

By: Don Peters

LAND PLAT

BRANDYWINE PROSPECT
LEA COUNTY, NEW MEXICO

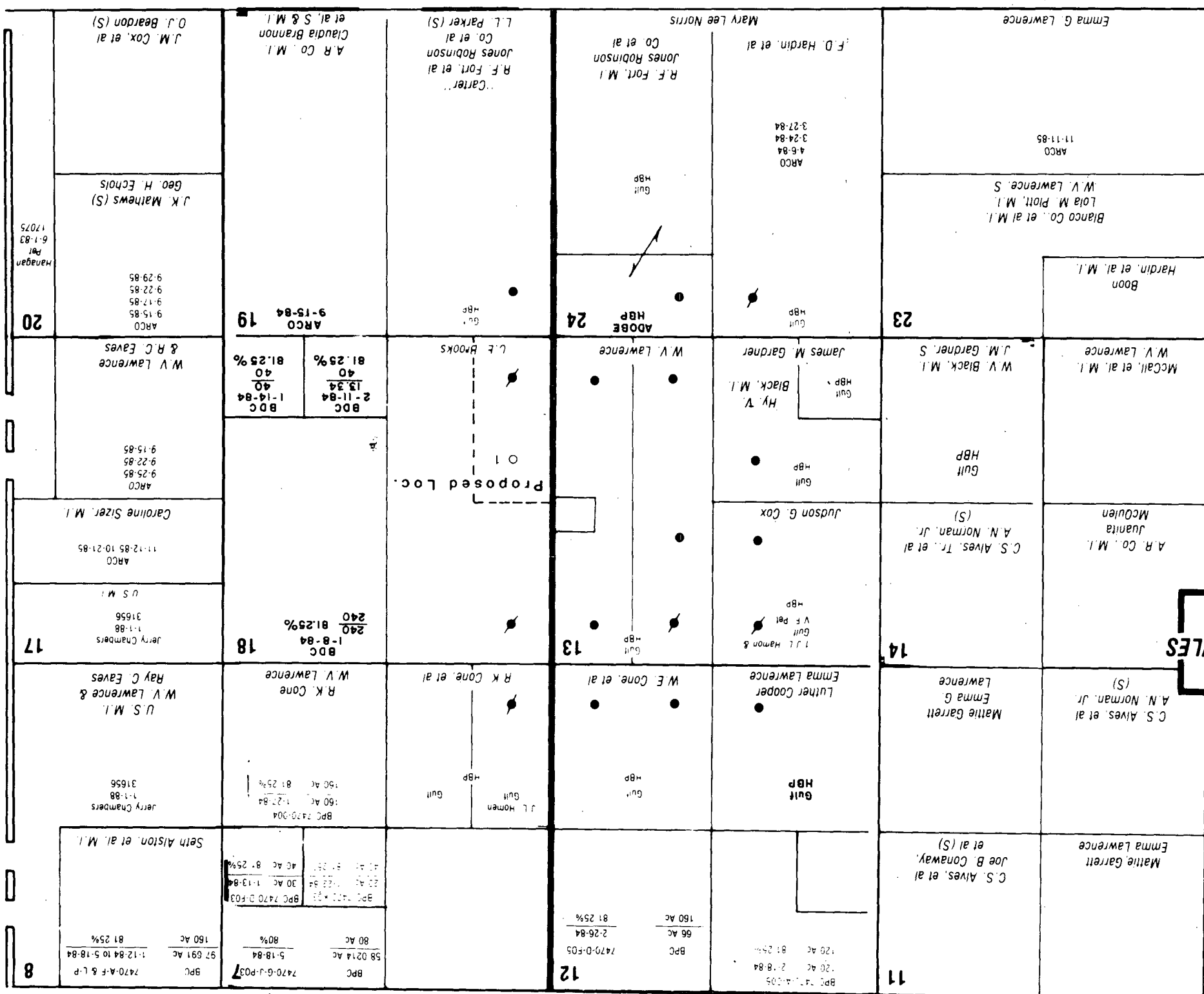
BELCO DEVELOPMENT CORPORATION

OWNERSHIP REMAINDER SECTION 18

OWNERSHIP W/2 SW/4 SECTION 18

BDC	30.340625	%
ARCO	50.000000	%
Texas Oil & Gas	7.746875	%
Roy G. Barton, Jr.	312500	%
Opal Barton	312500	%
Opal Barton & the Est.,	2.500000	%
Roy G. Barton, Sr. Dec.	1.040625	%
Stanford Clinton, Jr.	7.746875	%
Southland Royalty	100.000000	%

