 1980 covering Township 26 North-Range 6 West, Section 23: W $\frac{1}{2}$ , Rio Arriba County, New Mexico, containing 320.00 acres, more or less.

Tract I (NW $\frac{1}{4}$ )  
160.00 acres

Working Interest:

Mesa Petroleum Co.

Royalty Owner:

United States of America

Overriding Royalty Owner:

Buttram Energies, Inc.

R6W  
Tract I

Mesa Petroleum Co.

SF-079296

Tract II

⊙ Federal #12E

Mesa Petroleum Co.  
Tenneco Oil Company  
Conoco, Inc..  
El Paso Natural Gas Company

SF-079295

Federal #12E  
Township 26 North - Range 6 West, N.M.P.M.  
Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

Mesaverde Formation

Tract II (SW $\frac{1}{4}$ )  
160.00 acres

Working Interests:

Mesa Petroleum Co.  
Tenneco Oil Company  
Conoco, Inc.  
El Paso Natural Gas Company

Royalty Owner:

United States of America

Overriding Royalty Owners:

J. C. Beach  
Erema Boring  
Edgar Alfred Boring  
Melvin D. Rueckhaus  
New Mexico Veterans  
Service Commission,  
Guardian of Joseph V.  
Daniells, Jr.  
Tenneco Oil Company  
Susan Elizabeth Schulze  
Linda Muriel Adkins  
Myra Loudene Jones  
Janice E. Robertson

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

MESA EXHIBIT NO. 2  
CASE NO. 7307 + 7308

EXHIBIT "B"

To that certain Communitization Agreement dated September 1, 1980, covering Township 26 North - Range 6 West, N.M.P.M., Section 23: NW $\frac{1}{4}$ , Rio Arriba County, New Mexico, containing 320.00 acres, more or less.

Operator of Communitized Area: Mesa Petroleum Co.

Tract I:

Lease Date: October 1, 1948

Lease Term: 5 years

Lessor: United States of America

Serial Number: SF-079296

Original Lessee: Remah N. Hurley

Present Lessee: Mesa Petroleum Co.

Description of Lands Committed: Township 26 North - Range 6 West, N.M.P.M.  
Section 23: NW $\frac{1}{4}$   
Rio Arriba County, New Mexico

Basic Royalty Rate: 12.5%

Name and Percentage of Each Working Interest Owner:

Mesa Petroleum Co.	100.00%
--------------------	---------

Name and Percentage of Each Royalty Owner:

United States of America	12.50%
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Name and Percentage of Each Overriding Royalty Owner:

Buttram Energies	5.00%
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Tract II:

Lease Date: July 1, 1948

Lease Term: 5 years

Lessor: United States of America

Serial Number: SF-079295

Original Lessee: Ora E. Reames

Present Lessees: Mesa Petroleum Co.  
El Paso Natural Gas Company

Tenneco Oil Company  
Conoco, Inc.

Description of Lands Committed: Township 26 North - Range 6 West, N.M.P.M.  
Section 23: SW $\frac{1}{4}$   
Rio Arriba County, New Mexico

Basic Royalty Rate: 12.5%

Name and Percentage of Each Working Interest Owner:

Mesa Petroleum Co.	16.66667%
Tenneco Oil Company	36.11111%
Conoco, Inc.	36.11111%
El Paso Natural Gas Company	11.11111%

Name and Percentage of Each Royalty Owner:

United States of America	12.50000%
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Name and Percentage of Each Overriding Royalty Owner:

New Mexico Veterans Service Commission, Guardian of Joseph V. Daniells, Jr.	2.50000%
J. C. Beach	2.50000%
Erema Boring	1.25000%
Edgar Alfred Boring	.16667%
Melvin D. Rueckhaus	2.75000%
Tenneco Oil Company	.16667%
Susan Elizabeth Schulze	.16667%
Linda Muriel Adkins	.16667%
Myra Loudene Jones	.16666%
Janice E. Robertson	.16666%

Tract No.No. of Acres CommittedPercentage of Interest in  
Communitized Area

I

160 acres

50%

Mesa Petroleum Co.  
United States of America  
Luttram Energies, Inc.

