CASE 6879: JAKE L. HAMON FOR A TUBING-LESS COMPLETION, LEA COUNTY, NEW MEXICO

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

May 14, 1980

Re: CASE NO. 6879
ORDER NO. R-6345

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Applicant:

Jake L. Hamon

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other

CASE NO.

6879

APPLICATION,

TRANSCRIPTS,

SMALL EXHIBITS,

ETC.

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. 6879
Order No. R-6345

APPLICATION OF JAKE L. HAMON
FOR A TUBINGLESS COMPLETION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 23, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of May, 1980, 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, Jake L. Hamon, seeks authority to produce his Amerada Federal Well No. 2 located in Unit F of Section 17, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, through 4 1/2-inch drill pipe cemented in the hole.

(3) That while drilling, said well experienced a loss of control following a six-foot drilling break in the Morrow formation at a depth of approximately 11,123 feet.

(4) That because of up-hole problems it was necessary to cement the 4 1/2-inch drill pipe in the hole in order to re-establish well control.

(5) That gas from the Morrow formation in said well may be efficiently produced through the 4 1/2-inch drill pipe.

(6) That approval of the subject application will serve to prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That Jake L. Hamon is hereby authorized to complete his Amerada Federal Well No. 2 located in Unit F of Section 17, Township 20 South, Range 36 East, NMPM, through 4 1/2-inch drill pipe as a tubingless completion, North Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) 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

dtr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Jake L. Hamon for a tubingless completion, Lea County, New Mexico.

CASE 6879

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
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Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
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I N D E X

JIM COOKSEY

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Stamets 13

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Order 4

Applicant Exhibit Three, C-103 5

Applicant Exhibit Four, C-104 6

Applicant Exhibit Five, C-105 6

Applicant Exhibit Six, Schematic 7

Applicant Exhibit Seven, Bond Log 10

Applicant Exhibit Eight, Log 11

Applicant Exhibit Nine, Report 11

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MR. STAMETS: We'll call next Case 6879.

MR. PADILLA: Application of Jake L. Hamon for a tubingless completion, Lea County, New Mexico.

MR. KELLAHIN: I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant and I have one witness.

(Witness sworn.)

JIM COOKSEY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Mr. Cooksey, for purposes of the record, would you please state your name, your occupation, and by whom you're employed?

A. My name is James Cooksey. I'm Chief Engineer for Jake L. Hamon, Dallas, Texas.

Q. Mr. Cooksey, have you previously testified before the Oil Conservation Division?

A. I have.

Q. And have your qualifications as a petroleum engineer been accepted and made a matter of record?

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A. Yes, sir, they have.

MR. KELLAHIN: We tender Mr. Cooksey as an expert witness.

MR. STAMETS: He's considered so qualified.

Q. Mr. Cooksey, would you refer to what we've marked as Exhibit Number One, which is the plat, and would you identify for us the subject well and identify the pool in which that well is drilled?

A. The plat is a lease ownership plat of the North Osudo Field, Lea County, New Mexico. Outlined in yellow is the field area as defined by field rules.

The well that's the subject of this hearing is identified in the northwest quarter of Section 17. It's the Hamon No. 2 Amerada Federal.

Q. What are you seeking from the Commission today, Mr. Cooksey?

A. We're seeking tubingless completion authority. The well blewout and has been completed with drill pipe in the hole.

Q. Let's continue by looking at Exhibit Number Two and have you identify that exhibit, please.

A. Exhibit Number Two is a copy of Administrative Order NFL No. 13, which approved the infill drilling of the Amerada Federal No. 2. It's the second well on a 640

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acre unit, the first well being the well identified in the south half of Section 17, the Hamon No. 1 Amerada Federal. That well is currently essentially depleted. It averages less than 50 Mcf per day production.

Q. Would you turn to Exhibit Three and identify that?

A. Exhibit Number Three is a copy of the revised Form C-103 for the subject well. It has outlined on it the proposed completion operations, which turned out to be the way that it is currently completed.

The well was permitted and spudded on January 29th, 1980, and drilled with surface pipe and intermediate casing set, and while drilling at 11,130 feet on March 20th, 1980, the well took a kick at 6:00 p. m.. By 1:00 a. m. in the morning the well had blown out and control of the well had been lost. This is identified on the exhibit.

The well was out of control from March 21st, '80, through March 25th, '80, at which time the well was killed by pumping quite a few thousand barrels of drilling fluid into it, salt water and what have you, but the final capping of the well came about by pumping 500 barrels of 15 pound mud, followed by 200 barrels of 20 pound mud, followed by 1000 sacks Class H. cement mix, 17 pounds per gallon.

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Q. Mr. Cooksey, were you on the location during this period of time?

A. Yes, sir, I was.

Q. Go ahead.

A. The killing fluid was displaced through the drill pipe with 12-1/2 pound mud. At the time the kick was taken it was determined that the bottom hole pressure could be contained with 12-1/2 pound mud, and we overdisplaced the mud and the cement by 10 barrels, enough volume to clear the bit and leave the jets in the bit open and the drill pipe with 12-1/2 pound mud in the well.

We later ran a cement bond log on the well. Top of the cement was determined to be at 7270, and later operations consisted of rigging up a coiled tubing unit and jetting the mud from the hole. The well did come in and it is currently capable of producing gas.

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A. Exhibit Number Four is a copy of the Form C-104, which has been submitted. It's the revised C-104. It shows the casing hole sizes, setting depths, and the sacks of cement used on each of the casing strings involved.

Q. And Exhibit Number Five.

A. Exhibit Number Five is a Form C-105, the

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revised form that was filed. It has included with it information that indicates that the well is producing open hole from 11,120 to 11,133. The drilling break that was encountered was a 6-foot Morrow stringer that is from 11,123 to 130.

Attached to this form is also the formation records and deviation records is attached as a supplement to that exhibit.

Q. All right, sir, let's look at Exhibit Number Six, now.

A. Exhibit Number Six is a schematic diagram of the well as it's currently completed. It shows for your observation that 12-3/4 inch casing was set to 335 feet, cemented with 350 sacks, had good cement returns to the surface. The 8-5/8ths intermediate casing was set to 5625 feet, cemented with 2000 sacks, 4-1/2 inch drill pipe was 1660 Grade E. It was plastic-coated. It was cemented under the kill program with 1000 sacks of Class H. The top of the cement is determined by bond log to be 7270. The top of the drill collars in the drill string is 10,360. The bit's at 11,120. The TD is 11,133.

The top of the Morrow formation as picked by the mud loggers was 11,100 feet.

Q. Mr. Cooksey, would you summarize for us in your opinion what caused the blowout of the well?

A. The -- during the drilling of the oper-

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ations circulation had been lost in the well and it was through the Bone Spring interval between 8500 and 9500 feet. Prior to drilling into the Morrow we had squeeze cemented the Bone Spring and was under the opinion that the lost circulation problem had been corrected. It was tested for adequate mud weight to drill into the Morrow formation. We did drill into the Morrow with 12 pound mud. The kick indicated it was a half pound light. It evidently broke down the Bone Spring and we emptied our mud from the well through the Bone Spring. Unknowing to us, evidently the rig had shifted. The Kelly had worn a hole in the 8-5/8ths intermediate casing right below the blowout preventers, and when the surface obtained the kick pressure it was blowing out. Finally mud and sand had cut the bull plug off the bradenhead and there was considerable gas escaping through the -- through the blown out bull plug from the bradenhead. We had the panic lines, the choke manifold wide open to the pit. Had one terrific gas flow.

Q. You had no fire or you did not lose your rig, did you?

A. No, sir, the rig was saved. The well was prevented from catching on fire. In the process of removing the drilling rig from the well and trying to save the the $5,000,000 rig, save the wellbore and the pipe, we pumped an estimated 12,000 barrels of brine water, in the neighbor-

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hood of 5000 pounds of various weight mud, just to keep the fluid in the hole and to keep it from catching fire, destroying the surface equipment.

Q In your opinion, Mr Cooksey, is it reasonable to anticipate that you can complete this well without approval of this application?

A No, sir. The kill program was designed such that we could save the wellbore without redrilling it. It's possibly a million dollar wellbore. The cost of controlling the well was right at a million additional dollars. The well is capable of producing and in my opinion is adequately cased and cemented to protect from any future blowouts or any seeping from other zones. We have, as I said, run a bond log, which is the only electric log we've been able to run in the wellbore at this time. The ID of the 4-1/2 inch drill pipe, the tool joints of that particular pipe, is 3 inch ID. It has 2-3/8ths inch ID drill collars in the bottom of it. We think it would be impractical to attempt to run a macaroni tubing string in the well.

The well has a shutin pressure, which you'll see by later exhibits, of approximately 4500 pounds, and it will flow on test right at now 5-million cubic feet of gas a day; estimated condensate production of about 100 barrels per million, and that's with a 30 pound pressure drop.

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Q. Would you refer to that bond log, I think it's Exhibit Seven.

A. Yes, sir.

Q. And identify that?

A. This is an N. L. McCullough bond log that was run on the well. It was run on the 28th of March, 1980, after the well had been cemented. The top of the cement is shown at 7270. The quality of the bond log is what we normally expect when you run inside drill pipe. All the drill collars or tool joints are quite obviously shown. The quality of any bond log in our opinion lacks a lot to be desired when it is run under these conditions, but we are satisfied that through displacement calculations and this log, that the top of the cement is right at 7270. Admittedly, it is spotty down the hole. You can see that down to the top of the drill collars, which are identified at 10,360 feet, that there is bonding, various qualities, in that neighborhood. We have attempted to pressure test the 8-5/8ths -- let me correct that. We pressure tested the 8-5/8ths, the 4-1/2 inch drill pipe annulus. It is dead. There is no flow from the surface, neither can you pump into it.

In visiting with the Hobbs District Director, Mr. Sexton, we were prepared to cement the top of the well between the 8-5/8ths and the 4-1/2. He recommended at this time that that action not be done. The wellhead is

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currently designed with a safety relief valve to the pit in the event that there happens to be any gas migrate between those two and pressure develops above the burst pressure of 8-5/8ths, it will be vented to the pit. We do have pumping services that observe the well daily and we did in the re-building of the well, install a new 10,000 pound wellhead. We excavated a sizeable hole out there and removed the damaged 8-5/8ths casing and have a nice looking location now, luckily.

Q. All right.

A. Oh, one additional question about the bond log. The bottom of the bond log was run around 11,110. The gamma rays shown on the left, since the productive zone is below the end of the bit we were unable to get any type of gamma ray determinations or sand indicateions on the gamma ray log, so there is no productive interval shown on the log.

Q. Exhibit NumberEight is your mud log, Mr. Cooksey. Would you summarize that for us?

A. Yes, sir. We presented a copy of the mud log to also confirm the horizons that we drilled. It's shown on the very bottom of the log. The 6-foot drilling break that was encountered in the drilling operation, and there was, as I said, the 6-foot drilling break that kicked the well, and that's the purpose of that exhibit.

Q. Will you identify Exhibit Number Nine,

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please?

A. Exhibit Number Nine is a copy of the bottom hole pressure report that was run on the well on April 15th. It was taken after a 240-hour shutin period. Bottom hole pressure at that time was 5723. It shows no fluid in the hole. Surface pressure was 4468.

Q. With the exception of the Oil Commission permit, which is Exhibit Two, were Exhibits One through Nine prepared by you or compiled under your supervision and direction?

A. They were compiled under my supervision and direction, yes, sir.

Q. And in your opinion will approval of this application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A. Yes, sir, I believe that it would in that the plugging of the well or the forbidding of production from the well would necessitate the drilling of an additional well, estimated cost of approximately $1,500,000.

MR. KELLAHIN: We move the introduction of Exhibits One through Nine.

MR. STAMETS: These exhibits will be admitted.

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CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Cooksey, referring to your mud log, just briefly looking at the depth around 5000 feet and then on down around, oh, 7000 to 8000, is that indicative of gas in the mud?

A. Excuse me, sir, I'd like to look at your copy of the mud log. I only have a portion.

Q. Okay.

A. The zones that you refer to show some intrained gas in the drilling, Mr. Examiner; however, they were evaluated at the time of drilling and they are non-commercial zones.

Q. Okay. And does your attempted pump into the annulus indicate to you that these zones are effectively sealed at this time?

A. Yes, sir, they do.

MR. STAMETS: Are there any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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 C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6879, heard by me on April 23, 1980.

Richard L. Stamets, Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 April 1980

EXAMINER HEARING

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I N D E X

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Direct Examination by Mr. Kellahin	3
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E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Order	4
Applicant Exhibit Three, C-103	5
Applicant Exhibit Four, C-104	6
Applicant Exhibit Five, C-105	6
Applicant Exhibit Six, Schematic	7
Applicant Exhibit Seven, Bond Log	10
Applicant Exhibit Eight, Log	11
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Q All right, sir, let's look at Exhibit Number Six, now.

A Exhibit Number Six is a schematic diagram of the well as it's currently completed. It shows for your observation that 12-3/4 inch casing was set to 335 feet, cemented with 350 sacks, had good cement returns to the surface. The 8-5/8ths intermediate casing was set to 5625 feet, cemented with 2000 sacks, 4-1/2 inch drill pipe was 1660 Grade E. It was plastic-coated. It was cemented under the kill program with 1000 sacks of Class H. The top of the cement is determined by bond log to be 7270. The top of the drill collars in the drill string is 10,360. The bit's at 11,120. The TD is 11,133.

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Q In your opinion, Mr Cooksey, is it reasonable to anticipate that you can complete this well without approval of this application?

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Q Would you refer to that bond log, I think it's Exhibit Seven.

A Yes, sir.

Q And identify that?

A This is an N. L. McCullough bond log that was run on the well. It was run on the 28th of March, 1980, after the well had been cemented. The top of the cement is shown at 7270. The quality of the bond log is what we normally expect when you run inside drill pipe. All the drill collars or tool joints are quite obviously shown. The quality of any bond log in our opinion lacks a lot to be desired when it is run under these conditions, but we are satisfied that through displacement calculations and this log, that the top of the cement is right at 7270. Admittedly, it is spotty down the hole. You can see that down to the top of the drill collars, which are identified at 10,360 feet, that there is bonding, various qualities, in that neighborhood. We have attempted to pressure test the 8-5/8ths -- let me correct that. We pressure tested the 8-5/8ths, the 4-1/2 inch drill pipe annulus. It is dead. There is no flow from the surface, neither can you pump into it.

In visiting with the Hobbs District Director, Mr. Sexton, we were prepared to cement the top of the well between the 8-5/8ths and the 4-1/2. He recommended at this time that that action not be done. The wellhead is

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

currently designed with a safety relief valve to the pit in the event that there happens to be any gas migrate between those two and pressure develops above the burst pressure of 8-5/8ths, it will be vented to the pit. We do have pumping services that observe the well daily and we did in the re-building of the well, install a new 10,000 pound wellhead. We excavated a sizeable hole out there and removed the damaged 8-5/8ths casing and have a nice looking location now, luckily.

Q All right.

A Oh, one additional question about the bond log. The bottom of the bond log was run around 11,110. The gamma rays shown on the left, since the productive zone is below the end of the bit we were unable to get any type of gamma ray determinations or sand indicateions on the gamma ray log, so there is no productive interval shown on the log.

Q Exhibit NumberEight is your mud log, Mr. Cooksey. Would you summarize that for us?

A Yes, sir. We presented a copy of the mud log to also confirm the horizons that we drilled. It's shown on the very bottom of the log. The 6-foot drilling break that was encountered in the drilling operation, and there was, as I said, the 6-foot drilling break that kicked the well, and that's the purpose of that exhibit.

Q Will you identify Exhibit Number Nine,

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please?

A. Exhibit Number Nine is a copy of the bottom hole pressure report that was run on the well on April 15th. It was taken after a 240-hour shutin period. Bottom hole pressure at that time was 5723. It shows no fluid in the hole. Surface pressure was 4468.

Q. With the exception of the Oil Commission permit, which is Exhibit Two, were Exhibits One through Nine prepared by you or compiled under your supervision and direction?

A. They were compiled under my supervision and direction, yes, sir.

Q. And in your opinion will approval of this application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A. Yes, sir, I believe that it would in that the plugging of the well or the forbidding of production from the well would necessitate the drilling of an additional well, estimated cost of approximately $1,500,000.

MR. KELLAHIN: We move the introduction of Exhibits One through Nine.

MR. STAMETS: These exhibits will be admitted.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Cooksey, referring to your mud log, just briefly looking at the depth around 5000 feet and then on down around, oh, 7000 to 8000, is that indicative of gas in the mud?

A. Excuse me, sir, I'd like to look at your copy of the mud log. I only have a portion.

Q. Okay.

A. The zones that you refer to show some intrained gas in the drilling, Mr. Examiner; however, they were evaluated at the time of drilling and they are non-commercial zones.

Q. Okay. And does your attempted pump into the annulus indicate to you that these zones are effectively sealed at this time?

A. Yes, sir, they do.

MR. STAMETS: Are there any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

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.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____ heard by me on _____ 19__.

_____, Examiner
Oil Conservation Division

Docket No. 12-80

Dockets Nos. 13-80 and 14-80 are tentatively set for May 7 and 21, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1980

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

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

CASE 6803: (Continued from February 13, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6866: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hare and McCoy and all other interested parties to appear and show cause why the H. L. Hare Well No. 2 located in Unit B of Section 23, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6867: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit all interested parties to appear and show cause why the following abandoned wells drilled by unknown party or parties and located in Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program: a well in the SW/4 of Section 24, a well in the SE/4 of Section 22, and a well in the SE/4 of Section 28.

CASE 6850: (Continued from April 9, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack F. Grimm, N. B. Hunt, George R. Brown, Am-Arctic, Ltd., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Mobil 32 Well No. 1 located in Unit D of Section 32, Township 25 South, Range 1 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6870: Application of Bass Enterprises Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Bass State 36 Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, to produce oil from the Townsend-Wolfcamp Pool and gas from an undesignated Morrow pool thru the tubing and casing-tubing annulus, respectively, by means of a cross-over assembly.

CASE 6871: Application of Bass Enterprises Production Company to amend Order No. R-5693, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-5693 to remove the restriction as to the time limit in which salt water may be disposed into Big Eddy Unit Well No. 56 located in Unit G of Section 35, Township 21 South, Range 28 East.

CASE 6872: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State "HQ" Well No. 1 located in Unit P of Section 26, Township 18 South, Range 34 East, Airstrip Field, to produce Bone Springs and Wolfcamp oil thru parallel strings of tubing.

CASE 6873: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Travis Deep Well No. 5, a Morrow test to be drilled 660 feet from the South line and 1650 feet from the East line of Section 12, Township 18 South, Range 28 East, the S/2 of said Section 12 to be dedicated to the well.

CASE 6874: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 6, Township 22 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6853: (Continued from April 9, 1980, Examiner Hearing)

Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha-Gallup Pool underlying the N/2 NE/4 of Section 18, Township 29 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6875: Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 NW/4 of Section 4, Township 9 South, Range 34 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6876: Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6467: (Reopened and Readvertised)

In the matter of Case 6467 being reopened pursuant to the provisions of Order No. R-5958 which order created the Grama Ridge-Bone Spring Pool in Lea County with temporary special rules therefor providing for 160-acre spacing. All interested parties may appear and show cause why the Grama Ridge-Bone Spring Pool should not be developed on 40-acre spacing units.

CASE 6877: Application of Florida Exploration Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Ellenburger formations underlying the N/2 of Section 11, Township 25 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 1200 feet from the North and West lines of said Section 11. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6878: Application of Stevens Oil Company for a non-standard gas proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 8 South, Range 28 East, Twin Lakes-San Andres Associ[illegible] Pool, to be dedicated to its O'Brien "F" Well No. 4 located in Unit K of said Section 25.

CASE 6879: Application of Jake L. Hamon for a tubingless completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce his Amerada Federal Well No. 2 located in Unit F of Section 17, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, thru 4 1/2-inch drill pipe cemented in the hole.

CASE 6861: (Continued from April 9, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6837: (Continued from April 9, 1980, Examiner Hearing)

Application of Curtis Little for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 7, Township 25 North, Range 3 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. Box 2088
SANTA FE, NEW MEXICO
87501

ADMINISTRATIVE ORDER
NFL 13

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE PURSUANT TO SECTION 271.305(b) OF THE
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION
ORDER NO. R-6013

I.

Operator Jake L. Hamon Well Name and No. Amerada Federal No. 2

Location: Unit F Sec. 17 Twp. 20S Rng. 36E Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the North Osudo Morrow Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 640 -acre proration unit comprising ~~the~~ All of Sec. 17, Twp. 20S, Rng. 36E, is currently dedicated to the Amerada Federal No. 1 located in Unit N of said section.

(5) That this proration unit is (X) standard ( ) nonstandard; if nonstandard, said unit was previously approved by Order No. _____.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 7.32 M MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) 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 this 24th day of January, 19 80.

DIVISION DIRECTOR X EXAMINER ___

BEFORE [illegible] EXAMINER
OIL CON[illegible] COMMISSION
Hanson [illegible] No. 2
CASE NO. 6879
Submitted by _____
Hearing Date 23 Apr 80

ENERGY AND MINERALS DEPARTMENT

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OPERATOR		

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease: State ☐ Fee [X]

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT —" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL ☐ GAS WELL [X] OTHER-

7. Unit Agreement Name: COM AGR SW 437

2. Name of Operator: Jake L. Hamon

8. Farm or Lease Name: Amerada Federal

3. Address of Operator: 611 Petroleum Building, Midland, Texas 79701

9. Well No.: 2

4. Location of Well
UNIT LETTER F, 1980 FEET FROM THE North LINE AND 1980 FEET FROM THE West LINE, SECTION 17 TOWNSHIP 20-S RANGE 36-E NMPM.

10. Field and Pool, or Wildcat: North Osudo Morrow

15. Elevation (Show whether DF, RT, GR, etc.): 3612.5' GR, 3636.5' KB

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐
PULL OR ALTER CASING	☐		
OTHER	☐		

SUBSEQUENT REPORT OF:

REMEDIAL WORK	☐	ALTERING CASING	☐
COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
CASING TEST AND CEMENT JOB	[X]		
OTHER	☐		

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Drilled 7-7/8" hole to 11,133'. Top of Morrow at 11,123'. Drilled into Morrow with 12.0#/gal mud.
2. Well kicked from Morrow at 6:00 P.M. 3/20/80 and blew out at 1:00 A.M. 3/21/80.
3. Well out of control from 3/21/80 until 3/25/80.
4. Cemented drilling string in hole with 1000 sks of Class H cement plus 0.5% CFR-2, slurry wt was 17#/gal. Completed 5:45 P.M. 3/25/80. Bit set at 11,120' with open hole from 11,120' to 11,133'. Drilling string was 10,360' of 4-1/2" 16.6# Grade E plastic coated D. P. and 760' of 6-1/4" OD x 2-3/8" ID D.C.
5. Ran Cement Bond log 3/28/80. Top of cement at 7270'.
6. Completed well as a tubingless completion 4/4/80.
7. Due to well conditions the 4-1/2" Drill pipe was not tested. The SI Pressure is 4463 psig and have no indication of any leaks.

10360' drill pipe
760' drill collars
11,120' total drlg string

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

SIGNED [signature] TITLE Drilling Foreman DATE 4/9/80

APPROVED BY Orig. Signed by Jerry Sexton TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

BEFORE E[illegible] OIL CONSERVATION [illegible]
Hanson EXHIBIT 3
CASE NO. 6879
Submitted by
Hearing Date

DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
TRANSPORTER	OIL	
	GAS	
OPERATOR		
PRORATION OFFICE		

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS
AMENDED REPORT

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

Operator
Jake L. Hamon

Address
611 Petroleum Building, Midland, Texas 79701

Reason(s) for filing (Check proper box)
New Well [X]
Recompletion [ ]
Change in Ownership [ ]
Change in Transporter of:
Oil [ ] Dry Gas [ ]
Casinghead Gas [ ] Condensate [ ]

Other (Please explain)
Filed to indicate split stream. Gas to be sold to both Warren Petroleum and Phillips Petroleum.

If change of ownership give name and address of previous owner _____

DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease (State, Federal or Fee)	Lease No.
Amerada Federal	2	North Osudo Morrow	Fee and Federal	

Location
Unit Letter F ; 1980 Feet From The North Line and 1980 Feet From The West
Line of Section 17 Township 20-S Range 36-E , NMPM, Lea County

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [ ] or Condensate [X]	Address (Give address to which approved copy of this form is to be sent)
The Permian Corporation	Box 3119, Midland, Texas 79701
Name of Authorized Transporter of Casinghead Gas [ ] or Dry Gas [X]	Address (Give address to which approved copy of this form is to be sent)
Phillips Petroleum Company Warren Petroleum Corporation	4001 Penbrook, Odessa, Texas 79762 Box 67, Monument, New Mexico 88265

If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	F	17	20-S	36-E	No	Approximately 4-16-80

If this production is commingled with that from any other lease or pool, give commingling order number: _____

COMPLETION DATA

Designate Type of Completion – (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
		X	X					

Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
1-29-80	4-4-80	11,133'	---
Elevations (DF, RKB, RT, GR, etc.)	**Name of Producing Formation**	**Top Oil/Gas Pay**	**Tubing Depth**
3612' GR, 3636' KB	Morrow	11,123'	---
Perforations			**Depth Casing Shoe**
Open hole from 11,120' to 11,133'			11,120'

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
17-1/2"	12-3/4"	355'	350
11"	8-5/8"	5,625'	2,200
7-7/8"	4-1/2" Drill Pipe	11,120'	1,000
Note: No tubing			

TEST DATA AND REQUEST FOR ALLOWABLE

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

OIL WELL

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	**Tubing Pressure**	**Casing Pressure**	**Choke Size**
Actual Prod. During Test	**Oil - Bbls.**	**Water - Bbls.**	**Gas - MCF**

GAS WELL Note: 4 Point Back Press test to be taken when well goes on line.

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
27,000	2 hrs	Esti. 25	51.6
Testing Method (pitot, back pr.)	**Tubing Pressure (Shut-in)**	**Casing Pressure (Shut-in)**	**Choke Size**
Pitot	4414	0	40/64

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Cecil H Baston
(Signature)

Petroleum Engineer
(Title)

April 10, 1980
(Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19 _____

BY _____

TITLE _____

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

BEFORE THE OIL CONSERVATION DIVISION
Hinson EXHIBIT NO. 4
CASE NO. 6809
Submitted by
Hearing Date 23 Apr 80

DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease: State ☐ Fee ☒

5. State Oil & Gas Lease No.

1a. TYPE OF WELL

b. TYPE OF COMPLETION: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ____ NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER

7. Unit Agreement Name: Com AGR SW 437

8. Farm or Lease Name: Amerada Federal

2. Name of Operator: Jake L. Hamon

9. Well No.: 2

3. Address of Operator: 611 Petroleum Building, Midland, Texas 79701

10. Field and Pool, or Wildcat: North Osudo Morrow

4. Location of Well

UNIT LETTER F LOCATED 1980 FEET FROM THE North LINE AND 1980 FEET FROM THE West LINE OF SEC. 17 TWP. 20-S RGE. 36-E NMPM

12. County: Lea

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Cashinghead
1-29-80	3-20-80	4-4-80	3612' GR 3636' KB	3610'

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
11,133'	-	-	→	0 to T.D.	

24. Producing Interval(s), of this completion — Top, Bottom, Name

Open hole from 11,123' to 11,133' Morrow

25. Was Directional Survey Made: No

26. Type Electric and Other Logs Run

DLL & CNL Density to depth of 5598' only

27. Was Well Cored: No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
12-3/4"		355	17-1/2	350 sks	None
8-5/8"		5625	11	2200 sks	None
4-1/2 Drill Pipe	16.6	11,120	7-7/8	1000 sks	None

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
None		

31. Perforation Record (Interval, size and number)

Open hole 11,120' to 11,133'

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
None	

33. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping — Size and type pump)	Well Status (Prod. or Shut-in)
4/3/80	Flowing	Shut In

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Gas — Oil Ratio
4/4/80	2	40/64					

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Oil Gravity — API (Corr.)
2800	0		Est 25	27,000	0	51.6

34. Disposition of Gas (Sold, used for fuel, vented, etc.): Vented

Test Witnessed By

Note: 4 Point Potential to be taken when well goes on line

35. List of Attachments

One copy DLL & CNL Density electric logs

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Cecil H Boulton TITLE Petroleum Engineer DATE 4/9/80

BEFORE [illegible] EXAMINERS
OIL [illegible] CONSERVATION DIVISION
Hanson EXHIBIT NO. 5
CASE NO. 6879
Submitted by
Hearing Date 23 Apr 80

This form is to be filed with the appropriate District Office of the Commission not later than twenty days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radioactivity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico				Northwestern New Mexico			
T. Anhy	1764 (Log)	T. Canyon		T. Ojo Alamo		T. Penn. "B"	
T. Salt	1880 (Log)	T. Strawn	10,520 (Sample)	T. Kirtland-Fruitland		T. Penn. "C"	
B. Salt	3160 (Log)	T. Atoka	10,700 (Sample)	T. Pictured Cliffs		T. Penn. "D"	
T. Yates	3410 (Log)	T. Miss		T. Cliff House		T. Leadville	
T. 7 Rivers	3725 (Log)	T. Devonian		T. Menefee		T. Madison	
T. Queen	4360 (Log)	T. Silurian		T. Point Lookout		T. Elbert	
T. Grayburg		T. Montoya		T. Mancos		T. McCracken	
T. San Andres	4690 (Log)	T. Simpson		T. Gallup		T. Ignacio Qtzte	
T. Glorieta		T. McKee		Base Greenhorn		T. Granite	
T. Paddock		T. Ellenburger		T. Dakota		T.	
T. Blinebry		T. Gr. Wash		T. Morrison		T.	
T. Tubb		T. Granite		T. Todilto		T.	
T. Drinkard		T. Delaware Sand	5740 (Sample)	T. Entrada		T.	
T. Abo		T. Bone Springs	7260 (Sample)	T. Wingate		T.	
T. Wolfcamp	10,140 (Sample)			T. Chinle		T.	
T. Penn.		T.	Morrow Sand 11,100 (Sample)	T. Permian		T.	
T. Cisco (Bough C)		T.		T. Penn. "A"		T.	

OIL OR GAS SANDS OR ZONES

No. 1, from 11,123 to 11,133 No. 4, from ..... to .....

No. 2, from ..... to ..... No. 5, from ..... to .....

No. 3, from ..... to ..... No. 6, from ..... to .....

Note: No DST Taken

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to ..... feet. .....

No. 2, from ..... to ..... feet. .....

No. 3, from ..... to ..... feet. .....

No. 4, from ..... to ..... feet. .....

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	355	355	Caliche and redbed	7750	7830	80	Sand
355	1764	1409	Redbed, shells & Gyp	7830	8760	930	Shale and lime
1764			Top Anhydrite	8760	9110		Lime and Dolomite
1764	1880	116	Anhydrite	9110			Top 2nd Bone Spring
1880			Top of Salt	9110	9500	390	Sand and Shale
1880	3160	1280	Gyp, anhy, and salt	9500	10140	640	Shale & Lime
3160			Base of Salt	10140			Top of Wolfcamp
3160	3410	250	Anhy, Lime & Dolomite	10140	10520	380	Lime
3410			Top of Yates	10520			Top of Strawn
3410	3725	315	Sand and Anhydrite	10520	10700	180	Lime and Chert
3725			Top 7 Rivers	10700			Top Atoka
3725	4360	635	Anhy. Lime, & Sand	10700	10840	140	Sand, Shale & Lime
4360			Top Queen	10840	11100	260	Lime and Shale
4360	4690	330	Lime, Dol, Sh & Sd	11100			Top Morrow
4690			Top of San Andres	11100	11123	23	Sand and Shale
4690	7310	2620	Dol, Lm & Sand	11123	11133	10	Sand
7310	7750	440	Lime	11133			T. D.

RECEIVED
APR 10 1980
OIL CONSERVATION DIV

Operator: Jake L. Hamon

Address: 611 Petroleum Building
Midland, Texas 79701

Lease Name: Amerada Federal

Well No: 2 17-21-36

RECORD OF INCLINATION

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1/2 @ 146	2 1/4 @ 6,565	3 3/4 @ 8,807	4 @ 10,313
1/4 @ 350	3 @ 6,915	3 1/4 @ 8,930	4 1/4 @ 10,453
1/2 @ 840	3 1/2 @ 7,219	3 @ 8,990	4 1/2 @ 10,526
1/2 @ 1,341	2 1/2 @ 7,404	3 1/4 @ 9,054	4 1/4 @ 10,635
3/4 @ 1,840	3 @ 7,447	3 1/2 @ 9,240	4 1/2 @ 10,730
3/4 @ 2,340	3 1/4 @ 7,992	4 @ 9,302	5 1/4 @ 11,070
1 1/4 @ 2,840	5 @ 8,183	3 1/4 @ 9,335	
1 1/4 @ 3,333	5 @ 8,280	4 @ 9,390	
1 3/4 @ 3,840	4 1/2 @ 8,335	4 1/4 @ 9,588	
1 1/2 @ 4,120	4 3/4 @ 8,405	4 1/2 @ 9,679	
1 1/4 @ 4,370	4 1/2 @ 8,450	4 1/4 @ 9,745	
1 1/2 @ 5,625	4 1/4 @ 8,515	4 @ 9,930	
1 3/4 @ 5,789	3 3/4 @ 8,588	3 3/4 @ 10,181	
2 @ 6,289	4 1/4 @ 8,745	4 3/4 @ 10,271	

B. W. Cozart

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

Before me, the undersigned authority, on this day, personally appeared B. W. Cozart, known to me to be the person whose name is subscribed hereto, on oath states that the above is true and correct to the best of his knowledge and belief.

Sworn and subscribed to before me, this the 9th day of April, 1980.

SEAL

Elizabeth McKinney
Notary Public, Midland County, Texas

AMERADA FEDERAL WELL #2 LEA COUNTY, NEW MEXICO

OSUDO NORTH (MORROW) FIELD

12-3/4" casing cemented w/350 SX Class "C" +2% CaCl circulated w/good returns circulated out 50 SX cement.

8-5/8" casing cemented w/2000 SX Halliburton Lite +15% salt + ¼# flocele/SX followed w/200 SX Class "C" + ¼# flocele per SX. Had good returns during entire job. Cement did not circulate to surface but was getting cement odor and color.

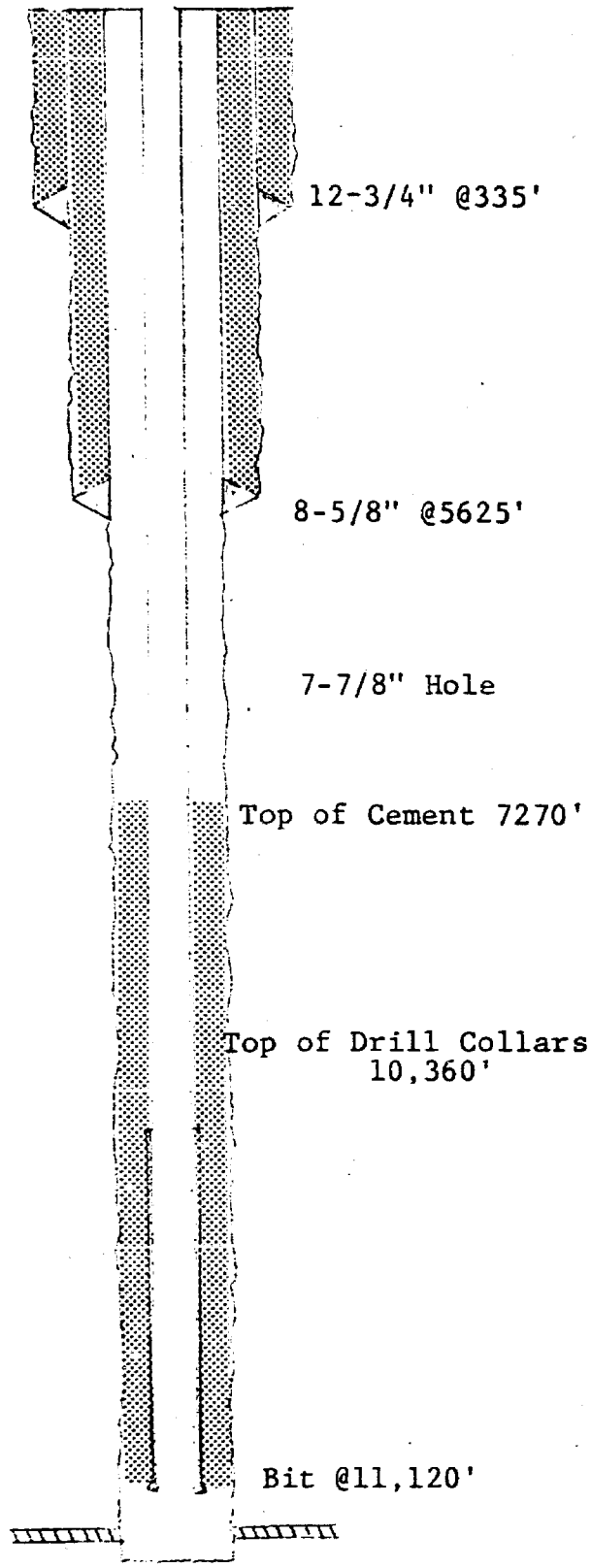
4½ 16.60# Grade E Drill Pipe cemented w/1000 SX Class H + 0.5% CFR-2 mixed 17#/gal.

Top Wolfcamp @10,140'

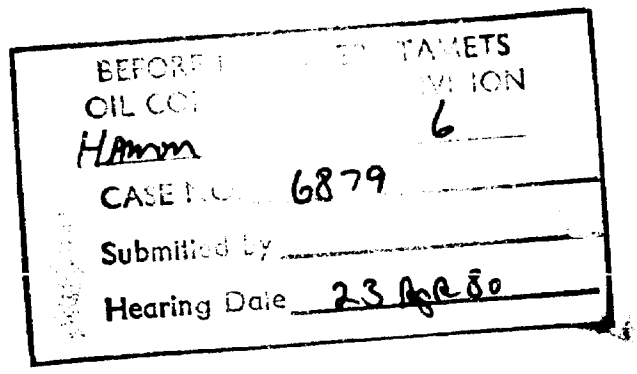
Top Strawn @10,520'

Top Atoka @10,700'

Top Morrow Clastics @11,100'
Pay Zone 11,123-30'



TD 11,133


BEFORE
OIL CO
HAMM
CASE NO. 6879
Submitted by
Hearing Date 23 Apr 80
TAKETS
ION
6

Copy

JOHN W. WEST ENGINEERING COMPANY
412 NORTH DAL PASO, HOBBS, NEW MEXICO

TELEPHONES 393-3942
393-3117

BOTTOM HOLE PRESSURE SURVEY REPORT

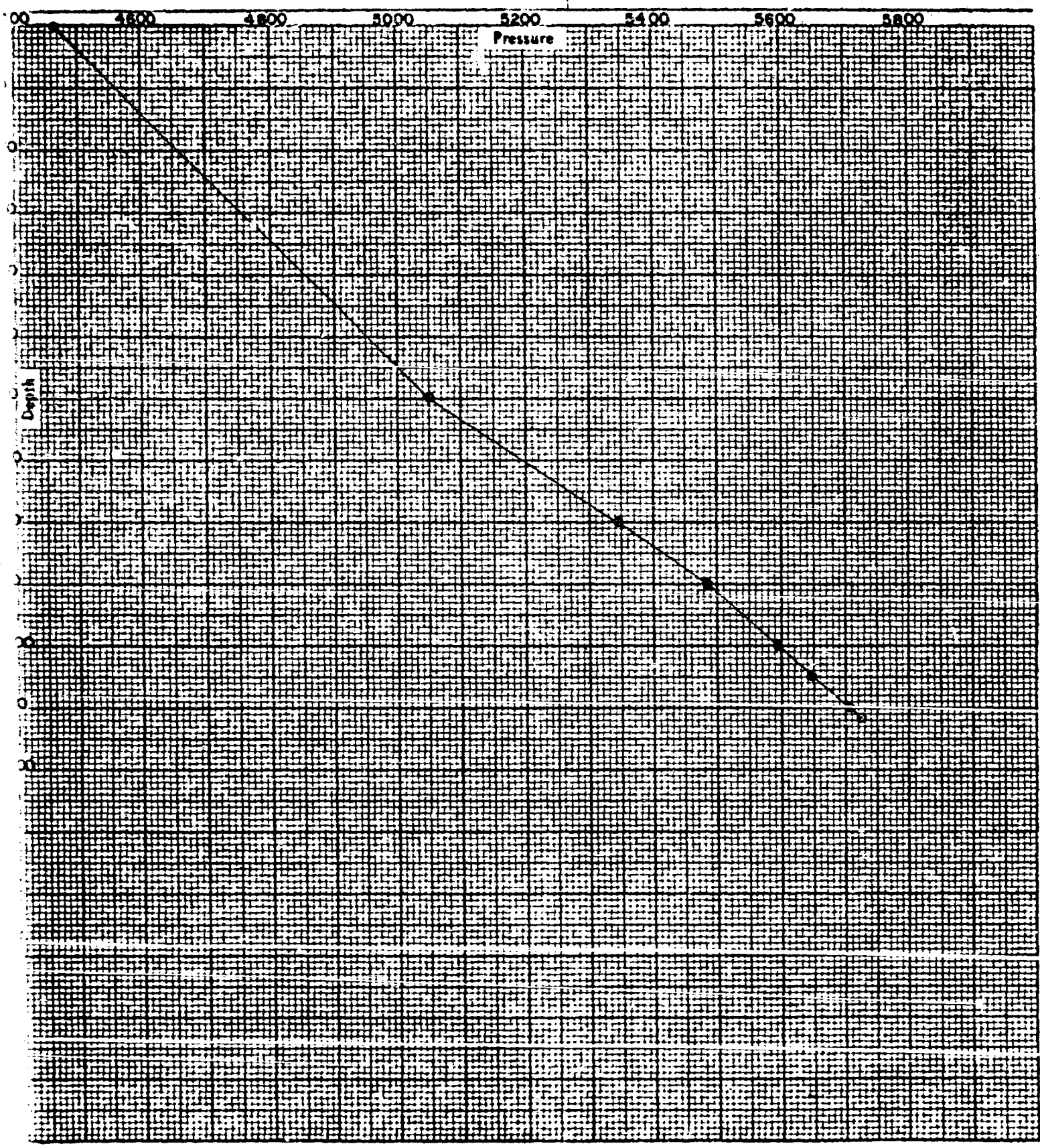
OPERATOR Jake L. Hamon
LEASE Amerada Federal
WELL NO. 2
FIELD
DATE 4-15-80 TIME 1:00 PM

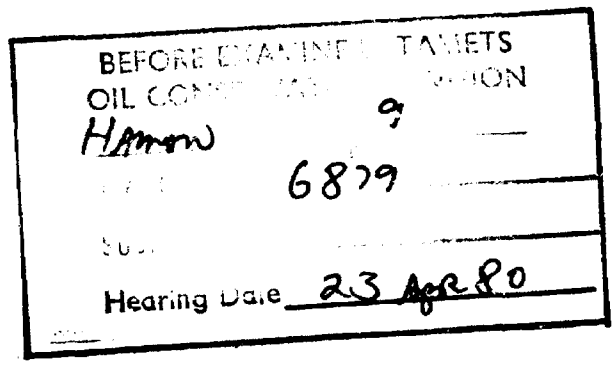
STATUS Shut-In TEST DEPTH 11,000 Feet
TIME S.I. LAST TEST DATE
CAS. PRES. BHP LAST TEST
TUB. PRES. 4468 psi BHP CHANGE
ELEV. FLUID TOP
DATUM WATER TOP
TEMP RUN BY W.S.
CLOCK NO. A-719 GAUGE NO. 19389
ELEMENT NO. 20203 (0-10,000)

DEPTH	PRESSURE	GRADIENT
000	4468	
6000	5050	.097
8000	5343	.147
9000	5488	.145
10,000	5597	.109
10,500	5647	.100
11,000	5707	.120
11,133	5723	.120

Shut-in 12:15 PM
April 5, 1980

SI Time 24 hr : 45 min




BEFORE EXAMINER TAMBETS
OIL CONSERVATION DIVISION
Hanson
9
6879
Hearing Date 23 Apr 80

KELLAHIN and KELLAHIN
Attorneys at Law
508 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

Jason Kellahin
W. Thomas Kellahin

Karen Aubrey

March 28, 1980

RECEIVED
MAR 28 1980
OIL CONSERVATION DIVISION
SANTA FE

Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

re: Jake L. Hamon Case 6879

Dear Joe:

Please set the enclosed application for hearing on April 23, 1980.

Thank you.

Very truly yours,

W. Thomas Kellahin

cc: James C. Cooksey
Jake L. Hamon

WTK:mm

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

RECEIVED
APR 17 1987
OIL CONSERVATION DIVISION
SANTA FE

IN THE MATTER OF THE APPLICATION OF JAKE L. HAMON FOR APPROVAL OF A TUBINGLESS COMPLETION IN THE NORTH OSUDO MORROW GAS POOL, LEA COUNTY, NEW MEXICO

Case 6879

APPLICATION

COMES NOW JAKE L. HAMON, by and through his attorneys, Kellahin & Kellahin and applies to the Oil Conservation Division of New Mexico for approval of a tubingless completion of his Amerada Federal No. 2 Well located 1980 feet from the North and West lines of Section 17, T20S, R36E, Lea County, New Mexico, and in support thereof would show:

1. Applicant is the operator of Section 17 T20S, R36E, North Osudo Morrow Gas Pool, Lea County, New Mexico.

2. Applicant commenced drilling its Amerada Federal Well No. 2 at a location 1980 feet from the North and West Lines of said Section 17 to test the Morrow formation.

3. During the drilling of the subject well, the operator experienced a blowout and has been required to complete the subject well as a tubingless completion.

4. The subject well is the second well on the 640 acre proration unit consisting of said Section 17, the first well is the Amerada Federal No. 1 well.

5. Applicant has received temporary authority from the Director of the Oil Conservation Division to test and produce the subject well as a tubingless completion pending hearing on this application.

6. Applicant hereby seeks an exception to Oil Conservation Division Rule 107 hereby applicant can continue to produce the subject well through a 4.5 inch drill pipe. The subject well has a total depth of 11,133 feet.

7. That approval of the application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before the Division's examiner and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By _____
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285
ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

Case 6879

IN THE MATTER OF THE APPLICATION OF JAKE L. HAMON FOR APPROVAL OF A TUBINGLESS COMPLETION IN THE NORTH OSUDO MORROW GAS POOL, LEA COUNTY, NEW MEXICO

RECEIVED
MAR 3 1980
OIL CONSERVATION DIVISION
SANTA FE

APPLICATION

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KELLAHIN & KELLAHIN

By _____
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285
ATTORNEYS FOR APPLICANT

Case 6879

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

RECEIVED
OIL CONSERVATION DIVISION
SANTA FE

IN THE MATTER OF THE APPLICATION OF JAKE L. HAMON FOR APPROVAL OF A TUBINGLESS COMPLETION IN THE NORTH OSUDO MORROW GAS POOL, LEA COUNTY, NEW MEXICO

APPLICATION

COMES NOW JAKE L. HAMON, by and through his attorneys, Kellahin & Kellahin and applies to the Oil Conservation Division of New Mexico for approval of a tubingless completion of his Amerada Federal No. 2 Well located 1980 feet from the North and West lines of Section 17, T20S, R36E, Lea County, New Mexico, and in support thereof would show:

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WHEREFORE, Applicant requests that this matter be set for hearing before the Division's examiner and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By _____
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285
ATTORNEYS FOR APPLICANT

ROUGH

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. 6879

Order No. R-6345

Application of Jake L. Hamon for a tubingless completion, Lea County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 23, 1980, at Santa Fe, New Mexico, before Examiner RLS.

NOW, on this _____ day of May, 1980, 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, Jake L. Hamon, seeks authority to produce his Amerada Federal Well No. 2 located in Unit F of Section 17, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, thru 4 1/2-inch drill pipe cemented in the hole.

(2) That while drilling, said well experienced a loss of control following a six-foot drilling break in the Morrow formation at ~~a depth of~~ approximately 11,123 feet.

(3) That because of up-hole problems, it was necessary to cement the 4½-inch drill pipe in the hole in order to reestablish well control.

(4) That ~~gas from the Morrow formation in~~ said well may be ~~efficiently~~ produced ~~efficiently~~ through the 4½-inch drill pipe.

(5) That approval of the subject application will serve to prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That Jake L. Hamon is hereby authorized to complete his Amerada Federal Well No 2 located in Unit F of Section 17, Township 20 South, Range 36 East, NMPM, ~~as a tubingless~~ through 4½-inch drill pipe as a tubingless completion, North Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) Jurisdiction

(3) That during the drilling of said well

Case No.

6880

Unit Agreement
Active at time
of filing. See
Unit Agreement files.

CASE 6681: YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO.

6881

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

May 23, 1980

Re: CASE NO. 6881
ORDER NO. R-6350

Mr. Chad Dickerson
Losee, Carson & Dickerson
Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210

Applicant:

Yates Petroleum Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

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. 6881
Order No. R-6350

APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, 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, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, East Eagle Creek Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 30 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, NMPM, East Eagle Creek Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 30 shall be dedicated to the above-described well.

(3) 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

SEAL

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. CASE 6881

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Chad Dickerson, Esq.
LOSEE, CARSON, AND DICKERSON
Artesia, New Mexico 88201

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

I N D E X

RAY BECK

Direct Examination by Mr. Dickerson 3

Cross Examination by Mr. Nutter 6

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Isopach 4

Applicant Exhibit Three, Cross Section 5

SALLY W. BOYD, C.S.R.
Rt. 1 Box 119-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

MR. NUTTER: Call Case Number 6881.

MR. PADILLA: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.

MR. DICKERSON: Mr. Examiner, my name is Chad Dickerson from Artesia, New Mexico. I have one witness to be sworn.

(Witness sworn.)

RAY BECK

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q. Will you state your name and your occupation, please?

A. Ray Beck, Geologist.

Q. And by whom are you employed?

A. Yates Petroleum.

Q. Mr. Beck, you've previously testified before this Division, had your qualifications accepted?

A. Yes, I have.

Q. Are you familiar with the application of

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

Yates Petroleum before the Commission today?

A. Yes.

Q. Will you briefly describe the purpose?

A. In Case 6881 Yates Petroleum Corporation seeks approval of the unorthodox gas well location of its proposed No. 1 Menefee "NT", to be drilled 1980 from the north, 660 from the east line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico.

The north half would be dedicated to the well.

Q. Mr. Beck, were Exhibits One, Two, and Three, to which you will refer, prepared by you or under your direction?

A. Yes, they were.

Q. Would you refer to Exhibit Number One and describe what it shows?

A. Exhibit Number One is a land plat showing the proposed location and its relationship to surrounding leasehold situations.

Yellow denotes the Yates acreage in which they have 100 percent or less leasehold interest.

Pink denotes Yates minerals.

The subject proration unit is outlined in red.

Q. Turn to Exhibit Number Two and describe

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

what that exhibit reflects.

A. Exhibit Number Two is an Isopach map showing the varying thickness of the Morrow Clastics to Chester lime interval. Wells located along or close to the axes of Morrow Clastics to Chester thicks in this area have a much better chance to encounter economic Morrow channel sand.

For example, the Yates Jackson "EM" in Section 25, 17, 25, and the Yates Arco "EC" in Section 36 of 17, 25, both encountered a very productive Morrow channel sand positioned in a Morrow Clastics to Chester thick.

The proposed location has been chosen to encounter the axis of a thick running north/northwestward through the eastern part of Section 30, 32, 26.

Immediately to the south the Yates Goat Roper No. 1 encountered a small Morrow channel on the flank of the above mentioned thick. The Goat Roper initialed for 1878 Mcf natural.

Q. Mr. Beck, refer to Exhibit Number Three and describe what it shows, please.

A. Exhibit Number Three is a west-to-east cross section transverse to the thick in Section 30, showing pertinent correlations.

Q. Do you have anything further to offer in connection with this application?

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

A That's all I have to offer direct.

Q Mr. Beck, in your opinion will the granting of this application prevent waste and protect correlative rights?

A Yes, I do.

MR. DICKERSON: Mr. Examiner, I move the admission of Exhibits One, Two, and Three.

MR. NUTTER: Applicant's Exhibits One, Two, and Three will be admitted in evidence.

MR. DICKERSON: We have nothing further to offer, Mr. Examiner, unless you have questions.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Beck, I notice that there are two gas wells shown in the south half of Section 30. Now you mentioned the Goat Roper is a Morrow well.

A Yes, sir.

Q What is this Caskey "EV"?

A The Caskey "EV" is an Atoka well. There was nothing in the Morrow. It was completed in the Atoka.

Q Although it did penetrate the Morrow?

A It did penetrate it.

Q And this Southern Union well to the southeast of your proposed location is what kind of a well?

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A. Pardon me? The -- which well are you referring to, sir?

Q. The one that's southeast of your proposed location. I believe Exhibit One indicates that may be a Southern Union or is it Maddox?

A. Maddox-Morton, yes, sir. That was a Morrow penetration. They perforated a small interval in the Morrow lime, a small interval in the Atoka, and a small interval in the Strawn, and they have never yet made a commercial well out of it. About as much as they've ever gotten at one time is a little over 100 Mcf.

Q. Is that from all of those zones you're talking about?

A. Yes, sir, and the more they've worked on it, the worse it's gotten.

Q. I see.

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

Do you have anything further, Mr. Dickerson?

MR. DICKERSON: No, Mr. Nutter.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6881?

We'll take the case under advisement.

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REPORTER'S CERTIFICATE

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 C.S.R.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6881, heard by me on 5/7 1980.

Oil Conservation Division Examiner

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. CASE 6881

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Chad Dickerson, Esq.
LOSEE, CARSON, AND DICKERSON
Artesia, New Mexico 88201

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I N D E X

RAY BECK

Direct Examination by Mr. Dickerson 3

Cross Examination by Mr. Nutter 6

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Isopach 4

Applicant Exhibit Three, Cross Section 5

MR. NUTTER: Call Case Number 6881.

MR. PADILLA: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.

MR. DICKERSON: Mr. Examiner, my name is Chad Dickerson from Artesia, New Mexico. I have one witness to be sworn.

(Witness sworn.)

RAY BECK

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

DIRECT EXAMINATION

BY MR. DICKERSON:

Q. Will you state your name and your occupation, please?

A. Ray Beck, Geologist.

Q. And by whom are you employed?

A. Yates Petroleum.

Q. Mr. Beck, you've previously testified before this Division, had your qualifications accepted?

A. Yes, I have.

Q. Are you familiar with the application of

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Yates Petroleum before the Commission today?

A. Yes.

Q. Will you briefly describe the purpose?

A. In Case 6881 Yates Petroleum Corporation seeks approval of the unorthodox gas well location of its proposed No. 1 Menefee "NT", to be drilled 1980 from the north, 660 from the east line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico.

The north half would be dedicated to the well.

Q. Mr. Beck, were Exhibits One, Two, and Three, to which you will refer, prepared by you or under your direction?

A. Yes, they were.

Q. Would you refer to Exhibit Number One and describe what it shows?

A. Exhibit Number One is a land plat showing the proposed location and its relationship to surrounding leasehold situations.

Yellow denotes the Yates acreage in which they have 100 percent or less leasehold interest.

Pink denotes Yates minerals.

The subject proration unit is outlined in red.

Q. Turn to Exhibit Number Two and describe

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what that exhibit reflects.

A. Exhibit Number Two is an Isopach map showing the varying thickness of the Morrow Clastics to Chester lime interval. Wells located along or close to the axes of Morrow Clastics to Chester thicks in this area have a much better chance to encounter economic Morrow channel sand.

For example, the Yates Jackson "EM" in Section 25, 17, 25, and the Yates Arco "EC" in Section 36 of 17, 25, both encountered a very productive Morrow channel sand positioned in a Morrow Clastics to Chester thick.

The proposed location has been chosen to encounter the axis of a thick running north/northwestward through the eastern part of Section 30, 32, 26.

Immediately to the south the Yates Goat Roper No. 1 encountered a small Morrow channel on the flank of the above mentioned thick. The Goat Roper initialed for 1878 Mcf natural.

Q. Mr. Beck, refer to Exhibit Number Three and describe what it shows, please.

A. Exhibit Number Three is a west-to-east cross section transverse to the thick in Section 30, showing pertinent correlations.

Q. Do you have anything further to offer in connection with this application?

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A That's all I have to offer direct.

Q Mr. Beck, in your opinion will the granting of this application prevent waste and protect correlative rights?

A Yes, I do.

MR DICKERSON: Mr. Examiner, I move the admission of Exhibits One, Two, and Three.

MR. NUTTER: Applicant's Exhibits One, Two, and Three will be admitted in evidence.

MR. DICKERSON: We have nothing further to offer, Mr. Examiner, unless you have questions.

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REPORTER'S CERTIFICATE

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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6881, heard by me on 5/7 1980.

Oil Conservation Division Examiner

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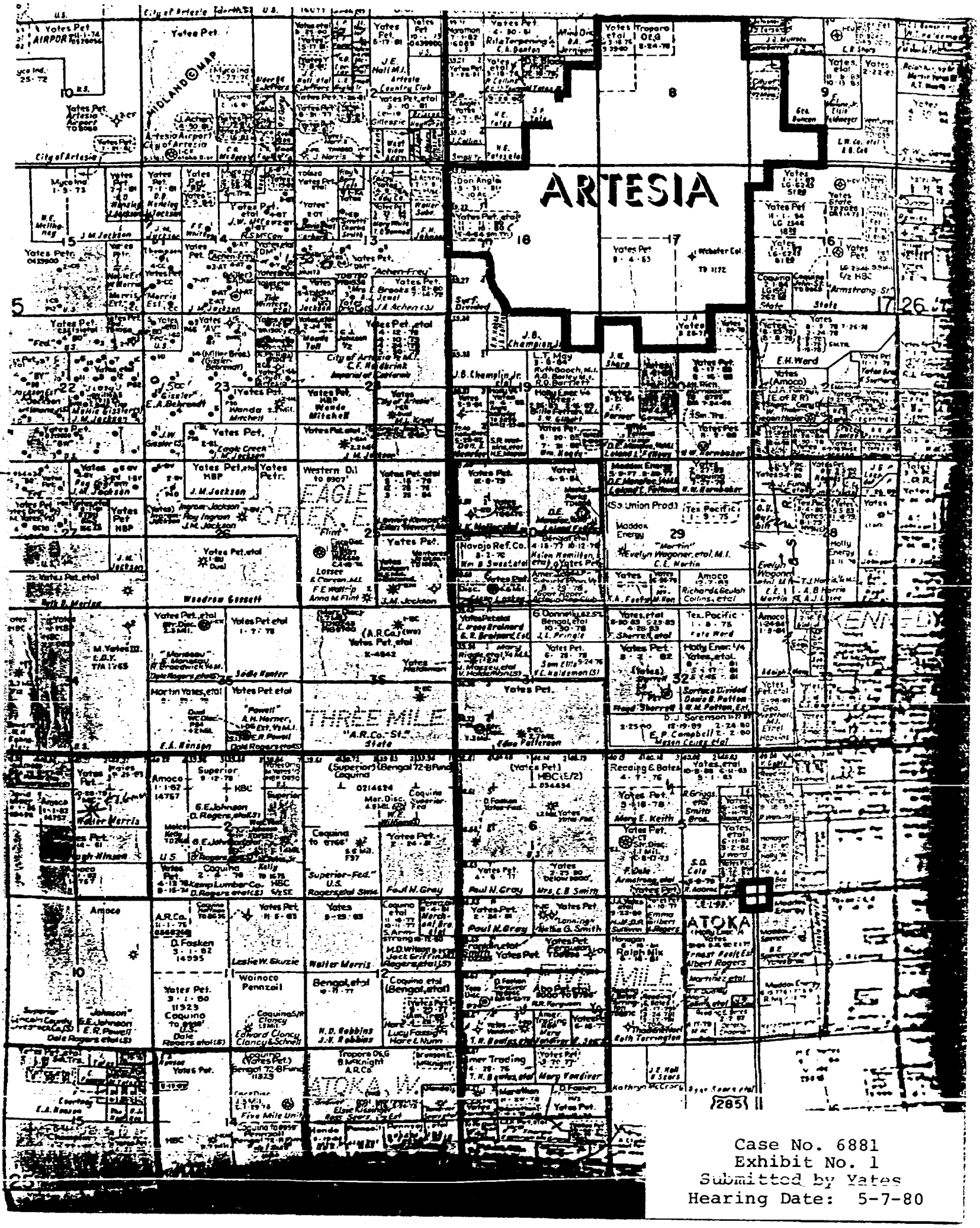
ARTESIA
MIDLAND MAP
EAGLE CREEK
Yates Pet.
Yates Pet. etal
Yates Pet. HBP
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Yates Pet. etal Dual
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Yates Pet. etal 1-7-78
Yates Pet. etal 11-1-78
Yates Pet. etal 11-6-83
Yates Pet. etal 11-15-83
Yates Pet. etal 11-15-83 HBC
Yates Pet. etal 11-15-83 HBC 1/2 SE
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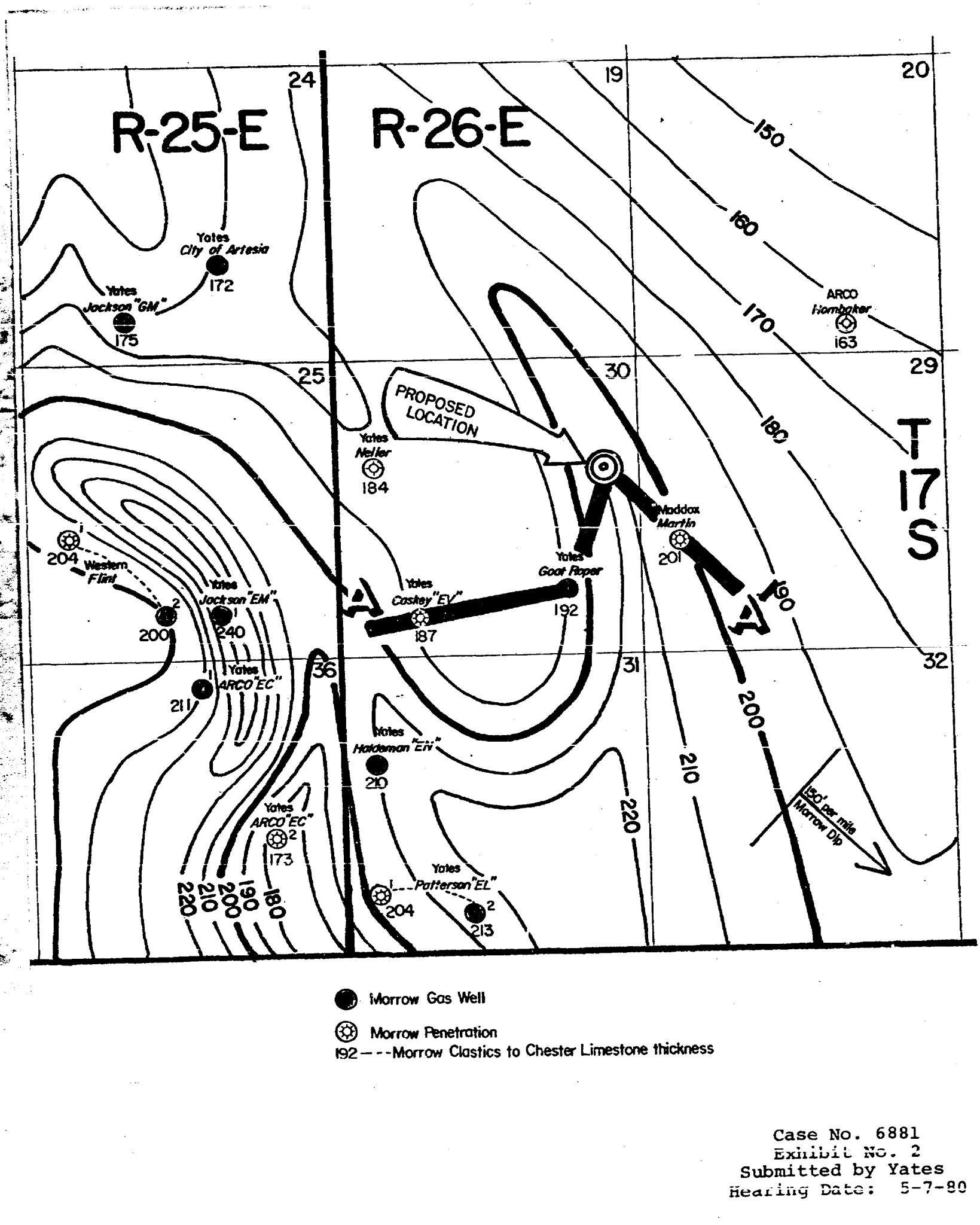
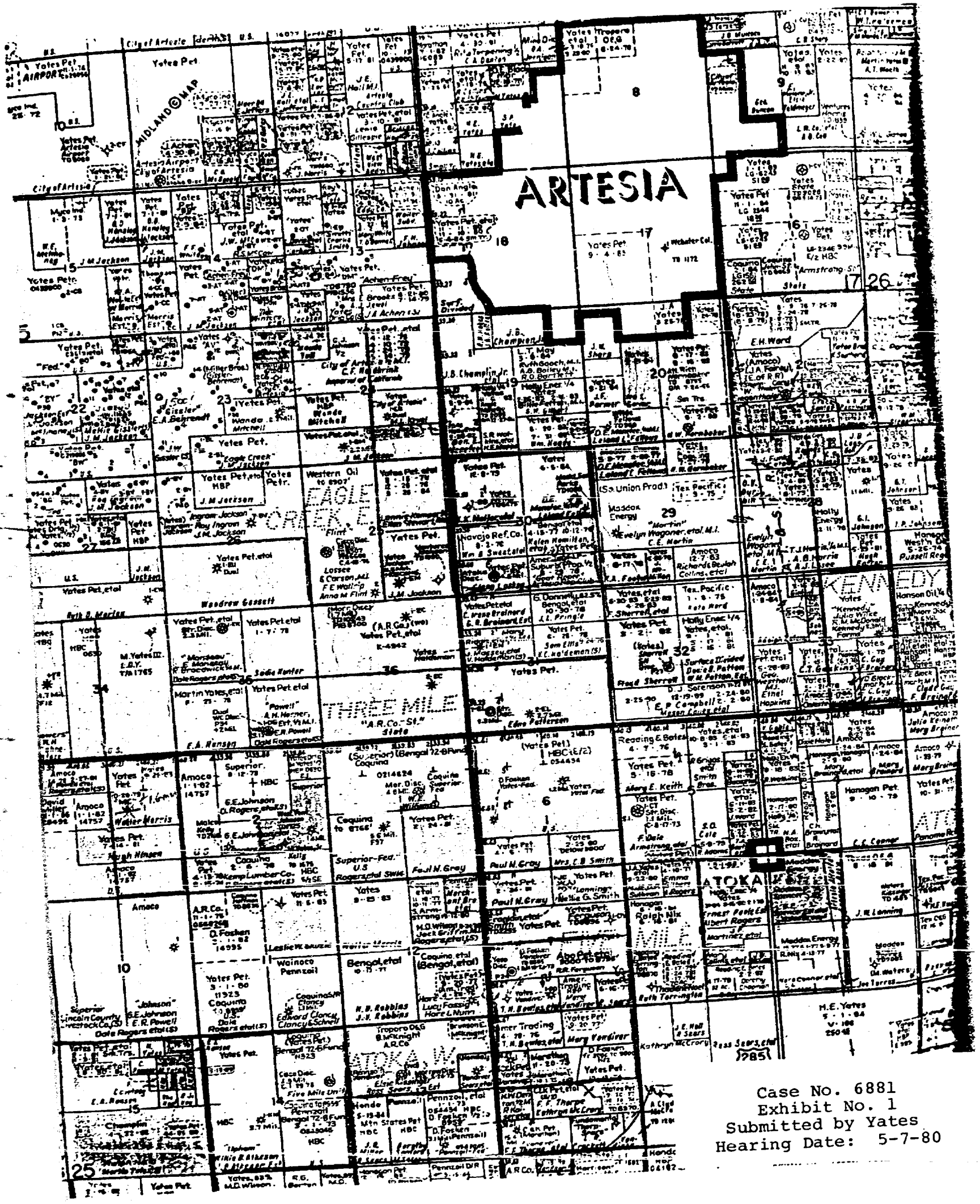


