



600 C & K PETROLEUM BUILDING  
POST OFFICE DRAWER 3546  
MIDLAND, TEXAS 79702  
(915) 683-3311

December 14, 1982

Mr. Joe D. Ramey, Commissioner  
New Mexico Oil Conservation Commission  
Box 1148  
Santa Fe, New Mexico 87501

*Case 7730*

RE: Commission Order R-7149  
C&K Petroleum, Inc. - Shipp 27-B #1 well  
S/2 SW/4 Section 27, T-16-S, R-37-E  
Lea County, New Mexico

Dear Mr. Ramey:

In compliance with the terms of the subject order, C&K has today furnished to each working interest owner a copy of the Order of the Commission together with our AFE for the drilling of the well. (See letters attached).

The interests of J. V. Ringold, J. D. Parks, H. M. Parks, C. W. Parks, Ruth Armstrong, Luther Emery, and Lenora Parke are subject to the Pooling Order and unfortunately, we cannot furnish an AFE to these owners since their addresses are unknown to us.

May we express our appreciation to the Commission for the expedient rendering of the decision relative to the hearing held on November 29, 1982.

We again herewith submit the AFE to the Commission.

Very truly yours,

A handwritten signature in cursive script that reads 'Danie Lebow'.

Ms. Danie Lebow  
Senior Landman

DL:jw  
enclosures



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December 14, 1982

CERTIFIED MAIL  
Return Receipt Requested

Texaco, U.S.A.  
A Division of Texaco, Inc.  
P.O. Box 3109  
Midland, Texas 79702  
Attn: Mr. Thomas P. Bryla

Yates Petroleum Corp.  
207 South Fourth Street  
Artesia, New Mexico 88210  
Attn: Mr. Robbie Bullock

RE: C&K Petroleum, Inc. - Shipp 27-B #1  
S/2 SW/4 Section 27, T-16-S, R-37-E  
Lea County, New Mexico

Gentlemen:

For each of you we enclose copy of New Mexico Oil Conservation Commission Order R-7149 dated December 8, 1982.

We also again furnish to each of you our AFE for the drilling of the above referenced well.

Thank you for your attention.

Very truly yours,

A handwritten signature in cursive script that reads 'Danie Lebow'.

Ms. Danie Lebow  
Senior Landman

DL:jw  
enclosures  
cc: New Mexico Oil Conservation Commission  
State of New Mexico  
Box 1148  
Santa Fe, NM 87501  
Attn: Mr. Joe Ramey, Commissioner



600 C & K PETROLEUM BUILDING  
POST OFFICE DRAWER 3546  
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(915) 683-3311

December 14, 1982

The Working Interest Owners  
(Except Texaco and Yates)  
Addressee List Attached

RE: C&K Petroleum, Inc. - Shipp 27-B #1 well  
S/2 SW/4 Section 27, T-16-S, R-37-E  
Lea County, New Mexico

Gentlemen and Mesdames:

For each of you we enclose the following:

1. Copy of New Mexico Oil Conservation Commission Order R-7149.
2. AFE for the drilling of the well.

All record owners except Texaco and Yates have executed the attached AFE; however, we are required by law to again furnish same to you in accordance with the enclosed order. Further, C&K "investors" C. G. Grefenstette, Trustee, H. L. Hillman, and the Joe M. Haas interest groups have not yet executed the AFE. We would specifically request that each of you do so at once.

Thank you for your attention.

Very truly yours,

A handwritten signature in cursive script that reads 'Danie Lebow'.

Ms. Danie Lebow  
Senior Landman

DL:jw  
enclosures  
cc: Oil Conservation Commission  
State of New Mexico  
Box 1148  
Santa Fe, NM 87501  
Attn: Mr. Joe Ramey, Commissioner