41.25000%  
6.25000%  
2.50000%

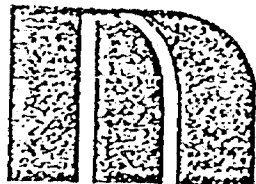
II

160 acres

50%

Mesa Petroleum Co.  
Tenneco Oil Company  
Conoco, Inc.  
El Paso Natural Gas Company  
United States of America  
J. C. Beach  
Erema Boring  
Edgar Alfred Boring  
Melvin D. Rueckhaus  
New Mexico Veterans  
Service Commission,  
Guardian of Joseph V.  
Daniells  
Tenneco Oil Company  
Susan Elizabeth Schulze  
Linda Muriel Adkins  
Myra Loudene Jones  
Janice E. Robertson

5.62500%  
14.35417%  
14.35417%  
4.41666%  
6.25000%  
1.25000%  
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.08334%  
1.37500%  
  
1.25000%  
.08334%  
.08333%  
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.08333%



Miller resources  
corporation

(303) 623-2701

March 23, 1981

Ms. Erema Boring  
12305 Badger Lane, S.E.  
Albuquerque, New Mexico 87123

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
Township 26 North - Range 6 West Township 26 North - Range 6 West  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

Dear Ms. Boring:

On February 19, 1981, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, executed signature pages to the subject revised agreements have not been returned to our office. We would appreciate your attention to this matter as soon as possible. After the signature pages have been executed and notarized, please return them to my attention in care of Miller Resources Corporation.

Very truly yours,

MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

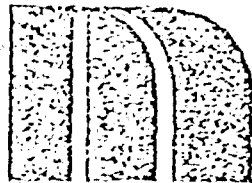
BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
MESA EXHIBIT NO. 3  
CASE NO. 7307 + 7308

410 SEVENTEENTH STREET

SUITE 580

DENVER, COLORADO 80202





Miller resources  
corporation

(1303) 623-2701

March 23, 1981

Ms. Linda Muriel Adkins  
7221 West 13th  
Kennewick, Washington 99336

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
Township 26 North - Range 6 West Township 26 North - Range 6 West  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

Dear Ms. Adkins:

On February 19, 1981, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, executed signature pages to the subject revised agreements have not been returned to our office. We would appreciate your attention to this matter as soon as possible. After the signature pages have been executed and notarized, please return them to my attention in care of Miller Resources Corporation.

Very truly yours,

MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

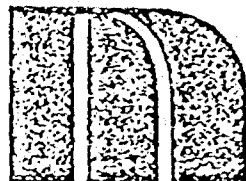
CN

xc: ✓ Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET

SUITE 580

DENVER, COLORADO 80202



millier resources  
corporation

(C) 7 well 7s  
(303) 623-2701

March 23, 1981

Ms. Myra Loudene Jones  
3915 South Aldon  
Tucson, Arizona 85706

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
Township 26 North - Range 6 West Township 26 North - Range 6 West  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

Dear Ms. Jones:

On February 19, 1981, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, executed signature pages to the subject revised agreements have not been returned to our office. We would appreciate your attention to this matter as soon as possible. After the signature pages have been executed and notarized, please return them to my attention in care of Miller Resources Corporation.

Very truly yours,

MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

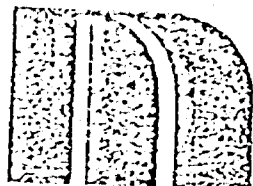
CN

cc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET

SUITE 580

DENVER, COLORADO 80202



Miller resources  
X corporation

(7 will 75)  
13031 623-2701

March 23, 1981

Ms. Janice E. Robertson  
12305 Badger Lane, S.E.  
Albuquerque, New Mexico 87123

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E  
Township 26 North - Range 6 West  
Section 23: E $\frac{1}{2}$   
Rio Arriba County, New Mexico  
Federal #12E  
Township 26 North - Range 6 West  
Section 23: W $\frac{1}{2}$

Dear Ms. Robertson:

On February 19, 1981, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, executed signature pages to the subject revised agreements have not been returned to our office. We would appreciate your attention to this matter as soon as possible. After the signature pages have been executed and notarized, please return them to my attention in care of Miller Resources Corporation.

