

PETRA 7/15/2003 2:14:20 PM

Exhibit 1

OWNERSHIP TABULATION

W/2 of Section 23, T17S, R34E, Eddy County, New Mexico

Working Interest Owner	Initial Drilling and Completion
Fasken Land and Minerals, Ltd.	.2437500
Marshall & Winston, Inc.	.1312500
ExxonMobil Production	.5000000
G & G Limited	.0742500
GK Partners	.0082500
Joel T. Mays	.0277500
Mark T. Owens	.0125000
David W. Logan	.0025000
<b>Total</b>	<b>1.0000000</b>

Fasken Oil and Ranch, Ltd. and  
Fasken Land and Minerals, Ltd.  
303 West Wall, Suite 1800  
Midland, Texas 79701  
Attention: Sally Kvasnicka  
phone 915/687-1777 915/687-0669 (fax)

G & G Limited  
550 W. Texas, Suite 1240  
Midland, Texas 79701  
Attention: David Griffin  
915/687-1042, Ext. 12 915/687-2504(fax)

GK Partners  
550 W. Texas, Suite 1240  
Midland, Texas 79701  
Attention: David Griffin  
915/687-1042, Ext. 12 915/687-2504(fax)

Joel T. Mays  
P. O. Box 5682  
Midland, Texas 79704

Mark T. Owen  
3323 Providence  
Midland, Texas 79707

David W. Logan  
P. O. Box 184  
Midland, Texas 79702

Marshall & Winston, Inc.  
P.O. Box 50880  
Midland, Texas 79710-0880  
Attention: Kevin Hammit  
915/684-6373 915/682-1316 (fax)

ExxonMobil Production  
P. O. Box 4697  
Houston, Texas 77210-4697  
Attention: Paul Keffer  
713/431-1237 phone 713-431-1467

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. 2  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

# FARMOUT AGREEMENT

DATE: February 3, 2003

TO: Griffin Petroleum Company  
550 WEST TEXAS  
SUITE 1240  
MIDLAND, TX 79701

RE: SW/4 Section 23-17S-34E  
Lea County, NM

In consideration of the benefits to accrue to the parties hereto and the covenants and obligations to be kept by you, it is hereby mutually agreed as follows:

## I ACREAGE:

We represent without Warranty of Title of any kind or character that we hold Oil and Gas Leases or Mineral Interests covering:

SW/4 of Section 23-17S-34E, Lea County, New Mexico, including but not limited to those oil and gas leases described on Exhibit "A" attached hereto. Such leases insofar and only insofar as they cover the SW/4 of Section 23-17S-34E below the base of the formation unitized in the North Vacuum Abo unit, shall hereinafter be referred to as "the Acreage".

We agree to deliver to you such abstracts and other title papers as we have in our files at this time, and at your sole cost, risk and expense you agree to conduct such Title Examinations and secure such curative matter as is necessary to satisfy yourselves that Title is acceptable to you.

## II OBLIGATIONS:

A) TEST WELL: On or before the 3rd day of August, 2003, you agree to commence, or cause to be commenced the actual drilling of a well for oil and/or gas at the following location:

A legal location in Section 23-17S-34E, Lea County, New Mexico

and you further agree to drill said Test Well with due diligence in a workmanlike manner to a depth sufficient to thoroughly test the following:

the Atoka/Morrow formation or to a depth of 11,600', whichever is the lesser depth

B) COMPLETION OR ABANDONMENT: When the Test Well has reached its total depth, you agree:

- (1) That if you believe the Well can be completed as a producer of oil and/or gas to diligently prosecute the completion of said Well without unreasonable delays; or,
- (2) If you determine to abandon the Well you will promptly furnish us with an appropriate electrical log and you further agree that you will not abandon the Well as a dry hole until you have furnished said electrical log to us and thereafter given us at least 24 hours notice of your intention to abandon, unless we consent to an earlier abandonment thereof. After such time or such consent has been given, you agree to promptly plug and abandon the Test Well in accordance with all the requirements of any governmental body having jurisdiction.

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. **3**  
Submitted By:  
*Fasken Oil and Ranch*  
Hearing Date: July 24, 2003

### III FAILURE TO DRILL:

The only consequence of your failure to drill or complete the proposed Test Well hereinabove provided for shall be the ipso facto cancellation of this Agreement in its entirety and such cancellation shall be the only penalty resulting from such failure. You shall have no obligation to commence, drill, or complete such Test Well.

### IV COMMITMENT:

UPON WRITTEN REQUEST, and after completion of the Test Well provided for hereinabove in accordance with all the terms and provisions of this Agreement, we agree:

If at least 50% of the proration unit for the Test Well is comprised of the farmout acreage and the Test Well is completed as a well capable of producing oil and/or gas in commercial quantities, to assign to you without warranty of title of any kind or character, all of our right, title and interest in the proration unit for the Test Well, located in Section 23-17S-34E, Lea County, New Mexico from below the base of the formation unitized in the North vacuum Abo Unit to 100' below the total depth drilled. The assignment will reserve unto us an overriding royalty interest equal to the difference between 25% and leasehold burdens of all oil, casinghead gas, gas and condensate produced, which overriding royalty shall be delivered free and clear of all cost and expenses except taxes on production and shall be proportionately reduced if our leases cover less than a full interest and if we own less than the full working interest in the leases, it being our intent to deliver to you a 75% net revenue interest before payout of the Test Well.

When you have recovered from the production of the Test Well, less all payments burdening production, including all royalties, overriding royalties, and production taxes, a payout of all of the cost of drilling, testing, completing, and equipping the Test Well for production, in addition to the cost of operating such well during the payout period, you shall notify us and we shall have the option, to be exercised within thirty (30) days after receipt of such notice, in which to elect to retain our reserved overriding royalty or convert said overriding royalty to a twenty-five percent (25%) working interest in said well, proportionately reduced if the leasehold interest to be assigned hereunder covers less than the entire and undivided fee interest in the described lands. Our failure to make an election within said 30 day period shall be deemed an election not to convert our overriding royalty interest, thereby retaining such overriding royalty interest. If we elect to become a working interest owner, such assignment shall be effective as of 7:00 a.m. on the first day of the month following the month in which the Test Well paid out and the accounts shall be adjusted accordingly. Your reassignment of such working interest to us shall be free and clear of any liens or encumbrances, overriding royalties or other payments out of production not existing at the time of the execution of this Agreement.

### V WELL TAKE OVER

If, for whatever reason, you shall determine to plug and abandon the initial well or any other well drilled by you on The Acreage as a well which cannot be completed as a well producing oil in commercial quantities or as a well producing or capable of producing gas in commercial quantities, then, if, not later than 24 hours after receipt by us from you of notice of your intent to plug and abandon the well, we shall notify you that we elect to take over the well and we shall be entitled to do so in accordance with the following:

- (a) On the date of making such election ("Takeover Date"), we shall take physical possession of the well and the assigned interests;

- (b) We shall assume the risk of operations and pay all costs and expenses incurred on and after the Takeover Date and shall indemnify you and hold you harmless against such risk, costs and expenses relating thereto;
- (c) You shall pay and discharge all costs and expenses incurred prior to the Takeover Date and shall indemnify us and hold us harmless against such costs and expenses and claims relating thereto;
- (d) You shall promptly execute and deliver to us the appropriate transfer documents, without warranty of title, except by, through or under you, covering all of your rights, titles and interest in the well and the leasehold acreage in the units approved by the applicable governmental agency for production allowable purposes, together with all personal property, equipment and fixtures located on or in the well on the lease or unit on which it has been drilled;
- (e) We shall pay to you in cash the amount (if any) by which the salvage value of such personal property, equipment and fixtures exceeds the reasonably estimated cost of plugging and abandoning the well in its then condition as required by law or administrative authority; and
- (f) You shall make available to us for inspection and copying all files in your possession or reasonably available to you relating to geological or engineering data obtained in drilling the well and making a completion attempt thereon (if completion has been attempted).

Unless we shall notify you of our election to take over the well as above set out, we shall be deemed to have waived our rights under this Article V.

## VI INFORMATION AND REPORTS:

As a further express Consideration for this Agreement, and not as a covenant only, you agree to furnish to:

Magnum Hunter Resources, Inc.  
 Attention: H. C. Lee  
 P. O. Box 140907  
 Irving, TX 75039-5611

the following:

1. (a) DAILY DRILLING REPORTS on the progress of the well which shall include drilling depth, information on all tests including character, thickness, name of any formation penetrated, shows of oil, gas or water, and detailed reports on all drillstem tests.

- (b) 1 Copy of all forms furnished to any governmental authority.
- (c) 2 Copies of all electrical logging surveys.
- (d) 2 Copies of the well log upon completion.
- (e) 1 Copy of the plugging record, if any.
- (f) Samples of all cores and cuttings, if so requested.

2. Other Information Required:

Attached as Exhibit "B".

## VII PRODUCTION TESTS:

You shall drillstem test any formations in which shows of oil and/or gas are encountered after notifying us in ample time before commencement in order to allow us to reach the well and witness

the test, and you also agree to notify us immediately by telephone or telegraph as to the results of any such test. Notification shall be given to:

Magnum Hunter Resources, Inc.  
Attention: H. C. Lee  
P. O. Box 140907  
Irving, TX 75039-5611  
Telephone No.: 972-401-0752  
Night Telephone No.:

It is understood that our representatives shall have access to the rig floor at all times at our sole risk and expense, and to any and all information concerning the Test Well.

#### VIII DELAY RENTALS:

It is agreed that from and after the date of this Agreement we will pay any delay rentals which may become due on the Oil and Gas Leases subject to this Agreement until such time as the Assignment provided for in Section IV above has been executed, and thereafter bill you for 100% of the delay rental paid by us.

#### ~~IX CONSENT REQUIREMENT:~~

~~This Agreement is personal in nature and may not be assigned without our written consent being first obtained. When requesting consent to make an assignment of all or a portion of this Agreement you will advise the parties to whom the assignment will be made.~~

#### X STATUS OF PARTIES:

In the drilling of the Test Well and otherwise complying with the terms and provisions of this Agreement, you are acting independently of us and not as a partner in any capacity, mining or otherwise. We shall have no responsibility whatsoever in connection with the drilling of said well and it shall be drilled at your sole cost, risk and expense. You further agree to hold us harmless from any and all debts, claims or damages incurred in connection with the performance of this Agreement.

#### XI OTHER PROVISIONS:

We agree that in the event the test well is lost or heaving shale, excessive saltwater flow, mechanical difficulty or other conditions are encountered prior to reaching contract depth which make continued drilling of any well provided for herein impractical or economically unfeasible, or in the event you drill any well provided for herein to contract depth but complete it as a dry hole, you shall have the right within sixty (60) days after abandonment thereof to commence the drilling of a substitute well to contract depth at a location of your choice within the area described in Article II herein. The terms of this Agreement shall apply to the drilling and completion of such substitute well in the same manner as the initial Test Well.