WORKING INTEREST OWNERS  
Shipp 27-B #1

Texaco, Inc.  
Box 3109  
Midland, TX 79701

Ann Morris  
2865 Mac Vicar  
Topeka, Kansas 66611

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, NM 88210

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

Norma J. Barton  
P.O. Box 729  
Hobbs, NM 88240

E. L. Latham, Jr.  
P.O. Box 1392  
Hobbs, NM 88240

Heritage Resources, Inc.  
Box 777  
Davis, OK 73030

Petroleum Corporation of Texas  
Box 911  
Breckenridge, TX 76024

Clifford Cone  
P.O. Box 6010  
Lubbock, TX 79413

Douglas Cone  
P.O. Box 6217  
Lubbock, TX 79413

Kenneth G. Cone  
P.O. Box 5246  
Austin, TX 78763

M.T. Charlton  
5701 Woodway  
Suite 236  
Houston, TX 77057

R. H. Fulton  
Box 1526  
Lubbock, TX 79400

C. G. Grefenstette, Trustee  
The Hillman Trusts  
2000 Grant Bldg.  
Pittsburgh, PA 15219

H. L. Hillman  
2000 Grant Bldg.  
Pittsburgh, PA 15219

John Lawrence  
2929 LTV Tower  
Dallas, TX 75201

Arthur L. Owen  
2000 Mercantile Commerce Bldg.  
1712 Commerce Street  
Dallas, TX 75201

J. F. Webre  
5701 Woodway  
Suite 236  
Houston, TX 77057

Lillian S. Davis, Solly Robins,  
Harding A. Orren & Bernard Rosenberg  
33 South 5th Street  
Minneapolis, MN 55402

Samuel D. Haas  
Suite 850  
Two Energy Square  
Dallas, TX 75206

Joe M. Haas  
435 Meadows Bldg.  
Dallas, TX 75206

James L. Irish, III, Trustee  
3700 Lexington  
Dallas, TX 75225

R. M. Swesnik  
6335 West Northwest Highway  
Dallas, TX 75225

Spectrum 7 - 1981 Drilling Fund  
P.O. Box 50  
Midland, TX 79702

# C & K PETROLEUM, INC.

## AUTHORIZATION FOR EXPENDITURE

A.F.E. No. 02590Date: 10/22/82District: Permian BasinProspect: East Lovington State: New Mexico County/Parish: LeaLease: Shipp "27" B Well No.: #1 Field: Casey (Strawn)Location: 1980' FWL & 660' FSL, Section 27, T16S, R37EProposed Depth: 11,800' Objective: \_\_\_\_\_Est. Spud Date: 12-1-82 Est. T.D. Date: 1-10-83 Est. Compl. Date: 2-10-83Prepared by: D. J. Delany Approved by: Production \_\_\_\_\_ Geological \_\_\_\_\_ Land \_\_\_\_\_PURPOSE AND JUSTIFICATION FOR EXPENDITURE: Drill & Complete