Very truly yours,

MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

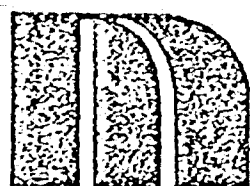
CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET

SUITE 580

DENVER, COLORADO 80202



miller resources  
corporation

(1303) 623-2701

March 23, 1981

Ms. Susan Elizabeth Schulze  
P. O. Box 427  
Flora Vista, New Mexico 87415

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
Township 26 North - Range 6 West Township 26 North - Range 6 West  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

Dear Ms. Schulze:

On February 19, 1981, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, executed signature pages to the subject revised agreements have not been returned to our office. We would appreciate your attention to this matter as soon as possible. After the signature pages have been executed and notarized, please return them to my attention in care of Miller Resources Corporation.

Very truly yours,

MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

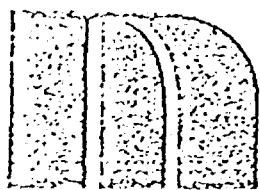
CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET

SUITE 580

DENVER, COLORADO 80202



Miller resources  
corporation

13031 623-2701

February 19, 1981

Sent to: Ms. Erema Boring  
Mr. Edgar Alfred Boring  
Ms. Susan Elizabeth Schulze  
Ms. Janice E. Robertson  
Ms. Myra Loudene Jones  
Ms. Linda Muriel Adkins

RE: Toeffo Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
T26N-R6W, N.M.P.M. T26N-R6W, N.M.P.M.  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

Mesa Petroleum Co. proposes to drill gas wells at each of the subject locations. Enclosed are Communitization Agreements covering each of the captioned units. The agreements are dated September 1, and are effective for the Mesaverde Formation. Would you please execute the signature pages attached to the back of each agreement before a Notary Public, and return them to me for further handling. You may keep the copies of the agreements for your personal records.

After both Communitization Agreements have been approved by the United States Geological Survey and recorded in Rio Arriba County, New Mexico, we will send you a fully executed copy of each agreement. Please contact me by mail or telephone if you have any questions regarding this matter.

Very truly yours;

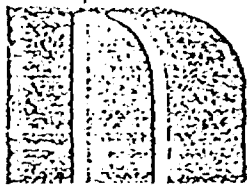
MILLER RESOURCES CORPORATION

*Deborah Bacon*  
DEBORAH BACON

DB

Enclosures

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood



Miller Resources  
Corporation

(303) 623-2701

December 30, 1980

Melvin D. Rueckhaus  
319 Seventeenth Street, N.W.  
Suite B  
Albuquerque, New Mexico 87112

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
T26N-R6W T26N-R6W  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico Rio Arriba County, New Mexico

Dear Mr. Rueckhaus:

On October 6, 1980, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, we have had no response to our original correspondence or the follow-up correspondence on October 1, 1980. We are very anxious to send the subject agreements to the United States Geological Survey for approval. If you have not already done so, please execute your signature pages before a Notary Public as soon as possible and return them to me in care of Miller Resources Corporation.

Very truly yours,

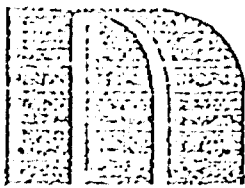
MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood



Miller resources  
corporation

(303) 623-2701

December 30, 1980

J. C. Beach  
2204 Lester Drive, N.E.  
Apt. 291  
Albuquerque, New Mexico 87112

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
T26N-R6W T26N-R6W  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico Rio Arriba County, New Mexico

Dear Mr. Beach:

On October 6, 1980, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, we have had no response to our original correspondence or the follow-up correspondence on October 1, 1980. We are very anxious to send the subject agreements to the United States Geological Survey for approval. If you have not already done so, please execute your signature pages before a Notary Public as soon as possible and return them to me in care of Miller Resources Corporation.

Very truly yours,

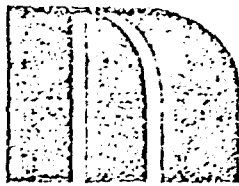
MILLER RESOURCES CORPORATION

*Cherie Nelson*

CHERIE NELSON

CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood



Miller Resources  
Corporation

(303) 623-2701

December 30, 1980

Melvin D. Rueckhaus  
319 Seventeenth Street, N.W.  
Suite B  
Albuquerque, New Mexico 87112

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
T26N-R6W T26N-R6W  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico Rio Arriba County, New Mexico

Dear Mr. Rueckhaus:

On October 6, 1980, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, we have had no response to our original correspondence or the follow-up correspondence on October 1, 1980. We are very anxious to send the subject agreements to the United States Geological Survey for approval. If you have not already done so, please execute your signature pages before a Notary Public as soon as possible and return them to me in care of Miller Resources Corporation.

