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CASE NO.

7642

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
1 September 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. CASE 7642

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1
2 MR. STAMETS: Call next Case 7642.

3 MR. PEARCE: That is on the application
4 of Doyle Hartman for compulsory pooling, Lea County, New
5 Mexico.

6 MR. STAMETS: This case was previously
7 heard. It is readvertised for this hearing.

8 Is there any additional testimony at this
9 time?

10 Any other appearances?

11 If there are none, the case will be taken
12 under advisement.

13
14 (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 HEREBY 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 Case No. 7642 heard by me on 9-6 1982
Richard L. Stewart, Examiner
Oil Conservation Division

SALL. BOYD, C.S.R.

Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
18 August 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Doyle Hartman for	CASE
compulsory pooling, Lea County,	7642
New Mexico.	

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	W. Perry Pearce, Esq.
Division:	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

ROBERT H. STRAND

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WILLIAM P. AYCOCK

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1
2 MR. NUTTER: Call Case Number 7642.

3 MR. PEARCE: That is on the application
4 of Doyle Hartman for compulsory pooling, Lea County, New
5 Mexico.

6 MR. CARR: May it please the Examiner,
7 my name is William F. Carr, with the law firm Campbell, Byrd,
8 and Black, P. A., of Santa Fe, appearing on behalf of the ap-
9 plicant.

10 I have two witnesses who need to be sworn.

11
12 (Witnesses sworn.)

13
14 ROBERT H. STRAND

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

17
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q Will you state your full name and place
21 of residence?

22 A Robert H. Strand, Roswell, New Mexico.

23 Q Mr. Strand, by whom are you employed?

24 A Mr. Examiner, I am a member of the law firm
25 of Atwood, Malone, Mann, and Cooter, P. A., in Roswell, a

1
2 practicing attorney.

3 Q In this case are you employed by Mr. Hart-
4 man?

5 A Yes, I am.

6 Q Mr. Strand, have you done the title work
7 for Mr. Hartman in regard to this pooling matter?

8 A Yes, sir, I have.

9 Q Are you familiar with the application filed
10 on behalf of Mr. Hartman in this case?

11 A Yes, I am.

12 Q Have you previously testified before this
13 Commission or one of its examiners on land matters?

14 A Yes, sir.

15 MR. CARR: Mr. Nutter, are the witness'
16 qualifications acceptable?

17 MR. STRAND: Yes, they are.

18 Q Will you briefly state what Mr. Hartman
19 seeks in this case?

20 A Mr. Examiner, in this case Mr. Hartman has
21 requested that the mineral interests from the surface to the
22 base of the Jalmat Gas Pool underlying Township 25 South,
23 Range 37 East, Section 20, the south half of the northeast
24 quarter, and the northeast quarter of the northeast quarter,
25 be pooled.

1
2 These lands comprise a 120-acre non-stand-
3 ard Jalmat gas proration unit previously approved by the Divi-
4 sion by administrative order.

5 All of the working interests under this
6 proration unit are committed by virtue of farm-out agreement
7 in favor of Mr. Hartman, and the purpose of the application,
8 as such, is to approved certain noncommitted royalty interests
9 underlying the south half of the northeast quarter, which is
10 fee ownership having an effective oil and gas lease covering
11 that particular tract, dated in 1926, which has no pooling
12 clause.

13 The northeast quarter of the northeast
14 quarter, that 40-acre tract is owned by the Federal government
15 and is under the United States Oil and Gas Lease, LP-0058222,
16 and upon approval of a communitization agreement, that parti-
17 cular tract will be effectively pooled.

18 Q Mr. Strand, there will be another witness
19 who will briefly testify as to the well location, the spacing
20 unit, and simultaneous dedication, is that correct?

21 A Yes, that is correct.

22 Q Will you please refer to what has been
23 marked for identification as Exhibit Number One, and review
24 these for -- or review this for Mr. Nutter?

25 A Mr. Examiner, Exhibit Number One consists

1
2 of two drilling title opinions, one covering the northeast
3 quarter of the northeast quarter of Section 20, dated June 8,
4 1982; the other opinion covering the south half of the north-
5 east quarter, together with certain other lands, which aren't
6 relevant to this particular application.

7 These drilling opinions were prepared by
8 myself based on prior title opinions prepared by another law
9 firm, and also on abstracts certified to a date approximately
10 the same as the title opinion dates.

11 These title opinions show ownership of the
12 inerals underlying these two tracts, the oil and gas leasehold
13 estates, including all of the royalty interests, and also the
14 working interest, and it's the best evidence we have of what
15 the ownership of this rather complicated royalty situation is
16 at the present time.

17 Q Now, Mr. Strand, I believe you testified
18 that Mr. Hartman controls 100 percent of the working interest?

19 A Yes, that's correct.

20 Q What percent of the royalty interest has
21 voluntarily ratified?

22 A Based on a quick calculation this morning,
23 approximately 85 percent of the fee royalty owners under the
24 south half of the northeast quarter have ratified the commun-
25 itization agreement which we'll discuss shortly.

1

2

3

Q Will you now refer to that communitization agreement?

4

5

6

A Yes. The communitization agreement is designated as Exhibit Number Two, and was prepared by myself utilizing the standard Federal communitization form.

7

8

9

10

11

12

13

As I stated before, upon approval of this communitization agreement by the Minerals Management Service, it will effectively pool the Federal royalty and the overriding royalty under the Federal lease. It will also serve as a voluntary pooling agreement for the royalty owners under the south half of the northeast quarter, who, in fact, ratify such agreement, or have ratified it.

14

15

Q Will you now refer to Exhibit Number Three and identify this, please?

16

17

18

19

20

A Exhibit Number Three is a letter with a copy of the Notice of Hearing sent by Mr. Carr's office to all interest owners who are shown under the title opinions I referred to who had not ratified the communitization agreement as of the time the notice was sent out by his office.

21

22

Q Will you now refer to Exhibit Number Four and review this for the Examiner?

23

24

25

A Exhibit Number Four is a letter sent to all interest owners, again as shown in the title opinions, with a copy of the communitization agreement, a copy of the

1
2 administrative order approving the non-standard proration
3 unit, and a ratification form. The communitization agreement
4 and the ratification form were prepared by myself and they
5 were sent to the interest owners at my direction and my super-
6 vision, under my supervision.

7 Q Now, Mr. Strand, you have in response to
8 this letter -- is it in response to this letter that you've
9 received ratifications from 85 percent of the royalty interest
10 owners?

11 A Yes, that's correct.

12 Q Do you have any others that you are anti-
13 cipating to come in in the immediate future?

14 A We have, or I should say Mr. Hartman's
15 staff has visited with Flor (sic) Exploration -- Flor Energy,
16 I believe it is, and they have indicated they will be sending
17 theirs in, which constitutes another approximately 8 percent.

18 MR. NUTTER: 80 percent?

19 A 8 percent.

20 Q In your opinion have you made a good faith
21 effort to obtain voluntary joinder from all the royalty and
22 overriding royalty interest owners who will be affected by
23 this application?

24 A Yes, sir, I believe we have.

25 Q In your opinion will granting this appli-

1
2 cation be in the best interest of conservation, the prevention
3 of waste, and the protection of correlative rights?

4 A Yes, it will.

5 Q Were Exhibits One through Four prepared
6 by you or under your direction and supervision?

7 A Yes, they were, with the exception of
8 Number Three, which was prepared by your firm.

9 MR. CARR: Mr. Nutter, at this time we
10 would offer into evidence Hartman Exhibits One through Four.

11 MR. NUTTER: Exhibits One through Four
12 will be admitted in evidence.

13 MR. CARR: We have nothing further on
14 direct of this witness.

15
16 CROSS EXAMINATION

17 BY MR. NUTTER:

18 Q Mr. Strand, does any of these exhibits
19 of and by itself list the poolers?

20 A The -- well, Mr. Nutter, the title opin-
21 ion lists all of the royalty owners who are being affected
22 by the pooling order.

23 Q But you don't have just a list per se of
24 them, and what their addresses are? Maybe that's Schedule B
25 to this thing, is it?

1

2

A To the title opinion?

3

Q Yeah.

4

A Schedule -- Schedule A would be the mineral ownership. Schedule B would be the leasehold estate ownership.

5

6

7

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9

10

Mr. Nutter, we do have a list of the poolees, which I can give to you, which show the people who are still outstanding and have not ratified, are the ones who are not checked on the list.

11

Q Okay, the ones that are checked are the ones that have ratified.

12

13

A Yes, sir.

14

Q And these are all royalty owners.

15

A All roylaty owners.

16

Q Okay. Now you mentioned that Flor you thought would ratify?

17

18

A Yes, they've indicated they will.

19

Q Are they on this list somewhere?

20

A I believe they are.

21

MR. CARR: It's on the last page next to the bottom.

22

23

Q Okay, but percentages of ownership are not shown on this.

24

25

A No, they are not, Mr. Nutter. As I

1
2 stated, they are shown in the title opinion.

3 Q Uh-huh.

4 A I might add, some of these interests are
5 extremely small.

6 Q Oh, I noticed that on the title opinion
7 schedule there.

8 MR. NUTTER: Okay, are there any further
9 questions of Mr. Strand? He may be excused.

10 MR. CARR: At this time I'd call Mr.
11 Aycock for several questions.

12
13 WILLIAM P. AYCOCK
14 being called as a witness and being duly sworn upon his oath,
15 testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. CARR:

19 Q Will you state your name and place of
20 residence?

21 A William P. Aycock, Midland, Texas.

22 Q Mr. Aycock, by whom are you employed and
23 in what capacity?

24 A By Doyle Hartman as a consulting engineer
25 in connection with the application in Case 7642 on this docket.

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Q Have you previously testified before this Commission or one of its examiners and had your credentials accepted and made a matter of record?

A I have.

Q Are you familiar with the application filed on behalf of Mr. Hartman in this case?

A I am.

Q Are you familiar with the subject area?

A Yes, I am.

MR. CARR: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q Mr. Aycock, will you please refer to what has been marked for identification as Hartman Exhibit Number Five, identify this and explain to Mr. Nutter its purpose?

A The purpose of Exhibit Five, which is composed of a conglomeration of the forms that have been -- are on file with the Division, is to show that all of the requirements for drilling the well have been met and the location has been approved by the Division. There is -- attached are copies of the approved C-101; the C-102; the copy of administrative order NSP-1313-L, which approved the non-standard proration -- 120-acre non-standard proration unit; and unorthodox location; a copy of Mr. Hartman's letter to the Div-

1
2 ision, which requested the administrative approval of the
3 non-standard proration unit and unorthodox location. It shows
4 a list of all the working interest, I mean of the affected
5 parties, and I believe that this took place, the order was
6 rendered as a result of the expiration of the appropriate time
7 without opposition from any of the affected parties.

8 Also attached is a list of the offset
9 operators, showing the Jalmat, that is, that operated in the
10 Jalmat Gas Pool, showing the operator, the lease name, the
11 well locations and the unit descriptions of the number of
12 acres, and attached, also, is a land map, which has a key of
13 numbers that are keyed to the operators that are shown on the
14 list. Also attached are a sketch showing the surface equip-
15 ment and surface configuration which form the basis for re-
16 questing the unorthodox location.

17 And also attached is a surface contour
18 map of the area, which serves further to justify the request
19 for the unorthodox location.

20 Q Mr. Aycock, was Exhibit Five prepared by
21 you from records from the files of Doyle Hartman?

22 A Yes, sir, it was.

23 Q And are these correct and true copies of
24 the documents --

25 A Yes. sir.

1

2

Q -- in this file?

3

A They're extracted directly from his file

4

and all are on file with the Division currently.

5

MR. CARR: At this time, Mr. Nutter, we

6

would offer Hartman Exhibit Number Five.

7

MR. NUTTER: Exhibit Five will be admitted

8

in evidence.

9

MR. CARR: I have nothing further on

10

direct of this witness.

11

12

CROSS EXAMINATION

13

BY MR. NUTTER:

14

Q

Has the well been drilled to date, Mr. --

15

A

No, sir.

16

Q

But you do have your drilling permit --

17

A

Yes, we're prepared to drill it imminently.

18

Q

I see.

19

MR. NUTTER: Are there any further ques-

20

tions of Mr. Aycock?

21

MR. CARR: NO further questions.

22

MR. NUTTER: He may be excused.

23

Do you have anything further, Mr. Carr?

24

MR. CARR: Nothing further, Mr. Nutter.

25

MR. NUTTER: Now, Bill, this is the case

1
2 where there was an error in the newspaper --

3 MR. CARR: That's correct. The Hobbs
4 newspaper, there was an error in the ad in the Hobbs paper
5 and it will have to be readvertised and it's docketed for the
6 hearing September 1 and has been --

7 MR. NUTTER: It has been readvertised for
8 September 1st?

9 MR. CARR: Yes, sir.

10 MR. NUTTER: Okay. In that event, Case
11 Number -- are there any other questions in Case Number 7642?

12 Case Number 7642 will be continued to the
13 Examiner Hearing scheduled to be held at this same place at
14 9:00 o'clock a. m. September the 1st, 1982.

15
16 (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 HEREBY CERTIFY that
the foregoing Transcript of Hearing Before the Oil Conserva-
tion 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 Case No. 7642
heard by me on 8/18 1981.

[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 433-7409



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 1, 1982

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. 7642
ORDER NO. R-7120

Applicant:

Doyle Hartman

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	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

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. 7642
Order No. R-7120

APPLICATION OF DOYLE HARTMAN FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of November, 1982, 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, Doyle Hartman, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a previously approved unorthodox location.

(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. 7642

Order No. R-7120

(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.

(8) 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 January 1, 1983, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a non-standard 120-acre gas spacing and proration unit to be dedicated to a well to be drilled at a previously approved unorthodox location.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of January, 1983, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Jalmat Pool;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of January, 1983, 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.

(2) That Doyle Hartman 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)

U4
-3-

Case No. 7642
Order No. R-7120

royalty interest for the purpose of allocating costs and charges under the terms of this order.

(4) 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.

(5) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea 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.

(6) 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 hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E

NAME AND ADDRESS LIST
POOLING INTEREST INTO PRORATION
JUSTIS 11

✓ Bonnie R. Etz and Etz Oil Properties, Ltd.
Post Office Box 1992
Roswell, New Mexico 88201

✓ George R. Etz, Jr., Trustee
Under George H. Etz, Trust Agreement dated August 2, 1974
2003 17th Street
Lubbock, Texas 79401

✓ Max W. Coll, II
Post Office Box EE
Santa Fe, New Mexico 87502

✓ James N. Coll
Post Office Box 1818
Roswell, New Mexico 88201

✓ Charles H. Coll
Post Office Box 1818
Roswell, New Mexico 88201

✓ Jon F. Coll
Post Office Box 1818
Roswell, New Mexico 88201

Melba Stevens Justis
No Address Found

Melba Warren Taff
Post Office Box 203
Jal, New Mexico 88252

✓ Cities Development Company
c/o Barnie Hubbs
Post Office Box 150
Pecos, Texas 79772

Jal Townsite Lots
No Address Found

Heirs and/or Devisees of D. W. Justis, dec'd.
No Address Found

Tenneco Oil Compan,
E&T Accounting
Southwestern Division
Post Office Box 2511
Houston, Texas 77001

John W. Justis
c/o Valley Bank
Post Office Box 1560
Farmington, New Mexico 87401

✓ Mrs. Susie Menn
4915 Cannon Street
San Antonio, Texas 78228

✓ Mrs. Joyce Stallings
5664 South Fair Oak
Springfield, Missouri 65807

✓ Mrs. Ida Pennington
1240 E. Avenue J-3
Lancaster, California 93534

*all royalties
owners*

*✓ = has ratified
no check = have not*

✓ Mrs. Ethel Nevitt Davis
494 North 12th
Grover City, California 93433

Heirs and/or Devisees of Fred Roy Lancaster
c/o Belva Shirl Lancaster Koerth
501 West Moreland
Austin, Texas 78745

✓ Mrs. Amo Camille Greeson
Locust Grove, Arizona 72550

✓ Mrs. Edith I. Sanford
4819 Benjamin Drive
Durant, Oklahoma 74701

✓ Mrs. Alice M. Eldridge
Route 1, Box 164
Ft. Sumner, Texas 88119

✓ Mrs. Francis A. Snipes
102 Calle Balle Loma
San Clemente, California 92672

✓ Mrs. Irene E. Taylor
Post Office Box 1512
Bisbee, Arizona 85603

Clifford B. Justis
1649 East Maple #2
El Segundo, California 90245

✓ Mrs. R. W. Justis
7069 Auro
Resedn, California 91335

✓ Robert E. Justis, Jr.
318 West E. Street
Ontario, California 91761

✓ Gertrude Coleman Rimmer
315 Quaker Road
Chappaqua, New York 10514

Helen H. Coleman
Pittsburg, Pennsylvania

Imogene S. Hale
1571 San Lucas Road
Palm Springs, California 92262

✓ Leona Richardson Bowles
10408 A Lone Tree Grove
Dallas, Texas 75210

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c/o Mr. Harry Babasin
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Pacoima, California 91331

Robert Hugo Slate
1301 West Clinton
Tulare, California 93274

✓ Patricia Ann Slate Goham
Post Office Box 4371
Albany, Georgia 31706

Naomi Jean Slate West
300 Criag
Hillsboro, Texas 76656

Bethany Elaine Slate
No Address Found

Edith Carolyn Slate
No Address Found

Mary Ruth Slate Balls
256 Barnes #B
Garland, Texas 75042

Donna Gail Rabideaux
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College Park, Georgia 30022

Marjorie Charlene Welsch
202 Tornille Street
Star Route Chaparrel
Box 446
Anthony, New Mexico 88021

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Long Beach, California 90815

Lynda Kay Justis Bates
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✓ Jack R. Turner
121 Douglas Drive
Maybank, Texas 75147

John P. Turner
Route 1
Ringo, Texas 76271

✓ Carlton E. Justis, Jr.
9260 Lilibet Avenue
Sacramento, California 95826

✓ James Justis
620 Euclid Street
Shreveport, Louisiana 71101

✓ Barrienne Justis Craft
2637 Via Valencia
Carrollton, Texas 75006

New Mexico Bank and Trust Company,
Trustee for J. L. Burke & Joyce Gross Burke
Hobbs, New Mexico 88240

✓ H. M. Bettis, Inc.
Post Office Box 1240
Graham, Texas 75046

✓ W. T. Boyle and wife Loyce Boyle
Post Office Box 57
Graham, Texas 76046

✓ Norman T. Stovall, Jr. and wife Eleanor F. Stovall
Post Office Box 10
Graham, Texas 76046

✓ Esenco, Inc.
Post Office Box 1168
Graham, Texas 76046

✓ Spencer B. Street, Jr., and wife, Carole . Street
Post Office Box 206
Graham, Texas 76046

Way Enterprises, Inc.
Post Office Box 1756
Midland, Texas 79701

✓ Ruth Blakeney Conger
712 First National Bank Building
Midland, Texas 79701

✓ Maude Cowden Blakeney
712 First National Bank Building
Midland, Texas 79701

Exxon Corporation
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Post Office Box 1600
Midland, Texas 79701
Attention: Joint Operations

Fluor Oil and Gas Corporation
615 Midland Tower Building
Midland, Texas 79701
Attention: Clem Ware

— Linda K. Justice Bates Alternately
— Gertrude O. Wood
of Charles H. Justice

sent Aug. 9
not received

Robert H. Strand, P.A.