● Morrow Gas Well

⊛ Morrow Penetration

192---Morrow Clastics to Chester Limestone thickness

Case No. 6881
Exhibit No. 2
Submitted by Yates
Hearing Date: 5-7-80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MIDLAND MAP
EAGLE CREEK
FIVE MILE
KENNEDY
ATOKA
City of Artesia
Yates Pet
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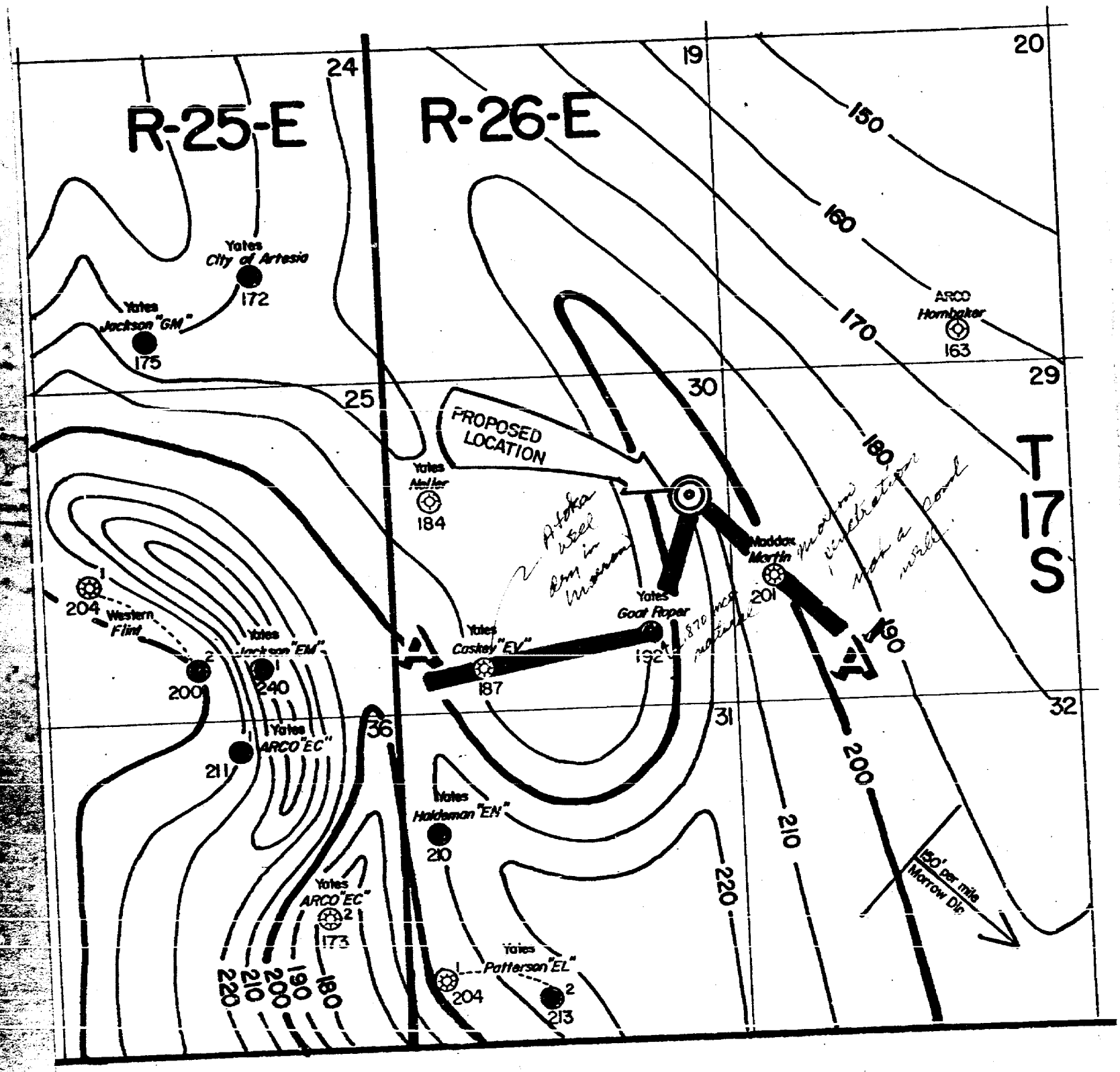

● Morrow Gas Well

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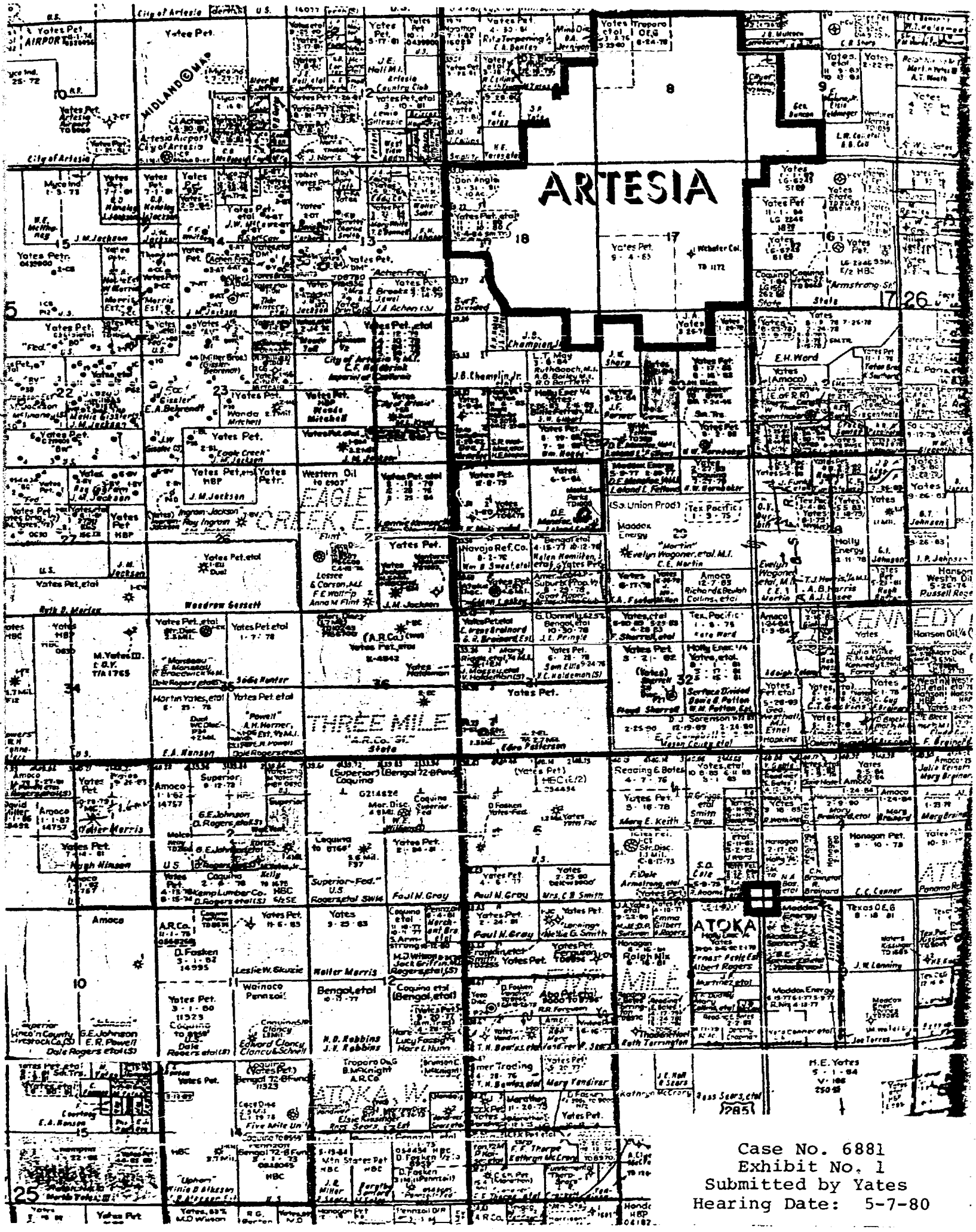
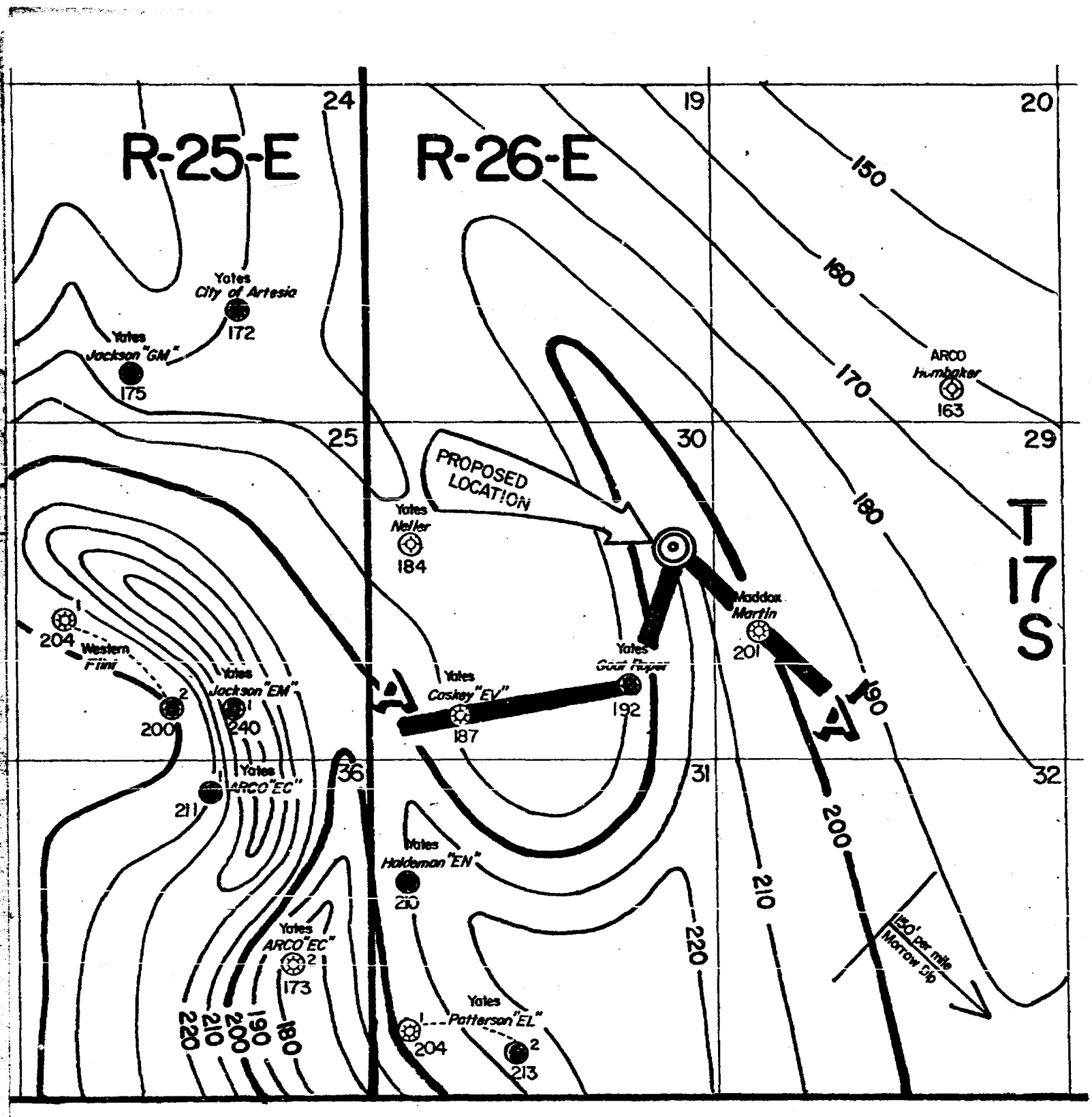

ARTESIA
MIDLAND
EAGLE CREEK
THREE MILE
KENNEDY
ATOKA
Yates Pet.
Yates Petr.
Amoco
Yates Pet.etal
Western Oil to 6907'
Yates Pet. HBP
Yates Pet. HBP Woods Mitchell
Yates Pet. Eagle Creek
Yates Pet.etal Dual
Yates Pet.etal HBP
Yates Pet.etal 1-7-78
Yates Pet.etal Dual Dir. Sur. Trs.
Yates Pet. HBP
Yates Pet. HBP
Yates Pet. HBP

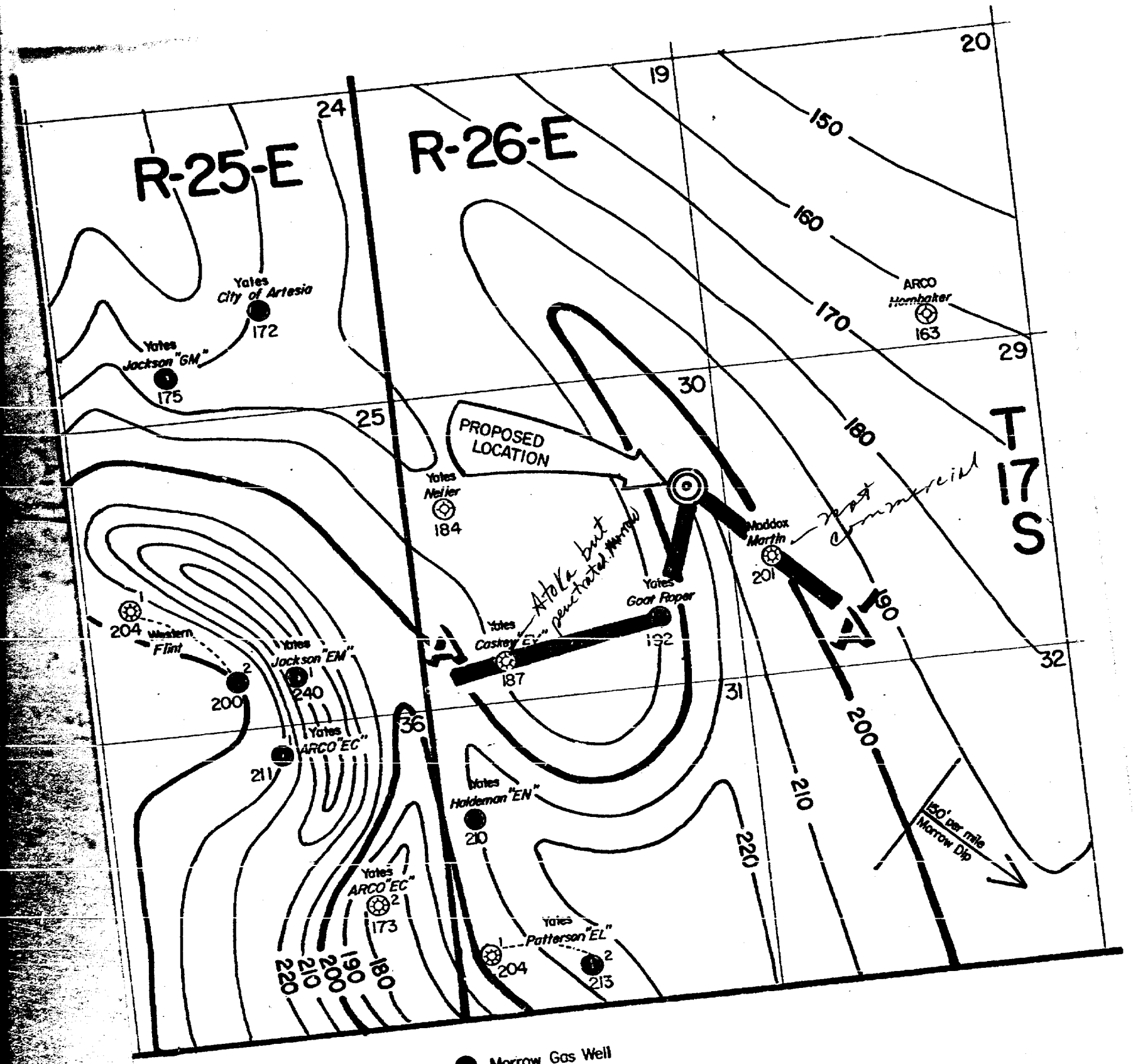


● Morrow Gas Well

⊛ Morrow Penetration

192---Morrow Clastics to Chester Limestone thickness

Case No. 6881
Exhibit No. 2
Submitted by Yates
Hearing Date: 5-7-90



● Morrow Gas Well

⊗ Morrow Penetration

192---Morrow Clastics to Chester Limestone thickness

Case No. 6881
Exhibit No. 2
Submitted by Yates
Hearing Date: 5-7-80

CASE 6876: (Continued from April 23, 1980, Examiner Hearing)

Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6886: Application of Amincil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6887: Application of General Crude Processing for an oil treating plant permit, San Juan 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 SE/4 SE/4 of Section 21, Township 30 North, Range 12 West.

CASE 6888: Application of Conoco Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard Eumont gas proration unit comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, to be dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

CASE 6889: Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6861: (Continued from April 23, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6890: Application of Tenneco Oil Company for a thermal enhanced recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot in situ combustion enhanced recovery project in the South Hospah Upper Sand and South Hospah Lower Sand Oil Pools by the completion of an injection/ignition well at a point 1474 feet from the North line and 2725 feet from the East line of Section 12, Township 17 North, Range 9 West, and by the drilling of up to six producing wells, all at unorthodox locations in close proximity to the injection/ignition well, and all located in Units F or G of said Section 12.

Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1980

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

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

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 6857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.

CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

LAW OFFICES
LOSEE, CARSON & DICKERSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER

AREA CODE 505
746-3508

April 7, 1980

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

Case 6881

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for an unorthodox gas well location in Eddy County, New Mexico.

We understand this will be set for hearing May 7, 1980.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson

Chad Dickerson

CD:pvm
Enclosures

cc: Yates Petroleum Corporation

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO : CASE NO. 6881

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

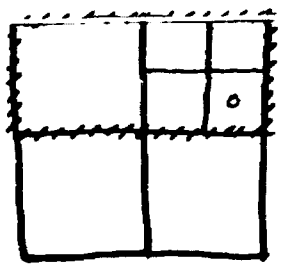
Section 30: N/2

and proposes to drill its Menefee "NT" Well at a point located 1,980 feet from the north line and 660 feet from the east line of Section 30.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the N/2 of said Section 30 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.



WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill its Menefee "NT" Well 1,980 feet from the north line and 660 feet from the east line of said Section 30, and to dedicate the N/2 of Section 30, which is reasonably presumed to be productive of gas from the Morrow formation, to said well.

C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: Chad Dickerson
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO : CASE NO. 6881

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 30: N/2

and proposes to drill its Menefee "NT" Well at a point located 1,980 feet from the north line and 660 feet from the east line of Section 30.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the N/2 of said Section 30 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill its Menefee "NT" Well 1,980 feet from the north line and 660 feet from the east line of said Section 30, and to dedicate the N/2 of Section 30, which is reasonably presumed to be productive of gas from the Morrow formation, to said well.

C. And for such other and further relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: _____
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO : CASE NO. 6381

APPLICATION

COMES NOW Yates Petroleum Corporation, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation underlying:

Township 17 South, Range 26 East, N.M.P.M.

Section 30: N/2

and proposes to drill its Menefee "NT" Well at a point located 1,980 feet from the north line and 660 feet from the east line of Section 30.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A standard 320-acre gas proration unit comprising the N/2 of said Section 30 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6881

ORDER NO. R- 6350

APPLICATION OF YATES PETROLEUM CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of May, 1980, 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, Yates Petroleum Corporation, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, East Eagle Creek Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 30 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East NMPM, East Eagle Creek Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 30 shall be dedicated to the above-described well.

(3) 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.

CASE 6682: AMOCO PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO.

6882

APPLICATION,

TRANSCRIPTS,

SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

July 28, 1980

Mr. Neil Rucker
Exploration Landman
Anadarko Production Company
P. O. Box 2497
Midland, Texas 79702

Dear Mr. Rucker:

Enclosed is a copy of the transcript in Case 6882 which you requested in your letter of July 21, 1980.

It is our policy to check transcripts out for a period of two weeks, so it will be necessary for the transcript to be back in this office by August 6, 1980.

Thank you very much for your cooperation.

Yours very truly,

Florene Davidson
Administrative Secretary

enc.

Anadarko
PRODUCTION COMPANY

P. O. Box 2497 • Midland, Texas 79702 • (915) 682-1666

A
Panhandle
Eastern
Company

July 21, 1980

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501

RE: Case 6882 Dockett # 13-80
W/2 Section 1, T19S R 25E
Eddy County, New Mexico

Gentlemen:

Please forward a copy of the complete transcript on the referenced hearing conducted May 7, 1980.

Any cost that may be incurred complying with this request may be invoiced to Anadarko Production Company. Your cooperation is sincerely appreciated.

Very truly yours,

Neil Rucker,
Exploration Landman

NR/cw

ANADARKO PRODUCTION COMPANY
P. O. BOX 2497
MIDLAND, TEXAS 79702

MIDLAND, TX
1 PM
22 JUL
1980

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

Houston, TX

June 5, 1980

Reed
6/11/80
4:04 pm

File: JCA-986.51NM&WF-2457

Re: Order No. R-6351
Compulsory Pooling
W/2 Sec. 1, T-19-S, R-25-E
Eddy County, New Mexico

file
Case 6882

Mr. D. S. Nutter
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Dear Mr. Nutter:

In compliance with Order No. R-6351, Paragraph 3, Page 3, please be advised that Amoco Production Company has furnished all working interest owners that have not agreed to join or lease to Amoco a detailed cost estimate to drill the Alley Unit No. 1, on this date. This estimate was a copy of Exhibit No. 3 submitted in Case No. 6882 held in Santa Fe, on May 7, 1980.

Very truly yours,

J. R. Barnett

JCA/dgh
603/J

cc: S. J. Okerson - Hobbs
G. T. Buell
M. W. Burkhart

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

May 23, 1980

Re: CASE NO. 6882
ORDER NO. R-6351

Mr. Guy Buell, Attorney
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Applicant:

Amoco Production Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

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. 6882
Order No. R-6351

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, 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, Amoco Production Company, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

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

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

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

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

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 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 $3300.00 per month while drilling and $330.00 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.

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

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before August 1, 1980, 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, in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of August, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of August, 1980, 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 Amoco Production Company is hereby designated the operator of the subject well and unit.

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

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

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt

of said schedule, the actual well costs shall be the reasonable well costs; provided however that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided 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, 200 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 $3300.00 per month while drilling and $330.00 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.

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

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

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

(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

SEAL

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico.

CASE 6882

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Guy Buell, Esq.
Amoco Production Company
Houston, Texas

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

I N D E X

MICHAEL W. BURKHART

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Nutter 9

J. C. ALLEN

Direct Examination by Mr. Buell 12

Cross Examination by Mr. Nutter 17

E X H I B I T S

Applicant Exhibit One, Map 4

Applicant Exhibit Two, List 6

Applicant Exhibit Three, Work Sheet 15

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

MR. NUTTER: Call now Case Number 6882.

MR. PADILLA: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico.

MR. BUELL: Representing the applicant, Amoco Production Company, my name is Guy Buell.

MR. PADILLA: How many witnesses do you have, Mr. Buell?

MR. BUELL: We have two witnesses, Mr. Padilla.

(Witnesses sworn.)

MICHAEL W. BURKHART

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

DIRECT EXAMINATION

BY MR. BUELL:

Q Would you state your complete name for the record, Mr. Burkhart, by whom you're employed, in what capacity, and at what location, please?

A Okay. My name is Michael Wayne Burkhart. I'm employed by Amoco Production Company in Houston as a petroleum landman.

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Phone (505) 455-7409

Q. As petroleum landman, Mr. Burkhart, what do your duties consist of?

A. Primarily the acquisition of oil and gas leases, putting together of units, drilling of wells, and negotiating, preparing, and execution of contracts.

Q. In your capacity as a petroleum landman did you have the assignment of making an attempt to put our Alley Unit together, the unit that is the subject matter of this hearing?

A. Yes, sir.

MR. BUELL: Are there any questions as to his qualifications in this case, Mr. Nutter?

MR. NUTTER: No, I think he's qualified.

Q. Mr. Burkhart, in connection with your testimony here today I wish you'd look first at what has been identified as Amoco's Exhibit One. What is Exhibit One?

A. Okay, this is a map with the nine surrounding sections to our proposed Alley Unit Well No. 1, which is the west half of Section 1, 19 South, 25 East.

Q. How have you designated or highlighted our Alley Unit?

A. I've outlined it in red.

Q. All right, sir, now let me ask you this. With regard to those interests that as of this time are not yet committed to our Alley Unit, is there any particular seg-

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ment of our proposed unit in which those interests are located?

A. Yes, sir. It is in the west half of the southwest quarter.

Q. All right, look now, if you would, at what we've identified as our Exhibit Number Two and briefly state what that exhibit reflects.

A. Okay, sir, Exhibit Two reflects the various leasehold ownership and unleased mineral interests for the west half of Section 1, and it breaks it out into the northwest quarter, west half southwest, east half southwest.

Q. All right, sir, let me ask you this, as a broad, general question. Are all the working interest owners in our proposed unit area, have either formally executed the operating agreement and committed their interest to the unit or have verbally agreed to commit their interest to the unit?

A. Yes, sir, they have.

Q. The only ones as of this time who are not committed are unleased interests?

A. Yes, sir.

Q. On a net acre basis how many acres does that unleased interest amount to, as of the time we filed this application?

A. As of the time we filed the application

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it was 10 acres.

Q. All right. In the intervening period have you been able to obtain leases from some of these unleased interest owners?

A. Yes, sir, we have.

Q. All right, sir, I believe on our Exhibit Two we start detailing their interest, right at the bottom of page one of Exhibit Two, is that correct?

A. Yes, sir.

Q. One of those interests is Quetico Superior Foundation in Minnesota.

A. That is correct.

Q. As of now do we have that interest committed?

A. No, sir, we do not.

Q. That's a net 2-1/2 acres.

A. That's correct.

Q. All right. I notice also you have Don Phillips and Associates as an unleased mineral interest with a net 7-1/2 acres.

A. Yes, sir.

Q. And what has happened to Don Phillips and Associates?

A. I understand Don Phillips is now deceased and that the ownership under that interest is set out, I

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guess it would be pages two and three of the exhibit.

Q All right. Now, page two and three of the exhibit, however, on this breakdown of what has happened to the Don Phillips interest, at the bottom it says page one and page two. That's page two and page three of our exhibit.

A That is correct, sir.

Q How many beneficiaries are there under the Don Phillips interest?

A Twenty-seven that we have listed.

Q And of those twenty-seven how many have we been able to obtain leases from?

A Seven.

Q For the benefit of the Examiner, would you very slowly starting at the top of page two of the Exhibit Two, name them so he can check them off and see that they are now committed?

A Okay, sir. The very first name, H. Cedric Alward, M. D., has leased to us.

Down on about the fifth name, Helen H. Bristol Estate.

Down to the middle of the page, Joyce A. Holliday.

Towards the bottom of the page, Richard H. Marshall, Junior; Robert Ray Newton Trust; Mrs. James J. Norton.

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And then on the last page, Marian Whitney Trust.

Q. All right, sir, are there any of those twenty-six individuals, the beneficiaries of Don Phillips, for whom you have been unable to obtain an address?

A. Yes, sir, there are two.

Q. What are they?

A. Well, sir, we have a general location of Sally P. Ellis, which is the third name on the list, in Boulder, Colorado, but we have not been able to find a detailed address for her.

And then towards the bottom of the page, Douglas D. MacKinnon, M. D.. We have not been able to find an address for him.

Q. Do you have a broker that is working diligently and trying to find a specific address for these two individuals?

A. Yes, sir, we do.

Q. Mr. Burkhart, just looking up and down the list of these twenty-six, they are scattered all over the country, Virginia, Minnesota, New Jersey, Tennessee, Nebraska, is that observation correct?

A. Yes, sir, it is.

Q. Let me ask you this. Of the six Don Phillips beneficiaries that we've been able to obtain leases

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from and thus commit their interest in the unit, what did the total of their net acres amount to, this six individuals?

A. Okay, sir, it totaled 2.5 acres.

Q. So as of this time in that southwest quarter of our unit we have a net 7-1/2 acres that is yet uncommitted.

A. That is correct.

Q. Do you have anything else you'd care to add at this time, Mr. Burkhart?

A. No, sir.

MR. BUELL: May it please the Examiner, that concludes our direct of Mr. Burkhart.

MR. NUTTER: Mr. Burkhart, you do have the addresses for all of these other nineteen people, or twenty people, I guess it is. Have offers been made to lease from those people?

A. We have made offers, yes, sir.

MR. NUTTER: And they have declined?

A. We have not received any correspondence or contact from these people at all.

MR. NUTTER: Have you made a person-to-person search for them? Has your landman or your broker gone to these addresses or anything to see if he could obtain leases?

A. No, sir, not to my knowledge. It's been

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through correspondence in the mail or telephone numbers, if he's been able to locate any.

MR. NUTTER: And he hasn't had -- you haven't had any response from any of them.

A. No, sir.

MR. BUELL: Mr. Examiner, we've had response from those six --

A. Oh, that's right, excuse me.

MR. BUELL: -- who have executed the leases.

MR. NUTTER: I think there were seven of those.

A. That's right, yes, sir.

MR. NUTTER: That leaves twenty that have not responded in any manner.

MR. BUELL: Yes.

A. That's correct, as of today's date.

MR. NUTTER: So you really don't know whether the addresses are good or not, but the letters haven't come back to you?

A. No, sir, not to my knowledge, and that is correct, we don't know that the addresses are good. We are still working on this.

MR. NUTTER: Now how about the docket of this hearing, did we furnish Amoco with a copy of the docket

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to be mailed to these?

A. Yes, sir, and it was mailed.

MR. NUTTER: It was mailed to all these people?

A. Yes, sir.

MR. NUTTER: When was that docket mailed, do you know?

A. April 29th.

MR NUTTER: To these addresses that are shown here?

A. Yes, sir. And I might add that the two addresses -- well, the two people we had no addresses for, I could not mail them, so they were the two exceptions to that.

MR. NUTTER: You didn't even try to mail one to Dr. MacKinnon?

A. No, sir.

MR. NUTTER: Don't even have a town or a state for him, do you?

A. That's correct, sir.

MR. BUELL: We even mailed that notice, the docket, Mr. Examiner, to those working interest owners that agreed. We wanted to be sure that we complied for giving everyone notice.

MR. NUTTER: So you have a total of 7-1/2

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out of 320 net acres in the unit that are not under lease, and these people own the minerals in fee, is that it?

A. Yes, sir.

MR. NUTTER: So they will be working interest as well as royalty interest owners of the well.

A. That is correct.

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

MR. BUELL: I now call Mr. Allen.

J. C. ALLEN

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

DIRECT EXAMINATION

BY MR. BUELL:

Q. Mr. Allen, state your complete name, by whom you're employed, in what capacity, and in what location, please.

A. My name is James C. Allen. I'm employed by Amoco Production Company in Houston, Texas, as a Senior Petroleum Engineering Supervisor.

Q. Mr. Allen, you've testified at many hearings before the Oil Conservation Division and your qualifications as a petroleum engineer are a matter of public

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record, are they not?

A. Yes, sir.

MR. BUELL: Any questions, Mr. Examiner, or is Mr. Allen --

MR. NUTTER: No. Mr. Allen is qualified.

Q. I wish you'd -- let's go back to Exhibit One, Mr. Allen, and let me ask you whether or not the location of our Alley Unit No. 1 Well is shown on Exhibit One.

A. Yes, sir, it is. It is highlighted, or is indicated by a conventional well location symbol. It's identified as a proposed location, that location being 2080 feet from the north line and 860 feet from the west line of Section 1, Township 19 South, Range 25 East, Eddy County, New Mexico.

Q. Is that well currently drilling?

A. Yes, sir, it is.

Q. All right, sir, let me direct your attention to those sections that surround Section 1, our interest section, and I notice that we have symbols for both producing wells and dry holes on most all of those sections except Section 12 immediately to the south of Section 1, is that observation correct?

A. Yes, sir.

Q. Without going into a great deal of detail on each one of these wells that are shown on Exhibit

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One, would you briefly comment on the -- what you think would be of the most interest to the Examiner and the Division?

A. I think there are -- one thing in several sections which may be of interest, and that is where we note both a dry hole and producing well in the same section.

For example, in Section 35, the well in the northwest quarter is indicated as a dry hole. It was drilled in 1974, encountered the Morrow pay, but tested a noncommercial rate of 350 Mcf a day at a tubing pressure of 60 pounds flowing. The well was then completed as a Yeso well for 52 barrels of oil per day.

Yet the well in the south half of 35 is one, if not the best well in this area. It was completed in August of 1978 as a Morrow well, flowing 8.4 million cubic feet of gas per day. As of January 1st, 1980, that well has recovered over 1 Bcf gas.

We notice the same phenomena in Section 6 directly east of our proposed location. The well in the north half again encountered the Morrow pay. It tested gas, a very small flow of gas, too small to measure. They also recovered some water on test. While the well in the south half was completed in June of 1978 as a producing Morrow well at a rate of 2.8-million cubic feet a day, calculated absolute open flow.

Q. Also, Section 36, immediately to the

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north, has a producing well and a dry hole.

A. Yes, sir, that is correct.

Q. Now you don't need to go into details on that, Mr. Allen, but all of these wells that you're showing here are Penn wells or deeper, are they not?

A. Yes, sir, they are. There are some shallow wells in this area that are not indicated on this map.

Q. And they're not of any pertinence to this particular hearing?

A. No, sir.

Q. So we have a mix of producers and dry holes on three of the eight sections that offset our Section 1.

A. That's correct.

Q. All right, sir, do you have any other comments on Exhibit One?

A. No, sir.

Q. Turn now, if you would, to what has been identified as Exhibit Three. What is that exhibit, Mr. Allen?

A. Exhibit Number Three is a detailed cost worksheet for drilling the Alley Unit No. 1 for 9350 feet test.

This type worksheet is prepared on all wells prior to preparing the AFE, which we furnished the

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partners in less detail than this.

Q. All right, sir, are there any particular items you would like to comment on, or you just want to give the total cost for a producer and the total cost for a dry hole?

A. I think that this is detailed enough to be self-explanatory. The total cost is estimated at $500,000 for a producer, $315,000 for a dry hole.

Q. All right, sir, do you have a recommendation to make with regard to supervisory cost, both during the drilling of this well, and, hopefully, if it's a producer, during the producing life of the well?

A. Yes sir, I'd recommend the same rates which we have furnished all our potential working interest owners on the operating unit agreement, that being $3300 per month while drilling and $330 per month producing.

Q. All right, sir, do you have risk penalty to recommend to the Examiner and the Division?

A. Yes, sir, just the inherent risk involved in drilling. I'd recommend a 200 percent risk penalty.

Q. And also on Exhibit One it would seem that there is some exploratory risk involved here.

A. Yes, sir, I think there is.

Q. Where we have dry holes offset by producing wells.

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Phone (505) 455-7409

A. Yes, sir.

Q. Listen, let me ask you this. I overlooked this. I see a dry hole symbol in the east half of the southwest quarter of Section 1 in our unit. What about that well?

A. Yes, sir, that well was drilled some twenty-one years ago by Amoco to a total depth of 9400 feet. The Morrow Sands were present. They were not well developed. They were drill stem tested but we recovered only drilling mud on test.

Q. Have we learned a lot about the Morrow formation in the intervening twenty-one years, Mr. Allen?

A. Yes, sir, I think we have.

Q. Do you have any other comments you'd care to make?

A. No, sir.

MR. BUELL: May it please the Examiner, that concludes our presentation and I would like to formally offer our Exhibits One through Three, inclusive.

MR. NUTTER: Amoco Exhibits One through Three will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Allen, you mentioned the $330 per month for producing and $3300 per month while drilling?

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A. Yes, sir.

Q. Is that the figure that is used in the operating agreement which was agreed to by the other working interest owners in this unit who have agreed?

A. Yes, sir. It has been furnished all working interest owners, and as I understand, they've either signed or they've indicated agreement.

Q. Do you have any idea what depth the well is at at the present time? You mentioned it's drilling.

A. The last depth I had was about two days ago, or was a day ago, I guess, it was yesterday morning, and it was at 3115 feet and drilling.

Q. Thank you.

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

Do you have anything further, Mr. Buell?

MR. BUELL: No, Mr. Examiner, I do not.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6382?

We'll take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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, C.S.R.
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Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6882 heard by me on 5/7 1980.

Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico.

CASE 6882

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Guy Buell, Esq.
Amoco Production Company
Houston, Texas

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Phone (505) 455-7409

I N D E X

MICHAEL W. BURKHART

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Nutter 9

J. C. ALLEN

Direct Examination by Mr. Buell 12

Cross Examination by Mr. Nutter 17

E X H I B I T S

Applicant Exhibit One, Map 4

Applicant Exhibit Two, List 6

Applicant Exhibit Three, Work Sheet 15

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MR. NUTTER: Call now Case Number 6882.

MR. PADILLA: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico.

MR. BUELL: Representing the applicant, Amoco Production Company, my name is Guy Buell.

MR. PADILLA: How many witnesses do you have, Mr. Buell?

MR. BUELL: We have two witnesses, Mr. Padilla.

(Witnesses sworn.)

MICHAEL W. BURKHART

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

DIRECT EXAMINATION

BY MR. BUELL:

Q. Would you state your complete name for the record, Mr. Burkhart, by whom you're employed, in what capacity, and at what location, please?

A. Okay. My name is Michael Wayne Burkhart. I'm employed by Amoco Production Company in Houston as a petroleum landman.

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Phone (505) 455-7409

Q. As petroleum landman, Mr. Burkhart, what do your duties consist of?

A. Primarily the acquisition of oil and gas leases, putting together of units, drilling of wells, and negotiating, preparing, and execution of contracts.

Q. In your capacity as a petroleum landman did you have the assignment of making an attempt to put our Alley Unit together, the unit that is the subject matter of this hearing?

A. Yes, sir.

MR. BUELL: Are there any questions as to his qualifications in this case, Mr. Nutter?

MR. NUTTER: No, I think he's qualified.

Q. Mr. Burkhart, in connection with your testimony here today I wish you'd look first at what has been identified as Amoco's Exhibit One. What is Exhibit One?

A. Okay, this is a map with the nine surrounding sections to our proposed Alley Unit Well No. 1, which is the west half of Section 1, 19 South, 25 East.

Q. How have you designated or highlighted our Alley Unit?

A. I've outlined it in red.

Q. All right, sir, now let me ask you this. With regard to those interests that as of this time are not yet committed to our Alley Unit, is there any particular seg-

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ment of our proposed unit in which those interests are located?

A. Yes, sir. It is in the west half of the southwest quarter.

Q. All right, look now, if you would, at what we've identified as our Exhibit Number Two and briefly state what that exhibit reflects.

A. Okay, sir, Exhibit Two reflects the various leasehold ownership and unleased mineral interests for the west half of Section 1, and it breaks it out into the northwest quarter, west half southwest, east half southwest.

Q. All right, sir, let me ask you this, as a broad, general question. Are all the working interest owners in our proposed unit area, have either formally executed the operating agreement and committed their interest to the unit or have verbally agreed to commit their interest to the unit?

A. Yes, sir, they have.

Q. The only ones as of this time who are not committed are unleased interests?

A. Yes, sir.

Q. On a net acre basis how many acres does that unleased interest amount to, as of the time we filed this application?

A. As of the time we filed the application

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it was 10 acres.

Q. All right. In the intervening period have you been able to obtain leases from some of these unleased interest owners?

A. Yes, sir, we have.

Q. All right, sir, I believe on our Exhibit Two we start detailing their interest, right at the bottom of page one of Exhibit Two, is that correct?

A. Yes, sir.

Q. One of those interests is Quetico Superior Foundation in Minnesota.

A. That is correct.

Q. As of now do we have that interest committed?

A. No, sir, we do not.

Q. That's a net 2-1/2 acres.

A. That's correct.

Q. All right. I notice also you have Don Phillips and Associates as an unleased mineral interest with a net 7-1/2 acres.

A. Yes, sir.

Q. And what has happened to Don Phillips and Associates?

A. I understand Don Phillips is now deceased and that the ownership under that interest is set out, I

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guess it would be pages two and three of the exhibit.

Q. All right. Now, page two and three of the exhibit, however, on this breakdown of what has happened to the Don Phillips interest, at the bottom it says page one and page two. That's page two and page three of our exhibit.

A. That is correct, sir.

Q. How many beneficiaries are there under the Don Phillips interest?

A. Twenty-seven that we have listed.

Q. And of those twenty-seven how many have we been able to obtain leases from?

A. Seven.

Q. For the benefit of the Examiner, would you very slowly starting at the top of page two of the Exhibit Two, name them so he can check them off and see that they are now committed?

A. Okay, sir. The very first name, H. Cedric Alward, M. D., has leased to us.

Down on about the fifth name, Helen H. Bristol Estate.

Down to the middle of the page, Joyce A. Holliday.

Towards the bottom of the page, Richard H. Marshall, Junior; Robert Ray Newton Trust; Mrs. James J. Norton.

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And then on the last page, Marian Whitney Trust.

Q. All right, sir, are there any of those twenty-six individuals, the beneficiaries of Don Phillips, for whom you have been unable to obtain an address?

A. Yes, sir, there are two.

Q. What are they?

A. Well, sir, we have a general location of Sally P. Ellis, which is the third name on the list, in Boulder, Colorado, but we have not been able to find a detailed address for her.

And then towards the bottom of the page, Douglas D. MacKinnon, M. D.. We have not been able to find an address for him.

Q. Do you have a broker that is working diligently and trying to find a specific address for these two individuals?

A. Yes, sir, we do.

Q. Mr. Burkhart, just looking up and down the list of these twenty-six, they are scattered all over the country, Virginia, Minnesota, New Jersey, Tennessee, Nebraska, is that observation correct?

A. Yes, sir, it is.

Q. Let me ask you this. Of the six Don Phillips beneficiaries that we've been able to obtain leases

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from and thus commit their interest in the unit, what did the total of their net acres amount to, this six individuals?

A. Okay, sir, it totaled 2.5 acres.

Q. So as of this time in that southwest quarter of our unit we have a net 7-1/2 acres that is yet uncommitted.

A. That is correct.

Q. Do you have anything else you'd care to add at this time, Mr. Burkhart?

A. No, sir.

MR. BUELL: May it please the Examiner, that concludes our direct of Mr. Burkhart.

MR. NUTTER: Mr. Burkhart, you do have the addresses for all of these other nineteen people, or twenty people, I guess it is. Have offers been made to lease from those people?

A. We have made offers, yes, sir.

MR. NUTTER: And they have declined?

A. We have not received any correspondence or contact from these people at all.

MR. NUTTEP: Have you made a person-to-person search for them? Has your landman or your broker gone to these addresses or anything to see if he could obtain leases?

A. No, sir, not to my knowledge. It's been

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through correspondence in the mail or telephone numbers, if he's been able to locate any.

MR. NUTTER: And he hasn't had -- you haven't had any response from any of them.

A. No, sir.

MR. BUELL: Mr. Examiner, we've had response from those six --

A. Oh, that's right, excuse me.

MR. BUELL: -- who have executed the leases.

MR. NUTTER: I think there were seven of those.

A. That's right, yes, sir.

MR. NUTTER: That leaves twenty that have not responded in any manner.

MR. BUELL: Yes.

A. That's correct, as of today's date.

MR. NUTTER: So you really don't know whether the addresses are good or not, but the letters haven't come back to you?

A. No, sir, not to my knowledge, and that is correct, we don't know that the addresses are good. We are still working on this.

MR. NUTTER: Now how about the docket of this hearing, did we furnish Amoco with a copy of the docket

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to be mailed to these?

A. Yes, sir, and it was mailed.

MR. NUTTER: It was mailed to all these people?

A. Yes, sir.

MR. NUTTER: When was that docket mailed, do you know?

A. April 29th.

MR. NUTTER: To these addresses that are shown here?

A. Yes, sir. And I might add that the two addresses -- well, the two people we had no addresses for, I could not mail them, so they were the two exceptions to that.

MR. NUTTER: You didn't even try to mail one to Dr. MacKinnon?

A. No, sir.

MR. NUTTER: Don't even have a town or a state for him, do you?

A. That's correct, sir.

MR. BUELL: We even mailed that notice, the docket, Mr. Examiner, to those working interest owners that agreed. We wanted to be sure that we complied for giving everyone notice.

MR. NUTTER: So you have a total of 7-1/2

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out of 320 net acres in the unit that are not under lease, and these people own the minerals in fee, is that it?

A. Yes, sir.

MR. NUTTER: So they will be working interest as well as royalty interest owners of the well.

A. That is correct.

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

MR. BUELL: I now call Mr. Allen.

J. C. ALLEN

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

DIRECT EXAMINATION

BY MR. BUELL:

Q. Mr. Allen, state your complete name, by whom you're employed, in what capacity, and in what location, please.

A. My name is James C. Allen. I'm employed by Amoco Production Company in Houston, Texas, as a Senior Petroleum Engineering Supervisor.

Q. Mr. Allen, you've testified at many hearings before the Oil Conservation Division and your qualifications as a petroleum engineer are a matter of public

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record, are they not?

A. Yes, sir.

MR. BUELL: Any questions, Mr. Examiner, or is Mr. Allen --

MR. NUTTER: No. Mr. Allen is qualified.

Q. I wish you'd -- let's go back to Exhibit One, Mr. Allen, and let me ask you whether or not the location of our Alley Unit No. 1 Well is shown on Exhibit One.

A. Yes, sir, it is. It is highlighted, or is indicated by a conventional well location symbol. It's identified as a proposed location, that location being 2080 feet from the north line and 860 feet from the west line of Section 1, Township 19 South, Range 25 East, Eddy County, New Mexico.

Q. Is that well currently drilling?

A. Yes, sir, it is.

Q. All right, sir, let me direct your attention to those sections that surround Section 1, our interest section, and I notice that we have symbols for both producing wells and dry holes on most all of those sections except Section 12 immediately to the south of Section 1, is that observation correct?

A. Yes, sir.

Q. Without going into a great deal of detail on each one of these wells that are shown on Exhibit

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One, would you briefly comment on the -- what you think would be of the most interest to the Examiner and the Division?

A. I think there are -- one thing in several sections which may be of interest, and that is where we note both a dry hole and producing well in the same section.

For example, in Section 35, the well in the northwest quarter is indicated as a dry hole. It was drilled in 1974, encountered the Morrow pay, but tested a noncommercial rate of 350 Mcf a day at a tubing pressure of 60 pounds flowing. The well was then completed as a Yeso well for 52 barrels of oil per day.

Yet the well in the south half of 35 is one, if not the best well in this area. It was completed in August of 1978 as a Morrow well, flowing 8.4 million cubic feet of gas per day. As of January 1st, 1980, that well has recovered over 1 Bcf gas.

We notice the same phenomena in Section 6 directly east of our proposed location. The well in the north half again encountered the Morrow pay. It tested gas, a very small flow of gas, too small to measure. They also recovered some water on test. While the well in the south half was completed in June of 1978 as a producing Morrow well at a rate of 2.8-million cubic feet a day, calculated absolute open flow.

Q. Also, Section 36, immediately to the

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north, has a producing well and a dry hole.

A. Yes, sir, that is correct.

Q. Now you don't need to go into details on that, Mr. Allen, but all of these wells that you're showing here are Penn wells or deeper, are they not?

A. Yes, sir, they are. There are some shallow wells in this area that are not indicated on this map.

Q. And they're not of any pertinence to this particular hearing?

A. No, sir.

Q. So we have a mix of producers and dry holes on three of the eight sections that offset our Section 1.

A. That's correct.

Q. All right, sir, do you have any cther comments on Exhibit One?

A. No, sir.

Q. Turn now, if you would, to what has been identified as Exhibit Three. What is that exhibit, Mr. Allen?

A. Exhibit Number Three is a detailed cost worksheet for drilling the Alley Unit No. 1 for 9350 feet test.

This type worksheet is prepared on all wells prior to preparing the AFE, which we furnished the

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partners in less detail than this.

Q. All right, sir, are there any particular items you would like to comment on, or you just want to give the total cost for a producer and the total cost for a dry hole?

A. I think that this is detailed enough to be self-explanatory. The total cost is estimated at $500,000 for a producer, $315,000 for a dry hole.

Q. All right, sir, do you have a recommendation to make with regard to supervisory cost, both during the drilling of this well, and, hopefully, if it's a producer, during the producing life of the well?

A. Yes sir, I'd recommend the same rates which we have furnished all our potential working interest owners on the operating unit agreement, that being $3300 per month while drilling and $330 per month producing.

Q. All right, sir, do you have risk penalty to recommend to the Examiner and the Division?

A. Yes, sir, just the inherent risk involved in drilling. I'd recommend a 200 percent risk penalty.

Q. And also on Exhibit One it would seem that there is some exploratory risk involved here.

A. Yes, sir, I think there is.

Q. Where we have dry holes offset by producing wells.

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A. Yes, sir.

Q. Listen, let me ask you this. I overlooked this. I see a dry hole symbol in the east half of the southwest quarter of Section 1 in our unit. What about that well?

A. Yes, sir, that well was drilled some twenty-one years ago by Amoco to a total depth of 9400 feet. The Morrow Sands were present. They were not well developed. They were drill stem tested but we recovered only drilling mud on test.

Q. Have we learned a lot about the Morrow formation in the intervening twenty-one years, Mr. Allen?

A. Yes, sir, I think we have.

Q. Do you have any other comments you'd care to make?

A. No, sir.

MR. BUELL: May it please the Examiner, that concludes our presentation and I would like to formally offer our Exhibits One through Three, inclusive.

MR. NUTTER: Amoco Exhibits One through Three will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Allen, you mentioned the $330 per month for producing and $3300 per month while drilling?

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A. Yes, sir.

Q. Is that the figure that is used in the operating agreement which was agreed to by the other working interest owners in this unit who have agreed?

A. Yes, sir. It has been furnished all working interest owners, and as I understand, they've either signed or they've indicated agreement.

Q. Do you have any idea what depth the well is at at the present time? You mentioned it's drilling.

A. The last depth I had was about two days ago, or was a day ago, I guess, it was yesterday morning, and it was at 3115 feet and drilling.

Q. Thank you.

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

Do you have anything further, Mr. Buell?

MR. BUELL: No, Mr. Examiner, I do not.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6882?

We'll take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CEFTIFY 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 C.S.R.

SALLY W. BOYD, C.S.R.
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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6882 heard by me on 5/7, 1980.

Oil Conservation Division, Examiner

25 E

26 E

185

195

35

Yates Petr.
Gushwa "DR"
1 '74 morrow 350 MCF @ 60 psi

Yates Petr.
1 Rio Penasco
"JX" Com
Compl Aug 78
8.4 mmcf/day
casing perf 1 stage

36

Gulf, Eddy-State "AC"
1

Monsanto
1 Kincaid

31

Yates Petr.
Metcalf "LT" Com.

2

Amoco
2080
660

Proposed Location now drlg. @ about 3100'

Anadarko 3/4
Amoco 1/8

Champlin 1/2
Amoco 3/8

Quetico
Sup. FDN
1/32 MI
Don Phillips
+ Assoc. 3/8

Pan
A.H. Matlock
1
Cells 1/8

American
Matlock
Drld 20 yrs ago

6

Dorchester Exp.
Losee etal
Com 1

Dorchester Exp.
Liggett etal Com

Yate Petr. Rio Penasco
1 "KD" Com

11

Yate Petr. Rio Penasco
1 "MF" Com

1
Cotton Petr.
Federal 11

12

all wells dep. stated are shallow wells in the area are shown on map

7

1
Dorchester Exp.
Secrest etal

Portion of Penasco / Boyd Morrow Field
Proposed Location Section 1, T-19-S, R-25-E
Eddy County, New Mexico

Scale 1" = 2000'

BEFORE EXAMINER UTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 1
CASE NO. 6882

WORKING INTEREST OWNERSHIP
Eddy County, New Mexico
Township 19 South, Range 25 East
Section 1: W/2
April 10, 1980

Party	Type Interest	Acres	Percentage of Well
Lots 3 & 4, S/2 NW/4 (159.4 acres)			
*Amoco Production Company	Leasehold	159.4	49.9061
E/2 SW/4 (80 acres)			
*Amoco Production Company	Leasehold	30.0	9.3926
*Champlin Petroleum Company 300 Wilco Building Midland, Texas 79701	Leasehold	40.0	12.5235
*Max W. Coll II	Unleased Mineral Interest	2.5	.7827
*James N. Coll	Unleased Mineral Interest	2.5	.7827
*Jon F. Coll	Unleased Mineral Interest	2.5	.7827
*Charles H. Coll	Unleased Mineral Interest	2.5	.7827
W/2 SW/4 (80 acres)			
*Anadarko Production Company Box 2497 25W. Wall Street Midland, Texas 79702	Leasehold	60.0	18.7852
*Amoco Production Company	Leasehold	10.0	3.1309
Quetico Superior Foundation 2400 1st National Bank Bldg. Minneapolis, Minnesota	Unleased Mineral Interest	2.5	.7827
Don Phillips & Associates** **see attached pages	Unleased Mineral Interest	7.5	2.3482
		319.4	100.0000%

10 acres unleased when appl was filed

have agreed to participate in well.

Quetico

I have 2 and a 27 = to the Don Phillips interests

BEFORE EXAMINER HUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 2
CASE NO. 6882

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest in the [redacted]
Section 1, T-19-S, R-25-E, Eddy County, New Mexico:

Don Phillips is deceased; the associates are as follows

NAME	ADDRESS	INTEREST OWNED	NET ACRES
H. Cedric Alward, M.D.	4224 Francis Ave., Los Angeles, CA. 90005	1/30	.25
The Minneapolis Foundation, Legatee of the Estate of Frances E. Andrews, deceased	c/o Trust Department of the First National Bank of Minneapolis, Minnesota	1/30	.25
Sally P. Ellis, Attorney-in-Fact for Marguerite B. Ayres	Boulder, Colorado — have no detailed address	1/30	.25
Estate of Lester R. Badger, deceased	c/o Stephen S. Badger, Route 1, Box 528B, Excelsior, Minn. 55331	1/30	.25
Helen H. Bristol Estate	151 Library Place, Princeton, New Jersey 08540	1/15	.50
Frank H. Carleton Trust	c/o First National Bank of Minneapolis, P. O. Box A700, Minneapolis, Minn. 55480	1/30	.25
Paul Dickerson	3145 Cahuenga Blvd., Los Angeles, California 90068	1/60	.125
Josephine Hildrith	1811 La Cuesta Drive, Santa Ana, California 92705	1/30	.25
Estate of James G. Bennett, deceased	2016 E. Broadway Tucson, Arizona 85719	1/15	.50
Joyce A. Holliday	1034 Princeton St. Santa Monica, California 90403	1/15	.50
F. B. Hubachek	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Charles S. Kelly	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Estate of E. E. MacGibbon, deceased	321 Lowell Elk River, Minn. 55330	1/30	.25
Mrs. Jan M. Fox	5805 Winnequal Road Madison, Wisconsin 53716	1/90	.083
Mr. J. Laird Marshall	1411 Bible Camp Road McFarland, Wisconsin 53558	1/90	.083
Mr. Owen Marshall	2470 Rivermont Avenue Lynchburg, Virginia 24504	1/90	.084
Richard H. Marshall, Jr.	28 Austin Crescent, Toronto M5R-3E3, Ontario, Canada	1/30	.25
Douglas D. MacKinnon, M.D.	have no address for Dr. MacKinnon	1/30	.25
Robert Ray Newton Trust	Route 22, Meeting House Lane Knoxville, Tennessee 37921	1/15	.50
Mrs. James J. Norton	2880 Lorain Road San Marino, California 91108	1/30	.25
Mary A. Phillips	9025 National Blvd. Los Angeles, California 90034	1/12	.625
Rufus R. Rand Estate	c/o Palmer First National Bank & Trust, Box 2018, Sarasota, Fla. 33578	1/30	.25
L. Raymond Scherer	1930 Irving Ave. South Minneapolis, Minn. 55403	1/30	.25

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest
Continued Page -2-

NAME	ADDRESS	INTEREST OWNED	NET ACRES
Kathryan Knops	3044 - 12th Ave. South Minneapolis, Minn. 55407	1/30	.25
Roger Westman	257 North 117th Ave. Omaha, Nebraska 68154	1/30	.25
✓ Marian Whitney, Trust	San Diego Trust & Savings Bank Trust Department, Box 1871 San Diego, California 92112	1/30	.25
Elizabeth Melone Winston	2706 West Lake of the Isles Blvd. Minneapolis, Minn. 55416	1/30	.25

27 total beneficiaries
7 have now given leases = ✓ = 2.5 acres

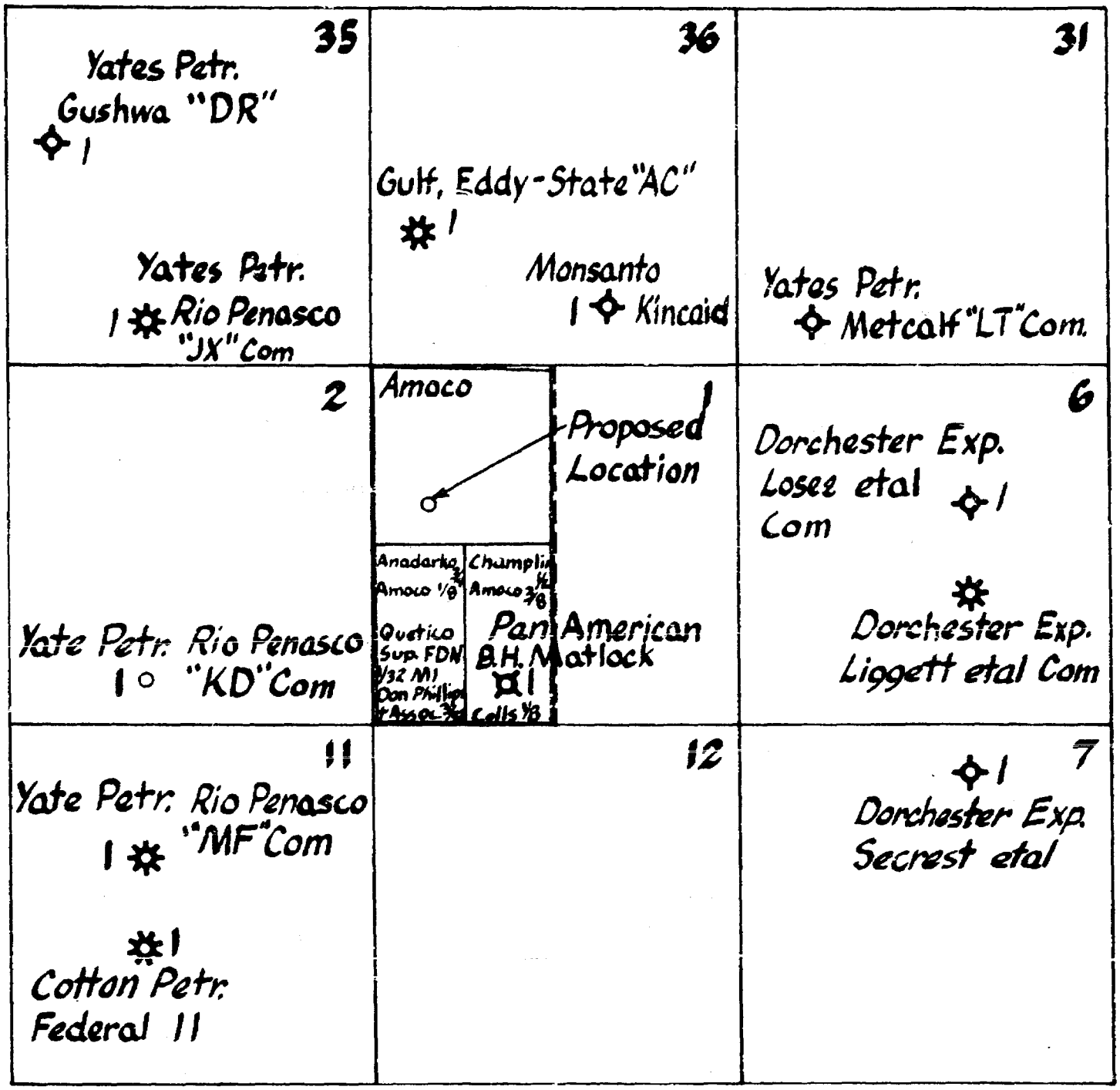
Eddy County, New Mexico

WELL COST DETAIL WORKSHEET

Location *Alley Unit #1 2080' FNL X 660' FWL, Sec. 1, T-19S, R-25E Zone of Compl. Morrow Depth 9350'

INTANGIBLES	PRODUCER	DRY HOLE
Drilling Cost (Footage) 9350 Ft. @ $16.50	154,275	154,275
Day Work & Drill Pipe Rental 5 Days @ $ 4,050	20,250	20,250
Cable Tools or Comp. Unit ____ Days @ $ Comp. Unit	11,000	-
Surveys	21,000	21,000
Mud ____ (OIL) ____	36,175	36,175
Stimulations, Size Acidize w/4000 Gal. *Assume good permeability	26,000	-
Roads & Bridges ____ Grading ____	12,900	12,900
	281,600	244,600
OTHER:		
Coring Equipment		
Perforating ____ Shots	4,000	-
Scratchers and Centralizers		
Company Labor Mudlogger 5500' to TD	13,000	11,000
Contract Labor		
Fuel and Water ($9,000 + $7,000)	16,000	14,000
Digging Pits ____ Filling Pits	1,500	1,500
Trucking	4,000	3,000
Cementing Services		
Cement for Casing ____ Sacks	30,300	9,300
Guide Shoes, Float Shoes and Collars		
Bits and Reamers	600	600
Drill Stem Tests 1 No. Tests	5,000	5,000
Miscellaneous	10,000	5,000
Total Other	84,400	49,400
Total Intangibles	366,000	294,000
WELL EQUIPMENT - TANGIBLES		
Casing - Surface - Size 13/38" Ft. 380'	7,560	7,560
Casing - Intermediate - Size 9 5/8" Ft. 1200' (in San Andres), thru all salts	13,440	13,440
Casing - Oil String - Size 5 1/2 Ft. 9100'	57,350	-
Tubing - Size 2 7/8 Ft. 9100'	30,850	-
Wellhead	24,800	
Total Well Equipment	134,000	21,000
Totals	500,000	315,000

BEFORE EXAMINER CONSERVATION DIVISION
Amoco EXHIBIT NO. 3
CASE NO. 6882



Portion of Penasco / Boyd Morrow Field
Proposed Location Section 1, T-19-S, R-25-E
Eddy County, New Mexico

Scale 1" = 2000'

BEFORE EXAMINER UTTER
OIL CONSERVATION COMMISSION
Amoco EXHIBIT NO. 1
CASE NO. 6882

WORKING INTEREST OWNERSHIP
Eddy County, New Mexico
Township 19 South, Range 25 East
Section 1: W/2
April 10, 1980

Party	Type Interest	Acres	Percentage of Well
Lots 3 & 4, S/2 NW/4 (159.4 acres)			
*Amoco Production Company	Leasehold	159.4	49.9061
E/2 SW/4 (80 acres)			
*Amoco Production Company	Leasehold	30.0	9.3926
*Champlin Petroleum Company 300 Wilco Building Midland, Texas 79701	Leasehold	40.0	12.5235
*Max W. Coll II	Unleased Mineral Interest	2.5	.7827
*James N. Coll	Unleased Mineral Interest	2.5	.7827
*Jon F. Coll	Unleased Mineral Interest	2.5	.7827
*Charles H. Coll	Unleased Mineral Interest	2.5	.7827
W/2 SW/4 (80 acres)			
*Anadarko Production Company Box 2497 25W. Wall Street Midland, Texas 79702	Leasehold	60.0	18.7852
*Amoco Production Company	Leasehold	10.0	3.1309
Quetico Superior Foundation 2400 1st National Bank Bldg. Minneapolis, Minnesota	Unleased Mineral Interest	2.5	.7827
Don Phillips & Associates**	Unleased Mineral Interest	7.5	2.3482
		319.4	100.0000%

**see attached pages

*Have agreed to participate in well.

