

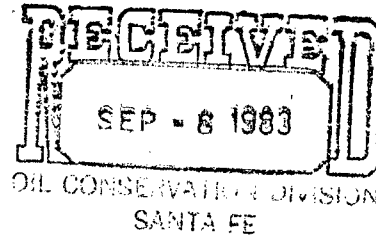
**DISCOVERY OPERATING, INC.**

*Oil and Gas Drilling and Production*

800 N. MARIENFELD SUITE 100  
MIDLAND, TEXAS 79701

24 HR. PHONE  
915/683-5203

September 6, 1983



Energy & Minerals Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, N.M. 87501

Attention: Mr. W. Richard Stamets

Re: Case No. 7743  
Order No. R-7154

A handwritten signature or set of initials, possibly "RL", written in dark ink.

Dear Mr. Stamets:

In accordance with Paragraph 5, Page 3 of the subject order, attached is a copy of the itemized well costs for our Cooper #1, Lea Co., New Mexico

Please let us know if you need further information.

Sincerely,

A handwritten signature in cursive script that reads "Sandy Page".

Sandy Page

Attachment

COOPER #1

EXPENSES TO DATE FOR DILLING AND COMPLETING THE COOPER #1

|                           |                   |
|---------------------------|-------------------|
| Total Tangible Expenses   | \$265,599.25      |
| Total Intangible Expenses | <u>518,774.83</u> |
|                           | \$784,374.08*     |

\*SEE ATTACHED BREAKDOWN

This is approximately 95% of costs. Balance of expense will be sent to you upon processing.

COOPER #1

Invoices received but not billed before September, 1983

|                                                  | <u>Tangible</u>  | <u>Intangible</u> | <u>Total</u>     |
|--------------------------------------------------|------------------|-------------------|------------------|
| Ruthco., Inc-<br>Pumpint Unit & Bas Installation | \$               | \$ 2,950.68       | \$ 2,950.68      |
| MP Service Company<br>Trucking                   |                  | 253.59            | 253.59           |
| Continental Ensco Co.<br>Downhole Pump           | 1,578.04         | 78.90             | 1,656.94         |
| K S Electric<br>Electrician                      |                  | 2,171.33          | 2,171.33         |
| Pengo Industries<br>Tubing Anchor Catcher        | 856.00           | 34.24             | 890.24           |
| Star Tools<br>Equipment Rental                   |                  | 492.35            | 492.35           |
| Continental Ensco Co.<br>Valves & Fittings       | 414.10           |                   | 414.10           |
| Desert Energy<br>Sucker Rods                     | <u>13,178.97</u> | <u>494.21</u>     | <u>13,673.18</u> |
|                                                  | \$16,027.11      | \$ 6,475.30       | \$22,502.41      |

## INVOICE

DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

LEASE NUMBER

LEASE NAME

ACCOUNT  
NUMBER

DATE

INVOICE NUMBER

PAGE

3052

COOPER

999999

8/15/83 08-83-3052

1

OFFICE COPY

## LEASE EQUIPMENT

|                         |        |          |             |
|-------------------------|--------|----------|-------------|
| VALVES & FITTINGS       | 160-11 |          |             |
| UNION SUPPLY CO INC     |        | 354440   | 416.94      |
| UNION SUPPLY CO INC     |        | 354522   | 158.97      |
| DESERT ENERGY EQUIPMENT |        | 8-83-H/C | 3,647.70    |
| LINE PIPE               | 160-35 |          |             |
| COASTAL PIPE CO         |        | 1194     | 980.19      |
| TANK BATTERY            | 160-45 |          |             |
| DESERT ENERGY EQUIPMENT |        | 8-83-H/C | 15,430.76   |
| PUMPING UNIT            | 160-60 |          |             |
| DESERT ENERGY EQUIPMENT |        | 8-83-H/C | 49,326.44   |
|                         |        |          | 69,961.00 * |