Attorney at Law

Practice Limited to Oil and Gas Law

Telephone (505) 624-0251

Suite 124 - Petroleum Building

Roswell, New Mexico 88201

Please Reply To:

June 16, 1982

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
<u>HARTMAN</u>	EXHIBIT NO. <u>1</u>
CASE NO. <u>7642</u>	

IN RE OPINION OF TITLE TO:

Township 25 South, Range 37 East, NMPM

Section 20: SE/4 NW/4, SW/4 NE/4, SE/4 NE/4

Limited to those intervals from the surface
to the base of the Seven Rivers formation.

Containing 120.00 acres, more or less,
Lea County, New Mexico.

Mr. Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

Dear Mr. Hartman:

In connection with title to the captioned, for drilling purposes, I have examined the following

1. Kerr, Fitz-Gerald & Kerr Opinion of Title dated November 12, 1982, covering the E/2 NE/4 Section 19, T-25-S, R-37-E, NMPM, and based on abstracts certified to September 16, 1981 at 7:00 O'Clock A.M.
2. Kerr, Fitz-Gerald & Kerr Opinion of Title dated January 22, 1982 covering the N/2 NW/4, SW/4 NW/4 Section 20, T-25-S, R-37-E, NMPM, and based on abstracts certified to December 8, 1981 at 7:00 O'Clock A.M.
3. Abstract of Title No. 32514 compiled by Lea County Abstract Company, Lovington, New Mexico, containing 454 pages, and tracing title to the minerals only of the E/2 NE/4 Section 19, T-25-S, R-37-E, NMPM, as reflected by the records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of records to September 16, 1981 at 7:00 O'Clock A.M.
4. Abstract of Title No. 32606 compiled by Lea County Abstract Company, Lovington, New Mexico, containing 1191 pages and tracing title to the minerals only of the N/2 NW/4, SW/4 NW/4 Section 20, T-25-S, R-37-E, NMPM, as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of records to December 9, 1981 at 7:00 O'Clock A.M.

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5. Abstract of Title No. 32844 (Complemental) compiled by Lea County Abstract Company, Lovington, New Mexico, containing 168 pages, and when taken together with abstracts No. 32514 and 32606 described above, traces title to the minerals only of the captioned lands as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of Records to May 17, 1982 at 7:00 O'Clock A.M.

From my examination of the above and based solely thereon, I report as follows:

I. Title:

A. Minerals:

See Schedule "A" attached hereto.

B. Oil and Gas Leasehold Estate:

See Schedule "B" attached hereto.

C. Working Interest:

H. M. Bettis, Inc.	20.00 %
W. T. Boyle and wife Loyce Boyle	20.00 %
Norman D. Stovall, Jr. and wife	
Eleanor F. Stovall	20.00 %
Turnco, Inc.	20.00 %
Spencer B. Street, Jr. and wife	
Carole G. Street	20.00 %
	<u>100.00 %</u>

II. Oil and Gas Lease: The principal features of the Oil and Gas Lease covering the captioned lands are as follows:

Lease No. 1:

Date:	May 24, 1926
Recorded:	Book 4, Page 348, Oil and Gas Lease Records
Lessor:	Basil M. Justis, a single man
Original Lessee:	Humble Oil & Refining Company
Present Lessee:	H. M. Bettis, Inc. et al, Tenneco Oil Company, Exxon Corp.
Lands & Minerals:	Captioned plus other lands
Interest Covered:	All
Delay Rentals:	None- Lease held by production
Depository Bank:	First National Bank at Pecos, Texas
Primary Term:	Five (5) Years - now held by production
Royalty:	Oil - 1/8; Gas - \$100/year in advance for gas from each well where gas only is found, \$100/year for gas from any well used off the premises.
Special Provisions:	None.

III. Comments:

A. Prior Opinions: This Opinion is based, in part,

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on title opinions prepared by another law firm, and while I feel you may safely rely on such opinions, I am sure you understand that I can take no responsibility for the contents thereof.

B. Limitation of Opinion: This Opinion is limited to ownership of the mineral estate only of those intervals from the surface to the base of the Seven Rivers Formation underlying the captioned lands, and no examination has been made as to surface ownership.

C. Taxes: The abstracts examined reflect that taxes for the 1981 taxable year have been paid on those portions of the captioned lands where the mineral estate has not been completely severed from the surface estate. This is satisfactory.

IV. Exceptions to Title and Requirements:

A. Estates:

1. A. N. Etz: The supplemental abstract reflects that A. N. Etz died on May 23, 1968, owning a 1/16 mineral interest under the captioned lands. His Will was probated in Cause No. 5577 in the District Court of Chaves County, however, no reference is made in the probate proceedings as to whether such mineral interest was the decedent's separate property, or the community property of himself and his widow, Bonnie R. Etz. In addition to his widow, he was survived by his two sons, Alva Nye Etz II, and Robert William Etz. Subsequently, Bonnie R. Etz conveyed a 1/64th mineral interest to Robert W. Etz, and a 1/64th mineral interest to Alva N. Etz II and wife Jean W. Etz as joint tenants. Robert W. Etz, a single man, and Alva Nye Etz II and wife Jean Etz, subsequently conveyed a 1/16th mineral interest to Etz Oil Properties, Ltd. Due to the ambiguity as to the community status of such mineral interest, I have necessarily credited such mineral interest and the attributable royalty interest to Bonnie R. Etz and Etz Oil Properties, Ltd.

REQUIREMENT NO. 1:

In the event production is secured from the captioned lands, you should attempt to determine whether such mineral interest was the separate property of A. N. Etz, deceased, or the community property of the decedent and his wife, Bonnie R. Etz. Pending your report, I reserve further requirements.

2. D. W. Justis and W. E. Justis: Abstract No. 32514 reflects a Notice of Probate dated August 21, 1964, recorded in Book 222, Page 448 of the Miscellaneous Records, stating that proceedings in the Matter of the Estate of D. W. Justis, deceased, are being conducted in Cause No. 162 before the District Court of San Juan County, New Mexico. The abstract also reflects that proceedings are being conducted on the Estate of William E. Justis, who was the son of D. W. Justis, in Cause No. P-80-97 before the District Court of San Juan County, New Mexico.

REQUIREMENT NO. 2:

In the event the captioned lands go on production, provide for my examination certified copies of proceedings conducted in the Estates of D. W. Justis and William E. Justis, and pending my review of these proceedings, I reserve further requirements.

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3. Fred Roy Lancaster: Abstract No. 31524 reflects proceedings in the Matter of the Last Will and Testament of Fred Roy Lancaster, deceased, in Cause No. 3397 in the Probate Court of Lea County. At the time of his death, Fred Roy Lancaster owned a 315/12096 mineral interest under the captioned lands, and this interest was devised to the Frost National Bank of San Antonio, as Trustee. The abstract contains a subsequent instrument dated January 6, 1976, recorded in Book 350, Page 420 of the Deed Records, whereby Frost National Bank as trustee conveyed such interest to the "devisees" of Fred Roy Lancaster without naming the same. The Trust set out in the Will of Fred Roy Lancaster has evidently terminated, however, there is no evidence of such termination in the materials examined, and I have necessarily credited such mineral interest and attributable royalty interest to the heirs and/or devisees of Fred Roy Lancaster.

REQUIREMENT NO. 3:

In the event the captioned lands go on production, a determination should be made as to the status of the Trust contained in the Will of the decedent, and upon such determination, the proper parties will be credited with such interest for division order purposes.

4. Paul Doran: Abstract No. 32514 contains portions of the proceedings in the Matter of the Last Will and Testament of Paul Doran, deceased, Cause No. 1310 in the Probate Court of Lea County. The inventory in this proceeding reflects that the decedent owned a purported 1/32nd mineral interest above 5,000 feet under the captioned lands. Paul Doran does not appear in the chain of title to either the mineral estate under the captioned lands, or the leasehold estate, and he is not credited with any interest above.

REQUIREMENT NO. 4:

You should attempt to determine whether the heirs of Paul Doran, who are Dorothy Julia Doran, Dorothy Ann Doran, Thomas Samuel Doran, and Richard Paul Doran, claim any interest in the minerals estate or leasehold estate under the captioned lands. In the event such claim is made, I reserve further requirements.

5. B. H. Blakeney: Abstract No. 32606 contains portions of the proceedings in the Matter of the Estate of B. H. Blakeney, deceased, which were conducted in the Probate Court of Midland County, Texas, in Cause No. 2211. These proceedings reflect that at the time of his death, B. H. Blakeney owned a 1/48th mineral interest under the captioned as the community property of himself and his wife Maude Cowden Blakeney. Under the terms of the decedent's Will, his community interest in such minerals was devised to his daughter Ruth Blakeney Conger, and these interests are reflected in the Schedules attached hereto. Technically, in order to make such mineral interest marketable, an ancillary probate proceeding should be conducted in New Mexico, however, considering the relatively small interest involved, I feel you may safely rely on the Texas proceedings.

REQUIREMENT NO. 5:

None - advisory only.

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B. Jal Townsite Lots: The materials examined reflect that the SE/4 NW/4 of Section 20 is part of the original Townsite of Jal, New Mexico, and was subdivided in the late 1920's. Cities Development Company, Inc. acquired a 1/8th mineral interest under such lands in 1928, and proceeded to convey numerous lots under deeds containings very ambiguous mineral conveyances. In 1955, Cities Development Company, Inc. conducted a Quiet Title Suit in the District Court of Lea County in Cause No. 12,898 and the final judgment entered therein decrees that Cities Development Company, Inc. is the owner of a 602/714 of 1/8th mineral interest under the SE/4 NW/4 of Section 20, and such company is so credited in the schedules attached hereto. Title to the remaining 112/714 of 1/8th mineral interest under such lands, is in a state of total confusion, and I have not taken the time, at this point, to attempt to determine exact ownership of such interest. This 112/714ths mineral interest is credited on the schedules attached hereto as being owned by "owners of Jal Townsite Lots" and, in the event production is obtained from the captioned lands and intervals, I will attempt to determine ownership of such interest for division order purposes.

REQUIREMENT NO. 6:

None - advisory only.

C. Tenneco Oil Company Mineral Interest: By Mineral Deed dated November 28, 1966, recorded in Book 302, Page 316 of the Deed Records, Cora Simpson, a widow, purportedly conveyed by Mineral Deed, a 1/8th mineral interest under the captioned lands to Tenneco Oil Company. At the time this conveyance was made, Cora Simpson owned a 1512/12096 mineral interest under the captioned lands, and Tenneco Oil Company has been credited with such interest on the schedules attached hereto, rather than a 1/8th mineral interest.

REQUIREMENT NO. 7:

You should attempt to determine from Tenneco Oil Company whether they claim any more than a 1512/12096 mineral interest under the captioned lands, and in the event they make such claim, I reserve further requirements.

D. Marital Status of Grantors: The abstracts examined reflect the following conveyances of mineral interests where the instruments contain no reference as to the marital status of the Grantor. In such cases, if the interest conveyed was the community property of such Grantor and his/her spouse, such conveyance would, under New Mexico law, be void.

1. Mineral Deed dated March 15, 1971, recorded in Book 323, Page 723 of the Deed Records from D. E. Foley to H. M. Bettis et al.
2. Mineral Deed dated September 1, 1976, recorded in Book 354, Page 916 of the Deed Records from B. E. Justis to H. M. Bettis, Inc. et al.
3. Mineral Deed dated April 1, 1972, recorded in Book 329, Page 45 of the Deed Records, from Dorothy M. Young to H. M. Bettis et al.

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4. Mineral Deed dated September 1, 1976, recorded in Book 355, Page 185 of the Deed Records from Bryant H. Justis to H. M. Bettis, Inc. et al.

REQUIREMENT NO. 8:

You should attempt to determine whether the Grantors in the above described Mineral Deeds own such interests as their separate property, and, in the event you determine that such interests were community property, it will be necessary that ratifications of such conveyances be executed by such Grantor and his/her spouse.

E. The Effective Oil and Gas Lease: As set out above, the effective oil and gas lease covering the captioned lands was executed on June 30, 1926, by Basil M. Justis, a single man, as lessor, in favor of Humble Oil and Refining Company as Lessee. This lease has apparently been held by production for many years, and I am assuming for purposes of this Opinion, that it remains in such status at this time. By Assignment dated August 22, 1931, recorded in Book 23, Page 16 of the Oil and Gas Lease Records, Humble Oil and Refining Company conveyed the gas rights under such lease to Leonard and Levers, Inc. This Assignment also contained a provision that reserved to Humble, an option to take over all the wells drilled on such lands in which oil was encountered. Subsequently, by Assignment dated September 24, 1937, recorded in Book 16, Page 599 of the Miscellaneous Records, Humble Oil and Refining Company conveyed the captioned lease, insofar as it covered intervals from the surface to 5,000 below the surface to Jal Natural Gas Company. This Assignment covered both oil and gas rights and reserved to Humble Oil and Refining Company a 1/16th of 8/8ths overriding royalty interest covering both oil and gas produced from such interval (since released as to the SE/4 NE/4 of Section 20) and also contained a provision giving Humble the right to purchase oil and gas produced from such lands and interval. Subsequently, Jal Natural Gas Company conveyed its rights obtained under the above described Assignment, to Harry Leonard, who, joined by his wife Mabel F. Leonard, reconveyed such rights to Jal Natural Gas Company. Subsequently, Leonard Oil Company conveyed such lease and the above described interests to Tenneco Oil Company, however, the materials examined do not reflect any conveyance into Leonard Oil Company from either Leonard and Levers, Inc., or Jal Natural Gas Company. I am of the Opinion that these two companies were eventually merged into Leonard Oil Company, however, I am not sure on this point, and I therefore make the following requirements:

REQUIREMENT NO. 8:

Prior to conducting drilling operations, you should assure yourself that the above described oil and gas lease has been continuously held by production to a current date.

REQUIREMENT NO. 9:

You should attempt to determine whether Leonard and Levers, Inc. and Jal Natural Gas Company conveyed their interests under the above described lease and intervals to Leonard Oil Company or, whether such companies were merged into Leonard Oil Company, and pending your report, I reserve further requirements.

Mr. Doyle Hartman
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F. Gas Contract: The materials examined reflect that the captioned lands and interval are subject to a Gas Contract dated August 10, 1949, as amended, between Leonard Oil Company and El Paso Natural Gas Company. This Contract is evidently still in effect, and prior to disposition of gas produced from the captioned lands, you should attempt to determine whether such gas production would be subject to this Contract.

REQUIREMENT NO. 10:

None - advisory only.

G. Gas Pooling Agreements: The material examined reflect that the SE/4 NW/4 of Section 20 may be subject to a Gas Pooling Agreement dated September 3, 1954, forming the V. H. Justis #1 Gas Unit, and that the SW/4 NE/4 and SE/4 NE/4 of Section 20 may be subject to a Gas Pooling Agreement dated January 1, 1954, forming the B. M. Justis #2 Gas Unit. These Gas Pooling Agreements are not contained in the materials examined, and you should determine whether such Agreements are still in effect, and whether gas production from your objective formations would be subject to the same, if they are, in fact, in effect.

REQUIREMENT NO. 11:

None - advisory only.

H. Non-standard Proration Unit: If you propose to drill and complete a gas well producing from the captioned lands and intervals, you should determine whether, under the rules of the New Mexico Oil Conservation Division relating to the gas pool involved, it would be necessary that you secure approval of a non-standard proration unit for any such well.

REQUIREMENT NO. 12:

None - advisory only.

I. Gas Royalty: As set out above, the royalty on gas produced under the captioned lease is \$100.00 per year, payable in advance. This royalty is minute by modern standards, and, I would suggest that you consider paying gas royalty at the rate of 1/8th of the proceeds of sale of gas, in order to avoid the almost certain law suits which would result from relying on the royalty rate set out in the lease.

REQUIREMENT NO. 13:

None - advisory only.

J. Farmout Agreement: You have provided me with a copy of a Farmout Agreement dated March 9, 1982, whereby the working interest owners under the captioned lands and interval have agreed to farmout their interest to you insofar as it covers those intervals from the surface to the base of the Yates Formation. The Agreement specifically provides that you will not earn any oil rights whatsoever in the Seven Rivers portion of the Jalmat interval. Such Agreement further provides that upon completion of a test well on the captioned lands capable of producing in paying quantities, such working interest owners will assign to

Mr. Doyle Hartman
No. 82-34

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June 16, 1982

you all of their right, title and interest, in and to the effective oil and gas lease covering the captioned lands, from the surface to the base of the Yates Formation. It is further provided that such Assignment will reserve to such working interest owners an overriding royalty of 25% of 8/8ths of production, such overriding royalty interest to absorb all present royalty and other burdens on production, and convey to you a 75% net revenue interest. The Agreement further provides that such working interest owners shall have the right, separately, to convert their proportionate part of such overriding royalty interest to a proportionately reduced forty percent (40%) working interest at payout. The Agreement further provides that if you test well qualifies as an infill Jalmat gas well, you will not earn any interest whatsoever in the working interest owner's Justis #7 Well, located in the SE/4 NW/4 of Section 20, and that your test well and such Justis #7 Well will share the allowable for the lands covered by the Farmout Agreement. This Agreement appears satisfactory as to form and content.

REQUIREMENT NO. 14:

None - advisory only.

K. Operations within the City of Jal: As pointed out above, the SE/4 NW/4 of Section 20 is part of the City of Jal, New Mexico. In the event you conduct any operations on this portion of the captioned lands, you should comply in full with all ordinances of the City of Jal, and other government regulations, relating to conduct of drilling operations in a populated area.

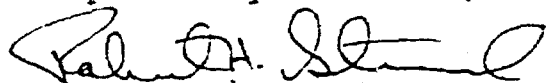
REQUIREMENT NO. 15:

None - advisory only.

This Opinion does not cover matters which might be disclosed by a survey or on the ground inspection of the captioned lands, rights of parties in possession, nor boundaries by acquiescence by virtue of usage, fence lines or similar situations.

Subject to compliance with the above comments and requirements, title is approved for drilling purposes in accordance with the ownership schedule set out above as of the certificate dates of the above described abstracts.