BEFORE EXAMINER STAMPER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 2
CASE NO. 6082

Ownership of Dru Phillips and Associates Undivided 2/3rds Mineral Interest In The W½ of Section 1, T-19-S, R 25 E, Eddy County, New Mexico:

	NAME	ADDRESS	INTEREST OWNED	NET ACRES
✓	H. Cedric Alward, M.D.	4224 Francis Ave., Los Angeles, CA. 90005	1/30	.25
	The Minneapolis Foundation, Legatee of the Estate of Frances E. Andrews, deceased	c/o Trust Department of the First National Bank of Minneapolis, Minnesota	1/30	.25
	Sally P. Ellis, Attorney-in-Fact for Marguerite B. Ayres	Boulder, Colorado —	1/30	.25
	Estate of Lester R. Badger, deceased	c/o Stephen S. Badger, Route 1, Box 528B, Excelsior, Minn. 55331	1/30	.25
✓	Helen H. Bristol Estate	151 Library Place, Princeton, New Jersey 08540	1/15	.50
	Frank H. Carleton Trust	c/o First National Bank of Minneapolis, P. O. Box A700, Minneapolis, Minn. 55480	1/30	.25
	Paul Dickerson	3145 Cahuenga Blvd., Los Angeles, California 90068	1/60	.125
	Josephine Hildrith	1811 La Cuesta Drive, Santa Ana, California 92705	1/30	.25
	Estate of James G. Bennett, deceased	2016 E. Broadway Tucson, Arizona 85719	1/15	.50
✓	Joyce A. Holliday	1034 Princeton St. Santa Monica, California 90403	1/15	.50
	F. B. Hubachek	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
	Charles S. Kelly	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
	Estate of E. E. MacGibbon, deceased	321 Lowell Elk River, Minn. 55330	1/30	.25
	Mrs. Jan M. Fox	5805 Winnequal Road Madison, Wisconsin 53716	1/90	.083
	Mr. J. Laird Marshall	1411 Bible Camp Road McFarland, Wisconsin 53558	1/90	.083
	Mr. Owen Marshall	2470 Rivermont Avenue Lynchburg, Virginia 24504	1/90	.084
✓	Richard H. Marshall, Jr.	28 Austin Crescent, Toronto M5R-3E3, Ontario, Canada	1/30	.25
	Douglas D. MacKinnon, M.D.	—	1/30	.25
✓	Robert Ray Newton Trust	Route 22, Meeting House Lane Knoxville, Tennessee 37921	1/15	.50
✓	Mrs. James J. Norton	2880 Lorain Road San Marino, California 91108	1/30	.25
	Mary A. Phillips	9025 National Blvd. Los Angeles, California 90034	1/12	.625
	Rufus R. Rand Estate	c/o Palmer First National Bank & Trust, Box 2018, Sarasota, Fla. 33578	1/30	.25
	L. Raymond Scherer	1930 Irving Ave. South Minneapolis, Minn. 55403	1/30	.25

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest
Continued Page -2-

NAME	ADDRESS	INTEREST OWNED	NET ACRES
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Roger Westman	257 North 117th Ave. Omaha, Nebraska 68154	1/30	.25
✓ Marian Whitney, Trust	San Diego Trust & Savings Bank Trust Department, Box 1871 San Diego, California 92112	1/30	.25
Elizabeth Melone Winston	2706 West Lake of the Isles Blvd. Minneapolis, Minn. 55416	1/30	.25

WELL COST DETAIL WORKSHEET

Location *Alley Unit #1 2080' FNL X 860' FWL, Sec. 1, T-19S, R-25E Zone of Compl. Morrow Depth 9350'

INTANGIBLES	PRODUCER	DRY HOLE
Drilling Cost (Footage) 9350 Ft. @ $16.50	154,275	154,275
Day Work & Drill Pipe Rental 5 Days @ $ 4,050	20,250	20,250
Cable Tools or Comp. Unit ____ Days @ $ Comp. Unit	11,000	-
Surveys	21,000	21,000
Mud ____ (OIL) ____	36,175	36,175
Stimulations, Size Acidize w/4000 Gal. *Assume good permeability	26,000	-
Roads & Bridges ____ Grading ____	12,900	12,900
	281,600	244,600
OTHER:		
Coring Equipment		
Perforating ____ Shots ____	4,000	-
Scratchers and Centralizers		
Company Labor Mudlogger 5500' to TD	13,000	11,000
Contract Labor		
Fuel and Water ($9,000 + $7,000)	16,000	14,000
Digging Pits ____ Filling Pits ____	1,500	1,500
Trucking	4,000	3,000
Cementing Services		
Cement for Casing ____ Sacks ____	30,300	9,300
Guide Shoes, Float Shoes and Collars		
Bits and Reamers	600	600
Drill Stem Tests 1 No. Tests	5,000	5,000
Miscellaneous	10,000	5,000
Total Other	84,400	49,400
Total Intangibles	366,000	294,000
EQUIPMENT - TANGIBLES		
g - Surface - Size 13/38" Ft. 380'	7,560	7,560
- Intermediate - Size 9 5/8" Ft. 1200' (in San Andres), thru all salts	13,440	13,440
- Oil String - Size 5 1/2 Ft. 9100'	57,350	-
- Size 2 7/8 Ft. 9100'	30,850	-
	24,800	
Total Well Equipment	134,000	21,000
Totals	500,000	315,000

BEFORE EXAMINER HUNTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 3
CASE NO. 6882

Eddy County, New Mexico

WELL COST DETAIL WORKSHEET

Location *Alley Unit #1 2080' FNL X 860' FWL, Sec. 1, T-19S, R-25E Zone of Compl. Morrow Depth 9350'

INTANGIBLES	PRODUCER	DRY HOLE
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Scratchers and Centralizers		
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Total Other	84,400	49,400
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Casing - Intermediate - Size 9 5/8" Ft. 1200' (in San Andres), thru all salts	13,440	13,440
Casing - Oil String - Size 5 1/2 Ft. 9100'	57,350	-
Tubing - Size 2 7/8 Ft. 9100'	30,850	-
Wellhead	24,800	
Total Well Equipment	134,000	21,000
Totals	500,000	315,000

BEFORE EXAMINER HUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 3
CASE NO. 6882

ATWOOD, MALONE, MANN & COOTER
A PROFESSIONAL ASSOCIATION
LAWYERS

JEFF D. ATWOOD [1883-1960]
ROSS L. MALONE [1910-1974]

RECEIVED
MAY 05 1980
OIL CONSERVATION DIVISION
SANTA FE

P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6221

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
JOHN W. BASSETT
ROBERT E. SABIN
BRIAN W. COPPLE

RANDAL W. ROBERTS
STEVEN L. BELL
WILLIAM P. LYNCH

May 2, 1980

Mr. Joe D. Ramey
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Examiner Hearing May 7, 1980

Dear Mr. Ramy:

Please file the enclosed Entries of Appearance in Cases 6882 and 6883 in behalf of Amoco Production Company.

Thank you and with regards,

Very truly yours,

Charles F. Malone

CFM:grt

Enclosures

cc: Guy Buell, Esquire
(with enclosures)

RECEIVED
NOV 07 1980
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
COMPULSORY POOLING, W½, SECTION 1,) No. 6882
TOWNSHIP 19 SOUTH, RANGE 25 EAST,)
EDDY COUNTY, NEW MEXICO.)

ENTRY OF APPEARANCE

The undersigned hereby enter appearance in behalf of Amoco Production Company with Guy Buell and John Maxwell of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By _____

Post Office Drawer 700
Roswell, New Mexico 88201
Attorneys for Amoco Production Co.
(505) 622-6221

Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1980

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

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

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 6857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.

CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

April 25, 1980

Mr. Jim Allen
Amoco Production Company
Post Office Box 3092
Houston, Texas 77001

Dear Mr. Allen:

Encloced is a copy of the docket for the examiner hearing to be held on May 7, 1980.

Case 6882 is the application of Amoco for compulsory pooling in Eddy County, New Mexico. Would you please see that a copy of the docket is mailed to all poolees in the subject case?

Thank you for your cooperation.

Yours very truly,

Florene Davidson
Administrative Secretary

enc.

J. R. Barnett
Regional Engineering
Manager

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

April 11, 1980

File: JCA-986.51NM-2303

Re: Compulsory Pooling
W/2 Section 1, T-~~29~~-S, R-25-E
Eddy County, New Mexico

Case 6882

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

Attention: Mr. Joe D. Ramey (3)

Gentlemen:

Amoco Production Company respectfully requests a hearing for compulsory pooling of all mineral interests in the Pennsylvanian Formation underlying the W/2 Section 1, T-~~29~~-S, R-25-E, Eddy County, New Mexico, dedicated to a well to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing said well, the allocation of cost thereof as well as actual operating cost, charges for supervision and a charge for risks involved in drilling said well. Amoco will ask to be designated operator of the well.

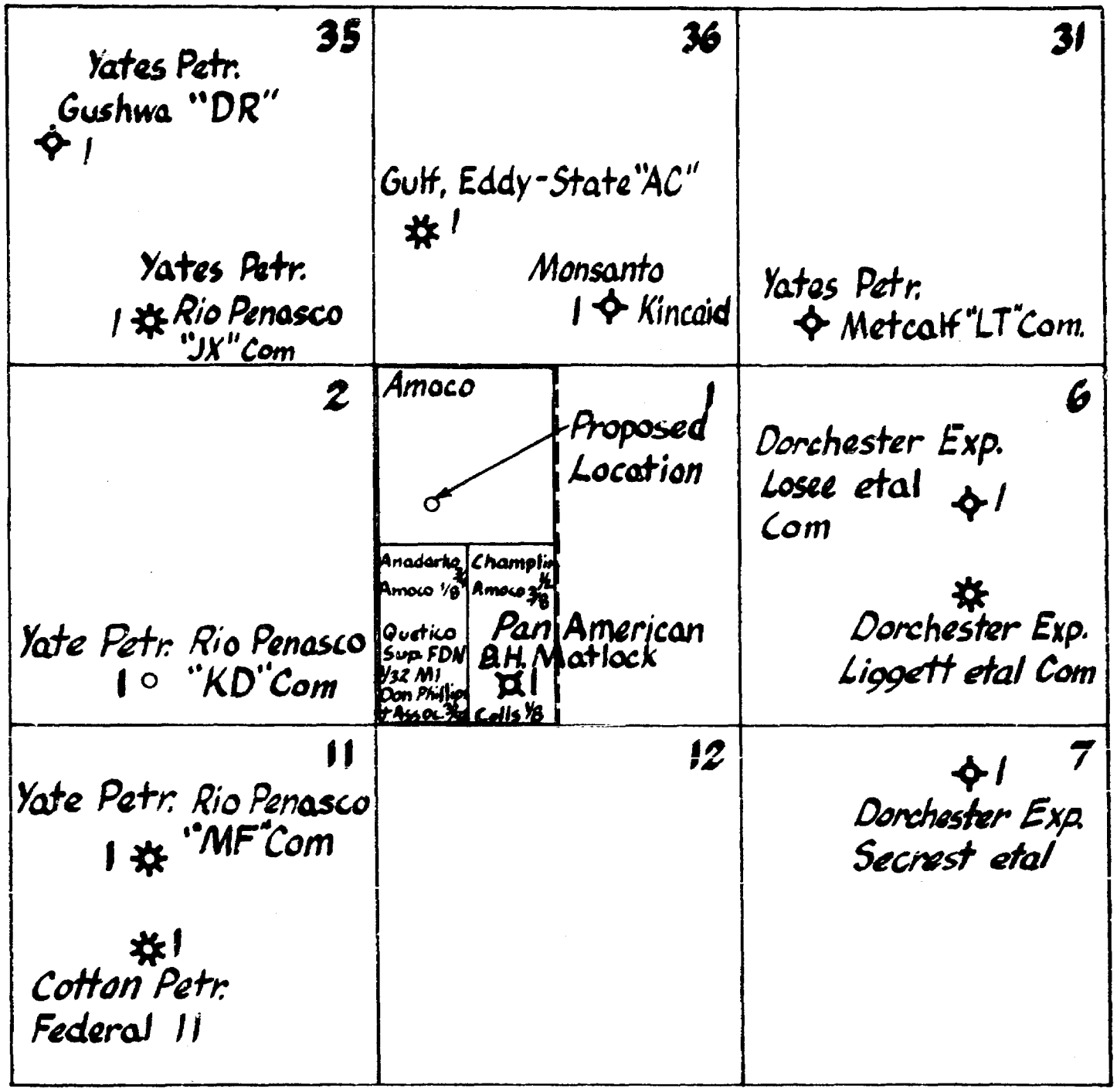
Please place this item on the Examiners Hearing Docket of May 7, 1980.

A map of the area and a list of all known leasehold interests, is attached. Please direct any questions to Mr. Jim Allen, telephone: (713) 652-5497.

Yours very truly,

J. R. Barnett

JCA/rw
Attachment



Portion of Penasco / Boyd Morrow Field
Proposed Location Section 1, T-19-S, R-25-E
Eddy County, New Mexico

Scale 1" = 2000'

WORKING INTEREST OWNERSHIP
Eddy County, New Mexico
Township 19 South, Range 25 East
Section 1: W/2
April 10, 1980

Party	Type Interest	Acres	Percentage of Well
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*Charles H. Coll	Unleased Mineral Interest	2.5	.7827
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Quetico Superior Foundation 2400 1st National Bank Bldg. Minneapolis, Minnesota	Unleased Mineral Interest	2.5	.7827
Don Phillips & Associates** **see attached pages	Unleased Mineral Interest	7.5	2.3482
		319.4	100.0000%

*Have agreed to participate in well.

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest In The W½SW¼ of Section 1, T-19-S, R-25-E, Eddy County, New Mexico:

NAME	ADDRESS	INTEREST OWNED	NET ACRES
H. Cedric Alward, M.D.	4224 Francis Ave., Los Angeles, CA. 90005	1/30	.25
The Minneapolis Foundation, Legatee of the Estate of Frances E. Andrews, deceased	c/o Trust Department of the First National Bank of Minneapolis, Minnesota	1/30	.25
Sally P. Ellis, Attorney-in-Fact for Marguerite B. Ayres	Boulder, Colorado	1/30	.25
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Estate of James G. Bennett, deceased	2016 E. Broadway Tucson, Arizona 85719	1/15	.50
Joyce A. Holliday	1034 Princeton St. Santa Monica, California 90403	1/15	.50
F. B. Hubachek	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Charles S. Kelly	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
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Richard H. Marshall, Jr.	28 Austin Crescent, Toronto M5R-3E3, Ontario, Canada	1/30	.25
Douglas D. MacKinnon, M.D.		1/30	.25
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Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest
Continued Page -2-

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Elizabeth Melone Winston	2706 West Lake of the Isles Blvd. Minneapolis, Minn. 55416	1/30	.25

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

April 11, 1980

File: JCA-986.51NM-2303

Re: Compulsory Pooling
W/2 Section 1, T-29-S, R-25-E
Eddy County, New Mexico

Case 6882

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

Attention: Mr. Joe D. Ramey (3)

Gentlemen:

Amoco Production Company respectfully requests a hearing for compulsory pooling of all mineral interests in the Pennsylvanian Formation underlying the W/2 Section 1, T-29-S, R-25-E, Eddy County, New Mexico, dedicated to a well to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing said well, the allocation of cost thereof as well as actual operating cost, charges for supervision and a charge for risks involved in drilling said well. Amoco will ask to be designated operator of the well.

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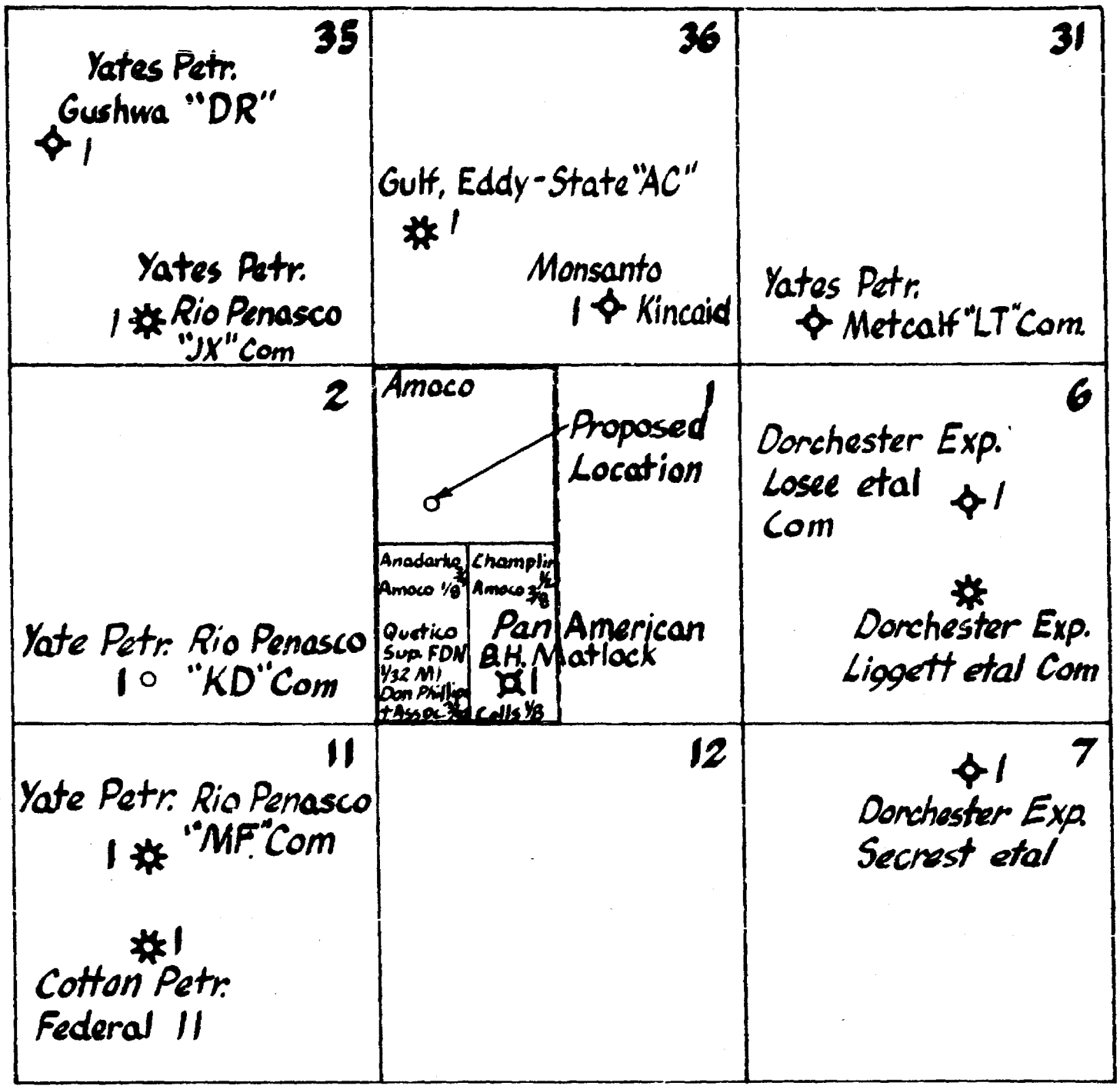
Yours very truly,

J. K. Barnett

JCA/rw
Attachment



Portion of Penasco / Boyd Morrow Field
Proposed Location Section 1, T-19-S, R-25-E
Eddy County, New Mexico

Scale 1" = 2000'

WORKING INTEREST OWNERSHIP
Eddy County, New Mexico
Township 19 South, Range 25 East
Section 1: W/2
April 10, 1980

Party	Type Interest	Acres	Percentage of Well
Lots 3 & 4, S/2 NW/4 (159.4 acres)			
*Amoco Production Company	Leasehold	159.4	49.9061
E/2 SW/4 (80 acres)			
*Amoco Production Company	Leasehold	30.0	9.3926
*Champlin Petroleum Company 300 Wilco Building Midland, Texas 79701	Leasehold	40.0	12.5235
*Max W. Coll II	Unleased Mineral Interest	2.5	.7827
*James N. Coll	Unleased Mineral Interest	2.5	.7827
*Jon F. Coll	Unleased Mineral Interest	2.5	.7827
*Charles H. Coll	Unleased Mineral Interest	2.5	.7827
W/2 SW/4 (80 acres)			
*Anadarko Production Company Box 2497 25W. Wall Street Midland, Texas 79702	Leasehold	60.0	18.7852
*Amoco Production Company	Leasehold	10.0	3.1309
Quetico Superior Foundation 2400 1st National Bank Bldg. Minneapolis, Minnesota	Unleased Mineral Interest	2.5	.7827
Don Phillips & Associates** **see attached pages	Unleased Mineral Interest	7.5	2.3482
		319.4	100.0000%

*Have agreed to participate in well.

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest In The W½SW¼ of Section 1, T-19-S, R-25-E, Eddy County, New Mexico:

NAME	ADDRESS	INTEREST OWNED	NET ACRES
H. Cedric Alward, M.D.	4224 Francis Ave., Los Angeles, CA. 90005	1/30	.25
The Minneapolis Foundation, Legatee of the Estate of Frances E. Andrews, deceased	c/o Trust Department of the First National Bank of Minneapolis, Minnesota	1/30	.25
Sally P. Ellis, Attorney-in-Fact for Marguerite B. Ayres	Boulder, Colorado	1/30	.25
Estate of Lester R. Badger, deceased	c/o Stephen S. Badger, Route 1, Box 528B, Excelsior, Minn. 55331	1/30	.25
Helen H. Bristol Estate	151 Library Place, Princeton, New Jersey 08540	1/15	.50
Frank H. Carleton Trust	c/o First National Bank of Minneapolis, P. O. Box A700, Minneapolis, Minn. 55480	1/30	.25
Paul Dickerson	3145 Cahuenga Blvd., Los Angeles, California 90068	1/60	.125
Josephine Hildrith	1811 La Cuesta Drive, Santa Ana, California 92705	1/30	.25
Estate of James G. Bennett, deceased	2016 E. Broadway Tucson, Arizona 85719	1/15	.50
Joyce A. Holliday	1034 Princeton St. Santa Monica, California 90403	1/15	.50
F. B. Hubachek	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Charles S. Kelly	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Estate of E. E. MacGibbon, deceased	321 Lowell Elk River, Minn. 55330	1/30	.25
Mrs. Jan M. Fox	5805 Winnequal Road Madison, Wisconsin 53716	1/90	.083
Mr. J. Laird Marshall	1411 Bible Camp Road McFarland, Wisconsin 53558	1/90	.083
Mr. Owen Marshall	2470 Rivermont Avenue Lynchburg, Virginia 24504	1/90	.084
Richard H. Marshall, Jr.	28 Austin Crescent, Toronto M5R-3E3, Ontario, Canada	1/30	.25
Douglas D. MacKinnon, M.D.		1/30	.25
Robert Ray Newton Trust	Route 22, Meeting House Lane Knoxville, Tennessee 37921	1/15	.50
Mrs. James J. Norton	2880 Lorain Road San Marino, California 91108	1/30	.25
Mary A. Phillips	9025 National Blvd. Los Angeles, California 90034	1/12	.625
Rufus R. Rand Estate	c/o Palmer First National Bank & Trust, Box 2018, Sarasota, Fla. 33578	1/30	.25
L. Raymond Scherer	1930 Irving Ave. South Minneapolis, Minn. 55403	1/30	.25

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest
Continued Page -2-

NAME	ADDRESS	INTEREST OWNED	NET ACRES
Kathryan Knops	3044 - 12th Ave. South Minneapolis, Minn. 55407	1/30	.25
Roger Westman	257 North 117th Ave. Omaha, Nebraska 68154	1/30	.25
Marian Whitney, Trust	San Diego Trust & Savings Bank Trust Department, Box 1871 San Diego, California 92112	1/30	.25
Elizabeth Melone Winston	2706 West Lake of the Isles Blvd. Minneapolis, Minn. 55416	1/30	.25

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

April 11, 1980

File: JCA-986.51NM-2303

Case 6882

Re: Compulsory Pooling
W/2 Section 1, T~~-29-~~S, R-25-E
Eddy County, New Mexico

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

Attention: Mr. Joe D. Ramey (3)

Gentlemen:

Amoco Production Company respectfully requests a hearing for compulsory pooling of all mineral interests in the Pennsylvanian formation underlying the W/2 Section 1, T~~-29-~~S, R-25-E, Eddy County, New Mexico, dedicated to a well to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing said well, the allocation of cost thereof as well as actual operating cost, charges for supervision and a charge for risks involved in drilling said well. Amoco will ask to be designated operator of the well.

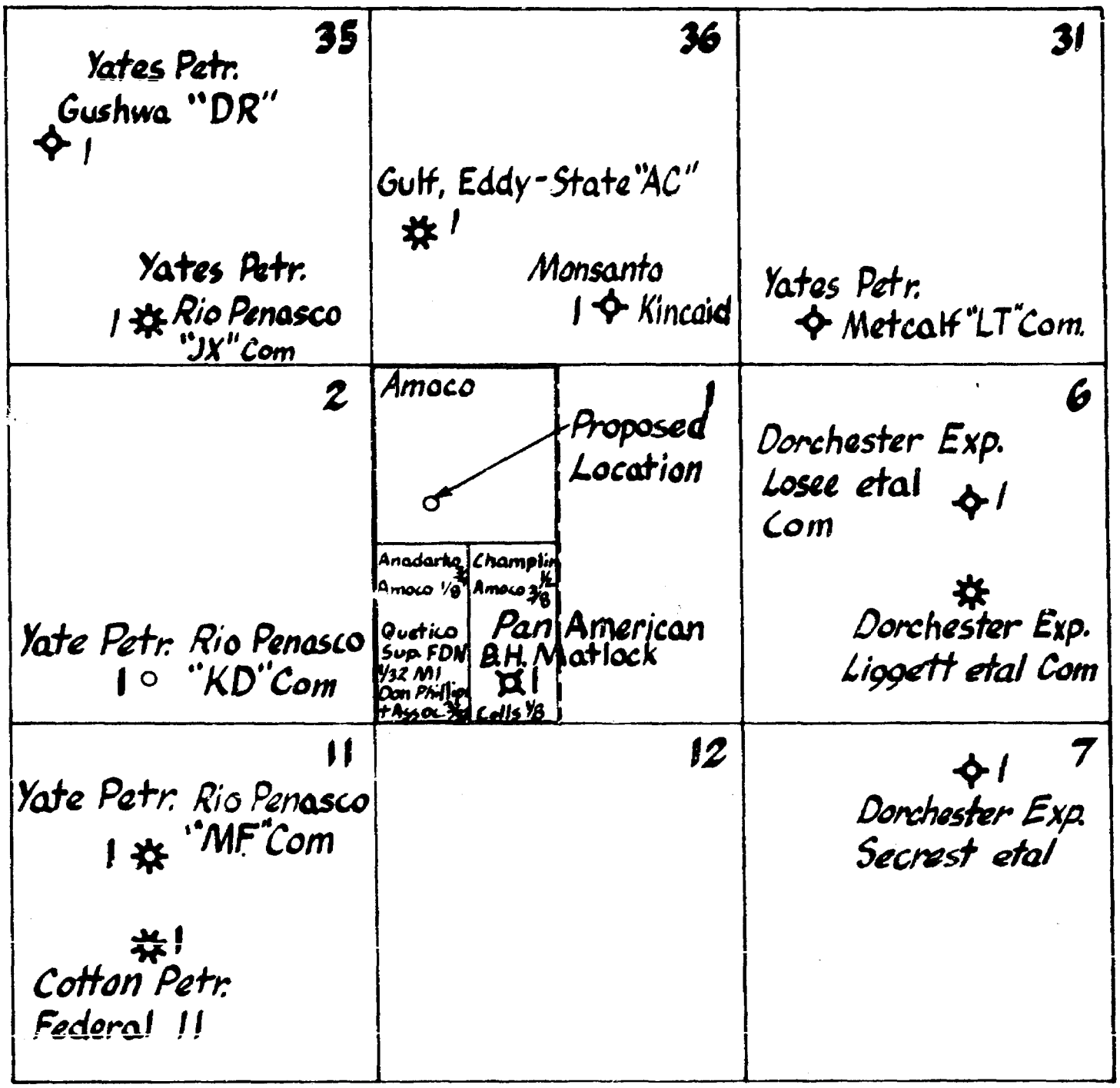
Please place this item on the Examiners Hearing Docket of May 7, 1980.

A map of the area and a list of all known leasehold interests, is attached. Please direct any questions to Mr. Jim Allen, telephone: (713) 652-5497.

Yours very truly,

J. R. Barnett

JCA/rw
Attachment



Portion of Penasco / Boyd Morrow Field
Proposed Location Section 1, T-19-S, R-25-E
Eddy County, New Mexico

Scale 1" = 2000'

WORKING INTEREST OWNERSHIP
Eddy County, New Mexico
Township 19 South, Range 25 East
Section 1: W/2
April 10, 1980

Party	Type Interest	Acres	Percentage of Well
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*Amoco Production Company	Leasehold	10.0	3.1309
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Don Phillips & Associates** **see attached pages	Unleased Mineral Interest	7.5	2.3482
		319.4	100.0000%

*Have agreed to participate in well.

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest In The W½SW¼ of Section 1, T-19-S, R-25-E, Eddy County, New Mexico:

NAME	ADDRESS	INTEREST OWNED	NET ACRES
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The Minneapolis Foundation, Legatee of the Estate of Frances E. Andrews, deceased	c/o Trust Department of the First National Bank of Minneapolis, Minnesota	1/30	.25
Sally P. Ellis, Attorney-in-Fact for Marguerite B. Ayres	Boulder, Colorado	1/30	.25
Estate of Lester R. Badger, deceased	c/o Stephen S. Badger, Route 1, Box 528B, Excelsior, Minn. 55331	1/30	.25
Helen H. Bristol Estate	151 Library Place, Princeton, New Jersey 08540	1/15	.50
Frank H. Carleton Trust	c/o First National Bank of Minneapolis, P. O. Box A700, Minneapolis, Minn. 55480	1/30	.25
Paul Dickerson	3145 Cahuenga Blvd., Los Angeles, California 90068	1/60	.125
Josephine Hildrith	1811 La Cuesta Drive, Santa Ana, California 92705	1/30	.25
Estate of James G. Bennett, deceased	2016 E. Broadway Tucson, Arizona 85719	1/15	.50
Joyce A. Holliday	1034 Princeton St. Santa Monica, California 90403	1/15	.50
F. B. Hubachek	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Charles S. Kelly	3220 Prudential Plaza Chicago, Illinois 60601	1/30	.25
Estate of E. E. MacGibbon, deceased	321 Lowell Elk River, Minn. 55330	1/30	.25
Mrs. Jan M. Fox	5805 Winnequal Road Madison, Wisconsin 53716	1/90	.083
Mr. J. Laird Marshall	1411 Bible Camp Road McFarland, Wisconsin 53558	1/90	.083
Mr. Owen Marshall	2470 Rivermont Avenue Lynchburg, Virginia 24504	1/90	.084
Richard H. Marshall, Jr.	28 Austin Crescent, Toronto M5R-3E3, Ontario, Canada	1/30	.25
Douglas D. MacKinnon, M.D.		1/30	.25
Robert Ray Newton Trust	Route 22, Meeting House Lane Knoxville, Tennessee 37921	1/15	.50
Mrs. James J. Norton	2880 Lorain Road San Marino, California 91108	1/30	.25
Mary A. Phillips	9025 National Blvd. Los Angeles, California 90034	1/12	.625
Rufus R. Rand Estate	c/o Palmer First National Bank & Trust, Box 2018, Sarasota, Fla. 33578	1/30	.25
L. Raymond Scherer	1930 Irving Ave. South Minneapolis, Minn. 55403	1/30	.25

Ownership of Don Phillips and Associates Undivided 3/32 Mineral Interest
Continued Page -2-

NAME	ADDRESS	INTEREST OWNED	NET ACRES
Kathryan Knops	3044 - 12th Ave. South Minneapolis, Minn. 55407	1/30	.25
Roger Westman	257 North 117th Ave. Omaha, Nebraska 68154	1/30	.25
Marian Whitney, Trust	San Diego Trust & Savings Bank Trust Department, Box 1871 San Diego, California 92112	1/30	.25
Elizabeth Melone Winston	2706 West Lake of the Isles Blvd. Minneapolis, Minn. 55416	1/30	.25

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6882

Order No. R- 6351

APPLICATION OF AMOCO PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of May, 1980, 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, Amoco Production Company, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 South, Range 25 East, NMPM, ~~[illegible]~~, Eddy County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

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

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

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

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

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 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 $ 3300.00 per month while drilling and $ 330.00 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.

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

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before August 1, 1980, 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, in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 South, Range 25 East, NMPM, ~~[illegible]~~, Eddy County, New Mexico, are hereby pooled to form a standard 320 - acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of August, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of August, 1980, 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 Amoco Production Company is hereby designated the operator of the subject well and unit.

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

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

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

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

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, 200 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 $ 3300.00 per month while drilling and $ 330.00 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.

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

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

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

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

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

CASE 6883: AMOCO PRODUCTION COMPANY FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO

CASE NO.

6883

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

May 23, 1980

Re: CASE NO. 6883
ORDER NO. R-6352

Mr. Guy Buell, Attorney
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Applicant:

Amoco Production Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

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. 6883
Order No. R-6352

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR A WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, 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, Amoco Production Company, seeks authority to institute a waterflood project on its Old Indian Draw Unit Area, Indian Draw-Delaware Pool, by the injection of water into the Delaware formation through its Old Indian Draw Unit Well No. 4, located in Unit I of Section 18, and Well No. 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) That injection into each of the wells described in Finding No. (2) above should be through internally coated tubing set in a packer, said packer being installed as near as is practicable to the uppermost perforation; that the casing-tubing annulus in each injection well should be loaded with an inert fluid and equipped with an approved pressure gauge or other attention-attracting leak detection device.

(7) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(8) That the subject waterflood project should be known as the Amoco Indian Draw Waterflood Project.

(9) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to institute a waterflood project on its Old Indian Draw Unit Area, Indian Draw-Delaware Pool, by the injection of water into the Delaware formation through its Old Indian Draw Unit Well No. 4 located in Unit I of Section 19 and Well No. 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing or packer in any of said injection wells, the

leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, provided however, that the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(5) That the subject waterflood project is hereby designated the Amoco Indian Draw Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rule 704 of the Division Rules and Regulations.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Divsion 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

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. CASE 6883

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Guy Buell, Esq.
Amoco Production Company
Houston, Texas

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

I N D E X

J. C. ALLEN

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Nutter 20

Questions by Mr. Steinnerd 25

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Wellbore Sketch 5

Applicant Exhibit Three, Tabulation 7

Applicant Exhibit Four, Log 8

Applicant Exhibit Five, Log 13

Applicant Exhibit Six, Curve 16

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

MR. NUTTER: We'll call next Case Number 6883.

MR. PADILLA: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico.

MR. BUELL: For the applicant, Amoco Production Company, my name is Guy Buell.

We have one witness, Mr. Allen, who has previously been sworn and qualified as a petroleum engineer.

J. C. ALLEN

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

DIRECT EXAMINATION

BY MR. BUELL:

Q. State your full and complete name, Mr. Allen.

A. My name is James C. Allen.

Q. Are you the same James C. Allen that testified in the previous case on this docket?

A. Yes, sir, I am.

Q. And you've been qualified and you were sworn in that other case?

A. Yes, sir .

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

Q. Mr. Allen, in connection with your testimony here today, look first, if you would, at what has been identified as Amoco's Exhibit Number One in this case, and state what that exhibit is.

A. Exhibit Number One is a map showing the Amoco operated Old Indian Draw Unit, located in essentially the middle of this map.

Q. How have we designated or highlighted the outer boundary of the Old Indian Draw Unit?

A. It's shown by a heavy dashed blue line on the map.

Q. All right, sir, under Rule 701 and the Commission memorandum of August 24, 1977, in an application of this type to conduct waterflood, it's necessary to show certain data in the surrounding area.

First, what is one of the requirements of Rule 701?

A. One is that we show all of the wellbores that have penetrated this horizon within a 2-mile radius of the injection wells.

Q. Does Exhibit One comply with that mandate?

A. Yes, sir, it does, and we have color coded the horizons that the wells are completed in at this time.

Q. What is your color legend?

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

A. The wells which are shown with a heavy blue line,dot, I guess, is -- excuse me, are Delaware completions or tests; those with a green dot are Wolfcamp, while the orange dot indicates Penn, either Atoka, Strawn, or Morrow.

Q. All right, sir, now the memorandum of August 24, 1977, sets out certain other requirements for wells within, I believe, isn't it a half mile radius of the injection wells?

A. Yes, sir, it asks for detailed wellbore sketches on all wells within a half mile radius of the injection well.

Q. All right, how have you identified the wells on Exhibit One which fall within this half mile radius?

A. They're identified with a red circle around each well and the proposed injection wells are identified using a dashed triangle and highlighted with a red arrow.

Q. All right, sir, do you have any other comments on Exhibit Number One at this time?

A. No, sir.

Q. All right, turn now, if you would, to what has been identified as our Exhibit Number Two, and what is that exhibit?

A. Exhibit Number Two is a set of wellbore

SALLY W. BOYD, C.S.R.
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sketches. It includes a wellbore sketch of the nine wells within a half mile radius of each injection well, plus the wellbore sketch of the two injection wells themselves, Well No. 4 and Well No. 11.

Q. Do you recall while you were including wellbore sketches you would include our two injection wells in this packet of wells within a half mile radius?

A. Yes, sir.

Q. With regard to those wells that are within a half a mile of our two injection wells, is the wellbore sketch self explanatory?

A. Yes, sir, I think it is.

Q. Why don't you just comment, then, with regard to Exhibit Two, those sketches that cover Well No. 4 and 11, our proposed initial injection wells?

A. All right, sir.

The wellbore sketch on Well No. 4 shows the casing setting depths and the cement has been circulated on both strings of casing. It also shows the two sets of perforations that have previously been perforated and have been abandoned by squeeze cementing. It's indicated on this cross section the current perforations open are those at 3376 to 3400. We're injecting water currently into this interval, the lower packer, through a string of 2-3/8ths inch plastic-coated tubing.

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MR. NUTTER: In other words, the one set, 2490 to 2504, and 3316 to 3326, are all squeezed, is that it?

A. Yes, sir, they are.

MR. NUTTER: Go ahead.

Q. All right, turn now to the sketch on Well No. 11, our second proposed injection well.

A. All right, sir. Well No. 11 shows the same information which Well No. 4 does. Again, this is the current status of Well No. 11 and not the proposed status when it is converted to injection.

Again we'll note the perforations are at 72 -- excuse me, 3295 to 3303. When we convert this well to injection the current tubing string will be pulled; a plastic coated tubing string will be run and set on a packer. Injection will be into the current perforations.

Q. All right, sir, does that conclude your comment on our Exhibit Number Two, which is a family of wellbore sketches?

A. Yes, sir.

Q. All right. Turn your attention, if you would, to what has been identified as our Exhibit Number Three. What is that exhibit?

A. Exhibit Number Three is a tabulation of essentially the same information which was included on the nine wellbore sketches of those wells within a half mile

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radius of the two injection wells.

Q. Is this another requirement of the memo of August 24, '77, which we mentioned before?

A. Yes, sir, it is.

Q. Is Exhibit Three self-explanatory?

A. Yes, sir.

Q. All right, turn, if you would, now to what has been identified as our Exhibit Number Four. What is that exhibit?

A. Exhibit Number Four is a borehole compensated sonic log on the Old Indian Draw Unit Well No. 4, which is the current salt water disposal well for this unit.

Q. And one of our proposed injection wells.

A. Yes, sir, it is.

Q. Would you comment, please, on what this log reflects down in our area of interest, both in the salt water disposal zone, as well as coming up the hole to where we intend to inject into the producing formation?

A. Yes, sir. We've shown on this log at approximately, well, at 3312 feet, the top of the main Delaware pay zone for this field.

Q. You've identified that with a horizontal red line?

A. Yes, sir, and also noted it as Top of Main Pay. You'll note it's immediately below the base of

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what's generally referred to as the 2-fingered limestone, occurring at a depth of 3295 to 3311.

Q. That's the two characteristics on the righthand side of the log that look like two fingers sticking out?

A. Yes, sir, it is.

We've also shown the perforations of the current disposal interval. This again is 3376 to 3400, I believe.

Q. It looks like it's immediately below a smaller 1-fingered lime.

A. Yes, sir.

Q. What has been our experience in our disposal operations into the perforations that you just mentioned?

A. All right, sir, I would like to point out that this perforated interval shown here is not pay in this field and so we're not injecting into the productive zone.

This well has been producing, or has been injecting since 1976. It was authorized as a salt water disposal well by Order Number R-5165 on February the 24th, 1976.

As of January 31st, 1980, we have disposed of 791,000 barrels of water into this interval.

Q. Over 3/4 of a million barrels of water?

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A. That is correct. Injection pressures have ranged from a high of 1375 psig surface pressure to a low of 600. The current injection pressure is averaging about 800 psig at rates running between 490 and 590 barrels of water per day.

Q. The order approving No. 4 as a salt water disposal well, did it carry any surface pressure limitation?

A. Yes, sir, the surface pressure limitation was 1700 psig.

Q. So we've never exceeded that. Have we approached it?

A. No, sir. At only one time, in August of 1977, at a rate of 640 barrels a day we recorded a pressure of 1375. That is the highest we've recorded.

Q. So that pressure limitation was completely satisfactory for our salt water disposal operation?

A. Yes, sir.

Q. Have you made a study of the wells, the producing wells, around Well No. 4 to see is disposing at these surface pressures has caused any effect on thos producers?

A. Yes, sir, I did. I reviewed the performance of Wells No. 1, 2, 5, and 9. There is no indication, based on the performance of these four wells that they were arrected in any way by disposal in the current disposal in-

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terval.

Q. Have we conducted any surveys to determine whether or not the water was entering our objective zone, or objective disposal zone?

A. Yes, sir, we recently ran a radioactive injection profile and a temperature survey. Both these indicated that the water is leaving the wellbore at the perforated intervals and there is no indication of channeling, either up or down from this zone.

Q. All right, when we look at what I think you engineers call the confining strata to injection operation, in other words, look immediately above the salt water disposal perforation, we see there's 1-finger lime.

A. Yes, sir.

Q. And it appears, based on your study, that that has been an adequate confining strata.

A. Yes, sir, it does.

Q. All right, let's go up to the top of the pay into what you referred to as the 2-fingered lime in previous testimony. Would it appear from the characteristics on this log that the 2-finger lime would be as good as or a better confining strata than our 1-finger lime?

A. Yes, sir, it would.

Q. Under the memorandum of August 24, '77, did it set any rule of thumb as to a surface pressure limita-

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tion on either a disposal or an injection waterflood operation?

A. Yes, sir, that rule on that memorandum was .2 psi per foot.

Q. Using that rule of thumb what would be the surface limitation, pressure limitation, for this depth?

A. It would be approximately 6600 psi.

Q. Did that --

A. About, excuse me, 660.

Q. Kill one zero.

Did the portion of the August 24, '77, memorandum that set out this rule of thumb guideline, did it also provide that where evidence would show that the confining strata could control a higher surface pressure, that that would be permitted?

A. Yes, sir, it did.

Q. In your opinion can the 2-finger lime, our confining strata, control a pressure higher than 660 pounds?

A. In my opinion, yes, sir, it could.

Q. With regard to the pressure limitation, the surface pressure limitation on our two injection wells, what would be your recommendation to the Examiner and the Division?

A. I'd recommend at this stage that an 800

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psi limitation be approved.

Q. All right, sir, do you have any other comments on Exhibit Four before we go to Exhibit Five?

A. No, sir.

Q. Let's turn, then, to Exhibit Five, Mr. Allen. What is that exhibit?

A. Exhibit Number Five is a borehole compensated sonic log on the Old Indian Draw Well No. 11, which would be the second well, second injection well, in this pilot waterflood.

Q. All right, sir, let's go down to our area of interest. Incidentally, this is a Delaware formation. Will we be producing from and will we be injecting into any particular identified zone of the Delaware?

A. Yes, sir, I think it's commonly referred to as the Bell Canyon zone.

Q. Bell Canyon. All right, what have you identified down in our area of interest in the Bell Canyon zone of the Delaware on Exhibit Five, our proposed injection zone on Well No. 11?

A. The same information that is shown on Well No. 4 is also shown. We've indicated the top of the main pay and the current perforated interval from which we are producing.

Q. Dc we again find immediately above the

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pay the massive 2-finger lime that was on the log of Well No. 4?

A. Yes, sir.

Q. What will be done to convert Well No. 11 to injection service?

A. A current plan are simply to use the existing perforations as the injection interval; however, as we study this further there is a possibility we would expand the perforated interval to include more pay.

Q. Will the tubing, current tubing, that's being used to produce this well be pulled?

A. Yes, sir, it will be pulled and replaced with plastic-coated tubing and a packer.

Q. All right, sir, initially in our water-flood, which is a pilot waterflood, what will be the rate of injection into each of our two injection wells?

A. Our anticipated initial rate will be 300 barrels of water a day. This will vary somewhat, since the source for conducting this flood at this time, is the produced water from the Old Indian Draw Unit itself, so we will be re-injecting the produced water only.

Q. Do our laboratory data and tests show that the Bell Canyon zone of the Delaware is extremely sensitive to water that isn't compatible?

A. Yes, sir, we've had extensive tests run

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on cores from this -- from this field, and although it is a relatively clean sandstone, in fact, it's quite clean, and there's very few clay particles in it, we have found that it is sensitive to the salinity of the water, particularly as it becomes fresher, we lose permeability quite dramatically.

Q. Is there any particular reason why we're asking at this time authority to conduct just a pilot flood instead of going to a full-scale flood?

A. Yes, sir, in fact that's one of the primary reasons, is that at this time we do not have a source of water great enough to commence a full-scale waterflood operation.

Also, since there is some question as to what the injectivity of the pay zone itself will be, we would like to try it on two wells prior to converting additional wells.

Q. So by conducting a pilot flood injecting only produced water from the Bell Canyon, we'll obtain valuable data about the injectivity into the pay zone itself.

A. Yes, sir. And we also will gather information concerning what could be the ultimate injection pattern, although cores indicate there should be no permeability trends apparent that would adversely affect the performance, we could see something here during this interval which would indicate we should either use a peripheral type

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injection or a pattern type.

Q And while we're gathering this valuable reservoir data we can continue our investigation for a supplemental source of water that would be compatible with the Bell Canyon reservoir rock.

A Yes, sir.

Q All right, sir. If you have no more comments on Exhibit Five, let's turn to what has been identified as Amoco's Exhibit Six. What is that exhibit?

A Amoco's Exhibit Six is a performance curve for the Old Indian Draw Unit since the field was discovered in December of 1973.

Q Mr. Allen, I notice there is a GOR curve, a barrels of oil per day and a barrels of water per day; no pressure curve. Is there any particular reason for that?

A There are very few pressure points that were actually available. The pressure has declined, however, from initial bottom hole pressure of about 1650 pounds to a current reservoir pressure estimated at about 620 pounds.

Q And when was that current pressure obtained?

A I believe that was February of 1979.

Q And that is the latest pressure we have?

A Yes, sir, it is.

Q All right, move on down now to the gas/oil

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ratio curve. Would you comment on it?

A. Yes, sir, this is an extremely flat curve. It is not indicative of solution gas drive reservoir. It is indicative, however, of a very highly under saturated crude, which this is. The bubble point pressure is about 276 pounds with a solution gas/oil ratio of only about 207.

So we would not expect to see an increase in the gas/oil ratio of any magnitude. It does signify that is no gas/oil -- excuse me, there is no gas cap forming at this time.

Q. Would you consider this, based on your sample analysis as well as your GOR performance, as a super under saturated reservoir?

A. Well, it's pretty highly under saturated, yes, sir. We're getting no benefits from gas expansion to speak of.

Q. Does this curve -- it would appear that the produced gas is almost too small to measure with any degree of accuracy.

A. Yes, sir, it is. The current producing rate from the Old Indian Draw is about 330 barrels per day, as of January of 1980, and the gas/oil ratio as indicated of approximately 100, that's still a gas rate of about 30 Mcf a day.

Q. All right.

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A. From 21 wells, that's pretty small to measure.

Q. All right, sir, let's go on now to your next curve, the barrels of oil per day, would you comment on it, please?

A. Yes, sir. If you'll note, the increasing trend, the field production peaked out in about July of 1977, which was about the time that the last well was completed. Since that time we've been on a very sharp decline rate of approximately 30 percent per year.

Q. All right, the last curve, the barrels of water per day, your comments.

A. Again, up until the time that the oil production peaked, the water production almost paralleled the oil identically. Since that time it has fluctuated some but it's remained between 600 to 800 barrels of water per day. The current rate again is about 600 or somewhat less.

Q. Do these performance data show you that if any significant future recovery are going to be obtained from this Bell Canyon reservoir, that it would have to be through some secondary recovery measures?

A. Yes, sir, it would. If we continue on this decline rate, the ultimate recovery will be very small, much smaller than you'd normally expect.

Q. I realize, since we're asking to conduct

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only a pilot waterflood that you probably have no predictions that you can make as to the increase in ultimate recovery at this time, but could you assume that our pilot flood will show that waterflooding is feasible, could you make a conservative prediction as to what the increase in ultimate recovery would be from a unit-wide flood?

A. Yes, sir, I could speculate some on that. The Delaware floods that we know of have recovered secondary recoveries in the order of 1 barrel of secondary to a barrel of primary; however, their ultimate primary was much higher than ours, so based on the performance we've seen here and an estimated ultimate recovery under primary of about 1.2-million barrels, I'd estimate that we would probably recover something in the order of 600,000 barrels of additional oil under secondary recovery.

Q. And that's a very conservative or pessimistic prediction or speculation?

A. Yes, it is. That's using a half barrel of secondary per barrel of primary.

Q. Do you have any other comments that you'd care to add at this time, Mr. Allen?

A. Only that I think the order should provide for administrative approval to expand the waterflood unit, should it be successful in these two injection wells, and that also we be allowed to inject up to 800 barrels a

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day -- or 800 psi injection pressure.

Q. Anything else?

A. No.

MR. BUELL: May it please the Examiner, that's all we have by way of direct. I would like to formally offer our exhibits One through Six, inclusive.

MR. NUTTER: Amoco's Exhibits One through Six will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Allen, you've got one well on injection now. You call it a salt water disposal well; it's injecting into a zone that apparently is not producing, and yet you're calling this a waterflood. I don't get it.

A. Mr. Examiner, the interval in which we're injecting to now is non-productive in well No. 4. We plan to abandon those set of perforations and reperforate Well No. 4 back up into the main pay zone.

Q. Oh, I see.

A. And inject there. I think I failed to mention that when we --

Q. Yeah, you did. You said that the previous zones had been squeezed and you were going into this lower set of perfs.

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A. Yes, sir.

Q. But now you're going to squeeze the lower set and come back up.

A. That's correct.

Q. Okay. What will be the injection interval in Well No. 4?

A. I think we'll probably go back pretty close to that which was indicated before, which is about 32 -- excuse me, about --

Q. 3316?

A. The old perforations, 3316 to 3326.

Q. In other words, this is that pay zone, that sand that's immediately below the 2-finger lime, isn't it?

A. Yes, sir, it is.

Q. And that's the interval you're going to be injecting into that No. 11 Well, also.

A. That is correct.

Q. And this is the producing interval for these other wells in the pool?

A. Yes, sir.

Q. So you will have a waterflood operation now instead of a salt water disposal.

A. That is correct, yes.

Q. Okay. Now, what is the current cumulative

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production here, Mr. Allen?

A. The current cumulative is approximately 700,000 barrels of oil in this field.

Q. And you expect that ultimate primary would be about 1.2-million?

A. Yes, sir.

Q. And you would recover approximately what ratio then on the secondary, you think?

A. I'm speculating about half barrel of secondary per barrel of primary.

Q. Now, you mentioned that this GOR curve is so flat, and the bottom hole pressure has declined a lot, but you mentioned it doesn't appear to be a solution gas drive. What kind of drive do we have here?

A. This, I guess, could be almost called a fluid expansion. There's some indication there may be some water influx.

Q. There's some water drive here, apparently.

A. Yes, sir.

Q. It's a very small amount.

A. Material balance calculations indicate that there is some water influx, but it obviously is very weak, because the reservoir pressure has declined from 1540 to about 620. As I noted earlier, the solution gas/oil ratio was only 207 standard cubic feet per barrel and the bubble

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point pressure is 276.

And I gave you a wrong figure for the cumulative, Mr. Examiner, it's 892 barrels of oil as of this time.

Q. 892,000?

A. Yes, sir, 892,000. That's as of February the 1st, 1980.

Q. And now both of these injection wells will be equipped with plastic-coated tubing, injection will be under a packer, --

A. Yes, sir, they will be.

Q. -- the annulus will be loaded with some sort of inert fluid, and the -- and equipped with a pressure gauge or other leak detecting device at the surface?

A. Yes, sir.

Q. Okay. Now, there's only one plugged and abandoned well, apparently, within the half mile radius. Is the plugging program for that well indicated on one of these exhibits in Exhibit Number Two?

A. Yes, sir, it should be. It's Well No. 17. It's the last one in this packet.

Q. And it has three cement plugs in it, as shown.

A. Yes, sir. One looks like it's at the base, right at the pay interval, a second plug, and then one

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at the casing shoe.

Q. Now, Well No. 17, which is the first page on Exhibit Two, was apparently a deep test and has been plugged back, and --

A. Well No. 1? Yes, sir.

Q. And it was -- it was completed at one time -- or it's Well No. --

A. Well No. 1 is the only deep test we've got, sir. It was drilled to 12,450 feet.

Q. Okay. Okay. No. 17 was a shallow well to start with.

A. Yes, sir.

Q. Okay. Was the pool discovered as the result of a deep test and just plugged back there, that No. 1?

A. Yes, sir, I believe the No. 1 was the discovery well, if I remember right.

Yes, sir, Well No. 1 is the discovery well for this field.

MR. NUTTER: Are there any further questions of Mr. Allen?

MR. STEINNERD: Mr. Examiner.

MR. NUTTER: Yes, sir.

MR. STEINNERD: My name is Don Steinnerd. I'd like to ask Mr. Allen some questions, please.

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MR.NUTTER: Yes, sir. Identify yourself, Mr. Steinnerd, please.

QUESTIONS BY MR. STEINNERD:

Q. Mr. Allen, my name is Don Steinnerd, again, with the USGS.

I'm curious. Is the Old Indian Draw Unit still in effect and are your wells currently in a participating area?

A. I don't have the participating area outlined. I understand that they are. I did run across some correspondence for one of the wells. There was some question and I've forgotten the well number. I believe it was 23 or 24.

It does not, as I understand it, it does not conform with this outline I've shown here.

Q. What I'm wondering is if you'd planned to submit some sort of a plan of development to the USGS outlining your proposals here, and if not, I might recommend that you talk with Jack Willock, USGS.

MR. BUELL: Let me say this. If we haven't done that, we'll certainly do it.

Q. Fine. Is it possible I could also possibly get a copy of the exhibits either mailed to me or to take back with me today?

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MR. BUELL: I could probably give you a copy right here and save the postage.

MR. STEINNERD: Okay. That's all the questions I have.

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

Do you have anything further, Mr. Buell?

MR. BUELL: No, Mr. Examiner. That concludes our presentation.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6883?

We'll take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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. 6883 heard by me on 6/7 19 80.

Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico.

CASE 6883

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
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For the Applicant: Guy Buell, Esq.
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I N D E X

J. C. ALLEN

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Nutter 20

Questions by Mr. Steinnerd 25

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Wellbore Sketch 5

Applicant Exhibit Three, Tabulation 7

Applicant Exhibit Four, Log 8

Applicant Exhibit Five, Log 13

Applicant Exhibit Six, Curve 16

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MR. NUTTER: We'll call next Case Number 6883.

MR. PADILLA: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico.

MR. BUELL: For the applicant, Amoco Production Company, my name is Guy Buell.

We have one witness, Mr. Allen, who has previously been sworn and qualified as a petroleum engineer.

J. C. ALLEN

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

DIRECT EXAMINATION

BY MR. BUELL:

Q. State your full and complete name, Mr. Allen.

A. My name is James C. Allen.

Q. Are you the same James C. Allen that testified in the previous case on this docket?

A. Yes, sir, I am.

Q. And you've been qualified and you were sworn in that other case?

A. Yes, sir .

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Q. Mr. Allen, in connection with your testimony here today, look first, if you would, at what has been identified as Amoco's Exhibit Number One in this case, and state what that exhibit is.

A. Exhibit Number One is a map showing the Amoco operated Old Indian Draw Unit, located in essentially the middle of this map.

Q. How have we designated or highlighted the outer boundary of the Old Indian Draw Unit?

A. It's shown by a heavy dashed blue line on the map.

Q. All right, sir, under Rule 701 and the Commission memorandum of August 24, 1977, in an application of this type to conduct waterflood, it's necessary to show certain data in the surrounding area.

First, what is one of the requirements of Rule 701?

A. One is that we show all of the wellbores that have penetrated this horizon within a 2-mile radius of the injection wells.

Q. Does Exhibit One comply with that mandate?

A. Yes, sir, it does, and we have color coded the horizons that the wells are completed in at this time.

Q. What is your color legend?

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A. The wells which are shown with a heavy blue line,dot, I guess, is -- excuse me, are Delaware completions or tests; those with a green dot are Wolfcamp, while the orange dot indicates Penn, either Atoka, Strawn, or Morrow.

Q. All right, sir, now the memorandum of August 24, 1977, sets out certain other requirements for wells within, I believe, isn't it a half mile radius of the injection wells?

A. Yes, sir, it asks for detailed wellbore sketches on all wells within a half mile radius of the injection well.

Q. All right, how have you identified the wells on Exhibit One which fall within this half mile radius?

A. They're identified with a red circle around each well and the proposed injection wells are identified using a dashed triangle and highlighted with a red arrow.

Q. All right, sir, do you have any other comments on Exhibit Number One at this time?

A. No, sir.

Q. All right, turn now, if you would, to what has been identified as our Exhibit Number Two, and what is that exhibit?

A. Exhibit Number Two is a set of wellbore

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sketches. It includes a wellbore sketch of the nine wells within a half mile radius of each injection well, plus the wellbore sketch of the two injection wells themselves, Well No. 4 and Well No. 11.

Q Do you recall while you were including wellbore sketches you would include our two injection wells in this packet of wells within a half mile radius?

A Yes, sir.

Q With regard to those wells that are within a half a mile of our two injection wells, is the wellbore sketch self explanatory?

A. Yes, sir, I think it is.

Q Why don't you just comment, then, with regard to Exhibit Two, those sketches that cover Well No. 4 and 11, our proposed initial injection wells?

A. All right, sir.

The wellbore sketch on Well No. 4 shows the casing setting depths and the cement has been circulated on both strings of casing. It also shows the two sets of perforations that have previously been perforated and have been abandoned by squeeze cementing. It's indicated on this cross section the current perforations open are those at 3376 to 3400. We're injecting water currently into this interval, the lower packer, through a string of 2-3/3ths inch plastic-coated tubing.

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MR. NUTTER: In other words, the one set, 2490 to 2504, and 3316 to 3326, are all squeezed, is that it?

A. Yes, sir, they are.

MR. NUTTER: Go ahead.

Q. All right, turn now to the sketch on Well No. 11, our second proposed injection well.

A. All right, sir. Well No. 11 shows the same information which Well No. 4 does. Again, this is the current status of Well No. 11 and not the proposed status when it is converted to injection.

Again we'll note the perforations are at 72 -- excuse me, 3295 to 3303. When we convert this well to injection the current tubing string will be pulled; a plastic-coated tubing string will be run and set on a packer. Injection will be into the current perforations.

Q. All right, sir, does that conclude your comment on our Exhibit Number Two, which is a family of wellbore sketches?

A. Yes, sir.

Q. All right. Turn your attention, if you would, to what has been identified as our Exhibit Number Three. What is that exhibit?

A. Exhibit Number Three is a tabulation of essentially the same information which was included on the nine wellbore sketches of those wells within a half mile

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radius of the two injection wells.

Q. Is this another requirement of the memo of August 24, '77, which we mentioned before?

A. Yes, sir, it is.

Q. Is Exhibit Three self-explanatory?

A. Yes, sir.

Q. All right, turn, if you would, now to what has been identified as our Exhibit Number Four. What is that exhibit?

A. Exhibit Number Four is a borehole compensated sonic log on the Old Indian Draw Unit Well No. 4, which is the current salt water disposal well for this unit.

Q. And one of our proposed injection wells.

A. Yes, sir, it is.

Q. Would you comment, please, on what this log reflects down in our area of interest, both in the salt water disposal zone, as well as coming up the hole to where we intend to inject into the producing formation?

A. Yes, sir. We've shown on this log at approximately, well, at 3312 feet, the top of the main Delaware pay zone for this field.

Q. You've identified that with a horizontal red line?

A. Yes, sir, and also noted it as Top of Main Pay. You'll note it's immediately below the base of

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what's generally referred to as the 2-fingered limestone, occurring at a depth of 3295 to 3311.

Q. That's the two characteristics on the righthand side of the log that look like two fingers sticking out?

A. Yes, sir, it is.

We've also shown the perforations of the current disposal interval. This again is 3376 to 3400, I believe.

Q. It looks like it's immediately below a smaller 1-fingered lime.

A. Yes, sir.

Q. What has been our experience in our disposal operations into the perforations that you just mentioned?

A. All right, sir, I would like to point out that this perforated interval shown here is not pay in this field and so we're not injecting into the productive zone.

This well has been producing, or has been injecting since 1976. It was authorized as a salt water disposal well by Order Number R-5165 on February the 24th, 1976.

As of January 31st, 1980, we have disposed of 791,000 barrels of water into this interval.

Q. Over 3/4 of a million barrels of water?

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A. That is correct. Injection pressures have ranged from a high of 1375 psig surface pressure to a low of 600. The current injection pressure is averaging about 800 psig at rates running between 490 and 590 barrels of water per day.

Q. The order approving No. 4 as a salt water disposal well, did it carry any surface pressure limitation?

A. Yes, sir, the surface pressure limitation was 1700 psig.

Q. So we've never exceeded that. Have we approached it?

A. No, sir. At only one time, in August of 1977, at a rate of 640 barrels a day we recorded a pressure of 1375. That is the highest we've recorded.

Q. So that pressure limitation was completely satisfactory for our salt water disposal operation?

A. Yes, sir.

Q. Have you made a study of the wells, the producing wells, around Well No. 4 to see is disposing at these surface pressures has caused any effect on thoseproducers?

A. Yes, sir, I did. I reviewed the performance of Wells No. 1, 2, 5, and 9. There is no indication, based on the performance of these four wells that they were affected in any way by disposal in the current disposal in-

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terval.

Q Have we conducted any surveys to determine whether or not the water was entering our objective zone, or objective disposal zone?

A Yes, sir, we recently ran a radioactive injection profile and a temperature survey. Both these indicated that the water is leaving the wellbore at the perforated intervals and there is no indication of channeling, either up or down from this zone.

Q All right, when we look at what I think you engineers call the confining strata to injection operation, in other words, look immediately above the salt water disposal perforation, we see there's 1-finger lime.

A Yes, sir.

Q And it appears, based on your study, that that has been an adequate confining strata.

A Yes, sir, it does.

Q All right, let's go up to the top of the pay into what you referred to as the 2-fingered lime in previous testimony. Would it appear from the characteristics on this log that the 2-finger lime would be as good as or a better confining strata than our 1-finger lime?

A Yes, sir, it would.

Q Under the memorandum of August 24, '77, did it set any rule of thumb as to a surface pressure limita-

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tion on either a disposal or an injection waterflood operation?

A. Yes, sir, that rule on that memorandum was .2 psi per foot.

Q. Using that rule of thumb what would be the surface limitation, pressure limitation, for this depth?

A. It would be approximately 6600 psi.

Q. Did that --

A. About, excuse me, 660.

Q. Kill one zero.

Did the portion of the August 24, '77, memorandum that set out this rule of thumb guideline, did it also provide that where evidence would show that the confining strata could control a higher surface pressure, that that would be permitted?

A. Yes, sir, it did.

Q. In your opinion can the 2-finger lime, our confining strata, control a pressure higher than 660 pounds?

A. In my opinion, yes, sir, it could.

Q. With regard to the pressure limitation, the surface pressure limitation on our two injection wells, what would be your recommendation to the Examiner and the Division?

A. I'd recommend at this stage that an 800

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psi limitation be approved.

Q All right, sir, do you have any other comments on Exhibit Four before we go to Exhibit Five?

A No, sir.

Q Let's turn, then, to Exhibit Five, Mr. Allen. What is that exhibit?

A Exhibit Number Five is a borehole compensated sonic log on the Old Indian Draw Well No. 11, which would be the second well, second injection well, in this pilot waterflood.

Q All right, sir, let's go down to our area of interest. Incidentally, this is a Delaware formation. Will we be producing from and will we be injecting into any particular identified zone of the Delaware?

A Yes, sir, I think it's commonly referred to as the Bell Canyon zone.

Q Bell Canyon. All right, what have you identified down in our area of interest in the Bell Canyon zone of the Delaware on Exhibit Five, our proposed injection zone on Well No. 11?

A The same information that is shown on Well No. 4 is also shown. We've indicated the top of the main pay and the current perforated interval from which we are producing.

Q Do we again find immediately above the

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pay the massive 2-finger lime that was on the log of Well No. 4?

A. Yes, sir.

Q. What will be done to convert Well No. 11 to injection service?

A. A current plan are simply to use the existing perforations as the injection interval; however, as we study this further there is a possibility we would expand the perforated interval to include more pay.

Q. Will the tubing, current tubing, that's being used to produce this well be pulled?

A. Yes, sir, it will be pulled and replaced with plastic-coated tubing and a packer.

Q. All right, sir, initially in our waterflood, which is a pilot waterflood, what will be the rate of injection into each of our two injection wells?

A. Our anticipated initial rate will be 300 barrels of water a day. This will vary somewhat, since the source for conducting this flood at this time, is the produced water from the Old Indian Draw Unit itself, so we will be re-injecting the produced water only.

Q. Do our laboratory data and tests show that the Bell Canyon zone of the Delaware is extremely sensitive to water that isn't compatible?

A. Yes, sir, we've had extensive tests run

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on cores from this -- from this field, and although it is a relatively clean sandstone, in fact, it's quite clean, and there's very few clay particles in it, we have found that it is sensitive to the salinity of the water, particularly as it becomes fresher, we lose permeability quite dramatically.

Q. Is there any particular reason why we're asking at this time authority to conduct just a pilot flood instead of going to a full-scale flood?

A. Yes, sir, in fact that's one of the primary reasons, is that at this time we do not have a source of water great enough to commence a full-scale waterflood operation.

Also, since there is some question as to what the injectivity of the pay zone itself will be, we would like to try it on two wells prior to converting additional wells.

Q. So by conducting a pilot flood injecting only produced water from the Bell Canyon, we'll obtain valuable data about the injectivity into the pay zone itself.

A. Yes, sir. And we also will gather information concerning what could be the ultimate injection pattern, although cores indicate there should be no permeability trends apparent that would adversely affect the performance, we could see something here during this interval which would indicate we should either use a peripheral type

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injection or a pattern type.

Q. And while we're gathering this valuable reservoir data we can continue our investigation for a supplemental source of water that would be compatible with the Bell Canyon reservoir rock.

A. Yes, sir.

Q. All right, sir. If you have no more comments on Exhibit Five, let's turn to what has been identified as Amoco's Exhibit Six. What is that exhibit?

A. Amoco's Exhibit Six is a performance curve for the Old Indian Draw Unit since the field was discovered in December of 1973.

Q. Mr. Allen, I notice there is a GOR curve, a barrels of oil per day and a barrels of water per day; no pressure curve. Is there any particular reason for that?

A. There are very few pressure points that were actually available. The pressure has declined, however, from initial bottom hole pressure of about 1650 pounds to a current reservoir pressure estimated at about 620 pounds.

Q. And when was that current pressure obtained?

A. I believe that was February of 1979.

Q. And that is the latest pressure we have?

A. Yes, sir, it is.

Q. All right, move on down now to the gas/oil

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ratio curve. Would you comment on it?

A. Yes, sir, this is an extremely flat curve. It is not indicative of solution gas drive reservoir. It is indicative, however, of a very highly under saturated crude, which this is. The bubble point pressure is about 276 pounds with a solution gas/oil ratio of only about 207.

So we would not expect to see an increase in the gas/oil ratio of any magnitude. It does signify that is no gas/oil -- excuse me, there is no gas cap forming at this time.

Q. Would you consider this, based on your sample analysis as well as your GOR performance, as a super under saturated reservoir?

A. Well, it's pretty highly under saturated, yes, sir. We're getting no benefits from gas expansion to speak of.

Q. Does this curve -- it would appear that the produced gas is almost too small to measure with any degree of accuracy.

A. Yes, sir, it is. The current producing rate from the Old Indian Draw is about 330 barrels per day, as of January of 1980, and the gas/oil ratio as indicated of approximately 100, that's still a gas rate of about 30 Mcf a day.

Q. All right.

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A. From 21 wells, that's pretty small to measure.

Q. All right, sir, let's go on now to your next curve, the barrels of oil per day, would you comment on it, please?

A. Yes, sir. If you'll note, the increasing trend, the field production peaked out in about July of 1977, which was about the time that the last well was completed. Since that time we've been on a very sharp decline rate of approximately 30 percent per year.

Q. All right, the last curve, the barrels of water per day, your comments.

A. Again, up until the time that the oil production peaked, the water production almost paralleled the oil identically. Since that time it has fluctuated some but it's remained between 600 to 800 barrels of water per day. The current rate again is about 600 or somewhat less.

Q. Do these performance data show you that if any significant future recovery are going to be obtained from this Bell Canyon reservoir, that it would have to be through some secondary recovery measures?

A. Yes, sir, it would. If we continue on this decline rate, the ultimate recovery will be very small, much smaller than you'd normally expect.

Q. I realize, since we're asking to conduct

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only a pilot waterflood that you probably have no predictions that you can make as to the increase in ultimate recovery at this time, but could you assume that our pilot flood will show that waterflooding is feasible, could you make a conservative prediction as to what the increase in ultimate recovery would be from a unit-wide flood?

A. Yes, sir, I could speculate some on that. The Delaware floods that we know of have recovered secondary recoveries in the order of 1 barrel of secondary to a barrel of primary; however, their ultimate primary was much higher than ours, so based on the performance we've seen here and an estimated ultimate recovery under primary of about 1.2-million barrels, I'd estimate that we would probably recover something in the order of 600,000 barrels of additional oil under secondary recovery.