Very truly yours,

MILLER RESOURCES CORPORATION

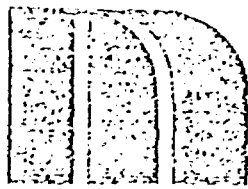
CHERIE NELSON

CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET • SUITE 580 • DENVER, COLORADO 80202





Miller resources  
corporation

(303) 623-2701

December 30, 1980

J. C. Beach  
2204 Lester Drive, N.E.  
Apt. 291  
Albuquerque, New Mexico 87112

RE: Tocito Prospect (NM-0941-0001-000-0, 0005-000-0)  
Federal #11E Federal #12E  
T26N-R6W T26N-R6W  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico Rio Arriba County, New Mexico

Dear Mr. Beach:

On October 6, 1980, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, we have had no response to our original correspondence or the follow-up correspondence on October 1, 1980. We are very anxious to send the subject agreements to the United States Geological Survey for approval. If you have not already done so, please execute your signature pages before a Notary Public as soon as possible and return them to me in care of Miller Resources Corporation.

Very truly yours,

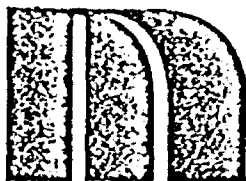
MILLER RESOURCES CORPORATION

*Cherie Nelson*  
CHERIE NELSON

CN

xc: Art Brewster - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET • SUITE 580 • DENVER, COLORADO 80202



miller resources  
corporation

(303) 623-2701

October 1, 1980

Sent to: Mr. Jed Lemmons-Mesa Petroleum Co.  
New Mexico Veterans Service Commission  
Mr. Melvin D. Rueckhaus  
Mr. J.C. Beach  
Conoco, Inc.  
Buttram Energies, Inc.  
El Paso Natural Gas Company

RE: ~~Tecito~~ Prospect (0941-0001-000-0, 0005-000-0)  
Federal 11E Federal 12E  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
Rio Arriba County, New Mexico

On August 29, 1980, you were mailed Communitization Agreements covering each of the subject drillsites, both effective for the Mesaverde Formation. As yet, the executed signature pages to the subject agreements have not been returned to our office. If you have not already done so, would you please send the executed signature pages to my attention in care of Miller Resources Corporation at your earliest convenience.

Very truly yours,

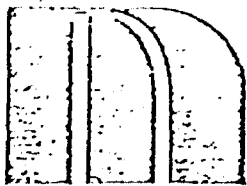
MILLER RESOURCES CORPORATION

*Deborah Bacon*  
DEBORAH BACON

DB

xc: Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET • SUITE 580 • DENVER, COLORADO 80202



Miller Resources  
Corporation

(303) 623-2701

August 29, 1980

To All Interest Owners Under the 11E & 12E  
Mesaverde Formation Drilling Units:

RE: Toci~~to~~ Prospect (0941-0001-000-0, 0005-000-0)  
Federal 11E Federal 12E  
Section 23: E $\frac{1}{2}$  Section 23: W $\frac{1}{2}$   
San Juan County, New Mexico San Juan County

Mesa Petroleum Co. proposes to drill gas wells at each of the subject locations. Enclosed are Communitization Agreements effective for the Mesaverde Formation that cover each of the captioned drillsites. Please execute the signature pages that are attached to the back of each agreement before a Notary Public, and return them to me for further handling. You may keep the copies of the agreements for your personal records.

After both Communitization Agreements have been approved by the United States Geological Survey and recorded in San Juan County, New Mexico, you will be sent a fully executed copy of each agreement. Please feel free to contact me if you should have any questions regarding this matter.