In the event you are rendered unable, in whole or in part, by Force Majeure to carry out your obligations under this Agreement, then up on notice to us setting forth the particulars of the occurrence of the cause relied upon, your obligations, so far as they are affected by such Force Majeure, shall be suspended, from the date of such occurrence to the end thereof.

If any party or parties hereto should hereafter institute litigation against any other party or parties hereto alleging that such other party or parties have breached this Agreement or any agreement attached hereto, referred to herein, or contemplated by this Agreement, the non-prevailing party or parties (whether plaintiff or defendant) shall reimburse the prevailing party or parties for the prevailing party's or parties' reasonable (the matter of reasonableness to be determined by the court) attorneys' fees and other costs in connection with such litigation.

This agreement shall be effective as to us and you, and our respective successors, heirs, and assigns.

If the terms and provisions of this Agreement in its entirety are acceptable, kindly indicate approval by signing below in the space provided and returning one (1) executed copy of this Agreement to us.

PRIZE ENERGY RESOURCES , L.P. By: PRIZE  
ENERGY OPERATING COMPANY, its  
Sole General Partner

By: Richard S. Farrell  
Richard S. Farrell  
Vice President Land (Onshore)

This Agreement is APPROVED  
and ACCEPTED this 12 day  
of FEBRUARY, 2003.

GRIFFIN PETROLEUM COMPANY

By: W. J. ...

EXHIBIT "A"

Attached to and made a part of that certain Farmout Agreement dated January 3, 2003, by and between Prize Energy Resources, L.P., Farmor, and Griffin Petroleum Company, Farmee

LESSOR: STATE OF NEW MEXICO B-1040

LESSEE:

DATE: 7/11/32

DESCRIPTION:

SW/4 of Section 23, T-17-S, R-34-E, as to all depths below the base of the formation unitized in the North Vacuum Abo Unit

EXHIBIT "B"

WELL INFORMATION AND DATA REQUIRED

1. The Operator shall furnish Magnum Hunter Resources, Inc. (MHR) with a surveyor's plat showing the location and ground elevation of the test well, together with a brief summary of Operator logging, coring, and testing program and/or a copy of Operator drilling and geologic prognosis proposed for such well, and notify MHR, Inc. the date of commencement of actual drilling within 24 hours after the well has been spud.
2. During operations of each test well, Operator shall do the following:
  - a. Permit MHR authorized representatives to have full and complete access to the derrick floor at any time and to observe all operations at MHR's sole risk and expense.
  - b. Furnish daily to MHR at the office indicated below a drilling report covering the preceding 24 hours showing work done, depth drilled, formations penetrated, footage last 24 hours, days from spud, mud properties, bit data, surveys, cumulative total cost, present operations, and any shows of oil or gas encountered.
  - c. Core and/or test all formations as a reasonable prudent operator would do for all formations having shows of oil or gas as revealed in drilling, coring, or by electrical or mud logging surveys.
  - d. Run or make or cause to be run or made one type of an Induction Electrical Survey plus one porosity log such as a Formation Density log and/or a Sonic survey.
  - e. Notify MHR prior to any open-hole electric logs, runs, coring, drillstem testing, or production tests in ample time before beginning any of the above operations so that MHR can have a representative present.
3. Daily Drilling Reports (written and telephone):

Magnum Hunter Resources, Inc.  
Attention: Vicki Elkington  
P. O. Box 140907  
Irving, TX 75039-5611  
Telephone No.: 972-401-0752  
Night Telephone No.:
4. Notification prior to testing, logging, completing, P&A, etc.:

Magnum Hunter Resources, Inc.  
Attention: H.C. Lee  
P. O. Box 140907  
Irving, TX 75039-5611  
Telephone No.: 972-401-0752  
Night Telephone No.:
5. All correspondence and formal written proposals should be mailed or directed to:

Magnum Hunter Resources, Inc.  
P. O. Box 140907  
Irving, TX 75039-5611
6. The following items (if run) should be mailed to this office to the same address as listed above. Number of copies are underlined:
  - a. Electric Logs : Field Prints 2 Final Prints 2
  - b. Core Analysis: Field Prints 2 Final Prints 2
  - c. DST/RFT Results and Analysis: 2
  - d. All forms filed with State and Federal Regulatory Bodies: 1
  - e. Location Plat and elevations (GL, DF, & KB): 1
  - f. Directional, Temperature, Caliper, and Collar Log Surveys: Field Prints 1 Final Prints 2

g. Mud Log: Field Prints 2 Final Prints 2  
h. Drilling Contract 1

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
**RECEIVED**  
JUN 25 2003  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505  
**FASKEN OIL AND RANCH, LTD.**

Form C-101  
Revised March 17, 1999

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Fasken Oil and Ranch, Ltd. 303 W. Wall Ave., Suite 1800 Midland, TX 79701-5116		<sup>2</sup> OGRID Number 151416
<sup>3</sup> Property Code 32504	<sup>5</sup> Property Name Dirt Devil "23" State	<sup>3</sup> API Number 30-025-36306
		<sup>6</sup> Well No. 1

<sup>7</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	17S	34E		660	South	1310	West	Lea

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>9</sup> Proposed Pool 1 North Vacuum Atoka Morrow (86800)					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4030'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 12000'	<sup>18</sup> Formation Atoka Morrow	<sup>19</sup> Contractor Not available	<sup>20</sup> Spud Date 8/1/03

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	500'	500 sx C	Surface
12 1/4"	9 5/8"	36/40#	5000'	1300 sx C	Surface
8 3/4"	5 1/2"	17/20#	12000'	2100 sx C/H	4500'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Please see the attached procedure, casing program, and BOP schematic.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

RECEIVED  
Hobbs  
000

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Jimmy D. Carline</i>		Approved by: ORIGINAL SIGNED BY	
Printed name: Jimmy D. Carline EMAIL: jimmyc@forl.com		Title: PETROLEUM ENGINEER	
Title: Regulatory Affairs Coordinator		Approval Date: JUN 22 2003	Expiration Date:
Date: June 17, 2003	Phone: (915) 687-1777	Conditions of Approval:	
		Attached <input type="checkbox"/>	

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. 4  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
611 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-36306</b>	Pool Code 86800	Pool Name North Vacuum Atoka Morrow
Property Code	Property Name DIRT DEVIL "23" STATE	Well Number 1
OGRID No. 151416	Operator Name FASKEN OIL & RANCH, LTD.	Elevation 4030'

Surface Location

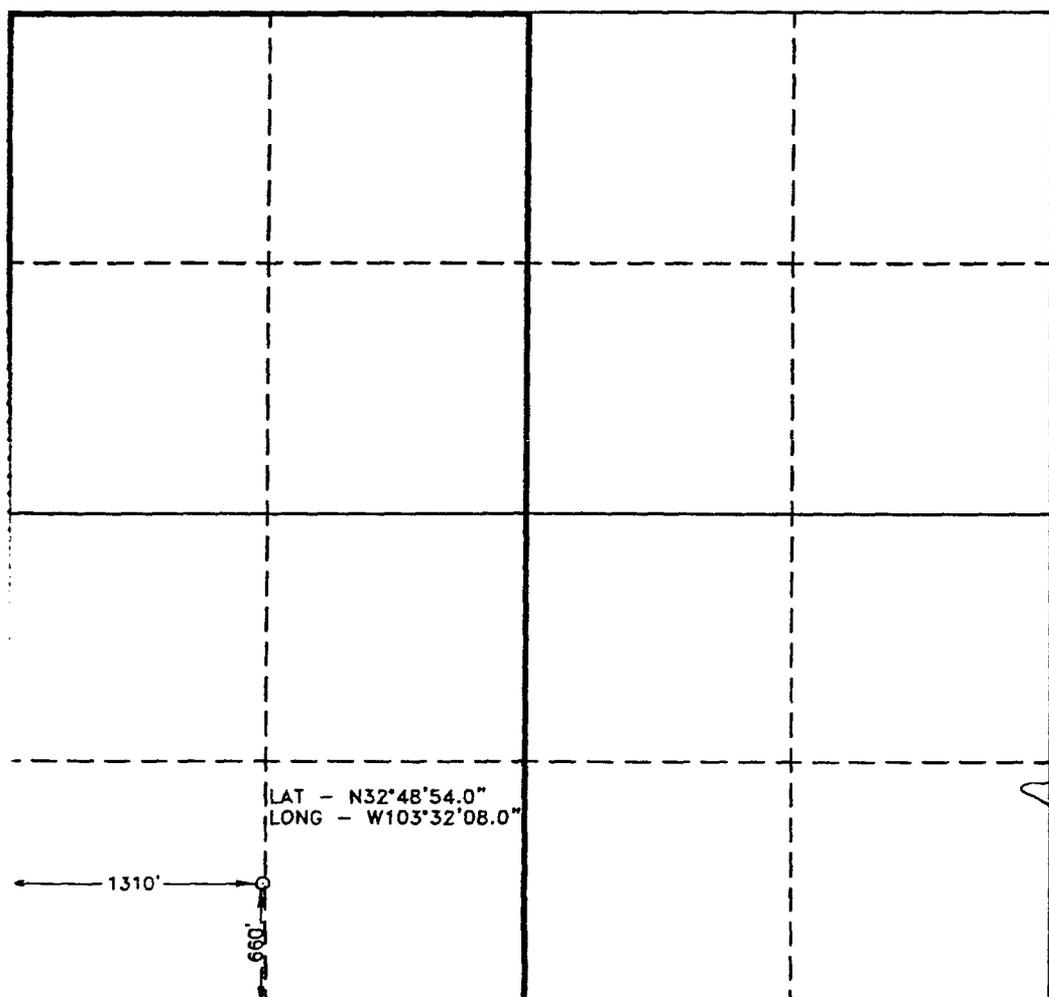
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	17 S	34 E		660	SOUTH	1310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

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

*Jimmy D. Carlile*  
Signature  
Jimmy D. Carlile  
Printed Name  
Regulatory Affairs Coordinator  
Title  
June 17, 2003  
Date

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**SURVEYOR CERTIFICATION**

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

APRIL 24, 2003  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor  
W.C. No. 3232A  
Certificate No. Gary Jones 7977  
PROFESSIONAL LAND SURVEYOR

