

-asa No.

2608

plication, Transcript,  
and Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2608  
Order No. R-2295

APPLICATION OF SOUTHWEST PRODUCTION  
COMPANY FOR A FORCE-POOLING ORDER,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 26, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 2nd day of August, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Southwest Production Company, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 5, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.

(4) That the fee simple title in the SW/4 SW/4 of said Section 5 is questionable and applicant cannot identify and locate with certainty all owners of interest in the proposed proration unit.

(5) That although the applicant has been diligent in its efforts to form the proposed proration unit, there may remain unknown interest owners in the subject proration unit who have not agreed to the pooling of their interests.

(6) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each

interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) That the applicant proposes to dedicate the subject proration unit to its Rhoda Abrams Well No. 1, located 910 feet from the South line and 990 feet from the East line of said Section 5.

(8) That the applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the costs of said well has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(9) That \$75.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(10) That the applicant should furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished him by the applicant in lieu of paying his share of costs out of production.

(12) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the date said schedule is furnished him should have his share of the well costs withheld from production plus 25 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

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

(14) That Southwest Production Company should be designated the operator of said unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool in the S/2 of Section 5, Township 30

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CASE No. 2608  
Order No. R-2295

North, Range 11 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to the Rhoda Abrams Well No. 1, located 910 feet from the South line and 990 feet from the East line of said Section 5.

(2) That Southwest Production Company is hereby designated the operator of said unit.

(3) That Southwest Production Company is hereby authorized to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of well costs has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(4) That \$75.00 per month is fixed as the cost of operating the subject well, and Southwest Production Company is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(5) 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.

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

(7) That the applicant shall furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(8) That any non-consenting working interest owner shall have the right to pay his share of well costs to Southwest Production Company within 30 days from the date the schedule of well costs is furnished him by Southwest Production Company, in lieu of paying his share of well costs out of production. In the event any such owner elects to pay his share of well costs as provided for in this paragraph, he shall remain liable for operating costs but shall not be liable for risk charges.

(9) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The Commission shall be notified as to the name and address of said escrow agent.

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

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CASE No. 2608  
Order No. R-2295

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

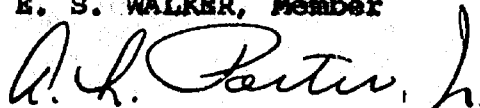
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



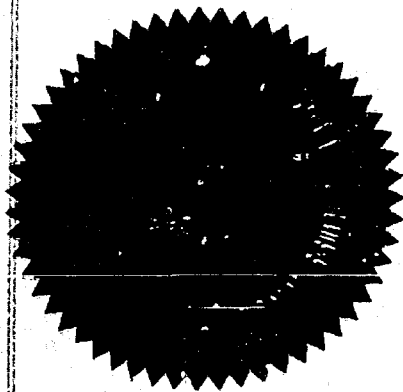
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



esr/

State of New Mexico  
Oil Conservation Commission

P. O. BOX 871  
SANTA FE

**Mr. George Verity  
Verity, Burr & Cooley  
Attorneys at Law  
152 Petroleum Center Building  
Farmington, New Mexico**

Dear Sir:

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

Very truly yours,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x  
Artesia OCC \_\_\_\_\_  
Aztec OCC x

**OTHER**

Case. 2608

Heard 7-26-62

Rec. 7-27-62

1. Grant SW's request for forced pooling of the S/2-5-30N-11W. Dictated well to be thru Rhoda Abrams #1

910/S, 980/E lines sec. 5.

2. 125% Risk + 25% No. operating costs.

3. SW 1/4 was purchased by SW at Box sale. Questionable title reason for forced pooling.

— Ernest A. Int'l

DOCKET: EXAMINER HEARING - THURSDAY, JULY 26, 1962

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

- CASE 2603: Application of Pan American Petroleum Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the S/2 of Section 30, Township 29 North, Range 10 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.
- CASE 2604: Application of Sunray DX Oil Company for permission to dispose of salt water, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks permission to dispose of salt water into the San Andres formation through its Nancy Watson Well No. 2, located 1980 feet from the South line and 660 feet from the West line of Section 31, Township 8 South, Range 34 East, Roosevelt County, New Mexico.
- CASE 2605: Application of Amerada Petroleum Corporation for approval of a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its L. G. Warlick "A" Well No. 2 located in Unit J of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a quadruple completion (tubingless) in the Penrose-Skelly, Paddock, Blinbry, and Drinkard Pools, with the production of oil from all zones to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2606: Application of Texas Crude Oil Company for permission to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill its Ohio State Well No. 1-22. Said well has a surface location 1980 feet from the North line and 1980 feet from the West line of Section 22, Township 10 South, Range 36 East, Lea County; the proposed bottom-hole location of said well will be in the South Crossroads-Devonian Pool at a point 1650 feet from the North line and 1980 feet from the West line of said Section 22.