## INTANGIBLE COST

|                           |        |          |           |
|---------------------------|--------|----------|-----------|
| ROAD & LOCATION           | 162-07 |          |           |
| BELCHER ENTERPRISES, INC. |        | 4710     | 1,504.38  |
| ELECTRICIAN               | 162-08 |          |           |
| K & S ELECTRIC            |        | K6535    | 9,149.93  |
| SALES TAX                 | 162-11 |          |           |
| COASTAL PIPE CO           |        | 1194     | 49.01     |
| UNION SUPPLY CO INC       |        | 354440   | 17.72     |
| UNION SUPPLY CO INC       |        | 354522   | 6.76      |
| DESERT ENERGY EQUIPMENT   |        | 8-83-H/C | 1,849.74  |
| DESERT ENERGY EQUIPMENT   |        | 8-83-H/C | 145.90    |
| DESERT ENERGY EQUIPMENT   |        | 8-83-H/C | 578.65    |
| SANDBLAST & RUFFC         | 162-42 |          |           |
| JET CONSTRUCTION COMPANY  |        | 5983     | 291.32    |
| MISC LABOR                | 162-66 |          |           |
| PENGO INDUSTRIES INC      |        | 4862     | 372.86    |
| PENGO INDUSTRIES INC      |        | 4867     | 429.85    |
| EQUIP RENTALS             | 162-80 |          |           |
| STAR TOOL CO              |        | 46990    | 528.30    |
| STAR TOOL CO              |        | 46991    | 493.24    |
| STAR TOOL CO              |        | 47018    | 7,268.21  |
| PULLING UNIT              | 162-90 |          |           |
| BABER WELL SERVICING CO   |        | 3255     | 11,932.18 |

YOUR INTEREST

TOTAL

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | ACCOUNT NUMBER | DATE    | INVOICE NUMBER | PAGE |
|--------------|------------|----------------|---------|----------------|------|
| 3052         | COOPER     | 999999         | 8/15/83 | 08-83-3052     | 2    |

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## INTANGIBLE COST

|                          |        |      |             |
|--------------------------|--------|------|-------------|
| PULLING UNIT             | 162-90 |      |             |
| BABER WELL SERVICING CO  |        | 3290 | 622.70-     |
| ROUSTABOUT LABOR         | 162-95 |      |             |
| M & B ROUSTABOUT SER INC |        | 3440 | 1,700.00    |
|                          |        |      | 35,695.35 * |

## LEASE OPERATING

|                  |        |          |          |
|------------------|--------|----------|----------|
| ADMIN OVERHEAD   | 164-01 |          |          |
| AUGUST           |        | 8-83-003 | 400.00   |
| AUG              |        | 8-83-005 | 278.00   |
| PUMPER SAL & EXP | 164-04 |          |          |
| AUGUST           |        | 8-83-005 | 135.00   |
|                  |        |          | 813.00 * |

YOUR INTEREST

TOTAL

106,469.35

## INVOICE

DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

LEASE NUMBER

LEASE NAME

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TIME

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## INTANGIBLE COST

SURVEYING

162-03

583115

153.92

JOHN WEST ENGINEERING CO

ENG CONS &amp; EXP

162-24

707

525.00

KJC PETROLEUM ENGINEERING

678.92 \*

*Trans to  
A CR 9/83*

YOUR INTEREST

TOTAL

678.92

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

LEASE NUMBER

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## INTANGIBLE COST

|                            |        |          |             |
|----------------------------|--------|----------|-------------|
| ENG CONS & EXP             | 162-24 |          |             |
| KJC ENGINEERS & ASSOCIATES |        | 6-83-H/C | 555.00      |
| FIELD SUPER & EXP          | 162-25 |          |             |
| B SPARKS                   |        | 7-83-005 | 436.50      |
| J SPARKS                   |        | 7-83-005 | 3,454.54    |
| TRUCKING                   | 162-30 |          |             |
| PETRO-THERMO CORPORATION   |        | 18865    | 157.41      |
| I & W TRANSPORTATION       |        | 2527     | 316.02      |
| MISC SUPPLIES              | 162-67 |          |             |
| TOMMY WHITE SUPPLY CO      |        | 101287   | 4.73        |
| UNION SUPPLY CO INC        |        | 353034   | 85.28       |
| TREATING                   | 162-70 |          |             |
| DOW CHEMICAL USA           |        | 5069999  | 2,543.34    |
| W. L. KIDD                 |        | 1004     | 1,963.80    |
| W. L. KIDD                 |        | 1005     | 733.23      |
| W. L. KIDD                 |        | 1006     | 2,667.38    |
| W. L. KIDD                 |        | 1009     | 369.23      |
| TESTING                    | 162-72 |          |             |
| HOLMES WIRELINE SERVICE    |        | 1695     | 3,000.00    |
| EQUIP RENTALS              | 162-80 |          |             |
| LONE STAR TANKS            |        | 627      | 530.40      |
| PERFORATING                | 162-82 |          |             |
| APACHE SERVICES            |        | 3198     | 900.00      |
| PULLING UNIT               | 162-90 |          |             |
| D A & S OIL WELL SER INC   |        | 834792   | 26,354.15   |
|                            |        |          | 44,071.01 * |