### PARTICIPANTS AND COST DISTRIBUTION

| COMPANY                     | W.I.<br>% | Dry Hole Cost |            |         | Completed Well Cost |            |         |
|-----------------------------|-----------|---------------|------------|---------|---------------------|------------|---------|
|                             |           | TANGIBLE      | INTANGIBLE | TOTAL   | TANGIBLE            | INTANGIBLE | TOTAL   |
| C & K Petroleum, Inc.       | 14.262209 | 15,404        | 114,821    | 130,225 | 58,476              | 129,073    | 187,549 |
| Texaco, Inc.                | 22.968750 | 24,806        | 184,898    | 209,704 | 94,172              | 207,868    | 302,040 |
| Ann Morris                  | .781250   | 843           | 6,289      | 7,132   | 3,203               | 7,070      | 10,273  |
| Yates Petroleum Corp.       | 6.666667  | 7,200         | 53,666     | 60,866  | 27,333              | 60,333     | 87,666  |
| Roy G. Barton, Jr.          | 3.190104  | 3,445         | 25,680     | 29,125  | 13,079              | 28,870     | 41,949  |
| Norma J. Barton             | 3.190104  | 3,445         | 25,680     | 29,125  | 13,079              | 28,870     | 41,949  |
| E. L. Latham, Jr.           | 6.390280  | 6,890         | 51,361     | 58,251  | 26,159              | 57,742     | 83,901  |
| Heritage Resources, Inc.    | 1.562500  | 1,687         | 12,578     | 14,265  | 6,406               | 14,141     | 20,547  |
| Petroleum Corporation       | 2.083334  | 2,260         | 16,770     | 19,030  | 8,542               | 18,854     | 27,396  |
| Clifford Cone               | .208333   | 225           | 1,677      | 1,902   | 854                 | 1,885      | 2,739   |
| Douglas Cone                | .208333   | 225           | 1,677      | 1,902   | 854                 | 1,885      | 2,739   |
| Kenneth Cone                | .208333   | 225           | 1,677      | 1,902   | 854                 | 1,885      | 2,739   |
| M. T. Charlton              | .797933   | 861           | 6,423      | 7,284   | 3,272               | 7,221      | 10,493  |
| R. H. Fulton                | 1.595866  | 1,723         | 12,846     | 14,569  | 6,543               | 14,443     | 20,986  |
| C. G. Grefenstette, Trustee | 3.283692  | 3,546         | 26,433     | 29,979  | 13,463              | 29,717     | 43,180  |
| H. L. Hillman               | 3.283692  | 3,546         | 26,433     | 29,979  | 13,463              | 29,717     | 43,180  |
| John Lawrence               | 1.595866  | 1,723         | 12,846     | 14,569  | 6,543               | 14,443     | 20,986  |
| Arthur L. Owen              | .797933   | 861           | 6,423      | 7,284   | 3,272               | 7,221      | 10,493  |
| J. F. Webre                 | 1.595866  | 1,723         | 12,846     | 14,569  | 6,543               | 14,443     | 20,986  |
| Lillian Davis               | 1.502003  | 1,622         | 12,091     | 13,713  | 6,158               | 13,593     | 19,751  |

(CONT'D. ON NEXT PAGE)---

### PARTICIPANT APPROVAL

Approved for Expenditure this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

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

Title: \_\_\_\_\_

PARTICIPANTS AND COST DISTRIBUTION

| COMPANY                                                           | W.I.<br>% | Dry Hole Cost |            |         | Completed Well Cost |            |           |
|-------------------------------------------------------------------|-----------|---------------|------------|---------|---------------------|------------|-----------|
|                                                                   |           | TANGIBLE      | INTANGIBLE | TOTAL   | TANGIBLE            | INTANGIBLE | TOTAL     |
| <del>C &amp; K Petroleum, Inc.</del><br><del>XXXXXXXXXXXXXX</del> |           |               |            |         |                     |            |           |
| Solly Robins                                                      | 1.502003  | 1,622         | 12,091     | 13,713  | 6,158               | 13,593     | 19,751    |
| Harding A. Orren                                                  | .093862   | 101           | 755        | 856     | 385                 | 849        | 1,234     |
| Bernard Rosenberg                                                 | .093862   | 101           | 755        | 856     | 385                 | 849        | 1,234     |
| Samual D. Haas                                                    | .122759   | 132           | 988        | 1,120   | 503                 | 1,111      | 1,614     |
| Joe M. Haas                                                       | 1.227589  | 1,325         | 9,882      | 11,207  | 5,033               | 11,110     | 16,143    |
| James L. Irish, III, Trust                                        | 1.227589  | 1,325         | 9,882      | 11,207  | 5,033               | 11,110     | 16,143    |
| R. M. Swesnik                                                     | .613795   | 663           | 4,941      | 5,604   | 2,517               | 5,555      | 8,072     |
| C & K 1974 Expl, Ltd.                                             | 13.134768 | 14,185        | 105,734    | 119,919 | 53,853              | 118,870    | 172,723   |
| Specturm "7" -1981 Drlg.                                          | 5.820797  | 6,286         | 46,857     | 53,143  | 23,865              | 53,679     | 76,544    |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   |           |               |            |         |                     |            |           |
|                                                                   | 100.0%    | 108,000       | 805,000    | 913,000 | 410,000             | 905,000    | 1,315,000 |

PARTICIPANT APPROVAL

Approved for Expenditure this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_  
Company \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_