Respectfully submitted,



Robert H. Strand

RHS/bjt
atts

SCHEDULE "A"

To Title Opinion No. 82-34
dated June 16, 1982

A. Minerals:

1. SE/4 NW/4 Section 20:

Bonnie R. Etz and Etz Oil Properties, Ltd.	1/16
George R. Etz, Jr., Trustee	1/16
Max W. Coll II	3/32
James N. Coll	3/32
Charles H. Coll	3/32
Jon F. Coll	3/32
Melba Stevens Justis	1/32
Melba Warren Taft 1/32 + 210/12096 x 1/8	3234/96,768
Cities Development Company, Inc. 602/714 x 1/8	10,198.58824/96,768
Jal Townsite Lots 112/714 x 1/8	1897.41176/96,768
Heirs and/or Devisees of D. W. Justis, dec'd. 1/16 + 2520/12096 x 1/8	8568/96,768
Tenneco Oil Company 1512/12096 x 1/8	1512/96,768
John W. Justis 210/12096 x 1/8	210/96,768
Mrs. Susie Menn 210/12096 x 1/8	210/96,768
Mrs. Joyce Stallings 210/12096 x 1/8	210/96,768
Mrs. Ida Pennington 315/12096 x 1/8	315/96,768
Mrs. Ethel Nevitt 315/12096 x 1/8	315/96,768
Heirs and/or Devisees of Fred Roy Lancaster, deceased 315/12096 x 1/8	315/96,768
Mrs. Amo Camille Greeson 315/12096 x 1/8	315/96,768
Mrs. Edith I. Sanford 315/12096 x 1/8	315/96,768

Mrs. Alice M. Eldridge 315/ 12096 x 1/8	315/96,768
Mrs. Francis A. Snipes 315/12096 x 1/8	315/96,768
Mrs. Irene E. Taylor 144/12096 x 1/8	144/96,768
Clifford B. Justis 144/12096 x 1/8	144/96,768
R. W. Justis 144/12096 x 1/8	144/96,768
Robert E. Justis, Jr. 144/12096 x 1/8	144/96,768
Julia Bell Coleman 504/12096 x 1/8	504/96,768
Imogene S. Hale 504/12096 x 1/8	504/96,768
Leona Richardson 336/12096 x 1/8	336/96,768
Minnie T. Babasin 336/12096 x 1/8	336/96,768
Robert Hugo Slate 35/12096 x 1/8	35/96,768
Patricia Ann Slate 35/12096 x 1/8	35/96,768
Naomi Jean Slate 35/12096 x 1/8	35/96,768
Bethany Elaine Slate 35/12096 x 1/8	35/96,768
Edith Carolyn Slate 35/12096 x 1/8	35/96,768
Mary Ruth Slate 35/12096 x 1/8	35/96,768
Donna Gail Rabideaux 36/12096 x 1/8	36/96,768
Marjorie Charlene Welsch 36/12096 x 1/8	36/96,768
Charles H. Justis, Jr. 36/12096 x 1/8	36/96,768
Lynda Kay Justis Bates 36/12096 x 1/8	36/96,768

Jack R. Turner 168/12096 x 1/8	168/96,768
John P. Turner 168/12096 x 1/8	168/96,768
Carlton E. Justis, Jr. 36/12096 x 1/8	36/96,768
James Justis 36/12096 x 1/8	36/96,768
Barry Ann Justis 36/12096 x 1/8	36/96,768
New Mexico Bank and Trust Company, Trustee for J. L. Burke 1470/12096 x 1/8	1470/96,768
H. M. Bettis, Inc. (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
W. T. Boyle and wife Loyce Boyle (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Norman D. Stovall, Jr., and wife Eleanor F. Stovall (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Turnco, Inc. (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Spencer B. Street Jr. and wife Carole G. Street (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Way Enterprises, Inc.	1/48
Ruth Blakeney Conger	1/96
Maude Cowden Blakeney	1/96

2. SW/4 NE/4 Section 20:

Bonnie R. Etz and Etz Oil Company, Ltd.	1/16
George R. Etz, Jr. Trustee	1/16
Max W. Coll II	3/32
James N. Coll	3/32
Charles H. Coll	3/32
Jon F. Coll	3/32
Fluor Oil & Gas Corporation	1/8
Melba Warren Taft 210/12096 x 1/8	210/96,768

Cities Development Company, Inc.	1/8
Heirs and/or Devisees of D. W. Justis, dec'd. 2520/12096 x 1/8	2520/96,768
Tenneco Oil Company 1512/12096 x 1/8	1512/96,768
John W. Justis 210/12096 x 1/8	210/96,768
Mrs. Susie Menn 210/12096 x 1/8	210/96,768
Mrs. Joyce Stallings 210/12096 x 1/8	210/96,768
Mrs. Ida Pennington 315/12096 x 1/8	315/96,768
Mrs. Ethel Nevitt 315/12096 x 1/8	315/96,768
Heirs and/or Devisees of Fred Roy Lancaster, deceased 315/12096 x 1/8	315/96,768
Mrs. Amo Camille Greeson 315/12096 x 1/8	315/96,768
Mrs. Edith I. Sanford 315/12096 x 1/8	315/96,768
Mrs. Alice M. Eldridge 315/12096 x 1/8	315/96,768
Mrs. Francis A. Snipes 315/12096 x 1/8	315/96,768
Mrs. Irene E. Taylor 144/12096 x 1/8	144/96,768
Clifford B. Justis 144/12096 x 1/8	144/96,768
R. W. Justis 144/12096 x 1/8	144/96,768
Robert E. Justis, Jr. 144/12096 x 1/8	144/96,768
Julia Bell Coleman 504/12096 x 1/8	504/96,768
Imogene S. Hale 504/12096 x 1/8	504/96,768
Leona Richardson 336/12096 x 1/8	336/96,768

Minnie T. Babasin 336/12096 x 1/8	336/96,768
Robert Hugo Slate 35/12096 x 1/8	35/96,768
Patricia Ann Slate 35/12096 x 1/3	35/96,768
Naomi Jean Slate 35/12096 x 1/8	35/96,768
Bethany Elaine Slate 35/12096 x 1/8	35/96,768
Edith Carolyn Slate 35/12096 x 1/8	35/96,768
Mary Ruth Slate 35/12096 x 1/8	35/96,768
Donna Gail Rabideaux 36/12096 x 1/8	36/96,768
Marjorie Charlene Walsch 36/12096 x 1/8	36/96,768
Charles H. Justis, Jr. 36/12096 x 1/8	36/96,768
Lynda Kay Justis Bates 36/12096 x 1/8	36/96,768
Jack R. Turner 168/12096 x 1/8	168/96,768
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Carlton E. Justis, Jr. 36/12096 x 1/8	36/96,768
James Justis 36/12096 x 1/8	36/96,768
Barry Ann Justis 36/12096 x 1/8	36/96,768
New Mexico Bank and Trust Company, Trustee for J. L. Burke 1470/12096 x 1/8	1470/96,768
H. M. Bettis, Inc. (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
W. T. Boyle and wife Loyce Boyle (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Norman D. Stovall, Jr. and wife Eleanor F. Stovall (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768

Turnco, Inc. (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Spencer B. Street Jr. and wife Carole G. Street (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Way Enterprises, Inc.	1/48
Ruth Blakeney Conger	1/96
Maude Cowden Blakeney	1/96

3. SE/4 NE/4 Section 20:

Bonnie R. Etz and Etz Oil Properties, Ltd. . .	1/16
George R. Etz, Jr. Trustee	1/16
Max W. Coll II	3/32
James N. Coll	3/32
Charles H. Coll	3/32
Jon F. Coll	3/32
Melba Stevens Justis	1/32
Melba Warren Taft 1/32 + 210/12096 x 1/8	3234/96,768
Fluor Oil & Gas Corporation	1/8
Heirs and/or Devisees of D. W. Justis, dec'd. 1/16 + 2520/12096 x 1/8	8568/96,768
Tenneco Oil Company 1512/12096 x 1/8	1512/96,768
John W. Justis 210/12096 x 1/8	210/96,768
Mrs. Susie Menn 210/12096 x 1/8	210/96,768
Mrs. Joyce Stallings 210/12096 x 1/8	210/96,768
Mrs. Ida Pennington 315/12096 x 1/8	315/96,768
Mrs. Ethel Nevitt 315/12096 x 1/8	315/96,768
Heirs and/or Devisees of Fred Roy Lancaster, deceased. 315/12096 x 1/8	315/96,768

Mrs. Amo Camille Greeson 315/12096 x 1/8	315/96,768
Mrs. Edith I. Sanford 315/12096 x 1/8	315/96,768
Mrs. Alice M. Eldridge 315/12096 x 1/8	315/96,768
Mrs. Francis A. Snipes 315/12096 x 1/8	315/96,768
Mrs. Irene E. Taylor 144/12096 x 1/8	144/96,768
Clifford B. Justis 144/12096 x 1/8	144/96,768
R. W. Justis 144/12096 x 1/8	144/96,768
Robert E. Justis, Jr. 144/12096 x 1/8	144/96,768
Julia Bell Coleman 504/12096 x 1/8	504/96,768
Imogene S. Hale 504/12096 x 1/8	504/96,768
Leona Richardson 336/12096 x 1/8	336/96,768
Minnie T. Babasin 336/12096 x 1/8	336/96,768
Robert Hugo Slate 35/12096 x 1/8	35/96,768
Patricia Ann Slate 35/12096 x 1/8	35/96,768
Naomi Jean Slate 35/12096 x 1/8	35/96,768
Bethany Elaine Slate 35/12096 x 1/8	35/96,768
Edith Carolyn Slate 35/12096 x 1/8	35/96,768
Mary Ruth Slate 35/12096 x 1/8	35/96,768
Donna Gail Rabideaux 35/12096 x 1/8	36/96,768
Marjorie Charlene Welsh 36/12096 x 1/8	36/96,768

Charles H. Justis, Jr. 36/12096 x 1/8	36/96,768
Lynda Kay Justis Bates 36/12096 x 1/8	36/96,768
Jack R. Turner 168/12096 x 1/8	168/96,768
John P. Turner 168/12096 x 1/8	168/96,768
Carlton E. Justis, Jr. 36/12096 x 1/8	36/96,768
James Justis 36/12096 x 1/8	36/96,768
Barry Ann Justis 36/12096 x 1/8	36/96,768
New Mexico Bank and Trust Company, Trustee for J. L. Burke 1470/12096 x 1/8	1470/96,768
H. M. Bettis, Inc. (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
W. T. Boyle and wife Loyce Boyle (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Norman D. Stovall, Jr. and wife Eleanor F. Stovall (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Turnco, Inc. (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Spencer B. Street Jr. and wife Carole G. Street (1/5 x 495/12096 x 1/8) + 1/5 x 4/48	1711.8/96,768
Way Enterprises, Inc.	1/48
Ruth Blakeney Conger	1/96
Maude Cowden Blakeney	1/96

SCHEDULE "B"

To Title Opinion No. 82-34
date June 16, 1982

B. Oil and Gas Leasehold Estate:

1. SE/4 NW/4 Section 20:

Bonnie R. Etz and Etz Oil Properties, Ltd. 1/16 x .12500781250 RI
George R. Etz, Jr. Trustee 1/16 x .125 . . . . .	.00781250 RI
Max W. Coll II 3/32 x .125 . . . . .	.01171875 RI
James N. Coll 3/32 x .125 . . . . .	.01171875 RI
Charles H. Coll 3/32 x .125 . . . . .	.01171875 RI
Jon F. Coll 3/32 x .125 . . . . .	.01171875 RI
Melba Stevens Justis 1/32 x .125 . . . . .	.00390625 RI
Melba Warren Taft (1/32 + 210/12096 x 1/8) x .125 . . . . .	.00417752 RI
Cities Development Company 602/714 x 1/8 x .125 . . . . .	.01317402 RI
Jal Townsite Lots 112/714 x 1/8 x .125 . . . . .	.00245098 RI
Heirs and/or Devisees of D. W. Justis, dec'd. (1/16 x 2520/12096 x 1/8) x .125 . . . . .	.01106771 RI
Tenneco Oil Company 1512/12096 x 1/8 x .125 . . . . .	.00195312 RI
John W. Justis 210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Susie Menn 210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Joyce Stallings 210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Ida Pennington 315/12096 x 1/8 x .125 . . . . .	.00040690 RI
Mrs. Ethel Nevitt 315/12096 x 1/8 x .125 . . . . .	.00040690 RI

Heirs and/or Devisees of Fred Roy Lancaster deceased		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Amo Camille Greeson		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Edith I. Sanford		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Alice M. Eldridge		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Francis A. Snipes		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Irene E. Taylor		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Clifford B. Justis		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
R. W. Justis		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Robert E. Justis, Jr.		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Julia Bell Coleman		
504/12096 x 1/8 x .125 . . . . .		.00065104 RI
Imogene S. Hale		
504/12096 x 1/8 x .125 . . . . .		.00065104 RI
Leona Richardson		
336/12096 x 1/8 x .125 . . . . .		.00043403 RI
Minnie T. Babasin		
336/12096 x 1/8 x .125 . . . . .		.00043403 RI
Robert Hugo Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Patricia Ann Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Naomi Jean Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Bethany Elaine Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Edith Carolyn Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Mary Ruth Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Donna Gail Rabideaux		
36/12096 x 1/8 x .125 . . . . .		.00004651 RI

Marjorie Charlene Welsch 36/12096 x 1/8 x .125 . . . . .	.00004650 RI
Charles H. Justis, Jr. 36/12096 x 1/8 x .125 . . . . .	.00004651 RI
Lynda Kay Justis Bates 36/12096 x 1/8 x .125 . . . . .	.00004650 RI
Jack R. Turner 168/12096 x 1/8 x .125 . . . . .	.00021701 RI
John P. Turner 168/12096 x 1/8 x .125 . . . . .	.00021701 RI
Carlton E. Justis, Jr. 36/12096 x 1/8 x .125 . . . . .	.00004650 RI
James Justis 36/12096 x 1/8 x .125 . . . . .	.00004651 RI
Barry Ann Justis 36/12096 x 1/8 x .125 . . . . .	.00004650 RI
New Mexico Bank and Trust Company, Trustee for J. L. Burke 1470/12096 x 1/8 x .125 . . . . .	.00189887 RI
H. M. Bettis, Inc. [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
W. T. Boyle and wife Loyce Boyle [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Turnco, Inc. [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Spencer B. Street Jr. and wife Carole G. Street [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Way Enterprises, Inc. 1/48 x .125 . . . . .	.00260417 RI
Ruth Blakeney Conger 1/96 x .125 . . . . .	.00130208 RI
Maude Cowden Blakeney 1/96 x .125 . . . . .	.00130208 RI
Exxon Corporation 1/16 x 8/8 . . . . .	.06250000 ORRI
H. M. Bettis, Inc. 1/5 x .8125 . . . . .	.16250000 WI
W. T. Boyle and wife Loyce Boyle 1/5 x .8125 . . . . .	.16250000 WI

Norman D. Stovall Jr. and wife Eleanor F. Stovall	
1/5 x .8125 . . . . .	.16250000 WI
Turnco, Inc.	
1/5 x .8125 . . . . .	.16250000 WI
Spencer B. Street, Jr. and wife Carole G. Street	
1/5 x .8125 . . . . .	.16250000 WI
	<u>1.00000000</u>

2. SW/4 NE/4 Section 20:

Bonnie R. Etz and Etz Oil Properties, Ltd.	
1/16 x .125 . . . . .	.00781250 RI
George R. Etz, Jr., Trustee	
1/16 x .125 . . . . .	.00781250 RI
Max W. Coll II	
3/32 x .125 . . . . .	.01171875 RI
James N. Coll	
3/32 x .125 . . . . .	.01171875 RI
Charles H. Coll	
3/32 x .125 . . . . .	.01171875 RI
Jon F. Coll	
3/32 x .125 . . . . .	.01171875 RI
Fluor Oil and Gas Corporation	
1/8 x .125 . . . . .	.01562500 RI
Melba Warren Taft	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Cities Development Company	
1/8 x .125 . . . . .	.01562500 RI
Heirs and/or Devisees of D. W. Justis, dec'd.	
2520/12096 x 1/8 x .125 . . . . .	.00325521 RI
Tenneco Oil Company	
1512/12096 x 1/8 x .125 . . . . .	.00195312 RI
John W. Justis	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Susie Menn	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Joyce Stallings	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Ida Pennington	
315/12096 x 1/8 x .125 . . . . .	.00040690 RI
Mrs. Ethel Nevitt	
315/12096 x 1/8 x .125 . . . . .	.00040690 RI

Heirs and/or Devisees of Fred Roy Lancaster, deceased		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Amo Camille Greeson		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Edith I. Sanford		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Alice M. Eldridge		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Francis A. Snipes		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Irene E. Taylor		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Clifford B. Justis		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
R. W. Justis		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Robert E. Justis, Jr.		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Julia Bell Coleman		
504/12096 x 1/8 x .125 . . . . .		.00065104 RI
Imogene S. Hale		
504/12096 x 1/8 x .125 . . . . .		.00065104 RI
Leona Richardson		
336/12096 x 1/8 x .125 . . . . .		.00043403 RI
Minnie T. Babasin		
336/12096 x 1/8 x .125 . . . . .		.00043403 RI
Robert Hugo Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Patricia Ann Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Naomi Jean Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Bethany Elaine Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Edith Carolyn Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Mary Ruth Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Donna Gail Rabideaux		
36/12096 x 1/8 x .12500004651 RI

Marjorie Charlene Welsch 36/12096 x 1/8 x .12500004650 RI
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Lynda Kay Justis Bates 36/12096 x 1/8 x .12500004650 RI
Jack R. Turner 168/12096 x 1/8 x .12500021701 RI
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Carlton E. Justis, Jr. 36/12096 x 1/8 x .12500004650 RI
James Justis 36/12096 x 1/8 x .12500004651 RI
Barry Ann Justis 36/12096 x 1/8 x .125 . . . . .	.00004650 RI
New Mexico Bank and Trust Company, Trustee for J. L. Burke 1470/12096 x 1/8 x .125 . . . . .	.00189887 RI
H. M. Bettis, Inc. [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
W. T. Boyle and wife Loyce Boyle [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Turnco, Inc. [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Spencer B. Street Jr. and wife Carole G. Street [(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125	.00221122 RI
Way Enterprises, Inc. 1/48 x .12500260417 RI
Ruth Blakeney Conger 1/96 x .12500130208 RI
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Exxon Corporation 1/16 x 8/806250000 ORI
H. M. Bettis, Inc. 1/5 x .812516250000 WI
W. T. Boyle and wife Loyce Boyle 1/5 x .8125 . . . . .	.16250000 WI

Norman D. Stovall, Jr. and wife Eleanor F. Stovall	
1/5 x .8125 . . . . .	.16250000 WI
Turnco, Inc.	
1/5 x .8125 . . . . .	.16250000 WI
Spencer B. Street, Jr. and wife Carole G. Street	
1/5 x .8125 . . . . .	.16250000 WI
	<u>1.00000000</u>

3. SE/4 NE/4 Section 20:

Bonnie R. Etz and Etz Oil Properties, Ltd.	
1/16 x .125 . . . . .	.00781250 RI
George R. Etz, Jr. Trustee	
1/16 x .125 . . . . .	.00781250 RI
Max W. Coll II	
3/32 x .125 . . . . .	.01171875 RI
James N. Coll	
3/32 x .125 . . . . .	.01171875 RI
Charles H. Coll	
3/32 x .125 . . . . .	.01171875 RI
Jon F. Coll	
3/32 x .125 . . . . .	.01171875 RI
Melba Stevens Justis	
1/32 x .125 . . . . .	.00390625 RI
Melba Warren Taft	
(1/32 + 210/12096 x 1/8) x .125 . . . . .	.00417752 RI
Fluor Oil & Gas Corporation	
1/8 x .125 . . . . .	.01562500 RI
Heirs and/or devisees of D. W. Justis, dec'd.	
(1/16 x 2520/12096 x 1/8) x .125 . . . . .	.01106771 RI
Tenneco Oil Company	
1512/12096 x 1/8 x .125 . . . . .	.00195312 RI
John W. Justis	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Susie Menn	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Joyce Stallings	
210/12096 x 1/8 x .125 . . . . .	.00027127 RI
Mrs. Ida Pennington	
315/12096 x 1/8 x .125 . . . . .	.00040690 RI
Mrs. Ethel Nevitt	
315/12096 x 1/8 x .125 . . . . .	.00040690 RI

Heirs and/or Deviees of Fred Roy Lancaster, deceased		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Amo Camille Greeson		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Edith I. Sanford		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Alice M. Eldridge		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Francis A. Snipes		
315/12096 x 1/8 x .125 . . . . .		.00040690 RI
Mrs. Irene E. Taylor		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Clifford B. Justis		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
R. W. Justis		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Robert E. Justis, Jr.		
144/12096 x 1/8 x .125 . . . . .		.00018601 RI
Julia Bell Coleman		
504/12096 x 1/8 x .125 . . . . .		.00065104 RI
Imogene S. Hale		
504/12096 x 1/8 x .125 . . . . .		.00065104 RI
Leona Richardson		
336/12096 x 1/8 x .125 . . . . .		.00043403 RI
Minnie T. Babasin		
336/12096 x 1/8 x .125 . . . . .		.00043403 RI
Robert Hugo Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Patricia Ann Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Naomi Jean Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Bethany Elaine Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Edith Carolyn Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Mary Ruth Slate		
35/12096 x 1/8 x .125 . . . . .		.00004521 RI
Donna Gail Rabideaux		
36/12096 x 1/8 x .125 . . . . .		.00004651 RI

Marjorie Charlene Welsch		
36/12096 x 1/8 x .125 . . . . .		.00004650 RI
Charles H. Justis, Jr.		
36/12096 x 1/8 x .125 . . . . .		.00004651 RI
Lynda Kay Justis Bates		
36/12096 x 1/8 x .125 . . . . .		.00004650 RI
Jack R. Turner		
168/12096 x 1/8 x .125 . . . . .		.00021701 RI
John P. Turner		
168/12096 x 1/8 x .125 . . . . .		.00021701 RI
Carlton E. Justis, Jr.		
36/12096 x 1/8 x .125 . . . . .		.00004650 RI
James Justis		
36/12096 x 1/8 x .125 . . . . .		.00004651 RI
Barry Ann Justis		
36/12096 x 1/8 x .125 . . . . .		.00004650 RI
New Mexico Bank and Trust Company, Trustee for		
J. L. Burke		
1470/12096 x 1/8 x .125 . . . . .		.00189887 RI
H. M. Bettis, Inc.		
[(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125		.00221122 RI
W. T. Boyle and wife Loyce Boyle		
[(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125		.00221122 RI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall		
[(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125		.00221122 RI
Turnco, Inc.		
[(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125		.00221122 RI
Spencer B. Street, Jr. and wife Carole G. Street		
[(1/5 x 495/12096 x 1/8) + (1/5 x 4/48)] x .125		.00221122 RI
Way Enterprises, Inc.		
1/48 x .125 . . . . .		.00260417 RI
Ruth Blakeney Conger		
1/96 x .125 . . . . .		.00130208 RI
Maude Cowden Blakeney		
1/96 x .125 . . . . .		.00130208 RI
H. M. Bettis, Inc.		
1/5 x .875 . . . . .		.17500000 WI
W. T. Boyle and wife Loyce Boyle		
1/5 x .875 . . . . .		.17500000 WI
Norman D. Stovall, Jr. and wife Eleanor F. Stovall		
1/5 x .875 . . . . .		.17500000 WI

Turnco, Inc.