**Recommended Casing Program  
A.F.E. No. 687**

**Fasken Oil and Ranch, Ltd.-----Dirt Devil "23" State No. 1-----North Vacuum Atoka-Morrow Field  
Lea County, NM**

<u>String</u>	<u>Footage</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
Surface	500'	13-3/8"	48.00#	H-40	ST&C
Intermediate	2700'	9-5/8"	36.00#	K-55	ST&C
	1500'	9-5/8"	40.00#	K-55	ST&C
	800'	9-5/8"	40.00#	HCK-55	ST&C
	5000'				
Production	800'	5-1/2"	17.00#	N-80	BT&C
	10,000'	5-1/2"	17.00#	N-80	LT&C
	1,200'	5-1/2"	20.00#	N-80	LT&C
	12,000'				
Tubing	11,700'	2-3/8"	4.70#	N-80	EUE 8rd

## Recommended Procedure

Dirt Devil "23" State No. 1 ————— A.F.E. No. 687 ————— North Vacuum Atoka-Morrow Field  
660' FSL and 1310' FWL  
Sec. 23, T17S, R34E  
Lea County, NM

1. Drilling contractor to set 30" conductor if necessary. MIRU rotary tools.
2. Drill 17-1/2" hole to 500' with spud mud. Set and cement 13-3/8" casing 500 sx Class "C" with 2% CaCl<sub>2</sub> (s.w. 14.8 ppg, yield 1.32 ft<sup>3</sup>/sx). WOC 12 hrs.
3. Drill 12-1/4" hole to 5000' with 10 ppg brine water. Control seepage with paper.
4. Set and cement 9-5/8" casing at 5000' with estimated 1100 sx Halliburton Interfill "C" with 8# salt and 1/4# Flocele (s.w. 11.9 ppg, yield 2.46 ft<sup>3</sup>/sx) plus 200 sx Class "C" neat (s.w. 14.8 ppg, 1.32 ft<sup>3</sup>/sx). Run temperature survey and locate TOC if cement is not circulated.
5. Install 11" x 5000 psi intermediate spool. NU 11" 5000 psi B.O.P.'s, hydril and choke manifold. WOC 12 hours. Set up DST test line complete with test tank. RU mud gas separator with flare ignitor. Install H<sub>2</sub>S monitor equipment, escape packs and briefing stations.
6. Hydrostatically test 200' of 9-5/8" casing to 2800 psig, casing spool, BOP's, and choke manifold to 3000 psig, and hydril to 1500 psig. Install PVT equipment
8. Drill 8-3/4" hole to total depth of 12,000'. Drill out using fresh water to a depth of 9100'. Convert to 9.5 ppg cut brine water at 9100' just above the Wolfcamp shales. Mud up by 10,800' with starch and PAC mud system. Increase viscosity with salt gel or polymer as needed to clean hole. Maintain 9.5-10.0 ppg and 10 cc water loss to total depth. NOTE: RU barite bin and be prepared to raise mud weight to 12 ppg in the Atoka-Morrow interval if necessary.
9. DST all shows.
10. Log well with DLL-MSFL and CNL-LDT using Schlumberger Platform Express.
11. Install 5-1/2" BOP rams, run and cement 5-1/2" production casing (resin coated and centralized through pay zones) with DV tool at base of Abo (estimate 9500') as follows;  

First Stage: Note, batch mix lead slurry. 10 bfw + 500 gallons Mud Clean + 10 bfw and estimated 800 sx Halliburton Super "H" with 1# salt, 0.4% CFR-3, 0.5% Halad-344, 0.25% HR-7 and 3% Gilsonite (s.w. 13.0 ppg, yield 1.69 ft<sup>3</sup>/sx). Open DV tool and circulate 6 hours.

Second stage: 1100 sx Halliburton Lite "C" with 6% gel (s.w. 12.6 ppg, yield 2.01 ft<sup>3</sup>/sx) plus 200 sx Class "H" neat (s.w. 15.6 ppg, yield 1.18 ft<sup>3</sup>/sx). Calculate second stage cement volume for TOC at 4500'.
12. Set slips, nipple down BOP's and run temperature survey to locate cement top.
13. Install 11"-5000 psi x 7-1/16"-5000 psi tubinghead and flow tree.
14. Rig down and move out rotary tools.
15. Level location, set mast anchors, move in and rig up completion unit.

16. RIW with 4-5/8" bit, 5-1/2" casing scraper, 6 3-1/2" drill collars and 2-3/8" 4.7# N-80 EUE 8<sup>rd</sup> tubing. Drill out DV tool and reciprocate scraper through DV tool several times. Pressure test casing to 1500 psig. RIW and clean out to float collar. Circulate well clean and pressure test casing to 1500 psig. POW and LD tools.
17. RIW with packer, T.O.S.S.D. with "F" profile nipple and 2-3/8" tubing. Set packer, install flow tree, swab down tubing and perforate pay interval.
18. Flow test well , evaluate, and stimulate if necessary.
19. RDPU. Clean and level location.
20. Run C.A.O.F.P. and pressure build up.
21. Connect surface equipment.

TET  
(DirtDevil23State1drlgprc)

Sally Kvasnicka's Phone Log  
Telephone Discussions with  
Paul Keffer of ExxonMobil (713)431-1237

May 23, 2003 Fasken proposed drilling the Dirt Devil "23" State No. 1 Well to ExxonMobil with the alternatives of participating, farming out or granting a term assignment on similar terms to Section 26 for our Kirby 26 well.

May 27, 2003 ExxonMobil received Fasken's well proposal.

May 29, 2003- Left message for Paul Keffer

June 4, 2003- Paul returned my call from May 29<sup>th</sup>. I was out of town and missed his returned call.

June 9, 2003 I called Paul Keffer and we discussed drilling of the Dirt Devil "23" State No. 1 Well.

June 18, 2003 I called and discussed with Paul Keffer Fasken filing force pooling proceedings.

July 11, 2003 I called and left message with Paul Keffer expressing our desire to work things out as to operations of the proposed Dirt Devil well.

July 14, 2003 I called and left another message with Paul Keffer. Paul returned my call and we discussed the upcoming hearing.

July 14, 2003 E-mail to Paul Keffer to answer his question regarding 30 day election period after hearing to make election to participate or farmout interest.

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Case No. 13106 Exhibit No. 5  
Submitted By:  
**Fasken Oil and Ranch**  
Hearing Date: July 24, 2003

**FASKEN OIL AND RANCH, LTD.**

**303 West Wall, Suite 1800**

**Midland, Texas 79701**

**(432) 687-1777 phone**

**(432) 687-0669 fax**

May 23, 2003

Certified Mail Return Receipt 7002 0460 0002 0070 4468

Fax # 713/431-1467

ExxonMobil Production

P. O. Box 4697

Houston, TX 77210-4697

Attention: Paul Keffer

RE: Dirt Devil "23" State No. 1  
660' FSL & 1310' FWL, Section 23  
T17S, R34E, NMPM, Lea County,  
New Mexico

Gentlemen:

Fasken Land and Minerals, Ltd. has a leasehold position in the West half of Section 23, T17S, R34E, NMPM, Lea County, New Mexico and we desire to form a 320 acre spacing unit consisting of the West half of Section 23 for any production below the base of the formation unitized in the North Vacuum Abo unit and to drill a 12,000 foot Morrow well. We hereby propose the Dirt Devil "23" State No. 1 well to ExxonMobil Production at a location of 660' FSL & 1310' FWL of Section 23, T17S, R23E, NMPM, Lea County, New Mexico. Attached to this proposal is Fasken Oil and Ranch, Ltd.'s:

1. Recommended Drilling and Completion Procedure,
2. Recommended Casing Program, and
3. Cost Estimate No. 687.

In the event ExxonMobil Production elects to participate, Fasken Oil and Ranch, Ltd. ("Fasken") has prepared an Joint Operating Agreement for your review and signature. Should ExxonMobil choose not to participate, Fasken proposes that ExxonMobil grant to Fasken Land and Minerals, Ltd. one of the following options 1.) a Term Assignment of its interest in the Northwest quarter (NW/4) identical to the one granted to Griffin Petroleum Company covering Section 26, T17S, R34E, Lea County, New Mexico (\$350 per acre X 160 acres = \$56,000) or 2.) farmout its interest in the Northwest quarter (NW/4) delivering a 75% Net Revenue Interest, converting the retained overriding royalty to a twenty five percent (25%) back-in at payout.

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. **6**  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

Page 2  
May 23, 2003  
ExxonMobil Production

Please review the enclosed materials and respond within thirty (30) days of your receipt of this proposal by signifying your election in the space provided below and returning one copy to Fasken's office. Should you have any questions regarding this proposal and or request, please feel free to call.

Sincerely,

*Sally M. Kvasnicka*  
Sally M. Kvasnicka  
Land Manager

SMK:me

cc: David Griffin, Griffin Petroleum Company, 550 W. Texas, Suite 1240, Midland, TX 79701  
Kevin Hammit, Marshall & Winston, Inc. P. O. Box 50880, Midland, TX 79710-0880

\_\_\_\_\_ Elect to participate in the proposed operation described above naming Fasken Oil and Ranch, Ltd. as operator.

\_\_\_\_\_ Elect not to participate in the proposed operation described above but grant either a Term Assignment or Farmout.

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

## Recommended Procedure

Dirt Devil "23" State No. 1 ————— A.F.E. No. 687 ————— North Vacuum Atoka-Morrow Field  
660' FSL and 1310' FWL  
Sec. 23, T17S, R34E  
Lea County, NM

1. Drilling contractor to set 30" conductor if necessary. MIRU rotary tools.
2. Drill 17-1/2" hole to 500' with spud mud. Set and cement 13-3/8" casing 500 sx Class "C" with 2% CaCl<sub>2</sub> (s.w. 14.8 ppg, yield 1.32 ft<sup>3</sup>/sx). WOC 12 hrs.
3. Drill 12-1/4" hole to 5000' with 10 ppg brine water. Control seepage with paper.
4. Set and cement 9-5/8" casing at 5000' with estimated 1100 sx Halliburton Interfill "C" with 8# salt and 1/4# Flocele (s.w. 11.9 ppg, yield 2.46 ft<sup>3</sup>/sx) plus 200 sx Class "C" neat (s.w. 14.8 ppg, 1.32 ft<sup>3</sup>/sx). Run temperature survey and locate TOC if cement is not circulated.
5. Install 11" x 5000 psi intermediate spool. NU 11" 5000 psi B.O.P.'s, hydril and choke manifold. WOC 12 hours. Set up DST test line complete with test tank. RU mud gas separator with flare ignitor. Install H<sub>2</sub>S monitor equipment, escape packs and briefing stations.
6. Hydrostatically test 200' of 9-5/8" casing to 2800 psig, casing spool, BOP's, and choke manifold to 3000 psig, and hydril to 1500 psig. Install PVT equipment
8. Drill 8-3/4" hole to total depth of 12,000'. Drill out using fresh water to a depth of 9100'. Convert to 9.5 ppg cut brine water at 9100' just above the Wolfcamp shales. Mud up by 10,800' with starch and PAC mud system. Increase viscosity with salt gel or polymer as needed to clean hole. Maintain 9.5-10.0 ppg and 10 cc water loss to total depth. **NOTE:** RU barite bin and be prepared to raise mud weight to 12 ppg in the Atoka-Morrow interval if necessary.
9. DST all shows.
10. Log well with DLL-MSFL and CNL-LDT using Schlumberger Platform Express.
11. Install 5-1/2" BOP rams, run and cement 5-1/2" production casing (resin coated and centralized through pay zones) with DV tool at base of Abo (estimate 9500') as follows;  

First Stage: Note, batch mix lead slurry. 10 bfw + 500 gallons Mud Clean + 10 bfw and estimated 800 sx Halliburton Super "H" with 1# salt, 0.4% CFR-3, 0.5% Halad-344, 0.25% HR-7 and 3% Gilsonite (s.w. 13.0 ppg, yield 1.69 ft<sup>3</sup>/sx). Open DV tool and circulate 6 hours.