**C & K PETROLEUM, INC.**  
**AUTHORIZATION FOR EXPENDITURE**  
**(DRILLING)**

Date Prepared March 17, 1982Well Type: Development XProposed Spud Date 1982

Exploration \_\_\_\_\_

Proposed Depth 11,800'Prospect Name East LovingtonAFE No. 02590Lease Shipp "27" B Well No. 1 Field Casey (Strawn) Property No. \_\_\_\_\_Location 1980' FWL & 660' FSL, Sec. 27, T-16-S, R-37-E, Lea County, NMREASON FOR REQUEST: Drill & Complete 11,800' Strawn Test

| INTANGIBLES                        | Sub | Drilling<br>701 | Completion<br>703 | Total Cost<br>Producer | Revisions | Total Cost<br>Revised |
|------------------------------------|-----|-----------------|-------------------|------------------------|-----------|-----------------------|
| Location Pits and Roads            | 091 | 32,000          | 1,000             | 33,000                 |           |                       |
| Water Supply                       | 093 | 15,000          | 2,000             | 17,000                 |           |                       |
| Damages and Right-of-Way           | 095 | 2,000           |                   | 2,000                  |           |                       |
| Rig Expense 45X7000 + 24,000 RU/RD | 097 | 350,000         | 20,000            | 370,000                |           |                       |
| Drilling Bits                      | 099 | 44,000          |                   | 44,000                 |           |                       |
| Mud & Chemicals                    | 103 | 35,000          |                   | 35,000                 |           |                       |
| Tool & Equipment Rental            | 035 | 30,000          | 12,000            | 42,000                 |           |                       |
| Fuel & Power                       | 105 | 40,000          |                   | 40,000                 |           |                       |
| Cement & Cementing Services        | 107 | 20,000          | 17,000            | 37,000                 |           |                       |
| Formation Evaluation               | 110 | 45,000          | 5,000             | 50,000                 |           |                       |
| Perforating                        | 117 |                 | 6,000             | 6,000                  |           |                       |
| Stimulation                        | 119 |                 | 25,000            | 25,000                 |           |                       |
| Transportation                     | 041 | 35,000          | 5,000             | 40,000                 |           |                       |
| Pipe Inspection & Testing          | 127 | 16,000          | 20,000            | 36,000                 |           |                       |
| Misc. Labor, Services & Supplies   | 073 | 15,000          | 5,000             | 20,000                 |           |                       |
| Supervision & Professional         | 125 | 16,000          | 4,000             | 20,000                 |           |                       |
| Drilling Overhead                  | 213 | 5,000           | 1,000             | 6,000                  |           |                       |
| Other & Contingencies              | 490 | 70,000          | 12,000            | 82,000                 |           |                       |
| <b>TOTAL INTANGIBLES</b>           |     | <b>770,000</b>  | <b>135,000</b>    | <b>905,000</b>         |           |                       |
| TANGIBLES                          | Sub | 702             | 704               |                        |           |                       |
| Casing                             | 301 | 85,000          | 180,000           | 265,000                |           |                       |
| Tubing                             | 302 |                 | 75,000            | 75,000                 |           |                       |
| Wellhead Equipment                 | 307 | 10,000          | 10,000            | 20,000                 |           |                       |
| Packers & Anchors                  | 309 |                 | 5,000             | 5,000                  |           |                       |
| Auxilliary Casing Equip.           | 318 | 3,000           | 5,000             | 8,000                  |           |                       |
| Miscellaneous Equipment            | 320 | 10,000          | 27,000            | 37,000                 |           |                       |
| <b>TOTAL TANGIBLES</b>             |     | <b>108,000</b>  | <b>302,000</b>    | <b>410,000</b>         |           |                       |
| <b>TOTAL WELL COST</b>             |     | <b>878,000</b>  | <b>437,000</b>    | <b>1,315,000</b>       |           |                       |
| PLUGGING COST                      | Sub | 708             |                   |                        |           |                       |
| Clean-up Location                  | 091 | 15,000          |                   |                        |           |                       |
| Casing Pulling & Plugging          | 225 | 20,000          |                   |                        |           |                       |
| <b>TOTAL PLUGGING</b>              |     | <b>35,000</b>   |                   |                        |           |                       |
| <b>TOTAL DRY HOLE COST</b>         |     | <b>913,000</b>  |                   |                        |           |                       |