Very truly yours,

MILLER RESOURCES CORPORATION

DEBORAH BACON

DB

Enclosures

xc: Mr. Jed Lemmons - Mesa Petroleum Co. - Denver, Colorado  
Central Records - Mesa Petroleum Co. - Amarillo, Texas  
Charles Osgood

410 SEVENTEENTH STREET • SUITE 580 • DENVER, COLORADO 80202

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 6, 1981

Ms. Linda Muriel Adkins  
7221 W. 13th  
Kennewick, Washington 99336

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Ms. Adkins:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUIRED

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION	
NESA	EXHIBIT NO. 4
CASE NO. 7307 + 7308	

Mesa - Comp. Pooling	
SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Ms. Linda Muriel Adkins 7221 W. 13th Kennewick, Washington 99336	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1117829	CERTIFIED NO. 1117829 INSURED NO.
(Always obtain signature of addressee or agent.) I have received the article described above. SIGNATURE: <i>William F. Carr</i> DATE OF DELIVERY: 7/9/81 POSTMARK: <i>901</i>	
6. ADDRESS (Complete only if registered):	
7. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS: <i>WFC</i>	

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 6, 1981

Ms. Myra Loudene Jones  
3915 So. Aldon  
Tucson, Arizona 85706

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Ms. Jones:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REC

Mesa - Comp. Pooling

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: Ms. Myra Loudene Jones 3915 So. Aldon Tucson, Arizona 85706	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1117828		INSURED NO.	
(CONSULT POSTMASTER FOR FEES)			
I have received the article described above. SIGNATURE <i>Myra Loudene Jones</i> DATE OF DELIVERY <i>7-9-81</i> ADDRESS (Complete only if registered)			
6. UNABLE TO DELIVER BECAUSE: <i>CLERK'S INITIALS</i>			

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WAROLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 6, 1981

Mr. Melvin D. Rueckhaus  
319 Seventeenth St., N.W.  
Suite B  
Albuquerque, New Mexico 87102

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Mr. Rueckhaus:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUIRED

Mesa - Comp. Pooling	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Mr. Melvin D. Rueckhaus 319 17th St., N.W., Suite B Albuquerque, New Mexico 87102	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1117827	INURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE <i>William F. Carr</i> <input type="checkbox"/> Address <input type="checkbox"/> Authorized agent	
4. DATE OF DELIVERY 7/8/81	
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS 509	

PS Form 3811, Jan. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 6, 1981

Ms. Susan Elizabeth Schulze  
Post Office Box 437  
Flora Vista, New Mexico 87415

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Ms. Schulze:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REC

Mesa - Comp. Pooling	
SENDER: Complete items 1, 2, and 3: Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Susan Elizabeth Schulze Post Office Box 437 Flora Vista, NM 87415	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1117826	INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE: <i>Wendy C. Schulze</i> <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
4. DATE OF DELIVERY 7-9-81	5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE:	

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

POSTMARK: FLORA VISTA NM JUL 9 1981 PM

STAR GPO : 1979-300-469

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 6, 1981

Ms. Erema Boring  
c/o Janice E. Robertson  
12305 Badger Lane, S.E.  
Albuquerque, New Mexico 87123

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Ms. Boring:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117825

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO <i>Erema Boring</i> STREET AND NO.		P.O., STATE AND ZIP CODE	
POSTAGE		\$	
CERTIFIED FEE		\$	
SPECIAL DELIVERY		\$	
RESTRICTED DELIVERY		\$	
SHOW TO WHOM AND DATE DELIVERED		\$	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		\$	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		\$	
RETURN RECEIPT SERVICE		\$	
OPTIONAL SERVICES		\$	
CONSULT POSTMASTER FOR FEES		\$	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		7/6/81	

Form 3800, Apr. 1976



CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 968-4421  
TELECOPIER: (505) 963-6043

July 6, 1981

Ms. Janice E. Robertson  
12305 Badger Lane, S.E.  
Albuquerque, New Mexico 87123

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Ms. Robertson:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117824

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED -  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO <i>Janice Robertson</i> STREET AND NO.		P.O. STATE AND ZIP CODE	
POSTAGE	\$	CERTIFIED FEE	\$
SPECIAL DELIVERY		\$	
RESTRICTED DELIVERY		\$	
SHOW TO WHOM AND DATE DELIVERED		\$	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		\$	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		\$	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		\$	
RETURN RECEIPT SERVICE		\$	
OPTIONAL SERVICES		\$	
CONSULT POSTMASTER FOR FEES		\$	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE 7/6/81			

S Form 3800, Apr. 1976

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 6, 1981

Mr. J.C. Beach  
2204 Lester Drive, N.E.  
Apt. 291  
Albuquerque, New Mexico 87112