Q. And that's a very conservative or pessimistic prediction or speculation?

A. Yes, it is. That's using a half barrel of secondary per barrel of primary.

Q. Do you have any other comments that you'd care to add at this time, Mr. Allen?

A. Only that I think the order should provide for administrative approval to expand the waterflood unit, should it be successful in these two injection wells, and that also we be allowed to inject up to 800 barrels a

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day -- or 800 psi injection pressure.

Q Anything else?

A No.

MR. BUELL: May it please the Examiner, that's all we have by way of direct. I would like to formally offer our exhibits One through Six, inclusive.

MR. NUTTER: Amoco's Exhibits One through Six will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Allen, you've got one well on injection now. You call it a salt water disposal well; it's injecting into a zone that apparently is not producing, and yet you're calling this a waterflood. I don't get it.

A Mr. Examiner, the interval in which we're injecting to now is non-productive in well No. 4. We plan to abandon those set of perforations and reperforate Well No. 4 back up into the main pay zone.

Q Oh, I see.

A And inject there. I think I failed to mention that when we --

Q Yeah, you did. You said that the previous zones had been squeezed and you were going into this lower set of perfs.

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A. Yes, sir.

Q. But now you're going to squeeze the lower set and come back up.

A. That's correct.

Q. Okay. What will be the injection interval in Well No. 4?

A. I think we'll probably go back pretty close to that which was indicated before, which is about 32 -- excuse me, about --

Q. 3316?

A. The old perforations, 3316 to 3326.

Q. In other words, this is that pay zone, that sand that's immediately below the 2-finger lime, isn't it?

A. Yes, sir, it is.

Q. And that's the interval you're going to be injecting into that No. 11 Well, also.

A. That is correct.

Q. And this is the producing interval for these other wells in the pool?

A. Yes, sir.

Q. So you will have a waterflood operation now instead of a salt water disposal.

A. That is correct, yes.

Q. Okay. Now, what is the current cumulative

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production here, Mr. Allen?

A. The current cumulative is approximately 700,000 barrels of oil in this field.

Q. And you expect that ultimate primary would be about 1.2-million?

A. Yes, sir.

Q. And you would recover approximately what ratio then on the secondary, you think?

A. I'm speculating about half barrel of secondary per barrel of primary.

Q. Now, you mentioned that this GOR curve is so flat, and the bottom hole pressure has declined a lot, but you mentioned it doesn't appear to be a solution gas drive. What kind of drive do we have here?

A. This, I guess, could be almost called a fluid expansion. There's some indication there may be some water influx.

Q. There's some water drive here, apparently.

A. Yes, sir.

Q. It's a very small amount.

A. Material balance calculations indicate that there is some water influx, but it obviously is very weak, because the reservoir pressure has declined from 1540 to about 620. As I noted earlier, the solution gas/oil ratio was only 207 standard cubic feet per barrel and the bubble

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point pressure is 276.

And I gave you a wrong figure for the cumulative, Mr. Examiner, it's 892 barrels of oil as of this time.

Q. 892,000?

A. Yes, sir, 892,000. That's as of February the 1st, 1980.

Q. And now both of these injection wells will be equipped with plastic-coated tubing, injection will be under a packer, --

A. Yes, sir, they will be.

Q. -- the annulus will be loaded with some sort of inert fluid, and the -- and equipped with a pressure gauge or other leak detecting device at the surface?

A. Yes, sir.

Q. Okay. Now, there's only one plugged and abandoned well, apparently, within the half mile radius. Is the plugging program for that well indicated on one of these exhibits in Exhibit Number Two?

A. Yes, sir, it should be. It's Well No. 17. It's the last one in this packet.

Q. And it has three cement plugs in it, as shown.

A. Yes, sir. One looks like it's at the base, right at the pay interval, a second plug, and then one

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at the casing shoe.

Q Now, Well No. 17, which is the first page on Exhibit Two, was apparently a deep test and has been plugged back, and --

A Well No. 1? Yes, sir.

Q And it was -- it was completed at one time-- or it's Well No. --

A Well No. 1 is the only deep test we've got, sir. It was drilled to 12,450 feet.

Q Okay. Okay. No. 17 was a shallow well to start with.

A Yes, sir.

Q Okay. Was the pool discovered as the result of a deep test and just plugged back there, that No. 1?

A Yes, sir, I believe the No. 1 was the discovery well, if I remember right.

Yes, sir, Well No. 1 is the discovery well for this field.

MR. NUTTER: Are there any further questions of Mr. Allen?

MR. STEINNERD: Mr. Examiner.

MR. NUTTER: Yes, sir.

MR. STEINNERD: My name is Don Steinnerd. I'd like to ask Mr. Allen some questions, please.

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MR. NUTTER: Yes, sir. Identify yourself, Mr. Steinnerd, please.

QUESTIONS BY MR. STEINNERD:

Q. Mr. Allen, my name is Don Steinnerd, again, with the USGS.

I'm curious. Is the Old Indian Draw Unit still in effect and are your wells currently in a participating area?

A. I don't have the participating area outlined. I understand that they are. I did run across some correspondence for one of the wells. There was some question and I've forgotten the well number. I believe it was 23 or 24.

It does not, as I understand it, it does not conform with this outline I've shown here.

Q. What I'm wondering is if you'd planned to submit some sort of a plan of development to the USGS outlining your proposals here, and if not, I might recommend that you talk with Jack Willock, USGS.

MR. BUELL: Let me say this. If we haven't done that, we'll certainly do it.

Q. Fine. Is it possible I could also possibly get a copy of the exhibits either mailed to me or to take back with me today?

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MR. BUELL: I could probably give you a copy right here and save the postage.

MR. STEINHERD: Okay. That's all the questions I have.

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

Do you have anything further, Mr. Buell?

MR. BUELL: No, Mr. Examiner. That concludes our presentation.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6883?

We'll take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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.

_____

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6883, heard by me on 5/7/80.

_____ Examiner
Oil Conservation Division

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Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1980

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

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

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 6857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.

CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

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BEFORE THE OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF AMOCO PRODUCTION COMPANY FOR WATERFLOOD PROJECT, INDIAN DRAW-DELAWARE POOL, UNIT I OF SECTION 18 AND UNIT A OF SECTION 19, TOWNSHIP 22 SOUTH, RANGE 28 EAST, EDDY COUNTY, NEW MEXICO.

No. 6883

ENTRY OF APPEARANCE

The undersigned hereby enter appearance in behalf of Amoco Production Company with Guy Buell and John Maxwell of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By _____

Post Office Drawer 700
Roswell, New Mexico 88201
Attorneys for Amoco Production Co.
(505) 622-6221

Amoco Production Company
ENGINEERING CHART

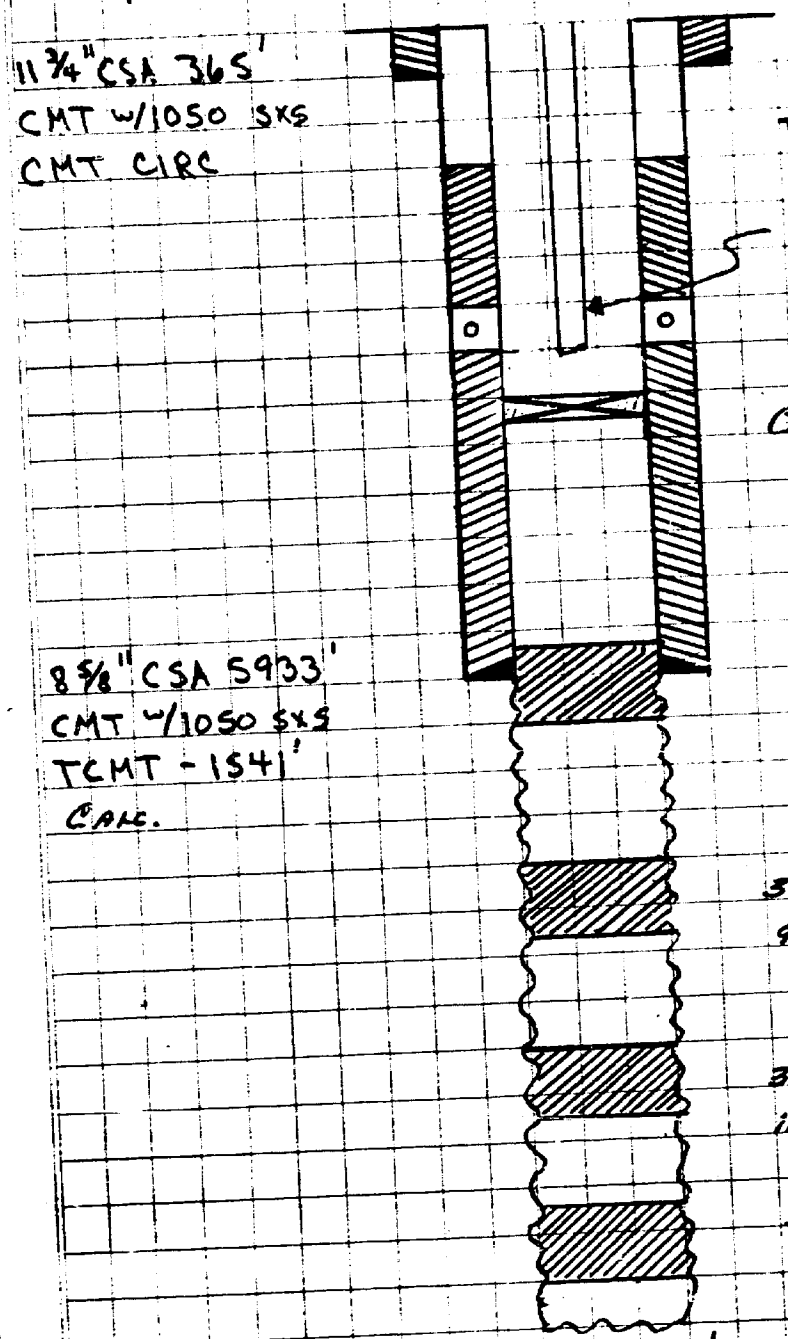
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed #1
Indian Draw - Delaware

1980' FSL & FEL, Sec 18, T 22 S, R 28 E
Eddy County, New Mexico

Elev: 3094' RDB
3080' GL

Completed: 12-3-73



Amoco Production Company
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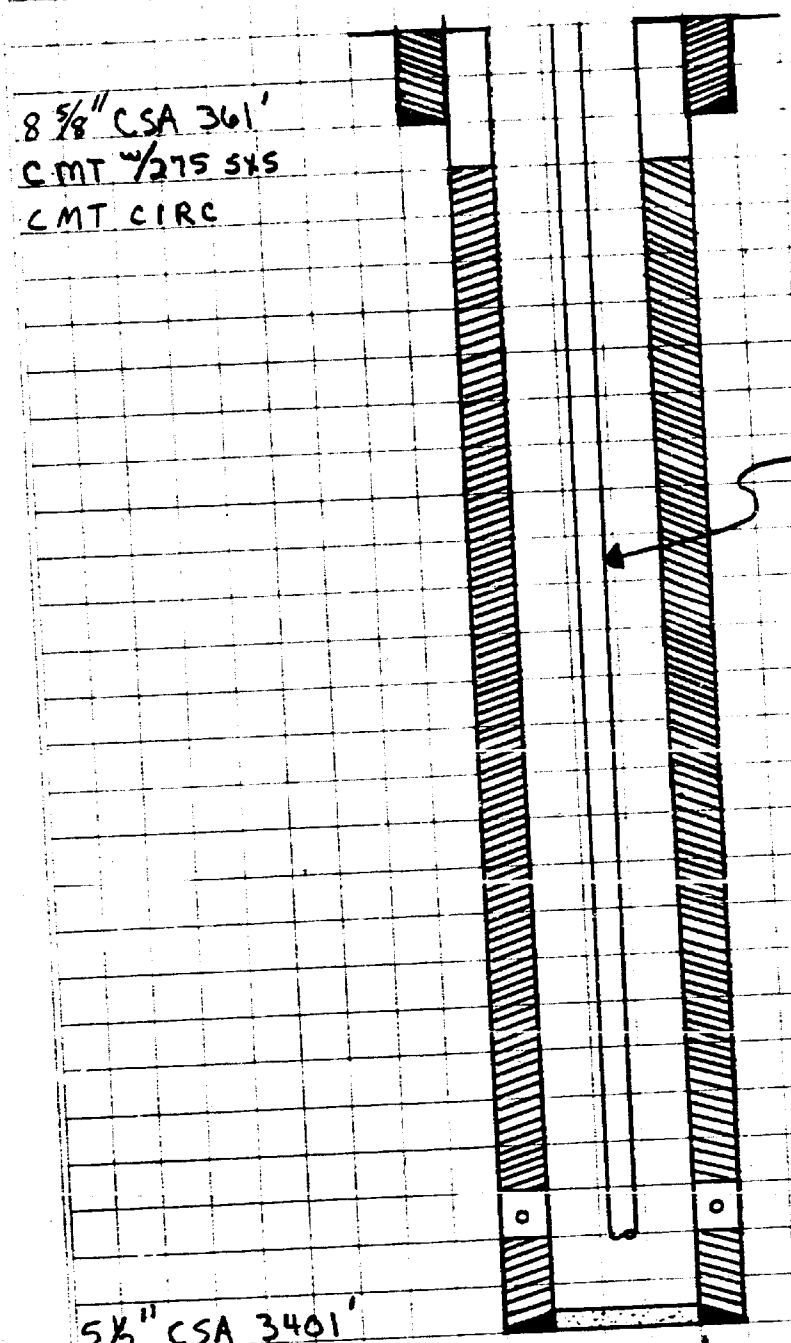
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed. #2
Indian Draw - Delaware
660' FSL & 1980' FEL, Sec 18, T22S, R28E
Eddy County, New Mexico

Elev: 3090' RDB
3079' GL

Completed: 11-27-74



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

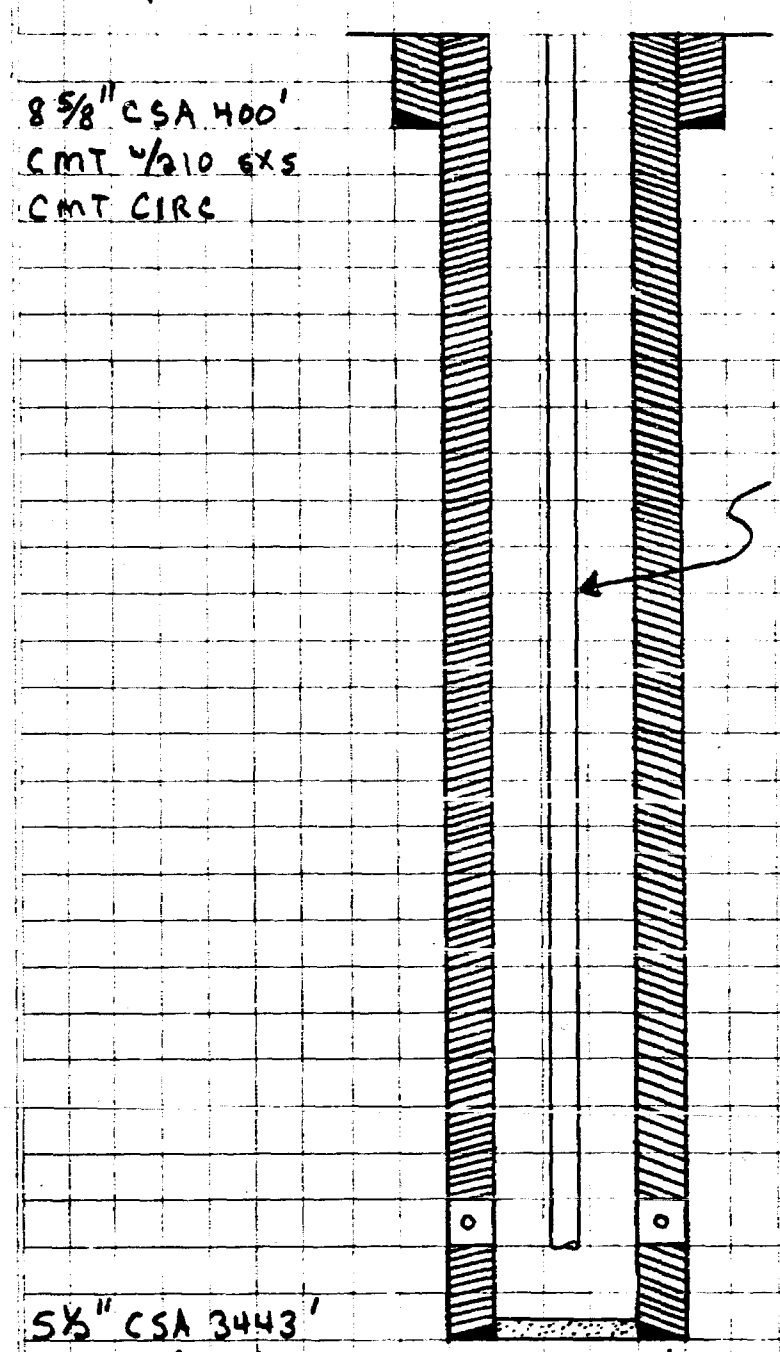
SUBJECT Old Indian Draw Unit Fed # 3

Indian Draw - Delaware

660' FNL & 1980' FEL, Sec. 19, T22S, R28E
Eddy County, New Mexico

Elev: 3085 RDB
3072 GL

Completed: 5-12-75



Form 521 8/71

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-27-78

BY D.W.

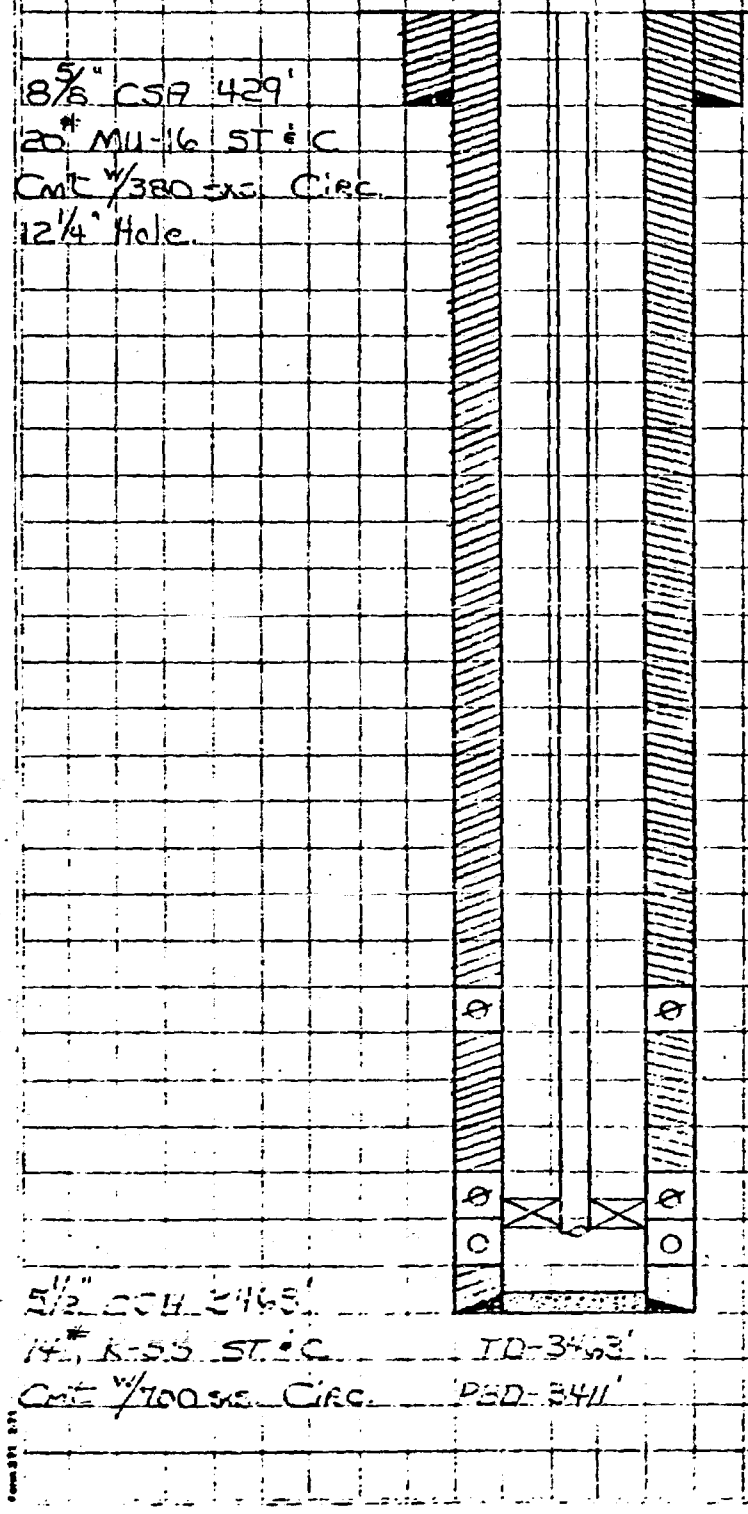
SUBJECT Old Indian Draw Unit Fed. #4

Indian Draw - Salt Water Disposal Well.

1980 FSL & 660 FEL, Sec. 18, T22S R28E
Eddy County, New Mexico

Elev: 3094' R.D.B.
3083' G.L.

Completed: 6-1-75



Amoco Production Company
ENGINEERING CHART

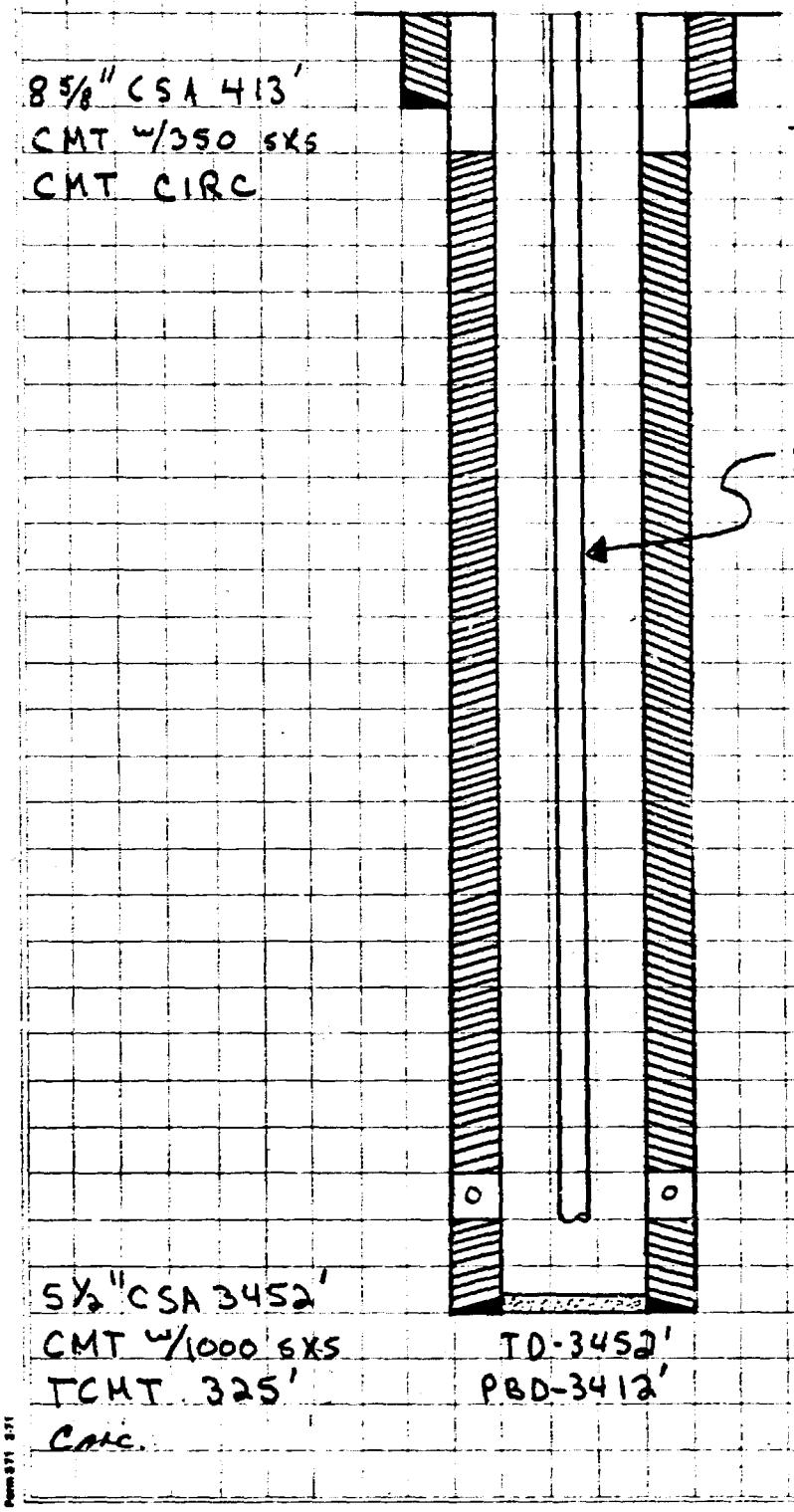
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed #5
Indian Draw - Delaware

1980' FNL & FEL, Sec 18, T22S, R28E
Eddy County, New Mexico

Elev: 3092 RDB
3080 GL

Completed: 9-19-75



Form 311 2-71

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

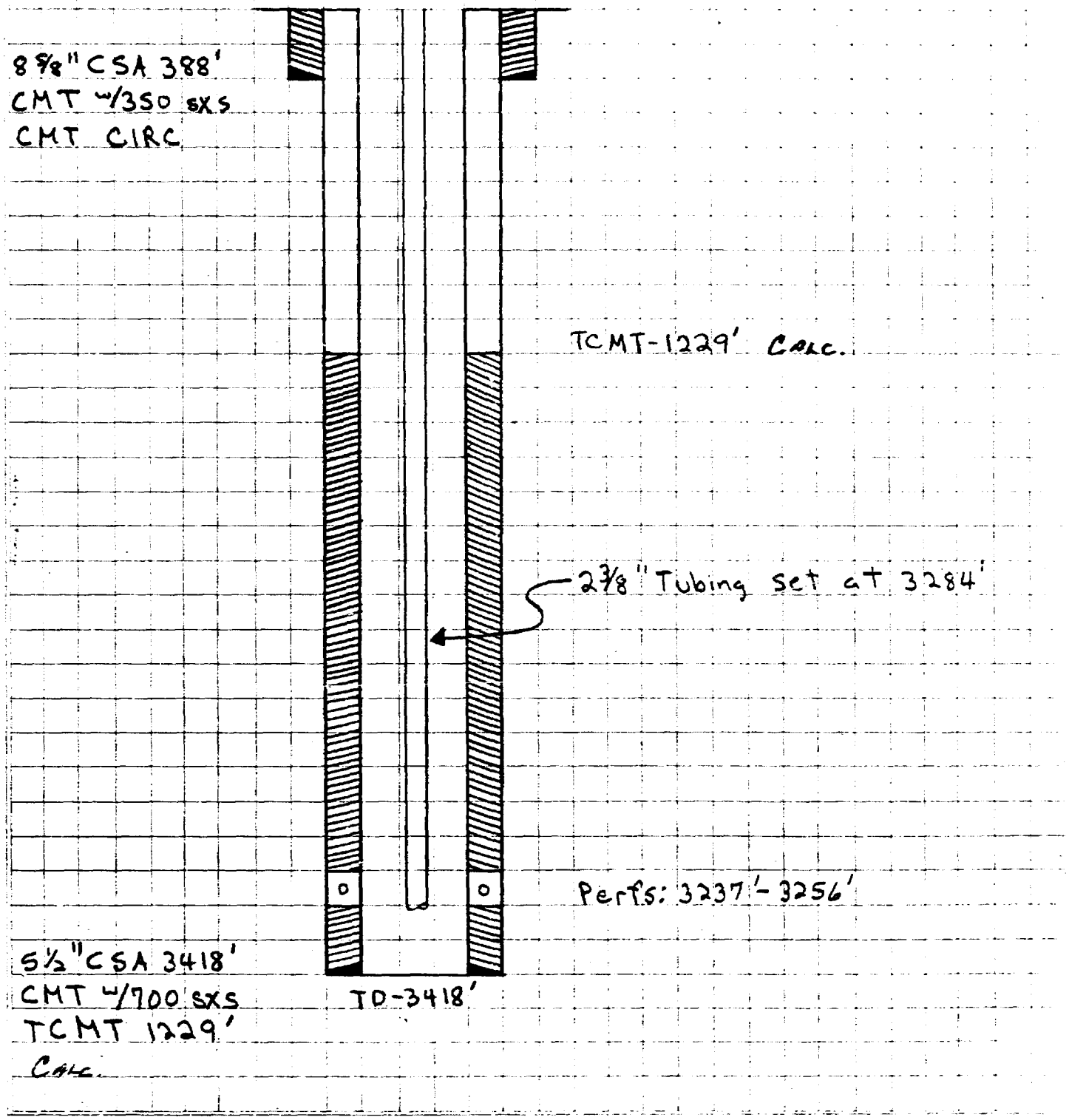
SUBJECT Old Indian Draw Unit Fed #6

Indian Draw - Delaware

2002' FSL & 1721 FWL, Sec 18, T 22S, R 28E
Eddy County, New Mexico

Elev: 3100 RDB
3088 GL

Completed: 9-25-75



Amoco Production Company
ENGINEERING CHART

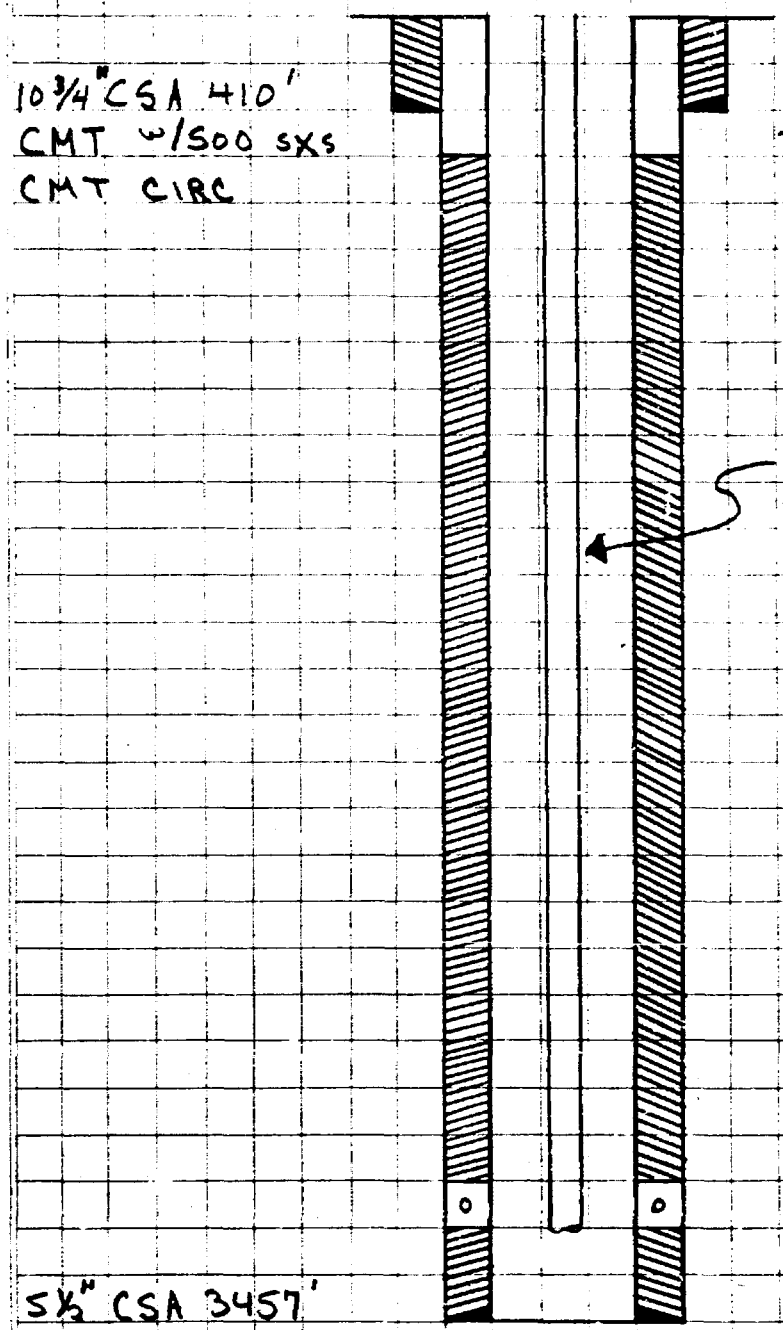
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed #7
Indian Draw - Delaware

2323' FNL & 1974' FWL, Sec. 18, T 22S, R 28E
Eddy County, New Mexico

Elev: 3090.6 RDB
3077 GL

Completed: 5-4-76



Amoco Production Company
ENGINEERING CHART

SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

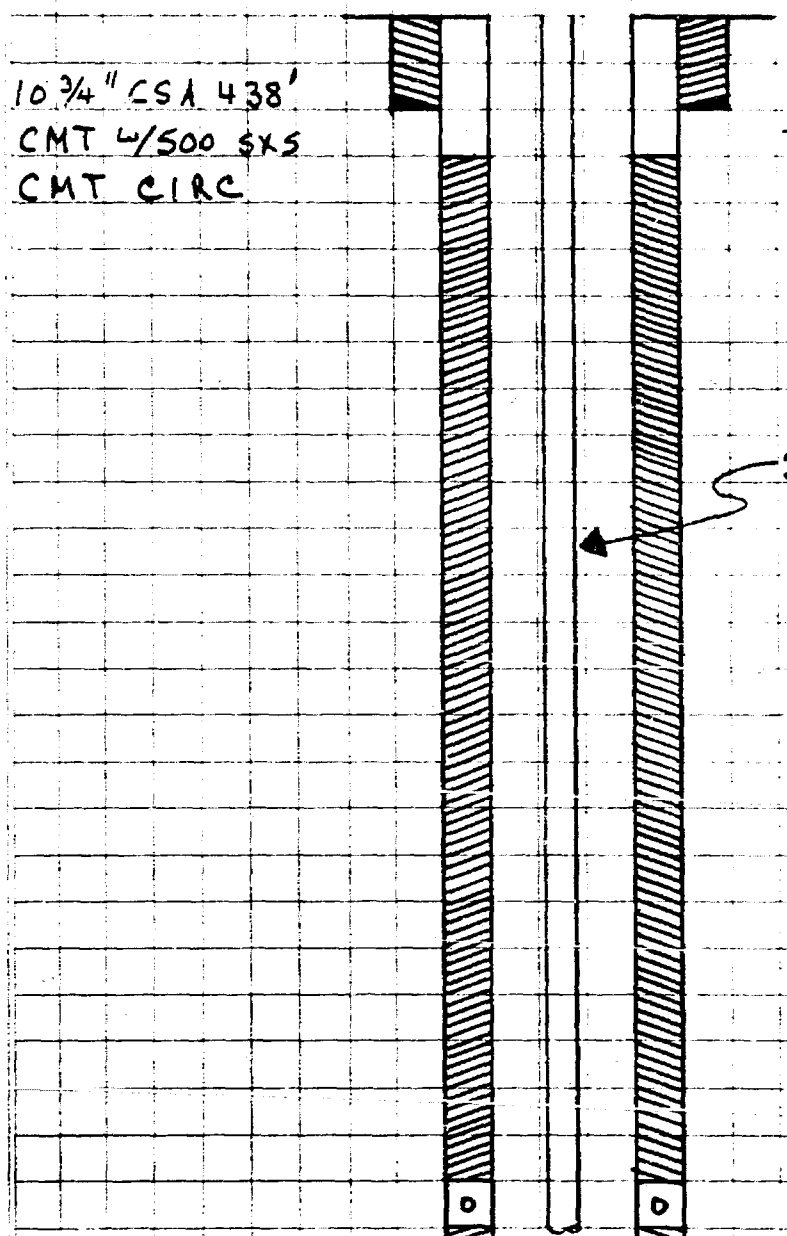
SUBJECT Old Indian Draw Unit Fed # 9

Indian Draw - Delaware

1008' FSL & 994' FEL, Sec 18, T22S, R28E
Eddy County, New Mexico

Completed: 5-6-76

Elev: 3088' RDB
3074' GL



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-29-76

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #11

Indian Draw - Delaware

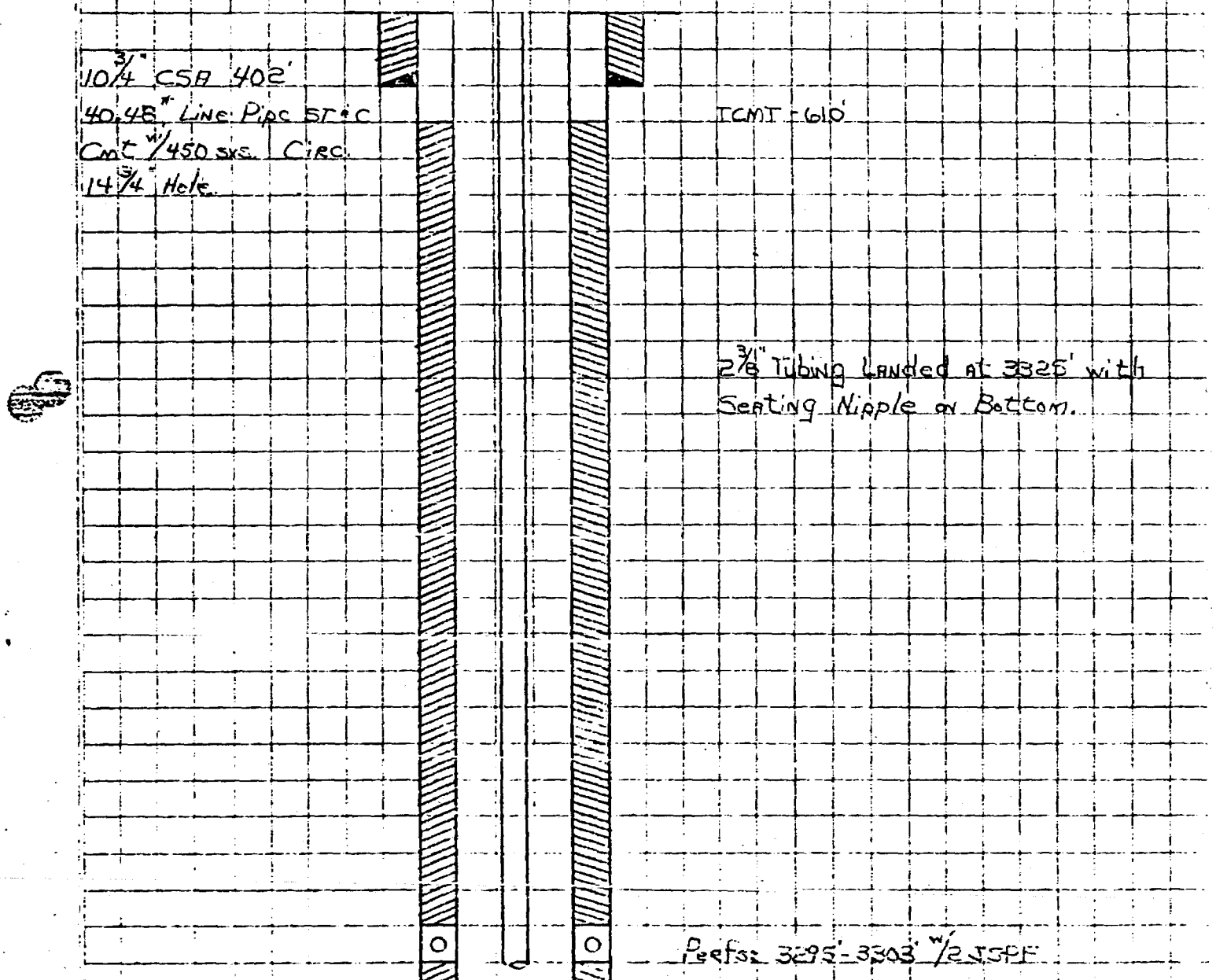
330' FNL & 668' FEL, Sec. 19, T22S, R28E

Eddy County, New Mexico

Elev: 3083' R.D.B.

3071' G.L.

Completed: 8-9-76



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed # 15

Indian Draw - Delaware

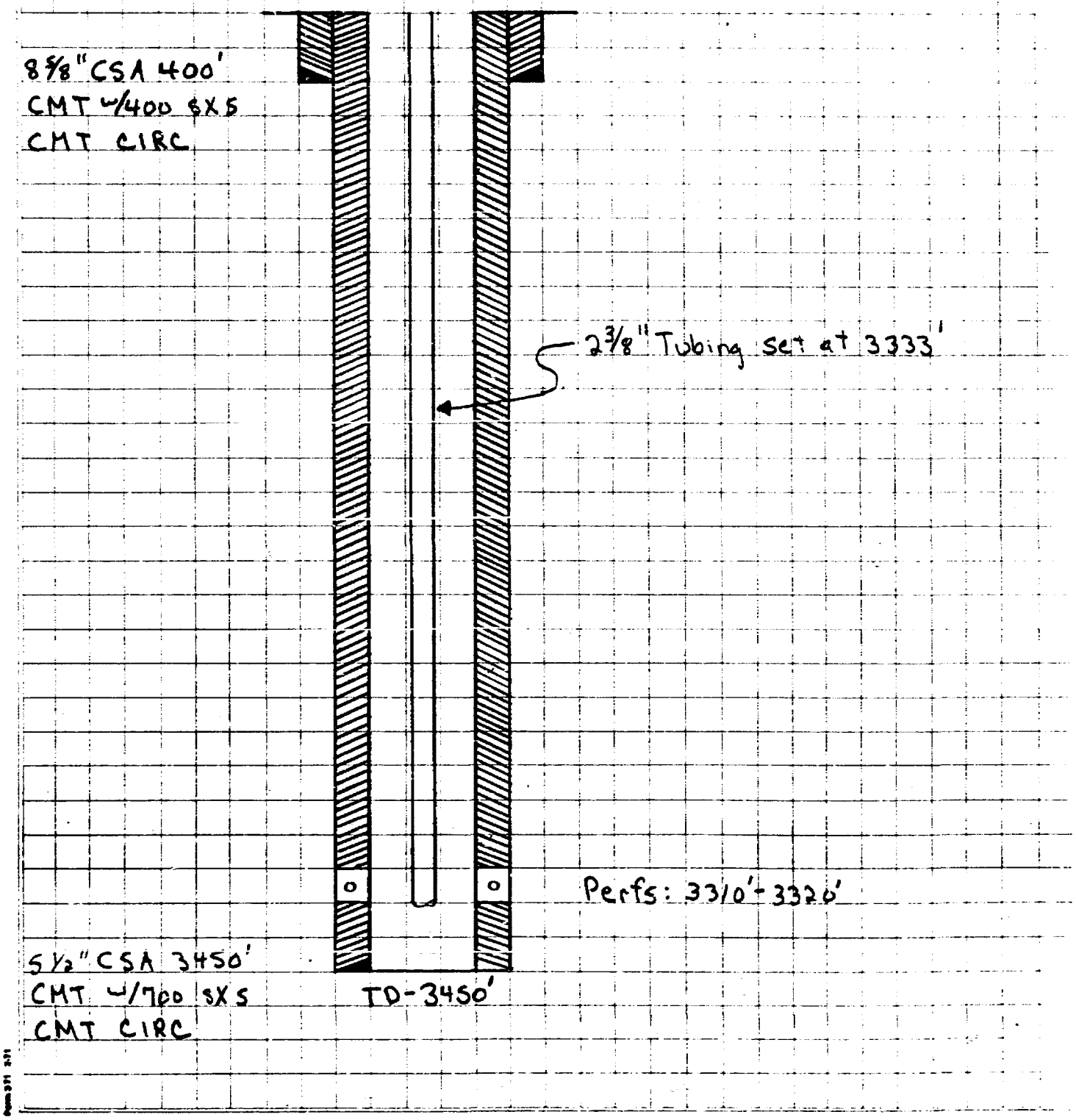
1001' FNL & 2289' FEL, Sec 18, T 22S, R 28E

Eddy County, New Mexico

Elev: 3093' RDB

3082' GL

Completed: 2-9-77



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed # 17

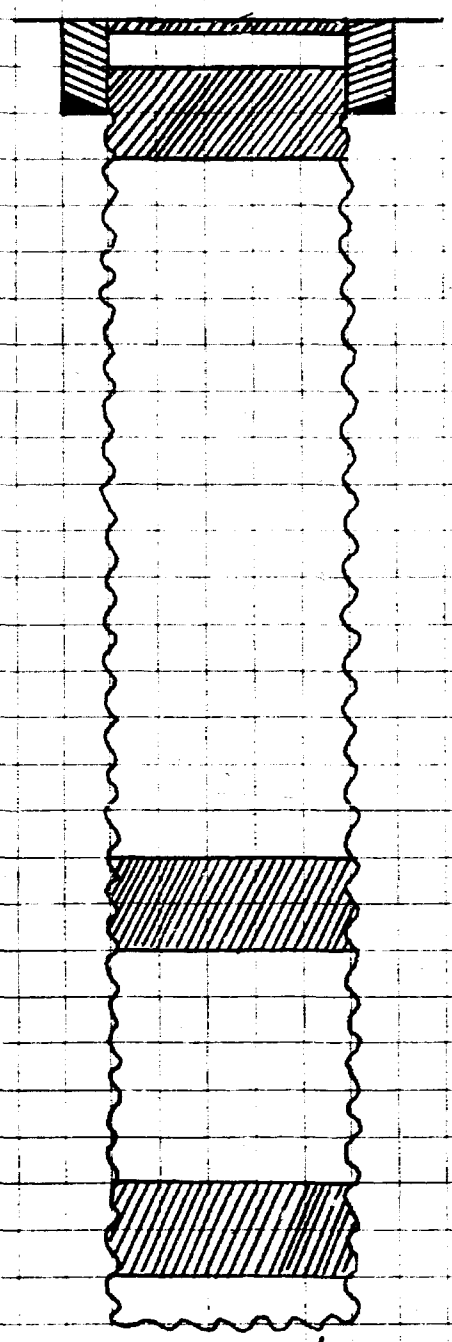
Indian Draw - Delaware

660' FNL & 1993' FWL, Sec 19, T22S, R28E

Eddy County, New Mexico

Elev: 3085' RDB
3074' GL

Completed: 1-6-77 - PXA



OLD INDIAN DRAW UNIT
OLD INDIAN (DELAWARE) FIELD

WELL NO	LOCATION	TD	PBTD	PRODUCTIVE INTERVAL	DATE COMPLETED
1	1980' FSL & FEL SEC. 18, T-22, R-28	12,450'	3385'	3260-90'	12-3-73
2	660' FSL, 1980' FEL SEC. 18, T-22-S, R-28E	3401'	3342'	3259-87'	11-27-74
3	660' FNL, 1980' FEL SEC. 19, T-22-S, R-28E	3450'	3414'	3298-3318'	5-27-75
5	1980' FNL & FEL SEC. 18, T-22-S, R-28E	3452'	3412'	3278-3295'	9-19-75
6	2002' FSL, 1721' FWL SEC. 18, T-22-S, R-28E	3418'	3418'	3237-56'	9-25-75
7	2323' FNL, 1974' FWL SEC. 18, T-22-S, R-28E	3457'	3457'	3280-90'	5-4-76
9	1008' FSL, 994' FEL SEC. 18, T-22-S, R-28E	3450'	3410'	3265-83'	5-6-76
15	1001' FNL, 2289' FEL SEC. 18, T-22-S, R-28E	3450'	3450'	3295-3356'	2-9-77
17	660' FNL, 1973' FWL SEC. 19, T-22-S, R-28E	3450'	3450'	DRY ~~HOLE~~	~~1-6-77~~

MVS/dw
ER585/BB1

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 3
CASE NO. 6883

OLD INDIAN DRAW UNIT
OLD INDIAN (DELAWARE) FIELD

WELL NO	SURFACE CASING @ DEPTH (Weight lb/ft)	SACKS OF CEMENT USED	CEMENT TOP
1	11 3/4" @ 365' (42#)	1050	Circulated
2	8 5/8" @ 361' (29.35#)	275	Circulated
3	8 5/8" @ 400' (24#)	210	Circulated
5	8 5/8" @ 413' (24 - 32#)	350	Circulated
6	8 5/8" @ 388' (24#)	350	Circulated
7	10 3/4" @ 410" (24#)	500	Circulated
9	10 3/4 @ 438' (24#)	500	Circulated
15	8 5/8" @ 400' (24#)	400	Circulated
17	8 5/8" @ 400' (24#)	400	Circulated

MVS/dw
ER585/BB2

OLD INDIAN DRAW UNIT
OLD INDIAN (DELAWARE) FIELD

WELL NO	PRODUCTIVE CASING @ DEPTH (Weight lb/ft)	SACKS OF CEMENT USED	CEMENT TOP
1	8 5/8" @ 5933' (24 - 32#)	1050	1541
2	5 1/2" @ 3401' (14#)	960	399
3	5 1/2" @ 3443' (14 - 15.5#)	1080	Circulated
5	5 1/2" @ 3452' (14 - 15.5#)	1000	325
6	5 1/2" @ 3418' (14 - 15.5#)	700	1229
7	5 1/2" @ 3457'	950	486
9	5 1/2" @ 3450' (14 - 15#)	950	479
15	5 1/2" @ 3450' (14 - 15#)	700	Circulated
17		165	

MVS/sso
ER585/BB3

Amoco Production Company
ENGINEERING CHART

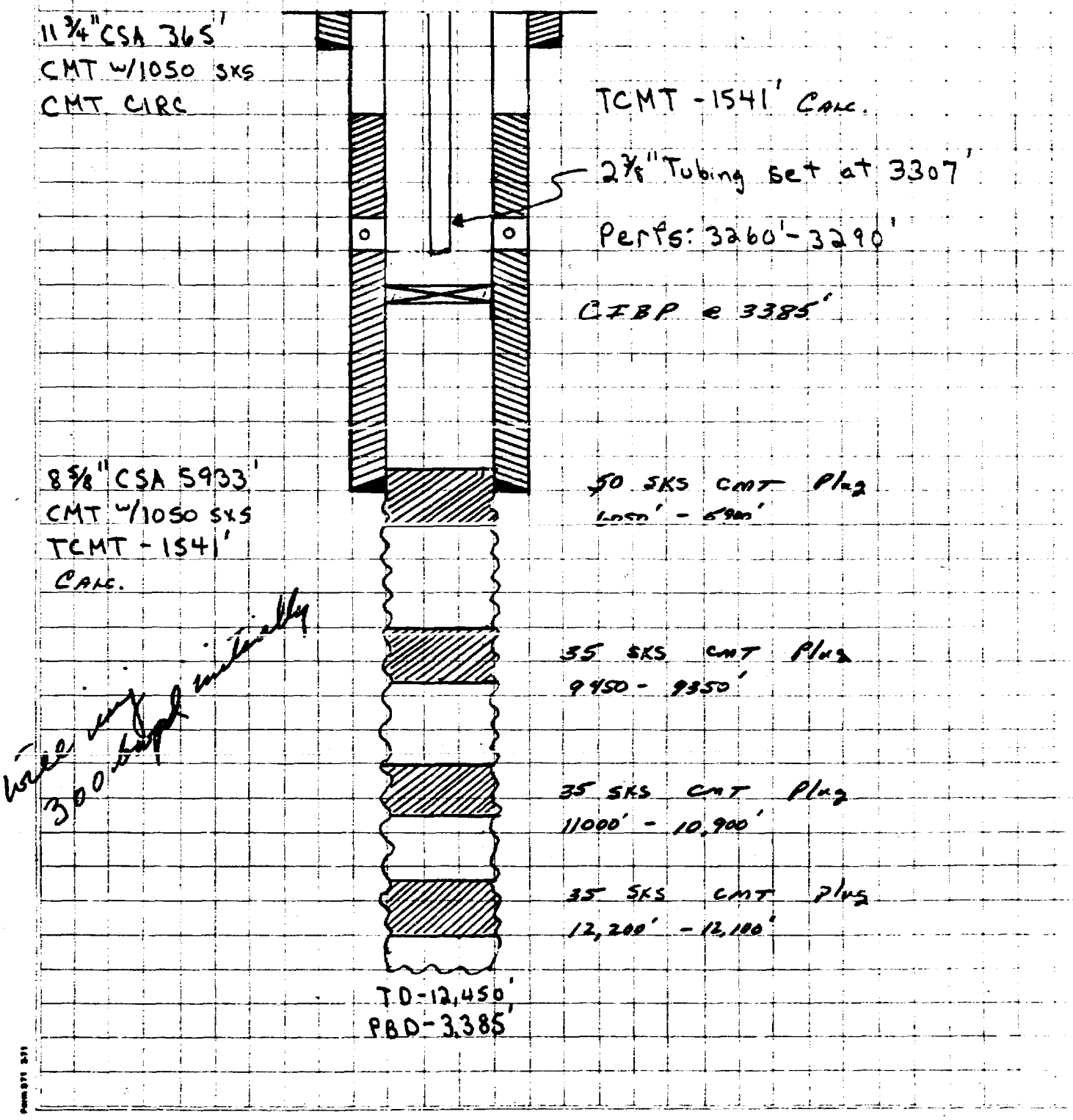
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed # 1
Indian Draw - Delaware

1980' FSL & FEL, Sec 18, T 22S, R 28E
Eddy County, New Mexico

Elev: 3094' RDB
3080' GL

Completed: 12-3-73



Form 331 3/1

Amoco Production Company
ENGINEERING CHART

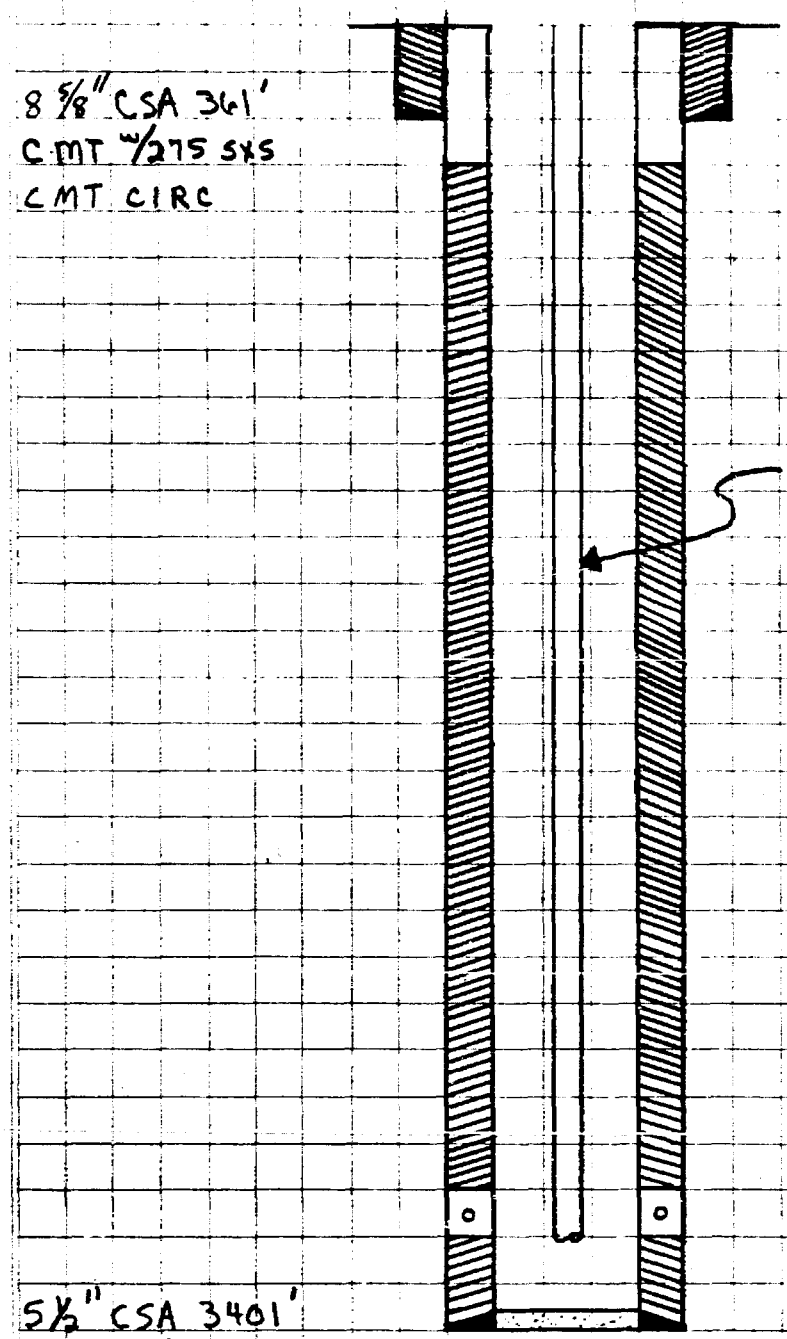
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed. #2
Indian Draw - Delaware

660' FSL & 1980' FEL, Sec 18, T22S, R28E
Eddy County, New Mexico

Elev: 3090' RDB
3079' GL

Completed: 11-27-74



Form 211 8-71

Amoco Production Company
ENGINEERING CHART

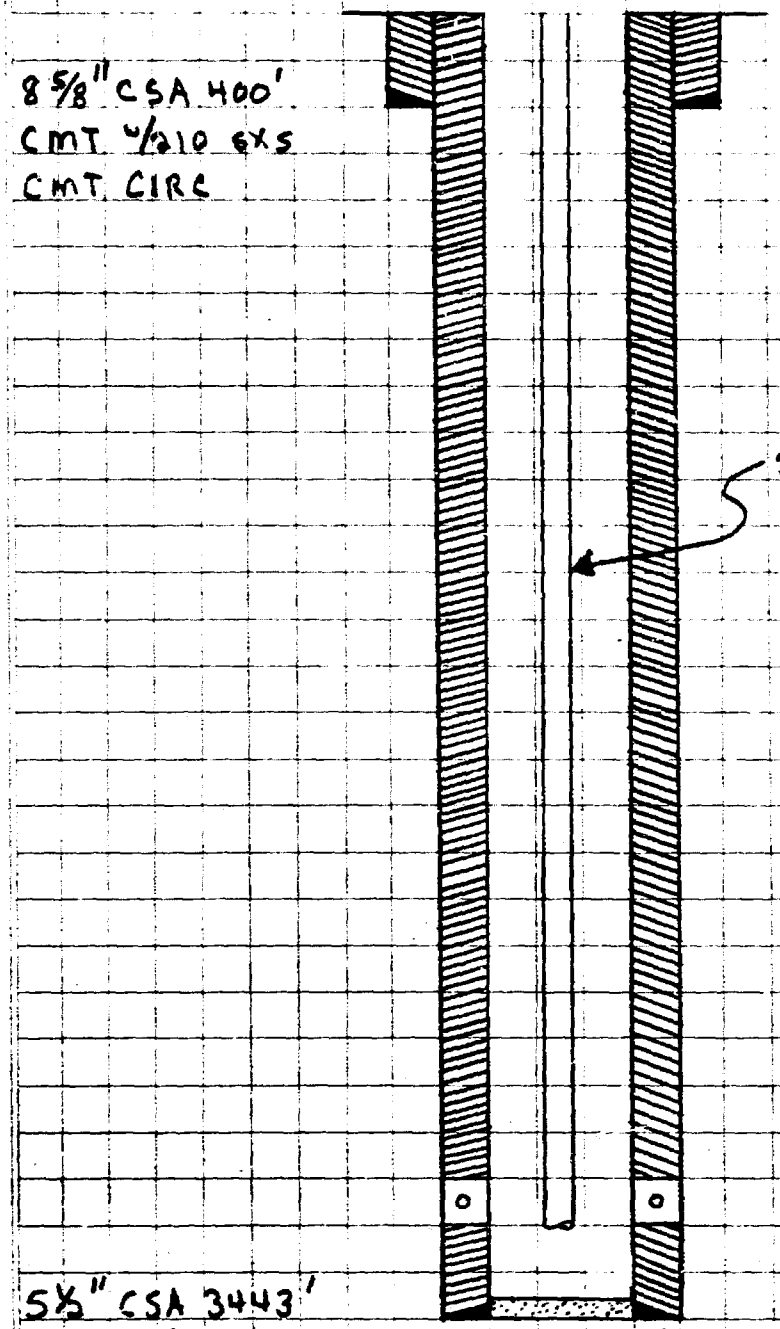
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed * 3
Indian Draw - Delaware

660' FNL & 1980' FEL, Sec 19, T22S, R28E
Eddy County, New Mexico

Elev: 3085 RDB
3072 GL

Completed: 5-12-75



Amoco Production Compa[illegible]

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-27-78

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #4

Indian Draw - Salt Water Disposal Well.

1980 FSL & 660 FEL, Sec. 18, T22S R28E

Eddy County, New Mexico

Elev: 3094' R.D.B.

3083' G.L.

Completed: 6-1-75

8 5/8" CSG 429'

20# MU-16 ST&C

Cmt w/380 sx. Circ.

12 1/4" Hole.

2 3/8" Tubing Landed at 3314' with Seating Nipple at 3375 and Baker Model "AD-1" packer at 3378'.

Max. allowable pressure limitation 660 psi

Max. recommended pressure 600 psi

Highest inj. press. ever recorded was 1975

Perfs: 2490-2504' w/2 JSPF

Perfs: 3316-3326' w/2 JSPF

Perfs: 3376-3400' w/2 JSPF

These perfs squeezed

Current well picture

16 sx cmt @ 3165 w/ 1700 psi press. test

5 1/2" CSG 3465'

14# K-55 ST&C TD-3463'

Cmt w/700 sx. Circ. PBD-3411'

As of 1-31-80 791,000 bbls salt water disp.

current inj. press 800 psig & 490-540 bbls/day.

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-27-78

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #4

Indian Draw - Salt Water Disposal Well.

1980 FSL & 660 FEL, Sec. 18, T22S R28E

Eddy County, New Mexico

Elev.: 3094' R.D.B.
3083' G.L.

Completed: 6-1-75

18 5/8" CSA 429'
20# MU-16 ST & C
Cmt w/380 sx. Circ.
12 1/4" Hole.

2 3/8" Tubing Landed at 3374' with Seating Nipple at 3375 and Baker Model "AD-1" packer at 3378'.

Limit of pressure limitation 660 psi

Recommended max. 800 psi surface pressure.

Highest pressure ever recorded was 1975

Measuring point was 3316

Perfs: 2490-2504' w/2 JSPF

Perfs: 3316-3326' w/2 JSPF

Perfs: 3376-3400' w/2 JSPF

These perfs squeezed

Current well picture 16 hrs ending 8-31-80 R-315 w/ 1140 psi surface

5 1/2" CCH 2465'
14# K-55 ST & C
Cmt w/700 sx. Circ.

TD-3403'

PBD-3411'

As of 1-31-80 191,000 bbls salt water loop

Current inj rate 800 psig & 490-590 bbls/day.