1/5 x .87517500000 WI

Spencer B. Street, Jr. and wife Carole G. Street

1/5 x .87517500000 WI
1.00000000

Robert H. Strand, P.A.

Attorney at Law

Practice Limited to Oil and Gas Law

Telephone (505) 624-0251

Suite 125 - Petroleum Building

Roswell, New Mexico 88201

Please Reply To:

June 8, 1982

IN RE OPINION OF TITLE TO:

United States Oil and Gas Lease LC-0058222
insofar as it covers:

No. 82-32

Township 25 South, Range 37 East, NMPM

Section 20: NE/4 NE/4

From the surface to 3,600 feet subsurface, or to the base of the Seven Rivers Formation, whichever is shallower.

Containing 40.00 acres, more or less,
Lea County, New Mexico

Mr. Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

Dear Mr. Hartman:

In connection with title to the captioned for drilling purposes, I have examined the following:

1. Kerr, Fitz-Gerald & Kerr Opinion of Title dated November 12, 1981, covering the Yates portion of the Jalmat interval underlying the E/2 NE/4 of Section 19, T-25-S, R-37-E, NMPM, Lea County, New Mexico, based on Abstract No. 32514 described below.
2. Kerr, Fitz-Gerald & Kerr Opinion of Title dated January 22, 1982, covering the Yates portion of the Jalmat interval underlying the N/2 NW/4 and SW/4 NW/4, Section 20, T-25-S, R-37-E, NMPM, Lea County, New Mexico, based on Abstract No. 32606 described below.
3. Abstract of Title No. 32514 compiled by Lea County Abstract Company, Lovington, New Mexico, containing 454 pages, and tracing title to the minerals only of the E/2 NE/4 Section 19, T-25-S, R-37-E, NMPM, as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of Records to September 16, 1981 at 7:00 O'Clock A.M.
4. Abstract of Title No. 32606 compiled by Lea County Abstract Company, Lovington, New Mexico, containing 1191 pages, and tracing title to the minerals only of the N/2 NW/4 and SW/4 NW/4 Section 20,

June 8, 1982

T-25-S, R-37-E, NMPM, as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of Records to December 9, 1981 at 7:00 O'Clock A.M.

5. Abstract of Title No. 32844 (Complemental) compiled by Lea County Abstract Company, Lovington, New Mexico, containing 168 pages, and when taken with the two abstracts described above, traces title to the minerals only of the captioned lands as reflected by the Records of the County Clerk and Clerk of the District Court of Lea County, New Mexico, from inception of Records to May 17, 1982 at 7:00 O'Clock A.M.
6. Abstract of Title No. 2734 compiled by Schutz Abstract Company, Santa Fe, New Mexico, containing 123 pages, and tracing title to the captioned lease and lands as reflected by the Plat Book Records, Historical Index Records, Serial Records & Case File in the United States Land Office, Santa Fe, New Mexico, from inception of Records to May 7, 1982 at 10:00 O'Clock A.M.
7. Will, Letters Testamentary, Inventory and Final Decree in the Matter of the Last Will and Testament of Mabel F. Leonard, deceased, Chaves County Probate Court Cause No. 5164.

From my examination of the above, and based solely thereon, I report as follows:

I. Title:

A. Minerals:

United States All

B. Record Title to United States Lease LC-058222:

Tenneco Oil Company All

C. Oil and Gas Leasehold Estate:

United States12500000 RI*

Ruth Johns and the Heirs and/or Devisees
of R. T. Johns, deceased05000000 ORI

Robert J. Leonard
1/3 x 2.5%00833333 ORI

Patrick J. Leonard
1/3 x 2.5%00833333 ORI

Timothy T. Leonard
1/3 x 2.5%00833334 ORI

H. M. Bettis, Inc.
1/5 x .8016000000 WI

June 8, 1982

W. T. Boyle	
1/5 x .80 . . . . .	.16000000 WI
Norman D. Stovall, Jr.	
1/5 x .80 . . . . .	.16000000 WI
Spence B. Street	
1/5 x .80 . . . . .	.16000000 WI
Turnco, Inc.	
1/5 x .80 . . . . .	.16000000 WI
	<u>1.00000000</u>

* Subject to Schedule "C" Sliding Scale Royalty. See attached copy.

D. Working Interest:

H. M. Bettis, Inc.	20.00 %
W. T. Boyle	20.00 %
Norman D. Stovall, Jr.	20.00 %
Spence B. Street	20.00 %
Turnco, Inc.	20.00 %
	<u>100.00 %</u>

II. Oil and Gas Lease: The principal features of the Oil and Gas Lease covering the captioned lands are as follows:

Form:	3120-7 (February 1977)
Date:	February 1, 1978
Serial Number:	LC-058222
Lessor:	United States
Original Lessee:	E. T. Johns
Present Lessee:	Tenneco Oil Company
Lands Covered:	Exact Captioned Lands
Term:	Ten (10) Years
Rental:	See attached Schedule "C"
Minimum Royalty:	See attached Schedule "C"
Royalty:	See attached Schedule "C"
Stipulations:	This lease contains stipulations relating to surface disturbance, prohibition of payments to permittees and licensees, and protection of esthetic values.

History of the Lease: This Lease originated as an Oil and Gas Prospecting Permit issued to E. T. Johns, and bearing Serial #LC-033575 covering the captioned and other lands. This Permit was subsequently assigned to Skelly Oil Company, which was subsequently issued an Oil and Gas Lease dated February 7, 1938, bearing Serial #LC-033575, and having a term of twenty (20) years, with the right to renew the same for successive ten-year periods. Skelly Oil Company subsequently assigned the lease insofar as it covered the captioned lands to Leonard Oil Company, by Assignment dated July 2, 1940. The captioned lands were segregated and assigned Serial #LC-058222, and the Lease has been renewed effective as of February 1, 1958, February 1, 1968, and February 1, 1978, with the latest Lease being issued to Tenneco Oil

June 8, 1982

Company, as Lessee. As set out above, Tenneco Oil Company is the current holder of record title to such Lease.

III. Comments:

A. Limitation of Opinion: This Opinion covers ownership of the mineral estate only underlying the captioned lands, and no examination has been made as to surface ownership.

B. Prior Opinions: This Opinion is based in part on prior Title Opinions prepared by another law firm, and while I feel you may safely rely on such Opinions, I am sure you understand that I can take no responsibility for the contents thereof.

C. Lease Status: I have checked with the Minerals Management Service offices in Roswell, New Mexico, and Albuquerque, New Mexico, relating to the current status of the captioned Lease. They have informed me that such Lease is currently in a producing status, however, there is currently a delinquency in payment of royalties, and this is the subject of a requirement below.

D. Doyle Hartman Interest: As set out above, operating rights under the captioned lands and intervals are currently owned by H. M. Bettis, Inc., et al. For purposes of this Opinion, I am assuming that you will be acquiring an interest in such operating rights through a Farmout Agreement or other arrangement with the current owners of the same. I have not been provided for my examination, with a copy of such Agreement, and I leave it to your discretion as to whether you desire that I examine the same prior to commencement of drilling operations.

IV. Exceptions to Title and Requirements:

A. Tenneco Oil Company Production Payment: By Conveyance dated October 1, 1965, recorded in Book 246, Page 124 of the Miscellaneous Records, Leonard Oil Company conveyed the captioned lease and operating rights under the captioned lands from the surface to the base of the Seven Rivers Formation, to Tenneco Oil Company, such Conveyance covering numerous properties in addition to the captioned. As a part of this conveyance, Leonard Oil Company reserved a production payment in the principal sum of \$5,500,000.00 payable out of 75% of production. As part of the same instrument, this production payment was conveyed by Leonard Oil Company to Educational Foundation, Inc. Subsequently, by Assignment dated November 25, 1969, recorded in Book 285, Page 852 of the Miscellaneous Records, Educational Foundation, Inc. conveyed such production payment to Tenneco Oil Company. I am of the opinion that this production payment has been paid, and, due to the extent of the production involved in the same, I am of the opinion that Tenneco Oil Company intended that this production payment merge with its working interest at the time of acquisition.

REQUIREMENT NO. 1:

None - advisory only.

B. Gas Purchase Agreements: The abstracts examined

June 8, 1982

reflect the following Gas Purchase Agreements which apparently remain in effect:

1. Gas Purchase Contract dated July 20, 1945, between El Paso Natural Gas Company, as Purchaser, and Leonard Oil Company, as Seller. This Contract was for a term of fifteen (15) years and then on a month-to-month basis, until sixty days' written notice of termination is given by each party to the other.
2. Casinghead Gas Contract dated October 11, 1945, between Leonard Oil Company, as Seller, and El Paso Natural Gas Company, as Buyer. This Contract had a term for the life of the leasehold interest covered, providing further, that after five years, either party may terminate the contract as of the anniversary date by giving thirty (30) days' written notice to the other party.
3. Casinghead Gas Contract dated August 1, 1949, between Leonard Oil Company, as Seller, and El Paso Natural Gas Company, as Purchaser. This Contract was for the life of the leasehold interest committed thereto, provided further, that after fifteen years, either party could terminate the contract as of the anniversary date by giving thirty (30) days' written notice to the other party.

The abstracts examined do not reflect that any of these contracts have been terminated pursuant to the provisions noted above, and I therefore have the following requirement:

REQUIREMENT NO. 2:

Determine from El Paso Natural Gas Company whether any or all of the above described Gas Contracts remain in effect, and your disposition of gas produced from the captioned lands and intervals should be handled accordingly.

C. H. M. Bettis, Inc. Interest: The County abstract reflects that by Assignment dated March 21, 1977, and effective as of October 1, 1974, and recorded in Book 302, Page 745 of the Oil and Gas Lease Records, H. M. Bettis and wife Jean S. Bettis conveyed their interest in the above described lease to H. M. Bettis, Inc., a Texas corporation. This Assignment has not been filed for approval with the Bureau of Land Management, and I therefore have the following requirement:

REQUIREMENT NO. 3:

Due to recent changes in the regulations of the Bureau of Land Management relating to Assignments of Operating Rights, it will be necessary that a new Assignment utilizing the required BLM form be prepared reflecting the above Conveyance of Operating Rights, and the same should be filed for approval with the Bureau of Land Management State Office in Santa Fe, New Mexico, in accordance with the appropriate regulations.

D. United States Royalty: The captioned Oil and

Doyle Hartman
LC-058222

-6-

June 8, 1982

Gas Lease, which is a renewal lease, contains Schedule "C" royalty provisions which are applicable to such leases, and provide for a sliding scale royalty on production of oil and gas. I have attached a copy of the Schedule "C" provisions to this Opinion for you information. Please note that either a flat 12.5% royalty, or the sliding scale royalty may be in effect, depending on whether the lands were determined to be within a known geological structure prior to the dates set out in Subsection 1 of the royalty provisions contained in Schedule "C". Also, we contacted the Minerals Management Service by telephone to determine the status of the lease at the current time, and they informed us that it was in a producing status, but that there was a delinquency in royalty payments in the amount of approximately \$15,000.00, however, they were unable to provide us with information as to the details on such delinquency.

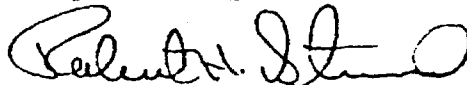
REQUIREMENT NO. 4:

Prior to commencement of drilling operations, you should determine from the Minerals Management Service whether the royalty account for the captioned lease has been brought into good standing, and in the event it has not, you should request, and confirm, that Tenneco Oil Company as owner of record title, has satisfactorily taken care of this matter. In the event that the captioned lands go on production, you should determine from the Minerals Management Service what royalty is in effect for the captioned lease.

This Opinion does not cover matters which might be disclosed by a survey or on the ground inspection of the captioned lands, rights or parties in possession, nor boundaries by acquiescence by virtue of usage, fence lines or similar situations.

Subject to compliance with the above comments and requirements, title is approved for drilling purposes in accordance with the ownership schedule set out above as of the certificate dates of the above described abstracts.

Respectfully submitted,



Robert H. Strand

RHS/bjt

Form 3120-10
(March 1965)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 23 2 03 PM '76
SANTA FE, N. MEXICO
RENTAL AND ROYALTIES
SCHEDULE "C"

JAN 9 2 19 PM '76
SANTA FE, N. MEXICO

RENTALS - To pay the lessor in advance on annual rental of \$1 per acre prior to a discovery of oil or gas on the leased lands.

MINIMUM ROYALTY - To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION - To pay the lessor the following royalty on production removed or sold from the leased lands:

1. A royalty of 12½ percent on the production removed or sold from
 - a. Land determined by the Director, Geological Survey, not to be within the productive limits of any oil or gas deposit on August 8, 1946;
 - b. An oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled on the leased land and which is determined by the Director, Geological Survey, to be a new deposit; or
 - c. Allocated to the lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered on unitized land after May 27, 1941, and determined by the Director, Geological Survey, to be a new deposit, but only if at the time of discovery the lease was committed to the agreement or was included in a duly executed and filed application for approval of the agreement.
2. On production of oil removed or sold from lands not subject to subsection (1) hereof, where a flat royalty rate of 5 percent was fixed in the original lease:

When the average production for the calendar month in barrels per well per day is:

OVER	NOT OVER	PERCENT OF ROYALTY
	110	12.5
110	130	18
130	150	19
150	200	20
200	250	21
250	300	22
300	350	23
350	400	24
400		25

3. On gas, including inflammable gas, helium, carbon dioxide, and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and other liquid products obtained from gas; when the average production of gas per well per day for the calendar month does not exceed 5,000,000 cubic feet, 12½ percent; and when the production of gas exceeds 5,000,000 cubic feet, 16-2/3 percent of the amount or value of the gas and liquid products produced.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of July, 1982, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 37 East, N.M.P.M.

Section 20: NE/4 NE/4, SE/4 NE/4, SW/4 NE/4

Containing 120.00 acres, more or less, and this agreement shall include only the intervals comprising the Jalmat Gas Pool underlying said lands and the natural gas and associated liquid hydrocarbons hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Area Oil and Gas Supervisor.

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~WITNESSES~~ EXHIBIT NO. 2
CASE NO. 7642

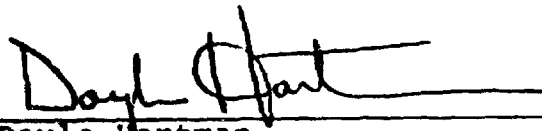
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

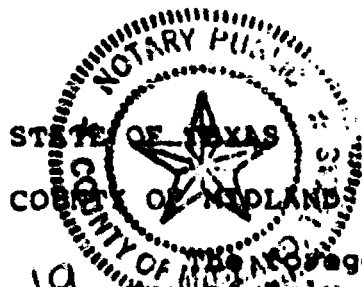
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. This agreement is effective _____, upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long as communitized substances are, or can be, produced from the communitized area in paying quantities: provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.


Doyle Hartman



) ss.
)

19 The foregoing instrument was acknowledged before me this day of July, 1982 by DOYLE HARTMAN.

My Commission expires:
NANCY SCHATZ
My Commission Expires Nov. 25, 84

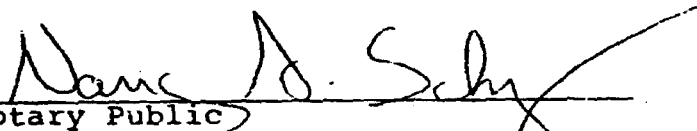

Notary Public
Please print or type Notary's name.
(Nancy A. Schatz)

EXHIBIT "A"

Plat of communitized area covering NE/4 NE/4, SE/4 NE/4, SW/4 NE/4,
Section 20, Township 25 South, Range 37 East, NMPM, Jalmat Field,
Lea County, New Mexico.

	Tenneco Oil Company Tract No. 1 40.00 acres LC-0058222
H. M. Bettis, Inc. et al Tract No. 3 40.00 acres Fee o Justis 11 Well	H. B. Bettis, Inc. et al Tract No. 2 40.00 acres Fee

20

EXHIBIT "B"

To Communitization Agreement dated
July 1, 1982 embracing:

Township 25 South, Range 37 East, NMPM

Section 20: NE/4 NE/4, SE/4 NE/4, SW/4 NE/4

Containing 120.00 acres, more or less.