Second stage: 1100 sx Halliburton Lite "C" with 6% gel (s.w. 12.6 ppg, yield 2.01 ft<sup>3</sup>/sx) plus 200 sx Class "H" neat (s.w. 15.6 ppg, yield 1.18 ft<sup>3</sup>/sx). Calculate second stage cement volume for TOC at 4500'.
12. Set slips, nipple down BOP's and run temperature survey to locate cement top.
13. Install 11"-5000 psi x 7-1/16"-5000 psi tubinghead and flow tree.
14. Rig down and move out rotary tools.
15. Level location, set mast anchors, move in and rig up completion unit.

16. RIW with 4-5/8" bit, 5-1/2" casing scraper, 6 3-1/2" drill collars and 2-3/8" 4.7# N-80 EUE 8<sup>th</sup> tubing. Drill out DV tool and reciprocate scraper through DV tool several times. Pressure test casing to 1500 psig. RIW and clean out to float collar. Circulate well clean and pressure test casing to 1500 psig. POW and LD tools.
17. RIW with packer, T.O.S.S.D. with "F" profile nipple and 2-3/8" tubing. Set packer, install flow tree, swab down tubing and perforate pay interval.
18. Flow test well , evaluate, and stimulate if necessary.
19. RDPU. Clean and level location.
20. Run C.A.O.F.P. and pressure build up.
21. Connect surface equipment.

TET  
(DirtDevil23State1drigprc)

**Recommended Casing Program  
A.F.E. No. 687**

**Fasken Oil and Ranch, Ltd. ————— Dirt Devil "23" State No. 1 ————— North Vacuum Atoka-Morrow Field  
Lea County, NM**

<u>String</u>	<u>Footage</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
Surface	500'	13-3/8"	48.00#	H-40	ST&C
Intermediate	2700'	9-5/8"	36.00#	K-55	ST&C
	1500'	9-5/8"	40.00#	K-55	ST&C
	800'	9-5/8"	40.00#	HCK-55	ST&C
	<u>5000'</u>				
Production	800'	5-1/2"	17.00#	N-80	BT&C
	10,000'	5-1/2"	17.00#	N-80	LT&C
	<u>1,200'</u>	5-1/2"	20.00#	N-80	LT&C
	<u>12,000'</u>				
Tubing	11,700'	2-3/8"	4.70#	N-80	EUE 8rd

**FASKEN OIL AND RANCH, LTD.**  
COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)  
660' FSL & 1310' FWL  
Sec. 23, T17S, R34E

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**TANGIBLES**

TUBULAR GOODS	SIZE [IN]	FOOTAGE [FT]	PRICE [\$/FT]	SUB   TOTAL   DRY HOLE		
Conductor Pipe	20.000	0	\$25.00	\$0		\$0
Surface Casing	13.375	500	\$17.00	\$8,500		\$8,500
Inter. Casing	9.625	5,000	\$13.00	\$65,000		\$65,000
Oil string	5.500	12,000	\$6.88	\$82,600		\$0
Tubing	2.375	11,700	\$3.00	\$35,100	\$191,200	\$0
<b>WELLHEAD EQUIPMENT</b>						
Starting Head				\$2,000		\$500
Inter. Head				\$9,500		\$3,000
Tubing Head				\$7,500		\$0
Christmas Tree				\$12,000	\$31,000	\$0
<b>SUB SURFACE PRODUCTION EQUIPMENT</b>						
Tubing Anchor and/or Packer				\$8,000		\$0
Sucker Rods, Pump, BHA, etc.				\$0	\$8,000	\$0
<b>SURFACE PRODUCTION EQUIPMENT</b>						
Pumping Unit c/w Prime Mover				\$0		\$0
Production Unit				\$20,000		\$0
Tanks, Treaters, Separators, Circ. Pump				\$54,500		\$0
Labor				\$13,500	\$88,000	\$0
<b>TOTAL TANGIBLES</b>				\$318,200	\$318,200	\$77,000

**INTANGIBLES**

**CONTRACTOR DRILLING COST**

	FOOTAGE	RATE	SUB   TOTAL   DRY HOLE		
Drilling Cost	12,000	\$0.00	\$0		\$0
Day Work	43	\$8,000	\$344,000		\$344,000
Pulling Unit for Completion	84	\$150	\$12,600		\$0
Reverse Drilling Equipment			\$4,000	\$360,600	\$0

**CEMENTING SERVICES & EQUIPMENT**

Surface			\$7,300		\$7,300
Intermediates			\$15,500		\$15,500
Oil String			\$30,400		\$0
Other			\$0	\$53,200	\$4,000

**FORMATION TREATMENT**

Acidizing Services & Material			\$20,000		\$0
Fracturing Services & Material			\$0		\$0
Tank Rental & Hauling			\$0	\$20,000	\$0

**SPECIAL SERVICES**

Perforating & Wireline Services			\$7,500		\$0
Mud Logging	DAYS	RATE			
	25	\$700	\$17,500		\$17,500
Open Hole Logging			\$28,000		\$28,000
Cores, DST's, etc.			\$15,000		\$15,000
Packer & BP Rental			\$3,000	\$71,000	\$0

**DRILLING FLUIDS**

Mud & Chemicals			\$65,000		\$65,000
Fresh & Brine Water			\$35,000		\$35,000
Oil for Drilling Mud			\$0	\$100,000	\$0

**MATERIALS & SERVICES OTHER**

Bits & Reamers			\$50,000		\$50,000
Fuel			\$25,000		\$25,000
Hauling - Trucking, Transport, & Pmp Truck			\$23,500		\$19,500
Tubular Inspection & Testing			\$3,000		\$1,000
Casing Expense (Run Csg., PU/LD Machine)			\$12,000		\$0
Valves, Piping, & Connections			\$500		\$500
Pit Liners			\$3,500		\$3,500
Rental Equipment			\$28,200		\$26,700
Welding & Roustabout Labor			\$1,300		\$1,300
Cattleguard & Fencing			\$500		\$500
Misc. Services & Supplies			\$12,000	\$159,500	\$11,000

**LOCATION ACCESS & CLEAN UP**

Surveying			\$1,000		\$1,000
ROAD, LOCATION, PITS, & CLEAN UP			\$28,000	\$29,000	\$28,000

**SUPERVISION & LEGAL, ETC.**

Geological, Engr. & Supervisory Expense			\$24,600	\$24,600	\$24,600
CONTINGENCIES	10%		\$79,300	\$79,300	\$69,900
<b>TOTAL INTANGIBLES</b>			\$897,200	\$897,200	\$793,800

**TOTAL COST**

\$1,215,400	\$1,215,400	\$870,800
-------------	-------------	-----------

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 ExxonMobil Production  
 P.O. Box 4697  
 Houston, TX 77210-4697

2. Article Number  
 (Transfer from service label) **7002 0460 0002 0070 4468**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
**X GEE**  Agent  Addressee

B. Received by (Printed Name) **WY 97**  Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

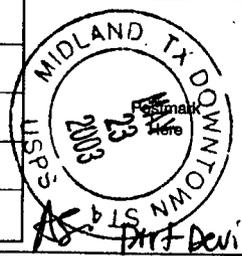
4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service  
 CERTIFIED MAIL RECEIPT  
 (Domestic Mail Only; No Insurance Coverage Provided)**

**OFFICIAL USE**

7002 0460 0002 0070 4468

Postage	\$ 3.13
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	2
<b>Total Postage &amp; Fees</b>	<b>\$ 7.18</b>



Sent To **Exxon Mobil Production**  
 Street, Apt. No. or PO Box No. **P.O. Box 4697**  
 City, State, ZIP+4 **Houston TX 77210-4697**

*Griffin Petroleum Company*

April 24, 2003

RECEIVED

MAY 1 2003

FASKEN OIL AND  
RANCH, LTD.  
LAND DEPT.

Mr. Richard R. Frazier  
600 East Las Colinas Blvd.  
Suite 1100  
Irving, Texas 75039

Re: Farmout Agreement  
dated February 3, 2003  
SW/4 Sec. 23-T17S-R34E  
Lea County, New Mexico

Dear Dick:

As we discussed by phone the other day, Griffin Petroleum Company (GPC), on behalf of its partners Fasken Oil and Ranch, Ltd. (Fasken) and Marshall & Winston, Inc. (M&W), requests an extension from August 3, 2003 to November 3, 2003 in which to commence drilling operations per the referenced agreement.

The operator, Fasken, anticipates commencement of gas sales from the recently completed Morrow well in the NW/4 Section 26-T17S-R34E in late May 2003 (Fasken Kirby "26" State No. 1).

Because of the risk associated with Morrow development, we would like to monitor production of this well for 90-120 days after which, and if additional drilling is recommended, it will be necessary to pool 160 acres in Section 23 owned by Exxon/Mobil with the referenced acreage in order to form a 320 acre unit.

We feel that the performance evaluation and pooling issues justify the requested extension and we appreciate your consideration.

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. 7  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

Richard R. Frazier  
April 24, 2003

Page two

If you'd like to discuss this or need additional information, please give me a call.

Regards,

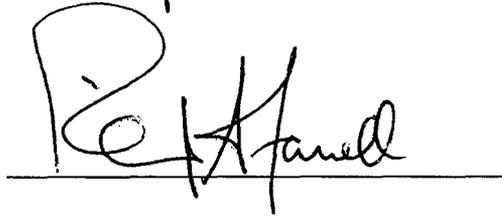


David G. Griffin  
President

DGG:skh

Agreed and Accepted this  
29<sup>th</sup> day of April, 2003.