YOUR INTEREST

TOTAL

44,071.01

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | ACCOUNT NUMBER | DATE    | INVOICE NUMBER | PAGE |
|--------------|------------|----------------|---------|----------------|------|
| 3053         | COOPER BCP | 999999         | 6/30/83 | 06-83-3053     | 1    |

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DATE OF EQUIPMENT LEASE EQUIPMENT NAME EQUIPMENT NUMBER EQUIPMENT TYPE EQUIPMENT SHAPE

## LEASE EQUIPMENT

CASING

160-20

TRANS TO ACP

6-83-005

115,767.18-

115,767.18-\*

## INTANGIBLE COST

WELDING

162-12

RON'S WELDING, INC.

NR1471

114.40

MUD &amp; CHEMICALS

162-15

HORIZAN MUD COMPANY

6-83-H/C

24,716.00

CEMENTING

162-40

HALLIBURTON

249932

5,763.19

OPEN HOLE LOGGING

162-45

N L SPERRY SUN

OD1095

4,275.04

WELEX

WL161797

17,038.19

MISC

162-60

VALLEY STEEL PRODUCTS

6-83-001

24.06-

EQUIP RENTALS

162-80

RAPID FLO, INC.

2655

367.39

52,250.15 \*

YOUR INTEREST

TOTAL

63,517.03-

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | WELL<br>NUMBER | DATE    | WELL NUMBER | PAGE |
|--------------|------------|----------------|---------|-------------|------|
| 3052         | COOPER     | 999999         | 6/30/83 | 06-83-3052  | 1    |

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## LEASE EQUIPMENT

|                         |        |          |              |
|-------------------------|--------|----------|--------------|
| WELLHEAD                | 160-10 |          |              |
| DESERT ENERGY           |        | 6-83-005 | 1,496.47 ✓   |
| VALVES & FITTINGS       | 160-11 |          |              |
| DESERT ENERGY EQUIP INC |        | 29832    | 4,705.77     |
| DESERT ENERGY           |        | 6-83-005 | 1,205.80     |
| CASING                  | 160-20 |          |              |
| TRANS FROM BCP          |        | 6-83-005 | 115,767.18   |
| TUBING                  | 160-30 |          |              |
| MIMCO PIPE & SUPPLY     |        | 6117     | 262.48       |
| DNHOLE PUMPING EQ       | 160-65 |          |              |
| PENGO INDUSTRIES INC    |        | 2900     | 2,288.00     |
|                         |        |          | 125,725.70 * |

## INTANGIBLE COST

|                            |        |          |          |
|----------------------------|--------|----------|----------|
| SALES TAX                  | 162-11 |          |          |
| DESERT ENERGY EQUIP INC    |        | 29832    | 188.23   |
| PENGO INDUSTRIES INC       |        | 2900     | 91.52    |
| WELDING                    | 162-12 |          |          |
| CHICO'S WELDING            |        | 13508    | 84.24    |
| DRILLING OVERHEAD          | 162-20 |          |          |
| 33 DAYS                    |        | 6-83-005 | 3,219.62 |
| GEO CONS & EXP             | 162-22 |          |          |
| JAMES C. WHITTEN           |        | JUN STMT | 2,231.56 |
| ENG CONS & EXP             | 162-24 |          |          |
| DON L SPARKS               |        | 6-83-H/C | 4,958.94 |
| J SAPRKS                   |        | 6-83-005 | 4,401.73 |
| LEGAL SERVICES             | 162-27 |          |          |
| STUBBEMAN MCRAE SEALY      |        | 145240   | 50.00    |
| TRUCKING                   | 162-30 |          |          |
| PETRO-THERMO CORPORATION   |        | 18673    | 344.15   |
| LOGGING & PERFORA          | 162-50 |          |          |
| APACHE SERVICES            |        | 3173     | 8,046.10 |
| DEADMEN                    | 162-63 |          |          |
| T & C TANK RENTAL & ANCHOR |        | A1478    | 443.04   |

YOUR INTEREST

TOTAL

## INVOICE

DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

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## INTANGIBLE COST

## MISC SUPPLIES

162-67

UNION SUPPLY CO INC

352199

24.96

UNION SUPPLY CO INC

352458

42.90

UNION SUPPLY CO INC

352596

4.16

## TREATING

162-70

W. L. KIDD

1003

1,484.08

25,615.23 \*

## LEASE OPERATING

## SALES TAX

164-11

DESERT ENERGY

6-83-005

52.38

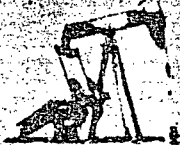
52.38 \*

YOUR INTEREST

TOTAL

151,393.31

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | ACCOUNT NUMBER | DATE    | INVOICE NUMBER | PAGE |
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| 3053         | COOPER BCP | 999999         | 5/31/83 | 05-83-3053     | 1    |