Operator of Communitized Area: Doyle Hartman

Description of Leases Committed

Tract No. 1

Lease Serial Number:	LC-058222
Lease Date:	February 1, 1978
Lease Term:	Ten (10) Years
Lessor:	United States of America
Original Lessee:	E. T. Johns
Present Lessee:	Tenneco Oil Company
Description of Land Committed:	<u>Township 25 South, Range 37 East, NMPM</u> <u>Section 20: NE/4 NE/4</u>
Number of acres:	40.00
Royalty Rate:	12½% (subject to Schedule "C" Sliding Scale Royalty provision)
Name and percent ORRI Owners:	
Ruth Johns and the heirs and/or devisees of R. T. Johns, dec'd.	5.000000%
Robert J. Leonard	0.833333%
Patrick J. Leonard	0.833333%
Timothy T. Leonard	0.833333%

Name and percent working interest owners:

H. M. Bettis, Inc.	20.00%
W. T. Boyle	20.00%
Norman D. Stovall, Jr.	20.00%
Spencer B. Street	20.00%
Turnco, Inc.	20.00%

Tract No. 2

Lease Serial Number:	None - Fee Lease
Lease Date:	May 24, 1926
Lease Term:	Five (5) Years
Lessors:	Bonnie R. Etz and Etz Oil Properties, Ltd.; George R. Etz, Jr. Trustee; Max W. Coll II; James N. Coll; Charles H. Coll; Jon F. Coll; Melba Stevens Justis; Melba Warren Taft; Fluor Oil & Gas Corporation; Heirs and/or Devisees of D. W. Justis, dec'd.; Tenneco Oil Company; John W. Justis; Mrs. Susie Menn;

EXHIBIT "B"

Page 2

Lessors continued:

Mrs. Joyce Stallings; Mrs. Ida Pennington; Mrs. Ethel Nevitt; Heirs and/or Devisees of Fred Roy Lancaster; Mrs. Amo Camille Greeson; Mrs. Edith I. Sanford; Mrs. Alice M. Eldridge; Mrs. Francis A. Snipes; Mrs. Irene E. Taylor; Clifford B. Justis; R. W. Justis; Robert E. Justis, Jr.; Julia Bell Coleman; Imogene S. Hale; Leona Richardson; Minnie T. Babasin; Robert Hugo Slate; Patricia Ann Slate; Naomi Jean Slate; Bethany Elaine Slate; Edith Carolyn Slate; Mary Ruth Slate; Donna Gail Rabideaux; Marjorie Charlene Welsch; Charles H. Justis, Jr.; Lynda Kay Justis Bates; Jack R. Turner; John P. Turner; Carlton E. Justis, Jr.; James Justis; Barry Ann Justis; New Mexico Mexico Bank & Trust Company, Trustee for J. L. Burke; H. M. Bettis, Inc.; W. T. Boyle and wife Loyce Boyle; Norman D. Stovall, Jr., and wife Eleanor F. Stovall; Turnco, Inc.; Spencer B. Street, Jr. and wife Carole G. Street; Way Enterprises, Inc.; Ruth Blakeney Conger; Maude Cowden Blakeney. Exxon Corporation; H. M. Bettis, Inc.; W. T. Boyle; Norman D. Stovall, Jr.; Spencer B. Street, Jr.; Turnco, Inc.

Present Lessees:

**Description of Land
Committed:**

Township 25 South, Range 37 East, NMPM
Section 20: SE/4 NE/4

Number of Acres:

40.00

Pooling Clause:

None

Basic Royalty Rate:

12½%

Name and percent ORRI

Owners:

None

**Name and percent Working
Interest Owners:**

H. B. Bettis, Inc.	20.00%
W. T. Boyle	20.00%
Norman D. Stovall, Jr.	20.00%
Spencer B. Street, Jr.	20.00%
Turnco, Inc.	20.00%

Tract No. 3

Lease Serial Number:

None - Fee Lease

Lease Date:

May 24, 1926

Lease Term:

Five (5) Years

Lessors:

Bonnie R. Etz & Etz Oil Properties, Ltd.; George R. Etz, Jr., Trustee; Max W. Coll II; James N. Coll; Charles H. Coll; Jon F. Coll; Fluor Oil and Gas Corporation; Melba Warren Taft; Cities Development Company; Heirs and/or Devisees of D. W. Justis, dec'd.; Tenneco Oil Company; John W. Justis; Mrs. Susie Menn; Mrs. Joyce Stallings; Mrs. Ida Pennington; Mrs. Ethel Nevitt; Heirs and/or Devisees of Fred Roy Lancaster, dec'd.; Mrs. Amo Camille Greeson; Mrs. Edith I. Sanford; Mrs. Alice M. Eldridge; Mrs. Francis A. Snipes; Mrs. Irene E. Taylor;

EXHIBIT "B"

Page 3

Lessors continued:

Clifford B. Justis; R. W. Justis; Robert E. Justis, Jr.; Julia Bell Coleman; Imogene S. Hale; Leona Richardson, Minnie T. Babisin; Robert Hugo Slate; Patricia Ann Slate; Naomi Jean Slate; Bethany Elaine Slate; Edith Carolyn Slate; Mary Ruth Slate; Donna Gail Rabideaux; Marjorie Charlene Welsch; Charles H. Justis, Jr.; Lynda Kay Justis Bates; Jack R. Turner; John P. Turner; Carlton E. Justis, Jr.; James Justis; Barry Ann Justis; New Mexico Bank & Trust Company, Trustee for J. L. Burke; H. M. Bettis, Inc.; W. T. Boyle and wife Loyce Boyle; Norman D. Stovall, Jr. and wife Eleanor F. Stovall; Turnco, Inc.; Spencer B. Street Jr. and wife Carole G. Street; Way Enterprises, Inc.; Rutl Blakeney Conger; Maude Cowden Blakeney.

Present Lessees:

Same as Tract No. 2 above.

Description of Land Committed:

Township 25 South, Range 37 East, NMPM
Section 20: SW/4 NE/4

Number of Acres:

40.00

Pooling Clause:

None

Basic Royalty Rate:

12½%

Name and percent ORRI

Owners:

Exxon Corporation	6.25%
Name and percent working interest owners:	
H. M. Bettis, Inc.	20.00%
N. T. Boyle	20.00%
Norman D. Stoball, Jr.	20.00%
Spencer B. Street, Jr.	20.00%
Turnco, Inc.	20.00%

Recapitulation

<u>Tract No.</u>	<u>Number of Acres</u> <u>Committed</u>	<u>Percentage of Interest</u> <u>in Communitized Area</u>
1	40.00	33.333333%
2	40.00	33.333333%
3	<u>40.00</u>	<u>33.333334%</u>
	120.00	100.000000%

EXHIBIT "B"

Page 3

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HAROLD BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTNEY
THOMAS F. BLUEHER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 5, 1982

Bonnie R. Etz and Etz Oil Properties, Ltd.
Post Office Box 1992
Roswell, New Mexico 88201

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
~~Wagon~~ EXHIBIT NO. 3
CASE NO. 7642

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUEST

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: Bonnie R. Etz & Etz Oil Properties, Ltd. Box 1992 Roswell, NM 88201		3. ARTICLE DESCRIPTION: REGISTERED NO. 263895 INSURED NO.		4. SIGNATURE: <i>Bonnie R. Etz</i> DATE OF DELIVERY: <i>Aug 18 1982</i>	
5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS: <i>[initials]</i>	

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL S. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTNEY
THOMAS F. BLUENER

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

August 5, 1982

Max W. Coll, II
Post Office Box EE
Santa Fe, New Mexico 87502

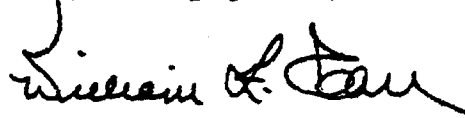
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUEST

BEST AVAILABLE COPY

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		ARTICLE ADDRESSED TO: Max W. Coll, II P.O. Box EE Santa Fe, New Mexico 87501		REGISTERED NO. 263896 CERTIFIED NO. 263896 INSURED NO.		DATE OF DELIVERY		SIGNATURE (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE (Always obtain signature of agent) DATE OF DELIVERY		POSTMARK SANTA FE, N.M. AUG 7 1982		CLERK'S INITIALS UNABLE TO DELIVER BECAUSE:	
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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.		(CONSULT POSTMASTER FOR FEES)											

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
KEMP W. GORTNEY
THOMAS F. BLUMER

JEFFERSON PLACE
SUITE 1100 NORTH GUADALUPE
POST OFFICE BOX 2200
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 968-4421
TELECOPIER (505) 963-6043

August 5, 1982

James N. Coll
Post Office Box 1818
Roswell, New Mexico 88201

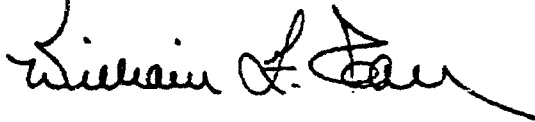
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William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUEST

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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: James N. Coll P.O. Box 1818 Roswell, NM 88201		3. ARTICLE DESCRIPTION: REGISTERED NO. 263897 INSURED NO.	
4. SIGNATURE I have received the article described above. DATE OF DELIVERY ADDRESS (Complete only if requested)		5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE:	

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. SERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

Charles H. Coll
Post Office Box 1818
Roswell, New Mexico 88201

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT RE

1. <input checked="" type="checkbox"/> 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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: Charles H. Coll Box 1818 Roswell, NM 88201		3. ARTICLE DESCRIPTION: REGISTERED NO. 263898 INSURED NO.		4. SIGNATURE (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <i>William F. Carr</i> Dated: <i>Aug 10 1982</i>		5. ADDRESS (Complete only if registered) <i>Charles H. Coll</i> Box 1818 Roswell, NM 88201		6. UNABLE TO DELIVER BECAUSE: CLEARLY UNABLE	
---	--	--	--	---	--	--	--	---	--	--	--

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 D. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUMER

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

August 5, 1982

Melba Warren Taff
Post Office Box 203
Jal, New Mexico 88252

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

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 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: Melba Warren Taff P.O. Box 203 Jal, NM 88252		3. ARTICLE DESCRIPTION: REGISTERED NO. 263819 CERTIFIED NO. 263819 INSURED NO.		4. SIGNATURE: <i>Melba Warren Taff</i> DATE OF DELIVERY: 8-10-82 5. ADDRESS (Complete only if required)	
6. UNABLE TO DELIVER REASON:		7. CLERK'S INITIALS: <i>W</i>		8. POSTMARK: <i>JAL</i>	

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BEGGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUEMER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE (808) 986-4421
TELECOPIER (808) 983-6043

August 5, 1982

Tenneco Oil Company
E & T Accounting
Southwestern Division
Post Office Box 2511
Houston, Texas 77001

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT RE

1. The following services 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 <input type="checkbox"/> RESTRICTED DELIVERY		2. ARTICLE ADDRESSED TO: Tenneco Oil Co. - E&T Accounting Southwestern Division P.O. Box 2511 Houston, Texas 77001	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1 CERTIFIED NO. 1 INSURED NO. 1		4. ADDRESS (Complete only if required) UNABLE TO DELIVER BECAUSE:	
5. ADDRESS (Complete only if required)		6. UNABLE TO DELIVER BECAUSE:	

POSTMASTER FOR FILES

REGISTERED NO. 1
CERTIFIED NO. 1
INSURED NO. 1

POSTAGE PAID
P831 613 007

ALWAYS obtain signature of addressee or agent
I have received the article described above.
SIGNATURE *William F. Carr* DATE *Aug 5 1982*

NO. 1015000
AUG 5 1982
CLERK'S OFFICE

10000 - 1075-200-001

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
KEMP W. GORTHEY
THOMAS F. BLUENER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 5, 1982

John W. Justis
c/o Valley Bank
Post Office Box 1560
Farmington, New Mexico 87401

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: John W. Justis, C/O Valley Bank P.O. Box 1560 Farmington, NM 87401		3. ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. | INSURED NO. P331 613 008		4. SIGNATURE: <i>William F. Carr</i> DATE OF DELIVERY: 8-9-82		5. ADDRESS (Complete only if necessary) SANTA FE, NEW MEXICO 87501		6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS: <i>JD</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
KEMP W. GORTNEY
THOMAS F. BLUEHER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 5, 1982

Heirs and/or Devisees of Fred Roy Lancaster
c/o Belva Shirl Lancaster Koerth
501 West Moreland
Austin, Texas 78745

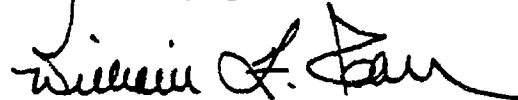
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

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: Heirs and/or Devisees of Fred Roy Lancaster c/o Belva Shirl Lancaster Koerth 501 West Moreland Austin, Texas 78745			
3. REGISTERED NO.	CERTIFIED NO.	INSURED NO.	
	P 331 613 009		
(Always obtain signature of addressee or agent)			
I have received the article described above.			
SIGNATURE	Address	Authenticated agent	
<i>Belva S. Koerth</i>			
DATE OF DELIVERY		POSTMARK	
		AUG 9 1982	
5. ADDRESS (Complete only if required)		6. UNABLE TO DELIVER REASON:	
		CLEAR'S INITIALS	

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
KEMP W. GORTHEY
THOMAS F. BLUEHER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 5, 1982

Clifford B. Justis
1649 East Maple #2
El Segundo, California 90245

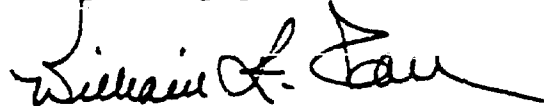
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

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 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: Clifford B. Justis 1649 East Maple #2 El Segundo, CA 90245		3. ARTICLE DESCRIPTION: REGISTERED NO. P 331 61e d10 CERTIFIED NO. INSURED NO.		4. SIGNATURE (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE [Signature] DATE OF DELIVERY [Signature]	
5. ADDRESS (Complete only if requested)		6. POSTAGE AUG 5 1982		7. CLERK'S INITIALS	
8. UNABLE TO DELIVER BECAUSE:					

PS Form 3811, Jan. 1975

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
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

Robert E. Justis, Jr.
318 West E. Street
Ontario, California 91761

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

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 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: Robert E. Justis, Jr. 318 West E. St. Ontario, California 91761	
3. ARTICLE DESCRIPTION: REGISTERED NO. P 331 613 011 INSURED NO.	(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <i>Wm F Carr</i> DATE OF DELIVERY <i>Aug 5 1982</i>
5. ADDRESS (Complete only if necessary)	
6. UNABLE TO DELIVER BECAUSE:	

95 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
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

Helen H. Coleman
Pittsburg, Pennsylvania

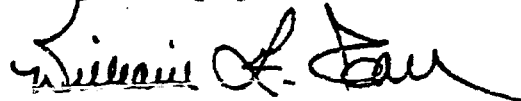
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 331 613 012
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

TO: Helen H. Coleman Pittsburg, Pennsylvania P.O. STATE AND ZIP CODE		POSTAGE	
CERTIFIED FEE		SPECIAL DELIVERY	
RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
OPTIONAL SERVICES		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES		TOTAL POSTAGE AND FEES	
		POSTMARK OR DATE	

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
KEMP W. GORTHEY
THOMAS F. BLUENER

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

August 5, 1982

Imogene S. Hale
1571 San Lucas Road
Palm Springs, California 92262

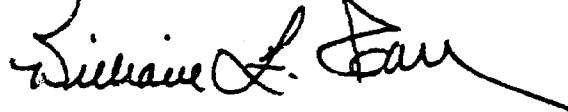
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT

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 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: Imogene S. Hale 1571 San Lucas Road Palm Springs, CA 92262	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1 CERTIFIED NO. 1 INSURED NO. 1 P331 613 013	(Always obtain signature of addressee or agent.) I have received the article described above. SIGNATURE: <i>[Signature]</i> DATE OF DELIVERY: 8/7/82
4. ADDRESS (Domestic only if registered) SANTA FE, NEW MEXICO 87501	
5. ADDRESS (Domestic only if registered) SANTA FE, NEW MEXICO 87501	
6. UNABLE TO DELIVER BECAUSE: INITIALS: <i>[Initials]</i>	

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
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

Leona Richardson Bowles
10408 A Lone Tree Grove
Dallas, Texas 74210

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT

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 <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: Leona Richardson Bowles 10408 A Lone Tree Grove Dallas, Texas 74210		3. ARTICLE DESCRIPTION: REGISTERED NO. P 331 613 014 INSURED NO.		4. DATE OF DELIVERY Aug 9, 82		5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE:	
7. SIGNATURE (Always obtain signature of addressee or agent) <i>Leona Richardson Bowles</i>		8. SIGNATURE (Addressee or authorized agent) <i>William F. Carr</i>		9. POSTAGE AUG 9 1982 MAIL OFFICE SANTA FE, N.M.		10. RETURN RECEIPT I have received the article described above.		11. RETURN RECEIPT I have received the article described above.		12. RETURN RECEIPT I have received the article described above.	

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. SERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUEHER

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-4043

August 5, 1982

Robert Hugo Slate
1301 West Clinton
Tulare, California 93274

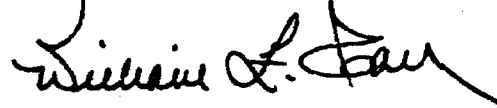
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 331 613 015
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

PS Form 3800, Apr. 1976

CONSULT POSTMASTER FOR FEES		TOTAL POSTAGE AND FEES	
OPTIONAL SERVICES		POSTMARK OR DATE	
RETURN RECEIPT SERVICE			
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			
POSTAGE			
CERTIFIED FEE			

SENT TO: Robert Hugo Slate
STREET AND NO.: 1301 West Clinton
PO BOX: PO Box 2208
PO, STATE AND ZIP CODE: Santa Fe, NM 87501

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. SERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUENER

JEFFERSON PLACE
SUITE 1-110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 982-6043

August 5, 1982

Naomi Jean Slate West
300 Craig
Hillsboro, Texas 76656

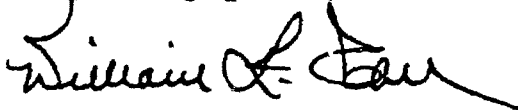
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 331 613 016

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED -
NOT FOR INTERNATIONAL MAIL

(See Reverse)

BENEFIT		P.O. STATE AND ZIP CODE		HILLSBORO, TX 76656	
STREET AND NO.		300 CRAIG		HILLSBORO, TX 76656	
POSTAGE		CERTIFIED FEE		*	
OPTIONAL SERVICES		SPECIAL DELIVERY		*	
RETURN RECEIPT SERVICE		RESTRICTED DELIVERY		*	
CONSULT POSTMASTER FOR FEES		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		*	
TOTAL POSTAGE AND FEES				\$	
POSTMARK OR DATE					

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
KARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BUCKNER

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

August 5, 1982

Mary Ruth Slate Balls
256 Barnes #B
Garland, Texas 75042

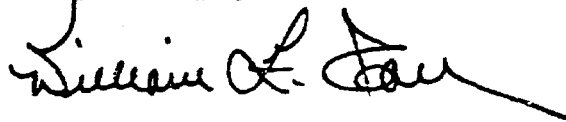
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
Oil Conservation Division Examiner Hearing.