By:



**FASKEN OIL AND RANCH, LTD.**  
**303 West Wall, Suite 1800**  
**Midland, Texas 79701**  
**(432) 687-1777 phone**  
**(432) 687-0669 fax**

July 11, 2003

See attached listing of Working Interest Owners

RE: Dirt Devil "23" State No. 1  
660' FSL & 1310' FWL, Section 23  
T17S, R34E, NMPM, Lea County,  
New Mexico

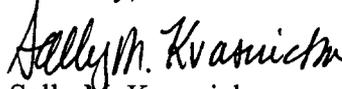
Gentlemen:

Pursuant to the terms of that certain Joint Operated Agreement dated July 1, 2003, Fasken Oil and Ranch, Ltd. hereby proposes the drilling of the Dirt Devil "23" State No. 1 Well in the West half of Section 23, T17S, R34E, NMPM, Lea County, New Mexico to test the Morrow formation at 12,000 feet. The proposed location of the Dirt Devil "23" State No. 1 well is 660' FSL & 1310' FWL of Section 23, T17S, R23E, NMPM, Lea County, New Mexico. Attached to this proposal is Fasken Oil and Ranch, Ltd.'s:

1. Recommended Drilling and Completion Procedure,
2. Recommended Casing Program, and
3. Cost Estimate No. 687.

You will note on the attached schedule a participation percentage assuming ExxonMobil joins in the drilling and a percentage in which ExxonMobil grants a Term Assignment and does not participate in the drilling. We have a Force Pooling hearing scheduled for July 24<sup>th</sup> and may not know what each parties Working Interest will be until after the hearing. Please review the enclosed materials and respond within at your earliest convenience and would like your election prior to this hearing. Please signify your election in the space provided below and returning one copy to Fasken's office. Should you have any questions regarding this proposal and or request, please feel free to call.

Sincerely,



Sally M. Kvasnicka  
Land Manager

SMK:me  
enclosures

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. — 8  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

Page 2

Dirt Devil "23" State No. 1

July 11, 2003

\_\_\_\_\_ Elect to participate in the drilling of the Dirt Devil "23" State No. 1 Well.  
\_\_\_\_\_ Elect **not** to participate in the drilling of the Dirt Devil "23" State No. 1 Well.

\_\_\_\_\_

By:

\_\_\_\_\_

Date:

\_\_\_\_\_

Working Interest Owners and Percentages

Working Interest Owner	Working Interest with ExxonMobil's participation	Working Interest without ExxonMobil's participation
Fasken Land and Minerals, Ltd.	.24375000	.48750000
Marshall & Winston, Inc. P. O. Box 50880 Midland, TX 79710-0880	.13125000	.26250000
G & G Limited 550 W. Texas, Suite 1240 Midland, TX 79701	.07425000	.14850000
GK Partners 550 W. Texas, Suite 1240 Midland, TX 79701	.00825000	.01650000
Joel T. Mays P. O. Box 5682 Midland, TX 79704	.02775000	.05500000
Mark T. Owen 3323 Providence Midland, TX 79707	.01250000	.02500000
David W. Logan P. O. Box 184 Midland, TX 79702	.00250000	.00500000
ExxonMobil Production P. O. Box 4697 Midland, TX 77210-4697 Attn: Paul Keffer	.50000000	-0-

## Recommended Procedure

Dirt Devil "23" State No. 1 ----- A.F.E. No. 687 -----North Vacuum Atoka-Morrow Field  
660' FSL and 1310' FWL  
Sec. 23, T17S, R34E  
Lea County, NM

1. Drilling contractor to set 30" conductor if necessary. MIRU rotary tools.
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4. Set and cement 9-5/8" casing at 5000' with estimated 1100 sx Halliburton Interfill "C" with 8# salt and 1/4# Flocele (s.w. 11.9 ppg, yield 2.46 ft<sup>3</sup>/sx) plus 200 sx Class "C" neat (s.w. 14.8 ppg, 1.32 ft<sup>3</sup>/sx). Run temperature survey and locate TOC if cement is not circulated.
5. Install 11" x 5000 psi intermediate spool. NU 11" 5000 psi B.O.P.'s, hydril and choke manifold. WOC 12 hours. Set up DST test line complete with test tank. RU mud gas separator with flare ignitor. Install H<sub>2</sub>S monitor equipment, escape packs and briefing stations.
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8. Drill 8-3/4" hole to total depth of 12,000'. Drill out using fresh water to a depth of 9100'. Convert to 9.5 ppg cut brine water at 9100' just above the Wolfcamp shales. Mud up by 10,800' with starch and PAC mud system. Increase viscosity with salt gel or polymer as needed to clean hole. Maintain 9.5-10.0 ppg and 10 cc water loss to total depth. NOTE: RU barite bin and be prepared to raise mud weight to 12 ppg in the Atoka-Morrow interval if necessary.
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12. Set slips, nipple down BOP's and run temperature survey to locate cement top.
13. Install 11"-5000 psi x 7-1/16"-5000 psi tubinghead and flow tree.
14. Rig down and move out rotary tools.
15. Level location, set mast anchors, move in and rig up completion unit.

16. RIW with 4-5/8" bit, 5-1/2" casing scraper, 6 3-1/2" drill collars and 2-3/8" 4.7# N-80 EUE 8<sup>rd</sup> tubing. Drill out DV tool and reciprocate scraper through DV tool several times. Pressure test casing to 1500 psig. RIW and clean out to float collar. Circulate well clean and pressure test casing to 1500 psig. POW and LD tools.
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18. Flow test well , evaluate, and stimulate if necessary.
19. RDPU. Clean and level location.
20. Run C.A.O.F.P. and pressure build up.
21. Connect surface equipment.

TET  
(DirtDevil23State1drlgprc)

Recommended Casing Program  
A.F.E. No. 687

Fasken Oil and Ranch, Ltd.-----Dirt Devil "23" State No. 1-----North Vacuum Atoka-Morrow Field  
Lea County, NM

<u>String</u>	<u>Footage</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
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Intermediate	2700'	9-5/8"	36.00#	K-55	ST&C
	1500'	9-5/8"	40.00#	K-55	ST&C
	800'	9-5/8"	40.00#	HCK-55	ST&C
	<u>5000'</u>				
Production	800'	5-1/2"	17.00#	N-80	BT&C
	10,000'	5-1/2"	17.00#	N-80	LT&C
	<u>1,200'</u>	5-1/2"	20.00#	N-80	LT&C
	<u>12,000'</u>				
Tubing	11,700'	2-3/8"	4.70#	N-80	EUE 8rd

**FASKEN OIL AND RANCH, LTD.**  
COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)  
660' FSL & 1310' FVL  
Sec. 23, T17S, R34E

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**TANGIBLES**

TUBULAR GOODS	SIZE [IN]	FOOTAGE [FT]	PRICE [\$/FT]	SUB	TOTAL	DRY HOLE
Conductor Pipe	20.000	0	\$25.00	\$0		\$0
Surface Casing	13.375	500	\$17.00	\$8,500		\$8,500
Inter. Casing	9.625	5,000	\$13.00	\$65,000		\$65,000
Oil string	5.500	12,000	\$6.88	\$82,600		\$0
Tubing	2.375	11,700	\$3.00	\$35,100	\$191,200	\$0
<b>WELLHEAD EQUIPMENT</b>						
Starting Head				\$2,000		\$500
Inter. Head				\$9,500		\$3,000
Tubing Head				\$7,500		\$0
Christmas Tree				\$12,000	\$31,000	\$0
<b>SUB SURFACE PRODUCTION EQUIPMENT</b>						
Tubing Anchor and/or Packer				\$8,000		\$0
Sucker Rods, Pump, BHA, etc.				\$0	\$8,000	\$0
<b>SURFACE PRODUCTION EQUIPMENT</b>						
Pumping Unit c/w Prime Mover				\$0		\$0
Production Unit				\$20,000		\$0
Tanks, Treaters, Separators, Circ. Pump				\$54,500		\$0
Labor				\$13,500	\$88,000	\$0
<b>TOTAL TANGIBLES</b>				<b>\$318,200</b>	<b>\$318,200</b>	<b>\$77,000</b>

**INTANGIBLES**

**CONTRACTOR DRILLING COST**

	FOOTAGE	RATE	SUB	TOTAL	DRY HOLE
Drilling Cost	12,000	\$0.00	\$0		\$0
Day Work	43	\$8,000	\$344,000		\$344,000
Pulling Unit for Completion	84	\$150	\$12,600		\$0
Reverse Drilling Equipment			\$4,000	\$360,600	\$0

**CEMENTING SERVICES & EQUIPMENT**

Surface	\$7,300		\$7,300		\$7,300
Intermediates	\$15,500		\$15,500		\$15,500
Oil String	\$30,400		\$30,400		\$0
Other	\$0		\$0	\$53,200	\$4,000

**FORMATION TREATMENT**

Acidizing Services & Material	\$20,000		\$20,000		\$0
Fracturing Services & Material	\$0		\$0		\$0
Tank Rental & Hauling	\$0		\$0	\$20,000	\$0

**SPECIAL SERVICES**

Perforating & Wireline Services	DAYS	RATE	SUB	TOTAL	DRY HOLE
	25	\$700	\$7,500		\$0
Mud Logging			\$17,500		\$17,500
Open Hole Logging			\$28,000		\$28,000
Cores, DST's, etc.			\$15,000		\$15,000
Packer & BP Rental			\$3,000	\$71,000	\$0

**DRILLING FLUIDS**

Mud & Chemicals	\$65,000		\$65,000		\$65,000
Fresh & Brine Water	\$35,000		\$35,000		\$35,000
Oil for Drilling Mud	\$0		\$0	\$100,000	\$0

**MATERIALS & SERVICES OTHER**

Bits & Reamers	\$50,000		\$50,000		\$50,000
Fuel	\$25,000		\$25,000		\$25,000
Hauling - Trucking, Transport, & Pmp Truck	\$23,500		\$23,500		\$19,500
Tubular Inspection & Testing	\$3,000		\$3,000		\$1,000
Casing Expense (Run Csg., PU/LD Machine)	\$12,000		\$12,000		\$0
Valves, Piping, & Connections	\$500		\$500		\$500
Pit Liners	\$3,500		\$3,500		\$3,500
Rental Equipment	\$28,200		\$28,200		\$26,700
Welding & Roustabout Labor	\$1,300		\$1,300		\$1,300
Cattleguard & Fencing	\$500		\$500		\$500
Misc. Services & Supplies	\$12,000		\$12,000	\$159,500	\$11,000

**LOCATION ACCESS & CLEAN UP**

Surveying	\$1,000		\$1,000		\$1,000
ROAD, LOCATION, PITS, & CLEAN UP	\$28,000		\$28,000	\$29,000	\$28,000

**SUPERVISION & LEGAL, ETC.**

Geological, Engr. & Supervisory Expense	\$24,600		\$24,600	\$24,600	\$24,600
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CONTINGENCIES	10%		\$79,300	\$79,300	\$69,900
<b>TOTAL INTANGIBLES</b>			<b>\$897,200</b>	<b>\$897,200</b>	<b>\$793,800</b>

<b>TOTAL COST</b>			<b>\$1,215,400</b>	<b>\$1,215,400</b>	<b>\$870,800</b>
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*Griffin Petroleum Company*

July 16, 2003

Ms. Sally Kvasnicka  
Fasken Oil and Ranch, Ltd.  
303 West Wall, Suite 1800  
Midland, Texas 79701

Re: Telephone Conversations  
With Paul Keffer  
ExxonMobil Land Supervisor

Dear Sally:

Attached is a record of telephone calls made by the undersigned to Paul Keffer with ExxonMobil during the period from March 10, 2003 through July 9, 2003.