CASE 2607: Application of Newmont Oil Company for special rules for its Square Lake Pool Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Orders Nos. R-1110, R-1110-A, R-1110-B and R-1110-C defining the horizontal limits of its Square Lake Pool Waterflood Project in Eddy County, New Mexico, establishing rules for the expansion of said waterflood project, and providing for capacity allowables in said project area.

CASE 2608: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the S/2 of Section 5, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2609: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 8, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2610: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2611: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the W/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

iqg/

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

1932 JUL 15 AM 8 23

IN THE MATTER OF:

THE APPLICATION OF SOUTHWEST  
PRODUCTION COMPANY FOR AN  
ORDER FORCE POOLING THE  
BASIN-DAKOTA FORMATION UNDER-  
LYING THE SOUTH HALF ( $S\frac{1}{2}$ ) OF  
SECTION 5, TOWNSHIP 30 NORTH,  
RANGE 11 WEST, N.M.P.M., SAN  
JUAN COUNTY, NEW MEXICO.

No. 3608

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-  
partnership consisting of Joseph P. Driscoll and John H. Hill,  
and for its application alleges and states:

1. That it is the owner of numerous oil and gas leases  
covering portions of the South Half ( $S\frac{1}{2}$ ) of Section 5, Township  
30 North, Range 11 West, N.M.P.M., in San Juan County, New  
Mexico, and that it has drilled and completed a well in the  
Dakota formation in said  $S\frac{1}{2}$  of Section 5.

2. That there are various parts of the South Half ( $S\frac{1}{2}$ ) of  
the above described Section 5 that are unleased, whose owners  
have not agreed to join with the applicant in the drilling,  
completion and producing of the above described well and, although  
the applicant has made a reasonable effort to obtain oil and gas  
leases and/or the joinder of the owners of the unleased portions  
of the above described proration unit, it has been unable to  
obtain such leases and/or the joinder of the owners of the  
unleased portions of said unit, and the applicant, therefore,  
desires that the interest of any and all of said persons be  
force pooled in accord with the statutes of the State of New  
Mexico and the rules and regulations of the Oil Conservation  
Commission of the State of New Mexico.

VERITY, BURR & COOLEY  
ATTORNEYS AND COUNSELORS AT LAW  
SUITE 152 PETROLEUM CENTER BUILDING  
FARMINGTON, NEW MEXICO

3. That applicant desires to dedicate the Basin-Dakota production from the above described well located in the S $\frac{1}{2}$  of the above described Section 5 to the entire South Half (S $\frac{1}{2}$ ) of Section 5, and that the Commission should constitute the applicant as the "Operator" of the pooled unit.

4. That applicant has undergone considerable risk in the drilling and completion of the above referred to well, and that under the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission applicant is entitled to, and should be allowed to take and receive 7/8ths of any and all production had from the above referenced well until such time as it has been reimbursed in an amount equal to 125% of its actual cost of drilling, completing and equipping said well, plus a reasonable compensation for the supervision of the drilling and completion thereof, and a reasonable compensation for the operation thereof.

5. That the force pooling order herein requested is necessary in order to prevent waste and in order to protect the correlative rights of the parties.

6. That a list of the interested parties in this application together with their addresses, insofar as the same are known to the applicant, is set out in Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this application be set down for hearing at the earliest possible date, that due notice thereof be given in accord with the rules and regulations of this Commission, and the laws of the State of New Mexico, and that after hearing, from the evidence to be adduced thereat this Commission enter its order granting the application as above stated.

Respectfully submitted,  
VERITY, BURR & COOLEY

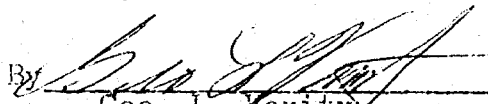
By   
Geo. L. Verity  
Attorneys for applicant,  
Southwest Production Company

EXHIBIT "A"

Mary A. Van Deventer (Deceased)  
and  
unknown heirs and devisees

EXHIBIT "A"

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325.1182

ALBUQUERQUE, N. M.  
PHONE 243.6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

July 26, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Company  
for compulsory pooling, San Juan County,  
New Mexico. Applicant, in the above-styled  
cause, seeks an order force-pooling all  
mineral interests in a gas proration unit  
comprising the S/2 of Section 5, Township  
30 North, Range 11 West, Basin-Dakota Gas  
Pool, San Juan County, New Mexico.