Amoco Production Company
ENGINEERING CHART

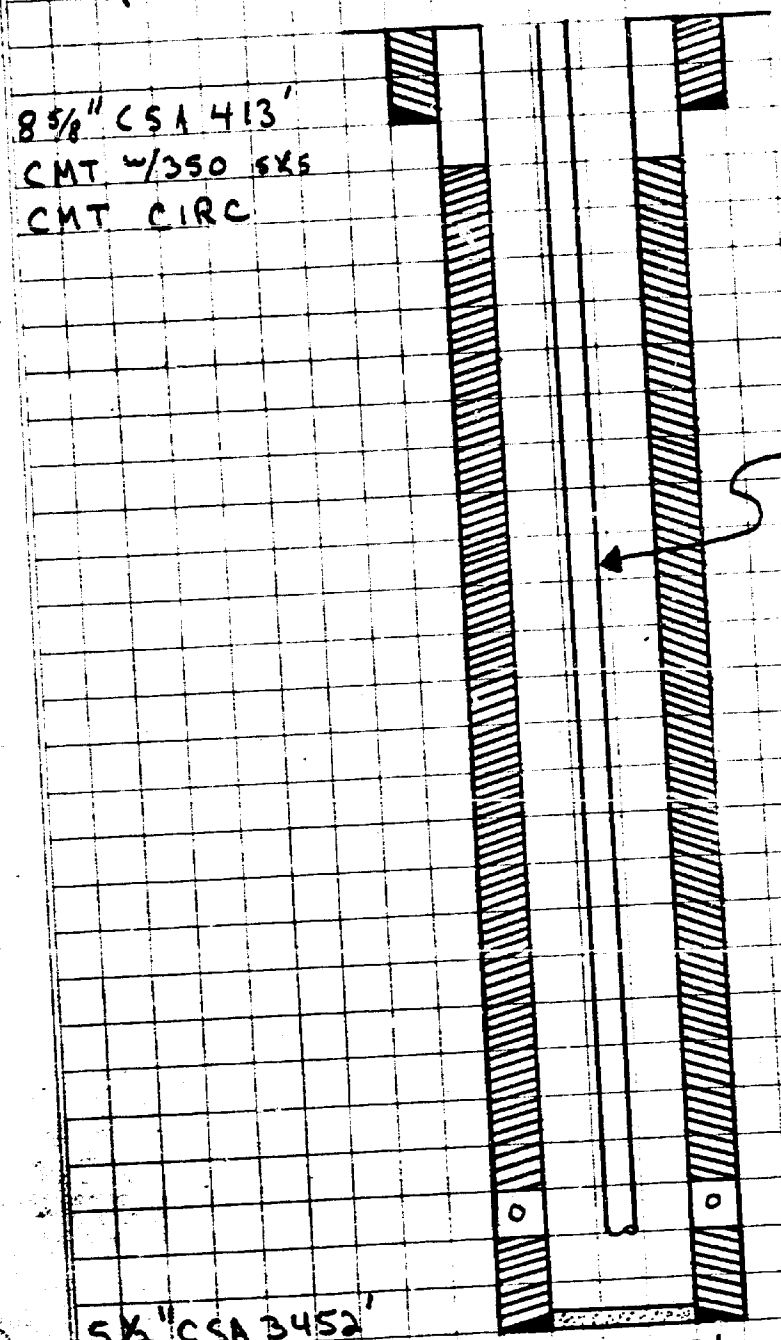
SHEET NO. OF
FILE
APPN
DATE 5-2-80
BY MF

SUBJECT Old Indian Draw Unit Fed #5
Indian Draw - Delaware

1980' FNL & FEL, Sec 18, T22S, R28E
Eddy County, New Mexico

Elev: 3092 RDB
3080 GL

Completed: 9-19-75



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed #6

Indian Draw - Delaware

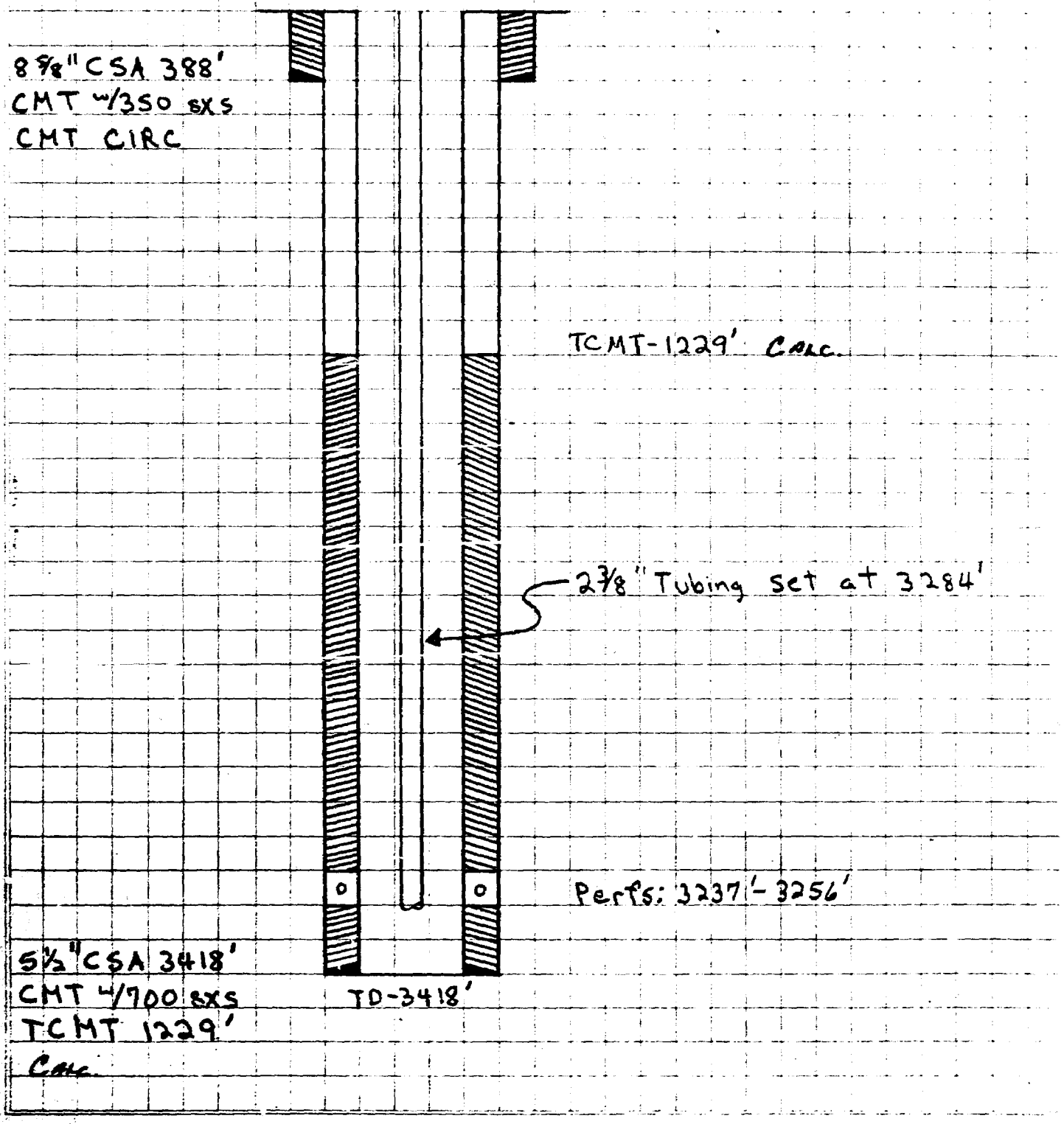
2002' FSL & 1721 FWL, Sec 18, T 22S, R 28E

Eddy County, New Mexico

Elev: 3100 RDB

3088 GL

Completed: 9-25-75



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed # 7

Indian Draw - Delaware

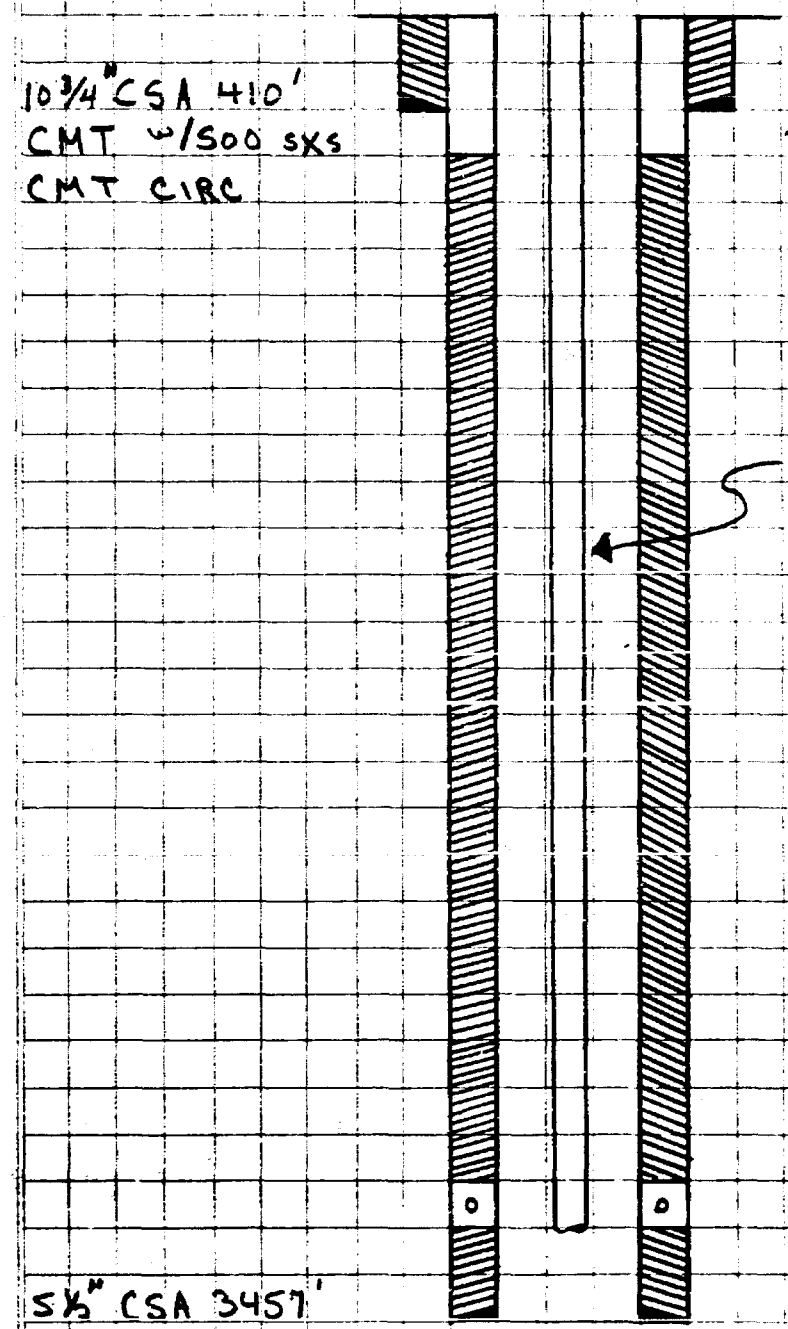
2323' FNL & 1974' FWL, Sec 18, T 22 S, R 28 E

Eddy County, New Mexico

Elev: 3090.6 RDB

3077 GL

Completed: 5-4-76



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed # 9

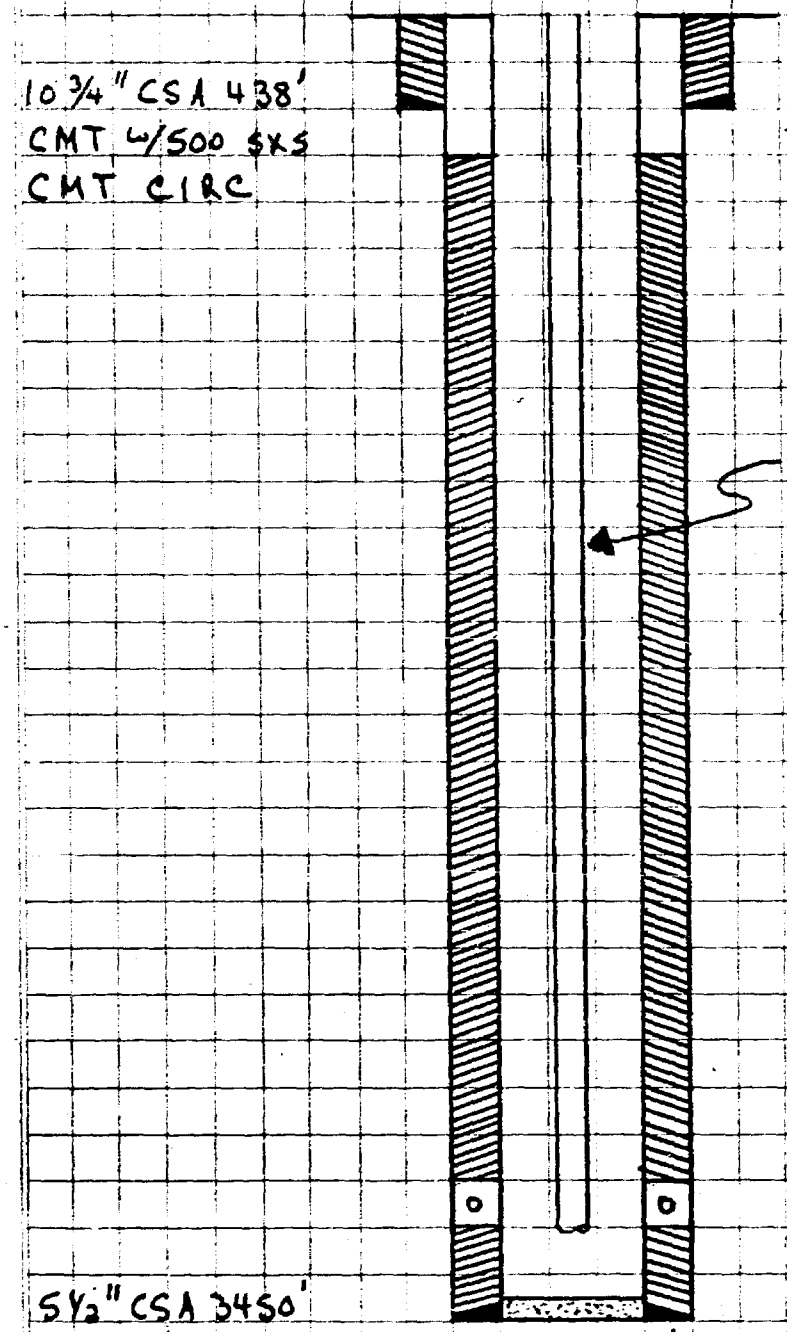
Indian Draw - Delaware

1008' FSL & 994' FEL, Sec 18, T22S, R28E

Eddy County, New Mexico

Elev: 3088' RDB
3074' GL

Completed: 5-6-76



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-29-76

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #11

Indian Draw - Delaware

330' FNL & 668' FEL, Sec. 19, T22S, R28E

Eddy County, New Mexico

Elev: 3083' R.D.B.

3071' G.L.

Completed: 8-9-76

10 3/4" CSA 402'

40.48# Line Pipe ST&C

Cmt w/ 450 sxs. Circ.

14 3/4" Hole

TCMT - 610'

2 3/8" Tubing Landed at 3325' with Seating Nipple on Bottom.

to be replaced w/ plastic lined tubing

Pkr will be unseated

Perfs: 3295'-3303' w/ 2 JSPF

Bell Canyon Zone of the Delaware

5 1/2" CSA 3450'

14#-17# K-55 7 7/8" Hole

Cmt w/ 1800 sxs

TCMT - 610'

TD - 3450'

PBD - 3408'

will be will inj

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed # 15

Indian Draw - Delaware

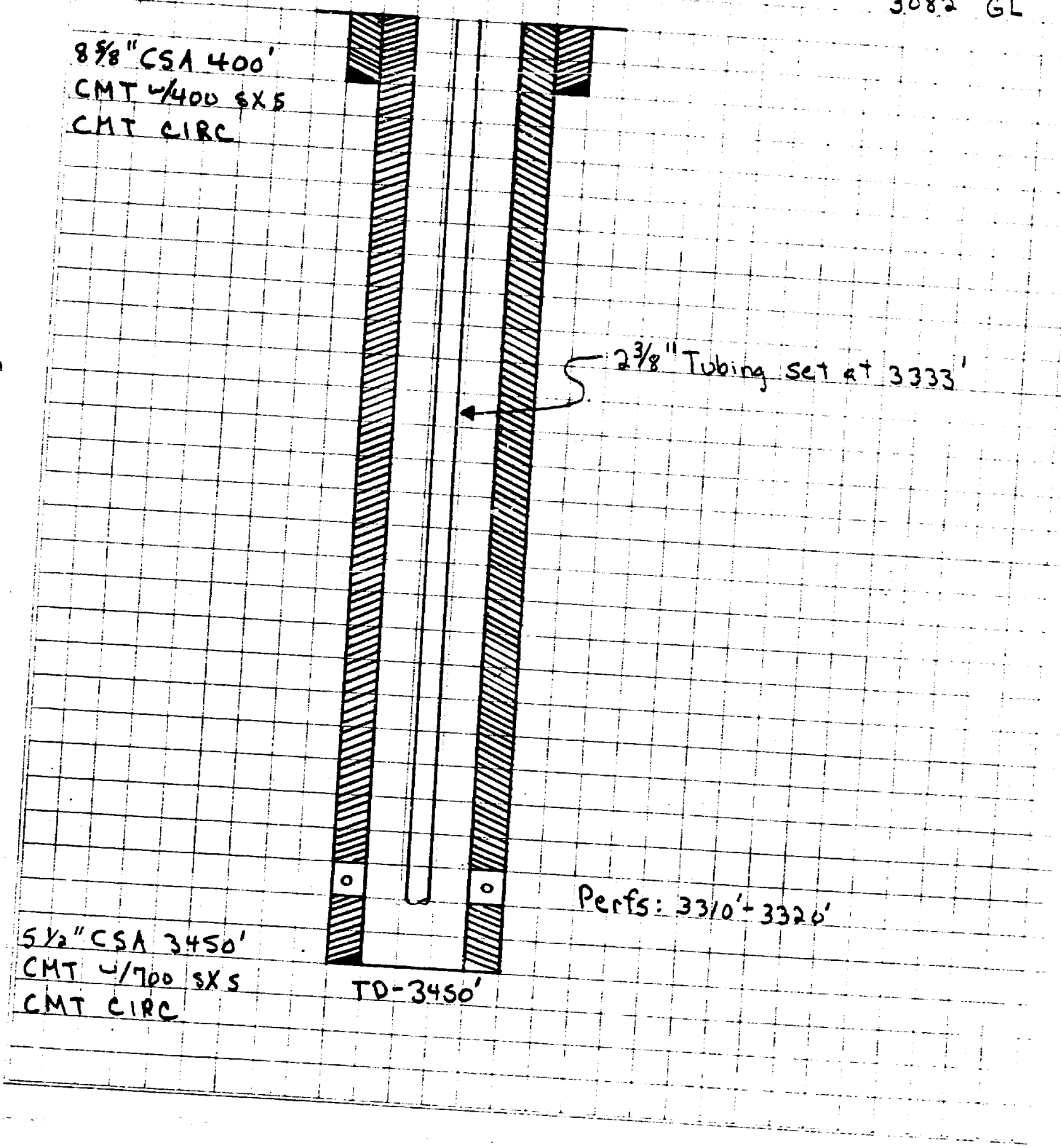
1001' FNL & 2289' FEL, Sec 18, T 22S, R 28E

Eddy County, New Mexico

Completed: 2-9-77

Elev: 3093' RDB

3082' GL



Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5-2-80

BY MF

SUBJECT Old Indian Draw Unit Fed # 17

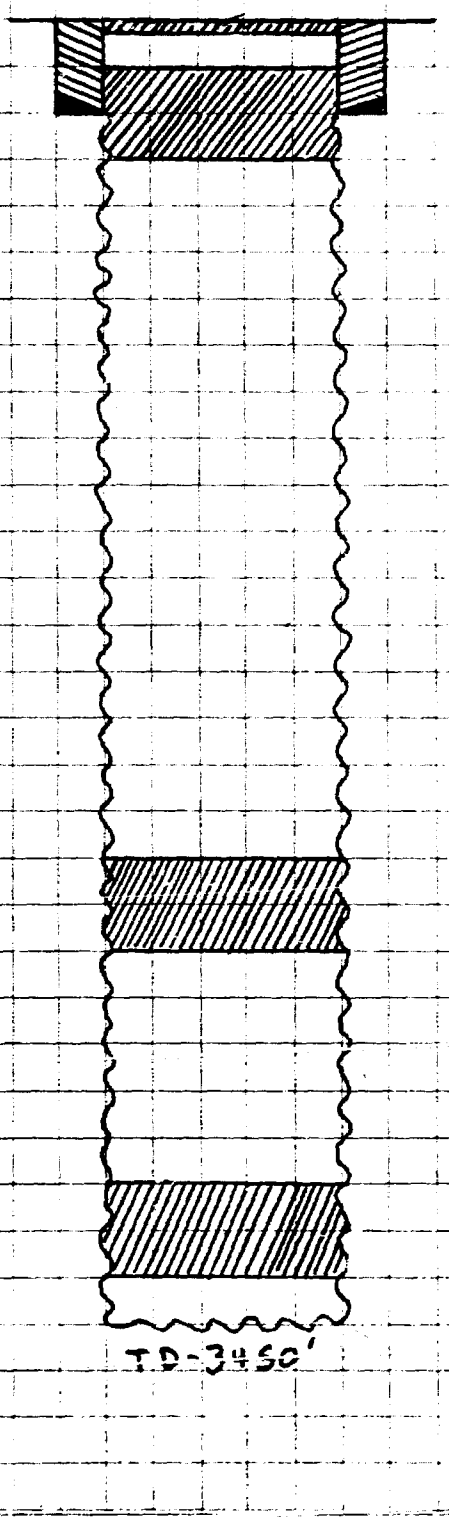
Indian Draw - Delaware

660' FNL & 1993' FWL, Sec 19, T22S, R28E

Eddy County, New Mexico

Elev: 3085' RDB
3074' GL

Completed: 1-6-77 - PXA



8 5/8" CSA 400'
CMT w/400 SKS
CMT CIRC

10 SKs Plug @ 40' & Surf.

65 SKS cmt Plug
450' - 350'

45 SKS CMT Plug
2440' - 2340'

45 SKS CMT Plug
3330' - 3230'

TD-3450'

Form 311 5-71

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 3
CASE NO. 6883

OLD INDIAN DRAW UNIT
OLD INDIAN (DELAWARE) FIELD

WELL NO	LOCATION	TD	PBTD	PRODUCTIVE INTERVAL	DATE COMPLETED
1	1980' FSL & FEL SEC. 18, T-22, R-28	12,450'	3385'	3260-90'	12-3-73
2	660' FSL, 1980' FEL SEC. 18, T-22-S, R-28E	3401'	3342'	3259-87'	11-27-74
3	660' FNL, 1980' FEL SEC. 19, T-22-S, R-28E	3450'	3414'	3298-3318'	5-27-75
5	1980' FNL & FEL SEC. 18, T-22-S, R-28E	3452'	3412'	3278-3295'	9-19-75
6	2002' FSL, 1721' FWL SEC. 18, T-22-S, R-28E	3418'	3418'	3237-56'	9-25-75
7	2323' FNL, 1974' FWL SEC. 18, T-22-S, R-28E	3457'	3457'	3280-90'	5-4-76
9	1008' FSL, 994' FEL SEC. 18, T-22-S, R-28E	3450'	3410'	3265-83'	5-6-76
15	1001' FNL, 2289' FEL SEC. 18, T-22-S, R-28E	3450'	3450'	3295-3356'	2-9-77
17	660' FNL, 1973' FWL SEC. 19, T-22-S, R-28E	3450'	3450'	DRY HOLE	1-6-77

MYS/dw
ER585/BB1

OLD INDIAN DRAW UNIT
OLD INDIAN (DELAWARE) FIELD

WELL NO	SURFACE CASING @ DEPTH (Weight lb/ft)	SACKS OF CEMENT USED	CEMENT TOP
1	11 3/4" @ 365' (42#)	1050	Circulated
2	8 5/8" @ 361' (29.35#)	275	Circulated
3	8 5/8" @ 400' (24#)	210	Circulated
5	8 5/8" @ 413' (24 - 32#)	350	Circulated
6	8 5/8" @ 388' (24#)	350	Circulated
7	10 3/4" @ 410" (24#)	500	Circulated
9	10 3/4 @ 438' (24#)	500	Circulated
15	8 5/8" @ 400' (24#)	400	Circulated
17	8 5/8" @ 400' (24#)	400	Circulated

MWS/dw
ER585/BB2

OLD INDIAN DRAW UNIT
OLD INDIAN (DELAWARE) FIELD

WELL NO	PRODUCTIVE CASING @ DEPTH (Weight lb/ft)	SACKS OF CEMENT USED	CEMENT TOP
1	8 5/8" @ 5933' (24 - 32#)	1050	1541
2	5 1/2" @ 3401' (14#)	960	399
3	5 1/2" @ 3443' (14 - 15.5#)	1080	Circulated
5	5 1/2" @ 3452' (14 - 15.5#)	1000	325
6	5 1/2" @ 3418' (14 - 15.5#)	700	1229
7	5 1/2" @ 3457'	950	486
9	5 1/2" @ 3450' (14 - 15#)	950	479
15	5 1/2" @ 3450' (14 - 15#)	700	Circulated
17		165	

WWS/sso
ER585/883

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

Case 6883

April 21, 1980

File: JCA-986.51NM-2310

Re: Request for Hearing to Initiate
Secondary Recovery Project
Old Indian Draw (Delaware) Unit
Indian Draw Delaware Pool
Eddy County, New Mexico

RECEIVED
APR 22 1980
OIL CONSERVATION DIVISION
SANTA FE

Mr. Joe D. Ramey, Director
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Dear Mr. Ramey:

Amoco Production Company respectfully requests a hearing for the purpose of initiating a pilot secondary recovery project by injection of water into productive zones within the Delaware Formation underlying Amoco's Old Indian Draw Unit, Indian Draw Delaware Oil Pool, Eddy County, New Mexico.

Old Indian Draw Unit Wells No. 4 and 11 will be utilized as water injection wells. The producing Delaware Sands exist at an average depth of 3320 feet within these two wells. The fluid to be injected will be Old Indian Draw Unit produced Delaware Formation water. Anticipated volumes of injection will be 600 BWPD total, or an average of 300 BWPD per well.

This letter confirms telephone request of April 15, 1980 verbally requesting the Division place this item on the Examiner's Hearing Docket of May 7, 1980.

A map of the area listing all known leasehold interests and well locations, and diagramatic sketches of the proposed injection wells showing all casing strings, diameters, and depths and other information necessary as described under Rule 701.B-3, are attached. Also attached are complete logs of the two proposed injection wells. Please direct any questions to Mr. Jim Allen, telephone (713) 652-5497.

Yours very truly,

J. R. Barnett, Jr.

JCA/rw
Attachments

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

April 21, 1980

Case 6883

File: JCA-986.51NM-2310

Re: Request for Hearing to Initiate
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J. R. Barnhart

JCA/rw
Attachments

Amoco Production Company

Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

Case 6883

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OIL CONSERVATION DIVISION
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Re: Request for Hearing to Initiate
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Old Indian Draw (Delaware) Unit
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Eddy County, New Mexico

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Yours very truly,

J. L. Burnett

JCA/rw
Attachments

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-27-78

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #4

Indian Draw - Salt Water Disposal Well.

1980' FSL & 660' FEL, Sec. 18, T22S, R28E

Eddy County, New Mexico

Completed: 6-1-75

Elev: 3094' R.D.B.

3083' G.L.

2⅜" Tubing Landed at 3314' with Seating Nipple at 3375 and Baker Model "AD-1" packer at 3378'.

Perfs: 2490'-2504' w/2 JSPF

Perfs: 3316'-3326' w/2 JSPF

Perfs: 3376'-3400' w/2 JSPF

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-27-78

BY D.W.

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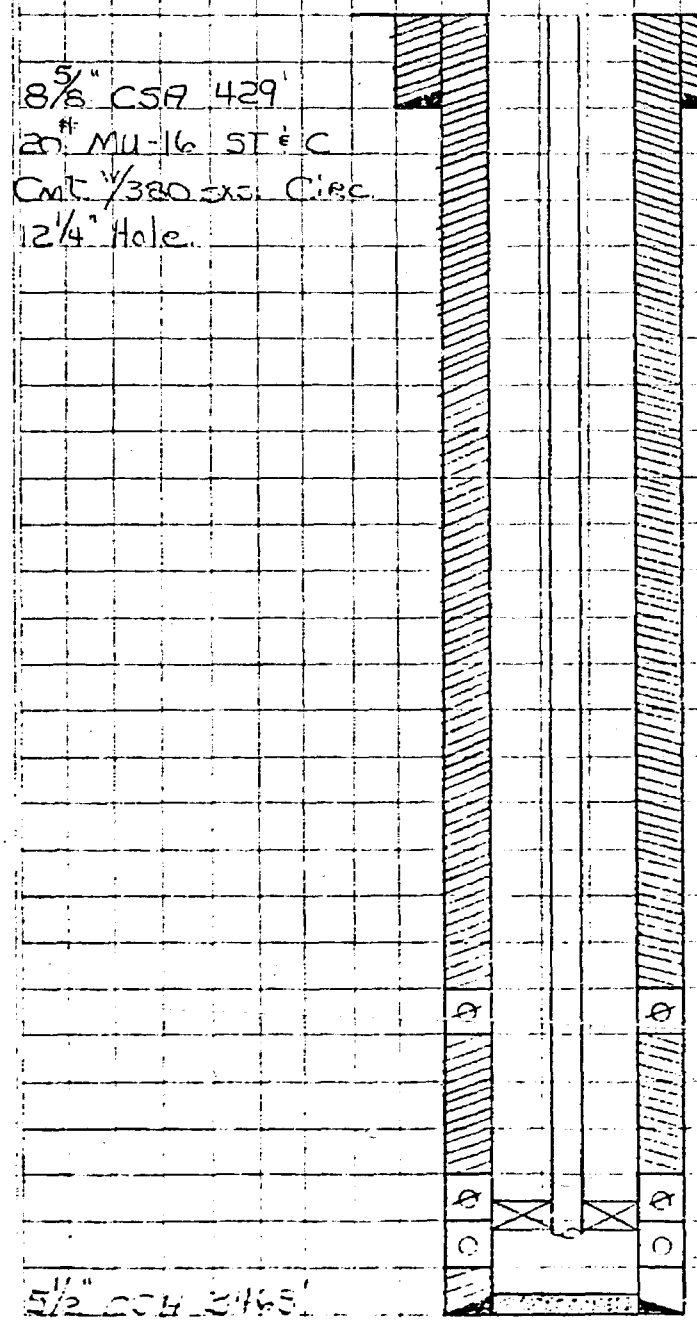

8 5/8" CSA 429'
20# MU-16 ST & C
Cmt w/380 sx. Circ
12 1/4" Hole.

2 3/8" Tubing Landed at 3314' with Seating Nipple at 3315 and Baker Model "AD-1" packer at 3378'.

Perfs: 2490'-2504' w/2 JSPF

Perfs: 3316'-3326' w/2 JSPF
Perfs: 3376'-3400' w/2 JSPF

5 1/2" CSA 3465'
14# K-55 ST & C TD-3463
Cmt w/700 sx. Circ PBD-3411'

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 9-27-78

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #4

Indian Draw - Salt Water Disposal Well.

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Eddy County, New Mexico

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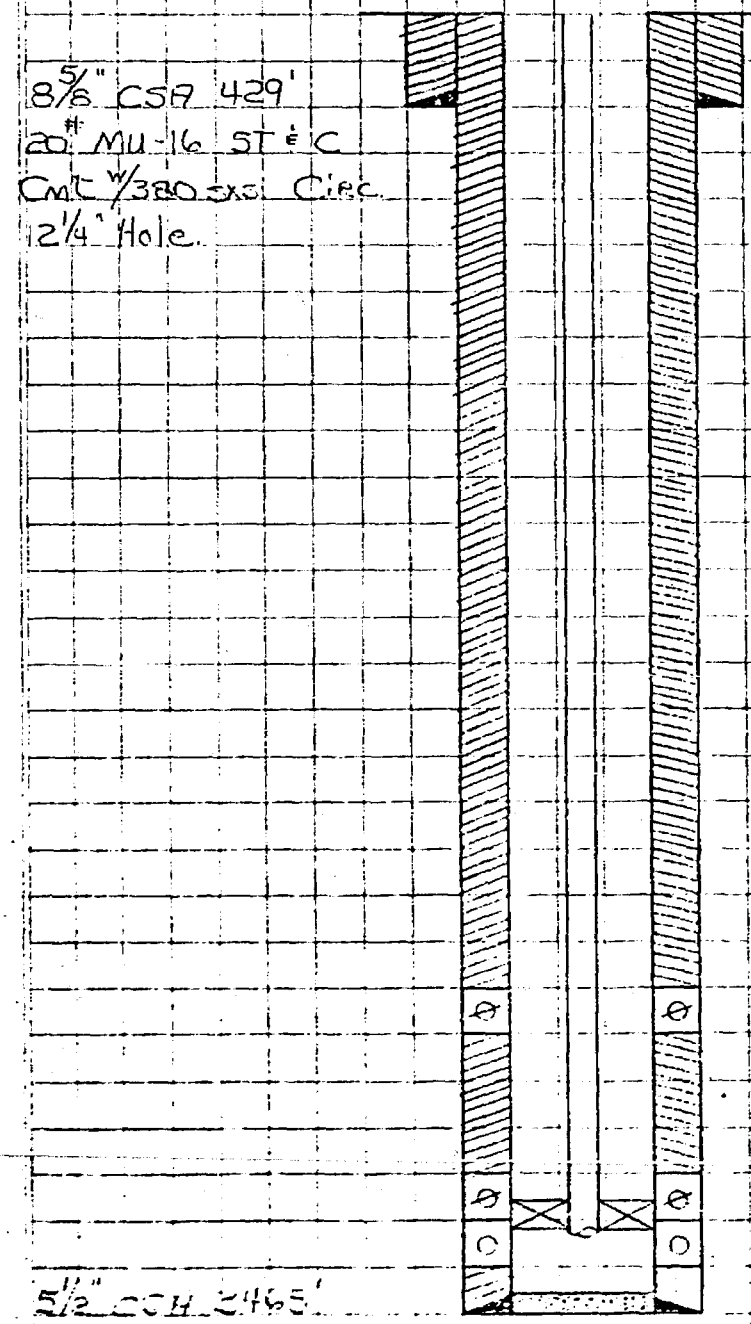
3083' G.L.

Completed: 6-1-75



Amoco Production Company

ENGINEERING CHART

SHEET

FILE

APPN

DATE 9-29-76

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #11

Indian Draw - Delaware

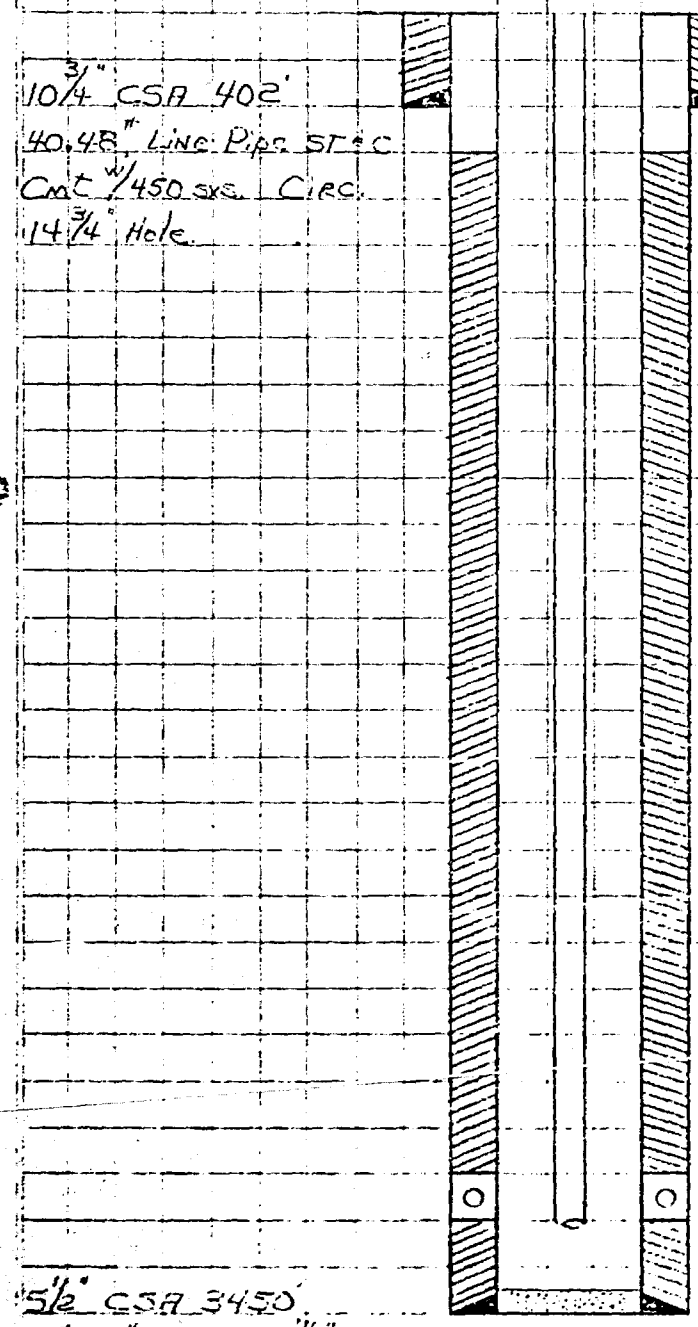
330' FNL & 668' FEL, Sec. 19, T22S, R28E

Eddy County, New Mexico

Elev: 3083' R.D.B.

3071' G.L.

Completed: 8-9-76



Amoco Production Company

ENGINEERING CHART

SHEET . OF

FILE

APPN

DATE 9-29-76

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #11

Indian Draw - Delaware

330' FNL & 668' FEL, Sec. 19, T22S, R28E

Eddy County, New Mexico

Elevs: 3083' R.D.B.

3071' G.L.

Completed: 8-9-76

10 3/4" CSA 402'

40.45# Line Pipe ST&C

Cmt w/450 sxs. Circ.

14 3/4" Hole

TCMT - 610'

2 3/8" Tubing Landed at 3325' with Seating Nipple on Bottom.

Perfs: 3275'-3303' w/2 JSPF

5 1/2" CSA 3450'

14#-17# K-55 7 7/8" Hole TD-3450'

Cmt w/1300 sxs PBD-3408'

TCMT - 610'

Amoco Production Company

ENGINEERING CHART

SHEET 1 OF

FILE

APPN

DATE 9-29-76

BY D.W.

SUBJECT Old Indian Draw Unit Fed. #11

Indian Draw - Delaware

330' FNL & 668' FEL, Sec. 19, T22S, R28E
Eddy County, New Mexico

Elevs: 3083' R.D.B.
3071' G.L.

Completed: 8-9-76

10 3/4" CSA 402'
40.48# Line Pipe ST&C
Cmt w/450 sks. Circ.
14 3/4" Hole.

TCMT - 610'

2 3/8" Tubing Landed at 3325' with
Seating Nipple on Bottom.

Perfs: 3295'-3303' w/2 JSPF

5 1/2" CSA 3450'
14#-17# K-55 7 7/8" Hole.
Cmt w/800 sks
TCMT - 610'

TD - 3450'
PBD - 3402'

Form 311 2-7

Application of Amoco Production Co
to initiate a pilot secondary recovery
project in the ~~Old~~ Indian Draw-
Delaware Pool, Eddy Co., N. Mo.

Proposes to inject into 2 wells
Old Indian Draw Unit Well No 4I 18-22S-28E
" " " " 11A 18-22S-28E

Plan to reinject only produced water
600 BWPD
Delaware approx 3320 feet

Jim Allen 4-15-80
RLS

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6883

Order No. R- 6352

APPLICATION OF AMOCO PRODUCTION COMPANY

FOR A WATERFLOOD PROJECT, EDDY

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 1980, 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, Amoco Production Company, seeks authority to institute a waterflood project on its Old Indian Draw Unit Area, ~~Lease~~, Indian Draw-Delaware Pool, ~~Pool~~ by the injection of water into the Delaware formation through its Old Indian Draw Unit Well ~~No~~s. 4, located in Unit I of ~~injection wells~~ in Section 18, and ~~No.~~ 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) That injection into each of the wells described in Finding No. (2) above should be through ~~plastic~~ internally coated tubing set in a packer, said packer being installed as near as is practicable to the uppermost perforation; that the casing-tubing annulus in each injection well should be loaded with an inert fluid and equipped with an approved pressure gauge or other attention-attracting Leak Detection Device.

(7) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the well head to no more than 750 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(8) That the subject waterflood project should be known as the Amoco Indian Draw Waterflood Project.

(9) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to institute a waterflood project on its _____ Lease, Indian Draw-Delaware Pool, by the injection of water into the Delaware formation through (well) its Old Indian Draw Unit Well No. 4 located in Unit I of Section 18 and No. 11 located in Unit A of Section 19, both in Township 22 South, ~~xxxxxxxxxxxx~~, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the injection well herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, provided however, that the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(5) That the subject waterflood project is hereby designated the Amoco Indian Draw Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 704 ~~and 1120~~ of the Division Rules and Regulations.

(7) 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.

CASE 6984: SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, SAN JUAN COUNTY, NEW MEXICO

40
12/10
Continued

CASE NO.

6884

APPLICATION,

TRANSCRIPTS,

SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

June 13, 1980

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

Re: CASE NO. 6884
ORDER NO. R-6358

Applicant:

Supron Energy Corporation

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

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6984
Order No. R-6358

APPLICATION OF SUPRON ENERGY
CORPORATION FOR COMPULSORY
POOLING AND A DUAL COMPLETION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 5th day of June, 1980, 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, Supron Energy Corporation, seeks an order pooling all mineral interests in the Blanco Mesaverde and Basin-Dakota Pools underlying the N/2 of Section 4, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) That there are royalty 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 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 September 15, 1980, the order pooling said unit should become null and void and of no effect whatsoever.

(9) That the applicant requested dismissal of that portion of the application seeking approval for the dual completion of the proposed well.

(10) That the request for dismissal should be approved.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Blanco Mesaverde and Basin-Dakota Pools underlying the N/2 of Section 4, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 315.89-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 15th day of September, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Dakota formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of September, 1980, 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 Supron Energy Corporation is hereby designated the operator of the subject well and unit.

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

(4) That that portion of this case seeking approval of the dual completion of the well to be drilled upon the pooled acreage is hereby dismissed.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

fd/

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA, FE, NEW MEXICO

Hearing Date MAY 21, 1980 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Gerhard Bystrom	Supron Energy Corp	Dallas
JERRY D. LEE	SUPRON ENERGY CORP.	DALLAS
William L. Hall	Campbell + Black	Santa Fe
N.V. Kellahin	Kellahin + Kellahin	Santa Fe
J.H. Kendrick	El Paso Natural Gas Co	El Paso
J. T. Harris	Sun Oil Co.	Dallas
R.L. Davis	Sun Oil Co.	Midland, Tx
Daniel W. Rhoads	sun Oil Co.	Santa Fe
R Huber	Byram	
Donald W. Miller	Stevens Oil Co.	Roswell, NM
L.R. Allen	Stevens Oil Co	Roswell
Ann Griffin	Sun Oil Co.	Dallas
Don Stevens	Stevens Oil Co.	Roswell
Henry Tinnock	USGS	ALBUQUERQUE
Hugh Ingram	Conoco	HOBBS

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 21, 1980 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
R L Bayless	MERRION + BAYLESS	Farmington
K. D. McCord	3 E C	Farmington
Jack L. McClellan	McClellan Oil Corp.	Roswell
Bob Strand	HEYCO	Roswell
Chad Dickerson	Yates Pet. Corp	Artesia
Eddie Mahfood	"	"
Randy Hems	"	"
Clarence Yates	Heyco	Midland
Randy Smith	Heyco	

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
21 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico.

CASE 6884

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

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

I N D E X

GUDBRAND BJERKE

Direct Examination by Mr. Carr 4

E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Lease 6

Applicant Exhibit Three, AFE 6

Applicant Exhibit Four, Operating Agreement 7

Applicant Exhibit Five, Letter 7

Applicant Exhibit Six, Correspondence 8

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

MR. STAMETS: Call next Case 6884.

MR. PADILLA: Application of Supron Energy Corporation for compulsory pooling and dual completion, San Juan County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. CARR: May it please the Examiner, I'm William F. Carr, Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant. I have one witness.

(Witness sworn.)

MR. CARR: Initially, Mr. Examiner, we would request that the portion of this case relating to a dual completion be dismissed.

MR. STAMETS: All right, we will dismiss that portion of the case.

MR. CARR: Mr. Examiner, by way of background, I'd like to point out that what Supron is proposing here today is the drilling of a well and dedicating of 320 acres.

All working interest owners have voluntarily committed their interest to this well. There is one lease, however, that comprises 160 acres that does not contain a pooling clause. It therefor has been essential to

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

bring this case to pool the interests of certain royalty interest owners.

Because of the narrow scope of the case, we will not be presenting any evidence concerning questions of costs or anything directed toward the assessment of a risk factor.

MR. STAMETS: All right, thank you.

GUDBRAND BJERKE

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

DIRECT EXAMINATION

BY MR. CARR:

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

A. My name is Gudbrand Bjerke and I'm with Supron Energy in Dallas.

Q. Would you spell your name, please?

A. B-J-E-R-K-E.

Q. And what position do you hold with Supron?

A. I am the landman.

Q. Mr. Bjerke, have you previously testified before this Commission --

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

A. I have.

Q. -- had your credentials accepted and made a matter of record?

A. Yes, I have.

Q. Are you familiar with the application in this case?

A. Yes, I am.

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q. Will you please refer to what has been marked for identification as Exhibit Number One and explain to the Examiner what this is and what it shows?

A. The Exhibit Number One is a plat of the north half of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico. That is the location of Haynie No. 2 Well.

Q. Now there are three leases involved in --

A. There's three leases involved. Tract No. 1 has got for the minerals, has got a number of owners. The leasehold estate is Claude R. Lambe and Woodriver Oil and Refining Company.

Tract No. 2 and No. 3 is Supron leases where they control the leasehold estate entirely.

Q. Now, you have indicated that part of the

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

working interest is owned by Woodriver. Who are the principals in Woodriver?

A. The principal in Woodriver is Koch Exploration.

Q. And they have agreed to commit their interest?

A. And they -- yes, sir, they have. They have signed AFEs. That is on file.

Q. Will you now refer to what has been marked for identification as Exhibit Number Two.

A. Yes.

Q. And identify this for the Examiner?

A. The Exhibit Number Two is the oil and gas lease that belonged to Woodriver Oil and Refining Company or Claude R. Lambe and Koch Exploration.

Q. And this is the lease that does not have the clause?

A. And this hasn't got a pooling provision in it.

Q. Will you now refer to what has been marked Exhibit Number Three and identify this for the Examiner?

A. Exhibit Number Three is the Supron Energy Corporation Authority for Expenditures. This has been signed by both Koch Industries and by Claude R. Lambe.

Q. And this reflects the cost of drilling

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

the proposed well?

A. That's right.

Q. Are these costs in line with what is normally charged in this area?

A. Yes, sir.

Q. Now, Mr. Bjerke, will you identify Supron's Exhibit Number Four?

A. Exhibit Number Four is a model operating agreement that has been circulated. Monday I called Koch Industries and they have signed this and have returned it to us. They are in agreement with it.

I was not able to contact Claude R. Lambe. He was not at his office.

Q. Has Mr. Lambe previously indicated his willingness to execute this?

A. Every time I talked to him he says he will go with Koch Industries.

Q. Now, Mr. Bjerke, will you refer to Supron Exhibit Five and explain to Mr. Stamets what this is?

A. Since we had a number of royalty owners, we made an effort to get a pooling authorization from each one of them. This letter was distributed to everybody that we could find an address on. There have been some of them come back but some of them I have not been able to get an answer from.

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

Q. Now, Mr. Bjerke, where did you get the addresses for the royalty interest owners?

A. The addresses was obtained from Koch Exploration Company that has got a well on the 160 acres, Tract No. 1 that is shown on Exhibit Number One.

Q. And is Supron Exhibit Number Five a list of the addresses supplied to you?

A. This is -- that is right.

Q. And have you made an effort to locate each of the individuals set forth on Exhibit Five-A?

A. I have made an effort. I sent a letter to each one of them.

Q. Now, Mr. Bjerke, I'm handing you what has been marked Supron Exhibit Number Six and ask that you identify this for the Examiner.

A. This is the correspondence notifyingthe royalty holders about the hearing on May the 21st on the ones that I had nct received a reply from.

Q. So this letter was sent to each individual who had not responded previously?

A. Right.

Q. How many royalty interest owners have you been unable to locate as of this time?

A. As of this time I have not been able to locate 42.

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Q. Now, can you break that figure down for us?

A. Okay. 21, it was bad addresses. 6 of them didn't have any addresses at all, and 10 of them was deceased. And then of the 79 that I sent out, 5 of them came back that undeliverable. I still got 41 replies outstanding that I haven't heard from.

Q. And have each of these 41 individuals received notice of this hearing?

A. They have.

Q. When does Supron plan to drill a well on the proposed unit?

A. As soon as the Commission will issue us the proper order, we will go ahead and drill the well.

Q. Is a rig presently available?

A. A rig is available and the location has been staked.

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

A. Supron is the operator, yes, sir.

Q. In your opinion will granting this application be in the interest of conservation and prevention of waste, and the protection of correlative rights?

A. I think so, yes, sir.

Q. Were Exhibits One through Six either pre-

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Santa Fe, New Mexico 87501
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pared by you or have you reviewed them and can you testify as to their accuracy?

A They have been prepared by me and they are accurate.

MR. CARR: At this time, Mr. Examiner, we would offer Supron Exhibits One through Six.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

MR. STAMETS: Are there questions of this witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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

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 C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6884, heard by me on 10-5-79, 80.

Richard L. Stamets, Examiner
Oil Conservation Division

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
21 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico.

CASE 6884

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

GUDBRAND BJERKE

Direct Examination by Mr. Carr 4

E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Lease 6

Applicant Exhibit Three, AFE 6

Applicant Exhibit Four, Operating Agreement 7

Applicant Exhibit Five, Letter 7

Applicant Exhibit Six, Correspondence 8

MR. STAMETS: Call next Case 6884.

MR. PADILLA: Application of Supron Energy Corporation for compulsory pooling and dual completion, San Juan County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. CARR: May it please the Examiner, I'm William F. Carr, Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant. I have one witness.

(Witness sworn.)

MR. CARR: Initially, Mr. Examiner, we would request that the portion of this case relating to a dual completion be dismissed.

MR. STAMETS: All right, we will dismiss that portion of the case.

MR. CARR: Mr. Examiner, by way of background, I'd like to point out that what Supron is proposing here today is the drilling of a well and dedicating of 320 acres.

All working interest owners have voluntarily committed their interest to this well. There is one lease, however, that comprises 160 acres that does not contain a pooling clause. It therefor has been essential to

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bring this case to pool the interests of certain royalty interest owners.

Because of the narrow scope of the case, we will not be presenting any evidence concerning questions of costs or anything directed toward the assessment of a risk factor.

MR. STAMETS: All right, thank you.

GUDBRAND BJERKE

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

DIRECT EXAMINATION

BY MR. CARR:

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

A. My name is Gudbrand Bjerke and I'm with Supron Energy in Dallas.

Q. Would you spell your name, please?

A. B-J-E-R-K-E.

Q. And what position do you hold with Supron?

A. I am the landman.

Q. Mr. Bjerke, have you previously testified before this Commission --

SALLY W. BOYD, C.S.R.
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Phone (505) 455-7409

A. I have.

Q. -- had your credentials accepted and made a matter of record?

A. Yes, I have.

Q. Are you familiar with the application in this case?

A. Yes, I am.

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q. Will you please refer to what has been marked for identification as Exhibit Number One and explain to the Examiner what this is and what it shows?

A. The Exhibit Number One is a plat of the north half of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico. That is the location of Haynie No. 2 Well.

Q. Now there are three leases involved in --

A. There's three leases involved. Tract No. 1 has got for the minerals, has got a number of owners. The leasehold estate is Claude R. Lambe and Woodriver Oil and Refining Company.

Tract No. 2 and No. 3 is Supron leases where they control the leasehold estate entirely.

Q. Now, you have indicated that part of the

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working interest is owned by Woodriver. Who are the principals in Woodriver?

A. The principal in Woodriver is Koch Exploration.

Q. And they have agreed to commit their interest?

A. And they -- yes, sir, they have. They have signed AFEs. That is on file.

Q. Will you now refer to what has been marked for identification as Exhibit Number Two.

A. Yes.

Q. And identify this for the Examiner?

A. The Exhibit Number Two is the oil and gas lease that belonged to Woodriver Oil and Refining Company or Claude R. Lambe and Koch Exploration.

Q. And this is the lease that does not have the clause?

A. And this hasn't got a pooling provision in it.

Q. Will you now refer to what has been marked Exhibit Number Three and identify this for the Examiner?

A. Exhibit Number Three is the Supron Energy Corporation Authority for Expenditures. This has been signed by both Koch Industries and by Claude R. Lambe.

Q. And this reflects the cost of drilling

SALLY W. BOYD, C.S.R.
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the proposed well?

A. That's right.

Q. Are these costs in line with what is normally charged in this area?

A. Yes, sir.

Q. Now, Mr. Bjerke, will you identify Supron's Exhibit Number Four?

A. Exhibit Number Four is a model operating agreement that has been circulated. Monday I called Koch Industries and they have signed this and have returned it to us. They are in agreement with it.

I was not able to contact Claude R. Lambe. He was not at his office.

Q. Has Mr. Lambe previously indicated his willingness to execute this?

A. Every time I talked to him he says he will go with Koch Industries.

Q. Now, Mr. Bjerke, will you refer to Supron Exhibit Five and explain to Mr. Stamets what this is?

A. Since we had a number of royalty owners, we made an effort to get a pooling authorization from each one of them. This letter was distributed to everybody that we could find an address on. There have been some of them come back but some of them I have not been able to get an answer from.

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Anything further in this case?

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(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.

_____

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

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Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico.

CASE 6884

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

MR. NUTTER: The next case will Case Number 6884.

MR. PADILLA: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico.

Mr. Examiner, the applicant in this case has requested that the case be continued to the next hearing date on May 21st, 1980.

MR. NUTTER: Case Number 6884 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. May 21, 1980.

(Hearing concluded.)

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

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 C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6884, heard by me on 5/7 1980.

_____, Examiner
Oil Conservation Division

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. CASE 6884

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
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(Hearing concluded.)

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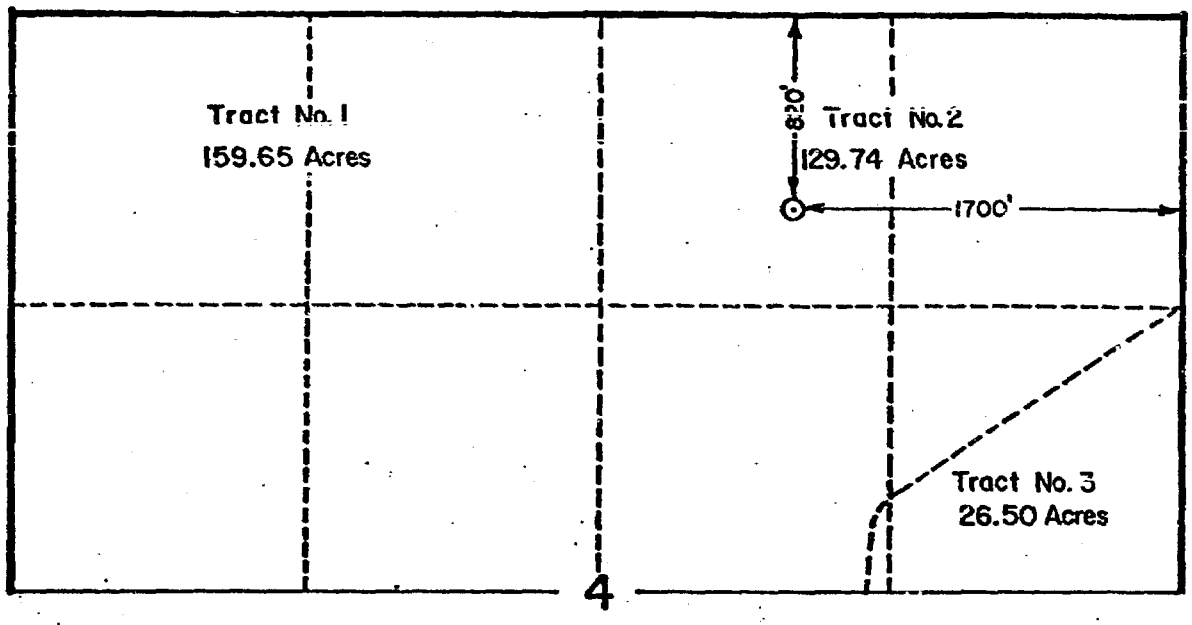
I do he... a co... the Ex... heard by me on 5/7 6884, 80.

..., Examiner
Oil Conservation Div...

T-30-N R-11-W
SAN JUAN COUNTY, NEW MEXICO
N/2 SEC. 4
HAYNIE NO. 2 WELL
315.89 ACRES



TRACT #1

SECTION 4: Lots 3, 4, 5, S/2NW/4
Containing 159.65 acres, more or less

MINERAL RIGHTS:

Mildred A. Wright	3/4 of 12.5%
Laura Kaempf	1/4 of 12.5%

LEASEHOLD ESTATE:

Claude R. Lambe	1/4 of 87.5%
Woodriver Oil & Refining Company, Inc.	3/4 of 87.5%

TRACT #2

SECTION 4: W/2NE/4 and part of E/2NE/4 West of Los Animas River
Containing 129.74 acres, more or less

MINERAL RIGHTS:

Bonnie Ruth Haynie	12.5%

LEASEHOLD ESTATE:

Supron Energy Corporation	87.5%

TRACT #3

SECTION 4: Part of E/2NE/4, East of Los Animas River,
containing 26.50 acres, more or less

MINERAL RIGHTS:

Thomas A. King and Mildred King, his wife	1/2 of 12.5%
Tranquilind Griego and Mary V. Griego, his wife	1/2 of 12.5%

LEASEHOLD ESTATE:

Supron Energy Corporation	87.5%

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
SUPRON EXHIBIT NO. 1
CASE NO. 6884
Submitted by BJBEKE
Hearing Date 5/21/80

FORM 88—(Producers Special) Printed and for sale

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 19th day of March, 1947,
by and between A. L. Duff Jr. and Reba B. Duff, his wife

of Seminole, Texas hereinafter called lessor (whether one or more), and
WOODRIVER OIL AND REFINING COMPANY, Inc.
, hereinafter called lessee. WITNESSETH, That the said lessor, for and in consideration of
Ten and no/100---------- DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole purpose of mining and operating for oil, and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of San Juan, State of New Mexico, described as follows, to-wit:

Lots 3 and 4 and the South One-half of the Northwest Quarter ($S\frac{1}{2}NW\frac{1}{4}$), Section 4, Township 30 North of Range 11 West,

~~Section, Township, Range~~, N. M. P. Meridian, and containing 159.65 acres, more or less.

It is agreed that this lease shall remain in force for a term of 10 years from this date, and as long thereafter as oil and gas, or either of them, is produced from said land by lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells, the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay lessor one-eighth (⅛) of the net proceeds derived from the sale of the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline or any other product, a royalty of one-eighth (⅛), payable monthly at the prevailing market price for the gas so used; and lessor to have gas free from cost from any such wells for all stoves and inside lights in the principal dwelling house on said land during the same time by making his own connection with the well at his own risk and expense.

3rd. To pay lessor one-eighth (⅛) of the net proceeds derived from the sale of gas produced from any oil well and used off the premises, and if used in the manufacture of gasoline or any other product, a royalty of one-eighth (⅛), payable monthly at the prevailing market price for the gas so used for the time during which such gas shall be used.

If no well be commenced on said land on or before the 19th day of March, 1948, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in The Seminole State Bank at Seminole, Texas or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of
Eighty and no/100 ========== DOLLARS,
which shall operate as a rental and cover the privileges of deferring the commencement of a well for 12 months from said date. In like manner and upon like payment or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rentals is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as heretofore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportions which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells of the lessor.

When requested by lessor, lessee shall bury its pipe line below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by his operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned—and the privilege of assigning in whole or in part is expressly allowed—the covenants hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes, or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

10. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise or to furnish separate measuring or receiving tanks. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

Reba B. Duff

WR 586 ✓
1795 ✓

RECEIVED
Mar 1948
O.C.D.
4-15-54

SM-7-43

STATE OF ~~XXXXXXXX~~ TEXAS
County of GAINES } ss.

ACKNOWLEDGMENT TO THE LEASE

On this the 19th day of March, 19 47, before me personally appeared A. L. Duff Jr and Reba B. Duff, his wife

to me personally known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission expires June 1st 1947 J. L. Dennis
Notary Public

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

That ..... of .....

State of .....the within named grant..... in consideration of the sum of ..... Dollars, to.....

in hand paid, the receipt whereof is hereby acknowledged, do..... hereby sell, assign, transfer, set over and convey unto .....heirs and assigns the within grant.

TO HAVE AND TO HOLD THE SAME FOREVER, Subject nevertheless, to the conditions therein contained.

IN WITNESS WHEREOF, The said grant..... ha..... hereunto set..... hand....., this.....day of ....., 19.....

.....

ACKNOWLEDGMENT TO THE ASSIGNMENT

STATE OF NEW MEXICO,
County of..... } ss.

On this the.....day of....., 19....., before me personally appeared .....

to me personally known to be the person..... described in and who executed the foregoing instrument, and acknowledged that..... executed the same as.....free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission expires.....
Notary Public

OIL AND GAS LEASE

FROM .....

TO .....

.....

.....

Date....., 19.....

Section....., Township....., Range.....

No. of Acres .....

.....County, New Mexico.

Term .....

STATE OF NEW MEXICO,
County of Lea } ss.

I hereby certify that this instrument was filed for record on the 12 day of April, A. D., 19 47 at 8:35 o'clock A. M., and was duly recorded in Book 125 at Page 140 of the Records of said County.

Ina Dial
County Clerk

By ..... Deputy.

STATE OF.....
COUNTY OF..... } ss.

On this.....day of....., A. D., One Thousand Nine Hundred and .....,
before me personally appeared .....
to me personally known who being by me duly sworn, did say that he is the.....President of
..... and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said ..... acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above w[illegible].

My Commission expires.....
Notary Public

SF G F13-76 →

) Supron Energy Corporation)

AUTHORITY FOR EXPENDITURE

AFE NO 79-112

LEASE Haynie WELL 2 FIELD Blanco MV/Basin Dakota WELL NO

COUNTY San Juan FORMATION Mesaverde/Dakota ESTIMATED TD 7000

STATE NEW MEXICO WELL TYPE: DEVELOPMENTAL xxx EXPLORATORY

LOCATION SE/4 NE/4 of Section 4 Township 30 North, Range 11 West in San Juan County, New Mexico

	SUD ACCT.	PRODUCING WELL SUB	PRODUCING WELL TOTAL	DRY HOLE
Well Cost - Intangible - 303				
LOCATION, ROAD, & DIRTWORK	101-2	7,000	7,000	7,000
DRILLING CONTRACTOR CHARGES:				
FOOTAGE OR MI-RU-RD-MO 7000 x 12.00	103-4	84,000		
DAYWORK (INCLUDES BITS) 1 day	105	3,500		
TURNKEY	106		87,500	87,500
FUEL, POWER, & WATER	107	10,000		10,000
DRILLING EQUIPMENT - RENTAL - PURCHASE	108-11	1,000		1,000
MUD & CHEMICALS	112	25,000	36,000	25,000
EVALUATION:				
MUD LOGGING & CORING	201			
TESTING	202			
OPEN HOLE LOGGING	203	10,000	10,000	10,000
CEMENTING SERVICES & SUPPLIES	301	12,000	12,000	7.000
SUPERVISION & AUTOMOTIVE	302	3,000	3,000	3,000
WELL SERVICE RIG-COMPLETION	401	11,200		
COMPLETION EQUIPMENT - RENTAL - PURCHASE	402	1,000		
COMPLETION COSTS:				
LOGGING & PERFORATING	403-5	8,000		
STIMULATION	406-7	25,000	45,200	
INSTALLATION COST OF WELL EQUIPMENT	408	3,000		
HAULING	501	3,000	6,000	1,000
OVERHEAD	502	1,500	1,500	1,500
MISCELLANEOUS 10% contingencies	503-4	19,620	19,620	14,100
SUB TOTAL		227,820	227,820	167,100
Well Cost - Tangible - 304				
CASING:				
CONDUCTOR	101			
SURFACE 300' 8-5/8"	102	2,790		2,790
INTERMEDIATE	103			
PRODUCTION 7000' of 5-1/2"	104	43,200		
TUBING 12,000' of 1-1/2"	201	25,200	71,190	
SUB-SURFACE EQUIPMENT	301-4	5,000		
WELLHEAD EQUIPMENT:				
CASINGHEAD & SPOOL	401-2	1,000		
TUBINGHEAD & X-MAS TREE	403	7,000		
ARTIFICIAL LIFT EQUIPMENT	501-4			
SURFACE PRODUCTION EQUIPMENT	601-3	24,000		
CATHODIC PROTECTION	701	3,500		
H_2S WARNING SYSTEM	702			
OTHER 5% tax on equip	703	5,585	46,085	500
SUB TOTAL		117,275	117,275	3,290
ESTIMATED TOTAL COST		345,095.00	345,095.00	170,390.00

Working interest

SUPRON ENERGY CORPORATION	50%	% 172,548.00	85,195.00
Koch Exploration	37.5%	129,411.00	63,896.00
Claude R. Lambe	12.5%	43,136.00	21,299.00

Special Instructions To drill a Mesaverde/Dakota well

Operator SUPRON ENERGY CORPORATION

DATE 9/11/79 PREPARED BY

APPROVED Haskell Fleetwood, Vice President

APPROVED L. S Meennink, Exec. Vice President

PARTNER APPROVAL DATE 10-10-79

COMPANY KOCH INDUSTRIES, INC.

BY R. T. BICK, VICE PRESIDENT

Supron Energy Corporation
AUTHORITY FOR EXPENDITURE

P

AFE NO. 79-112

LEASE Hagood WELL 2 FIELD Blanco MV/Basin Dakota WELL NO.

COUNTY San Juan FORMATION Mesaverde/Dakota ESTIMATED TD 7000

STATE NEW MEXICO WELL TYPE: DEVELOPMENTAL xxx EXPLORATORY

LOCATION NW/4 of Section 4 Township 30 North, Range 11 West in San Juan County, NW/4 New Mexico

	SUB ACCT.	PRODUCING WELL SUB	PRODUCING WELL TOTAL	DRY HOLE
Well Cost - Intangible - 303				
LOCATION, ROAD, & DIRTWORK	101-2	7,000	7,000	7,000
DRILLING CONTRACTOR CHARGES:				
FOOTAGE OR MI-RU-RD-MO 7000 x 12.00	103-4	84,000		
DAYWORK (INCLUDES BITS) 1 day	105	3,500		
TURNKEY	106		87,500	67,500
FUEL, POWER, & WATER	107	10,000		10,000
DRILLING EQUIPMENT - RENTAL - PURCHASE	108-11	1,000		1,000
MUD & CHEMICALS	112	25,000	36,000	25,000
EVALUATION:				
MUD LOGGING & CORING	201			
TESTING	202			
OPEN HOLE LOGGING	203	10,000	10,000	10,000
CEMENTING SERVICES & SUPPLIES	301	12,000	12,000	7,000
SUPERVISION & AUTOMOTIVE	302	3,000	3,000	3,000
WELL SERVICE RIG-COMPLETION	401	11,200		
COMPLETION EQUIPMENT - RENTAL - PURCHASE	402	1,000		
COMPLETION COSTS:				
LOGGING & PERFORATING	403-5	8,000		
STIMULATION	406-7	25,000	45,200	
INSTALLATION COST OF WELL EQUIPMENT	408	3,000		
HAULING	501	3,000	6,000	1,000
OVERHEAD	502	1,500	1,500	1,500
MISCELLANEOUS 10% contingencies	503-4	19,620	19,620	14,100
SUB TOTAL		227,820	227,820	162,100
Well Cost - Tangible - 304				
CASING:				
CONDUCTOR	101			
SURFACE 300' 8-5/8"	102	2,790		2,790
INTERMEDIATE	103			
PRODUCTION 7000' of 5-1/2"	104	43,200		
TUBING 12,000' of 1-1/2"	201	25,200	71,190	
SUB-SURFACE EQUIPMENT	301-4	5,000		
WELLHEAD EQUIPMENT:				
CASINGHEAD & SPOOL	401-2	1,000		
TUBINGHEAD & X-MAS TREE	403	7,000		
ARTIFICIAL LIFT EQUIPMENT	501-4			
SURFACE PRODUCTION EQUIPMENT	601-3	24,000		
CATHODIC PROTECTION	701	3,500		
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OTHER 5% tax on equip	703	5,585	46,085	500
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Claude R. Lambe	12.5%	43,136.00	21,299.00

Special Instructions To drill a Mesaverde/Dakota well

Operator SUPRON ENERGY CORPORATION

DATE 9/11/79 PREPARED BY

APPROVED

[illegible], Vice President

APPROVED

L. S. Mesznik, Exec. Vice President

PARTNER APPROVAL DATE Oct. 26, 79

COMPANY

BY Claude R. Lambe

A.A.P.L. FORM 610 - 1977

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

April 18, 1980,

OPERATOR Supron Energy Corporation

CONTRACT AREA N/2 of Section 4, Township 30 North,
Range 11 West,

COUNTY OR PARISH OF San Juan STATE OF New Mexico

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AMERICAN ASSOCIATION OF PETROLEUM LANDMEN
APPROVED FORM. A.A.P.L. NO. 610 - 1977 REVISED
MAY BE ORDERED DIRECTLY FROM THE PUBLISHER
KRAFTBILT PRODUCTS, BOX 800, TULSA 74101

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
SUPRON EXHIBIT NO. 4
CASE NO. 6884
Submitted by SUPRON
Hearing Date 5/21/80

TABLE OF CONTENTS

Article	Title	Page	
I.	DEFINITIONS	1	
II.	EXHIBITS	1	
III.	INTERESTS OF PARTIES	2	
	B. INTEREST OF PARTIES IN COSTS AND PRODUCTION	2	
IV.	TITLES	2	
	A. TITLE EXAMINATION	2	Option 2
	B. LOSS OF TITLE	2	
	1. Failure of Title	2-3	
	2. Loss by Non-Payment or Erroneous Payment of Amount Due	3	
	3. Other Losses	3	
V.	OPERATOR	3	
	A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR	3	
	B. RESIGNATION OR REMOVAL OF OPERATOR AND SELECTION OF SUCCESSOR	4	
	1. Resignation or Removal of Operator	4	
	2. Selection of Successor Operator	4	
	C. EMPLOYEES	4	
	D. DRILLING CONTRACTS	4	
VI.	DRILLING AND DEVELOPMENT	4	
	A. INITIAL WELL	4	
	B. SUBSEQUENT OPERATIONS	5	
	1. Proposed Operations	5	
	2. Operations by Less than All Parties	5-6	
	C. RIGHT TO TAKE PRODUCTION IN KIND	6-7	
	D. ACCESS TO CONTRACT AREA AND INFORMATION	7	
	E. ABANDONMENT OF WELLS	7	
	1. Abandonment of Dry Holes	7	
	2. Abandonment of Wells that have Produced	7-8	
VII.	EXPENDITURES AND LIABILITY OF PARTIES	8	
	A. LIABILITY OF PARTIES	8	
	B. LIENS AND PAYMENT DEFAULTS	8	
	C. PAYMENTS AND ACCOUNTING	8	
	D. LIMITATION OF EXPENDITURES	9	
	1. Drill or Deepen	9	Option 2
	2. Rework or Plug Back	9	
	3. Other Operations	9	
	E. ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS	9	
	F. RENTALS, SHUT-IN WELL PAYMENTS AND MINIMUM ROYALTIES	9-10	
	G. TAXES	10	
	H. INSURANCE	10	
VIII.	ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST	10	
	A. SURRENDER OF LEASES	10-11	
	B. RENEWAL OR EXTENSION OF LEASES	11	
	C. ACREAGE OR CASH CONTRIBUTION	11	
	D. SUBSEQUENTLY CREATED INTEREST	11-12	
	E. ASSIGNMENT OF INTEREST	12	
	F. WAIVER OF RIGHT TO PARTITION	12	
IX.	INTERNAL REVENUE CODE ELECTION	12-13	
X.	CLAIMS AND LAWSUITS	13	
XI.	FORCE MAJEURE	13	
XII.	NOTICES	13	
XIII.	TERM OF AGREEMENT	13-14	Option 1
XIV.	COMPLIANCE WITH LAWS AND REGULATIONS	14	
	A. LAWS, REGULATIONS AND ORDERS	14	
	B. GOVERNING LAW	14	
XV.	OTHER PROVISIONS	14	
	A. EQUAL EMPLOYMENT OPPORTUNITY	14	
	B. NON-CONSENT COMPLETION OPERATIONS	14-15	
XVI.	MISCELLANEOUS	15	

OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between Supron Energy Corporation _____, hereinafter designated and referred to as "Operator", and the signatory party or parties other than Operator, sometimes hereinafter referred to individually herein as "Non-Operator", and collectively as "Non-Operators",

WITNESSETH:

WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas interests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore and develop these leases and/or oil and gas interests for the production of oil and gas to the extent and as hereinafter provided:

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.