Re: New Mexico Oil Conservation  
Division Case Nos. 7307 and 7308

Dear Mr. Beach:

Enclosed is a copy of the docket for the July 15, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced cases.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT R

Mesa - Comp. Pooling

1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: Mr. J. C. Beach 2204 Lester Dr., NE, Apt. 291 Albuquerque, NM 87112		3. ARTICLE DESCRIPTION: REGISTERED NO. 1117823 CERTIFIED NO. 1117823 INSURED NO.	
4. DATE OF DELIVERY 7-8-81		5. ADDRESS (Complete only if requested) 2204 Lester Dr. Albuquerque, NM 87112		6. UNABLE TO DELIVER BECAUSE: CLEAN'S INITIALS 7-8-81	

POSTMARK  
JUL 8 1981

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

150

Dockets Nos. 23-81 and 24-81 are tentatively set for July 29 and August 12, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 15, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for August, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7302: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Mesaverde production in the wellbores of four wells to be drilled in the SE/4 and SW/4 of Section 34, Township 27 North, Range 7 West, and the SW/4 and NW/4 of Section 2, Township 26 North, Range 7 West, respectively.

CASE 7303: Application of Florida Hydrocarbons Company for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of Morrow, Strawn, Atoka, and Wolfcamp gas produced from five wells located in Unit F of Section 10, Units G and O of Section 15, and Units A and I of Section 22, all in Township 23 South, Range 34 East, Antelope Ridge Field, after separately metering the gas produced from each well and each zone. Lease liquids would be separated out at the wellhead and the gas processed in a plant, allocating plant production back to each well on the basis of meter readings. Applicant further seeks a procedure whereby additional wells could be similarly commingled in said system.

CASE 7304: Application of ARCO Oil and Gas Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Custer Well No. 1, the surface location of which is 810 feet from the North line and 2164 feet from the West line of Section 6, Township 25 South, Range 37 East, Custer Field, to a bottom hole location within 100 feet of a point 1650 feet from the North line and 660 feet from the West line of said Section 6, at a true vertical depth of approximately 12,800 feet.

CASE 7305: Application of Amoco Production Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 34, Township 23 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7306: Application of Getty Oil Company for pool creation, special pool rules, and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Lower Pennsylvanian gas pool for its Federal 33 Well No. 1 located in Unit G of Section 33, Township 26 South, Range 33 East, and the promulgation of special rules therefor, including provisions for 640-acre spacing. Applicant also seeks approval of a 616.24-acre non-standard gas proration unit comprising Sections 33 and 34, Township 26 South, Range 33 East.

CASE 7307: Application of Mesa Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Mesaverde formation underlying the W/2 of Section 23, Township 26 North, Range 6 West, to be dedicated to its Federal Well No. 12E drilled at a standard location thereon.

CASE 7308: Application of Mesa Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Mesaverde formation underlying the E/2 of Section 23, Township 26 North, Range 6 West, to be dedicated to its Federal Well No. 11E drilled at a standard location thereon.

CASE 7074: (Reopened and Readvertised)

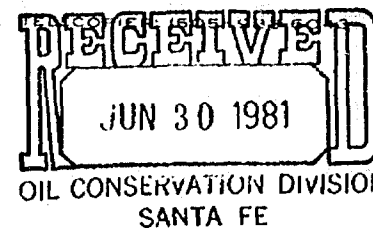
In the matter of Case 7074 being reopened pursuant to the provisions of Order No. R-6565, which order created the South Elkins-Fusselman Gas Pool in Chaves County, New Mexico, to permit all interested parties to appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined to be a retrograde gas condensate reservoir.

CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421



June 30, 1981

Mr. Joe D. Ramey  
Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

*Case 7307*

Re: Application of Mesa Petroleum Company for  
Compulsory Pooling, Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Mesa Petroleum Company in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on July 15, 1981.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

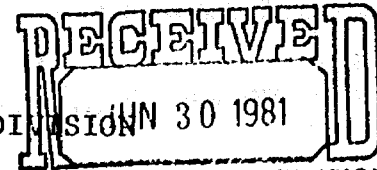
William F. Carr

WFC:lr

Enclosures

cc: Mr. Thomas H. Hawkins

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS  
SANTA FE



IN THE MATTER OF THE APPLICATION  
OF MESA PETROLEUM COMPANY  
FOR COMPULSORY POOLING,  
RIO ARriba COUNTY, NEW MEXICO.