CASE NO.  
2608

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case No. 2608

MR. DURRETT: Application of Southwest Production Company  
for compulsory pooling, San Juan County, New Mexico.

MR. VERITY: G. L. Verity for the Applicant.

EXAMINER UTZ: Will you swear the witness, please?

(Witness sworn.)

EXAMINER UTZ: Any other appearances in this case?

You may proceed.

JACK D. JONES,

called as a witness, having been first duly sworn on oath, was



examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q State your name, please.

A Jack D. Jones.

Q Mr. Jones, what is your occupation at the present time?

A I'm an independent land man.

Q Have you been doing land work in San Juan County for Southwest Production Company, the Applicant in this case?

A Yes, sir.

Q Are you particularly familiar with the land situation in the South half of Section 5, Township 30 North, Range 11 West?

A Yes, sir.

Q San Juan County?

A Yes.

Q Has the Southwest Production Company drilled a well into the Dakota formation in the South half of 5 already?

A Yes, they have.

Q What is the location of that well?

A The location is 990 feet from the East line and 910 feet from the South line. I have some maps here which show the location and the pertinent information if you care to --

Q What is it?

EXAMINER UTZ: Do those maps give the foot locations?

A Yes, they do, plus the date the well was spudded.

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completed, and the initial production.

Q (by Mr. Verity) What is the lease situation in the South half of Section 5?

A Southwest Production Company holds 200 acres, Delhi Taylor 80 acres, which is the North half of the Southwest quarter and Western Development Company 40 acres, which is the Southeast of the Southwest.

Q Has Southwest Production Company entered into an agreement for the development of this acreage with these lease owners?

A Yes, they have.

Q And what is the purpose of this application?

A The purpose of this application is to force pool the South half of the Southwest quarter. The problem there is simply one of an owner prior to a tax sale, a Mary A. VanDeVenter which is apparently deceased.

Q When was the well in the Southeast quarter drilled and completed?

A The well was spudded in the Southeast quarter, was spudded June 21, 1962 and completed on July 17, 1962 with an IP of 2320 MCF. The well has not yet been put on production.

Q Do you think that risk was involved in the drilling and completion of this well?

A Yes, sir.

Q What risk factor do you think should be accorded to the

Applicant by virtue of the risk in the drilling and completion



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of this well?

A Twenty-five percent.

Q And in being operator of this unit, what do you think is a proper operating, monthly operating expense?

A Seventy-five dollars.

Q Of the operations of the well?

A \$75 a month.

Q Do you have an opinion as to whether or not the granting of this application will prevent waste and protect the correlative rights of all the parties owning interest in the South half of Section 5?

A I believe it will.

MR. VERITY: We offer the exhibit in evidence. I don't believe that the reporter marked it.

EXAMINER UTZ: It will be marked Exhibit No. 1.

(Whereupon Applicant's  
Exhibit No. 1 marked  
for identification)

EXAMINER UTZ: Does that conclude your case?

MR. VERITY: That's all we have.

EXAMINER UTZ: Any questions of the witness?

CROSS EXAMINATION

BY EXAMINER UTZ:

Q I wonder if you would state again what your problem is on the Southwest of the Southwest?

A The problem in the Southwest of the Southwest is one of





a tax sale, the land was taken by the county and subsequently by the state for unpaid taxes, and naturally being a tax sale, there are some questions over it. The tax sale is subject to question. The owner of the tax sale is a Mary A. VanDeVenter who is deceased and I have not been able to discover any heirs. I'm advised she was a single woman and I have been unable to locate any heirs.

EXAMINER UTZ: Any other questions of the witness?

The case will be taken under advisement.

\* \* \* \* \*

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PHONE 243-6691



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FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6991

STATE OF NEW MEXICO }  
COUNTY OF BERNALILLO ) ss.

I, MARIANNA MEIER, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

*Marianne Meier*  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2408, heard by me on July 26, 1962.