As I indicated to you, many of these calls pertained to possible drilling in Section 23-T17S-R34E (Dirt Devil "23" State No. 1) however, we have other projects in the works with ExxonMobil which may also have been discussed.

Please let me know if you need additional information.

Very truly yours,



David G. Griffin  
President

DGG:sh  
Attachment

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. 9  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

**Paul Keffer Telephone Calls  
January 2003 Thru June 2003**

(713) 431-1237  
Office

Date	Minutes	Office	Cellular
03/10/03	0.80	x	
04/15/03	1.30	x	
04/17/03	10.80	x	
04/24/03	2.20	x	
04/24/03	25.40	x	
05/05/03	1.20	x	
05/06/03	0.70	x	
05/12/03	0.80	x	
05/23/03	17.00	x	
06/02/03	1.20	x	
06/16/03	0.80	x	
06/19/03	0.70	x	
06/23/03	0.70	x	
06/24/03	1.10	x	
06/24/03	0.80	x	
06/25/03	11.70	x	
06/25/03	2.00		x
06/26/03	6.60	x	
07/07/03	4.20	x	
07/09/03	1.10	x	

# GRIFFIN PETROLEUM COMPANY

**550 W. TEXAS, SUITE 1240  
MIDLAND, TEXAS 79701  
TELEPHONE #432-687-1042  
FAX #432-687-2504**

**E-MAIL ADDRESS: [dgriff@griffinpetroleum.com](mailto:dgriff@griffinpetroleum.com) (David Griffin)  
[egriff@griffinpetroleum.com](mailto:egriff@griffinpetroleum.com) (Eric Griffin)**

\*\*\*\*\*

DATE: July 16, 2003 FAX #: 687-0669

TO: Sally Kvasnicka

FROM: David G. Griffin

TOTAL PAGES SENT (INCLUDING THIS COVER PAGE): 3

\*\*\*\*\*

RECEIVED  
JUL 16 2003  
FASKEN OIL AND  
RANCH, LTD.  
LAND DEPT.

\*\*\*\*\*

**IF YOU DO NOT RECEIVE THE NUMBER OF PAGES SPECIFIED  
PLEASE CALL #432-687-1042, extension 10.**

**FASKEN OIL AND RANCH, LTD.**  
COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Kirby "26" State  
FIELD: North Vacuum (Atoka-Morrow)  
2130' FNL & 1310' FWL  
Sec. 26, T17S, R34E

DATE: November 8, 2002  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 627  
STATE: New Mexico

**TANGIBLES**

TUBULAR GOODS	SIZE [IN]	FOOTAGE [FT]	PRICE [\$/FT]			
				\$/B	TOTAL	DRY HOLE
Conductor Pipe	20.000	0	\$25.00	\$0		\$0
Surface Casing	13.375	500	\$17.00	\$8,500		\$8,500
Inter. Casing	9.625	5,000	\$13.00	\$65,000		\$65,000
Oil string	5.500	11,800	\$7.00	\$82,600		\$0
Tubing	2.375	11,700	\$3.00	\$35,100	\$191,200	\$0
<b>WELLHEAD EQUIPMENT</b>						
Starting Head				\$2,000		\$500
Inter. Head				\$9,500		\$3,000
Tubing Head				\$7,500		\$0
Christmas Tree				\$12,000	\$31,000	\$0
<b>SUB SURFACE PRODUCTION EQUIPMENT</b>						
Tubing Anchor and/or Packer				\$8,000		\$0
Sucker Rods, Pump, BHA, etc.				\$0	\$8,000	\$0
<b>SURFACE PRODUCTION EQUIPMENT</b>						
Pumping Unit c/w Prime Mover				\$0		\$0
Production Unit				\$20,000		\$0
Tanks, Treaters, Separators, Circ. Pump				\$54,500		\$0
Labor				\$13,500	\$88,000	\$0
<b>TOTAL TANGIBLES</b>				\$318,200	\$318,200	\$77,000

**INTANGIBLES**

<b>CONTRACTOR DRILLING COST</b>						
	FOOTAGE	RATE				
Drilling Cost	11,800	\$0.00	\$0		\$0	
Day Work	35	\$7,500	\$262,500		\$262,500	
Pulling Unit for Completion	84	\$150	\$12,600		\$0	
Reverse Drilling Equipment			\$4,000	\$279,100	\$0	
<b>CEMENTING SERVICES &amp; EQUIPMENT</b>						
Surface			\$7,300		\$7,300	
Intermediates			\$15,500		\$15,500	
Oil String			\$30,400		\$0	
Other			\$0	\$53,200	\$4,000	
<b>FORMATION TREATMENT</b>						
Acidizing Services & Material			\$20,000		\$0	
Fracturing Services & Material			\$0		\$0	
Tank Rental & Hauling			\$0	\$20,000	\$0	
<b>SPECIAL SERVICES</b>						
Perforating & Wireline Services			\$7,500		\$0	
	DAYS	RATE				
Mud Logging	25	\$650	\$16,250		\$16,250	
Open Hole Logging			\$28,000		\$28,000	
Cores, DST's, etc.			\$15,000		\$15,000	
Packer & BP Rental			\$3,000	\$69,750	\$0	
<b>DRILLING FLUIDS</b>						
Mud & Chemicals			\$35,000		\$35,000	
Fresh & Brine Water			\$35,000		\$35,000	
Oil for Drilling Mud			\$0	\$70,000	\$0	
<b>MATERIALS &amp; SERVICES OTHER</b>						
Bits & Reamers			\$40,000		\$40,000	
Fuel			\$18,000		\$18,000	
Hauling - Trucking, Transport, & Pmp Truck			\$5,500		\$1,500	
Tubular Inspection & Testing			\$3,000		\$1,000	
Casing Expense (Run Csg., PU/LD Machine)			\$12,000		\$0	
Valves, Piping, & Connections			\$500		\$500	
Pit Liners			\$3,500		\$3,500	
Rental Equipment			\$28,200		\$26,700	
Welding & Roustabout Labor			\$1,300		\$1,300	
Cattleguard & Fencing			\$500		\$500	
Misc. Services & Supplies			\$12,000	\$124,500	\$11,000	
<b>LOCATION ACCESS &amp; CLEAN UP</b>						
Surveying			\$1,000		\$1,000	
ROAD, LOCATION, PITS, & CLEAN UP			\$28,000	\$29,000	\$28,000	
<b>SUPERVISION &amp; LEGAL, ETC.</b>						
Geological, Engr. & Supervisory Expense			\$24,600	\$24,600	\$24,600	
CONTINGENCIES	10%		\$64,600	\$64,600	\$55,200	
<b>TOTAL INTANGIBLES</b>				\$734,750	\$734,750	\$631,400
<b>TOTAL COST</b>				\$1,052,950	\$1,052,950	\$708,400

**BEFORE THE**  
**OIL CONSERVATION DIVISION**  
Case No. 13106 Exhibit No. **10**  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

**FASKEN OIL AND RANCH, LTD.**  
COST ESTIMATE

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)  
660' FSL & 1310' FWL  
Sec. 23, T17S, R34E

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**TANGIBLES**

9500

Kirby "26" State No. 1  
costs completed on 3/7/03

TUBULAR GOODS	SIZE [IN]	FOOTAGE [FT]	PRICE [\$/FT]	SUB	TOTAL	DRY HOLE	
Conductor Pipe	20.000	0	\$25.00	\$0		\$0	
Surface Casing	13.375	500	\$17.00	\$8,500		\$8,500	7205
Inter. Casing	9.625	5,000	\$13.00	\$65,000		\$65,000	63,653
Oil string	5.500	12,000	\$6.88	\$82,600		\$0	80,906
Tubing	2.375	11,700	\$3.00	\$35,100	\$191,200	\$0	29,209
<b>WELLHEAD EQUIPMENT</b>							
Starting Head				\$2,000		\$500	3612
Inter. Head				\$9,500		\$3,000	8165
Tubing Head				\$7,500		\$0	8613
Christmas Tree				\$12,000	\$31,000	\$0	9438
<b>SUB SURFACE PRODUCTION EQUIPMENT</b>							
Tubing Anchor and/or Packer				\$8,000		\$0	6843
Sucker Rods, Pump, BHA, etc.				\$0	\$8,000	\$0	
<b>SURFACE PRODUCTION EQUIPMENT</b>							
Pumping Unit c/w Prime Mover				\$0		\$0	
Production Unit				\$20,000		\$0	19,530
Tanks, Treaters, Seperators, Circ. Pump				\$54,500		\$0	33,519
Labor				\$13,500	\$88,000	\$0	45,034
<b>TOTAL TANGIBLES</b>				\$318,200	\$318,200	\$77,000	315,727

**INTANGIBLES**

**CONTRACTOR DRILLING COST**

	FOOTAGE	RATE			
Drilling Cost	12,000	\$0.00	\$0		\$0
Day Work	43	\$8,000	\$344,000		\$344,000
Pulling Unit for Completion	84	\$150	\$12,600		\$0
Reverse Drilling Equipment			\$4,000	\$360,600	\$0

**CEMENTING SERVICES & EQUIPMENT**

Surface			\$7,300		\$7,300	7400
Intermediates			\$15,500		\$15,500	17,500
Oil String			\$30,400		\$0	42,863
Other			\$0	\$53,200	\$4,000	

**FORMATION TREATMENT**

Acidizing Services & Material			\$20,000		\$0	27,263
Fracturing Services & Material			\$0		\$0	
Tank Rental & Hauling			\$0	\$20,000	\$0	3095

**SPECIAL SERVICES**

	DAYS	RATE				
Perforating & Wireline Services			\$7,500		\$0	6872
Mud Logging	25	\$700	\$17,500		\$17,500	24,724
Open Hole Logging			\$28,000		\$28,000	29,000
Cores, DST's, etc.			\$15,000		\$15,000	9059
Packer & BP Rental			\$3,000	\$71,000	\$0	

**DRILLING FLUIDS**

Mud & Chemicals			\$65,000		\$65,000	77,175
Fresh & Brine Water			\$35,000		\$35,000	30,104
Oil for Drilling Mud			\$0	\$100,000	\$0	7197