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

Very truly yours,

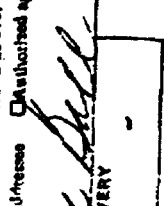


William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT RE

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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: Mary Ruth Slate Balls 256 Barnes #B Garland, Texas 75042		3. ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. | INSURED NO. P331 613 017		4. SIGNATURE (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent 		5. ADDRESS (Complete only if requested)		6. DATE OF DELIVERY		7. POSTMARK		8. CLERK'S INITIALS	
9. UNABLE TO DELIVER BECAUSE:															

PS Form 3811, Jan 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

★ 070 : 1978-389-948

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL S. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUENER

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

August 5, 1982

Donna Gail Rabideaux
139 Stoneham Court
College Park, Georgia 30022

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 331 613 018

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED --
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO <i>Donna Gail Rabideaux</i> THREE AND NO 139 Stoneham Court College Park, Georgia 30022		POSTAGE		CERTIFIED FEE		CONSULT POSTMASTER FOR FEES		OPTIONAL SERVICES		RETURN RECEIPT SERVICE		TOTAL POSTAGE AND FEES		POSTMARK OR DATE	
SPECIAL DELIVERY		RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY					

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL E. CAMPBELL
WILLIAM F. CARR
BRADFORD C. SERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

Marjorie Charlene Welsch
202 Tornille Street
Star Route Chaparral
Box 446
Anthony, New Mexico 88021

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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

William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT RI

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 Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.....		2. ARTICLE ADDRESSED TO: Marjorie Charlene Welsch 202 Tornille St. - Star Route Box 446 Anthony, NM 88021		3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO. P331 613 019		4. SIGNATURE I have received the article described above. SIGNATURE [Address] [Authorized agent] <i>Marjorie Charlene Welsch</i>		5. ADDRESS (Complete only if requested)		6. CLERK'S INITIALS	
SENDER. Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		(CONSULT POSTMASTER FOR FEES)		DATE OF DELIVERY 8-10-82		POSTMARK		UNABLE TO DELIVER BECAUSE		STARO: 1979-28-246	

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
KEMP W. GORTHEY
THOMAS F. BLUCHER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2209
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 5, 1982

Charles H. Justis, Jr.
5100 Burnett Street
Long Beach, California 90815

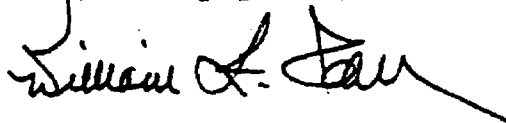
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

1. SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		2. ARTICLE ADDRESSED TO: Charles H. Justis, Jr. 5100 Burnett St. Long Beach, CA 90815		3. ARTICLE DESCRIPTION: REGISTERED NO. P331 613 020 INSURED NO.		4. DATE OF DELIVERY: AUG 07 1982		5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE:		7. CLERK'S INITIALS	
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)		(Always obtain signature of addressee or agent) SIGNATURE: [Signature] I have received the article described above. AUTHORIZED AGENT: [Signature]		POSTMARK AUG 07 1982							

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
KEMP W. GORTHEY
THOMAS F. BLUEHR

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

August 5, 1982

John P. Turner
Route 1
Tioga, Texas 76271

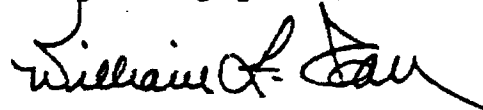
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
Oil Conservation Division Examiner Hearing.

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

Very truly yours,

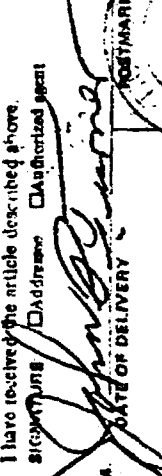


William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT RE

● 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 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: John P. Turner Route 1 Tioga, Texas 76271	
3. ARTICLE DESCRIPTION: REGISTERED NO. P331,613	INSURED NO. 021
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
DATE OF DELIVERY 	
POSTMARK AUG 10 1982	
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	

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
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

New Mexico Bank and Trust Company
Trustee for J. L. Burke & Joyce Gross Burke
Hobbs, New Mexico 88240

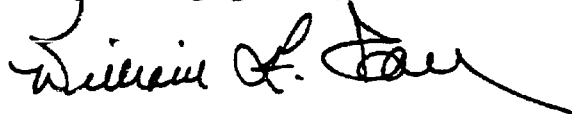
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT RE

1. The following service is requested (check box): <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.		2. ARTICLE ADDRESSED TO: New Mexico Bank & Trust Company Trustees for J. L. Burke and Joyce Gross Burke Hobbs, NM 88240		3. ARTICLE DESCRIPTION: REGISTERED NO. P331 613 022 INSURED NO.	
4. DATE OF DELIVERY		5. ADDRESS (Complete only if requested)		6. SIGNATURE (Authorized agent) W. F. Carr	
7. POSTMARK AUG 5 1982		8. CLERK'S INITIALS WFC		9. UNABLE TO DELIVER BECAUSE:	

PS Form 3811, Jan. 1979

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL S. CAMPBELL
WILLIAM F. CARR
BRADFORD C. SERGE
WILLIAM G. WARDLE
KEMM W. GORTHEY
THOMAS F. BLUCHER

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

August 5, 1982

Way Enterprises, Inc.
Post Office Box 1756
Midland, Texas 79701


Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT R

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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FINES)	
2. ARTICLE ADDRESSED TO: Way Enterprises, Inc. P.O. Box 1756 Midland, Texas 79701	
3. ARTICLE DESCRIPTION: REGISTERED NO. 1 CERTIFIED NO. 2 INSURED NO. 3	H331 613 023
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent Alma Ritchie DATE OF DELIVERY AUG 11 1982	
4. ADDRESS (Receipts only if registered)	
5. UNABLE TO DELIVER BECAUSE:	

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
KEMP W. GORTHEY
THOMAS F. BLUEHER

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 963-6043

August 5, 1982

Exxon Corporation
615 West Missouri
Post Office Box 1600
Midland, Texas 79701
Attention: Joint Operations

Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
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:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT

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 Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: 615 West Exxon Corporation -- Missouri P.O. Box 1600 Midland, Texas 79701 ATTENTION: Joint Operations		3. ARTICLES REGISTERED NO. CERTIFIED NO. INSURED NO. P331 613 024	
4. SIGNATURE <i>William F. Carr</i> DATE OF DELIVERY 8-9-82		5. ADDRESS (Sample only) SANTA FE, NEW MEXICO 87501		6. UNABLE TO DELIVER REASON: CLERK'S INITIALS <i>WFC</i>	

78 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. SERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982

Fluor Oil and Gas Corporation
615 Midland Tower Building
Midland, Texas 79701
Attention: Clem Ware

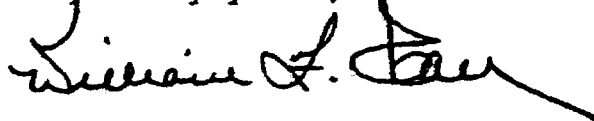
Re: New Mexico Oil Conservation Division Case 7642

Gentlemen:

Enclosed is a copy of the docket for the August 18, 1982
Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
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Very truly yours,



William F. Carr

WFC:kb

w/enc.

CERTIFIED MAIL
RETURN RECEIPT

1. The following services are 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.		(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Fluor Oil & Gas Corporation 615 Midland Tower Building Midland, TX 79701 Clem Ware		3. ARTICLE DESCRIPTION: REGISTERED NO. P 331 613 025 INSURED NO.	
4. SIGNATURE: <i>William F. Carr</i> DATE OF DELIVERY: 8-9-82 ADDRESS (domestic only if requested)		5. CLERK'S INITIALS: <i>WFC</i>	
6. UNABLE TO DELIVER BECAUSE:		7. ADDRESS (domestic only if requested)	

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

JAMES A. DAVIDSON
Oil & Gas Properties
P. O. BOX 494
MIDLAND, TEXAS 79702

(915) 682-6482 - OFFICE
694 5472 - RESIDENCE

July 16, 1982

Re: Communitization Agreement
Doyle Hartman B. M. Justis No. 11
S/2 NE/4 & NE/4 NE/4
Section 20, T-25-S, R-37-E
Lea County, New Mexico

Reference is made to the 120 acre tract consisting of the S/2 NE/4 and NE/4 NE/4 of Section 20, T-25-S, R-37-E. Bettis, Boyle & Stoval, who has been the operator of this acreage for a number of years, have now entered into a Farmout Agreement with Doyle Hartman of Midland, Texas for the drilling of an Infill Jalmat (Gas) well on the currently non-producing (as to the Jalmat (Gas) Zone) subject 120 acre tract. It is Mr. Hartman's intentions to drill a new 3500' Infill Jalmat (Gas) well in the SW/4 NE/4 of Section 20 and to dedicate the new well under New Mexico Oil Conservation Division Pooling Rules to a 120 acre proration unit consisting of the S/2 NE/4 and NE/4 NE/4 of Section 20, T-25-S, R-37-E, Lea County, New Mexico.

Therefore, in order for us to finalize the regulatory requirements in forming the necessary 120 acre proration unit, we respectfully request that you review the below listed enclosures and then return two executed and notarized copies of the Ratification Agreement at your earliest convenience.

- (1) Communitization Agreement (this Agreement is required by the United States Geological Survey since 1/3 of the proration unit consists of Federal acreage. This instrument is being enclosed only for your review and information. It will not be necessary for this instrument to be signed and returned to our office.)
- (2) Copy of Administrative Order # NSP - 1313 (L) is also attached for your information.
- (3) Ratification of the above noted Communitization Agreement. Please note that this Ratification requires a Notary Seal.

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION WORMAN EXHIBIT NO. <u>4</u> CASE NO. <u>7642</u>

Page two
July 16, 1982

We have also enclosed for your convenience a self-addressed stamped envelope for the returning of these instruments.

Thank you for your assistance and please let us hear from you as soon as possible in order that we may proceed with the finalizing of the necessary paper work for the drilling of the subject well.

If you should have any questions concerning this matter, please do not hesitate to call me collect at the above phone number.

Very truly yours,

James A. Davidson

JAD:be
Enclosures



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

July 7, 1982

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Doyle Hartman
P. O. Box 10426
Midland, Texas 79702

Attention: Larry A. Nermyr

Administrative Order NSP-1313(L)

Gentlemen:

Reference is made to your application for a 120-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 20: S/2 NE/4 and NE/4 NE/4

It is my understanding that this unit is to be simultaneously dedicated to your P. M. Justis Well No. 11 to be drilled at an unorthodox location 1980 feet from the North line and 2210 feet from the East line, hereby approved under the provisions of Rule 3 of Order No. R-1670, and your B. M. Justis Well No. 2-A located in Unit H, both in said Section 20.

By authority granted me under the provisions of Rule 5(c)(3) of Order No. R-1670, the above non-standard proration unit is hereby approved.

Sincerely,


JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

Approving proration unit but
subject to execution of the
Ratification or issuance of
Force Pooling Order by the New
Mexico Oil Conservation Division

JUL 12 1982

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of July, 1982, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 37 East, N.M.P.M.

Section 20: NE/4 NE/4, SE/4 NE/4, SW/4 NE/4

Containing 120.00 acres, more or less, and this agreement shall include only the intervals comprising the **Jalmat Gas Pool** underlying said lands and the natural gas and associated liquid hydrocarbons hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Area Oil and Gas Supervisor.

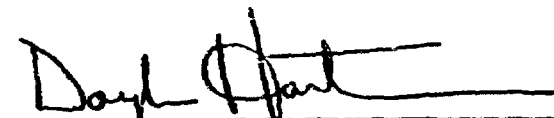
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessee to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

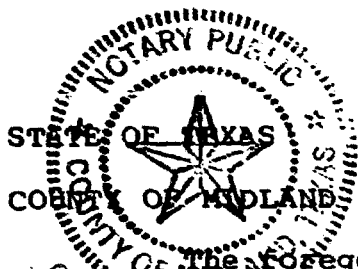
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. This agreement is effective _____, upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long as communitized substances are, or can be, produced from the communitized area in paying quantities: provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.


Doyle Hartman



) ss.

19 The foregoing instrument was acknowledged before me this day of July, 1982 by DOYLE HARTMAN.

My Commission expires:
NANCY SCHATZ
My Commission Expires Nov. 25, 87



Notary Public
Please print or type Notary's name.
(Nancy A. Schatz)

EXHIBIT "A"

Plat of communitized area covering NE/4 NE/4, SE/4 NE/4, SW/4 NE/4,
Section 20, Township 25 South, Range 37 East, NMPM, Jalmat Field,
Lea County, New Mexico.

	Tenneco Oil Company Tract No. 1 40.00 acres LC-0058222
H. M. Bettis, Inc. et al Tract No. 3 40.00 acres Fee 6 Justis 11 Well	H. B. Bettis, Inc. et al Tract No. 2 40.00 acres Fee

20

EXHIBIT "B"

To Communitization Agreement dated
July 1, 1982 embracing:

Township 25 South, Range 37 East, NMPM

Section 20: NE/4 NE/4, SE/4 NE/4, SW/4 NE/4

Containing 120.00 acres, more or less.

Operator of Communitized Area: Doyle Hartman

Description of Leases Committed

Tract No. 1

Lease Serial Number: LC-058222
Lease Date: February 1, 1978
Lease Term: Ten (10) Years
Lessor: United States of America
Original Lessee: E. T. Johns
Present Lessee: Tenneco Oil Company
Description of Land
Committed: Township 25 South, Range 37 East, NMPM
Section 20: NE/4 NE/4
Number of acres: 40.00
Royalty Rate: 12½% (subject to Schedule "C" Sliding
Scale Royalty provision)

Name and percent ORRI
Owners:

Ruth Johns and the heirs and/or devisees of R. T. Johns, dec'd.	5.000000%
Robert J. Leonard	0.833333%
Patrick J. Leonard	0.833333%
Timothy T. Leonard	0.833333%

Name and percent working interest owners:

H. M. Bettis, Inc.	20.00%
W. T. Boyle	20.00%
Norman D. Stovall, Jr.	20.00%
Spencer B. Street	20.00%
Turnco, Inc.	20.00%

Tract No. 2

Lease Serial Number: None - Fee Lease
Lease Date: May 24, 1926
Lease Term: Five (5) Years
Lessors: Bonnie R. Etz and Etz Oil Properties, Ltd.;
George R. Etz, Jr. Trustee; Max W. Coll II;
James N. Coll; Charles H. Coll; Jon F. Coll;
Melba Stevens Justis; Melba Warren Taft;
Fluor Oil & Gas Corporation; Heirs and/or
Devisees of D. W. Justis, dec'd.; Tenneco
Oil Company; John W. Justis; Mrs. Susie Menn;

EXHIBIT "B"

Page 2

Lessors continued:

Mrs. Joyce Stallings; Mrs. Ida Pennington; Mrs. Ethel Nevitt; Heirs and/or Devisees of Fred Roy Lancaster; Mrs. Amo Camille Greeson; Mrs. Edith I. Sanford; Mrs. Alice M. Eldridge; Mrs. Francis A. Snipes; Mrs. Irene E. Taylor; Clifford B. Justis; R. W. Justis; Robert E. Justis, Jr.; Julia Bell Coleman; Imogene S. Hale; Leona Richardson; Minnie T. Babasin; Robert Hugo Slate; Patricia Ann Slate; Naomi Jean Slate; Bethany Elaine Slate; Edith Carolyn Slate; Mary Ruth Slate; Donna Gail Rabideaux; Marjorie Charlene Welsch; Charles H. Justis, Jr.; Lynda Kay Justis Bates; Jack R. Turner; John P. Turner; Carlton E. Justis, Jr.; James Justis; Barry Ann Justis; New Mexico Mexico Bank & Trust Company, Trustee for J. L. Burke; H. M. Bettis, Inc.; W. T. Boyle and wife Loyce Boyle; Norman D. Stovall, Jr., and wife Eleanor F. Stovall; Turnco, Inc.; Spencer B. Street, Jr. and wife Carole G. Street; Way Enterprises, Inc.; Ruth Blakeney Conger; Maude Cowden Blakeney. Exxon Corporation; H. M. Bettis, Inc.; W. T. Boyle; Norman D. Stovall, Jr.; Spencer B. Street, Jr.; Turnco, Inc.

Present Lessees:

**Description of Land
Committed:**

Township 25 South, Range 37 East, NMPM
Section 20: SE/4 NE/4

Number of Acres:

40.00

Pooling Clause:

None

Basic Royalty Rate:

12½%

Name and percent ORRI

Owners:

None

**Name and percent Working
Interest Owners:**

H. B. Bettis, Inc.	20.00%
W. T. Boyle	20.00%
Norman D. Stovall, Jr.	20.00%
Spencer B. Street, Jr.	20.00%
Turnco, Inc.	20.00%

Tract No. 3

Lease Serial Number:

None - Fee Lease

Lease Date:

May 24, 1926

Lease Term:

Five (5) Years

Lessors:

Bonnie R. Etz & Etz Oil Properties, Ltd.; George R. Etz, Jr., Trustee; Max W. Coll II; James N. Coll; Charles H. Coll; Jon F. Coll; Fluor Oil and Gas Corporation; Melba Warren Taft; Cities Development Company; Heirs and/or Devisees of D. W. Justis, dec'd.; Tenneco Oil Company; John W. Justis; Mrs. Susie Menn; Mrs. Joyce Stallings; Mrs. Ida Pennington; Mrs. Ethel Nevitt; Heirs and/or Devisees of Fred Roy Lancaster, dec'd.; Mrs. Amo Camille Greeson; Mrs. Edith I. Sanford; Mrs. Alice M. Eldridge; Mrs. Francis A. Snipes; Mrs. Irene E. Taylor;

EXHIBIT "B"

Page 3

Lessors continued:

Clifford B. Justis; R. W. Justis; Robert E. Justis, Jr.; Julia Bell Coleman; Imogene S. Hale; Leona Richardson, Minnie T. Babisin; Robert Hugo Slate; Patricia Ann Slate; Naomi Jean Slate; Bethany Elaine Slate; Edith Carolyn Slate; Mary Ruth Slate; Donna Gail Rabideaux; Marjorie Charlene Welsch; Charles H. Justis, Jr.; Lynda Kay Justis Bates; Jack R. Turner; John P. Turner Carlton E. Justis, Jr.; James Justis; Barry Ann Justis; New Mexico Bank & Trust Company, Trustee for J. L. Burke; H. M. Bettis, Inc.; W. T. Boyle and wife Loyce Boyle; Norman D. Stovall, Jr. and wife Eleanor F. Stovall; Turnco, Inc.; Spencer B. Street Jr. and wife Carole G. Street; Way Enterprises, Inc.; Rut Blakeney Conger; Maude Cowden Blakeney.

Present Lessees:

Same as Tract No. 2 above.

Description of Land Committed:

Township 25 South, Range 37 East, NMPM
Section 20: SW/4 NE/4

Number of Acres:

40.00

Pooling Clause:

None

Basic Royalty Rate:

12½%

Name and percent ORRI

Owners:

Exxon Corporation	6.25%
Name and percent working interest owners:	
H. M. Bettis, Inc.	20.00%
N. T. Boyle	20.00%
Norman D. Stoball, Jr.	20.00%
Spencer B. Street, Jr.	20.00%
Turnco, Inc.	20.00%

Recapitulation

<u>Tract No.</u>	<u>Number of Acres</u> <u>Committed</u>	<u>Percentage of Interest</u> <u>in Communitized Area</u>
1	40.00	33.333333%
2	40.00	33.333333%
3	40.00	33.333334%
	120.00	100.000000%

RATIFICATION OF COMMUNITIZATION AGREEMENT

Reference is made to that certain Communitization Agreement dated July 1, 1982, communitizing the below described lands for production of natural gas and associated liquid hydrocarbons from those intervals comprising the Jalmat Gas Pool underlying the following described lands situated in Lea County, New Mexico:

Township 25 South, Range 37 East, NMPM

Section 20: NE/4 NE/4, SE/4 NE/4, SW/4 NE/4

Containing 120.00 acres, mor or less.