*Smith A. H.*  
Examiner  
New Mexico Oil Conservation Commission



SOUTHWEST PRODUCTION COMPANY

3108 SOUTHLAND CENTER

DALLAS 1, TEXAS

JOSEPH P. DRISCOLL

RIVERSIDE 8-8388

JOHN H. HILL

August 22, 1962

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Southwest's SWP-113  
Case No. 2508, Order No. R-2295,  
(Force Pooling, Rhoda Abrams No. 1 Well,  
S/2, Sec. 5-30N-11W, N.M.P.M.,  
San Juan County, New Mexico

Gentlemen:

Reference is made to the above-described order of the New Mexico Oil Conservation Commission dated August 2, 1962, providing for the force pooling of all mineral interests, whatever they may be, in the Basin-Dakota gas pool in the South Half of Section 5, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico, and the dedication of such unit to the Rhoda Abrams No. 1 Well located thereon.

Pursuant to such order, there is attached an itemized current schedule of well costs. A copy of this schedule has been sent to each known non-consenting working interest owner in the subject unit, in accordance with such order. Each person has been advised of his right to pay his share of costs in such well.

Sincerely yours,

  
Joseph P. Driscoll

JPD/a

enclosure

Certified - RRR

SOUTHWEST PRODUCTION COMPANY  
3108 Southland Center  
Dallas 1, Texas

17  
JOINT INTEREST BILLING

Lease Name:

Rhoda Abrams No. 1 Well (Dakota)  
S/2, Section 5-30N-11W  
San Juan County, New Mexico

Invoice No.	Description	Amount
152-62	Aspen Drilling Company, 7-9-62 Contract drilling to 6835'	\$35,000.00 35,000.00*
4779	Goodno Welding & Mfg., Inc., 6-23-62 Cut off 8-5/8" collar 2% N.M. School Tax	17.50 .35 17.85*
32675	Industrial Supply Company, 7-20-62 Casinghead 10" S/600 x 8-5/8" Finole type WF housing Gasket, studs, nuts, plug valve, bull plug, nipple Freight on 301# @ 4.35 cwt: 30# @ 3.10 cwt 2% N.M. Sales Tax	203.98 96.47 14.02 6.29 320.76*
43064	Atomic Sign Service, 6-28-62 Metal well sign N.M. State Tax	12.50 .38 12.88*
520570	Halliburton Company, 7-2-62 4-1/2" 8R DV multi-stage cementer w/3-stage conversion kit N.M. State Tax	808.00 16.16 824.16*
BC620284	Halliburton Company, 7-8-62 550 cu. ft. Pozmix-S cement N.M. State Tax	1,448.73 28.97 1,477.70*
32698	Industrial Supply Company, 7-25-62 6911' of 4-1/2" J-55 range 2 10.50# steel casing ST&C 4400# test @ 120.74 cft Additional test 36.86 tons @ 5.00 Trucking mill to location 73,720# @ .82 cwt 2% N.M. Sales Tax	8,344.34 184.30 604.50 182.66 9,315.80*
32690	Industrial Supply Company, 7-27-62 Valve tree Cameron sgle string solid block btm flg. 6" 2000# WP w/prop F/HB hanger W/1 2-1/16" bore wing valve std 2" 2000# WP top std 2" 2000# WP including handwheel Tees, gasket, studs, nuts, flange 2% N.M. Sales Tax	578.00 64.65 12.85 655.50*
32689	Industrial Supply Company, 7-27-62 CA Slip & seal assy 10" x 4-1/2" including Allen wrench Spool tubing head F 10" x 6" S/600 W/2-2" std outlets R Seal assy 10" x 4-1/2" Bit pilot, retainer wire, flanges, plugs, rings, studs, nuts nipple 2% N.M. Sales Tax	247.17 361.73 75.61 104.44 15.78 804.73*
32691	Industrial Supply Company, 7-27-62 STR needle valve 1/2" NPT and angle needle valve 2 - Marsh Gauges 300# 4-1/2" face Tubing hanger FBB 6 x 2-3/8 EUE 2 - Valves Cameron Gate F/2 x 2/16 2000# WP D/F Nipple, plugs, union, welds, misc. fittings Freight on 1250# @ 4.35cwt: 230# @ 2.71cwt 2% N.M. Sales Tax	15.70 49.64 62.92 522.00 115.57 60.61 16.53 804.73*