**MATERIALS & SERVICES OTHER**

Bits & Reamers			\$50,000		\$50,000	47,805
Fuel			\$25,000		\$25,000	39,601
Hauling - Trucking, Transport, & Pmp Truck			\$23,500		\$19,500	30,962
Tubular Inspection & Testing			\$3,000		\$1,000	5074
Casing Expense (Run Csg., PU/LD Machine)			\$12,000		\$0	11,093
Valves, Piping, & Connections			\$500		\$500	0
Pit Liners			\$3,500		\$3,500	6381
Rental Equipment			\$28,200		\$26,700	37,880
Welding & Roustabout Labor			\$1,300		\$1,300	347
Cattleguard & Fencing			\$500		\$500	0
Misc. Services & Supplies			\$12,000	\$159,500	\$11,000	12,936

**LOCATION ACCESS & CLEAN UP**

Surveying			\$1,000		\$1,000	2689
ROAD, LOCATION, PITS, & CLEAN UP			\$28,000	\$29,000	\$28,000	18,689

**SUPERVISION & LEGAL, ETC.**

Geological, Engr. & Supervisory Expense			\$24,600	\$24,600	\$24,600	41,645
<b>CONTINGENCIES</b>	10%		\$79,300	\$79,300	\$59,900	

<b>TOTAL INTANGIBLES</b>				\$897,200	\$897,200	\$793,800	882,864
<b>TOTAL COST</b>				\$1,215,400	\$1,215,400	\$870,800	1,198,591

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No.  
Submitted By: **Fasken Oil and Ranch**  
Hearing Date: July 24, 2003

**10-A**

# FASKEN OIL AND RANCH, LTD.

## COST ESTIMATE WORKSHEET

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

### TUBULAR GOODS

SUB	DRY HOLE
-----	----------

ITEM	SIZE (IN)	FOOTAGE (FT)	PRICE \$/FT			
CONDUCTOR PIPE	20.000	0	\$25.00		\$0	\$0
SURFACE CASING	13.375	500	\$17.00		\$8,500	\$8,500
INTER CASING	9.625	5,000	\$13.00		\$65,000	\$65,000
OIL STRING	5.500	12,000	\$6.88		\$82,600	\$0
TUBING	2.375	11,700	\$3.00		\$35,100	\$0

**FASKEN OIL AND RANCH, LTD.**

**COST ESTIMATE  
WORKSHEET**

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**WELLHEAD EQUIP.**

	<b>WUB</b>	<b>DRY HOLE</b>
STARTING HEAD C/W VALVES	\$2,500	\$500
INTER. HEAD W/ SLIP & SEALS	\$9,000	\$3,000
TUBING HEAD W/ VALVES & HANGER	\$7,500	\$0
CHRISTMAS TREE	\$12,000	\$0

**FASKEN OIL AND RANCH, LTD.**

COST ESTIMATE  
WORKSHEET

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**SUB SURFACE DOWNHOLE EQUIPMENT**

SUB	DRY HOLE
-----	----------

TUBING ANCHOR AND/OR PACKER	\$8,000	\$0
SUCKER RODS, PUMP	\$0	\$0

ITEM	FOOTAGE	COST	SUB
1" F.G.	0	\$2.75	\$0
7/8" STEEL	0	\$1.25	\$0
COUPLINGS	0	\$15.00	\$0
PR W/ LINER	0	\$500.00	\$0
PUMP	0	\$2,000.00	\$0
WHD. PLUMBING	0	\$2,000.00	\$0

# FASKEN OIL AND RANCH, LTD.

## COST ESTIMATE WORKSHEET

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

### SURFACE PRODUCTION EQUIPMENT

				SUB	DRY HOLE
<b>PUMPING UNITS/CAV PRIME MOVER</b>				\$0	\$0
ITEM				SUB	
320 Low Profile				\$0	
High Slip 35 Hp				\$0	
<b>PRODUCTION UNITS/COMPRESSORS</b>				\$20,000	\$0
<b>TANKS/TREATORS/SEPI</b>				\$54,500	\$0
ITEM	NO.			SUB	
PU BUNKER	0			\$0	
STEEL TNKS	1	\$3,500		\$3,500	
F.G. TNKS	0	\$6,500		\$0	
TREATER	0	\$10,000		\$0	
SEPERATOR	0	\$2,500		\$0	
CIRC. PMP	1	\$2,500		\$0	
CONNECTIONS	2	\$3,000	\$6,000		
COATING	0	\$2,000		\$0	
ELECTRICITY	0			\$0	
FLOWLINE 4"	3500	\$10		\$35,000	
EXT WRAP	0	\$1		\$0	
METER RUN	1	\$3,000		\$3,000	
METER	1	\$2,000		\$2,000	
PIPING	0	\$15,000		\$0	
contg.	10.00%				
<b>LABOR</b>				\$13,500	\$0
ITEM	DAYS	DAY CHG		SUB	
GANG	5	\$725		\$3,625	
WELDER	5	\$425		\$2,125	
BACKHOE	0	\$550		\$0	
ELECTRICIAN	0	\$350		\$0	
HELPER-WELDER	3	\$250		\$750	
DITCHING	0	\$0.50		\$0	
FL ANCHORS				\$0	
PAINTING	3	\$1,000		\$3,000	
COATING	0	\$2,000		\$0	
HAUL TANKS, GPU				\$4,000	
contg.	0.00%				

**FASKEN OIL AND RANCH, LTD.**

**COST ESTIMATE  
WORKSHEET**

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**CONTRACT DRILLING COST**

			SUB	DRY HOLE
	FOOTAGE	RATE		
DRILLING COST	12,000	\$0.00	\$0	\$0
DAY WORK	43	\$8,000	\$344,000	\$344,000
PULLING UNIT FOR COMPLETION	84	\$150	\$12,600	\$0
REVERSE DRILLING EQUIPMENT	0	\$3,000	\$4,000	\$0

# FASKE OIL AND RANCH, LTD.

COST ESTIMATE  
WORKSHEET

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

SUB: DRY HOLE

## CEMENTING SERVICES & EQUIPMENT

SURFACE				\$7,300	\$7,300
CEMENT			\$10,000		
PUMP CHARGE			\$1,000		
ADDITIVES			\$1,000		
BULK CHARGE	\$1.25	550	\$688		
TON MILES	\$0.80	50	\$1,034		
FLOAT EQUIPMENT			\$500		
MILEAGE			\$1,000		
DISCOUNT			52%		

INTERMEDIATES				\$15,500	\$15,500
CEMENT					
FIRST STAGE			\$20,000		
SECOND STAGE			\$0		
PUMP CHARGE					
FIRST STAGE			\$5,000		
SECOND STAGE			\$0		
ADDITIVES					
FIRST STAGE			\$2,000		
SECOND STAGE			\$0		
BULK CHARGE	\$1.15	1400	\$1,610		
TON MILES	\$0.80	30	\$1,579		
FLOAT EQUIPMENT			\$500		
MILEAGE			\$200		
STANDBY			\$0		
DISCOUNT			52%		

OIL STRING				\$30,400	\$0
CEMENT					
FIRST STAGE			\$15,000		
SECOND STAGE			\$10,000		
PUMP CHARGE					
FIRST STAGE			\$6,000		
SECOND STAGE			\$4,000		
ADDITIVES					
FIRST STAGE			\$4,000		
SUPERFLUSH			\$1,000		
SECOND STAGE			\$4,000		
BULK CHARGE	\$1.25	2400	\$3,000		
TON MILES	\$0.80	30	\$2,707		
FLOAT EQUIPMENT			\$5,000		
MILEAGE			\$300		
STANDBY			\$1,050		
DISCOUNT			48%		

OTHER				\$0	\$4,000
CEMENT					
FIRST STAGE			\$2,100		
SECOND STAGE			\$0		
PUMP CHARGE					
FIRST STAGE			\$5,050		
SECOND STAGE			\$0		
ADDITIVES					
FIRST STAGE			\$0		
SECOND STAGE			\$0		
BULK CHARGE			\$0		
TON MILES			\$0		
FLOAT EQUIPMENT			\$0		
MILEAGE			\$200		
STANDBY			\$0		
DISCOUNT			35%		

**FASKEN OIL AND RANCH, LTD.**

**COST ESTIMATE  
WORKSHEET**

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**FORMATION TREATMENT**

	SUB	DRY HOLE
ACIDIZING SERVICES & MATERIALS	\$20,000	\$0
FRACTURING SERVICES & MATERIALS	\$0	\$0
TANK RENTAL & HAULING	\$0	\$0

**FASKEN OIL AND RANCH, LTD.**

COST ESTIMATE  
WORKSHEET

OPERATOR: Fasken Oil and Ranch, Ltd.  
LEASE NAME: Dirt Devil "23" State  
FIELD: North Vacuum (Atoka-Morrow)

DATE: May 5, 2003  
WELL NO.: 1  
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**SPECIAL SERVICES**

			SUB	DRY HOLE
<b>PERFORATING (PRODUCTION LOGGING &amp; WIRELINE)</b>			\$7,500	\$0
	DAYS	RATE		
MUD LOGGING UNIT	25	\$700	\$17,500	\$17,500
OPEN HOLE LOGGING			\$28,000	\$28,000
CORES, DST'S, ETC.			\$15,000	\$15,000
PACKER & BP RENTAL			\$3,000	\$0

# FASKEN OIL AND RANCH, LTD.

## COST ESTIMATE WORKSHEET

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### DRILLING FLUIDS

	SUB	DRY HOLE
MUD & CHEMICALS	\$65,000	\$65,000
FRESH WATER & BRINE WATER	\$35,000	\$35,000
OIL FOR DRILLING MUD	\$0	\$0

# FASKEN OIL AND RANCH, LTD.

## COST ESTIMATE WORKSHEET

OPERATOR: Fasken Oil and Ranch, Ltd.  
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### MATERIALS & SERVICE OTHER