WHEREAS, the undersigned, being owner(s) of an interest in the production from said communitized area desire to ratify and confirm said Communitization Agreement;

NOW, THEREFORE, in consideration of the premises and mutual benefits accruing to the undersigned, the undersigned does hereby ADOPT, RATIFY AND CONFIRM said Communitization Agreement in accordance with all of the terms and provisions thereof, the same as if the undersigned had originally been named in said Communitization Agreement and had executed an original or counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on this the _____ day of _____ July _____, 1982, to be effective as of _____ July 1 _____, 1982 at 7:00 A.M.

THE STATE OF

)

) ss.

COUNTY OF

)

The foregoing instrument was acknowledged before me this _____ day of _____ July _____, 1982, by _____ of _____, a _____ corporation, for an on behalf of said corporation.

My Commission expires:

Notary Public

Please print or type Notary's Name.

(_____)

RATIFICATION OF COMMUNITIZATION AGREEMENT

Reference is made to that certain Communitization Agreement dated July 1, 1982, communitizing the below described lands for production of natural gas and associated liquid hydrocarbons from those intervals comprising the Jalmat Gas Pool underlying the following described lands situated in Lea County, New Mexico:

Township 25 South, Range 37 East, NMPM

Section 20: NE/4 NE/4, SE/4 NE/4, SW/4 NE/4

Containing 120.00 acres, mor or less.

WHEREAS, the undersigned, being owner(s) of an interset in the production from said communitized area desire to ratify and confirm said Communitization Agreement:

NOW, THEREFORE, in consideration of the premises and mutual benefits accruing to the undersigned, the undersigned does hereby ADOPT, RATIFY AND CONFIRM said Communitization Agreement in accordance with all of the terms and provisions thereof, the same as if the undersigned had originally been named in said Communitization Agreement and had executed an original or conterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on this the _____ day of July, 1982, to be effective as of July 1, 1982 at 7:00 A.M.

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of July, 1982, by _____

My Commission expires:

Notary Public
Please print or type Notary's mane.
(_____)

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
TRC		
U.S.G.S.		
LAND OFFICE		
OPERATION		

NEW MEXICO OIL CONSERVATION COMMISSION

30-025-27837

Form C-101
Revised 1-14-82

BEST AVAILABLE COPY

3A. Indicate Type of Location	
STATE <input type="checkbox"/>	FILE <input checked="" type="checkbox"/>
3. State Oil & Gas Lease No.	
7. Well Name	
8. Operator Name	
B. M. Justis	
9. Well No.	
11	
10. Field and Lease Name	
Jalmat (Gas)	
11. Lease No.	
Lea	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Well			
DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	
2. Well No.	3. Well Name	4. Well Type	5. Well No.
Doyle Hartman			
6. Address of Operator			
P. O. Box 10426 Midland, Texas 79702			
7. Location of Well			
UNIT LETTER	LOCATED	FEET FROM THE	LINE
G	1980	North	
2210	East	20	25S 37E
8. Estimated Production			
3071.0 GL	Multi-Well Approved	Cactus	July 1982

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	9 5/8	40.5	400	300	Surface
8 3/4	7	23.0	3150	700	Surface

This proposed well will be drilled to a total depth of 3150 feet and will be completed as a Jalmat (Yates) Gas Producer. From the base of the surface pipe through the running of the production casing, the well will be equipped with a 3000-psi double ram BOP system.

NOTE: Any gas produced from the proposed well has previously been dedicated to El Paso Natural Gas Company

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EXHIBIT NO. 5

CASE NO. 7642

APPROVAL VALID FOR 180 DAYS
EXPIRATION DATE 1/14/83
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM. IF PROPOSED TO DEEPEN OR PLUG BACK, GIVE DATE ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE REDUCED ENVIRONMENT PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Larry A. Nutter Title Engineer Date May 26, 1982

(This space for State Seal)

JERRY SEXTON

APPROVED BY EXHIBIT 1 SIGNATURE TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

JUL 14 1982

NEW MEXICO OIL CONSERVATION COMMISSION
WE LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-178
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

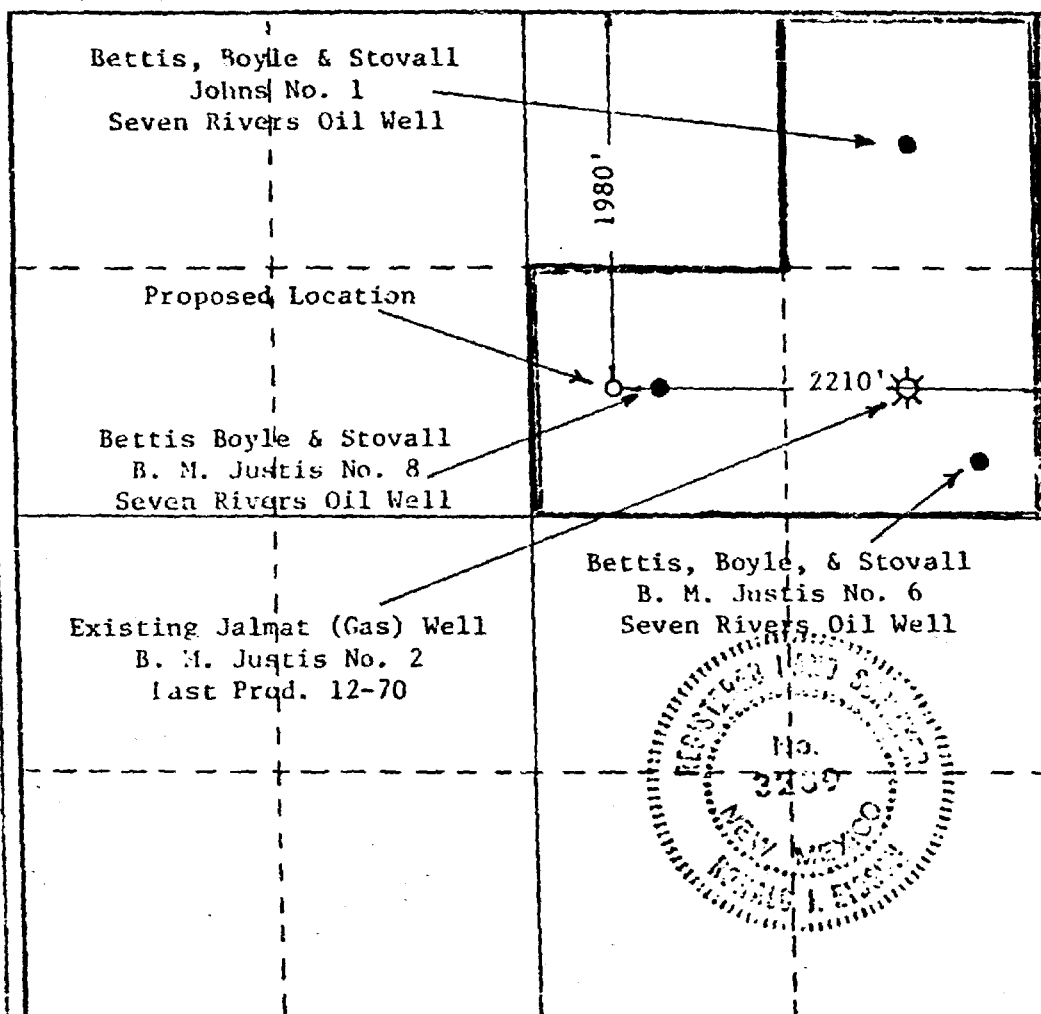
Operator DOYLE HARTMAN		Lease B. M. JUSTIS		Well No. 11
Unit Letter G	Section 20	Township 25 SOUTH	Range 37 EAST	County LEA
Actual Footage Location of Well:				
1980	feet from the	NORTH	line and	2210
			feet from the	EAST
Ground Level Elev. 3071.0	Producing Formation Yates		Pool Jalmat (Gas)	Dedicated Acreage: 120
				Acre

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
Larry A. Hartman

Position
Engineer

Company
Doyle Hartman

Date
May 26, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
May 21, 1982

Registered Professional Engineer and/or Land Surveyor

Ronald L. Eiden

Certificate No. **JOHN W. WEST 678**
PATRICK A. ROMERO 6683

B.M. J
#2/2
Doyle Hartman
P. O. Box 10426
Midland, Texas 79702

Attention: Larry A. Nermyr

Administrative Order NSP-1313(L)

Gentlemen:

Reference is made to your application for a 120-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 20: S/2 NE/4 and NE/4 NE/4

It is my understanding that this unit is to be simultaneously dedicated to your B. M. Justis Well No. 1' to be drilled at an unorthodox location 1980 feet from the North line and 2210 feet from the East line, hereby approved under the provisions of Rule 3 of Order No. R-1670, and your B. M. Justis Well No. 2-A located in Unit H, both in said Section 20.

By authority granted me under the provisions of Rule 5(c)(3) of Order No. R-1670, the above non-standard proration unit is hereby approved.

Sincerely,


JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

JUL 12 1982

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P. O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

May 25, 1982

Mr. R. L. Stamets
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request and Notice for:

1. Simultaneous Dedication
 2. Infill Drilling
 3. 120-acre Non-Standard
Proration Unit
 4. Unorthodox Location
- B. M. Justis Lease
S/2 NE/4 and NE/4 NE/4
Section 20, T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

We are currently in the process of filing a C-101 and C-102 with the New Mexico Oil Conservation Division's District Office in Hobbs for permission to drill a second Jalmat-Yates (Gas) well as an infill well to the same producing interval on an existing 160-acre non-standard proration unit. The subject 160-acre non-standard proration unit is currently dedicated to our B. M. Justis No. 2-A. The proposed well will be drilled at an unorthodox location 1980 FNL and 2210 FEL of Section 20, T-25-S, R-37-E, Lea County, New Mexico.

The present 160-acre non-standard proration unit consists of the NE/4 Section 20, T-25-S, R-37-E. This proration unit is dedicated to our B. M. Justis No. 2-A which is currently not producing, (last production December 1970). We propose to change this to a new 120-acre non-standard proration unit consisting of the S/2 NE/4 and NE/4 NE/4 Section 20, T-25-S, R-37-E, Lea County.

The unorthodox location is necessary because of surface equipment, lease roads, and other wells. I have enclosed a sketch showing these obstacles.

Mr. R. L. Stamets
May 25, 1982
Page 2

I hereby file for administrative approval to drill the proposed well at the unorthodox location of 1980 FNL and 2210 FEL of Section 20, and to simultaneously dedicate the new 120-acre non-standard proration unit comprised of the S/2 NE/4 and NE/4 NE/4 Section 20, T-25-S, R-37-E to both our existing well (B. M. Justis No. 2-A located in H-20-25S-37E) and to our proposed well (B. M. Justis No. 11 located in G-20-25S-37E).

Furthermore, if the proposed well is completed as a commercial producer, and in compliance with the Natural Gas Policy Act of 1978, an application will also be submitted to the New Mexico Oil Conservation Division to obtain administrative approval for the well as a Section 103 infill well located on a previously existing proration unit.

Three copies of a plat showing the location of the original well plus the location of the proposed well on the new 120-acre proration are enclosed.

Copies of this plat and application have also been sent by certified mail to all offsetting parties owning Jalmat-Yates (Gas) rights. The following is a list of the offset Jalmat-Yates owners:

Gulf Oil Exploration and Producing Company
P. O. Box 1150
Midland, Texas 79702
Attention: C. F. Kalteyer
Chief Proration Engineer

Bettis, Boyle and Stovall
P. O. Box 1240
Graham, Texas 76046
Attention: Al Jonietz

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702
Attention: J. A. Howard
District Engineer

Lewis Burleson
P. O. Box 2479
Midland, Texas 79702

Mesa Petroleum Company
Vaughn Building
Suite 1000
Midland, Texas 79701
Attention: C. E. Crowley
Division Geologist

Mr. R. L. Stamets
May 25, 1982
Page 3

El Paso Natural Gas Company
1800 Wilco Building
Midland, Texas 79701
Attention: R. D. Janssen

Thank you for your consideration.

Very truly yours,

DOYLE HARTMAN, OIL OPERATOR

Larry A. Nernyr

Larry A. Nernyr
Engineer

LAN/11

enclosures as above

cc: New Mexico Oil Conservation Division
District 1 Office
P. O. Box 1980
Hobbs, New Mexico 88240
Attention: Jerry Sexton

William P. Aycock
308 Wall Towers West
Midland, Texas 79701

Campbell, Byrd, Black, P. A.
P. O. Box 2208
Santa Fe, New Mexico 87501
Attention: William F. Carr

LIST OF OFFSET JALMAT (GAS) OPERATORS

Doyle Hartman
B. M. Justis No. 11
S/2 NE/4 and NE/4 NE/4
Section 20, T-25-S, R-37-E
Lea County, New Mexico
(120 Acres)

<u>Operator</u>	<u>Lease & Well Name(s)</u>	<u>Gas Well Locations</u>	<u>Unit Description</u>	<u>Number of Acres</u>
1. Gulf	Arnott Ramsey NCT No. 2	O-16-25S-37E	SE/4, S/2 SW/4, and NW/4 SW/4 Section 16, T-25-S, R-37-E	280
2. Mesa	A. R. Coates "B" No. 1	D-21-25S-37E	NW/4 NW/4 Section 21 T-25-S, R-37-E	40
3. Lewis Burleson	Federal No. 1	E-21-25S-37E	SW/4 NW/4 Section 21 T-25-S, R-37-E	40
4. Lewis Burleson	Lane Hart No. 4	L-21-25S-37E	NW/4 SW/4 Section 21 T-25-S, R-37-E	40
5. Lewis Burleson	Leonard No. 1 Leonard No. 2	P-20-25S-37E I-20-25S-37E	E/2 SE/4 Section 20 T-25-S, R-37-E	80
6. Lewis Burleson	Borner No. 3	J-20-25S-37E	W/2 SE/4 Section 20 T-25-S, R-37-E	80
7. Doyle Hartman	Bates No. 1 Bates No. 3	L-20-25S-37E M-20-25S-37E	SW/4 Section 20 T-25-S, R-37-E	160
8. Bettis, Boyle and Stovall	Justis No. 7	F-20-25S-37E	SE/4 NW/4 Section 20 T-25-S, R-37-E	40
9. Doyle Hartman	Justis-Christmas No. 1	E-20-25S-37E	N/2 NW/4 and SW/4 NW/4 Section 20, T-25-S, R-37-E	120
10. Bettis, Boyle, and Stovall	B. M. Justis No. 3	B-20-25S-37E	NW/4 NE/4 Section 20 T-25-S, R-37-E	40
11. Getty Oil Company	South Langille Jai Unit	No Active Well	SW/4 Section 17 T-25-S, R-37-E	160
12. El Paso Natural Gas Co.	Langille No. 1	J-17-25S-37E	SE/4 Section 17 T-25-S, R-37-E	160

LIST OF OFFSET JALMAT (GAS) OPERATORS

Doyle Hartman
B. M. Justis No. 11
S/2 NE/4 and NE/4 NE/4
Section 20, T-25-S, R-37-E
Lea County, New Mexico
(120 Acres)

<u>Operator</u>	<u>Lease & Well Name(s)</u>	<u>Gas Well Locations</u>	<u>Unit Description</u>	<u>Number of Acres</u>
1. Gulf	Arnott Ramsey NCT No. 2	Q-16-25S-37E	SE/4, S/2 SW/4, and NW/4 SW/4 Section 16, T-25-S, R-37-E	280
2. Mesa	A. B. Coates "B" No. 1	D-21-25S-37E	NW/4 NW/4 Section 21 T-25-S, R-37-E	40
3. Lewis Burleson	Federal No. 1	E-21-25S-37E	SW/4 NW/4 Section 21 T-25-S, R-37-E	40
4. Lewis Burleson	Lane Hart No. 4	L-21-25S-37E	NW/4 SW/4 Section 21 T-25-S, R-37-E	40
5. Lewis Burleson	Leonard No. 1 Leonard No. 2	P-20-25S-37E I-20-25S-37E	E/2 SE/4 Section 20 T-25-S, R-37-E	80
6. Lewis Burleson	Horner No. 3	J-20-25S-37E	W/2 SE/4 Section 20 T-25-S, R-37-E	80
7. Doyle Hartman	Bates No. 1 Bates No. 3	L-20-25S-37E M-20-25S-37E	SW/4 Section 20 T-25-S, R-37-E	160
8. Bettis, Boyle and Stovall	Justis No. 7	F-20-25S-37E	SE/4 NW/4 Section 20 T-25-S, R-37-E	40
9. Doyle Hartman	Justis-Christmas No. 1	E-20-25S-37E	N/2 NW/4 and SW/4 NW/4 Section 20, T-25-S, R-37-E	120
10. Bettis, Boyle, and Stovall	B. M. Justis No. 3	B-20-25S-37E	NW/4 NE/4 Section 20 T-25-S, R-37-E	40
11. Getty Oil Company	South Langlie Jal Unit	No Active Well	SW/4 Section 17 T-25-S, R-37-E	160
12. El Paso Natural Gas Co.	Langlie No. 1	J-17-25S-37E	SE/4 Section 17 T-25-S, R-37-E	160

Revised Non-Standard P.U.
S/2 NE/4 and NE/4 NE/4
Sec. 20, T-25-S, R-37-E
(120 acres)

LANGLIE
MATTIX ON
UNIT MOBIL (OPER)
SO. LANGLE
JAL UNIT
RESERVE OIL
(OPER)
Arnoff Ramsay

Proposed Infill Well
B. M. Justis No. 11
1980 FNL & 2210 FEL (G)
Sec. 20, T-25-S, R-37-E