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| TYPE OF EXPENSE         | VENDOR NAME OR DESCRIPTION | INVOICE NUMBER OR REFERENCE NUMBER | AMOUNT       | PER SHARE |
|-------------------------|----------------------------|------------------------------------|--------------|-----------|
| LEASE EQUIPMENT         |                            |                                    |              |           |
| WELLHEAD                | 160-10                     |                                    |              |           |
| DESERT ENERGY EQUIPMENT |                            | 5-83-H/C                           | 822.82-      |           |
| CASING                  | 160-20                     |                                    |              |           |
| MINCO                   |                            | 5-83-H/C                           | 73,750.00    |           |
| MINCO                   |                            | 5-83-H/C                           | 42,840.00    |           |
|                         |                            |                                    | 115,767.18 * |           |
| INTANGIBLE COST         |                            |                                    |              |           |
| DRLG CONTRACTOR         | 162-10                     |                                    |              |           |
| MORANCO                 |                            | 5-83-H/C                           | 264,158.97   |           |
| SALES TAX               | 162-11                     |                                    |              |           |
| MIMCO PIPE & SUPPLY     |                            | 6075                               | 141.37       |           |
| DESERT ENERGY EQUIPMENT |                            | 5-83-H/C                           | 30.86-       |           |
| DRILLING OVERHEAD       | 162-20                     |                                    |              |           |
| 53 DAYS                 |                            | 5-83-005                           | 5,138.71     |           |
| ENG CONS & EXP          | 162-24                     |                                    |              |           |
| DON L SPARKS            |                            | 5-83-H/C                           | 2,164.12     |           |
| JAMES C WHITTEN         |                            | 5-83-H/C                           | 2,590.32     |           |
| CEMENTING               | 162-40                     |                                    |              |           |
| HALLIBURTON             |                            | 249780                             | 16,454.32    |           |
| MUD LOGGING             | 162-54                     |                                    |              |           |
| HYDROCARBON GAS LOGGING |                            | 5-83-H/C                           | 5,948.00     |           |
| TESTING                 | 162-72                     |                                    |              |           |
| PERMIAN TESTERS INC     |                            | 5-83-005                           | 2,423.97     |           |
| PERMIAN TESTERS INC     |                            | 5-83-005                           | 2,423.97     |           |
|                         |                            |                                    | 301,412.89 * |           |
| YOUR INTEREST           |                            | TOTAL                              | 417,180.07   |           |

DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | ACCOUNT NUMBER | DATE    | INVOICE NUMBER | PAGE |
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## INVOICE

DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

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EXPENSE

LENDOR NAME OR LESSOR UNIT

ACCOUNT

PAGE

## INTANGIBLE COST

## TRUCKING

162-30

MIMCO PIPE &amp; SUPPLY

6031

150.00

MIMCO PIPE &amp; SUPPLY

3-83-H/C

147.00

## CEMENTING

162-40

DAVIS FLUID CALIFERS, INC.

1343

725.92

HALLIBURTON

446979

4,088.49

## EQUIP RENTALS

162-80

RAPID FLO, INC.

2599

522.08

DIAMOND RENTAL, INC.

6808

262.60

LONE STAR TANKS

569

426.40

14,977.14 \*

YOUR INTEREST

TOTAL

67,819.99

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | ACCOUNT NUMBER | DATE    | INVOICE NUMBER | PAGE |
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| 3053         | COOPER BCP | 999999         | 4/30/83 | 04-83-3053     | 1    |