Invoice No.	Description	Amount
32688	Industrial Supply Company, 7-24-62 3-4-1/2 #231-01 Baker metal petal baskets Larkin filrite float collar Larkin guide shoe Larkin joint lok 2% N.M. Sales Tax	\$ 154.05 82.95 26.30 5.50 5.38 274.18*
32695	Industrial Supply Company, 7-31-62 20-3 x 12 x 12 Rgh lumber 25# 60D Common nails 5-3 x 12 x 12 Rgh lumber 2-3 x 12 x 24 Rgh lumber 2% N.M. Sales Tax	104.00 5.56 26.00 26.40 3.24 165.20*
68623	Valley Steel Products Company, 7-13-62 Refund on sale of thread protector	(28.80) (28.80)*
33206	Industrial Supply Company, 7-25-62 6831' of 1-1/2 non EUE lOrd I-50 tubing T&C @ 43.46cft 18,785# Freight from mill @ 1.93cwt 2% N.M. Sales Tax	2,968.75 362.55 66.63 3,397.93*
62-142	Mercury Well Perforating Corp., 7-16-62 Run gamma ray correlation log from 6450 to 6801' Super Dyna Jet perforate, 136 holes Baker OE type NC bridge plug Depth charge to 6660' @ .04 per ft. Service truck and labor charge Combination job discount 2% N.M. State Tax	No charge 972.32 263.00 266.40 100.00 (100.00) 30.03 1,531.75*
BC620313	Halliburton Company, 7-15-62 559 sks 20-40 Bulk fracturing sand 2% N.M. State Tax	1,174.87 23.50 1,198.37*
FS230805	Halliburton Company, 7-16-62 Sand water fracturing 2% N.M. State Tax	7,104.41 142.09 7,246.50*
33215	Industrial Supply Company, 7-31-62 3-7/8" OW Hughes tricone bit Freight charge 10# @ 4.43 cwt 2% N.M. Sales Tax	95.63 .55 1.92 98.10*
2863	Beasley's Hot Shot Service, 7-18-62 Haul 1-1/2" tubing from Farmington yard to well site 2% N.M. State Tax	33.25 .67 33.92*
4710	Panhandle Steel Products Co., 7-31-62 210 bbl. API flat bottom welded steel storage tank w/rolling line, downcomer, tar paper, 4' API sin- gle deck landing, API stairway, 2" Enardo stack valve Cold weather production unit w/16" vertical 3-phase separator 1000# WP c/w accessories and controls for 3-phase operation, mounted on 170,000 BTU indirect heater w/2" 3000# split bundle coil and submerged choke, mounted on skids and piped 2- Reinforced concrete foundation blocks 2% N.M. State Tax	1,446.26 4,154.19 40.00 112.81 5,753.26*
1093	Lohmann Oil Well Service, Inc., 7-31-62 Completion unit for the period July 14 through July 17, 1962 2% N.M. School Tax	3,289.68 65.79 3,355.47*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
175-62	Aspen Drilling Company, 8-10-62 Third party services Schlumberger logging Aspen share of cost	\$ 1,801.80 (1,214.97) 586.83*
32697	Industrial Supply Company, 8-14-62 12-1/2-1/2 Centralizers 24-4-1/2 Spin O Lizers 39 - 5' Roto Scratchers 2% N.M. Sales Tax	186.00 238.80 370.50 15.91 811.21*
J 7-4	Direct salary and auto expense charges Stake location and make settlement for surface damages 4 hrs @ 7.41 Auto expense 60 mi @ 10¢ Drilling engineer and geologist, check samples to TD well, run logs and casing 36 hrs @ 6.41 Auto expense 120 mi @ 10¢ Completion engineer, perforate and sand-water frac 2 stages 80 hrs @ 7.41 Auto expense 300 mi @ 10¢ Production foreman, clean well, potential test, set production equipment, clean up location 52 hrs @ 4.43 Auto expense 120 mi @ 10¢	29.64 6.00 230.76 12.00 592.80 30.00 230.36 12.00 1,143.56*
J 7-7	Rental of drill out string	500.00
J 8-4	Drilling well overhead for the period June 22 through August 15, 1962 (55/30 of \$250)	500.00* 458.33 458.33*
Statement	San Juan Engineering Company, 5-31-62 Stake location and survey elevation 2% N.M. School Tax	100.00 2.00 102.00*
4161	Bernard Smith Welding, 7-8-62 Weld scratchers, collars and shoe	35.00 35.00*
4162	Bernard Smith Welding, 7-8-62 Cut off 4-1/2" casing	14.00 14.00*
Statement	F. P. Crum, Jr., 8-3-62 Run electric logs and set casing at 6835', 3-stage cement job 2 days @ \$50 2% N.M. School Tax	100.00 2.00 102.00*
	Estimated additional expenses of installing fence, cleaning up location and miscellaneous expenses (subject to submission of final detailed list after work has been performed)	3,500.00 3,500.00*
	Total	<u>\$79,551.16</u>