BDC	38.087500 %
ARCO	50.000000 %
Texas Oil & Gas	7.746875 %
Roy G. Barton, Jr.	3.312500 %
Opal Barton	3.312500 %
Opal Barton & the Est.	2.500000 %
Roy G. Barton, Sr. Dec.	
Stanford Clinton, Jr.	
(Unleased Mineral Interest)	1.040625 %
	<hr/> 100.000000 %



TTTS-R38E

T177T-R37E

Belco Development Corporation

Belco

August 4, 1983

WORKING INTEREST OWNERS
(See attached list)

Re: Operating Agreement
W/2 Section 18, T-17-S, R-39-E
Lea County, New Mexico
BDC Brandywine Prospect #7470-AA3

Gentlemen:

Belco has previously proposed to drill a 12,200' Devonian test at a location 1980' FSL & 660' FWL of Section 18, T-17-S, R-39-E, Lea County, New Mexico. The well is to be called the #1 Brooks and it is planned that this well be spudded prior to October 1, 1983, so that it may be completed before year end. With this date less than sixty (60) days away, we ask that you expedite your review and execution of both the attached AFE and Operating Agreement. Your assistance in this regard will be greatly appreciated.

Following your review and approval of the AFE and Operating Agreement, please return two (2) signed signature pages and one (1) signed copy of the AFE. Should you perceive any problems in the meantime, please call at your earliest convenience.

Yours truly,

Don Peters
Senior Landman

DLP:rjc

Attachments

Exhibit 2

Case 7970

WORKING INTEREST OWNERS

ARCO Oil & Gas Co.
P. O. Box 1610
Midland, Texas 79701

Attention: Mr. Mike Snyder

Texas Oil & Gas Corp.
900 Wilco Building
Midland, Texas 79701

Attention: Mr. Randy Click

APCOT-FINADEL Joint Venture
P. O. Box 2159
Dallas, Texas 75221

Attention: Land Manager

Roy G. Barton, Jr.
P. O. Box 978
Hobbs, New Mexico 88240

Southland Royalty Company
21 Desta Drive
Midland, Texas 79701

Attention: Mr. Don Davis

Stanford Clinton, Jr.
P. O. Box 25015
Jackson, Wyoming 83001

Opal Barton
P. O. Box 978
Hobbs, New Mexico 88240

REVISION		ELCO PETROLEUM CORPORATION		COMPANY 05	
REV. DT.		AUTHORIZATION FOR EXPENDITURE		AFE NO. T6263	
SO.		CHG.		PROPERTY NAME & NUMBER (27)	
1		2		37 38 43 44 65	
18				BROOKS #1	
				1980' FSL & 660' FWL, Sec. 18, T17-S, R-39-E	
TYPE OF WORK (23)		P. DEPTH (8)		FORMATION	
66		88 89 96		Devonian	
DW-Oil		12200'		Knowles	
				Unknown	
				Rotary	
SO.		CHG.		PROSPECT NAME (22)	
1		2		32 33 47 48 62 63 CSG. PT. 71 72 COMPL. 80	
19				Brandywine	
				New Mexico	
				Lea	

NO MORE THAN NINE DIGITS PER COLUMN-WHOLE DOLLARS ONLY

SO.	CHG.	PROPERTY NO.	CSG. PT. COST	COMPL. COST	TOTAL COST
1	2	11 17	21	21	
20		7470001	730	734	
INTANGIBLE EXPENSE			24	32	32
18	20				
		Rig Expenditure			
		Move In & Out			
		Drilling 12200' Ft @ \$ 21 /Ft \$256,000			
		Daywork 2 days @ \$5000/day = 10,000			
		Completion/W.O. Unit 12 days @ \$1200/day = 15,000			
218		Total Rig Expenditure	\$ 266,000	\$ 15,000	\$ 281,000
612		Location - Roads, Row & Damages	20,000	6,000	26,000
204		Contract Professional Services	18,000	8,000	26,000
418		Mud & Additives	50,000	5,000	55,000
220		Mud Logging	12,000	-	12,000
424		Bits	-	2,000	2,000
228		Tubular Testing/Inspection	2,000	8,000	10,000
230		CSG/TBG Crews/Tools	-	2,000	2,000
422		Float Eq., Cent & Scratchers	4,000	3,000	7,000
420		Cement Additives & Pump Trucks	32,000	15,000	47,000
236		Water & Water Hauling	12,000	6,000	18,000
222		Coring & Analysis	-	-	-
224		Elec. Line - Logs, Perf, Production, Etc.	32,000	15,000	47,000
226		Well Testing - DST, Wireline, Etc.	10,000	1,000	11,000
512		Eq. Rntls. - Surface/Downhole	18,000	6,000	24,000
950		Directional Drilling Expense	-	-	-
234		Transportation - Land - Marine	12,000	6,000	18,000
410		Fuel, Power & Water	-	-	-
930		Well Stimulation	-	12,000	12,000
830		Overhead	9,000	3,000	12,000
790		Misc. & Contingency	25,000	6,000	31,000
TOTAL INTANGIBLE EXPENSE			\$ 522,000	\$ 119,000	\$ 641,000