Case 2307

APPLICATION

Comes now MESA PETROLEUM COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Mesaverde formation in and under the W/2 of Section 23, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of 58.33% of the working interest in and under the W/2 of Section 23, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Federal No. 12E Well to be drilled at an orthodox location 1620 feet from the South and 930 feet from the West lines of Section 23.
3. Applicant has sought and obtained voluntary agreement for pooling from all working interest owners in the W/2 of said Section.
4. Certain leases on lands in the W/2 of said Section 23 do not contain pooling clauses and applicant has sought but been unable to obtain voluntary agreement for pooling

from the following overriding royalty interest owners under these leases:

J. C. Beach	1.25% ORRI
Janice E. Robertson	.08333% ORRI
Erema Boring	.625% ORRI
Susan Elizabeth Schulze	.08333% ORRI
Melvin D. Rueckhaus	1.375% ORRI
Myra Loudene Jones	.08333% ORRI
Linda Muriel Adkins	.08333% ORRI

5. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

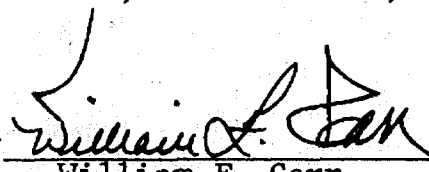
6. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, and making such other and further provisions as may be proper in the premises.

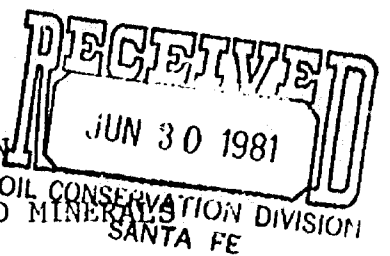
Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS



IN THE MATTER OF THE APPLICATION  
OF MESA PETROLEUM COMPANY  
FOR COMPULSORY POOLING,  
RIO ARriba COUNTY, NEW MEXICO.

Case 2307

APPLICATION

Comes now MESA PETROLEUM COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Mesaverde formation in and under the W/2 of Section 23, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of 58.33% of the working interest in and under the W/2 of Section 23, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Federal No. 12E Well to be drilled at an orthodox location 1620 feet from the South and 930 feet from the West lines of Section 23.
3. Applicant has sought and obtained voluntary agreement for pooling from all working interest owners in the W/2 of said Section.
4. Certain leases on lands in the W/2 of said Section 23 do not contain pooling clauses and applicant has sought but been unable to obtain voluntary agreement for pooling

from the following overriding royalty interest owners under these leases:

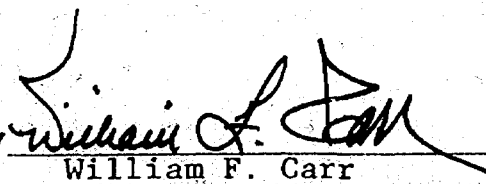
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Myra Loudene Jones	.08333% ORRI
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5. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

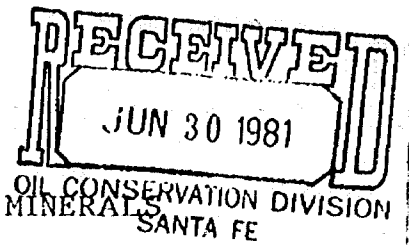
WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,  
CAMPBELL, BYRD & BLACK, P.A.

By   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant



BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS



IN THE MATTER OF THE APPLICATION  
OF MESA PETROLEUM COMPANY  
FOR COMPULSORY POOLING,  
RIO ARriba COUNTY, NEW MEXICO.