B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.

C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the Contract Area which are owned by parties to this agreement.

D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A".

E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.

F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.

G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.

H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

ARTICLE II.
EXHIBITS

The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:

[X] A. Exhibit "A", shall include the following information:
(1) Identification of lands subject to agreement,
(2) Restrictions, if any, as to depths or formations,
(3) Percentages or fractional interests of parties to this agreement,
(5) Addresses of parties for notice purposes.

[ ] B. Exhibit "B", Form of Lease.

[X] C. Exhibit "C", Accounting Procedure.

[X] D. Exhibit "D", Insurance.

[X] E. Exhibit "E", Gas Balancing Agreement.

[ ] F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities.

If any provision of any exhibit, except Exhibit "E", is inconsistent with any provision contained in the body of this agreement, the provisions in the body of this agreement shall prevail.

ARTICLE III.
INTERESTS OF PARTIES

~~A. Oil and Gas Interests:~~

If any party owns an unleased oil and gas interest in the Contract Area, that interest shall be treated for the purpose of this agreement and during the term hereof as if it were a leased interest under the form of oil and gas lease attached as Exhibit "B". As to such interest, the owner shall receive royalty on production as prescribed in the form of oil and gas lease attached hereto as Exhibit "B". Such party shall, however, be subject to all of the provisions of this agreement relating to lessees, to the extent that it owns the lessee interest.

B. Interest of Parties in Costs and Production:

Exhibit "A" lists all of the parties and their respective percentage or fractional interests under this agreement. Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and material acquired in operations on the Contract Area shall be owned by the parties as their interests are shown in Exhibit "A". All production of oil and gas from the Contract Area, subject to the payment of lessor's royalties which will be borne by the Joint Account, shall also be owned by the parties in the same manner during the term hereof; provided, however, this shall not be deemed an assignment or cross-assignment of interests covered hereby.

ARTICLE IV.
TITLES

A. Title Examination:

Title examination shall be made on the drillsite of any proposed well prior to commencement of drilling operations or, if the Drilling Parties so request, title examination shall be made on the leases and/or oil and gas interests included, or planned to be included, in the drilling unit around such well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable leases. At the time a well is proposed, each party contributing leases and/or oil and gas interests to the drillsite, or to be included in such drilling unit, shall furnish to Operator all abstracts (including Federal Lease Status Reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each party hereto. The cost incurred by Operator in this title program shall be borne as follows:

☐ ~~Option No. 1: Costs incurred by Operator in procuring abstracts and title examination (including~~ preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be a part of the administrative overhead as provided in Exhibit "C," and shall not be a direct charge, whether ~~performed by Operator's staff attorneys or by outside attorneys.~~

☒ Option No. 2: Costs incurred by Operator in procuring abstracts and fees paid outside attorneys for title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A". Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions.

Each party shall be responsible for securing curative matter and pooling amendments or agreements required in connection with leases or oil and gas interests contributed by such party. The Operator shall be responsible for the preparation and recording of Pooling Designations or Declarations as well as the conduct of hearings before Governmental Agencies for the securing of spacing or pooling orders. This shall not prevent any party from appearing on its own behalf at any such hearing.

No well shall be drilled on the Contract Area until after (1) the title to the drillsite or drilling unit has been examined as above provided, and (2) the title has been approved by the examining attorney or title has been accepted by all of the parties who are to participate in the drilling of the well.

B. Loss of Title:

1. Failure of Title: Should any oil and gas interest or lease, or interest therein, be lost through failure of title, which loss results in a reduction of interest from that shown on Exhibit "A", this agreement, nevertheless, shall continue in force as to all remaining oil and gas leases and interests, and

(a) The party whose oil and gas lease or interest is affected by the title failure shall bear alone the entire loss and it shall not be entitled to recover from Operator or the other parties any development

or operating costs which it may have theretofore paid, but there shall be no monetary liability on its part to the other parties hereto for drilling, development, operating or other similar costs by reason of such title failure; and

(b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the interest which has been lost, but the interests of the parties shall be revised on an acreage basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose lease or interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the interest lost; and

(c) If the proportionate interest of the other parties hereto in any producing well theretofore drilled on the Contract Area is increased by reason of the title failure, the party whose title has failed shall receive the proceeds attributable to the increase in such interests (less costs and burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well; and

(d) Should any person not a party to this agreement, who is determined to be the owner of any interest in the title which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid to the party or parties who bore the costs which are so refunded; and

(e) Any liability to account to a third party for prior production of oil and gas which arises by reason of title failure shall be borne by the party or parties in the same proportions in which they shared in such prior production; and

(f) No charge shall be made to the joint account for legal expenses, fees or salaries, in connection with the defense of the interest claimed by any party hereto, it being the intention of the parties hereto that each shall defend title to its interest and bear all expenses in connection therewith.

2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroneously paid, and as a result a lease or interest therein terminates, there shall be no monetary liability against the party who failed to make such payment. Unless the party who failed to make the required payment secures a new lease covering the same interest within ninety (90) days from the discovery of the failure to make proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties shall be revised on an acreage basis, effective as of the date of termination of the lease involved, and the party who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership of the lease or interest which has terminated. In the event the party who failed to make the required payment shall not have been fully reimbursed, at the time of the loss, from the proceeds of the sale of oil and gas attributable to the lost interest, calculated on an acreage basis, for the development and operating costs theretofore paid on account of such interest, it shall be reimbursed for unrecovered actual costs theretofore paid by it (but not for its share of the cost of any dry hole previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:

(a) Proceeds of oil and gas, less operating expenses, theretofore accrued to the credit of the lost interest, on an acreage basis, up to the amount of unrecovered costs;

(b) Proceeds, less operating expenses, thereafter accrued attributable to the lost interest on an acreage basis, of that portion of oil and gas thereafter produced and marketed (excluding production from any wells thereafter drilled) which, in the absence of such lease termination, would be attributable to the lost interest on an acreage basis, up to the amount of unrecovered costs, the proceeds of said portion of the oil and gas to be contributed by the other parties in proportion to their respective interests; and

(c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner of the interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.

3. Other Losses: All losses incurred, other than those set forth in Articles IV.B.1. and IV.B.2. above, shall not be considered failure of title but shall be joint losses and shall be borne by all parties in proportion to their interests. There shall be no readjustment of interests in the remaining portion of the Contract Area.

ARTICLE V.
OPERATOR

A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR:

Supron Energy Corporation shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of, this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest in the Contract Area, or is no longer capable of serving as Operator, it shall cease to be Operator without any action by Non-Operator, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the majority vote in interest of Non-Operators.

Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the Parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. If the Operator that is removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the majority vote in interest of Non-Operators.

C. Employees:

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed, shall be determined by Operator, and all such employees shall be the employees of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

On or before the 1st day of September, 1980, Operator shall commence the drilling of a well for oil and gas at the following location:

820 feet from the North line and 1700 feet from the East line of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico,

and shall thereafter continue the drilling of the well with due diligence to

a depth sufficient to adequately test the Dakota formation,

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.

If, in Operator's judgment, the well will not produce oil or gas in paying quantities, and it wishes to plug and abandon the well as a dry hole, it shall first secure the consent of all parties and shall plug and abandon same as provided in Article VI.E.1. hereof.

B. Subsequent Operations:

1. Proposed Operations: Should any party hereto desire to drill any well on the Contract Area other than the well provided for in Article VI.A., or to rework, deepen or plug back a dry hole drilled at the joint expense of all parties or a well jointly owned by all the parties and not then producing in paying quantities, the party desiring to drill, rework, deepen or plug back such a well shall give the other parties written notice of the proposed operation, specifying the work to be performed, the location, proposed depth, objective formation and the estimated cost of the operation. The parties receiving such a notice shall have thirty (30) days after receipt of the notice within which to notify the parties wishing to do the work whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of proposal to rework, plug back or drill deeper may be given by telephone and the response period shall be limited to forty-eight (48) hours, exclusive of Saturday, Sunday or legal holidays. Failure of a party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation. Any notice or response given by telephone shall be promptly confirmed in writing.

2. Operations by Less than All Parties: If any party receiving such notice as provided in Article VI.B.1. or VI.E.1. elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this article, the party or parties giving the notice and such other parties as shall elect to participate in the operation shall, within sixty (60) days after the expiration of the notice period of thirty (30) days (or as promptly as possible after the expiration of the forty-eight (48) hour period where the drilling rig is on location, as the case may be) actually commence work on the proposed operation and complete it with due diligence. Operator shall perform all work for the account of the Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a Non-Consenting Party, the Consenting Parties shall either: (a) request Operator to perform the work required by such proposed operation for the account of the Consenting Parties, or (b) designate one (1) of the Consenting Parties as Operator to perform such work. Consenting Parties, when conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and conditions of this agreement.

If less than all parties approve any proposed operation, the proposing party, immediately after the expiration of the applicable notice period, shall advise the Consenting Parties of (a) the total interest of the parties approving such operation, and (b) its recommendation as to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party, within forty-eight (48) hours (exclusive of Saturday, Sunday or legal holidays) after receipt of such notice, shall advise the proposing party of its desire to (a) limit participation to such party's interest as shown on Exhibit "A", or (b) carry its proportionate part of Non-Consenting Parties' interest. The proposing party, at its election, may withdraw such proposal if there is insufficient participation, and shall promptly notify all parties of such decision.

The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in the proportions they have elected to bear same under the terms of the preceding paragraph. Consenting Parties shall keep the leasehold estates involved in such operations free and clear of all liens and encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such an operation results in a dry hole, the Consenting Parties shall plug and abandon the well at their sole cost, risk and expense. If any well drilled, reworked, deepened or plugged back under the provisions of this Article results in a producer of oil and/or gas in paying quantities, the Consenting Parties shall complete and equip the well to produce at their sole cost and risk, and the well shall then be turned over to Operator and shall be operated by it at the expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, reworking, deepening or plugging back of any such well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's interest in the well and share of production therefrom until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold (after deducting production taxes, royalty, overriding royalty and other interests existing on the effective date hereof, payable out of or measured by the production from such well accruing with respect to such interest until it reverts) shall equal the total of the following:

(a) 100% of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to each Non-Consenting Party had it participated in the well from the beginning of the operation; and

(b) 300 % of that portion of the costs and expenses of drilling reworking, deepening, or plugging back, testing and completing, after deducting any cash contributions received under Article VIII.C., and

300 % of that portion of the cost of newly acquired equipment in the well (to and including the well-head connections), which would have been chargeable to such Non-Consenting Party if it had participated therein.

Gas production attributable to any Non - Consenting Party's relinquished interest upon such Party's election, shall be sold to its purchaser, if available, under the terms of its existing gas sales contract. Such Non - Consenting Party shall direct its purchaser to remit the proceeds receivable from such sale direct to the Consenting Parties until the amounts provided for in this Article are recovered from the Non - Consenting Party's relinquished interest. If such Non - Consenting Party has not contracted for sale of its gas at the time such gas is available for delivery, or has not made the election as provided above, the Consenting Parties shall own and be entitled to receive and sell such Non-Consenting Party's share of gas as hereinabove provided during the recoupment period.

During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all production, severance, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Party's share of production.

In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such reworking, plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the owners thereof, with each party receiving its proportionate part in kind or in value, less cost of salvage.

Within sixty (60) days after the completion of any operation under this Article, the party conducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being reimbursed as provided above, the Party conducting the operations for the Consenting Parties shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of the well, together with a statement of the quantity of oil and gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding month. In determining the quantity of oil and gas produced during any month, Consenting Parties shall use industry accepted methods such as, but not limited to, metering or periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased, in determining when the interest of such Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting party.

If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided for above, the relinquished interests of such Non-Consenting Party shall automatically revert to it, and, from and after such reversion, such Non-Consenting Party shall own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as such Non-Consenting Party would have been entitled to had it participated in the drilling, reworking, deepening or plugging back of said well. Thereafter, such Non-Consenting Party shall be charged with and shall pay its proportionate part of the further costs of the operation of said well in accordance with the terms of this agreement and the Accounting Procedure, attached hereto.

Notwithstanding the provisions of this Article VI.B.2., it is agreed that without the mutual consent of all parties, no wells shall be completed in or produced from a source of supply from which a well located elsewhere on the Contract Area is producing, unless such well conforms to the then-existing well spacing pattern for such source of supply.

The provisions of this Article shall have no application whatsoever to the drilling of the initial well described in Article VI.A. except (a) when Option 2, Article VII.D.1., has been selected, or (b) to the reworking, deepening and plugging back of such initial well, if such well is or thereafter shall prove to be a dry hole or non-commercial well, after having been drilled to the depth specified in Article VI.A.

C. Right to Take Production in Kind:

Each party shall have the right to take in kind or separately dispose of its proportionate share of all oil and gas produced from the Contract Area, exclusive of production which may be used in development and producing operations and in preparing and treating oil for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. Any

party taking its share of production in kind shall be required to pay for only its proportionate share of such part of Operator's surface facilities which it uses.

Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment direct from the purchaser thereof for its share of all production.

In the event any party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil and gas produced from the Contract Area, Operator shall have the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such oil and gas or sell it to others at any time and from time to time, for the account of the non-taking party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil and gas not previously delivered to a purchaser. Any purchase or sale by Operator of any other party's share of oil and gas shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year. Notwithstanding the foregoing, Operator shall not make a sale, including one into interstate commerce, of any other party's share of gas production without first giving such other party thirty (30) days notice of such intended sale.

In the event one or more parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines and/or deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the parties shall be in accordance with any Gas Balancing Agreement between the parties hereto, whether such Agreement is attached as Exhibit "E", or is a separate Agreement.

D. Access to Contract Area and Information:

Each party shall have access to the Contract Area at all reasonable times, at its sole risk to inspect or observe operations, and shall have access at reasonable times to information pertaining to the development or operation thereof, including Operator's books and records relating thereto. Operator, upon request, shall furnish each of the other parties with copies of all forms or reports filed with governmental agencies, daily drilling reports, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available samples of any cores or cuttings taken from any well drilled on the Contract Area. The cost of gathering and furnishing information to Non-Operator, other than that specified above, shall be charged to the Non-Operator that requests the information.

E. Abandonment of Wells:

1. Abandonment of Dry Holes: Except for any well drilled pursuant to Article VI.B.2., any well which has been drilled under the terms of this agreement and is proposed to be completed as a dry hole shall not be plugged and abandoned without the consent of all parties. Should Operator, after diligent effort, be unable to contact any party, or should any party fail to reply within forty-eight (48) hours (exclusive of Saturday, Sunday or legal holidays) after receipt of notice of the proposal to plug and abandon such well, such party shall be deemed to have consented to the proposed abandonment. All such wells shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of the parties who participated in the cost of drilling of such well. Any party who objects to the plugging and abandoning such well shall have the right to take over the well and conduct further operations in search of oil and/or gas subject to the provisions of Article VI.B.

2. Abandonment of Wells that have Produced: Except for any well which has been drilled or reworked pursuant to Article VI.B.2. hereof for which the Consenting Parties have not been fully reimbursed as therein provided, any well which has been completed as a producer shall not be plugged and abandoned without the consent of all parties. If all parties consent to such abandonment, the well shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of all the parties hereto. If, within thirty (30) days after receipt of notice of the proposed abandonment of such well, all parties do not agree to the abandonment of any well, those wishing to continue its operation shall tender to each of the other parties its proportionate share of the value of the well's salvable material and equipment, determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. Each abandoning party shall assign to the non-abandoning parties, without warranty, express or implied, as to title or as to quantity, quality, or fitness for use of the equipment and material, all of its interest in the well and related equipment, together with its interest in the leasehold estate as to, but only as to, the interval or intervals of the formation or formations then open to production. If the interest of the abandoning party is or includes an oil and gas interest, such party shall execute and deliver to the non-abandoning party or parties an oil and gas lease, limited to the interval or intervals of the formation or formations then open to production, for a term of one year and so long thereafter as oil and/or gas is produced from the interval or inter-

vals of the formation or formations covered thereby, such lease to be on the form attached as Exhibit "B". The assignments or leases so limited shall encompass the "drilling unit" upon which the well is located. The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon the relationship of their respective percentages of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all assignees. There shall be no readjustment of interest in the remaining portion of the Contract Area.

Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production from the well in the interval or intervals then open other than the royalties retained in any lease made under the terms of this Article. Upon request, Operator shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of the separate ownership of the assigned well.

ARTICLE VII.
EXPENDITURES AND LIABILITY OF PARTIES

A. Liability of Parties:

The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the liens granted among the parties in Article VII.B. are given to secure only the debts of each severally. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership or association, or to render the parties liable as partners.

B. Liens and Payment Defaults:

Each Non-Operator grants to Operator a lien upon its oil and gas rights in the Contract Area, and a security interest in its share of oil and/or gas when extracted and its interest in all equipment, to secure payment of its share of expense, togetner with interest thereon at the rate provided in the Accounting Procedure attached hereto as Exhibit "C". To the extent that Operator has a security interest under the Uniform Commercial Code of the State, Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Non-Operator in the payment of its share of expense, Operator shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Non-Operator's share of oil and/or gas until the amount owed by such Non-Operator, plus interest has been paid. Each purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any default. Operator grants a like lien and security interest to the Non-Operators to secure payment of Operator's proportionate share of expense.

If any party fails or is unable to pay its share of expense within sixty (60) days after rendition of a statement therefor by Operator, the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. Each party so paying its share of the unpaid amount shall, to obtain reimbursement thereof, be subrogated to the security rights described in the foregoing paragraph.

C. Payments and Accounting:

Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective proportionate shares upon the expense basis provided in the Accounting Procedure attached hereto as Exhibit "C". Operator shall keep an accurate record of the joint account hereunder, showing expenses incurred and charges and credits made and received.

Operator, at its election, shall have the right from time to time to demand and receive from the other parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to each such party of an itemized statement of such estimated expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Each party shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate and invoice is received. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual expense to the end that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

D. Limitation of Expenditures:

1. Drill or Deepen: Without the consent of all parties, no well shall be drilled or deepened, except any well drilled or deepened pursuant to the provisions of Article VI.B.2. of this Agreement, it being understood that the consent to the drilling or deepening shall include:

~~☐ Option No. 1: All necessary expenditures for the drilling or deepening, testing, completing and equipping of the well, including necessary tankage and/or surface facilities.~~

☒ Option No. 2: All necessary expenditures for the drilling or deepening and testing of the well. When such well has reached its authorized depth, and all tests have been completed, Operator shall give immediate notice to the Non-Operators who have the right to participate in the completion costs. The parties receiving such notice shall have forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays) in which to elect to participate in the setting of casing and the completion attempt. Such election, when made, shall include consent to all necessary expenditures for the completing and equipping of such well, including necessary tankage and/or surface facilities. Failure of any party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the completion attempt. If one or more, but less than all of the parties, elect to set pipe and to attempt a completion, the provisions of Article VI.B.2. hereof (the phrase "reworking, deepening or plugging back" as contained in Article VI.B.2. shall be deemed to include "completing") shall apply to the operations thereafter conducted by less than all parties.

2. Rework or Plug Back: Without the consent of all parties, no well shall be reworked or plugged back except a well reworked or plugged back pursuant to the provisions of Article VI.B.2. of this agreement, it being understood that the consent to the reworking or plugging back of a well shall include consent to all necessary expenditures in conducting such operations and completing and equipping of said well, including necessary tankage and/or surface facilities.

3. Other Operations: Operator shall not undertake any single project reasonably estimated to require an expenditure in excess of Fifteen Thousand and 00/100 ------ Dollars ($ 15,000.00) except in connection with a well, the drilling, reworking, deepening, completing, recompleting, or plugging back of which has been previously authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion are required to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the emergency to the other parties. If Operator prepares "Authority for Expenditures" for its own use, Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project costing in excess of Ten Thousand and 00/100 ---------- Dollars ($ 10,000.00).

E. Royalties, Overriding Royalties and Other Payments:

If the interest of any party in any oil and gas lease covered by this agreement is subject to an overriding royalty, production payment, or other charge over and above the usual one-eighth (1/8) royalty, such party shall assume and alone bear all such excess obligations and shall account for them to the owners thereof out of its share of the working interest production of the Contract Area.

No party shall ever be responsible, on any price basis higher than the price received by such party, to any other party's lessor or royalty owner; and if any such other party's lessor or royalty owner should demand and receive settlements on a higher price basis, the party contributing such lease shall bear the royalty burden insofar as such higher price is concerned.

F. Rentals, Shut-in Well Payments and Minimum Royalties:

Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid by the party or parties who subjected such lease to this agreement at its or their expense. In the event two or more parties own and have contributed interests in the same lease to this agreement, such parties may designate one of such parties to make said payments for and on behalf of all such parties. Any party may request, and shall be entitled to receive, proper evidence of all such payments. In the event of failure to make proper payment of any rental, shut-in well payment or minimum royalty through mistake or oversight where such payment is required to continue the lease in force, any loss which results from such non-payment shall be borne in accordance with the provisions of Article IV.B.2.

Operator shall notify Non-Operator of the anticipated completion of a shut-in gas well, or the shutting in or return to production of a producing gas well, at least five (5) days (excluding Saturday, Sunday and holidays), or at the earliest opportunity permitted by circumstances, prior to taking such action, but assumes no liability for failure to do so. In the event of failure by Operator to so notify Non-Operator, the loss of any lease contributed hereto by Non-Operator for failure to make timely payments

of any shut-in well payment shall be borne jointly by the parties hereto under the provisions of Article IV.B.3.

G. Taxes:

Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all property subject to this agreement which by law should be rendered for such taxes, and it shall pay all such taxes assessed thereon before they become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as to burdens (to include, but not be limited to, royalties, overriding royalties and production payments) on leases and oil and gas interests contributed by such Non-Operator. If the assessed valuation of any leasehold estate is reduced by reason of its being subject to outstanding excess royalties, overriding royalties or production payments, the reduction in ad valorem taxes resulting therefrom shall inure to the benefit of the owner or owners of such leasehold estate, and Operator shall adjust the charge to such owner or owners so as to reflect the benefit of such reduction. Operator shall bill other parties for their proportionate share of all tax payments in the manner provided in Exhibit "C".

If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon the protest prior to final determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes and any interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for the joint account, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be paid by them, as provided in Exhibit "C".

Each party shall pay or cause to be paid all production, severance, gathering and other taxes imposed upon or with respect to the production or handling of such party's share of oil and/or gas produced under the terms of this agreement.

H. Insurance:

At all times while operations are conducted hereunder, Operator shall comply with the Workmen's Compensation Law of the State where the operations are being conducted; provided, however, that Operator may be a self-insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall be an amount equivalent to the premium which would have been paid had such insurance been obtained. Operator shall also carry or provide insurance for the benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part hereof. Operator shall require all contractors engaged in work on or for the Contract Area to comply with the Workmen's Compensation Law of the State where the operations are being conducted and to maintain such other insurance as Operator may require.

In the event Automobile Public Liability Insurance is specified in said Exhibit "D", or subsequently receives the approval of the parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's fully owned automotive equipment.

ARTICLE VIII.
ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST

A. Surrender of Leases:

The leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole or in part unless all parties consent thereto.

However, should any party desire to surrender its interest in any lease or in any portion thereof, and other parties do not agree or consent thereto, the party desiring to surrender shall assign, without express or implied warranty of title, all of its interest in such lease, or portion thereof, and any well, material and equipment which may be located thereon and any rights in production thereafter secured, to the parties not desiring to surrender it. If the interest of the assigning party includes an oil and gas interest, the assigning party shall execute and deliver to the party or parties not desiring to surrender an oil and gas lease covering such oil and gas interest for a term of one year and so long thereafter as oil and/or gas is produced from the land covered thereby, ~~such lease to be on the form attached hereto as Exhibit "B".~~ Upon such assignment, the assigning party shall be relieved from all obligations thereafter accruing, but not theretofore accrued, with respect to the acreage assigned and the operation of any well thereon, and the assigning party shall have no further interest in the lease assigned and its equipment and production other than the royalties retained in any lease made under the terms of this Article. The party assignee shall pay to the party assignor the reasonable salvage value of the latter's interest in any wells and equipment on the assigned acreage. The value of all material shall be determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. If the assignment is in favor of more than one party, the assigned interest shall

be shared by the parties assignee in the proportions that the interest of each bears to the interest of all parties assignee.

Any assignment or surrender made under this provision shall not reduce or change the assignor's or surrendering parties' interest, as it was immediately before the assignment, in the balance of the Contract Area; and the acreage assigned or surrendered, and subsequent operations thereon, shall not thereafter be subject to the terms and provisions of this agreement.

B. Renewal or Extension of Leases:

If any party secures a renewal of any oil and gas lease subject to this Agreement, all other parties shall be notified promptly, and shall have the right for a period of thirty (30) days following receipt of such notice in which to elect to participate in the ownership of the renewal lease, insofar as such lease affects lands within the Contract Area, by paying to the party who acquired it their several proper proportionate shares of the acquisition cost allocated to that part of such lease within the Contract Area, which shall be in proportion to the interests held at that time by the parties in the Contract Area.

If some, but less than all, of the parties elect to participate in the purchase of a renewal lease, it shall be owned by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the purchase of such renewal lease. Any renewal lease in which less than all parties elect to participate shall not be subject to this agreement.

Each party who participates in the purchase of a renewal lease shall be given an assignment of its proportionate interest therein by the acquiring party.

The provisions of this Article shall apply to renewal leases whether they are for the entire interest covered by the expiring lease or cover only a portion of its area or an interest therein. Any renewal lease taken before the expiration of its predecessor lease, or taken or contracted for within six (6) months after the expiration of the existing lease shall be subject to this provision; but any lease taken or contracted for more than six (6) months after the expiration of an existing lease shall not be deemed a renewal lease and shall not be subject to the provisions of this agreement.

The provisions in this Article shall apply also and in like manner to extensions of oil and gas leases.

C. Acreage or Cash Contributions:

While this agreement is in force, if any party contracts for a contribution of cash toward the drilling of a well or any other operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall be applied by it against the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the proportions said Drilling Parties shared the cost of drilling the well. If all parties hereto are Drilling Parties and accept such tender, such acreage shall become a part of the Contract Area and be governed by the provisions of this agreement. If less than all parties hereto are Drilling Parties and accept such tender, such acreage shall not become a part of the Contract Area. Each party shall promptly notify all other parties of all acreage or money contributions it may obtain in support of any well or any other operation on the Contract Area.

If any party contracts for any consideration relating to disposition of such party's share of substances produced hereunder, such consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

D. Subsequently Created Interest:

Notwithstanding the provisions of Article VIII.E. ~~and VIII.G~~, if any party hereto shall, subsequent to execution of this agreement, create an overriding royalty, production payment, or net proceeds interest, which such interests are hereinafter referred to as "subsequently created interest", such subsequently created interest shall be specifically made subject to all of the terms and provisions of this agreement, as follows:

1. If non-consent operations are conducted pursuant to any provision of this agreement, and the party conducting such operations becomes entitled to receive the production attributable to the interest out of which the subsequently created interest is derived, such party shall receive same free and clear of such subsequently created interest. The party creating same shall bear and pay all such subsequently created interests and shall indemnify and hold the other parties hereto free and harmless from any and all liability resulting therefrom.

2. If the owner of the interest from which the subsequently created interest is derived (1) fails to pay, when due, its share of expenses chargeable hereunder, or (2) elects to abandon a well under provisions of Article VI.E. hereof, or (3) elects to surrender a lease under provisions of Article VIII.A. hereof, the subsequently created interest shall be chargeable with the pro rata portion of all expenses hereunder in the same manner as if such interest were a working interest. For purposes of collecting such chargeable expenses, the party or parties who receive assignments as a result of (2) or (3) above shall have the right to enforce all provisions of Article VII.B. hereof against such subsequently created interest.

E. Assignment of Interest:

Every sale, encumbrance, transfer or other disposition made by any party of any interest in the Contract Area shall be made expressly subject to this agreement, and shall be made without prejudice to the rights of the other parties. If, by reason of sale, transfer or other disposition made by any party of all or a portion of its interest in the Contract Area so that the interest of the parties including Assignees be held in different proportions, this agreement shall be construed and applied as though it were a separate agreement covering each entire portion of the Contract Area in which the interest of the parties is held in different proportions from the proportionate interest of the parties in the remaining portion of the Contract Area.

If, at any time the interest of any party is divided among and owned by four or more co-owners, Operator, at its discretion, may require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures, receive billings for and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to bind, the co-owners of such party's interests within the scope of the operations embraced in this agreement; however, all such co-owners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of the oil and gas produced from the Contract Area and they shall have the right to receive, separately, payment of the sale proceeds hereof.

F. Waiver of Right to Partition:

If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severalty its undivided interest therein.

~~G. Preferential Right to Purchase:~~

Should any party desire to sell all or any part of its interests under this agreement, or its rights and interests in the Contract Area, it shall promptly give written notice to the other parties, with full information concerning its proposed sale, which shall include the name and address of the prospective purchaser (who must be ready, willing and able to purchase), the purchase price, and all other terms of the offer. The other parties shall then have an optional prior right, for a period of ten (10) days after receipt of the notice, to purchase on the same terms and conditions the interest which the other party proposes to sell; and, if this optional right is exercised, the purchasing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all purchasing parties. However, there shall be no preferential right to purchase in those cases where any party wishes to mortgage its interests, or to dispose of its interests by merger, reorganization, consolidation, or sale of all or substantially all of its assets to a subsidiary or parent company or to a subsidiary of a parent company, or to any company in which any one party owns a majority of the stock.

ARTICLE IX.
INTERNAL REVENUE CODE ELECTION

This agreement is not intended to create, and shall not be construed to create, a relationship of partnership or an association for profit between or among the parties hereto. Notwithstanding any provisions herein that the rights and liabilities hereunder are several and not joint or collective, or that this agreement and operations hereunder shall not constitute a partnership, if, for Federal income tax purposes, this agreement and the operations hereunder are regarded as a partnership, each party hereby affected elects to be excluded from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1954, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations 1.761. Should there be any requirement that each party hereby affected give further evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. No

such party shall give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1954, under which an election similar to that provided by Section 761 of the Code is permitted, each party hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such party states that the income derived by such party from Operations hereunder can be adequately determined without the computation of partnership taxable income.

ARTICLE X.
CLAIMS AND LAWSUITS

Operator may settle any single damage claim or suit arising from operations hereunder if the expenditure does not exceed Five Thousand and 00/100 ---------- Dollars ($ 5,000.00) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and expense of handling, settling, or otherwise discharging such claim or suit shall be at the joint expense of the parties. If a claim is made against any party or if any party is sued on account of any matter arising from operations hereunder over which such individual has no control because of the rights given Operator by this agreement, the party shall immediately notify Operator, and the claim or suit shall be treated as any other claim or suit involving operations hereunder.

ARTICLE XI.
FORCE MAJEURE

If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to make money payments, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable.

The requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party concerned.

The term "force majeure", as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

ARTICLE XII.
NOTICES

All notices authorized or required between the parties, and required by any of the provisions of this agreement, unless otherwise specifically provided, shall be given in writing by United States mail or Western Union telegram, postage or charges prepaid, or by teletype, and addressed to the party to whom the notice is given at the addresses listed on Exhibit "A". The originating notice given under any provision hereof shall be deemed given only when received by the party to whom such notice is directed, and the time for such party to give any notice in response thereto shall run from the date the originating notice is received. The second or any responsive notice shall be deemed given when deposited in the United States mail or with the Western Union Telegraph Company, with postage or charges prepaid, or when sent by teletype. Each party shall have the right to change its address at any time, and from time to time, by giving written notice hereof to all other parties.

ARTICLE XIII.
TERM OF AGREEMENT

This agreement shall remain in full force and effect as to the oil and gas leases and/or oil and gas interests subjected hereto for the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, title or interest in or to any lease, or oil and gas interest contributed by any other party beyond the term of this agreement.

☒ Option No. 1: So long as any of the oil and gas leases subject to this agreement remain or are continued in force as to any part of the Contract Area, whether by production, extension, renewal or otherwise, and/or so long as oil and/or gas production continues from any lease or oil and gas interest.

~~☐ Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled under any provision of this agreement, results in production of oil and/or gas in paying quantities, this agreement shall continue in force so long as any such well or wells produce, or are capable of production, and for an additional period of _____ days from cessation of all production; provided, however, if, prior to the expiration of such additional period, one or more of the parties hereto are engaged in drilling or reworking a well or wells hereunder, this agreement shall continue in force until such operations have been completed and if production results therefrom, this agreement shall continue in force as provided herein. In the event the well described in Article VI.A., or any subsequent well drilled hereunder, results in a dry hole, and no other well is producing, or capable of producing oil and/or gas from the Contract Area, this agreement shall terminate unless drilling or reworking operations are commenced within _____ days from the date of abandonment of said well.~~

It is agreed, however, that the termination of this agreement shall not relieve any party hereto from any liability which has accrued or attached prior to the date of such termination.

ARTICLE XIV.
COMPLIANCE WITH LAWS AND REGULATIONS

A. Laws, Regulations and Orders:

This agreement shall be subject to the conservation laws of the state in which the committed acreage is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and orders.

B. Governing Law:

The essential validity of this agreement and all matters pertaining thereto, including, but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and interpretation or construction, shall be governed and determined by the law of the state in which the Contract Area is located. If the Contract Area is in two or more states, the law of the state where most of the land in the Contract Area is located shall govern.

ARTICLE XV.
OTHER PROVISIONS

A. Equal Employment Opportunity:

During the performance of this agreement, the Operator shall be bound by and comply with all terms and provisions of Section 202 of Executive Order 11246 of September 24, 1965, all of which are incorporated herein by reference to the same regulations and relevant orders adopted pursuant to such Executive Order.

Operator assures Non-Operator that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. For this purpose, it is understood that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, religion, or national origin, because of habit, local custom or otherwise. It is further understood and agreed that maintaining or providing segregated facilities for its employees or permitting its employees to perform their services at any location under its control where segregated facilities are maintained is a violation of the equal opportunity clause required by Executive Order 11246 of September 24, 1965. Operator further understands and agrees that a breach of the assurance herein contained subjects it to the provisions of the Order at 41 CFR Chapter 60 of the Secretary of Labor dated May 21, 1968, and the provisions of the equal opportunity clause enumerated in contracts between the United States of America and Non-Operator.

B. Non-Consent Completion Operations:

In the event that all parties electing to undertake completion operations are not in agreement with respect to the particular zones or formations in which such completion operations are to be undertaken, the provisions of this Article shall apply and the provisions of Article VII.D.1, Option 2, shall be applicable separately to each zone or formation in which a completion attempt is made and completion operations pursuant to such provisions will be made first in the deepest zone

in which any one or more parties elect to undertake completion operations and next in the next such deepest zone or formation and on in that order until completion operations have been conducted in all zones or formations in which one or more parties elect to conduct completion operations. If the well is not completed as a producer of oil or gas, the well shall be plugged and abandoned by and at the cost of the consenting parties last conducting completion operations but all material salvaged upon such abandonmnet shall be credited to the parties who paid for the same. In the event that the well be completed by one or more consenting parties utilizing equipment paid for in whole or in part by other parties, then the consenting parties completing the well shall pay to the parties initially paying for such equipment the salvage value of the equipment so utilized and the amount of the payment will be considered part of the costs of completion. Costs of any unsuccessful completion by one or more parties in any zone or formation shall not be recovered from production attributable to the interest of any party not participating in costs of the unsuccessful completion and produced from other zones or formations.

ARTICLE XVI.
MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

This instrument may be executed in any number of counterparts, each of which shall be considered an orginal for all purposes.

IN WITNESS WHEREOF, this agreement shall be effective as of the date of issuance of a Final Order by the New Mexico Oil and Gas Conversation Commission for compulsory pooling and dual completion Case No. 6884.

O P E R A T O R

SUPRON ENERGY CORPORATION

ATTEST:

Darlene Carter
Assistant Secretary

By: _____
Vice President

N O N - O P E R A T O R S

KOCH EXPLORATION COMPANY

ATTEST:

By: _____

_____
Assistant Secretary

CLAUDE R. LAMBE

By: _____

EXHIBIT "A"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Supron Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, as Non-Operators.

1. The Contract Area shall consist of the N/2 of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico.

2. The interests of the parties in the Contract Area and the addresses of the parties are as follows:

Supron Energy Corporation Building V, Fifth Floor 10300 North Central Expressway Dallas, Texas 75231	49.46%
Koch Exploration Company P. O. Box 2256 Wichita, Kansas 67201	37.90%
Claude R. Lambe Suite 1313, Douglas Bldg. Wichita, Kansas 67202	12.64%

Kraftbill 601, BOX 800 TULSA OK 74101

Recommended by the Council of Petroleum Accountants Societies of North America

EXHIBIT "C"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Suprón Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, as Non-Operators.

ACCOUNTING PROCEDURE
JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits, summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the rate of twelve percent (12%) per annum or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

A. Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator.

6. Approval by Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

2. Labor

A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.

(2) Salaries of First Level Supervisors in the field.

(3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the Overhead rates.

B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II. Such costs under this Paragraph 2B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 2A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II.

D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II.

3. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's actual cost not to exceed twenty per cent (20%).

4. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like material is normally available, unless agreed to by the Parties.

B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.

C. In the application of Subparagraphs A and B above, there shall be no equalization of actual gross trucking cost of $200 or less excluding accessorial charges.

6. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 9 of Section II and Paragraph 1. n of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the Overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

7. Equipment and Facilities Furnished by Operator

A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on investment not to exceed eight per cent (8%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.

B. In lieu of charges in Paragraph 7A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

8. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

9. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

10. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties.

11. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Workmen's Compensation and or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

12. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(x) Fixed Rate Basis, Paragraph 1A, or

( ) Percentage Basis, Paragraph 1B.

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 2A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property shall ( ) shall not (x) be covered by the Overhead rates.

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate $ 2,000

Producing Well Rate $ 200

(2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

[1] Charges for onshore drilling wells shall begin on the date the well is spudded and terminate on the date the drilling or completion rig is released, whichever is later, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days.

[2] Charges for offshore drilling wells shall begin on the date when drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location or rig is released, whichever occurs first, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days

[3] Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig, commence through date of rig release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive days.

(b) Producing Well Rates

[1] An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.

[2] Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.

[3] An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.

[4] A one-well charge may be made for the month in which plugging and abandonment operations are completed on any well.

[5] All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.

(3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Fields Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

(1) Operator shall charge the Joint Account at the following rates:

(a) Development

_____ Percent (½ %) of the cost of Development of the Joint Property exclusive of costs provided under Paragraph 9 of Section II and all salvage credits.

(b) Operating

_____ Percent (%) of the cost of Operating the Joint Property exclusive of costs provided under Paragraphs 1 and 9 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:
For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, redrilling, deepening or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as Operating.

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for Overhead based on the following rates for any Major Construction project in excess of $___*____:

A. ___*___% of total costs if such costs are more than $___*___ but less than $___*___; plus

B. ___*___% of total costs in excess of $___*___ but less than $1,000,000; plus

C. ___*___% of total costs in excess of $1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells shall be excluded.

* To be negotiated

3. Amendment of Rates

The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reason, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following bases exclusive of cash discounts:

A. New Material (Condition A)

(1) Tubular goods, except line pipe, shall be priced at the current new price in effect on date of movement on a maximum carload or barge load weight basis, regardless of quantity transferred, equalized to the lowest published price f.o.b. railway receiving point or recognized barge terminal nearest the Joint Property where such Material is normally available.

(2) Line Pipe

(a) Movement of less than 30,000 pounds shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property where such Material is normally available.

(b) Movement of 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph 2A (1) of this Section IV.

(3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store or f.o.b. railway receiving point nearest the Joint Property where such Material is normally available.

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

(a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV.

(2) Material moved from the Joint Property

(a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as new Material, or

(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as good used Material at seventy-five percent (75%) of current new price.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material (Condition C and D)

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph 2A of this Section IV. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose, shall be priced on a basis comparable with that of items normally used for such other purpose. Operator may dispose of Condition D Material under procedures normally utilized by the Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

(1) Loading and unloading costs may be charged to the Joint Account at the rate of fifteen cents (15¢) per hundred weight on all tubular goods movements, in lieu of loading and unloading costs sustained, when actual hauling cost of such tubular goods are equalized under provisions of Paragraph 5 of Section II.

(2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished by Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, Inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Reconciliation of a physical inventory with the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Non-Operators within six months following the taking of the inventory. Inventory adjustments shall be made by Operator with the Joint Account for overages and shortages, but Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special Inventories may be taken whenever there is any sale or change of interest in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory.

4. Expense of Conducting Periodic Inventories

The expense of conducting periodic Inventories shall not be charged to the Joint Account unless agreed to by the Parties.

EXHIBIT "D"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Supron Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, as Non-Operators.

With respect to all operations conducted hereunder on the Contract Area by the Operator for the joint account of the parties hereto, Operator shall maintain in effect the following insurance coverage.

Kind	Policy Form	Minimum Limits of Liability
Workmen's Compensation	Statutory	Statutory
Employer's Liability		$100,000 each accident
Comprehensive	Comprehensive	B.I.($100,000 each person) ($300,000 each accident) ($300,000 aggregate) P.D.($100,000 each accident) ($100,000 aggregate)
Motor Vehicle	Comprehensive (including non-ownership liability and hired automobile coverage)	B.I.($100,000 each person) ($300,000 each accident) P.D.($100,000 each accident)

Upon request, Operator shall furnish Non-Operator with a certificate evidencing such insurance coverage.

Losses not covered by insurance required by this agreement to be carried for the benefit and at the expense of the parties hereto shall be charged to the joint account.

If all parties hereto or any of them shall insure their respective risks beyond the specific limits of insurance required hereunder to be carred by the parties, the benefits of such insurance shall inure to the parties procuring and maintaining the same, respectively, without reimbursement one from the other and without entering into any accounting hereunder.

EXHIBIT "E"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Sopron Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, Non-Operators.

GAS STORAGE AND BALANCING AGREEMENT

The parties to the Operating Agreement to which this agreement is attached own the working interest in gas rights underlying the Contract Area covered by such agreement in accordance with the percentages of interest as set forth in Exhibit "A" to the Operating Agreement.

In accordance with terms of the Operating Agreement, each party shall have the right to take its share of gas produced from the Contract Area and separately market the same. In the event any of the parties hereto is not at anytime taking or marketing its share of gas or has contracted to sell its share of gas produced from the Contract Area to a purchaser which does not at all times take the full share of gas attributable to the interest of such party, the terms of this agreement shall automatically become effective.

During the period or periods when any party hereto has no market for its share of gas produced from the Contract Area, or its purchaser does not take its full share of gas produced from the Contract Area, the other parties shall be entitled to produce each month 100% of the applicable production assigned to the Contract Area by the state regulatory body having jurisdiction and shall be entitled to take and deliver to its or their purchaser all of such gas production. All parties hereto shall share in and own the liquid hydrocarbons recovered from such gas by lease equipment in accordance with their respective interests and subject to the Operating Agreement to which this agreement is attached, but the party or parties taking such gas shall own all the gas delivered to its or their purchaser.

On a cumulative basis, each party not taking or marketing its full share of the gas produced from the Contract Area shall be credited with gas in storage equal to its full share of the gas produced from the Contract Area less its share of gas used in lease operations, vented or lost, and less that portion such party took or delivered to its purchaser. The Operator of the Contract Area will maintain an account of the gas balance between the parties and will furnish all parties hereto with monthly statements showing the total quantity of gas produced, the amount used in lease operations, vented or lost, the total quantity of liquid hydrocarbons recovered therefrom, and the monthly cumulative over and under account of each party in gas produced from the Contract Area.

At all times while gas is produced from the Contract Area, each party taking or marketing gas shall furnish to the Operator monthly reports of the volumes of gas delivered to its purchaser during the preceding month; and each such party shall pay to the Operator a percentage of the proceeds of such sale equal to the aggregate percentage of royalty and overriding royalty burdening the lease or leases contributed by such party to the Contract Area; and Operator will, in turn, make settlement for all royalties and overriding royalties which are payable on gas produced from the Contract Area. In the event that the total royalties and overriding royalties so paid to the Operator be insufficient to discharge royalty and overriding royalty obligations on gas produced and marketed from the Contract Area, then any such deficiency will be borne by the party whose interest is burdened by the royalty or overriding royalty as to which the deficiency was asserted. Any party or parties contributing separate leases to the Contract Area shall furnish the Operator with division order title opinions on which Operator shall be entitled to rely in making distribution of royalty and overriding royalty on production from the Contract Area.

After notice to the Operator, any party at anytime may begin taking or delivering to its purchaser its full share of gas produced from the Contract Area which it has in storage less such party's share of gas used in operations, vented or lost. In

addition to such share, each party, including the Operator, until it has recovered its gas in storage and balanced the gas account as to its interest, shall be entitled to take or deliver to its purchaser the share of gas determined by multiplying 50% of the interest in current gas production of the party or parties without gas in storage by a fraction, the numerator of which is the interest in the Contract Area of such party with gas in storage and the denominator of which is the total percentage interest in such drilling, spacing or proration unit of all the parties with gas in storage currently taking or delivering to a purchaser.

The provisions of this agreement shall be separately applicable to each reservoir to the end that production from one reservoir in a gas well may not be utilized for the purpose of balancing underproduction from another reservoir.

Each party producing and taking or delivering gas to its purchaser shall pay any and all production taxes due on such gas.

Nothing herein shall be construed to deny any party the right, from time to time, to produce and take or deliver to its purchaser its full share of the applicable gas production to meet deliverability tests required by its purchaser.

Should production of gas from the Contract Area be permanently discontinued and before the gas account is balanced, settlement will be made between the underproduced and the overproduced parties. In making such settlement, the underproduced party or parties will be paid a sum of money by the overproduced party or parties attributable to the overproduction which said overproduced party received less applicable royalty and taxes theretofore paid at the applicable price for the latest delivery of a volume of gas equal to that for which settlement is made. For gas sold in intrastate commerce, the price shall be the price received for the sale of the gas. For gas sold in interstate commerce, the price shall be the rate collected, from time to time, which is not subject to contingent refund obligation as ordered or provided by the Federal Energy Regulatory Commission plus any additional amount collected which is not ultimately required by the Federal Energy Regulatory Commission to be refunded, such additional collected amount to be accounted for at such time as final determination is made with respect thereto.

Nothing herein shall change each party's obligation to pay its proportionate share of all costs and liabilities incurred in connection with operations on the Contract Area in accordance with terms and provisions of the applicable Operating Agreement. However, to the extent that the applicable Operating Agreement contains any terms and provisions inconsistent with terms and provisions of this agreement, the applicable Operating Agreement shall be deemed to be amended to the extent necessary to conform with terms and provisions hereof.

SUPRON ENERGY CORPORATION
BLDG. V, FIFTH FLOOR
10300 NORTH CENTRAL EXPRESSWAY
DALLAS, TEXAS 75231

TELEPHONE (214) 691-9141
TWX: (910) 861-9117
SUPCO.DAL

G. BJERKE
LANDMAN

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Supron EXHIBIT NO. 5
CASE NO. 6884
Submitted by Bjerke
Hearing Date 5/21/80

May 1, 1980

Dear Sir:

We are planning the drilling of a Mesaverde formation well on a governmentally prescribed spacing unit comprised of the North Half of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico, and to obtain the requisite drilling permit, we find it necessary to pool and combine all leases that cover lands lying within the half section spacing unit. This will require that the lease in which you own an interest covering the Northwest corner of Section 4 be pooled with other land and leases in the spacing unit.

Since the base lease does not contain any authority to the Lessee to accomplish the necessary pooling, there is forwarded herewith to you a Pooling Authorization granting the necessary pooling authority. We, therefore, would appreciate your signing the enclosed, self-addressed envelope.

In order for the authorization to be effective, the same must be signed by both husband and wife regardless of which holds of record the royalty interest and must be acknowledged before a Notary Public with the notary acknowledgment certificate completed so that the same can be filed for record in the local county.

If you have further question concerning the matter, please contact the undersigned at the above address.

Yours truly,

Gaby Bjerke
Landman

GB:dj

POOLING AUTHORIZATION

WHEREAS, the undersigned is the owner and holder of a royalty interest consisting of a fraction of the royalty payable under that certain Oil and Gas Lease originally executed on March 19, 1947, by A. L. Duff, Jr. and Reba B. Duff, his wife, recorded in Book 125 at Page 140 of the Deed Records of San Juan County, New Mexico, covering Lots 3 and 4 on the South Half of the Northwest Quarter of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico; and

WHEREAS, the undersigned desires to grant to Claude R. Lambe and Koch Exploration Company, the present owners and holders of the aforesaid Lease, and their successors and assigns or any one or more of them, the right to pool and combine such lease into lands covered thereby.

NOW, THEREFORE, the undersigned does hereby grant unto Claude R. Lambe and Koch Exploration Company and their sucessors and assigns or any one or more of them, the right and power to pool or combine the aforesaid Lease and the lands covered thereby or any portion thereof with other lands or leases in the immediate vicinity thereof when, in their judgment, it is necessary or advisable to do so in order to properly develop and operate said premises in compliance with any lawful spacing rules or orders which may be prescribed by any duly authorized governmental authority for the fields or areas in which lands covered by the above described Lease or any part thereof are situated, or when to do so would, in their judgment, permit the conservation or economical production of oil, gas and other hydrocarbons from said premises; and the entire acreage so pooled into a tract or unit shall be treated for all purposes, except for payment of royalties on production of the pooled unit as if it were included in the above described Lease, and if production is had from any portion of the pooled acreage, it shall be treated as production from the lands covered by the above described Lease whether the well or wells be located thereon or other tracts in the unit. In lieu of the royalties specified in the above lease, the owners of royalty reserved under such Lease shall receive on production from the pooled units, such portion of the royalties stipulated in the above described Lease as the amount of acreage covered thereby and placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

IN TESTIMONY WHEREOF, this Pooling Authorization is executed this _____ day of May, 1980.

_____

_____

STATE OF)
)
COUNTY OF)

On this _____ day of May, 1980, before me personally appeared _____ and _____, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

_____
Notary Public in and for
_____County,_____

My Commission expires:

_____

KOCH EXPLORATION COMPANY

March 26, 1980

SUPERON ENERGY CORPOPATION
Building V, 5th Floor
10300 North Central Expressway
Dallas, Texas 75231

RECEIVED
MAR 28 1980
LAND DEPT.

ATTENTION: Mr. Gaby Bjerke, Landman

RE: THE HAYNIE #2
N½ SEC. 4-30N-11W
SAN JUAN COUNTY, NEW MEXICO
C-25-AB

Gentlemen:

Pursuant to your request, we are pleased to enclose a current ownership listing as contained in our Division Order Department files for non participating royalty owners under the referenced lease. Should you have any questions regarding the enclosed list, please advise.

Very truly yours,

KOCH EXPLORATION COMPANY

H. J. Whisnand
Land Manager

HJW:llt
ENCL

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Superon EXHIBIT NO. 5A
CASE NO. 6884
Submitted by Bjerke
Hearing Date 5/21/80

24

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	WF INT	TNK NAME	NO
	KOCH EXPLORATION COMPANY BRIGHT NO 1 GAS	098900						
	SAN JUAN							
	KOCH EXPLORATION COMPANY BOX 2256 WICHITA KANSAS 67201							
345-32-5655	JENNIE AGGEY 1801 FOURTH ST FULTON ILLINOIS 61252	098900	0018225		.0003473	RI		
335-40-2617	CORA V. ALDERSON CORA V ALDERSON SOUTH WILMINGTON IL 60474	098900	0031018		.0007612	RI		
	MARIE J ALFORS 585 FIRST ST PAHLIER CALIF 93648	098900	0031892		.0007813	RI	S =	
564-26-7318	FERN ALLEN 116 SHERMAN AVENUE NEW BLUFF CA 96060	098900	0035105		.0026041	RI		
003-03-2937	CARLETON W ATWATER DR MRS B ATWATER BOX NO 961 STAMFORD CONN	098900	0056400		.0007812		S =	
	SAMUEL D AND MARGARET BENZIN DR SURVIVOR 2201 LAKE ST SAN FRANCISCO CALIF	098900	0092120		.0015626		S =	
585-09-9705	VIRGINIA MILLER BURTCHARD 9605 BRYANT OMAHA NEBR 68134	098900	0117700					

SUSPENSE LEGEND

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RECEIVED
FEB 1980
LAND DEPT.

CURRENT DATE 02/10/80 KOCH OIL COMPANY A DIVISION OF KOCH INDUSTRIES INC.

CRU-002-07 CRUDE SPECIAL OWNERSHIP REPORT. PAGE NUMBER 148

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE OF INTEREST	INT	NAME NO
					.0015625		
329-12-2075	KATHRYN BUSH 903 1ST AVE FULTON ILLINOIS 61252	098900	0116065				
					.0000868	RI	
291-42-3770	DR & E CHRISTIAN 10047 CHESTER ROAD CINCINNATI 15 OHIO	098900	0140110				
					.0015625		
354-32-7079	DR E GUPTON CHRISTIE 1105 TOWER BLDG ELGIN ILLINOIS SUSPENSE	098900	0140150				
				2	.0015625		
559-05-5405	CAROLYN SUE CLAY 615 S CATALINA 119 REDONDO BEACH CA 90277 SUSPENSE	098900	0147104				
				2	.0001172	RI	
	EST OF DALE CLAY ANNA ELLEN CLAY EXECX 416 SOUTH 7TH HAMILTON MONTANA 59840	098900	0147108				
					.0002343	RI	
539-20-9882	DALE ARTHUR CLAY RT 5 MILLER CR RD MISSOULA MONTANA 59801 SUSPENSE	098900	0147111				
				2	.0001172	RI	
525-14-4292	JOHN CLAY 6569 MONTEZUMA RD APT 326 SAN DIEGO CALIF 92115 SUSPENSE	098900	0147114				
				2	.0002343	RI	
571-06-6098	JOHN E CLAY A/I/F FOR LAWRENCE JOHN CLAY 6569 MONTEZUMA RD APT 326 SAN DIEGO CALIF 92115 SUSPENSE	098900	0147118				
				2	.0001172	RI	

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OWNER ID NUMBER	LEASE DESCRIPTION ON/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE OF INT	DECIMAL INTEREST	INT NAME NO
	MARIANNE CLAY P U BOX 316 ALPINE CALIF 92001	098900	0147123				
						.0001172	RI
	PAUL CLAY P O BOX 316 ALPINE CALIF 92001	098900	0147128				
						.0002343	RI
571-68-6148	ROSALIND GRACE CLAY 11375 FLORINDO DRIVE RANCHO BERNARDO CALIF SUSPENSE	098900	0147125	2		.0001172	RI
548-64-7812	ALFRED E COOPER 161 ARROYO DRIVE DANVILLE CALIF 94526	098900	0155500			.0007812	S -
290-24-1815	MAE E CRAIG 2059 CARLTON SPX DR APT 60B LEXINGTON KY 40508	098900	0159653			.0000650	RI
	CATHERINE A CRAWFORD SUSPENSE	098900	0160400	3		.0001172	RI
	ALISON CRAWFORD 778 LINCOLN AVE WINNETKA ILLINOIS SUSPENSE	098900	0160403	2		.0001172	RI
552-38-2527	BRUCE A CRAWFORD 778 COLEMAN AVE APT A MENLO PARK CALIF 94025 SUSPENSE	098900	0160407	2		.0001172	RI
525-12-8292	WALLACE CRAWFORD 1626 N E WILLOW CREEK RD CORVALLIS MONT 59828	098900	0160493				

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					.0002344	RI		
	WALTER H CRIDER 126 N E COOK STREET PORTLAND OREGON SUSPENSE	098900	0161010	7	.0015625	S		
57-05-4276	EMMA F CRUMP 3519 MINNESOTA AVE S E WASHINGTON 19 D C SUSPENSE	098900	0162550	7	.0015625	S		
560-20-3861	VENLE E CURRY AND K MC PERLIE J/T 101 STONEY RIDGE PLACE WALNUT CREEK CALIFORNIA SUSPENSE	098900	0165368	2	.0015625	RI		
369-34-5536	ELMER L DALTON COURT HOUSE LELAND MICHIGAN	098900	0172020		.0015625	S		
384-07-5129	BERNARD A DECKER 1212 25TH AVE N CLINTON IOWA 52732	098900	0178956		.0001158	RI		
389-32-2197	LYLE DECKER 803 W PARK ST MORRISON ILLINOIS 61270	098900	0178964		.0000858	RI		
389-32-1738	PHILIP D DECKER 503 W 10TH ST STERLING ILLINOIS 61081	098900	0178976.		.0001157	RI		
351-32-6793	RICHARD J DECKER 105 SUNSET DRIVE ROCK FALLS ILL 61071	098900	0178977		.0001157	RI		

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OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	INT	NF NAME	TNK NO
	ESTATE OF SHIRLEY DECKER C/O GLADYS DECKER [illegible] N PARK STREET MORRISON ILLINOIS 61270	098900	0178978					
					.0000868	RI		
357-40-6058	RONALD DECKER 308 N MAIN ST MORRISON ILLINOIS 61270	098900	0178982					
					.0000868	RI		
	*FRANCES M DE MALLIE AND *JANET L POCHNE 811 ROCKINGHAM STREET ROCHESTER 20 NEW YORK SUSPENSE	098900	0180200	7	.0007814	S	-	
016-07-6527 X	GEORGE E DENEKE P O BOX 126 OLD MYSTIC CONN	098900	0180500					
					.0007813	S	-	
	*ILLIAM A DOLL 2070 E PARK-AY LOUISVILLE 4 KENTUCKY SUSPENSE	098900	0189200	7	.0007813	RI		
	DOROTHY PALMER ECKER C/O MR ROBERT L THOMAS 525 BELLERIVE BLVD ST LOUIS MO 63111 SUSPENSE	098900	0208540	7	.0015625	RI		
141-03-0434	BERNICE ENGELKINS 509 SOUTH GENESEE ST MORRISON ILLINOIS 61270	098900	0239050		.0003472	RI		
400-01-3772	ELGA EPPERSON 2060 FREDMILLER FORT WAYNE IN 46808 WAYNE, IN	098900	0245300		.0001302	RI		
015-36-0814	*FREDERICK L AND*HELEN	098900	0246700					

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RECEIVED FEB 1989 LAND DEPT. PRODUCTION DIVISION

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	INT	NF NAME	THK NO
	R E'COLINE OR SURVIVOR 41 SUMMIT ROAD MEDFORD 55 MASS SUSPENSE			7	.0015625			
	JAMES MCLLINS EUBANK 1820 SAN MARCOS BLVD SAN MARCOS CA 92069	098900	0255210		.0005209	RI	S =	
558-28-8182	GRACE FLORANCE 404 SOUTH ALESSANDRO MERET CA 92343	098900	0286102		.0002344	RI		
	JOHN C FORSYTHE 1298 BURLINGAME BURLINGAME CALIFORNIA SUSPENSE	098900	0289270	(7)	.0015625		S =	
564-12-0681	MRS LOU S GOODMD 35999 MIWAY 79.SP A-1 MERET CA 92343	098900	0320317		.0007813	RI		
	ESTATE OF PAULINE M GREGG SEATTLE-FIRST NATIONAL BANK GUARDIAN P O BOX 1106 EVERETT WA 98206	098900	0327627		.0007812	RI		
556-28-3798	ELSIE H GUILFORD 1201 GRANT STREET SANTA MONICA CALIFORNIA	098900	0331120		.0007812	I	S =	
	RICHARD A HALLUM 301 PAMELA BAY TOWN TX 77520	098900	0340685		.0001302	RI		
	FLORENCE HANSEN 8239 N DATE AVE	098900	0343800					

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OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	INT	NF	TNK NAME NO
	LANCASTER CALIF 93534							
	SUSPENSE			2	.0015625			
550-28-3798	ESTATE OF JOHN E MANGREAVES ELSIE M GUILFORD TRUSTEE 1261 GRANT ST SANTA MONICA CALIF	098900	0346850					
					.0007813	I	S	-
	MERCY E HART SUSPENSE	098900	0346900	-	.0015623		S	-
457-50-7050	MARRELL INVESTMENT CO. BOX 755 BURKBURNETT TEXAS	098900	0349790					
					.0015625		S	-
216-12-6758	HARRY HERMAN JR 3600 N CHARLES ST APT 1212 BALTIMORE MARYLAND 21218	098900	0350230					
					.0007813		S	-
326-56-9708	WILLIAM JAMES HIGGINS COMFAIN-ESTPAC BOX 3 FPO SEATTLE 98767	098900	0361564					
					.0001953	RI		
500-18-3772	HENRY HINCHCLIFFE 4342 FOREST DE VILLE DR UNIT E ST LOUIS MO 63129	098900	0364295					
					.0001302	RI		
	JAMES H HINCHCLIFFE 6451 N E 17TH TERRACE FT LAUDERDALE FL 33334	098900	0364296					
					.0001302	RI		
023-07-9625	CHRISTINE GOULD EXTX EST OF EDWARD B HOBART R F D NO 1 SHELBURNE FALLS MASS	098900	0367430					

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					.0015625	S	-	
085-22-1157	MARJORIE HOCK 328 N ORANGE ST MORRISON ILLINOIS 61270	098900	0372119					
					.0001157	RI		
	MARJORIE HOPKINS 320 YALE AVE CLAREMONT CALIF SUSPENSE	098900	0372600	2	.0019531	S	-	
342-10-0984	BENJAMIN HUIZENGA 1502 4TH ST FULTON ILLINOIS 61252	098900	0380805					
					.0000868	RI		
337-22-1577	MARJORIE HUIZENGA 1502 4TH ST FULTON ILLINOIS 61252	098900	0380808					
					.0000868	RI		
	JOSEPH F JORGENSEN ROUTE 1 BOX 16 DIAMALTON IOWA SUSPENSE	098900	0473900	2	.0007813	S	-	
342-08-2917	LAURA KALMPF 1525 VALLEY VIEW RD NO 302 GLENDALE CALIF 91202	098900	0481600					
					.0018555	S	-	
152-03-5454	ELMER H KEIL 809 BIRCH BARK BRICK TOWN PEK JERSEY 08723	098900	0486100					
					.0015625	S	-	
	RALPH V KENNEDY 7125 OLIVE STREET KANSAS CITY 30 MISSOURI SUSPENSE	098900	0458900	7	.0023438	S	-	

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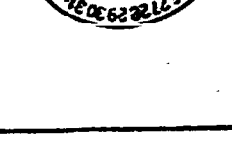
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser



OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	INT	NAME NO
887-24-5220	[illegible] KENOLT P O BOX 1588 ALBUQUERQUE NEW MEXICO 87103 SUSPENSE	098900	0489100	2	.0007813		
	JULIANNE KLINE 1608 WYLIE DRIVE MODESTO CALIF 95355 SUSPENSE	098900	0498529	2	.0001172	RI	
	ELSIE LOUISE KOEGLER 949 OAK STREET INGLEWOOD CALIFORNIA SUSPENSE	098900	0500738	2	.0005208	RI	
556-16-8232	[illegible]ILMA LAKIN 1009 LUMING ST SIOUX CLUFF IA 96080	098900	0512560		.0026040	RI	
513-34-2337	CLAUDE M LAMBE SUITE 1313 DOUGLAS PLUG WICHITA KS 67202	098900	0512910		.2187500	8	
287-03-9650	WILLIAM LAUTZENHEISER 1316 EAST MAIN ST LOUISVILLE OH 44641	098900	0516400		.0015625	RI	
330-36-6832	LYNNE LINDSTRUM ROUTE 1 MORRISON ILLINOIS 61270	098900	0527000		.0000868	RI	
010-20-3650	ALICE MARY BONNER LINTON 25 ETON ST SPRINGFIELD MASS 01108	098900	0527075		.0007813	RI	
	[illegible]JOHN G LIONNA	098900	0527510				

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
S-3 - Unsigned Division Order
S-4 - Title Requirement
S-5 - Lien
S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

OWNER ID NUMBER	LEASE DESCRIPTION ON/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE OF INT	DECIMAL INTEREST	TRK NAME NO
	SUSPENSE			-		.0007813	8 -
488-66-7982	RUTH BARNARD LUKE BUTLERVILLE TEXAS 37801	098900	0533837				
						.0039062	RI
458-16-3131	JIM E LYNCH 928 CABLE COPPAGE TX 77381	098900	0539818				
						.0001302	RI
488-87-8057	FRANK J MACHACEK 38 MANOR OR PARK BURL IOWA 43316	098900	0582100				
						.0019531	8 -
128-20-0003	WARREN MC ARTHUR JR 7516 N 6TH PLACE PHOENIX AZ 85020	098900	0552797				
						.0039063	RI
	J MC NAMARA SUSPENSE	098900	05a2350	-		.0007811	8 -
	CURTIS AND HARRIETT HOUSEP OR SURVIVOR 6131 PACKARD BERKELEY MISSOURI SUSPENSE	098900	0586100	2		.0007813	
	RONALD W HUIKMEAD RT 2 BOX 498 AA SANFORD FLA 32771 SUSPENSE	098900	0588739	2		.0015625	RI
481-18-1983	FLOYD F MATTGER 3170 WAGNER ROAD WATERLOO IOWA 50701	098900	0612800				
						.0019530	8 -
337-18-6994	FRANK N PACHKA 5310 S CALIFORNIA AVE CHICAGO 32 ILLINOIS	098900	0607610				

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
S-3 - Unsigned Division Order
S-4 - Title Requirement
S-5 - Lien
S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

RECEIVED FEB 1980 Lease Clerk

JCS NUMERICAL ORDER DATE 02/19/80 TIME 02:51
COMPLET DATE 02/18/80 KOCH OIL COMPANY A DIVISION OF KOCH INDUSTRIES INC.