SO.	CHG.	TANGIBLE EXPENSE	CSG. PT. COST	COMPL. COST	TOTAL COST
20			732	736	
		CSG. & LINER			
		Drive Ft. O.D. @ \$ /Ft =			
		Cond. Ft. O.D. @ \$ /Ft =			
		Surf. 400 Ft 13-3/8" O.D. @ \$ 25.93 /Ft = \$10,000			
		Intr. 5000 Ft 9-5/8" O.D. @ \$ 20.09 /Ft = 100,000			
		Prod. 12200 Ft 5 1/2" O.D. @ \$ 12.53 /Ft = 153,000			
		Liner Ft. O.D. @ \$ /Ft =			
426		TOTAL	\$ 110,000	\$ 153,000	\$ 263,000
432		TUBING 12200 Ft 2-7/8" O.D. @ \$ 6.42 /Ft = 78,000	-	78,000	78,000
430		WELLHEAD EQUIPT.	10,000	12,000	22,000
440		WELL PROD. EQUIPT.-DOWNHOLE & SURFACE	-	80,000	80,000
442		PROD. FACILITIES-TANKS, EQUIPT. & LINES	-	15,000	15,000
450		MARINE PLATFORMS			
452		OFFSHORE PROD. FACILITIES			
TOTAL TANGIBLE EXPENSE			\$ 120,000	\$ 338,000	\$ 458,000
TOTAL WELL COST			\$ 642,000	\$ 457,000	\$ 1,099,000

WORKING INTEREST	PER CENT	CASING POINT	COMPLETED WELL
Stanford Clinton, Jr.	1.040625	\$6,680.81	\$11,436.47

BELCO APPROVAL	
ENGINEERING	DATE
DIVISION	DATE
MANAGEMENT	DATE

JOINT INTEREST APPROVAL	
COMPANY	DATE
BY	

Belco Development Corporation

Belco

September 7, 1983

WORKING INTEREST OWNERS
(See attached list)

Re: Operating Agreement dated May 12, 1983
covering the W/2 of Section 18, T-17-S,
R-39-E
Lea County, New Mexico
Belco #1 Brooks, Brandywine Prospect

Gentlemen:

Attached are the following revised pages to the referenced agreement:

Title Page - Contract Area has been reduced to the W/2 SW/4 Section 18,
Pages 2, 4, 5, 6, 14, 14a and 14b,
Page 14c - should be deleted from your agreement,
Exhibit "A" - Page 1 and 2
Exhibit "B"
Exhibit "C" - Page 1
Exhibit "D"
Exhibit "E" - Page 1
Exhibit "F"
Exhibit "G"

These pages reflect requested changes received from the Working Interest Owners. Please substitute these pages for those in your copy of the referenced Operating Agreement. Belco is still hopeful of spudding this well around October 1, 1983, and therefore, requests that you furnish a signed AFE and signature page to the Operating Agreement at your earliest convenience.

Yours truly,

Don Peters
District Landman

DLP:rjc

Attachments

WORKING INTEREST OWNERS

Atlantic Richfield Company
P.O. Box 1610
Midland, Texas 79701

Attention: Mr. Mike Snyder

Texas Oil and Gas Corporation
900 Wilco Building
Midland, Texas 79701

Attention: Mr. Randy Click

Roy G. Barton, Jr.
P.O. Box 978
Hobbs, New Mexico 88240

Southland Royalty Company
21 Desta Drive
Midland, Texas 79701

Attention: Mr. Don Davis

Stanford Clinton, Jr.
P.O. Box 25015
Jackson, Wyoming 83001

Opal Barton
P.O. Box 978
Hobbs, New Mexico 88240

Estate Of Roy G. Barton, Sr., deceased
P.O. Box 978
Hobbs, New Mexico 88240

Belco Petroleum Corporation

May 24, 1983

Belco

Stanford Clinton, Jr.
P. O. Box 25015
Jackson, WY 83001

Re: Belco Brooks #1 Location
1980' FSL & 660' FWL
Section 18, T-17-S, R-39-E
Lea County, New Mexico
BPC Brandywine Prospect #7407