				SUB	DRY HOLE
<b>BITS &amp; REAMERS</b>				\$50,000	\$50,000
<b>FUEL</b>				\$25,000	\$25,000
<b>HAULING, TRUCKING, TRANSPORT &amp; PUMP TRUCK</b>				\$23,500	\$19,500
SURFACE CASING				\$500	
INTERMEDIATE CASING				\$1,000	
OIL STRING				\$3,000	
TUBING				\$1,000	
FLOWLINE				\$0	
CEMENTING				\$0	
STIMULATION, CLEAN UP				\$0	
PUMPING UNIT				\$0	
MUD CLEANER				\$0	
TREATERS				\$0	
Mobilization				\$18,000	
<b>TUBULAR INSPECTION &amp; TESTING</b>				\$3,000	\$1,000
SURFACE CASING				\$0	
INTERMEDIATE CASING				\$1,000	
OIL STRING				\$2,000	
TUBING				\$0	
<b>CASING EXPENSE</b>				\$12,000	\$0
SURFACE CASING				\$1,000	
INTERMEDIATE CASING				\$3,500	
OIL STRING				\$3,500	
PU/LD MACHINE				\$4,000	
<b>VALVES, PIPING &amp; CONNECTIONS</b>				\$500	\$500
<b>PIT LINERS</b>				\$3,500	\$3,500
<b>RENTAL EQUIPMENT</b>				\$28,200	\$26,700
		DAYS	RATE	TOTAL	
<b>DST SEPERATOR</b>					
		0	\$50	\$0	
SETUP					
				\$0	
<b>DST TEST TANK</b>					
		25	\$25	\$625	
SETUP					
				\$500	
<b>PROD. TEST TANK</b>					
		0	\$25	\$0	
SETUP					
				\$0	
<b>MUD CLEANER</b>					
		25	\$175	\$4,375	
SETUP					
				\$500	
<b>ROTATINGHEAD</b>					
		15	\$225	\$3,375	
<b>ROTATING BUSHING</b>					
		2	\$450	\$900	
<b>TRAILOR HOUSE</b>					
		40	\$55	\$2,200	
SETUP					
				\$0	
<b>H2S SAFETY EQUIP.</b>					
		30	\$60	\$1,800	
SETUP					
				\$500	
<b>FLOW SENSOR</b>					
		30	\$50	\$1,500	
SETUP					
				\$250	
<b>PIT TOTALIZER</b>					
		30	\$50	\$1,500	
SETUP					
				\$250	
<b>COMPLETION BOP</b>					
		10	\$120	\$1,200	
<b>CLOSED MUD SYSTEM</b>					
		0	\$1,375	\$0	
SETUP					
		0		\$0	
<b>CONTRACTOR TRAILOR</b>					
		0	\$50	\$0	
SETUP					
		0		\$0	
<b>MUD GAS SEPERATOR</b>					
		25	\$75	\$1,875	
SETUP					
		1	\$3,500	\$3,500	
<b>SUPERCHOKE</b>					
		25	\$125	\$3,125	
<b>PIPE RACKS</b>					
		1	\$250	\$250	
<b>WELDING &amp; ROUSTABOUT LABOR</b>				\$1,300	\$1,300
WELD SURFACE CASING				\$150	
WELD ON BRADENHEAD				\$300	
WELD INTER. CASING				\$150	
CUT-OFF INTER. CASING				\$150	
CUT-OFF OIL STRING				\$150	
PIPE IN VALVING				\$250	
PLUMB WELLHEAD				\$0	
HOOKUP DST SEP.				\$0	
HOOKUP TEMP TANKAGE				\$0	
MOVE IN PIPE RACKS				\$150	

CATTLEGUARD & FENCING	\$500	\$500
MISC SERVICES & SUPPLIES	\$12,000	\$11,000

TEMPERATURE SURVEY	\$1,000
CORROSION CONTROL	\$7,000
MUD SACKS	\$0
PACKER FLUID	\$500
MAST ANCHORS	\$750
THREAD DOPE	\$250
BRADENHEAD VALVES	\$0
HYDROTEST	\$2,500

TETMATERIAL.WK1

**FASKEN OIL AND RANCH, LTD.**

**COST ESTIMATE  
WORKSHEET**

OPERATOR: Fasken Oil and Ranch, Ltd.  
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DATE: May 5, 2003  
WELL NO.: 1  
COUNTY: Lea

AFE NO: 687  
STATE: New Mexico

**LOCATION ACCESS & CLEAN UP**

	SUB	DRY HOLE
<b>SURVEYING</b>	\$1,000	\$1,000
<b>ROAD, LOCATION, PITS &amp; CLEAN UP</b>	\$28,000	\$28,000
LOCATION	\$25,000	
ROAD	\$0	
PITS	\$0	
CLEAN UP	\$3,000	
DAMAGES	\$0	
EASEMENT	\$0	
BATTERY PAD	\$0	

**FASKEN OIL AND RANCH, LTD.**

**COST ESTIMATE  
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**SUPERVISION & LEGAL, ETC.**

**SUB** **DRY HOLE**

**GEOLOGICAL, ENGINEERING & SUPERVISORY EXPENSE**      \$24,600      \$24,600

	DAYS	RATE	TOTAL
DRILLING ENGR	5	\$600	\$3,000
DRILLING FOREMAN	20	\$600	\$12,000
GEOLOGISTS	6	\$600	\$3,600
COMPLETION FOREMAN	10	\$600	\$6,000



**KELLAHIN & KELLAHIN**  
**Attorney at Law**

**W. Thomas Kellahin**  
New Mexico Board of Legal  
Specialization Recognized Specialist  
in the area of Natural resources-  
oil and gas law

P.O. Box 2265  
Santa Fe, New Mexico 87504  
117 North Guadalupe  
Santa Fe, New Mexico 87501  
June 26, 2003

Telephone 505-982-4285  
Facsimile 505-982-2047  
kellahin@earthlink.com

**TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW  
MEXICO OIL CONSERVATION DIVISION CASE:**

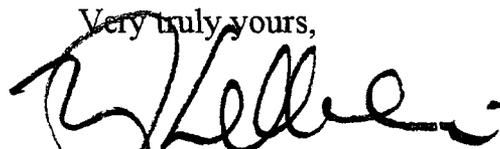
**Re: Application of Fasken Oil and Ranch, Ltd.  
for Compulsory Pooling, Lea County, New Mexico**

On behalf of Fasken Oil and Ranch, Ltd., please find enclosed our application for a compulsory pooling order for its Dirt Devil "23" State Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for July 24, 2003. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, July 18, 2003, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

**cc: BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED**  
to all parties listed in application

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Exxon Mobil Production  
PO Box 4697  
Houstoh, TX 77210-4697  
Attn: Paul Keffer

**COMPLETE THIS SECTION ON DELIVERY**

A. (Please Print Clearly) B. Date of Delivery

Fasken  
Dirt Devil  
July 18, 2003  
6/27/03

GEE

JUN 30 2003

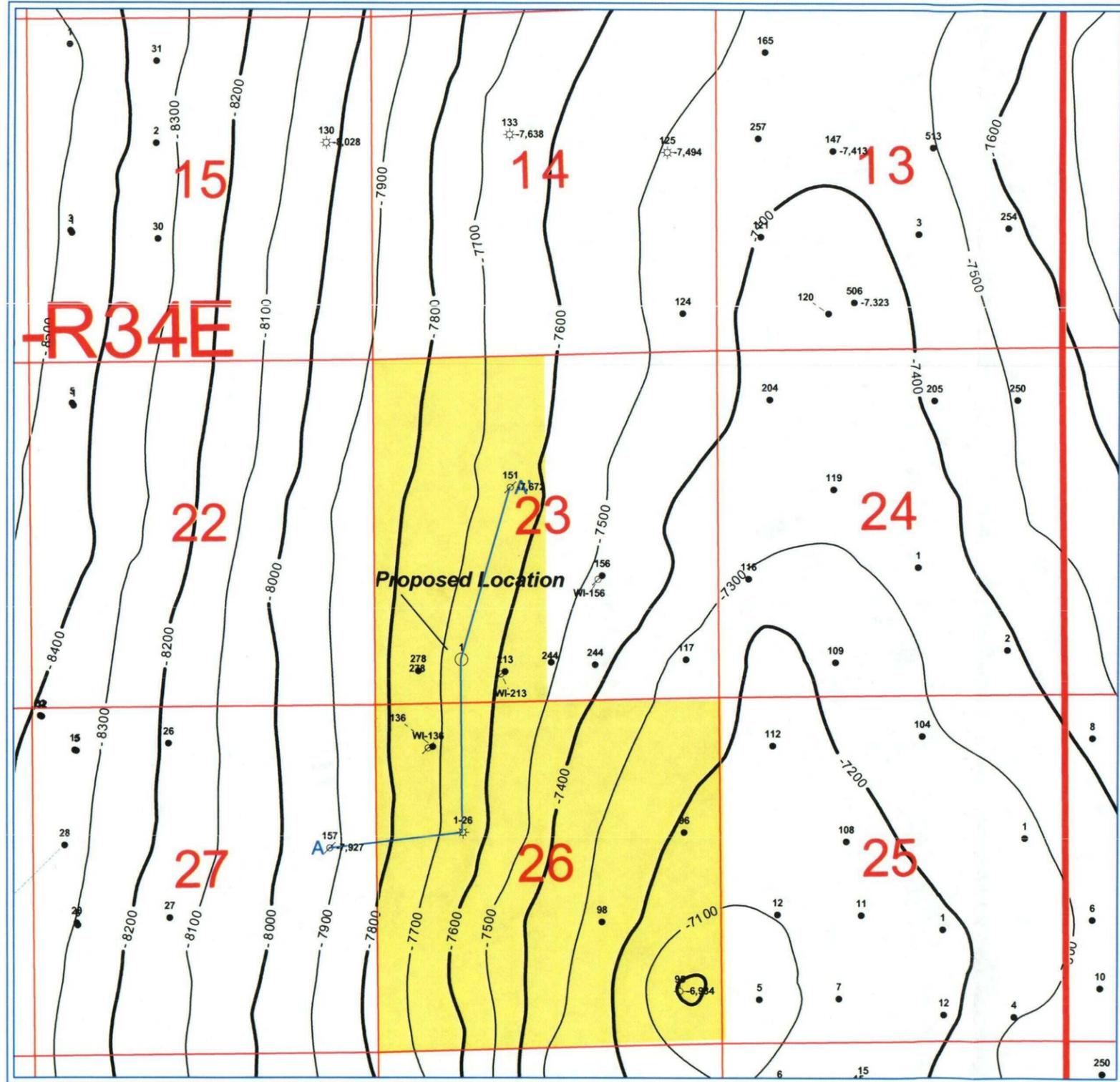
Service Type

- Certified Mail     Express Mail  
 Registered     Return Receipt for Merchandise  
 Insured Mail     C.O.D.

4. Restricted Delivery? (Extra Fee)     Yes

2. Article Number (Copy from service label)

7001 1140 0002 9564 4912



Fasken Oil and Ranch, Ltd.

Lea County New Mexico

Vacuum Field

Morrow Subsea Structure Map

OCD Hearing July 24, 2003



POSTED WELL DATA

Well Number

● FMTOPS - 402MRRW[3]

WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ⊗ Dry Hole
- ⊕ Injection Well

By: Dr. David J. Sivils

July 22, 2003

PETRA 7/22/2003 12:57:21 PM

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13106 Exhibit No. 13  
Submitted By:  
Fasken Oil and Ranch  
Hearing Date: July 24, 2003