CSU-003-07 COUNTY SPECIAL OWNERSHIP REPORT. PAGE NUMBER 153

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	OF INT	TNN NAME NO
					.0007812	S	*
513-38-1679	HAROLD E PEDERSEN AND CATHERINE D PEDERSEN J/T 2200 STOUD AVE MISSOURI CA 93631	098900	0697300				
					.0015626	RI	S
	PHYLLIS JEAN KUSH SUSPENSE	098900	0726655	3	.0001953	RI	
343-09-0063	HARRIET REDENBO 104 W MAPLE LANE EAST PEORIA ILLINOIS 61611	098900	0736642				
					.0001736	RI	
	JAMES M REID SUSPENSE	098900	0736910		.0031250	S	*
532-40-2862	ALAN K ROACH ROUTE 3 WHITLEDGE TENN 37861 WHITLEDGE	098900	0746616				
					.0013021	RI	
411-54-7656	GENE LESTER ROACH 7770 SUN DIAL COURT NO 706 FT. WALTON BEACH FL 32548	098900	0746618				
					.0013021	RI	
413-56-0456	ROGER D ROACH 2869 SO BALSAM ST LAKEWOOD COLO 80227	098900	0746619				
					.0013021	RI	
46-0488227	KOCH EXPLORATION CO P O BOX 2256 WICHITA KS 67201	098900	0753303				
					.0562500	S	*
	C H BARBERG 127 PRESCOTT STREET	098900	0769700				

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
S-3 - Unsigned Division Order
S-4 - Title Requirement
S-5 - Lien
S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

RECEIVED FEB 1980 LAND DEPT. Denver

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE OF INTEREST	INT NAME NO
	TOLEDO 2 OHIO SUSPENSE			2	.0015625	S -
571-66-5191	SHIRLEY S SAWYER 2078 BROWSON RAY RIVERSIDE CA 92506	098900	0771740		.0001172 RI	
270-09-6078	JOHN F SCHUPLINSKI 4212 EAST 147TH ST CLEVELAND 26 OHIO SUSPENSE	098900	0775100	2	.0015625	
351-28-4580	CLEMENCE SEIDEL 400 E 5TH ST ROCK FALLS ILLINOIS 61071	098900	0780118		.0001157 RI	
554-2F-9708	ALFRED SHAMBLIN JR ROUTE 1 BOX 71 GERMER CA 96035	098900	0782585		.0026040 RI	
	FRANCES EVELYN SMITH 9437 TURIAS LP PANORAMA CITY CALIF SUSPENSE	098900	0799709	2	.0005208 RI	
388-16-6296	LLOYD E SOMMERS & BARBARA L SOMMERS J/T 8109 86TH ST KENOSHA WI 53142 WISCONSIN	098900	0803807		.0015625 RI	
891-03-0727	L D SPILLERS SR 2713 FRANKLIN MIDLAND TEXAS SUSPENSE	098900	0807000	2	.0007813	
474-16-7485	JACK J SPRINGER & CLORAINE M SPRINGER 1939 13 1/2 ST SOUTH FARGO N D 58102	098900	0807970		.0007813	

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
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S-4 - Title Requirement
S-5 - Lien
S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

JOB NUMBER CHU008 DATE 02/19/86 TIME 02151
CURRENT DATE 02/16/86 KOCH OIL COMPANY A DIVISION OF KOCH INDUSTRIES INC.

CPU-003-07 CRUDE SPECIAL OWNERSHIP REPORT. PAGE NUMBER 155

OWNER ID NUMBER	LEASE DESCRIPTION ON/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	INT	NRI	TRK NO
528-58-0363	JIM TANG AND PHYLLIS TANG 130 WEST NORTHERN AVENUE PHOENIX AZ ARIZONA	098900	0831570		.0023439	S	-	
346-20-1181	ROSEMARY THOMA A/K/A MARY ROSE THOMA 116 N FAIRVIEW AT PROSPECT ILL 60056	098900	0839810		.0015625	RI		
269-05-0157	FRANK P THOMPSON 8300 HARLEY ST CINCINNATI OH 45216	098900	0842160		.0000651	RI		
	MINNIE O THOMSON 5907 ECHO STREET LOS ANGELES 42 CALIF SUSPENSE	098900	08437a0	7	.0015625	S	-	
330-03-3068	ELLINGTON VANSTON 4555-54TH ST SAN DIEGO 15 CALIFORNIA	098900	0897030		.0007611	S	-	
355-52-0249	ALICE VOSS SOUTH SIXTH STREET FULTON ILLINOIS 61252	098900	0906093		.0000868	RI		
264-46-1133	E E AND HAROLD E VRANA SR OR SURVIVOR 2604 OHIO AVE FORT PIERCE FLORIDA	098900	0909000		.0015625	S	-	
214-22-5613	THERESA P BEAVER 2829 GUYANS FALLS PKY BALTIMORE MARYLAND 21216	098900	0926877		.0023438	RI	S	-

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
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S-4 - Title Requirement
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S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE INTEREST	INT	NF THR NAME NO
	CHARLES EUGENE HEIN 505 30TH ST WEST DES MOINES, IOWA 50265	098900	0928585				
					.0001736	RI	
441-36-4705	HAROLD R KELLS 121 SECOND AVE SE LE MARS IOWA SUSPENSE	098900	0929900	7	.0078125	RI	
226-12-5895	OSCAR A HENGLEY 832 GARLETTE DRIVE CHESAPEAKE VA 23325	098900	0931105				
					.0015625		
	EST OF CARL A NICKLUND JULIA A NICKLUND EXECX P O BOX 574 INDEPENDENCE KENTUCKY	098900	0936980				
					.0015625	RI	S =
322-20-0080	HENRIETTA WIENENGA 306 E LINCOLNWAY MORRISON ILLINOIS 61270	098900	0939217				
					.0003472	RI	
					.0003473	RI	
368-14-8380	VIRGINIA WILKENS ROUTE NO 3 MORRISON ILL 61270	098900	0941025				
					.0001158	RI	
310-38-3950	JAMES EVERETT WILLIS 5887 EATONS CREEK RD JOELTON TN 37080	098900	0943634				
					.0003907	RI	
888-09-3494	WILDRED A WRIGHT P O BOX 505 FARMINGTON N M 87401	098900	0957260				
					.0007813		
					.0110353	RI	S =
					1.0000000		

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
S-3 - Unsigned Division Order
S-4 - Title Requirement
S-5 - Lien
S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

RECEIVED FEB 1980 LAND LEASE DEPARTMENT

SUSPENSE LEGEND

S-1 - Unidentified
S-2 - Improper Address
S-3 - Unsigned Division Order
S-4 - Title Requirement
S-5 - Lien
S-6 - Litigation
S-7 - Deceased
S-8 - Transfer of Interest
S-9 - Suspended when acquired from other purchaser

SEP 1980
RECEIVED
LAND DEPT.

- A DIVISION OF KOCH INDUSTRIES INC.

TIME 0215 DATE 02/14/80
KOCH OIL COMPANY

PAGE NUMBER 157

JOB NUMBER 2CRVOD
CURRENT DATE 02/13/80

CRUDE-65-07 CRUDE SPECIAL OWNERSHIP REPORT

OWNER ID NUMBER	LEASE DESCRIPTION OR/ OWNER NAME AND ADDRESS	LEASE	OWNER	SUSP CODE	TYPE OF TRK INT MAPL NO	INTEREST

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Supron EXHIBIT NO. 6
CASE NO. 6884
Submitted by Bjorke
Hearing Date 5/21/80

May 14, 1980

Ms. Cora v. Alderson
South Wilmington, Illinois 61252

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Alderson:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670363

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Cora V. Alderson
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CONSULT POSTMASTER FOR FEES	
CERTIFIED FEE	
OPTIONAL SERVICES	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Marie J. Alfors
585 First Street
Parlier, California 93648

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Alfors:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670364

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Marie J. Alfors
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Kathryn Bush
903 1st Avenue
Fulton, Illinois 61252

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Bush:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670365

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Kathryn Bush
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
RETURN RECEIPT SERVICE	
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	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Dr. R. E. Christian
10067 Chester Road
Cincinnati 15, Ohio

Re: New Mexico Oil Conservation Division
Case 6884

Dear Dr. Christian:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670366

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Dr. R. E. Christian
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYER

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Dale Clay
Anna Ellen Clay Executrix
416 South 7th
Hamilton, Montana 59840

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Clay:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670367

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5 MAY 14 '80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Marianne Clay
Post Office Box 3106
Alpine, California 92001

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Clay:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670368

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Marianne Clay
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Paul Clay
Post Office Box 316
Alpine, California 92001

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Clay:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670369

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Paul Clay
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Mae E. Craig
2050 Garden Spx Drive
Apt. 608
Lexington, Kentucky 40504

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Craig:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670370

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Mae E. Craig
STREET AND NO.:
P.O., STATE AND ZIP CODE:

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Elmer L. Dalton
Court House
Leland, Michigan 49654

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Dalton:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

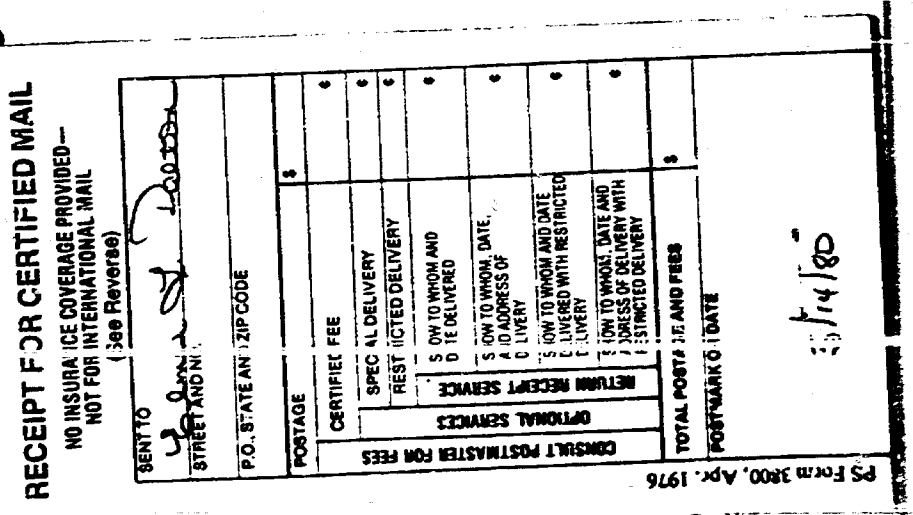
William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Philip D. Decker
503 W. 10th Street
Sterling, Illinois 61081

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Decker:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 3670372

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See reverse)

SENT TO: Philip D. Decker
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Shirley Decker
c/o Gladys Decker
805 North Park Street
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Decker:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

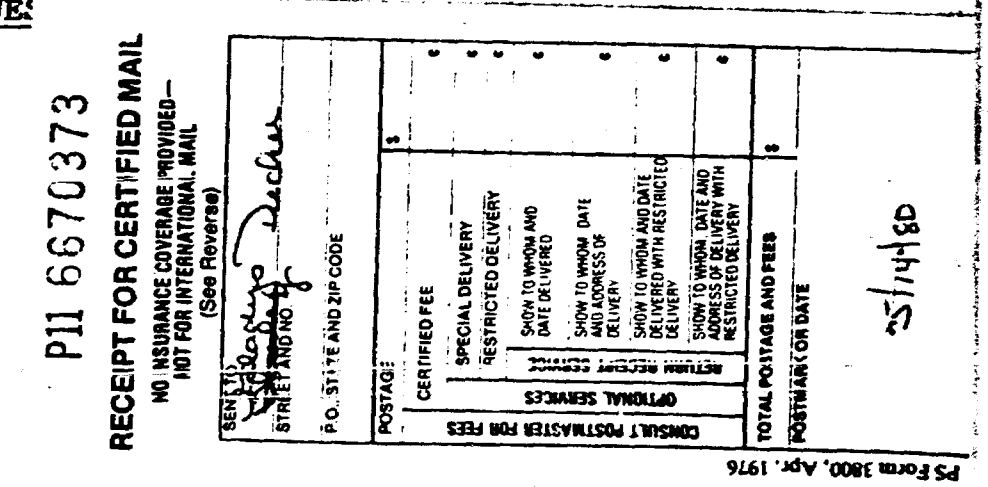
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Bernice Engelkins
509 South Genesee Street
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Engelkins:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670374

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Bernice Engelkins
STREET AND NO.:
P.O., STATE AND ZIP CODE:

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE — SHOW TO WHOM AND DATE DELIVERED	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE — SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
OPTIONAL SERVICES: RESTRICTED DELIVERY — SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES: RESTRICTED DELIVERY — SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Elga Epperson
2060 Riedmiller
Fort Wayne, Indiana 46804

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Epperson:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 667 0375

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Elga Epperson
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	*
SPECIAL DELIVERY	*
RESTRICTED DELIVERY	*
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Grace Florance
404 South Alessandro
Hemet, California 92343

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Florance:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670376

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Grace Florance
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE	
HOW TO WHOM AND DATE DELIVERED	
HOW TO WHOM, DATE, AND ADDRESS OF ELIVERY	
HOW TO WHOM AND DATE ELIVERED WITH RESTRICTED ELIVERY	
HOW TO WHOM, DATE AND DDRESS OF DELIVERY WITH ESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE [illegible]

May 14, 1980

Mrs. Lou S. Goodno
35099 Hiway 74-Sp A-1
Hemet, California 92343

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mrs. Goodno:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6€70377

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Mrs. Lou S. Goodno
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM 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	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Pauline M. Gregg
Seattle-First National
Bank Guardian
Post Office Box 1106
Everett, Washington 98206

Re: New Mexico Oil Conservation Division
Case 6884

Gentlemen:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQU

P11 6670378

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Gregg Estate
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Elsie H. Guilford
1201 Grant Street
Santa Monica, California

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Guilford:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670379

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Elsie H. Guilford
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of John E. Hargreaves
Elsie H. Guilford Trustee
1201 Grant Street
Santa Monica, California

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Guilford:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

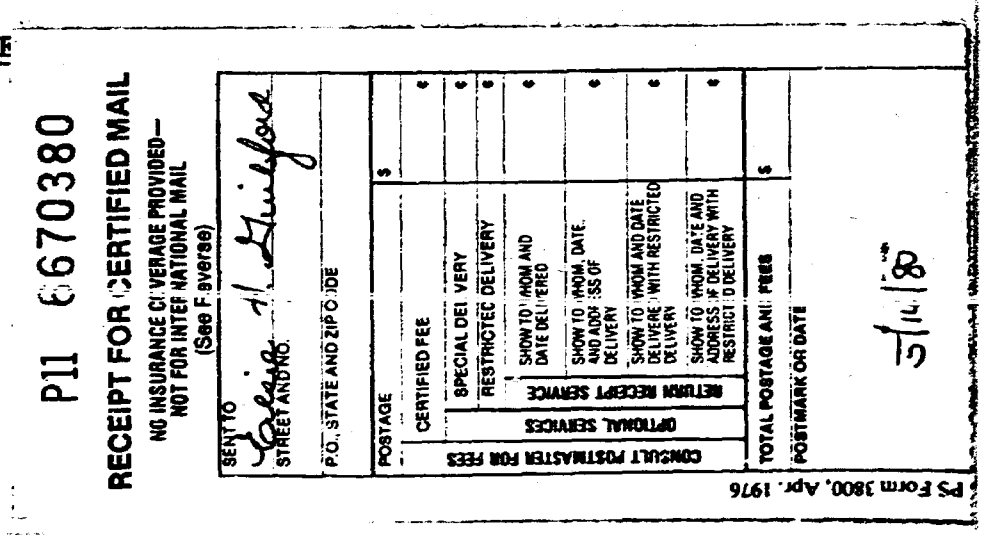
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Harwell Investment Co.
Post Office Box 755
Burkburnett, Texas

Re: New Mexico Oil Conservation Division
Case 6884

Gentlemen:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670381

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Harwell Investment
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
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
CONSULT POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE
5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Harry Herman, Jr.
3600 N. Charles Street
Apt. 1212
Baltimore, Maryland 21218

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Herman:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670382

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Harry Herman, Jr.
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES: OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. James H. Hinchcliffe
4431 N.E. 17th Terrace
Ft. Lauderdale, Florida 33334

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Hinchcliffe:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 111 6670383

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: James H. Hinchcliffe
STREET AND NO.:
P.O., STATE AND ZIP CODE:

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Christine Gould Executrix of
Estate of Edward B. Hobart
R.F.D. No. 1
Shellburne Falls, Massachusetts

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Gould:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670384

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Christine Gould
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Marjorie Hook
308 N. Orange St.
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Hook:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670385

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Marjorie Hook
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Laura Kaempf
1325 Valley View Road No. 302
Glendale, California 91202

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Kaempf:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670386

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Laura Kaempf
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
SHOW TO WHOM AND DATE DELIV. RED	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Lynne Lindstrum
Route 1
Morrison, Illinois 61270

Re: New Mexic Oil Conservation Division
Case 6884

Dear Ms. Lindstrum:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 11 6670387

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Lynne Lindstrum
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	*
SPECIAL DELIVERY	*
RESTRICTED DELIVERY	*
SHOW TO WHOM AND DATE DELIVERED	*
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	*
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	*
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	*
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Alice Mary Bonner Linton
25 Eton Street
Springfield, Massachusetts 01108

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Linton:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 616703888

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Alice Mary Bonner Linton
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
OPTIONAL SERVICES: 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	
CONSULT POSTMASTER FOR FEES: TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Jim E. Lynch
928 Cable
Conroe, Texas 77301

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Lynch:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

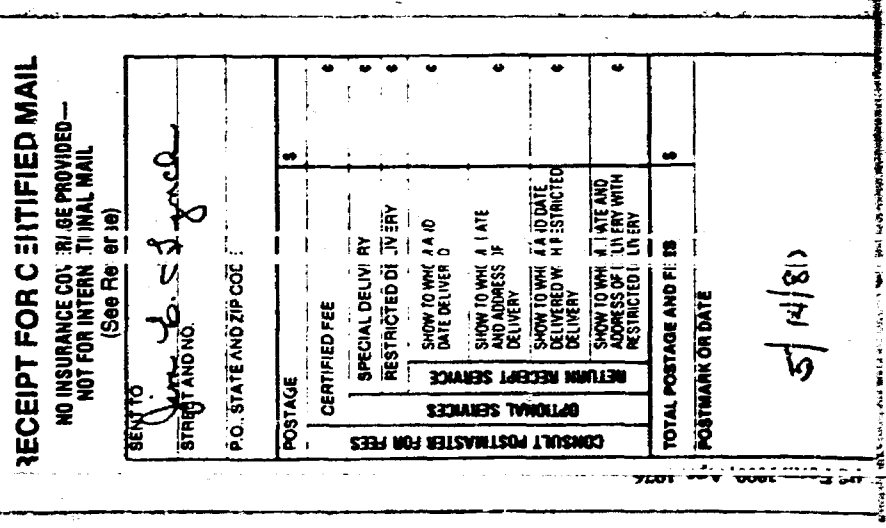
William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Warren McArthur, Jr.
7514 North 5th Place
Phoenix, Arizona 85020

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. McArthur:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670390

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Warren McArthur
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Floyd P. Nottger
3170 Wagner Road
Waterloo, Iowa 50701

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Nottger:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

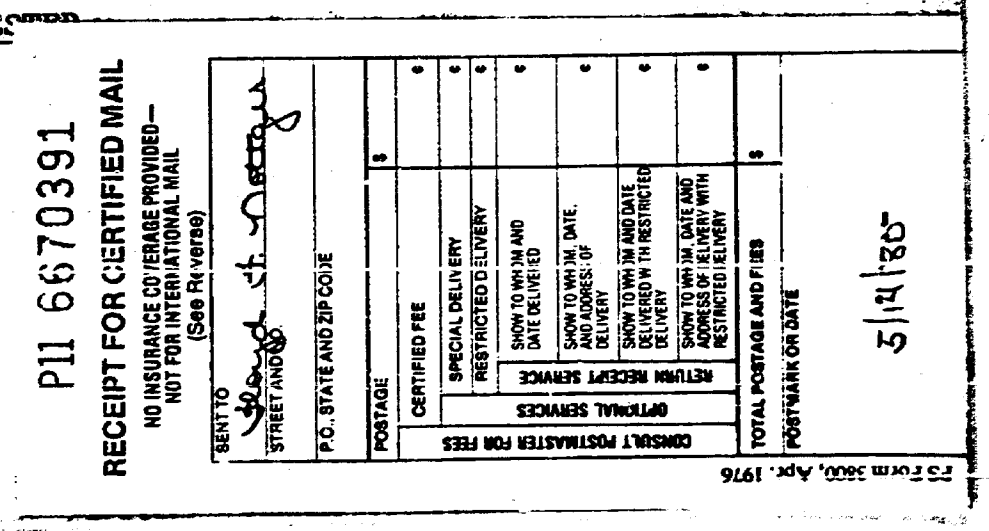
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Harriet Redenbo
104 North Maple Lane
East Peoria, Illinois 61511

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Redenbo:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P 11 6670392

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Harriet Redenbo
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
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
OPTIONAL SERVICES
CONSULT POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE
5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Alan Roach
Route 3
Rutledge, Tennessee 37861

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Roach:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE:

P11 6670393

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See reverse)

SENT TO
Alan K. Roach
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Gene Lester Roach
7770 Sun Dial Court
No. 706
Fort Walton Beach, Florida 32548

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Roach:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670394

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See reverse)

SENT TO Gene Roach
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Roger D. Roach
2664 South Balsam Street
Lakewood, Colorado 80227

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Roach:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 [illegible]370395

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See reverse)

SENT TO Roger D. Roach
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Eleanor Seidel
400 East 5th Street
Rock Falls, Illinois 61071

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Seidel:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES

P11 66 70396

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Eleanor Seidel
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE	
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	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Lloyd Sommers &
Barbara L. Sommers
4109 86th Street
Kenosha, Wisconsin 53142

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Sommers:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 667 0397

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Lloyd & Barbara Sommers
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
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
OPTIONAL SERVICES
CONSULT POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE
5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Jack J. Springer &
Loraine M. Springer
1909 13 1/2 Street South
Fargo, North Dakota 58102

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. & Mrs. Springer:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES

P11 6670398

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Jack & Loraine Springer
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Jim Tang & Phyllis Tang
130 West Northern Avenue
Phoenix 21, Arizona

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. & Mrs. Tang:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,
William F. Carr
William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 667 0399

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED--
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Jim & Phyllis Tang
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Rosemary Thoma a/k/a
Mary Rose Thoma
118 N. Fairview
Mount Prospect, Illinios 60056

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Thoma:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

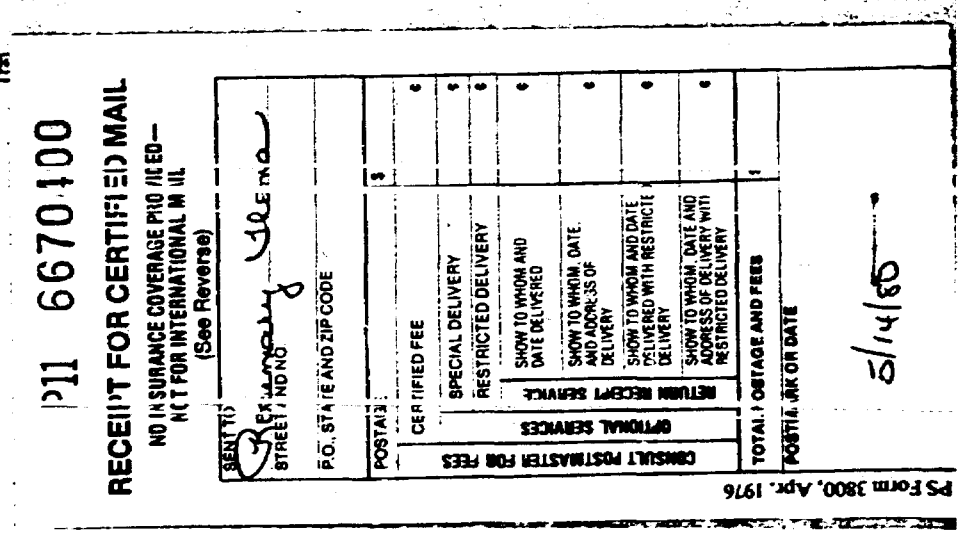
William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

E. E. & Harold E. Vrana, Sr.
2604 Ohio Avenue
Fort Pierce, Florida

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Vrana:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 667 0401

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
E.E. & Harold Vrana
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED AND ADDRESS OF DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Theresa F. Weaver
2829 Guynns Falls Parkway
Baltimore, Maryland 21216

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Weaver:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670402

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Theresa F. Weaver
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

POSTMARK OR DATE
5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Charles Eugene Weir
545 50th Street
West Des Moines, Iowa 50265

Re: New Mexico Oil Conservation Division
Case 6834

Dear Mr. Weir:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670403

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Charles E. Weir
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
HOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Oscar A. Wergley
432 Oaklette Drive
Chesapeake, Va 23325

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Wergley:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 667 0404

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Oscar A. Wergley
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
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

5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.

[illegible]

[illegible]
[illegible]
[illegible]

[illegible]
SANTA FE, NEW MEXICO 87501
[illegible]

May 14, 1980

Estate of Carl A. Wicklund
Julia A. Wicklund Executrix
Post Office Box 578
Independence, Kentucky

Re: New Mexico Oil Conservation Division
Case 6808

Dear Mr. Wicklund:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

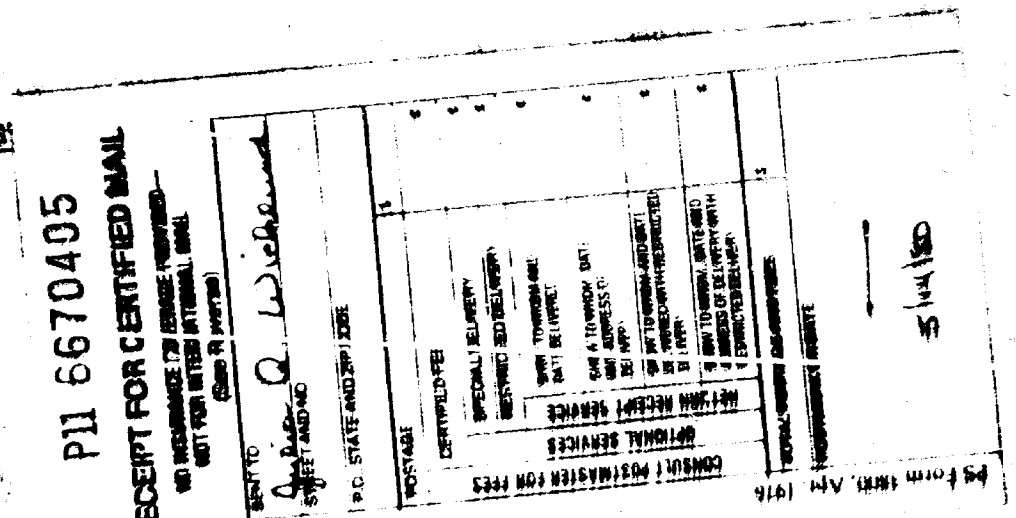
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Henrietta Wiehenga
309 E. Lincolnway
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Wiehenga:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670406

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Henrietta Wiehenga
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Virginia Wilkens
Route No. 3
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Wilkens:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 11 6670407

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

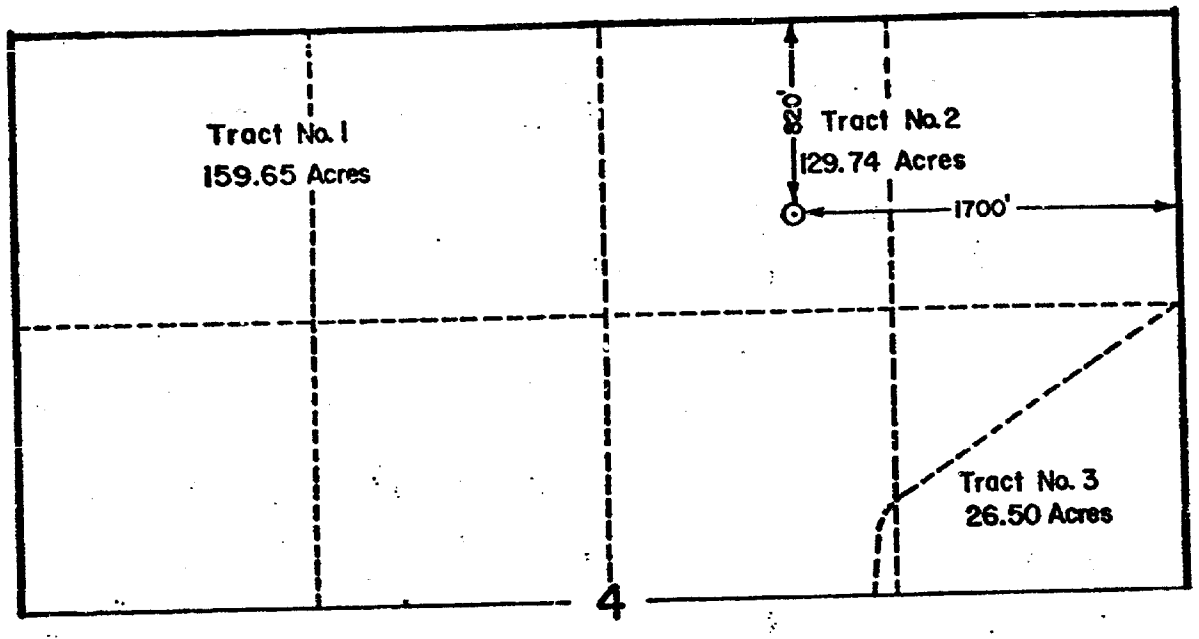
SENT TO: Virginia Wilkens
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

T-30-N R-11-W
SAN JUAN COUNTY, NEW MEXICO
N/2 SEC. 4
HAYNIE NO. 2 WELL
315.89 ACRES



TRACT #1

SECTION 4: Lots 3, 4, 5, S/2NW/4
Containing 159.65 acres, more or less

MINERAL RIGHTS:

Mildred A. Wright	3/4 of 12.5%
Laura Kaempf	1/4 of 12.5%

LEASEHOLD ESTATE:

Claude R. Lambe	1/4 of 87.5%
Woodriver Oil & Refining Company, Inc.	3/4 of 87.5%

TRACT #2

SECTION 4: W/2NE/4 and part of E/2NE/4 West of Los Animas River
Containing 129.74 acres, more or less

MINERAL RIGHTS:

Bonnie Ruth Haynie	12.5%

LEASEHOLD ESTATE:

Supron Energy Corporation	87.5%

TRACT #3

SECTION 4: Part of E/2NE/4, East of Los Animas River,
containing 26.50 acres, more or less

MINERAL RIGHTS:

Thomas A. King and Mildred King, his wife	1/2 of 12.5%
Tranquilind Griego and Mary V. Griego, his wife	1/2 of 12.5%

LEASEHOLD ESTATE:

Supron Energy Corporation	87.5%

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
SUPRON EXHIBIT NO. 1
CASE NO. 6884
Submitted by BJERKE
Hearing Date 5/21/80

FORM 88—(Producers Special) Printed and for sale

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 19th day of March, 1947,
by and between A. L. Duff Jr. and Reba B. Duff, his wife

of Seminole, Texas hereinafter called lessor (whether one or more), and
WOODRIVER OIL ~~AND~~ REFINING COMPANY, Inc.
hereinafter called lessee. WITNESSETH, That the said lessor, for and in consideration of
Ten and no/100---------- DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole purpose of mining and operating for oil, and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of San Juan, State of New Mexico, described as follows, to-wit:

Lots 3 and 4 and the South One-half of the Northwest Quarter (S½NW¼), Section 4, Township 30 North of Range 11 West,

~~XXXX

STATE OF ~~NEW MEXICO~~, TEXAS
County of GAINES } ss.

ACKNOWLEDGMENT TO THE LEASE

On this the 19th day of March, 1947, before me personally appeared A. L. Duff Jr and Reba B. Duff, his wife

to me personally known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission expires June 1st. 1947 — Notary Public

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

That ..... of .....

State of .....the within named grant..... in consideration of the sum of ..... Dollars, to.....

in hand paid, the receipt whereof is hereby acknowledged, do..... hereby sell, assign, transfer, set over and convey unto .....heirs and assigns the within grant.

TO HAVE AND TO HOLD THE SAME FOREVER, Subject nevertheless, to the conditions therein contained.

IN WITNESS WHEREOF, The said grant..... ha..... hereunto set..... hand....., this.....day of ....., 19.....

ACKNOWLEDGMENT TO THE ASSIGNMENT

STATE OF NEW MEXICO,
County of..... } ss.

On this the.....day of....., 19....., before me personally appeared .....

to me personally known to be the person..... described in and who executed the foregoing instrument, and acknowledged that..... executed the same as.....free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission expires..... Notary Public

OIL AND GAS LEASE

FROM .....

TO .....

Date....., 19.....

Section....., Township....., Range.....

No. of Acres .....

.....County, New Mexico.

Term .....

STATE OF NEW MEXICO,
County of San Juan } ss.

I hereby certify that this instrument was filed for record on the 12 day of April, A. D., 19 47 at 8:35 o'clock a.m., and was duly recorded in Book 125 at Page 140 of the Records of said County.

Dora Rial
County Clerk

By ..... Deputy

STATE OF.....
COUNTY OF..... } ss.

On this.....day of....., A. D.. One Thousand Nine Hundred and .....,

before me personally appeared .....

to me personally known who being by me duly sworn, did say that he is the.....President of .....and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said ..... acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.

My Commission expires..... Notary Public

DEC 1973

Supron Energy Corporation

AUTHORITY FOR EXPENDITURE

AFE NO 79-112

LEASE Haynie WELL 2 FIELD Blanco MV/Basin Dakota WELL NO

~~COUNTY~~ San Juan FORMATION Mesaverde/Dakota ESTIMATED TD 7000

STATE NEW MEXICO WELL TYPE: DEVELOPMENTAL xxx EXPLORATORY

LOCATION SE/4 NE/4 of Section 4 Township 30 North, Range 11 West in San Juan County, New Mexico

	SUD ACCT.	PRODUCING WELL SUB	PRODUCING WELL TOTAL	DRY HOLE
Well Cost - Intangible - 303				
LOCATION, ROAD, & DIRTWORK	101-2	7,000	7,000	7,000
DRILLING CONTRACTOR CHARGES:				
FOOTAGE OR MI-RU-RD-MO 7000 x 12.00	103-4	84,000		
DAYWORK (INCLUDES BITS) 1 day	105	3,500		
TURNKEY	106		87,500	87,500
FUEL, POWER, & WATER	107	10,000		10,000
DRILLING EQUIPMENT-RENTAL-PURCHASE	108-11	1,000		1,000
MUD & CHEMICALS	112	25,000	36,000	25,000
EVALUATION:				
MUD LOGGING & CORING	201			
TESTING	202			
OPEN HOLE LOGGING	203	10,000	10,000	10,000
CEMENTING SERVICES & SUPPLIES	301	12,000	12,000	7,000
SUPERVISION & AUTOMOTIVE	302	3,000	3,000	3,000
WELL SERVICE RIG-COMPLETION	401	11,200		
COMPLETION EQUIPMENT-RENTAL-PURCHASE	402	1,000		
COMPLETION COSTS:				
LOGGING & PERFORATING	403-5	8,000		
STIMULATION	406-7	25,000	45,200	
INSTALLATION COST OF WELL EQUIPMENT	408	3,000		
HAULING	501	3,000	6,000	1,000
OVERHEAD	502	1,500	1,500	1,500
MISCELLANEOUS 10% contingencies	503-4	19,620	19,620	14,100
SUB TOTAL		227,820	227,820	167,100
Well Cost - Tangible - 304				
CASING:				
CONDUCTOR	101			
SURFACE 300' 8-5/8"	102	2,790		2,790
INTERMEDIATE	103			
PRODUCTION 7000' of 5-1/2"	104	43,200		
TUBING 12,000' of 1-1/2"	201	25,200	71,190	
SUB-SURFACE EQUIPMENT	301-4	5,000		
WELLHEAD EQUIPMENT:				
CASINGHEAD & SPOOL	401-2	1,000		
TUBINGHEAD & X-MAS TREE	403	7,000		
ARTIFICIAL LIFT EQUIPMENT	501-4			
SURFACE PRODUCTION EQUIPMENT	601-3	24,000		
CATHODIC PROTECTION	701	3,500		
H_2S WARNING SYSTEM	702			
OTHER 5% tax on equip	703	5,585	46,085	500
SUB TOTAL		117,275	117,275	3,290
ESTIMATED TOTAL COST		345,095.00	345,095.00	170,390.00

Working Interest

SUPRON ENERGY CORPORATION	50%	% 172,548.00	85,195.00
Koch Exploration	37.5%	129,411.00	63,896.00
Claude R. Lambe	12.5%	43,136.00	21,299.00

Special Instructions To drill a Mesaverde/Dakota well

Operator SUPRON ENERGY CORPORATION

DATE 9/11/79 PREPARED BY

APPROVED

Baskell Fleetwood, Vice President

APPROVED

L. S Muennink, Exec. Vice President

PARTNER APPROVAL DATE 10-10-79

COMPANY KOCH INDUSTRIES, INC.

BY

R. T. BICK, VICE PRESIDENT

SUPRON ENERGY

AUTHORITY FOR EXPENDITURE

WELL NO. 1

LEASE Haynie WELL 2 FIELD Blanco MV/Basin Dakota

COUNTY San Juan FORMATION Mesaverde/Dakota ESTIMATED TD 7000

STATE New Mexico WELL TYPE: DEVELOPMENTAL xxx EXPLORATORY

LOCATION 870' FNE/4 of Section 4 Township 30 North, Range 11 West in San Juan County, NW/4 New Mexico

	SUB ACCT.	PRODUCING WELL SUB	PRODUCING WELL TOTAL	DRY HOLE
Well Cost - Intangible - 303				
LOCATION, ROAD, & DIRTWORK	101-2	7,000	7,000	7,000
DRILLING CONTRACTOR CHARGES:				
FOOTAGE OR MI-RU-RD-MO 7000 x 12.00	103-4	84,000		
DAYWORK (INCLUDES BITS) 1 day	105	3,500		
TURNKEY	106		87,500	67,500
FUEL, POWER, & WATER	107	10,000		10,000
DRILLING EQUIPMENT - RENTAL - PURCHASE	108-11	1,000		1,000
MUD & CHEMICALS	112	25,000	36,000	25,000
EVALUATION:				
MUD LOGGING & CORING	201			
TESTING	202			
OPEN HOLE LOGGING	203	10,000	10,000	10,000
CEMENTING SERVICES & SUPPLIES	301	12,000	12,000	7.000
SUPERVISION & AUTOMOTIVE	302	3,000	3,000	3,000
WELL SERVICE RIG-COMPLETION	401	11,200		
COMPLETION EQUIPMENT - RENTAL - PURCHASE	402	1,000		
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SUB TOTAL		227,820	227,820	167,100
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SURFACE PRODUCTION EQUIPMENT	601-3	24,000		
CATHODIC PROTECTION	701	3,500		
H_2S WARNING SYSTEM	702			
OTHER 5% tax on equip	703	5,585	46,085	500
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ESTIMATED TOTAL COST		345,095.00	345,095.00	170,390.00

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Special Instructions To drill a Mesaverde/Dakota well

Operator SUPRON ENERGY CORPORATION

DATE 9/11/79 PREPARED BY

APPROVED

APPROVED J. S. Piburn, Exec. Vice President

PARTNER APPROVAL

COMPANY

BY Claude R. Lambe DATE Oct. 26, 79

A.A.P.L. FORM 610 - 1977

MODEL FORM OPERATING AGREEMENT

Use of this Model Form is restricted
except when authorized in writing by the
American Association of Petroleum Landmen

OPERATING AGREEMENT

DATED

April 18, 1980,

OPERATOR Supron Energy Corporation

CONTRACT AREA N/2 of Section 4, Township 30 North,
Range 11 West,

COUNTY OR PARISH OF San Juan STATE OF New Mexico

COPYRIGHT 1977 — ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM LANDMEN
APPROVED FORM. A.A.P.L. NO. 610 - 1977 REVISED
MAY BE ORDERED DIRECTLY FROM THE PUBLISHER
KRAFTBILT PRODUCTS, BOX 800, TULSA 74101

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Supron EXHIBIT NO. 4
CASE NO. 6884
Submitted by Supron
Hearing Date 5-21-80

TABLE OF CONTENTS

Article	Title	Page
I.	DEFINITIONS	1
II.	EXHIBITS	1
III.	INTERESTS OF PARTIES	2
	B. INTEREST OF PARTIES IN COSTS AND PRODUCTION	2
IV.	TITLES	2
	A. TITLE EXAMINATION	2 Option 2
	B. LOSS OF TITLE	2
	1. Failure of Title	2-3
	2. Loss by Non-Payment or Erroneous Payment of Amount Due	3
	3. Other Losses	3
V.	OPERATOR	3
	A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR	3
	B. RESIGNATION OR REMOVAL OF OPERATOR AND SELECTION OF SUCCESSOR	4
	1. Resignation or Removal of Operator	4
	2. Selection of Successor Operator	4
	C. EMPLOYEES	4
	D. DRILLING CONTRACTS	4
VI.	DRILLING AND DEVELOPMENT	4
	A. INITIAL WELL	4
	B. SUBSEQUENT OPERATIONS	5
	1. Proposed Operations	5
	2. Operations by Less than All Parties	5-6
	C. RIGHT TO TAKE PRODUCTION IN KIND	6-7
	D. ACCESS TO CONTRACT AREA AND INFORMATION	7
	E. ABANDONMENT OF WELLS	7
	1. Abandonment of Dry Holes	7
	2. Abandonment of Wells that have Produced	7-8
VII.	EXPENDITURES AND LIABILITY OF PARTIES	8
	A. LIABILITY OF PARTIES	8
	B. LIENS AND PAYMENT DEFAULTS	8
	C. PAYMENTS AND ACCOUNTING	8
	D. LIMITATION OF EXPENDITURES	9
	1. Drill or Deepen	9 Option 2
	2. Rework or Plug Back	9
	3. Other Operations	9
	E. ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS	9
	F. RENTALS, SHUT-IN WELL PAYMENTS AND MINIMUM ROYALTIES	9-10
	G. TAXES	10
	H. INSURANCE	10
VIII.	ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST	10
	A. SURRENDER OF LEASES	10-11
	B. RENEWAL OR EXTENSION OF LEASES	11
	C. ACREAGE OR CASH CONTRIBUTION	11
	D. SUBSEQUENTLY CREATED INTEREST	11-12
	E. ASSIGNMENT OF INTEREST	12
	F. WAIVER OF RIGHT TO PARTITION	12
IX.	INTERNAL REVENUE CODE ELECTION	12-13
X.	CLAIMS AND LAWSUITS	13
XI.	FORCE MAJEURE	13
XII.	NOTICES	13
XIII.	TERM OF AGREEMENT	13-14 Option 3
XIV.	COMPLIANCE WITH LAWS AND REGULATIONS	14
	A. LAWS, REGULATIONS AND ORDERS	14
	B. GOVERNING LAW	14
XV.	OTHER PROVISIONS	14
	A. EQUAL EMPLOYMENT OPPORTUNITY	14
	B. NON-CONSENT COMPLETION OPERATIONS	14-15
XVI.	MISCELLANEOUS	15

OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between Supron Energy Corporation _____, hereinafter designated and referred to as "Operator", and the signatory party or parties other than Operator, sometimes hereinafter referred to individually herein as "Non-Operator", and collectively as "Non-Operators",

WITNESSETH:

WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas interests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore and develop these leases and/or oil and gas interests for the production of oil and gas to the extent and as hereinafter provided:

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.

B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.

C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the Contract Area which are owned by parties to this agreement.

D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A".

E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.

F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.

G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.

H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

ARTICLE II.
EXHIBITS

The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:

☒ A. Exhibit "A", shall include the following information:
(1) Identification of lands subject to agreement,
(2) Restrictions, if any, as to depths or formations,
(3) Percentages or fractional interests of parties to this agreement,
(5) Addresses of parties for notice purposes.

☐ B. Exhibit "B", Form of Lease.

☒ C. Exhibit "C", Accounting Procedure.

☒ D. Exhibit "D", Insurance.

☒ E. Exhibit "E", Gas Balancing Agreement.

☐ F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities.

If any provision of any exhibit, except Exhibit "E", is inconsistent with any provision contained in the body of this agreement, the provisions in the body of this agreement shall prevail.

ARTICLE III.
INTERESTS OF PARTIES

~~A. Oil and Gas Interests:~~

If any party owns an unleased oil and gas interest in the Contract Area, that interest shall be treated for the purpose of this agreement and during the term hereof as if it were a leased interest under the form of oil and gas lease attached as Exhibit "B". As to such interest, the owner shall receive royalty on production as prescribed in the form of oil and gas lease attached hereto as Exhibit "B". Such party shall, however, be subject to all of the provisions of this agreement relating to lessees, to the extent that it owns the lessee interest.

B. Interest of Parties in Costs and Production:

Exhibit "A" lists all of the parties and their respective percentage or fractional interests under this agreement. Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and material acquired in operations on the Contract Area shall be owned by the parties as their interests are shown in Exhibit "A". All production of oil and gas from the Contract Area, subject to the payment of lessor's royalties which will be borne by the Joint Account, shall also be owned by the parties in the same manner during the term hereof; provided, however, this shall not be deemed an assignment or cross-assignment of interests covered hereby.

ARTICLE IV.
TITLES

A. Title Examination:

Title examination shall be made on the drillsite of any proposed well prior to commencement of drilling operations or, if the Drilling Parties so request, title examination shall be made on the leases and/or oil and gas interests included, or planned to be included, in the drilling unit around such well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable leases. At the time a well is proposed, each party contributing leases and/or oil and gas interests to the drillsite, or to be included in such drilling unit, shall furnish to Operator all abstracts (including Federal Lease Status Reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each party hereto. The cost incurred by Operator in this title program shall be borne as follows:

☐ ~~Option No. 1: Costs incurred by Operator in procuring abstracts and title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be a part of the administrative overhead as provided in Exhibit "C," and shall not be a direct charge, whether performed by Operator's staff attorneys or by outside attorneys.~~

☒ Option No. 2: Costs incurred by Operator in procuring abstracts and fees paid outside attorneys for title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A". Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions.

Each party shall be responsible for securing curative matter and pooling amendments or agreements required in connection with leases or oil and gas interests contributed by such party. The Operator shall be responsible for the preparation and recording of Pooling Designations or Declarations as well as the conduct of hearings before Governmental Agencies for the securing of spacing or pooling orders. This shall not prevent any party from appearing on its own behalf at any such hearing.

No well shall be drilled on the Contract Area until after (1) the title to the drillsite or drilling unit has been examined as above provided, and (2) the title has been approved by the examining attorney or title has been accepted by all of the parties who are to participate in the drilling of the well.

B. Loss of Title:

1. Failure of Title: Should any oil and gas interest or lease, or interest therein, be lost through failure of title, which loss results in a reduction of interest from that shown on Exhibit "A", this agreement, nevertheless, shall continue in force as to all remaining oil and gas leases and interests, and

(a) The party whose oil and gas lease or interest is affected by the title failure shall bear alone its entire loss and it shall not be entitled to recover from Operator or the other parties any development

or operating costs which it may have theretofore paid, but there shall be no monetary liability on its part to the other parties hereto for drilling, development, operating or other similar costs by reason of such title failure; and

(b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the interest which has been lost, but the interests of the parties shall be revised on an acreage basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose lease or interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the interest lost; and

(c) If the proportionate interest of the other parties hereto in any producing well theretofore drilled on the Contract Area is increased by reason of the title failure, the party whose title has failed shall receive the proceeds attributable to the increase in such interests (less costs and burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well; and

(d) Should any person not a party to this agreement, who is determined to be the owner of any interest in the title which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid to the party or parties who bore the costs which are so refunded; and

(e) Any liability to account to a third party for prior production of oil and gas which arises by reason of title failure shall be borne by the party or parties in the same proportions in which they shared in such prior production; and

(f) No charge shall be made to the joint account for legal expenses, fees or salaries, in connection with the defense of the interest claimed by any party hereto, it being the intention of the parties hereto that each shall defend title to its interest and bear all expenses in connection therewith.

2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroneously paid, and as a result a lease or interest therein terminates, there shall be no monetary liability against the party who failed to make such payment. Unless the party who failed to make the required payment secures a new lease covering the same interest within ninety (90) days from the discovery of the failure to make proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties shall be revised on an acreage basis, effective as of the date of termination of the lease involved, and the party who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership of the lease or interest which has terminated. In the event the party who failed to make the required payment shall not have been fully reimbursed, at the time of the loss, from the proceeds of the sale of oil and gas attributable to the lost interest, calculated on an acreage basis, for the development and operating costs theretofore paid on account of such interest, it shall be reimbursed for unrecovered actual costs theretofore paid by it (but not for its share of the cost of any dry hole previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:

(a) Proceeds of oil and gas, less operating expenses, theretofore accrued to the credit of the lost interest, on an acreage basis, up to the amount of unrecovered costs;

(b) Proceeds, less operating expenses, thereafter accrued attributable to the lost interest on an acreage basis, of that portion of oil and gas thereafter produced and marketed (excluding production from any wells thereafter drilled) which, in the absence of such lease termination, would be attributable to the lost interest on an acreage basis, up to the amount of unrecovered costs, the proceeds of said portion of the oil and gas to be contributed by the other parties in proportion to their respective interests; and

(c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner of the interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.

3. Other Losses: All losses incurred, other than those set forth in Articles IV.B.1. and IV.B.2. above, shall not be considered failure of title but shall be joint losses and shall be borne by all parties in proportion to their interests. There shall be no readjustment of interests in the remaining portion of the Contract Area.

ARTICLE V.
OPERATOR

A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR:

Supron Energy Corporation shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of, this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest in the Contract Area, or is no longer capable of serving as Operator, it shall cease to be Operator without any action by Non-Operator, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the majority vote in interest of Non-Operators.

Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the Parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. If the Operator that is removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the majority vote in interest of Non-Operators.

C. Employees:

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed, shall be determined by Operator, and all such employees shall be the employees of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

On or before the 1st day of September, 1980, Operator shall commence the drilling of a well for oil and gas at the following location:

820 feet from the North line and 1700 feet from the East line of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico,

and shall thereafter continue the drilling of the well with due diligence to

a depth sufficient to adequately test the Dakota formation,

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.

If, in Operator's judgment, the well will not produce oil or gas in paying quantities, and it wishes to plug and abandon the well as a dry hole, it shall first secure the consent of all parties and shall plug and abandon same as provided in Article VI.E.1. hereof.

B. Subsequent Operations:

1. Proposed Operations: Should any party hereto desire to drill any well on the Contract Area other than the well provided for in Article VI.A., or to rework, deepen or plug back a dry hole drilled at the joint expense of all parties or a well jointly owned by all the parties and not then producing in paying quantities, the party desiring to drill, rework, deepen or plug back such a well shall give the other parties written notice of the proposed operation, specifying the work to be performed, the location, proposed depth, objective formation and the estimated cost of the operation. The parties receiving such a notice shall have thirty (30) days after receipt of the notice within which to notify the parties wishing to do the work whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of proposal to rework, plug back or drill deeper may be given by telephone and the response period shall be limited to forty-eight (48) hours, exclusive of Saturday, Sunday or legal holidays. Failure of a party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation. Any notice or response given by telephone shall be promptly confirmed in writing.

2. Operations by Less than All Parties: If any party receiving such notice as provided in Article VI.B.1. or VI.E.1. elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this article, the party or parties giving the notice and such other parties as shall elect to participate in the operation shall, within sixty (60) days after the expiration of the notice period of thirty (30) days (or as promptly as possible after the expiration of the forty-eight (48) hour period where the drilling rig is on location, as the case may be) actually commence work on the proposed operation and complete it with due diligence. Operator shall perform all work for the account of the Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a Non-Consenting Party, the Consenting Parties shall either: (a) request Operator to perform the work required by such proposed operation for the account of the Consenting Parties, or (b) designate one (1) of the Consenting Parties as Operator to perform such work. Consenting Parties, when conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and conditions of this agreement.

If less than all parties approve any proposed operation, the proposing party, immediately after the expiration of the applicable notice period, shall advise the Consenting Parties of (a) the total interest of the parties approving such operation, and (b) its recommendation as to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party, within forty-eight (48) hours (exclusive of Saturday, Sunday or legal holidays) after receipt of such notice, shall advise the proposing party of its desire to (a) limit participation to such party's interest as shown on Exhibit "A", or (b) carry its proportionate part of Non-Consenting Parties' interest. The proposing party, at its election, may withdraw such proposal if there is insufficient participation, and shall promptly notify all parties of such decision.

The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in the proportions they have elected to bear same under the terms of the preceding paragraph. Consenting Parties shall keep the leasehold estates involved in such operations free and clear of all liens and encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such an operation results in a dry hole, the Consenting Parties shall plug and abandon the well at their sole cost, risk and expense. If any well drilled, reworked, deepened or plugged back under the provisions of this Article results in a producer of oil and/or gas in paying quantities, the Consenting Parties shall complete and equip the well to produce at their sole cost and risk, and the well shall then be turned over to Operator and shall be operated by it at the expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, reworking, deepening or plugging back of any such well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's interest in the well and share of production therefrom until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold (after deducting production taxes, royalty, overriding royalty and other interests existing on the effective date hereof, payable out of or measured by the production from such well accruing with respect to such interest until it reverts) shall equal the total of the following:

(a) 100% of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to each Non-Consenting Party had it participated in the well from the beginning of the operation; and

(b) 300 % of that portion of the costs and expenses of drilling reworking, deepening, or plugging back, testing and completing, after deducting any cash contributions received under Article VIII.C., and

300 % of that portion of the cost of newly acquired equipment in the well (to and including the well-head connections), which would have been chargeable to such Non-Consenting Party if it had participated therein.

Gas production attributable to any Non - Consenting Party's relinquished interest upon such Party's election, shall be sold to its purchaser, if available, under the terms of its existing gas sales contract. Such Non - Consenting Party shall direct its purchaser to remit the proceeds receivable from such sale direct to the Consenting Parties until the amounts provided for in this Article are recovered from the Non - Consenting Party's relinquished interest. If such Non - Consenting Party has not contracted for sale of its gas at the time such gas is available for delivery, or has not made the election as provided above, the Consenting Parties shall own and be entitled to receive and sell such Non-Consenting Party's share of gas as hereinabove provided during the recoupment period.

During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all production, severance, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Party's share of production.

In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such reworking, plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the owners thereof, with each party receiving its proportionate part in kind or in value, less cost of salvage.

Within sixty (60) days after the completion of any operation under this Article, the party conducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being reimbursed as provided above, the Party conducting the operations for the Consenting Parties shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of the well, together with a statement of the quantity of oil and gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding month. In determining the quantity of oil and gas produced during any month, Consenting Parties shall use industry accepted methods such as, but not limited to, metering or periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased, in determining when the interest of such Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting party.

If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided for above, the relinquished interests of such Non-Consenting Party shall automatically revert to it, and, from and after such reversion, such Non-Consenting Party shall own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as such Non-Consenting Party would have been entitled to had it participated in the drilling, reworking, deepening or plugging back of said well. Thereafter, such Non-Consenting Party shall be charged with and shall pay its proportionate part of the further costs of the operation of said well in accordance with the terms of this agreement and the Accounting Procedure, attached hereto.

Notwithstanding the provisions of this Article VI.B.2., it is agreed that without the mutual consent of all parties, no wells shall be completed in or produced from a source of supply from which a well located elsewhere on the Contract Area is producing, unless such well conforms to the then-existing well spacing pattern for such source of supply.

The provisions of this Article shall have no application whatsoever to the drilling of the initial well described in Article VI.A. except (a) when Option 2, Article VII.D.1., has been selected, or (b) to the reworking, deepening and plugging back of such initial well, if such well is or thereafter shall prove to be a dry hole or non-commercial well, after having been drilled to the depth specified in Article VI.A.

C. Right to Take Production in Kind:

Each party shall have the right to take in kind or separately dispose of its proportionate share of all oil and gas produced from the Contract Area, exclusive of production which may be used in development and producing operations and in preparing and treating oil for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. Any

party taking its share of production in kind shall be required to pay for only its proportionate share of such part of Operator's surface facilities which it uses.

Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment direct from the purchaser thereof for its share of all production.

In the event any party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil and gas produced from the Contract Area, Operator shall have the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such oil and gas or sell it to others at any time and from time to time, for the account of the non-taking party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil and gas not previously delivered to a purchaser. Any purchase or sale by Operator of any other party's share of oil and gas shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year. Notwithstanding the foregoing, Operator shall not make a sale, including one into interstate commerce, of any other party's share of gas production without first giving such other party thirty (30) days notice of such intended sale.

In the event one or more parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines and/or deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the parties shall be in accordance with any Gas Balancing Agreement between the parties hereto, whether such Agreement is attached as Exhibit "E", or is a separate Agreement.

D. Access to Contract Area and Information:

Each party shall have access to the Contract Area at all reasonable times, at its sole risk to inspect or observe operations, and shall have access at reasonable times to information pertaining to the development or operation thereof, including Operator's books and records relating thereto. Operator, upon request, shall furnish each of the other parties with copies of all forms or reports filed with governmental agencies, daily drilling reports, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available samples of any cores or cuttings taken from any well drilled on the Contract Area. The cost of gathering and furnishing information to Non-Operator, other than that specified above, shall be charged to the Non-Operator that requests the information.

E. Abandonment of Wells:

1. Abandonment of Dry Holes: Except for any well drilled pursuant to Article VI.B.2., any well which has been drilled under the terms of this agreement and is proposed to be completed as a dry hole shall not be plugged and abandoned without the consent of all parties. Should Operator, after diligent effort, be unable to contact any party, or should any party fail to reply within forty-eight (48) hours (exclusive of Saturday, Sunday or legal holidays) after receipt of notice of the proposal to plug and abandon such well, such party shall be deemed to have consented to the proposed abandonment. All such wells shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of the parties who participated in the cost of drilling of such well. Any party who objects to the plugging and abandoning such well shall have the right to take over the well and conduct further operations in search of oil and/or gas subject to the provisions of Article VI.B.

2. Abandonment of Wells that have Produced: Except for any well which has been drilled or reworked pursuant to Article VI.B.2. hereof for which the Consenting Parties have not been fully reimbursed as therein provided, any well which has been completed as a producer shall not be plugged and abandoned without the consent of all parties. If all parties consent to such abandonment, the well shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of all the parties hereto. If, within thirty (30) days after receipt of notice of the proposed abandonment of such well, all parties do not agree to the abandonment of any well, those wishing to continue its operation shall tender to each of the other parties its proportionate share of the value of the well's salvable material and equipment, determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. Each abandoning party shall assign to the non-abandoning parties, without warranty, express or implied, as to title or as to quantity, quality, or fitness for use of the equipment and material, all of its interest in the well and related equipment, together with its interest in the leasehold estate as to, but only as to, the interval or intervals of the formation or formations then open to production. If the interest of the abandoning party is or includes an oil and gas interest, such party shall execute and deliver to the non-abandoning party or parties an oil and gas lease, limited to the interval or intervals of the formation or formations then open to production, for a term of one year and so long thereafter as oil and/or gas is produced from the interval or inter-

vals of the formation or formations covered thereby, such lease to be in the form attached as Exhibit "B". The assignments or leases so limited shall encompass the "drilling unit" upon which the well is located. The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon the relationship of their respective percentages of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all assignees. There shall be no readjustment of interest in the remaining portion of the Contract Area.

Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production from the well in the interval or intervals then open other than the royalties retained in any lease made under the terms of this Article. Upon request, Operator shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of the separate ownership of the assigned well.

ARTICLE VII.
EXPENDITURES AND LIABILITY OF PARTIES

A. Liability of Parties:

The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the liens granted among the parties in Article VII.B. are given to secure only the debts of each severally. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership or association, or to render the parties liable as partners.

B. Liens and Payment Defaults:

Each Non-Operator grants to Operator a lien upon its oil and gas rights in the Contract Area, and a security interest in its share of oil and/or gas when extracted and its interest in all equipment, to secure payment of its share of expense, together with interest thereon at the rate provided in the Accounting Procedure attached hereto as Exhibit "C". To the extent that Operator has a security interest under the Uniform Commercial Code of the State, Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Non-Operator in the payment of its share of expense, Operator shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Non-Operator's share of oil and/or gas until the amount owed by such Non-Operator, plus interest has been paid. Each purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any default. Operator grants a like lien and security interest to the Non-Operators to secure payment of Operator's proportionate share of expense.

If any party fails or is unable to pay its share of expense within sixty (60) days after rendition of a statement therefor by Operator, the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. Each party so paying its share of the unpaid amount shall, to obtain reimbursement thereof, be subrogated to the security rights described in the foregoing paragraph.

C. Payments and Accounting:

Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective proportionate shares upon the expense basis provided in the Accounting Procedure attached hereto as Exhibit "C". Operator shall keep an accurate record of the joint account hereunder, showing expenses incurred and charges and credits made and received.

Operator, at its election, shall have the right from time to time to demand and receive from the other parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to each such party of an itemized statement of such estimated expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Each party shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate and invoice is received. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual expense to the end that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

D. Limitation of Expenditures:

1. Drill or Deepen: Without the consent of all parties, no well shall be drilled or deepened, except any well drilled or deepened pursuant to the provisions of Article VI.B.2. of this Agreement, it being understood that the consent to the drilling or deepening shall include:

~~☐ Option No. 1: All necessary expenditures for the drilling or deepening, testing, completing and equipping of the well, including necessary tankage and/or surface facilities.~~

☒ Option No. 2: All necessary expenditures for the drilling or deepening and testing of the well. When such well has reached its authorized depth, and all tests have been completed, Operator shall give immediate notice to the Non-Operators who have the right to participate in the completion costs. The parties receiving such notice shall have forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays) in which to elect to participate in the setting of casing and the completion attempt. Such election, when made, shall include consent to all necessary expenditures for the completing and equipping of such well, including necessary tankage and/or surface facilities. Failure of any party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the completion attempt. If one or more, but less than all of the parties, elect to set pipe and to attempt a completion, the provisions of Article VI.B.2. hereof (the phrase "reworking, deepening or plugging back" as contained in Article VI.B.2. shall be deemed to include "completing") shall apply to the operations thereafter conducted by less than all parties.

2. Rework or Plug Back: Without the consent of all parties, no well shall be reworked or plugged back except a well reworked or plugged back pursuant to the provisions of Article VI.B.2. of this agreement, it being understood that the consent to the reworking or plugging back of a well shall include consent to all necessary expenditures in conducting such operations and completing and equipping of said well, including necessary tankage and/or surface facilities.

3. Other Operations: Operator shall not undertake any single project reasonably estimated to require an expenditure in excess of Fifteen Thousand and 00/100 ------- Dollars ($ 15,000.00) except in connection with a well, the drilling, reworking, deepening, completing, recompleting, or plugging back of which has been previously authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion are required to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the emergency to the other parties. If Operator prepares "Authority for Expenditures" for its own use, Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project costing in excess of Ten Thousand and 00/100 ---------- Dollars ($ 10,000.00).

E. Royalties, Overriding Royalties and Other Payments:

If the interest of any party in any oil and gas lease covered by this agreement is subject to an overriding royalty, production payment, or other charge over and above the usual one-eighth (1/8) royalty, such party shall assume and alone bear all such excess obligations and shall account for them to the owners thereof out of its share of the working interest production of the Contract Area.

No party shall ever be responsible, on any price basis higher than the price received by such party, to any other party's lessor or royalty owner; and if any such other party's lessor or royalty owner should demand and receive settlements on a higher price basis, the party contributing such lease shall bear the royalty burden insofar as such higher price is concerned.

F. Rentals, Shut-in Well Payments and Minimum Royalties:

Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid by the party or parties who subjected such lease to this agreement at its or their expense. In the event two or more parties own and have contributed interests in the same lease to this agreement, such parties may designate one of such parties to make said payments for and on behalf of all such parties. Any party may request, and shall be entitled to receive, proper evidence of all such payments. In the event of failure to make proper payment of any rental, shut-in well payment or minimum royalty through mistake or oversight where such payment is required to continue the lease in force, any loss which results from such non-payment shall be borne in accordance with the provisions of Article IV.B.2.

Operator shall notify Non-Operator of the anticipated completion of a shut-in gas well, or the shutting in or return to production of a producing gas well, at least five (5) days (excluding Saturday, Sunday and holidays), or at the earliest opportunity permitted by circumstances, prior to taking such action, but assumes no liability for failure to do so. In the event of failure by Operator to so notify Non-Operator, the loss of any lease contributed hereto by Non-Operator for failure to make timely payments

of any shut-in well payment shall be borne jointly by the parties hereto under the provisions of Article IV.B.3.

G. Taxes:

Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all property subject to this agreement which by law should be rendered for such taxes, and it shall pay all such taxes assessed thereon before they become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as to burdens (to include, but not be limited to, royalties, overriding royalties and production payments) on leases and oil and gas interests contributed by such Non-Operator. If the assessed valuation of any leasehold estate is reduced by reason of its being subject to outstanding excess royalties, overriding royalties or production payments, the reduction in ad valorem taxes resulting therefrom shall inure to the benefit of the owner or owners of such leasehold estate, and Operator shall adjust the charge to such owner or owners so as to reflect the benefit of such reduction. Operator shall bill other parties for their proportionate share of all tax payments in the manner provided in Exhibit "C".

If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon the protest prior to final determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes and any interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for the joint account, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be paid by them, as provided in Exhibit "C".

Each party shall pay or cause to be paid all production, severance, gathering and other taxes imposed upon or with respect to the production or handling of such party's share of oil and/or gas produced under the terms of this agreement.

H. Insurance:

At all times while operations are conducted hereunder, Operator shall comply with the Workmen's Compensation Law of the State where the operations are being conducted; provided, however, that Operator may be a self-insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall be an amount equivalent to the premium which would have been paid had such insurance been obtained. Operator shall also carry or provide insurance for the benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part hereof. Operator shall require all contractors engaged in work on or for the Contract Area to comply with the Workmen's Compensation Law of the State where the operations are being conducted and to maintain such other insurance as Operator may require.

In the event Automobile Public Liability Insurance is specified in said Exhibit "D", or subsequently receives the approval of the parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's fully owned automotive equipment.

ARTICLE VIII.
ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST

A. Surrender of Leases:

The leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole or in part unless all parties consent thereto.

However, should any party desire to surrender its interest in any lease or in any portion thereof, and other parties do not agree or consent thereto, the party desiring to surrender shall assign, without express or implied warranty of title, all of its interest in such lease, or portion thereof, and any well, material and equipment which may be located thereon and any rights in production thereafter secured, to the parties not desiring to surrender it. If the interest of the assigning party includes an oil and gas interest, the assigning party shall execute and deliver to the party or parties not desiring to surrender an oil and gas lease covering such oil and gas interest for a term of one year and so long thereafter as oil and/or gas is produced from the land covered thereby, ~~such lease to be on the form attached hereto as Exhibit "B".~~ Upon such assignment, the assigning party shall be relieved from all obligations thereafter accruing, but not theretofore accrued, with respect to the acreage assigned and the operation of any well thereon, and the assigning party shall have no further interest in the lease assigned and its equipment and production other than the royalties retained in any lease made under the terms of this Article. The party assignee shall pay to the party assignor the reasonable salvage value of the latter's interest in any wells and equipment on the assigned acreage. The value of all material shall be determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. If the assignment is in favor of more than one party, the assigned interest shall

be shared by the parties assignee in the proportions that the interest of each bears to the interest of all parties assignee.

Any assignment or surrender made under this provision shall not reduce or change the assignor's or surrendering parties' interest, as it was immediately before the assignment, in the balance of the Contract Area; and the acreage assigned or surrendered, and subsequent operations thereon, shall not thereafter be subject to the terms and provisions of this agreement.

B. Renewal or Extension of Leases:

If any party secures a renewal of any oil and gas lease subject to this Agreement, all other parties shall be notified promptly, and shall have the right for a period of thirty (30) days following receipt of such notice in which to elect to participate in the ownership of the renewal lease, insofar as such lease affects lands within the Contract Area, by paying to the party who acquired it their several proper proportionate shares of the acquisition cost allocated to that part of such lease within the Contract Area, which shall be in proportion to the interests held at that time by the parties in the Contract Area.