Dear Mr. Clinton:

Attached is Belco's Authorization For Expenditure (AFE) representing our estimate of the cost to drill and complete the referenced well. Since you have previously declined Belco's offer to lease your interest, we are now offering you a chance to participate in the drilling of this and subsequent wells in the W 1/2 of Section 18, T-17-S, R-39-E as a working interest partner. You will note that your cost for the referenced well is shown on the AFE, i.e. \$7,638.00 for a dry hole and \$12,393 for a completed well. These figures are only estimates and may be more.

Also, attached is Belco's proposed Operating Agreement under which the working interest partners will agree to operate the wells drilled in the W 1/2 Section 18. You will note that your interest is shown on Exhibit "A" to the Operating Agreement. We will furnish you with a similar Operating Agreement that has been signed by Belco in the very near future. The attached agreement is for your information until then.

Should you not be interested in participating in this well with Belco and the other working interest partners, and would grant a lease as previously requested, please let us know as soon as possible.

Should you elect not to participate or grant a lease, Belco will be allowed to force pool your interest under New Mexico State Law and seek to recover a 300% penalty against your interest. I think you will find that this is the least attractive alternative available to you. If you have any questions in this regard, I would suggest you contact your attorney.

Yours truly,

BELCO PETROLEUM CORPORATION

Don Peters

Don Peters
Senior Landman

DP/pw

REVISION		REV. DT.		BELCO PETROLEUM CORPORATION				AUTHORIZATION FOR EXPENDITURE				COMPANY		05		AFE NO.		6		10							
SO		CHG		PROPERTY NAME & NUMBER (27)								AUTH. DATE (6)				LOCATION (27)											
1		2		3		4		5		6		7		8		9		10		11							
18				Brooks #1								1980' FSL & 660' FWL				Sec. 18, T-17-S, R-39-E											
DW - Oil				12,200				Devonian				Knowles				Unknown				Rotary							
SO		CHG		PROSPECT NAME (22)								STATE (15)				COUNTY / PARISH (15)				CORP. W. I.							
1		2		3		4		5		6		7		8		9		10		11							
19				Brandywine								New Mexico				Lea											
18		20																									
NO MORE THAN NINE DIGITS PER COLUMN-WHOLE DOLLARS ONLY																											
SO		CHG		PROPERTY NO.								CSG. PT. COST				COMPL. COST				TOTAL COST							
1		2		3		4		5		6		7		8		9		10		11							
20				INTANGIBLE EXPENSE								730				734											
18		20										24				32				32							
Rig Expenditure																											
Move In & Out				= 22,000																							
Drilling				Ft @ \$ /Ft																							
Daywork				45 days @ 3200 = 144,000																							
Completion/W.O. Unit				12 days @ 1400 = 17,000																							
Total Rig Expenditure												166,000				17,000				183,000							
Location - Roads, Row & Damages												25,000				8,000				33,000							
Contract Professional Services												16,000				12,000				28,000							
Mud & Additives												45,000				10,000				54,000							
Mud Logging												17,000								17,000							
Bits												56,000				1,000				57,000							
Tubular Testing/Inspection												3,000				13,000				16,000							
CSG/TBG Crews/Tools												7,000				6,000				13,000							
Float Eq., Cent & Scratchers												6,000				2,000				8,000							
Cement Additives & Pump Trucks												30,000				15,000				45,000							
Water & Water Hauling												14,000				4,000				18,000							
Coring & Analysis																											
Elec. Line - Logs, Perf, Production, Etc.												35,000				16,000				51,000							
Well Testing - DST, Wireline, Etc.												10,000				4,000				14,000							
Eq. Rntls. - Surface/Downhole												28,000				9,000				37,000							
Directional Drilling Expense																											
Transportation - Land - Marine												14,000				10,000				24,000							
Fuel, Power & Water												54,000								54,000							
Well Stimulation																20,000				20,000							
Overhead												13,000				4,000				17,000							
Misc. & Contingency												53,000				15,000				68,000							
TOTAL INTANGIBLE EXPENSE												592,000				166,000				758,000							
SO		CHG		TANGIBLE EXPENSE								CSG. PT. COST				COMPL. COST				TOTAL COST							
20												732				736											
CSG. & LINER																											
Drive				Ft O.D. @ \$ /Ft =																							
Cond.				Ft O.D. @ \$ /Ft =																							
Surf.				400 Ft 13-3/8" O.D. @ \$25.93 /Ft = 10,000																							
Intr.				5200 Ft 9-5/8" O.D. @ \$21.85 /Ft = 114,000																							
Prod.				12200 Ft 5-1/2" O.D. @ \$11.80 /Ft = 144,000																							
Liner				Ft O.D. @ \$ /Ft =																							
TOTAL												124,000				144,000				268,000							
TUBING				12200 Ft 2-7/8" O.D. @ \$ 3.97 /Ft = 48,000												48,000				48,000							
WELLHEAD EQUIPT.												18,000				35,000				53,000							
WELL PROD. EQUIPT. - DOWNHOLE & SURFACE																50,00				50,000							
PROD. FACILITIES - TANKS, EQUIPT. & LINES																14,000				14,000							
MARINE PLATFORMS																											
OFFSHORE PROD. FACILITIES																											
TOTAL TANGIBLE EXPENSE												142,000				291,000				433,000							
TOTAL WELL COST												734,000				457,000				1,191,000							
WORKING INTEREST				PER CENT				CASING POINT				COMPLETED WELL				BELCO APPROVAL											
Stanford Clinton, Jr.				1.040625%				\$7,638				\$12,393				ENGINEERING				DATE							
																DIVISION				DATE							
																PEI				4/8/83							
																MANAGEMENT				DATE							
																JOINT INTEREST APPROVAL											
																COMPANY				DATE							
																BY											