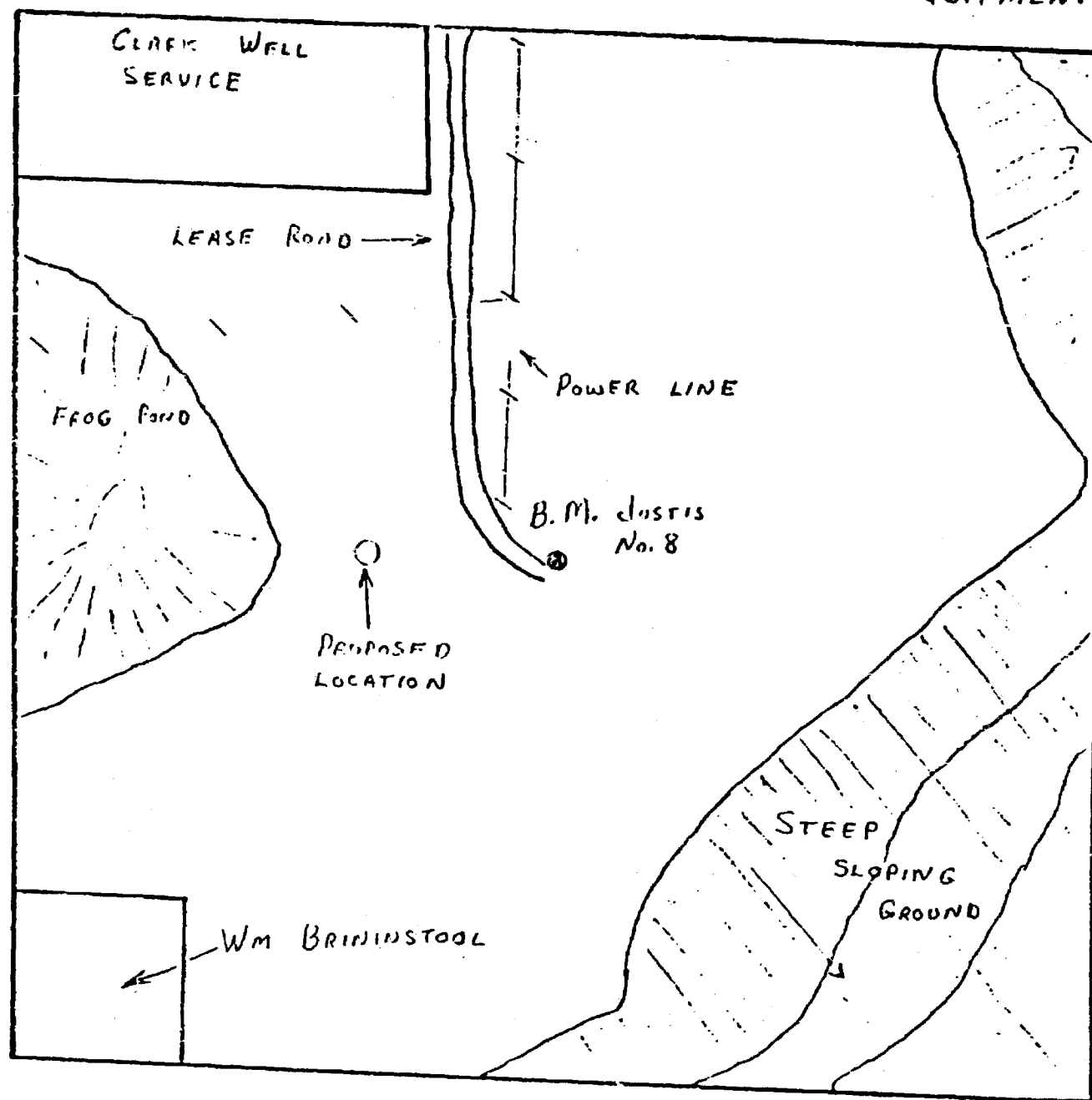
Existing Jalmat (Gas) Well
B. M. Justis No. 2
1980 FSL & 660 FEL (H)
Sec. 20, T-25-S, R-37-E
(Last Prod: 12-70)

ACREAGE OWNERSHIP PLAT
T-25-S, R-37-E
Lea County, New Mexico

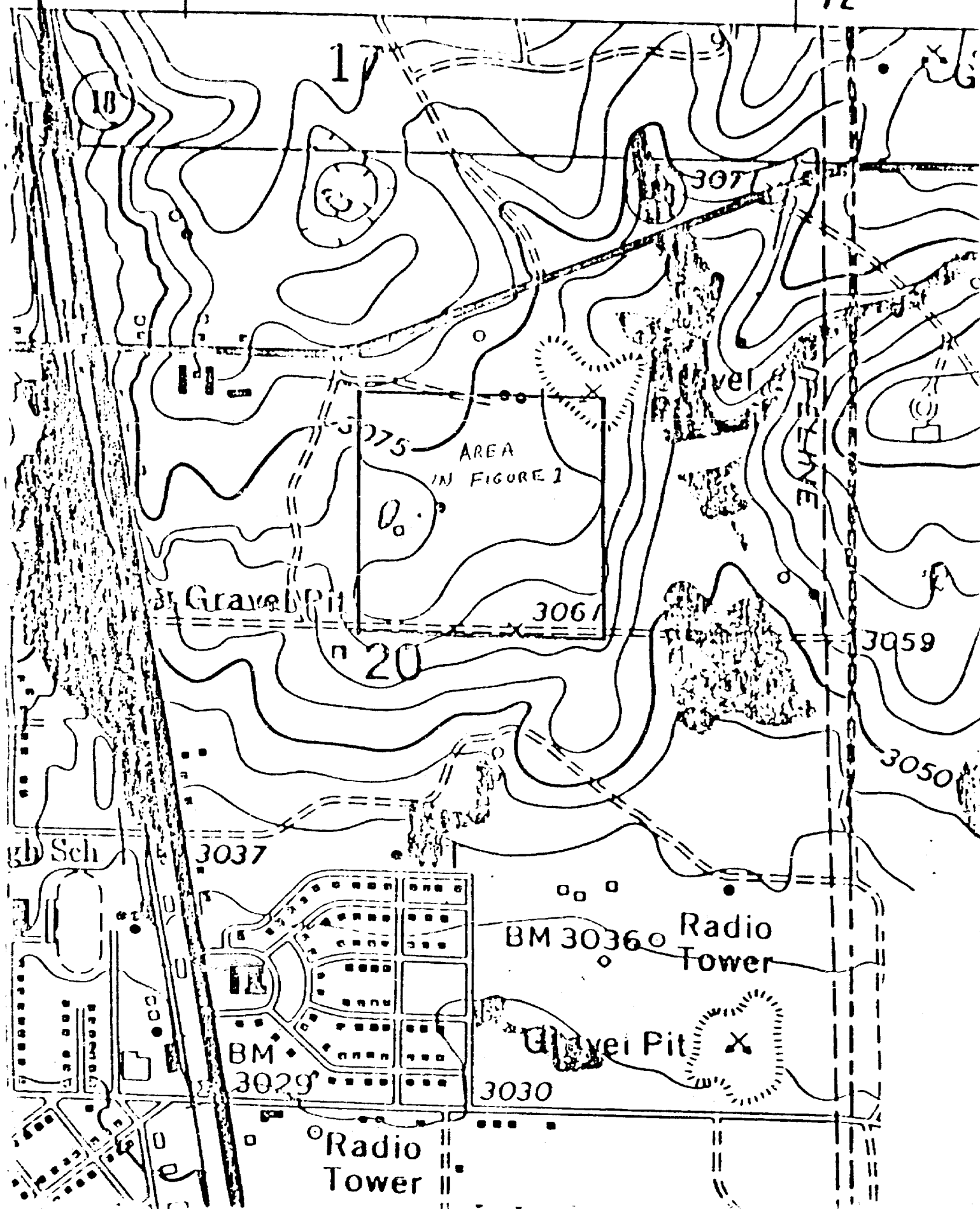
FIGURE 1

SW/4 NE/4 SECTION 20

SKETCH SHOWING SURFACE EQUIPMENT



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Dockets Nos. 29-82 and 30-82 are tentatively set for September 15 and September 29, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 26, 1982

OIL CONSERVATION COMMISSION - 9 A.M.
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

- CASE 7656:** Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, MMSA, 1972 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.
- CASE 7657:** Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.
- CASE 7658:** Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State #1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

Docket No. 28-82

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 1, 1982

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

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

CASE 7635: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7659: Application of Sun Exploration and Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well drilled 660 feet from the North and West lines of Section 21, Township 7 South, Range 26 East, the N/2 of said Section 21 to be dedicated to the well.

CASE 7660: Application of Pauley Petroleum, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3862 feet to 3874 feet in its State Well No. 1 located in Unit B of Section 16, Township 7 South, Range 33 East.

CASE 7661: Application of George Sardella and Gary Plemons for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 NW/4 of Section 33, Township 16 South, Range 33 East.

CASE 7630: (Continued from August 4, 1982, Examiner Hearing)

Application of Ralph Nix for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.

CASE 7662: Application of Carter Foundation Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Blinn-Cade Waterflood Project by converting its Mattix Federal Wells Nos. 2, 5, 6, located in Units C, E, and D, respectively, in Section 3, Township 24 South, Range 37 East, by the injection of water into the Queen formation.

CASE 7639: (Continued from August 18, 1982 Examiner Hearing)

Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinnery Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.

CASE 7663: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 18, Township 30 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. 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 7568: (Continued and Readvertised)

Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit B of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 7651: (Continued from August 18, 1982, Examiner Hearing)

Application of Mortax Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.

CASE 7664: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

CASE 7655: (Continued from August 18, 1982 Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7665: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the N/2 of Section 35, Township 13 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East

CASE 7670: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 26, Township 14 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7648: (Continued from August 18, 1982 Examiner Hearing)

Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmit Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. 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 7671: Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit M of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West in San Juan County. Also the following Ballard-Pictured Cliffs replacement well in San Juan County: Newsom No. 10-E in Unit M of Section 20, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7672: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBMW Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, N80W. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, N80W
Section 25: SW/4

- (b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, N80W. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, N80W
Section 36: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPN. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPN
Section 11: W/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Fe Energy Company Carlson 8-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMPN. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPN
Section 25: SE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPN. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPN
Section 20: E/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moecrief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPN. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPN
Section 8: W/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Madina-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPN. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPN
Section 9: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Morrow Gas Pool. The discovery well is the HNG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPN. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPN
Section 32: W/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yaso production and designated as the Seven Rivers-Yaso Pool. The discovery well is Chama Petroleum Corporation Irami Federal Well No. 1 located in Unit W of Section 34, Township 19 South, Range 25 East, NMPN. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPN
Section 34: SW/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. C. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPN. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPN
Section 12: NE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPN. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPN
Section 17: NE/4

- (l) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit W of Section 4, Township 16 South, Range 35 East, NMPN. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPN
Section 4: Lots 11, 12, 13, and 14

- (m) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. May 8 Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NMPN. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPN
Section 9: SW/4

- (n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPN
Section 3: W/2 NW/4

- (o) CONTRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPN
Section 3: E/2 NW/4

- (p) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPN
Section 13: W/2
Section 14: W/2

- (q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPN
Section 20: NW/4

- (r) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPN
Section 26: E/2

- (s) EXTEND the Silbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPN
Section 5: NW/4
Section 6: E/2

- (t) EXTEND the Bunker Hill-Panrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPN
Section 14: W/2 S/2 and NE/4

- (u) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPN
Section 3: S/2
Section 4: All

- (v) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPN
Section 26: NW/4
Section 27: NE/4 and E/2 NW/4

- (v) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, N28W
Section 35: S/2
Section 36: W/2

- (x) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, N28W
Section 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, N28W
Section 31: NW/4 and S/2 NE/4

- (y) EXTEND the Forty Miner Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, N28W
Section 16: SE/4

- (z) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, N28W
Section 2: Lots 11, 12, 13, 14, and S/2
Section 11: NW/4

- (aa) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, N28W
Section 20: NW/4

- (bb) EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, N28W
Section 19: W/2

- (cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N28W
Section 30: SE/4
Section 31: W/2 NE/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, N28W
Section 15: S/2

- (dd) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, N28W
Section 18: NE/4 and S/2 SE/4

- (ee) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, N28W
Section 23: S/2
Section 26: W/2

- (ff) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, N28W
Section 17: S/2
Section 20: All

- (gg) EXTEND the Saunders Permian-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, N28W
Section 21: NE/4

Dockets Nos. 27-82 and 28-82 are tentatively set for September 1 and September 15, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1982

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

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

- ALLOWABLE:** (1) Consideration of the allowable production of gas for September, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7635:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7636:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7637:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7638:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, Mid-Continent Casualty Company, and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21-North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7639:** Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinbry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.
- CASE 7640:** Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through and including the Abo formation in and under the NE/4 NE/4 of Section 12, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7641:** Application of Reading & Bates Petroleum Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Devonian formation underlying the NW/4 SE/4 of Section 33, Township 14 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7642:** Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. 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 7643:** Application of Texaco, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the W/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, to be dedicated to a well to be drilled at a standard location thereon. 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 7650:** Application of Texaco Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the E/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, to be dedicated to a well to be drilled at a standard location thereon. 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 7644:** Application of Rault Petroleum Corporation & McKay Petroleum Corporation for compulsory pooling, De Baca County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 of Section 33, Township 3 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7645:** Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to the base of the Abo formation underlying the NE/4 of Section 29, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7652:** Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering 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 re-entering said well.
- CASE 7646:** Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well to be drilled 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, the N/2 of said Section 25 to be dedicated to the well.
- CASE 7651:** Application of Mortex Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.
- CASE 7647:** Application of Guest Energy Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open hole interval from 4150 feet to 5600 feet in its State A Well No. 2, located in Unit L of Section 26, Township 14 South, Range 33 East.
- CASE 7653:** Application of Rio Pecos Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chaverlea-North Federal Unit Area, comprising 1,920 acres, more or less, of Federal and Fee lands in Township 8 South, Range 31 East.
- CASE 7648:** Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation, underlying the W/2 of Section 35, Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. 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 7654: Application of Rault Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for an undesignated Pennsylvanian gas well to be drilled 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7306: (Reopened)

In the matter of Case 7306 being reopened pursuant to the provisions of Order No. R-6769 which promulgated temporary pool rules for Madera-Lower Penn Gas Pool in Lea County, including provision for 640-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 7655: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASES 7528 and 7529: (Continued from July 7, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7594: (Continued from July 21, 1982, Examiner Hearing)

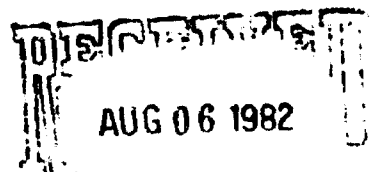
Application of Harvey E. Yates Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in that portion of the Bone Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL S. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY
THOMAS F. BLUEHER

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

August 5, 1982



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

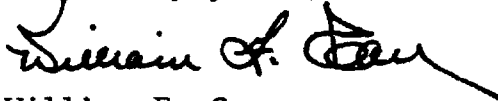
Re: Application of Doyle Hartman for Compulsory
Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Doyle Hartman
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
August 18, 1982.

Very truly yours,


William F. Carr

WFC:jh
w/enc.

cc: Doyle Hartman
Robert Strand

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

AUG 06 1982

IN THE MATTER OF THE APPLICATION
OF DOYLE HARTMAN FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

CASE 7642

APPLICATION

Comes now, DOYLE HARTMAN, 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 from the surface to the base of the Jalmat formation in and under the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of 100% of the working interest in and under the S/2 NE/4 and NE/4 NE/4 of said Section 20, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced non-standard spacing unit to its B.M. Justice Well No. 11 to be drilled at an unorthodox location 1,980 feet from the North line and 2,210 feet from the East line of said Section 20.
3. That the subject non-standard spacing unit, the unorthodox location for the B.M. Justice Well No. 11 and the simultaneous dedication of this well and the B.M. Justice Well No. 11 were approved by the Division on July 7, 1982 by Order No. NSP-1313(L).

4. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all interest owners in the S/2 NE/4 and the NE/4 NE/4 of said Section 20 except those interest owners set forth on Exhibit A attached hereto:

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 royalty interests 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 and interests, 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.

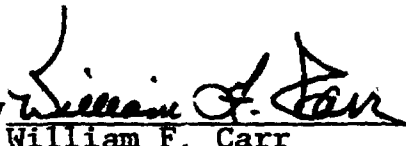
By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421
Attorneys for Applicant

EXHIBIT A
NONCOMMITTED ROYALTY INTEREST OWNERS
B. M. JUSTIS WELL NO. 11
S/2 NE/4, NE/4 NE/4, Section 20, Township 25 South,
Range 37 East, N.M.P.M., Lea County, New Mexico

Bonnie R. Etz and Etz Oil Properties, Ltd. Post Office Box 1992 Roswell, New Mexico 88201	.04166667 RI
Max W. Coll, II Post Office Box EE Santa Fe, New Mexico 87502	.06250000 RI
James N. Coll Post Office Box 1818 Roswell, New Mexico 88201	.06250000 RI
Charles H. Coll Post Office Box 1818 Roswell, New Mexico 88201	.06250000 RI
Melba Stevens Justis No Address Found	.01041667 RI
Melba Warren Taff Post Office Box 203 Jal, New Mexico 88252	.01186343 RI
Jal Townsite Lots No Address Found	-0-
Heirs and/or Devisees of D. W. Justis, dec'd No Address Found	.03819444 RI
Tenneco Oil Company E & T Accounting Southwestern Division Post Office Box 2511 Houston, Texas 77001	.01041667 RI
John W. Justis c/o Valley Bank Post Office Box 1560 Farmington, New Mexico 87401	.00144676 RI
Heirs and/or Devisees of Fred Roy Lancaster c/o Belva Shirl Lancaster Koerth 501 West Moreland Austin, Texas 78745	.00217014 RI
Clifford B. Justis 1649 East Maple #2 El Segundo, California 90245	.00099206 RI
Robert E. Justis, Jr. 318 West E. Street Ontario, California 91761	.00099206 RI
Helen H. Coleman Pittsburg, Pennsylvania	-0-

Imogene S. Hale 1571 San Lucas Road Palm Springs, California 92262	.00347222 RI
Leona Richardson Bowles 10408 A Lone Tree Grove Dallas, Texas 74210	.00231481 RI
Robert Hugo Slate 1301 West Clinton Tulare, California 93274	.00024113 RI
Naomi Jean Slate West 300 Craig Hillsboro, Texas 76656	.00024113 RI
Bethany Elaine Slate No Address Found	.00024113 RI
Edith Carolyn Slate No Address Found	.00024113 RI
Mary Ruth Slate Balls 256 Barnes #B Garland, Texas 75042	.00024113 RI
Donna Gail Rabideaux 139 Stoneham Court College Park, Georgia 30022	.00024802 RI
Marjorie Charlene Welsch 202 Tornille Street Star Route Chaparrel Box 446 Anthony, New Mexico 88021	.00024802 RI
Charles H. Justis, Jr. 5100 Burnett Street Long Beach, California 90815	.00024802 RI
Lynda Kay Justis Bates No Address Found	.00024802 RI
John P. Turner Route 1 Tioga, Texas 76271	.00115741 RI
New Mexico Bank and Trust Company Trustee for J. L. Burke & Joyce Gross Burke Hobbs, New Mexico 88240	.01012731 RI
Way Enterprises, Inc. Post Office Box 1756 Midland, Texas 79701	.01388888 RI
Exxon Corporation 615 West Missouri Post Office Box 1600 Midland, Texas 79701 Attention: Joint Operations	-0-
Fluor Oil and Gas Corporation 615 Midland Tower Building Midland, Texas 79701 Attention: Clem Ware	.08333333 RI
Julia Bell Coleman	.00347222 RI

ORDERS

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:

BEST AVAILABLE COPY

JJR

CASE NO. 7642

Order No. R- 7/20

APPLICATION OF DOYLE HARTMAN FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Chen

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on ~~August 18,~~ ^{September 1,} 1982, at Santa Fe, New Mexico, before Examiner ~~Daniel S. Nutter.~~ ^{RLS}

NOW, on this day of ~~August~~ ^{October}, 1982, 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, Doyle Hartman, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a previously approved unorthodox location.

(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.~~

(7) ~~that~~ 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.

(8) ~~that~~ 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 January 1, 1983, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a ~~non~~-standard 120-acre gas spacing and proration unit to be dedicated to a well to be drilled at a previously approved unorthodox location.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of January, 1983, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Jalmat Pool;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of January, 1982, 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.

(2) That Doyle Hartman 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.~~

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~~(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 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.~~

(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.

(4) (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.

(5) (12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea 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.

(6) (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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L

Memo

August 18, 1982

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To Called in by Bill Carr
7/21/82

Case 7642

Kloyle Hartman

Compulsory Pooling

Surface through Jalonat

Previously approved non-standard
proration unit - 120 acres

5/2 NE1/4 and NE1/4 NE1/4

20-255-37E Lea County

previously approved unorthodox
location B. M. Justis #11

previously approved simultaneous
dedication with #2A

OIL CONSERVATION COMMISSION-SANTA FE