If some, but less than all, of the parties elect to participate in the purchase of a renewal lease, it shall be owned by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the purchase of such renewal lease. Any renewal lease in which less than all parties elect to participate shall not be subject to this agreement.

Each party who participates in the purchase of a renewal lease shall be given an assignment of its proportionate interest therein by the acquiring party.

The provisions of this Article shall apply to renewal leases whether they are for the entire interest covered by the expiring lease or cover only a portion of its area or an interest therein. Any renewal lease taken before the expiration of its predecessor lease, or taken or contracted for within six (6) months after the expiration of the existing lease shall be subject to this provision; but any lease taken or contracted for more than six (6) months after the expiration of an existing lease shall not be deemed a renewal lease and shall not be subject to the provisions of this agreement.

The provisions in this Article shall apply also and in like manner to extensions of oil and gas leases.

C. Acreage or Cash Contributions:

While this agreement is in force, if any party contracts for a contribution of cash toward the drilling of a well or any other operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall be applied by it against the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the proportions said Drilling Parties shared the cost of drilling the well. If all parties hereto are Drilling Parties and accept such tender, such acreage shall become a part of the Contract Area and be governed by the provisions of this agreement. If less than all parties hereto are Drilling Parties and accept such tender, such acreage shall not become a part of the Contract Area. Each party shall promptly notify all other parties of all acreage or money contributions it may obtain in support of any well or any other operation on the Contract Area.

If any party contracts for any consideration relating to disposition of such party's share of substances produced hereunder, such consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

D. Subsequently Created Interest:

Notwithstanding the provisions of Article VIII.E. ~~and VIII.G~~, if any party hereto shall, subsequent to execution of this agreement, cre[illegible] an overriding royalty, production payment, or net proceeds interest, which such interests are hereinafter referred to as "subsequently created interest", such subsequently created interest shall be specifically made subject to all of the terms and provisions of this agreement, as follows:

1. If non-consent operations are conducted pursuant to any provision of this agreement, and the party conducting such operations becomes entitled to receive the production attributable to the interest out of which the subsequently created interest is derived, such party shall receive same free and clear of such subsequently created interest. The party creating same shall bear and pay all such subsequently created interests and shall indemnify and hold the other parties hereto free and harmless from any and all liability resulting therefrom.

2. If the owner of the interest from which the subsequently created interest is derived (1) fails to pay, when due, its share of expenses chargeable hereunder, or (2) elects to abandon a well under provisions of Article VI.E. hereof, or (3) elects to surrender a lease under provisions of Article VIII.A. hereof, the subsequently created interest shall be chargeable with the pro rata portion of all expenses hereunder in the same manner as if such interest were a working interest. For purposes of collecting such chargeable expenses, the party or parties who receive assignments as a result of (2) or (3) above shall have the right to enforce all provisions of Article VII.B. hereof against such subsequently created interest.

E. Assignment of Interest:

Every sale, encumbrance, transfer or other disposition made by any party of any interest in the Contract Area shall be made expressly subject to this agreement, and shall be made without prejudice to the rights of the other parties. If, by reason of sale, transfer or other disposition made by any party of all or a portion of its interest in the Contract Area so that the interest of the parties including Assignees be held in different proportions, this agreement shall be construed and applied as though it were a separate agreement covering each entire portion of the Contract Area in which the interest of the parties is held in different proportions from the proportionate interest of the parties in the remaining portion of the Contract Area.

If, at any time the interest of any party is divided among and owned by four or more co-owners, Operator, at its discretion, may require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures, receive billings for and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to bind, the co-owners of such party's interests within the scope of the operations embraced in this agreement; however, all such co-owners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of the oil and gas produced from the Contract Area and they shall have the right to receive, separately, payment of the sale proceeds hereof.

F. Waiver of Right to Partition:

If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severalty its undivided interest therein.

~~G. Preferential Right to Purchase:~~

Should any party desire to sell all or any part of its interests under this agreement, or its rights and interests in the Contract Area, it shall promptly give written notice to the other parties, with full information concerning its proposed sale, which shall include the name and address of the prospective purchaser (who must be ready, willing and able to purchase), the purchase price, and all other terms of the offer. The other parties shall then have an optional prior right, for a period of ten (10) days after receipt of the notice, to purchase on the same terms and conditions the interest which the other party proposes to sell; and, if this optional right is exercised, the purchasing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all purchasing parties. However, there shall be no preferential right to purchase in those cases where any party wishes to mortgage its interests, or to dispose of its interests by merger, reorganization, consolidation, or sale of all or substantially all of its assets to a subsidiary or parent company or to a subsidiary of a parent company, or to any company in which any one party owns a majority of the stock.

ARTICLE IX.
INTERNAL REVENUE CODE ELECTION

This agreement is not intended to create, and shall not be construed to create, a relationship of partnership or an association for profit between or among the parties hereto. Notwithstanding any provisions herein that the rights and liabilities hereunder are several and not joint or collective, or that this agreement and operations hereunder shall not constitute a partnership, if, for Federal income tax purposes, this agreement and the operations hereunder are regarded as a partnership, each party hereby affected elects to be excluded from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1954, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations 1.761. Should there be any requirement that each party hereby affected give further evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. No

such party shall give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1954, under which an election similar to that provided by Section 761 of the Code is permitted, each party hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such party states that the income derived by such party from Operations hereunder can be adequately determined without the computation of partnership taxable income.

ARTICLE X.
CLAIMS AND LAWSUITS

Operator may settle any single damage claim or suit arising from operations hereunder if the expenditure does not exceed Five Thousand and 00/100 ---------- Dollars ($ 5,000.00) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and expense of handling, settling, or otherwise discharging such claim or suit shall be at the joint expense of the parties. If a claim is made against any party or if any party is sued on account of any matter arising from operations hereunder over which such individual has no control because of the rights given Operator by this agreement, the party shall immediately notify Operator, and the claim or suit shall be treated as any other claim or suit involving operations hereunder.

ARTICLE XI.
FORCE MAJEURE

If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to make money payments, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable.

The requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party concerned.

The term "force majeure", as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

ARTICLE XII.
NOTICES

All notices authorized or required between the parties, and required by any of the provisions of this agreement, unless otherwise specifically provided, shall be given in writing by United States mail or Western Union telegram, postage or charges prepaid, or by teletype, and addressed to the party to whom the notice is given at the addresses listed on Exhibit "A". The originating notice given under any provision hereof shall be deemed given only when received by the party to whom such notice is directed, and the time for such party to give any notice in response thereto shall run from the date the originating notice is received. The second or any responsive notice shall be deemed given when deposited in the United States mail or with the Western Union Telegraph Company, with postage or charges prepaid, or when sent by teletype. Each party shall have the right to change its address at any time, and from time to time, by giving written notice hereof to all other parties.

ARTICLE XIII.
TERM OF AGREEMENT

This agreement shall remain in full force and effect as to the oil and gas leases and/or oil and gas interests subjected hereto for the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, title or interest in or to any lease, or oil and gas interest contributed by any other party beyond the term of this agreement.

(X) Option No. 1: So long as any of the oil and gas leases subject to this agreement remain or are continued in force as to any part of the Contract Area, whether by production, extension, renewal or otherwise, and/or so long as oil and/or gas production continues from any lease or oil and gas interest.

☐ Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled under any provision of this agreement, results in production of oil and/or gas in paying quantities, this agreement shall continue in force so long as any such well or wells produce, or are capable of production, and for an additional period of _____ days from cessation of all production; provided, however, if, prior to the expiration of such additional period, one or more of the parties hereto are engaged in drilling or reworking a well or wells hereunder, this agreement shall continue in force until such operations have been completed and if production results therefrom, this agreement shall continue in force as provided herein. In the event the well described in Article VI.A., or any subsequent well drilled hereunder, results in a dry hole, and no other well is producing, or capable of producing oil and/or gas from the Contract Area, this agreement shall terminate unless drilling or reworking operations are commenced within _____ days from the date of abandonment of said well.

It is agreed, however, that the termination of this agreement shall not relieve any party hereto from any liability which has accrued or attached prior to the date of such termination.

ARTICLE XIV.
COMPLIANCE WITH LAWS AND REGULATIONS

A. Laws, Regulations and Orders:

This agreement shall be subject to the conservation laws of the state in which the committed acreage is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and orders.

B. Governing Law:

The essential validity of this agreement and all matters pertaining thereto, including, but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and interpretation or construction, shall be governed and determined by the law of the state in which the Contract Area is located. If the Contract Area is in two or more states, the law of the state where most of the land in the Contract Area is located shall govern.

ARTICLE XV.
OTHER PROVISIONS

A. Equal Employment Opportunity:

During the performance of this agreement, the Operator shall be bound by and comply with all terms and provisions of Section 202 of Executive Order 11246 of September 24, 1965, all of which are incorporated herein by reference to the same regulations and relevant orders adopted pursuant to such Executive Order.

Operator assures Non-Operator that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. For this purpose, it is understood that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, religion, or national origin, because of habit, local custom or otherwise. It is further understood and agreed that maintaining or providing segregated facilities for its employees or permitting its employees to perform their services at any location under its control where segregated facilities are maintained is a violation of the equal opportunity clause required by Executive Order 11246 of September 24, 1965. Operator further understands and agrees that a breach of the assurance herein contained subjects it to the provisions of the Order at 41 CFR Chapter 60 of the Secretary of Labor dated May 21, 1968, and the provisions of the equal opportunity clause enumerated in contracts between the United States of America and Non-Operator.

B. Non-Consent Completion Operations:

In the event that all parties electing to undertake completion operations are not in agreement with respect to the particular zones or formations in which such completion operations are to be undertaken, the provisions of this Article shall apply and the provisions of Article VII.D.1, Option 2, shall be applicable separately to each zone or formation in which a completion attempt is made and completion operations pursuant to such provisions will be made first in the deepest zone

in which any one or more parties elect to undertake completion operations and next in the next such deepest zone or formation and on in that order until completion operations have been conducted in all zones or formations in which one or more parties elect to conduct completion operations. If the well is not completed as a producer of oil or gas, the well shall be plugged and abandoned by and at the cost of the consenting parties last conducting completion operations but all material salvaged upon such abandonmnet shall be credited to the parties who paid for the same. In the event that the well be completed by one or more consenting parties utilizing equipment paid for in whole or in part by other parties, then the consenting parties completing the well shall pay to the parties initially paying for such equipment the salvage value of the equipment so utilized and the amount of the payment will be considered part of the costs of completion. Costs of any unsuccessful completion by one or more parties in any zone or formation shall not be recovered from production attributable to the interest of any party not participating in costs of the unsuccessful completion and produced from other zones or formations.

ARTICLE XVI.
MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

This instrument may be executed in any number of counterparts, each of which shall be considered an orginal for all purposes.

IN WITNESS WHEREOF, this agreement shall be effective as of the date of issuance of a Final Order by the New Mexico Oil and Gas Conversation Commission for compulsory pooling and dual completion Case No. 6884.

O P E R A T O R

SUPRON ENERGY CORPORATION

ATTEST:

Darlene Carter
Assistant Secretary

By: _____
Vice President

N O N - O P E R A T O R S

KOCH EXPLORATION COMPANY

ATTEST:

By: _____

_____
Assistant Secretary

CLAUDE R. LAMBE

By: _____

EXHIBIT "A"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Supron Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, as Non-Operators.

1. The Contract Area shall consist of the N/2 of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico.

2. The interests of the parties in the Contract Area and the addresses of the parties are as follows:

Supron Energy Corporation Building V, Fifth Floor 10300 North Central Expressway Dallas, Texas 75231	49.46%
Koch Exploration Company P. O. Box 2256 Wichita, Kansas 67201	37.90%
Claude R. Lambe Suite 1313, Douglas Bldg. Wichita, Kansas 67202	12.64%

EXHIBIT "C"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Suprón Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, as Non-Operators.

ACCOUNTING PROCEDURE
JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits, summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the rate of twelve percent (12%) per annum or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator.

6. Approval by Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. **Rentals and Royalties**

   Lease rentals and royalties paid by Operator for the Joint Operations.

2. **Labor**

   A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.

   (2) Salaries of First Level Supervisors in the field.

   (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the Overhead rates.

   B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II. Such costs under this Paragraph 2B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 2A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

   C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II.

   D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II.

3. **Employee Benefits**

   Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's actual cost not to exceed twenty per cent (20%).

4. **Material**

   Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

5. **Transportation**

   Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

   A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like material is normally available, unless agreed to by the Parties.

   B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.

   C. In the application of Subparagraphs A and B above, there shall be no equalization of actual gross trucking cost of $200 or less excluding accessorial charges.

6. **Services**

   The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 9 of Section II and Paragraph 1. ii of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the Overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

7. **Equipment and Facilities Furnished by Operator**

   A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on investment not to exceed eight per cent (8%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.

   B. In lieu of charges in Paragraph 7A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

8. **Damages and Losses to Joint Property**

   All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

9. **Legal Expense**

   Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

10. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties.

11. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Workmen's Compensation and or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

12. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or
( ) Percentage Basis, Paragraph 1B.

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 2A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property shall ( ) shall not (X) be covered by the Overhead rates.

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate $ 2,000
Producing Well Rate $ 200

(2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

[1] Charges for onshore drilling wells shall begin on the date the well is spudded and terminate on the date the drilling or completion rig is released, whichever is later, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days.

[2] Charges for offshore drilling wells shall begin on the date when drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location or rig is released, whichever occurs first, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days

[3] Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig, commence through date of rig release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive days.

(b) Producing Well Rates

[1] An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.

[2] Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.

[3] An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.

[4] A one-well charge may be made for the month in which plugging and abandonment operations are completed on any well.

[5] All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.

(3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Fields Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

(1) Operator shall charge the Joint Account at the following rates:

(a) Development

_____ Percent (1 %) of the cost of Development of the Joint Property exclusive of costs provided under Paragraph 9 of Section II and all salvage credits.

(b) Operating

_____ Percent (%) of the cost of Operating the Joint Property exclusive of costs provided under Paragraphs 1 and 9 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:
For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, redrilling, deepening or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as Operating.

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for Overhead based on the following rates for any Major Construction project in excess of $ * :

A. * % of total costs if such costs are more than $ * but less than $ * ; plus

B. * % of total costs in excess of $ * but less than $1,000,000; plus

C. * % of total costs in excess of $1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells shall be excluded.

* To be negotiated

3. Amendment of Rates

The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reason, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following bases exclusive of cash discounts:

A. New Material (Condition A)

(1) Tubular goods, except line pipe, shall be priced at the current new price in effect on date of movement on a maximum carload or barge load weight basis, regardless of quantity transferred, equalized to the lowest published price f.o.b. railway receiving point or recognized barge terminal nearest the Joint Property where such Material is normally available.

(2) Line Pipe

(a) Movement of less than 30,000 pounds shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property where such Material is normally available.

(b) Movement of 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph 2A (1) of this Section IV.

(3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store or f.o.b. railway receiving point nearest the Joint Property where such Material is normally available.

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

(a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV.

(2) Material moved from the Joint Property

(a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as new Material, or

(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as good used Material at seventy-five percent (75%) of current new price.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material (Condition C and D)

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph 2A of this Section IV. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose, shall be priced on a basis comparable with that of items normally used for such other purpose. Operator may dispose of Condition D Material under procedures normally utilized by the Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

(1) Loading and unloading costs may be charged to the Joint Account at the rate of fifteen cents (15¢) per hundred weight on all tubular goods movements, in lieu of loading and unloading costs sustained, when actual hauling cost of such tubular goods are equalized under provisions of Paragraph 5 of Section II.

(2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished by Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, Inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Reconciliation of a physical inventory with the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Non-Operators within six months following the taking of the inventory. Inventory adjustments shall be made by Operator with the Joint Account for overages and shortages, but Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special Inventories may be taken whenever there is any sale or change of interest in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory.

4. Expense of Conducting Periodic Inventories

The expense of conducting periodic Inventories shall not be charged to the Joint Account unless agreed to by the Parties.

EXHIBIT "D"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Supron Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, as Non-Operators.

With respect to all operations conducted hereunder on the Contract Area by the Operator for the joint account of the parties hereto, Operator shall maintain in effect the following insurance coverage.

Kind	Policy Form	Minimum Limits of Liability
Workmen's Compensation	Statutory	Statutory
Employer's Liability		$100,000 each accident
Comprehensive	Comprehensive	B.I.($100,000 each person) ($300,000 each accident) ($300,000 aggregate) P.D.($100,000 each accident) ($100,000 aggregate)
Motor Vehicle	Comprehensive (including non-ownership liability and hired automobile coverage)	B.I.($100,000 each person) ($300,000 each accident) P.D.($100,000 each accident)

Upon request, Operator shall furnish Non-Operator with a certificate evidencing such insurance coverage.

Losses not covered by insurance required by this agreement to be carried for the benefit and at the expense of the parties hereto shall be charged to the joint account.

If all parties hereto or any of them shall insure their respective risks beyond the specific limits of insurance required hereunder to be carred by the parties, the benefits of such insurance shall inure to the parties procuring and maintaining the same, respectively, without reimbursement one from the other and without entering into any accounting hereunder.

EXHIBIT "E"

Attached to and made a part of an Operating Agreement dated April 18, 1980, by and between Sapron Energy Corporation, as Operator, and Koch Exploration Company and Claude R. Lambe, Non-Operators.

GAS STORAGE AND BALANCING AGREEMENT

The parties to the Operating Agreement to which this agreement is attached own the working interest in gas rights underlying the Contract Area covered by such agreement in accordance with the percentages of interest as set forth in Exhibit "A" to the Operating Agreement.

In accordance with terms of the Operating Agreement, each party shall have the right to take its share of gas produced from the Contract Area and separately market the same. In the event any of the parties hereto is not at anytime taking or marketing its share of gas or has contracted to sell its share of gas produced from the Contract Area to a purchaser which does not at all times take the full share of gas attributable to the interest of such party, the terms of this agreement shall automatically become effective.

During the period or periods when any party hereto has no market for its share of gas produced from the Contract Area, or its purchaser does not take its full share of gas produced from the Contract Area, the other parties shall be entitled to produce each month 100% of the applicable production assigned to the Contract Area by the state regulatory body having jurisdiction and shall be entitled to take and deliver to its or their purchaser all of such gas production. All parties hereto shall share in and own the liquid hydrocarbons recovered from such gas by lease equipment in accordance with their respective interests and subject to the Operating Agreement to which this agreement is attached, but the party or parties taking such gas shall own all the gas delivered to its or their purchaser.

On a cumulative basis, each party not taking or marketing its full share of the gas produced from the Contract Area shall be credited with gas in storage equal to its full share of the gas produced from the Contract Area less its share of gas used in lease operations, vented or lost, and less that portion such party took or delivered to its purchaser. The Operator of the Contract Area will maintain an account of the gas balance between the parties and will furnish all parties hereto with monthly statements showing the total quantity of gas produced, the amount used in lease operations, vented or lost, the total quantity of liquid hydrocarbons recovered therefrom, and the monthly cumulative over and under account of each party in gas produced from the Contract Area.

At all times while gas is produced from the Contract Area, each party taking or marketing gas shall furnish to the Operator monthly reports of the volumes of gas delivered to its purchaser during the preceding month; and each such party shall pay to the Operator a percentage of the proceeds of such sale equal to the aggregate percentage of royalty and overriding royalty burdening the lease or leases contributed by such party to the Contract Area; and Operator will, in turn, make settlement for all royalties and overriding royalties which are payable on gas produced from the Contract Area. In the event that the total royalties and overriding royalties so paid to the Operator be insufficient to discharge royalty and overriding royalty obligations on gas produced and marketed from the Contract Area, then any such deficiency will be borne by the party whose interest is burdened by the royalty or overriding royalty as to which the deficiency was asserted. Any party or parties contributing separate leases to the Contract Area shall furnish the Operator with division order title opinions on which Operator shall be entitled to rely in making distribution of royalty and overriding royalty on production from the Contract Area.

After notice to the Operator, any party at anytime may begin taking or delivering to its purchaser its full share of gas produced from the Contract Area which it has in storage less such party's share of gas used in operations, vented or lost. In

addition to such share, each party, including the Operator, until it has recovered its gas in storage and balanced the gas account as to its interest, shall be entitled to take or deliver to its purchaser the share of gas determined by multiplying 50% of the interest in current gas production of the party or parties without gas in storage by a fraction, the numerator of which is the interest in the Contract Area of such party with gas in storage and the denominator of which is the total percentage interest in such drilling, spacing or proration unit of all the parties with gas in storage currently taking or delivering to a purchaser.

The provisions of this agreement shall be separately applicable to each reservoir to the end that production from one reservoir in a gas well may not be utilized for the purpose of balancing underproduction from another reservoir.

Each party producing and taking or delivering gas to its purchaser shall pay any and all production taxes due on such gas.

Nothing herein shall be construed to deny any party the right, from time to time, to produce and take or deliver to its purchaser its full share of the applicable gas production to meet deliverability tests required by its purchaser.

Should production of gas from the Contract Area be permanently discontinued and before the gas account is balanced, settlement will be made between the underproduced and the overproduced parties. In making such settlement, the underproduced party or parties will be paid a sum of money by the overproduced party or parties attributable to the overproduction which said overproduced party received less applicable royalty and taxes theretofore paid at the applicable price for the latest delivery of a volume of gas equal to that for which settlement is made. For gas sold in intrastate commerce, the price shall be the price received for the sale of the gas. For gas sold in interstate commerce, the price shall be the rate collected, from time to time, which is not subject to contingent refund obligation as ordered or provided by the Federal Energy Regulatory Commission plus any additional amount collected which is not ultimately required by the Federal Energy Regulatory Commission to be refunded, such additional collected amount to be accounted for at such time as final determination is made with respect thereto.

Nothing herein shall change each party's obligation to pay its proportionate share of all costs and liabilities incurred in connection with operations on the Contract Area in accordance with terms and provisions of the applicable Operating Agreement. However, to the extent that the applicable Operating Agreement contains any terms and provisions inconsistent with terms and provisions of this agreement, the applicable Operating Agreement shall be deemed to be amended to the extent necessary to conform with terms and provisions hereof.

SUPRON ENERGY CORPORATION
BLDG. V, FIFTH FLOOR
10300 NORTH CENTRAL EXPRESSWAY
DALLAS, TEXAS 75231

G. BJERKE
LANDMAN

TELEPHONE (214) 691-8141
TWX: (910) 861-9117
SUPCO-DAL

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Supron EXHIBIT NO. 5
CASE NO. 6884
Submitted by Bjerke
Hearing Date 5/21/80

ay 1, 1980

Dear Sir:

We are planning the drilling of a Mesaverde formation well on a governmentally prescribed spacing unit comprised of the North Half of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico, and to obtain the requisite drilling permit, we find it necessary to pool and combine all leases that cover lands lying within the half section spacing unit. This will require that the lease in which you own an interest covering the Northwest corner of Section 4 be pooled with other land and leases in the spacing unit.

Since the base lease does not contain any authority to the Lessee to accomplish the necessary pooling, there is forwarded herewith to you a Pooling Authorization granting the necessary pooling authority. We, therefore, would appreciate your signing the enclosed, self-addressed envelope.

In order for the authorization to be effective, the same must be signed by both husband and wife regardless of which holds of record the royalty interest and must be acknowledged before a Notary Public with the notary acknowledgment certificate completed so that the same can be filed for record in the local county.

If you have further question concerning the matter, please contact the undersigned at the above address.

Yours truly,

Gaby Bjerke
Landman

GB:dj

POOLING AUTHORIZATION

WHEREAS, the undersigned is the owner and holder of a royalty interest consisting of a fraction of the royalty payable under that certain Oil and Gas Lease originally executed on March 19, 1947, by A. L. Duff, Jr. and Reba B. Duff, his wife, recorded in Book 125 at Page 140 of the Deed Records of San Juan County, New Mexico, covering Lots 3 and 4 on the South Half of the Northwest Quarter of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico; and

WHEREAS, the undersigned desires to grant to Claude R. Lambe and Koch Exploration Company, the present owners and holders of the aforesaid Lease, and their successors and assigns or any one or more of them, the right to pool and combine such lease into lands covered thereby.

NOW, THEREFORE, the undersigned does hereby grant unto Claude R. Lambe and Koch Exploration Company and their sucessors and assigns or any one or more of them, the right and power to pool or combine the aforesaid Lease and the lands covered thereby or any portion thereof with other lands or leases in the immediate vicinity thereof when, in their judgment, it is necessary or advisable to do so in order to properly develop and operate said premises in compliance with any lawful spacing rules or orders which may be prescribed by any duly authorized governmental authority for the fields or areas in which lands covered by the above described Lease or any part thereof are situated, or when to do so would, in their judgment, permit the conservation or economical production of oil, gas and other hydrocarbons from said premises; and the entire acreage so pooled into a tract or unit shall be treated for all purposes, except for payment of royalties on production of the pooled unit as if it were included in the above described Lease, and if production is had from any portion of the pooled acreage, it shall be treated as production from the lands covered by the above described Lease whether the well or wells be located thereon or other tracts in the unit. In lieu of the royalties specified in the above lease, the owners of royalty reserved under such Lease shall receive on production from the pooled units, such portion of the royalties stipulated in the above described Lease as the amount of acreage covered thereby and placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

IN TESTIMONY WHEREOF, this Pooling Authorization is executed this _____ day of May, 1980.

_____

_____

STATE OF)
)
COUNTY OF)

On this _____ day of May, 1980, before me personally appeared _____ and _____, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

_____
Notary Public in and for
_____County,_____

My Commission expires:

_____

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Supron EXHIBIT NO. 6
CASE NO. 6884
Submitted by Bjirke
Hearing Date 5/21/80

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

May 14, 1980

Ms. Cora v. Alderson
South Wilmington, Illinois 61252

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Alderson:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

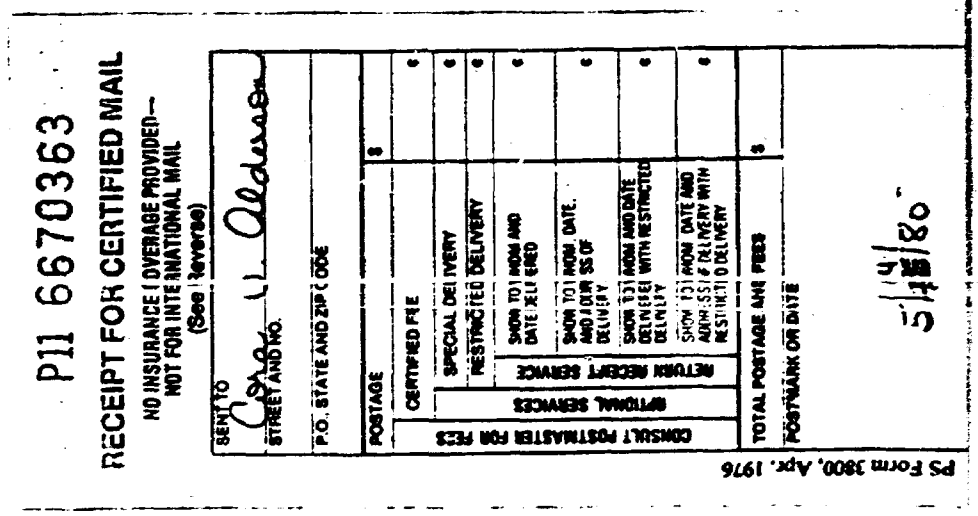
William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Marie J. Alfors
585 First Street
Parlier, California 93648

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Alfors:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670364

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Marie J. Alfors
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
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CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Kathryn Bush
903 1st Avenue
Fulton, Illinois 61252

Re: New Mexico Oil Conse.vation Division
Case 6884

Dear Ms. Bush:

Enclosed is a copy of the docket for the May 21, 1980 Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670365

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Kathryn Bush
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
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TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
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CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Dr. R. E. Christian
10067 Chester Road
Cincinnati 15, Ohio

Re: New Mexico Oil Conservation Division
Case 6684

Dear Dr. Christian:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

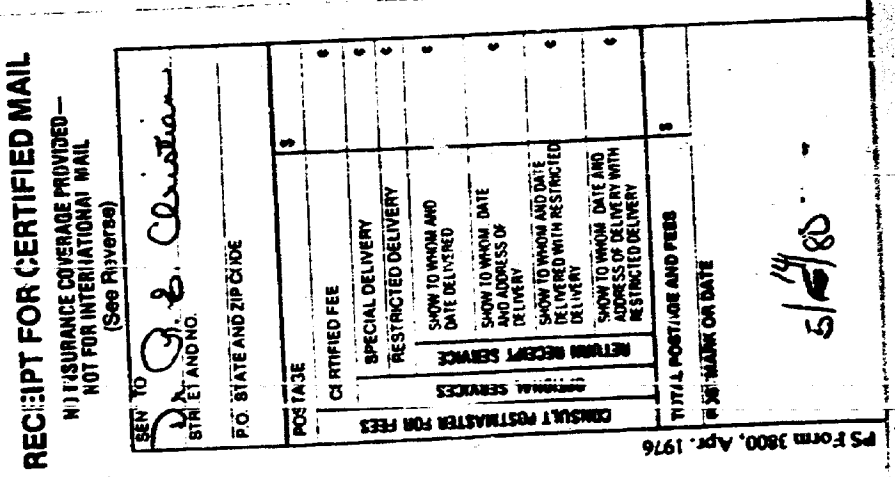
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Dale Clay
Anna Ellen Clay Executrix
416 South 7th
Hamilton, Montana 59840

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Clay:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P 11 6670367

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Anna Ellen Clay
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
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OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5 14 80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Marianne Clay
Post Office Box 3106
Alpine, California 92001

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Clay:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 [illegible]6670368

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See reverse)

SENT TO Marianne Clay
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
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SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
RETURN RECEIPT SERVICE	
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TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Paul Clay
Post Office Box 316
Alpine, California 92001

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Clay:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,
William F. Carr
William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670369

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Paul Clay
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT 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
5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Mae E. Craig
2050 Garden Spx Drive
Apt. 608
Lexington, Kentucky 40504

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Craig:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670370

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Mae E. Craig
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Elmer L. Dalton
Court House
Leland, Michigan 49654

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Dalton:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

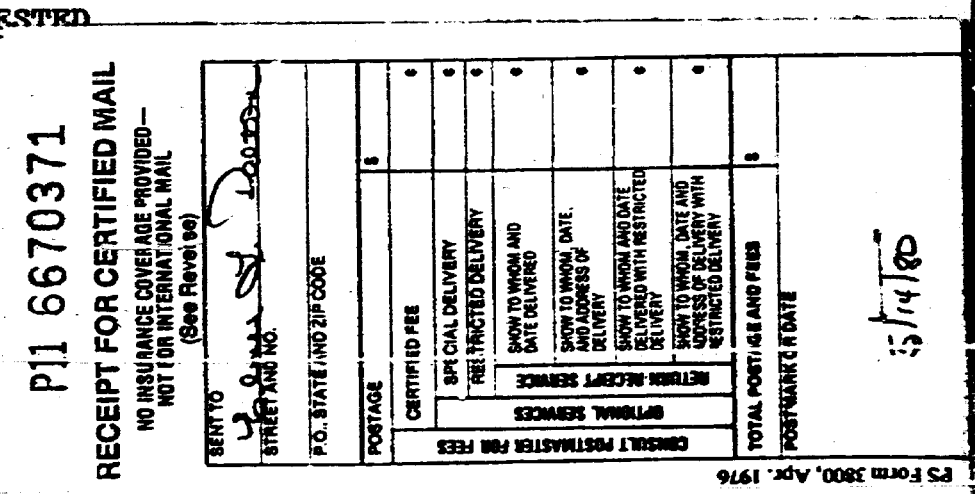
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Philip D. Decker
503 W. 10th Street
Sterling, Illinois 61081

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Decker:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670372

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Philip D. Decker
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Shirley Decker
c/o Gladys Decker
805 North Park Street
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Decker:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

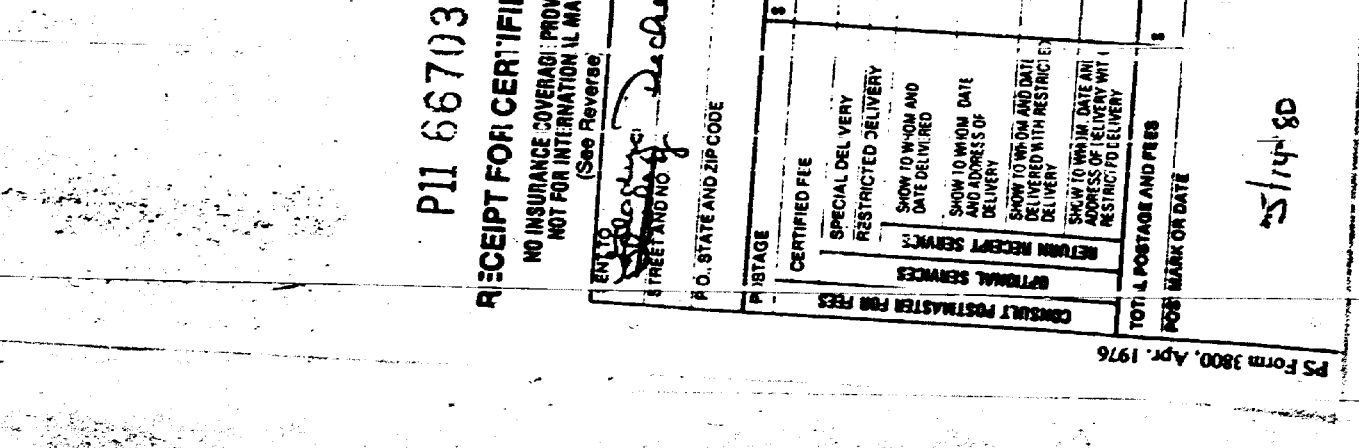
Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES



CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Bernice Engelkins
509 South Genesee Street
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6684

Dear Ms. Engelkins:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 11 667 0374

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Bernice Engelkins
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Elga Epperson
2060 Riedmiller
Fort Wayne, Indiana 46804

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Epperson:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6€70375

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Elga Epperson
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Grace Florance
404 South Alessandro
Hemet, California 92343

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Florance:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 11 6670376

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Grace Florance
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
SHOW TO WHOM & DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM & DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mrs. Lou S. Goodno
35099 Hiway 74-Sp A-1
Hemet, California 92343

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mrs. Goodno:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670377

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Mrs. Lou S. Goodno
STREET AND NO.
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	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Pauline M. Gregg
Seattle-First National
Bank Guardian
Post Office Box 1106
Everett, Washington 98206

Re: New Mexico Oil Conservation Division
Case 6884

Gentlemen:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQU

P11 6670378

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Seattle First Bank
STREET AND NO.:
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	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Elsie H. Guilford
1201 Grant Street
Santa Monica, California

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Guilford:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P 11 667 0379

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Elsie H. Guilford
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of John E. Hargreaves
Elsie H. Guilford Trustee
1201 Grant Street
Santa Monica, California

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Guilford:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P 11 6670380

RECEIPT FOR CERTIFIED MAIL.
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Elsie H. Guilford
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Harwell Investment Co.
Post Office Box 755
Burkburnett, Texas

Re: New Mexico Oil Conservation Division
Case 6884

Gentlemen:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670381

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Harwell Investment
STREET AND NO.
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 AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POST MARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Harry Herman, Jr.
3600 N. Charles Street
Apt. 1212
Baltimore, Maryland 21218

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Herman:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670382

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED--
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Harry Herman, Jr.
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. James H. Hinchcliffe
4431 N.E. 17th Terrace
Ft. Lauderdale, Florida 33334

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Hinchcliffe:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670383

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO James H. Hinchcliffe
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
SHOW TO WHOM AND DATE DELIVERED
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
OPTIONAL SERVICES
CHARGE POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE

5/14/80

PS Form 3800, Apr. 1974

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Christine Gould Executrix of
Estate of Edward B. Hobart
R.F.D. No. 1
Shellburne Falls, Massachusetts

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Gould:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 667038[illegible]4

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Christine Gould
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
RETURN RECEIPT SERVICE	
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	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Marjorie Hook
308 N. Orange St.
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Hook:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670385

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Marjorie Hook
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
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
CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE 5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Laura Kaempf
1325 Valley View Road No. 302
Glendale, California 91202

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Kaempf:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 670386

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Laura Kaempf
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED W/ RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Lynne Lindstrum
Route 1
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Lindstrum:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670387

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Lynne Lindstrum
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES: TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5-14-80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 982-4485

May 14, 1980

Ms. Alice Mary Bonner Linton
25 Eton Street
Springfield, Massachusetts 01108

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Linton:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670388

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Alice Mary B. Linton
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Jim E. Lynch
928 Cable
Conroe, Texas 77301

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Lynch:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670389

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Jim E. Lynch
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
SHOW TO WHOM AND DATE DELIVERED
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
OPTIONAL SERVICES
CONSULT POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE
5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Warren McArthur, Jr.
7514 North 5th Place
Phoenix, Arizona 85020

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. McArthur:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670390

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Warren McArthur
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Floyd F. Nottger
3170 Wagner Road
Waterloo, Iowa 50701

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Nottger:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6€ 70391

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Floyd F. Nottger
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	*
SPECIAL DELIVERY	*
RESTRICTED DELIVERY	*
SHOW TO WHOM AND DATE DELIVERED	*
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	*
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	*
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	*
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1974

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Harriet Redenbo
104 North Maple Lane
East Peoria, Illinois 61511

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Redenbo:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670392

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Harriet Redenbo
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
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
CONSULT POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE 5/14/80

PS Form 3800, Apr. 1976

END OF ROLL

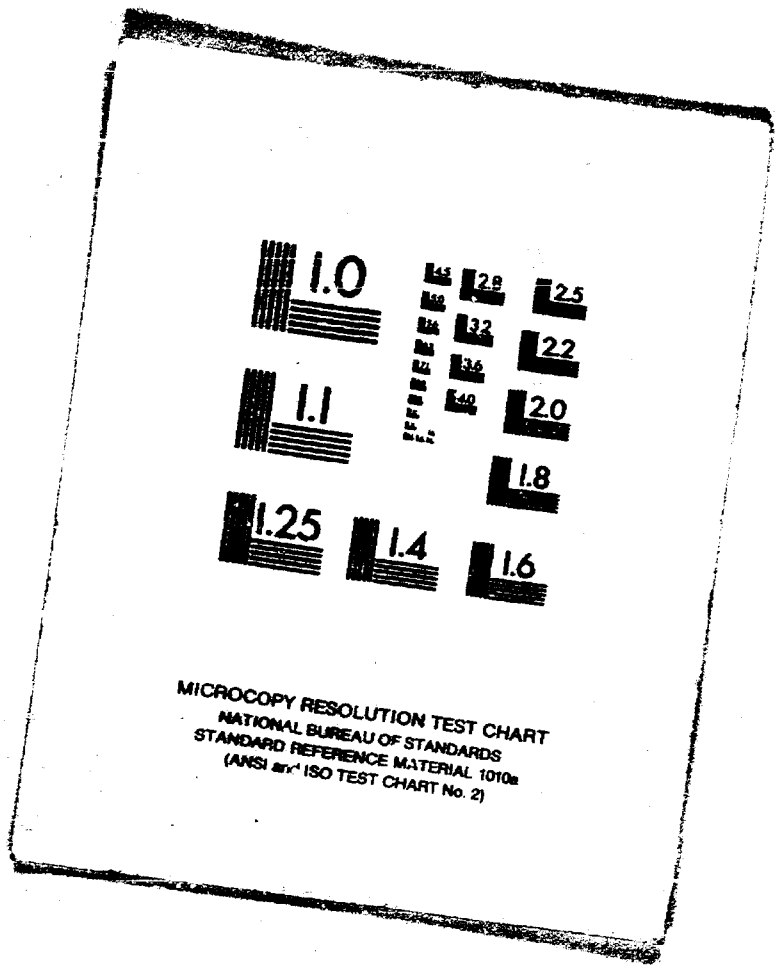
166 A
ROLL NUMBER

DOCUMENT TYPE N.M. Oil Conservation Div

DATE OF FILMING 10/2/85

CAMERA OPERATOR Edward Thomas Cavalier

ENDING DOCUMENT File - 6884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2.8
3.2
3.6
4.0
2.5
2.2
2.0
1.8
1.25
1.4
1.6
MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

STATEMENT OF DOCUMENT CERTIFICATION

All microphotgraphics images of documents following this certificate are of authorized documents in the possession of this Agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

R. David Ortiz
SUPERVISOR

STATE OF NEW MEXICO)
) SS.
COUNTY OF VALENCIA)

Sworn and Subscribed to me, A Notary Public,

This 1st day of November, 1993

Agnes Aragon
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-96

CERTIFICATE OF AUTHENICITY

THIS IS TO CERTIFY that the microphotographs appearing on this Roll of Film are accurate and complete reproductions of the records of the, N.M. Oil Conservation Div. as delivered in the regular course of business for Micro Filming.

Edward Thomas Gonzales
CAMERA OPERATOR

END OF ROLL

166 A
ROLL NUMBER

DOCUMENT TYPE N.M. Oil Conservation Div

DATE OF FILMING 10/2/85

CAMERA OPERATOR Edward Thomas Cavalier

ENDING DOCUMENT File - 6884

CASE NO.

6884

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL E. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Alan Roach
Route 3
Rutledge, Tennessee 37861

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Roach:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670393

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Alan K. Roach
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE	
OPTIONAL SERVICES	
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	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Gene Lester Roach
7770 Sun Dial Court
No. 706
Fort Walton Beach, Florida 32548

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Roach:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670394

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Roger C. Roach
2664 South Balsam Street
Lakewood, Colorado 80227

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Roach:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670395

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Roger C. Roach
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CHECK IF POSTMASTER FEE FEES
ORIGINAL SERVICES
RETURN RECEIPT SERVICE

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Eleanor Seidel
400 East 5th Street
Rock Falls, Illinois 61071

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Seidel:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES

P11 6670396

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Eleanor Seidel
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
OMNIBUS POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Lloyd Sommers &
Barbara L. Sommers
4109 86th Street
Kenosha, Wisconsin 53142

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Sommers:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670397

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Lloyd & Barbara Sommers
STREET AND NO. [illegible]
P.O., STATE AND ZIP CODE [illegible]

POSTAGE $
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
SHOW TO WHOM AND DATE DELIVERED
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY
RETURN RECEIPT SERVICE
ORIGINAL SERVICES
CONSULT POSTMASTER FOR FEES
TOTAL POSTAGE AND FEES $
POSTMARK OR DATE 5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Jack J. Springer &
Loraine M. Springer
1909 13 1/2 Street South
Fargo, North Dakota 58102

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. & Mrs. Springer:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES

P11 6670398

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
STREET AND NO.
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	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Jim Tang & Phyllis Tang
130 West Northern Avenue
Phoenix 21, Arizona

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. & Mrs. Tang:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670399

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Jim & Phyllis Tang
STREET AND NO.:
P.O., STATE AND ZIP CODE: Phoenix 21, Ariz.

POSTAGE	$
CERTIFIED FEE	•
SPECIAL DELIVERY	•
RESTRICTED DELIVERY	•
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	•
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	•
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	•
RETURN RECEIPT SERVICE: SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	•
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Rosemary Thoma a/k/a
Mary Rose Thoma
118 N. Fairview
Mount Prospect, Illinios 60056

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Thoma:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUE

P11 6670400

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Rosemary Thoma
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
RETURN RECEIPT SERVICE	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

E. E. & Harold E. Vrana, Sr.
2604 Ohio Avenue
Fort Pierce, Florida

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Vrana:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670401

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: E.E. & Harold Vrana
STREET AND NO.:
P.O., STATE AND ZIP CODE:

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE	
OPTIONAL SERVICES	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Theresa F. Weaver
2829 Guynns Falls Parkway
Baltimore, Maryland 21216

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Weaver:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670402

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Theresa F. Weaver
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

1974

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Charles Eugene Weir
545 50th Street
West Des Moines, Iowa 50265

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Weir:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670403

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED — NOT FOR INTERNATIONAL MAIL (See Reverse)

SENT TO: Charles Weir
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
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CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Mr. Oscar A. Wergley
432 Oaklette Drive
Chesapeake, Va 23325

Re: New Mexico Oil Conservation Division
Case 6884

Dear Mr. Wergley:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670404

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO Oscar A. Wergley
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
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RETURN RECEIPT SERVICE	
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OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

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LAWYERS

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MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Estate of Carl A. Wicklund
Julia A. Wicklund Executrix
Post Office Box 574
Independence, Kentucky

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Wicklund:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUES

P11 6670405

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Julia A. Wicklund
STREET AND NO.
P.O. STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
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SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Henrietta Wiehenga
309 E. Lincolnway
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Wiehenga:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670406

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO: Henrietta Wiehenga
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE: SHOW TO WHOM AND DATE DELIVERED	
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CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

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

May 14, 1980

Ms. Virginia Wilkens
Route No. 3
Morrison, Illinois 61270

Re: New Mexico Oil Conservation Division
Case 6884

Dear Ms. Wilkens:

Enclosed is a copy of the docket for the May 21, 1980, Oil Conservation Division Examiner Hearing.

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

Very truly yours,

William F. Carr

WFC:arf

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P11 6670407

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Virginia Wilkens
STREET AND NO.
P.O., STATE AND ZIP CODE

POSTAGE	$
CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES: RETURN RECEIPT SERVICE	
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TOTAL POSTAGE AND FEES	$
POSTMARK OR DATE	5/14/80

PS Form 3800, Apr. 1976

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To

Called in by Bill Carr
April 7, 1980

Supron Energy Corporation
Dual Completion and
Compulsory Pooling
Mesaverde and Dakota

N/2 4-30N-11W
San Juan County
NW/4 NE/4

OIL CONSERVATION COMMISSION-SANTA FE

Docket No. 14-80

Dockets Nos. 16-80 and 17-80 are tentatively set for June 4 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 20, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6715: (DE NOVO)

Application of Texaco Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Loomis Fed. Well No. 1 to be drilled 1600 feet from the North line and 660 feet from the West line of Section 5, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, the N/2 of said Section 5 to be dedicated to the well.

Upon application of Texaco Inc. and Bass Enterprises Production Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

****

Docket No. 15-80

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 21, 1980

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for June, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6891: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Mid-west Refining Company and all other interested parties to appear and show cause why the State Well No. 1 located in Unit A of Section 16, Township 33 South, Range 14 West, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6859: (Continued from April 9, 1980, Examiner Hearing)

Application of R & G Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1890 feet from the North line and 1830 feet from the East line of Section 28, Township 28 North, Range 11 West, Kutz-Fruitland Pool, the NE/4 of said Section 28 to be dedicated to the well.

CASE 6886: (Continued from May 7, 1980, Examiner Hearing)

Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6884: (Continued from May 7, 1980, Examiner Hearing)

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6892: Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the South Blanco-Pictured Cliffs Pool underlying the SW/4 of Section 27, Township 24 North, Range 2 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6878: (Readvertised)

Application of Stevens Oil Company for a non-standard gas proration unit and unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 6 South, Range 28 East, Twin Lakes-San Andres Associated Pool, to be dedicated to its O'Brien "F" Well No. 4 at an unorthodox location 1650 feet from the South line and 2310 feet from the West line of said Section 25.

CASE 6893: Application of Stevens Oil Company to amend Order No. R-5353, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a revision of the special rules for the Twin Lakes-San Andres Associated Pool as promulgated by Order No. R-5353 to provide that each well, oil or gas, shall be located no nearer than 330 feet to any quarter-quarter section line, except that any well drilled in a known gas productive area shall be located within 150 feet of the center of the quarter-quarter section.

CASE 6894: Application of Sun Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jennings-Federal "S" Well No. 1, a Yates test to be drilled 2440 feet from the South line and 2290 feet from the West line of Section 15, Township 19 South, Range 32 East, Lusk Field, the NE/4 SW/4 to be dedicated to the well.

CASE 6895: Application of Sun Gas Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks findings that the drilling of its J. A. Akens Well No. 10 located in Unit N of Section 3, Township 21 South, Range 36 East, was necessary to effectively and efficiently drain that portion of an existing proration unit which could not be drained by the existing well.

CASE 6896: Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

CASE 6897: Application of McClellan Oil Corporation for two compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 1200 feet below the surface to the base of the Abo formation underlying the SW/4 and the SE/4 of Section 30, Township 6 South, Range 26 East, each to be dedicated to a proposed gas well to be drilled at a standard location thereon. Also to be considered 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. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6898: Application of Conoco Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Meyer B-28 Well No. 4 to be drilled 560 feet from the North line and 1980 feet from the West line of Section 28, Township 20 South, Range 37 East, Eumont Gas Pool, to be simultaneously dedicated with its Meyer B-28 Well No. 1 in Unit G to the NE/4 and E/2 NW/4 of said Section 28.

CASE 6899: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 9, Township 17 South, Range 26 East, the E/2 of said Section 9 to be dedicated to the well.

CASE 6900: Application of Yates Petroleum Corporation for a non-standard oil proration unit, unorthodox well location, and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the N/2 SE/4 of Section 22, Township 16 South, Range 33 East, Kemnitz Field, to be dedicated to its Sombrero "MS" State Well No. 1 at an unorthodox location 1650 feet from the South and East lines of said Section 22. Applicant also seeks approval for the downhole commingling of Wolfcamp and Cisco production in the wellbore of said well.

CASE 6901: 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 Wolfcamp thru Mississippian formations underlying the E/2 of Section 19, Township 14 South, Range 36 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6902: Application of Harvey E. Yates Company for a dual completion, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Young Deep Unit Well No. 1 located in Unit D of Section 10, Township 18 South, Range 32 East, to produce gas from the Morrow formation and oil from the Bone Springs formation thru parallel strings of tubing.

CASE 6903: Application of Harvey E. Yates 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-Mississippian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.

CASE 6904: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks approval for the McDonald Unit Area, comprising 1,440 acres, more or less, of fee lands in Townships 13 and 14 South, Range 36 East.

CASE 6905: Application of Harvey E. Yates Company for a unit agreement, Chaves County, New Mexico.
Applicant, in the above-styled cause, seeks approval for the Buffalo Lake Unit Area, comprising 2,560 acres, more or less, of Federal, State, and fee lands in Township 15 South, Range 27 East.

Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1980

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

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

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 6857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.

CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6876: (Continued from April 23, 1980, Examiner Hearing)

Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6886: Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6887: Application of General Crude Processing for an oil treating plant permit, San Juan 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 SE/4 SE/4 of Section 21, Township 30 North, Range 12 West.

CASE 6888: Application of Conoco Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard Eumont gas proration unit comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, to be dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

CASE 6889: Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6861: (Continued from April 23, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6890: Application of Tenneco Oil Company for a thermal enhanced recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot in situ combustion enhanced recovery project in the South Hospah Upper Sand and South Hospah Lower Sand Oil Pools by the completion of an injection/ignition well at a point 1474 feet from the North line and 2725 feet from the East line of Section 12, Township 17 North, Range 9 West, and by the drilling of up to six producing wells, all at unorthodox locations in close proximity to the injection/ignition well, and all located in Units F or G of said Section 12.

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

RECEIVED
APR 28 1980
OIL CONSERVATION DIVISION
SANTA FE

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

April 28, 1980

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

HAND DELIVERED

Re: Application of Supron Energy Corporation for Compulsory Pooling and a Dual Completion, San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Supron Energy Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing to be held on May 7, 1980.

Very truly yours,

William F. Carr

WFC:lr

Enclosures

cc: Mr. William S. Jameson

RECEIVED
APR 23 1980
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, SAN JUAN COUNTY, NEW MEXICO.

Case No. 6884

APPLICATION

Comes now SUPRON ENERGY CORPORATION, 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 interests in the N/2 of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico, in the Dakota and Mesaverde formations. Applicant further seeks approval to dually complete a well to be drilled and completed at a standard location on said pooled unit and in support of this application would show:

1. Applicant is the owner of 49.46% of the working interest in and under the N/2 of said Section 4 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 4.

3. Applicant has sought but been unable to obtain either voluntary agreement for pooling or farmout from the following working interest owners in the N/2 of said Section 4:

   a. Koch Exploration Company
      Box 2256
      Wichita, Kansas 67201 — 37.91% W.I.

   b. Claude R. Lambe
      1313 Douglas Building
      Wichita, Kansas 67201 — 12.63% W.I.

4. The proposed well will be completed in such a manner as to effectively prevent communication between the two producing horizons and will result in a greater ultimate recovery of hydrocarbons from the two pools.

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

6. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral 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, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, the costs of supervision while drilling and after completion, including overhead charges and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and authorizing dual completion of the subject well and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By William F. Carr

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

RECEIVED
APR 28 1980
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, SAN JUAN COUNTY, NEW MEXICO.

Case No. 6664

APPLICATION

Comes now SUPRON ENERGY CORPORATION, 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 interests in the N/2 of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico, in the Dakota and Mesaverde formations. Applicant further seeks approval to dually complete a well to be drilled and completed at a standard location on said pooled unit and in support of this application would show:

1. Applicant is the owner of 49.46% of the working interest in and under the N/2 of said Section 4 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 4.

3. Applicant has sought but been unable to obtain either voluntary agreement for pooling or farmout from the following working interest owners in the N/2 of said Section 4:

   a. Koch Exploration Company
      Box 2256
      Wichita, Kansas 67201 — 37.91% W.I.

   b. Claude R. Lambe
      1313 Douglas Building
      Wichita, Kansas 67201 — 12.63% W.I.

4. The proposed well will be completed in such a manner as to effectively prevent communication between the two producing horizons and will result in a greater ultimate recovery of hydrocarbons from the two pools.

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

6. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral 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, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, the costs of supervision while drilling and after completion, including overhead charges and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and authorizing dual completion of the subject well and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

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

RECEIVED
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, SAN JUAN COUNTY, NEW MEXICO.

Case No. 6884

APPLICATION

Comes now SUPRON ENERGY CORPORATION, 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 interests in the N/2 of Section 4, Township 30 North, Range 11 West, San Juan County, New Mexico, in the Dakota and Mesaverde formations. Applicant further seeks approval to dually complete a well to be drilled and completed at a standard location on said pooled unit and in support of this application would show:

1. Applicant is the owner of 49.46% of the working interest in and under the N/2 of said Section 4 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 4.

3. Applicant has sought but been unable to obtain either voluntary agreement for pooling or farmout from the following working interest owners in the N/2 of said Section 4:

   a. Koch Exploration Company
      Box 2256
      Wichita, Kansas 67201 — 37.91% W.I.

   b. Claude R. Lambe
      1313 Douglas Building
      Wichita, Kansas 67201 — 12.63% W.I.

4. The proposed well will be completed in such a manner as to effectively prevent communication between the two producing horizons and will result in a greater ultimate recovery of hydrocarbons from the two pools.

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

6. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral 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, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, the costs of supervision while drilling and after completion, including overhead charges and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and authorizing dual completion of the subject well and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

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

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6884

Order No. R- 6358

APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of May, 1980, 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, Supron Energy Corporation, seeks an order pooling all mineral interests in the Blanco Mesaverde and Basin-Dakota Pools underlying the N/2 of Section 4, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well ~~to be dually completed thereon an~~ at a standard location thereon.

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

(8) ~~(13)~~ That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before September 15, the order pooling said unit should become null and void and of no effect whatsoever.

(9) That the applicant ~~seeks~~ requested dismissal of that portion of the application ~~[illegible]~~ seeking approval for the dual completion of the proposed well.

(10) That the request for dismissal should be approved.

in the Mesaverde and Dakota ~~formations~~ Blanco Basin- Pools underlying the N/2 of Section 4, Township 30 North, Range 11 West, NMPM, _____, San Juan County, New Mexico, are hereby pooled to form a ~~standard~~ 315.82 acre gas spacing and proration unit to be dedicated to a ~~duelly completed~~ well to be drilled at a standard location thereon

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 15th day of September, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Dakota formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of September, 1980, 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.

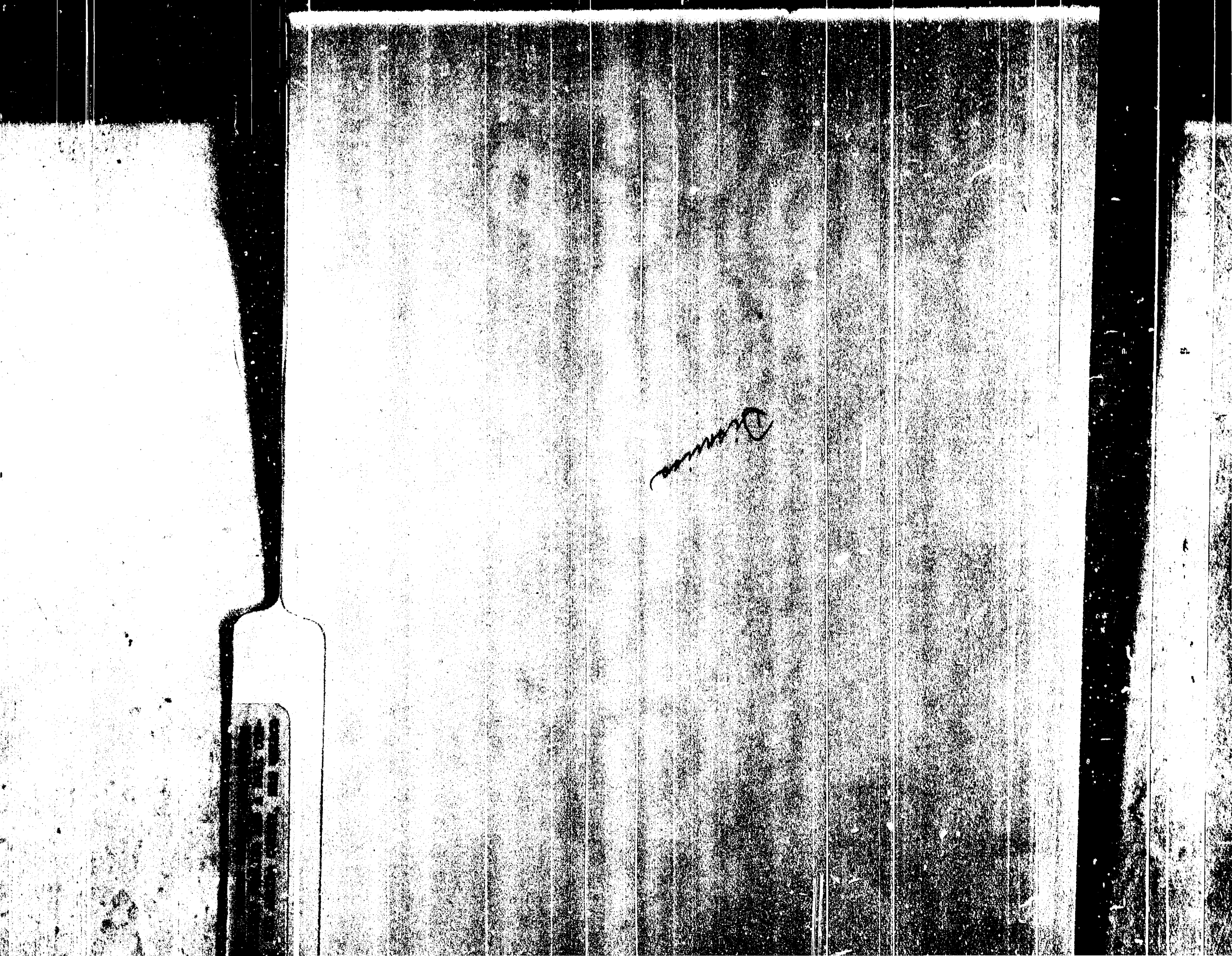
(2) That Supron Energy Corporation is hereby designated the operator of the subject well and unit.

(3) (~~2~~) ~~(12)~~ That all proceeds from production from the subject well which are not disbursed for any reason shall immediately ~~be placed in~~ escrow in San Juan 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.

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

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

(4) That that portion of this case seeking approval of the dual completion of the well to be drilled upon the pooled acreage is hereby dismissed.



CASE NO.

6885

Application,
Transcripts,
Small Exhibits,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

May 23, 1980

Re: CASE NO. 6885
ORDER NO. R-6353

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

Applicant:

Supron Energy Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD X

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6885
Order No. R-6353

APPLICATION OF SUPRON ENERGY
CORPORATION FOR COMPULSORY POOLING
AND A DUAL COMPLETION, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicants' request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6885 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico.

CASE 6885

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

MR. NUTTER: Call next Case Number 6885.

MR. PADILLA: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico.

Mr. Examiner, the applicant has requested that this case be dismissed.

MR. NUTTER: Case Number 6885 will be dismissed.

(Hearing concluded.)

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

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 C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6885 heard by me on 5/7 1980.

_____, Examiner
Oil Conservation Division

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico.

CASE 6885

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:

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

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

MR. NUTTER: Call next Case Number 6885.

MR. PADILLA: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico.

Mr. Examiner, the applicant has requested that this case be dismissed.

MR. NUTTER: Case Number 6885 will be dismissed.

(Hearing concluded.)

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.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6885, heard by me on 5/7 1980.

Examiner
Oil Conservation Division

Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1980

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

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

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 6857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.

CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6876: (Continued from April 23, 1980, Examiner Hearing)

Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6886: Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6887: Application of General Crude Processing for an oil treating plant permit, San Juan 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 SE/4 SE/4 of Section 21, Township 30 North, Range 12 West.

CASE 6888: Application of Conoco Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard Eumont gas proration unit comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, to be dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

CASE 6889: Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6861: (Continued from April 23, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6890: Application of Tenneco Oil Company for a thermal enhanced recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot in situ combustion enhanced recovery project in the South Hospah Upper Sand and South Hospah Lower Sand Oil Pools by the completion of an injection/ignition well at a point 1474 feet from the North line and 2725 feet from the East line of Section 12, Township 17 North, Range 9 West, and by the drilling of up to six producing wells, all at unorthodox locations in close proximity to the injection/ignition well, and all located in Units F or G of said Section 12.

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

RECEIVED
APR 28 1980
OIL CONSERVATION DIVISION
SANTA FE

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

April 28, 1980

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

HAND DELIVERED

Re: Application of Supron Energy Corporation for Compulsory Pooling and a Dual Completion, Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Supron Energy Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing to be held on May 7, 1980.

Very truly yours,

William F. Carr

WFC:lr

Enclosures

cc: Mr. William S. Jameson

RECEIVED
APR 23 1980
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, RIO ARRIBA COUNTY, NEW MEXICO.

Case No. 6885

APPLICATION

Comes now SUPRON ENERGY CORPORATION, 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 interests in the E/2 of Section 8, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, in the Pictured Cliffs and Mesaverde formations. Applicant further seeks approval to dually complete a well to be drilled and completed at a standard location on said pooled unit and in support of this application would show:

1. Applicant is the owner of 50.00% of the working interest in and under the E/2 of said Section 8 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the SE/4 of said Section 8.

3. Applicant has sought but been unable to obtain either voluntary agreement for pooling or farmout from the following working interest owners in the E/2 of said Section 8:

ABOVE THE BASE OF THE PICTURED CLIFFS:

Jack Cayias	25% W.I.
J. R. Abraham	25% W.I.

BELOW THE BASE OF THE PICTURED CLIFFS:

Jack Cayias	25% W.I.
Minel, Inc.	25% W.I.

4. Due to an unrecorded assignment dated June 9, 1975, Gulf Oil Corporation appears to hold record title to the lease covering the NE/4 of said Section 8 (50% of the working interest involved herein) and the beneficial title is held as reflected in paragraph 3 above. Gulf Oil Corporation may also have an interest which needs to be pooled in this action.

5. The proposed well will be completed in such a manner as to effectively prevent communication between the two producing horizons and will result in a greater ultimate recovery of hydrocarbons from the two pools.

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

7. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral 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, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, the costs of supervision while drilling and after com-

pletion, including overhead charges and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and authorizing dual completion of the subject well and making such other and further provisions as may be proper in the premises.

Respectfully submitted

CAMPBELL AND BLACK, P.A.

By _____

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

RECEIVED
APR 2 8 1980
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, RIO ARRIBA COUNTY, NEW MEXICO.

Case No. 6885

APPLICATION

Comes now SUPRON ENERGY CORPORATION, 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 interests in the E/2 of Section 8, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, in the Pictured Cliffs and Mesaverde formations. Applicant further seeks approval to dually complete a well to be drilled and completed at a standard location on said pooled unit and in support of this application would show:

1. Applicant is the owner of 50.00% of the working interest in and under the E/2 of said Section 8 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the SE/4 of said Section 8.

3. Applicant has sought but been unable to obtain either voluntary agreement for pooling or farmout from the following working interest owners in the E/2 of said Section 8:

ABOVE THE BASE OF THE PICTURED CLIFFS:

Jack Cayias	25% W.I.
J. R. Abraham	25% W.I.

BELOW THE BASE OF THE PICTURED CLIFFS:

Jack Cayias	25% W.I.
Minel, Inc.	25% W.I.

4. Due to an unrecorded assignment dated June 9, 1975, Gulf Oil Corporation appears to hold record title to the lease covering the NE/4 of said Section 8 (50% of the working interest involved herein) and the beneficial title is held as reflected in paragraph 3 above. Gulf Oil Corporation may also have an interest which needs to be pooled in this action.

5. The proposed well will be completed in such a manner as to effectively prevent communication between the two producing horizons and will result in a greater ultimate recovery of hydrocarbons from the two pools.

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

7. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral 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, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, the costs of supervision while drilling and after com-

pletion, including overhead charges and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and authorizing dual completion of the subject well and making such other and further provisions as may be proper in the premises.

Respectfully submitted

CAMPBELL AND BLACK, P.A.

By William F. Carr

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

RECEIVED
APR 8 1980
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, RIO ARRIBA COUNTY, NEW MEXICO.

Case No. 6885

APPLICATION

Comes now SUPRON ENERGY CORPORATION, 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 interests in the E/2 of Section 8, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, in the Pictured Cliffs and Mesaverde formations. Applicant further seeks approval to dually complete a well to be drilled and completed at a standard location on said pooled unit and in support of this application would show:

1. Applicant is the owner of 50.00% of the working interest in and under the E/2 of said Section 8 and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the SE/4 of said Section 8.

3. Applicant has sought but been unable to obtain either voluntary agreement for pooling or farmout from the following working interest owners in the E/2 of said Section 8:

ABOVE THE BASE OF THE PICTURED CLIFFS:

Jack Cayias	25% W.I.
J. R. Abraham	25% W.I.

BELOW THE BASE OF THE PICTURED CLIFFS:

Jack Cayias	25% W.I.
Minel, Inc.	25% W.I.

4. Due to an unrecorded assignment dated June 9, 1975, Gulf Oil Corporation appears to hold record title to the lease covering the NE/4 of said Section 8 (50% of the working interest involved herein) and the beneficial title is held as reflected in paragraph 3 above. Gulf Oil Corporation may also have an interest which needs to be pooled in this action.

5. The proposed well will be completed in such a manner as to effectively prevent communication between the two producing horizons and will result in a greater ultimate recovery of hydrocarbons from the two pools.

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

7. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral 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, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, the costs of supervision while drilling and after com-

pletion, including overhead charges and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and authorizing dual completion of the subject well and making such other and further provisions as may be proper in the premises.

Respectfully submitted

CAMPBELL AND BLACK, P.A.

By William F. Carr

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

Called in by Bill Carr
4/16/80

Supron Energy Corporation

Compulsory Pooling and
Dual Completion
Mesaverde and Pictured Cliffs

E/2 8-25N-3W
Rio Arriba County

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

CASE NO. 6885

Order No. R- 6353

APPLICATION OF SUPRON ENERGY CORPORATION FOR COMPULSORY POOLING AND A DUAL COMPLETION, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of May, 1980, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6885 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.