Case 7307

APPLICATION

Comes now MESA PETROLEUM COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Mesaverde formation in and under the W/2 of Section 23, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of 58.33% of the working interest in and under the W/2 of Section 23, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Federal No. 12E Well to be drilled at an orthodox location 1620 feet from the South and 930 feet from the West lines of Section 23.
3. Applicant has sought and obtained voluntary agreement for pooling from all working interest owners in the W/2 of said Section.
4. Certain leases on lands in the W/2 of said Section 23 do not contain pooling clauses and applicant has sought but been unable to obtain voluntary agreement for pooling

from the following overriding royalty interest owners under these leases:

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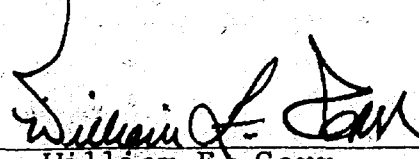
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6. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,  
CAMPBELL, BYRD & BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

# Memo

From

FLORENE DAVIDSON  
ADMINISTRATIVE SECRETARY

To

Called in by Bill Carr

6/25/81

Mesa Petroleum Company  
Compulsory Pooling  
Mesaverde formation

W/2 Sec. 23-26 N-6 W

Rio Arriba County

Federal #12E

6620/5 + 930/W

Royalty Interests Only

OIL CONSERVATION COMMISSION-SANTA FE

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7307

Order No. R- 6734

APPLICATION OF MESA PETROLEUM  
COMPANY FOR COMPULSORY POOLING,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 15  
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of July, 1981, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Mesa Petroleum Company,  
seeks an order pooling all <sup>royalty</sup> ~~mineral~~ interests in the Mesaverde  
formation underlying the W/2  
of Section 23, Township 26 North, Range 6 West  
NMPM, Hanco Mesaverde Pool, Rio Arriba County, New  
Mexico.

(3) That the applicant has the right to drill and ~~proposes~~  
~~xxxxxxx~~ ~~xxxxxxx~~ has drilled its Federal Well No. 12E at a standard  
location thereon.

(4) That there are interest owners in the proposed proration  
unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to  
protect correlative rights, and to afford to the owner of each  
interest in said unit the opportunity to recover or receive  
without unnecessary expense his just and fair share of the gas  
in said pool, the subject application should be approved by  
pooling all mineral interests, whatever they may be, within said  
unit.

(6) That the applicant should be designated the operator  
of the subject well and unit.

~~(7) That any non-consenting working interest owner should  
be afforded the opportunity to pay his share of estimated well  
costs to the operator in lieu of paying his share of reasonable  
well costs out of production.~~

~~(8) That any non-consenting working interest owner who  
does not pay his share of estimated well costs should have  
withheld from production his share of the reasonable well costs  
plus an additional \_\_\_\_ percent thereof as a reasonable charge  
for the risk involved in the drilling of the well.~~

~~(9) That any non-consenting interest owner should be  
afforded the opportunity to object to the actual well costs but  
that actual well costs should be adopted as the reasonable well  
costs in the absence of such objection.~~

(10) That following determination of reasonable well costs,  
any non-consenting working interest owner who has paid his  
share of estimated costs should pay to the operator any amount  
that reasonable well costs exceed estimated well costs and  
should receive from the operator any amount that paid estimated  
well costs exceed reasonable well costs.

(11) That \$ \_\_\_\_\_ per month while drilling and \$ \_\_\_\_\_ per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(1) ~~(12)~~ That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

~~(13)~~ That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before \_\_\_\_\_, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all ~~xxxxxx~~ <sup>royalty</sup> interests, whatever they may be, in the \_\_\_\_\_ Mesaverde \_\_\_\_\_ formation underlying the \_\_\_\_\_ W/2 of Section 23 \_\_\_\_\_, Township 26 North \_\_\_\_\_, Range 6 West \_\_\_\_\_, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, are hereby pooled to form a standard 320- acre gas spacing and proration unit to be dedicated to ~~xxxxxx~~ ~~xxxxxx~~ ~~xxxxxx~~ ~~xxxxxx~~

The Mesa Petroleum Company Federal Well No. 12E drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the \_\_\_\_\_ day of \_\_\_\_\_, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the \_\_\_\_\_ Mesaverde \_\_\_\_\_ formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the \_\_\_\_\_ day of \_\_\_\_\_, 1981, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

~~PROVIDED FURTHER~~ that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

OK (2) (2) That Mesa Petroleum Company is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided



-5-  
Case No.  
Order No. R-

above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, \_\_\_\_\_ percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$ \_\_\_\_\_ per month while drilling and \$ \_\_\_\_\_ per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.



-6-  
Case  
Order No.

(3) ~~(10)~~ That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

~~(11)~~ That any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(4) ~~(12)~~ That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Rio Arriba County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(5) ~~(13)~~ That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.