Belco Petroleum Corporation

January 24, 1983

Stanford Clinton, Jr.
P. O. Box 25015
Jackson, Wy 83001

Re: Brandywine Prospect
W/2 Section 18, T17S, R39E
Lea County, New Mexico

Dear Mr. Clinton:

Thank you for the opportunity of allowing Belco to discuss with you our desire to lease your mineral interest in the above captioned land. Belco proposes to drill a 12,200' Siluro-Devonian well and have now leased all of the W/2 of Section 18 with the exception of your 3.3334 net acres.

We are preparing to raise our offer to \$150.00 per acre for a term of three years which would result in a total of \$500.01. (Bruce Clinton and Stanford Clinton Sr. leased at \$100.00. A price of \$150.00 per acre is considered top price in this area.) In fulfilling the requirements and obligations of our lease, Belco must drill a well or, at the end of each lease year, pay you \$1.00 per acre as delay rental and cover the privilege of not drilling for one year from this date. At the end of the third year, if Belco is not holding your lease by a producing well, your lease will revert back to you.

As you asked me to explain, we offer a total of 3/16 royalty to the lessors owning acreage in this one-half section. Being as you own a 3.3334 net acres in the gross 320 acre tract, your revenue interest in the unit would be as follows:

$$3/16 \times 3.3334 \div 320 = .001953 \text{ Revenue Interest}$$

In other words, if this well should be productive at 4,500 barrels per month with an estimated price of oil at \$31.00 per barrel ($4,500 \times \$31.00 = \$139,500$), your .001953 Revenue Interest of \$139,500.00 would be \$272.44 per month with no expense of drilling or operating such well.

Please feel free to call should you have any questions concerning this lease acquisition. I will be glad to furnish you with a lease and draft for the bonus consideration should you be interested.

Thank you for your consideration and cooperation.

Yours very truly,
BELCO PETROLEUM CORPORATION

Mary R. Ward
District Landman

By: Pat Word

411 Petroleum Building
204 W. Texas
Midland, Texas 79701
Telephone (915) 683-6366

Belco Petroleum Corporation

Belco

January 9, 1981

Mr. Stanford Clinton Jr.
P. O. Box 1188
San Luis Obispo, California 93406

Re: Brandywine Prospect
W/2 Section 18, T-17-S, R-39-E
Lea County, New Mexico

Dear Mr. Clinton:

According to my information you have agreed to consider granting Belco Petroleum Corporation an oil and gas lease covering your mineral interest in the captioned land. I will appreciate it if you will consider this our firm offer for a three-year oil and gas lease, 3/16ths royalty, \$1 per acre annual delay rentals and for a bonus consideration of \$75 per acre for your 3.3334 net mineral acre interest, thus making a total bonus consideration of \$250.00.

If this offer meets with your approval please drop me a line or call collect at the above number and I will forward our lease and draft for your approval and execution. Thank you again for your consideration.

Yours very truly,

BELCO PETROLEUM CORPORATION

Mary Ward
District Landman

MW:lb

JOINT INTEREST APPROVAL	
COMPANY	DATE
BY	