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| LEASE                  | LENDER NAME                | LEASE NO. | ACCOUNT NO. | DATE | AMOUNT      |
|------------------------|----------------------------|-----------|-------------|------|-------------|
| <b>LEASE EQUIPMENT</b> |                            |           |             |      |             |
| WELLHEAD               |                            | 160-10    |             |      |             |
|                        | DESERT ENERGY EQUIP INC    |           | 28713       |      | 1,663.74    |
|                        | DESERT ENERGY EQUIP INC    |           | 28732       |      | 4,880.87    |
| VALVES & FITTINGS      |                            | 160-11    |             |      |             |
|                        | DESERT ENERGY EQUIPMENT IN |           | 4-83-H/C    |      | 84.87       |
| CASING                 |                            | 160-20    |             |      |             |
|                        | MIMCO PIPE & SUPPLY        |           | 6030        |      | 3,534.25    |
|                        | MIMCO PIPE & SUPPLY        |           | 3-83-H/C    |      | 5,108.16    |
|                        | 2714.55' 32# 8 5/8"        |           | 4-83-005    |      | 19,733.83   |
|                        | 2160.95' 24# 8 5/8"        |           | 4-83-005    |      | 17,837.13   |
|                        |                            |           |             |      | 52,842.85 * |
| <b>INTANGIBLE COST</b> |                            |           |             |      |             |
| WATER                  |                            | 162-04    |             |      |             |
|                        | PETRO-THERMO CORPORATION   |           | 18089       |      | 439.92      |
|                        | PETRO-THERMO CORPORATION   |           | 18107       |      | 586.56      |
| ROAD & LOCATION        |                            | 162-07    |             |      |             |
|                        | W V LAWRENCE               |           | 4-83-005    |      | 3,913.00    |
| PIT LINING             |                            | 162-09    |             |      |             |
|                        | BO DIGBY & CO INC          |           | 1436        |      | 910.00      |
| SALES TAX              |                            | 162-11    |             |      |             |
|                        | DESERT ENERGY EQUIP INC    |           | 28713       |      | 62.39       |
|                        | DESERT ENERGY EQUIP INC    |           | 28732       |      | 183.03      |
|                        | MIMCO PIPE & SUPPLY        |           | 3-83-H/C    |      | 230.64      |
|                        | DESERT ENERGY EQUIPMENT IN |           | 4-83-H/C    |      | 3.39        |
| WELDING                |                            | 162-12    |             |      |             |
|                        | CHICO'S WELDING            |           | 4-83-H/C    |      | 126.36      |
|                        | CUSTOM ORNAMENTAL IRON & W |           | 4-83-H/C    |      | 126.36      |
| MUD & CHEMICALS        |                            | 162-15    |             |      |             |
|                        | T.S.T. PARAFFIN SERVICE    |           | 24538       |      | 942.50      |
| ENG CONS & EXP         |                            | 162-24    |             |      |             |
|                        | R SHAW                     |           | 4-83-005    |      | 980.50      |
| TRUCKING               |                            | 162-30    |             |      |             |
|                        | MIMCO PIPE & SUPPLY        |           | 6030        |      | 150.00      |

YOUR INTEREST

TOTAL

## INVOICE



DISCOVERY OPERATING, INC  
800 N. MARIENFELD, SUITE 100  
MIDLAND, TEXAS 79701

| LEASE NUMBER | LEASE NAME | ACCOUNT NUMBER | DATE    | INVOICE NUMBER | PAGE |
|--------------|------------|----------------|---------|----------------|------|
| 3053         | COOPER BCP | 999999         | 3/31/83 | 03-83-3053     | 1    |

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DATE OF INVOICE: 3/31/83 VENDOR NAME OR DESIG: COOPER BCP ACCOUNT NUMBER: 999999 DATE: 3/31/83 INVOICE NUMBER: 03-83-3053 PER SHARE:

## INTANGIBLE COST

|                            |        |          |             |
|----------------------------|--------|----------|-------------|
| SURVEYING                  | 162-03 |          |             |
| SCHUMANN ENGINEERING CO.,  |        | 46950    | 540.00      |
| SURFACE DMGS & R/W         | 162-05 |          |             |
| E LAWRENCE                 |        | 3-83-H/C | 15,000.00   |
| ROAD & LOCATION            | 162-07 |          |             |
| ALLSTATE CONSTRUCTION, INC |        | H33583   | 9,378.65    |
| CALICHE-W V LAWRENCE       |        | 3-83-005 | 1,568.00    |
| ORIGINATION COST           | 162-21 |          |             |
|                            |        | 3-83-005 | 10,000.00   |
| FIELD SUPER & EXP          | 162-25 |          |             |
| B SPARKS                   |        | 3-83-005 | 250.65      |
| SAMPLE BAGS                | 162-68 |          |             |
| 10 BOXES                   |        | 3-83-005 | 100.00      |
|                            |        |          | 36,837.30 * |

## LEASEHOLD COSTS

|                |        |          |             |
|----------------|--------|----------|-------------|
| LEASEHOLD COST | 170-10 |          |             |
|                |        | 3-83-005 | 28,000.00   |
|                |        |          | 28,000.00 * |

YOUR INTEREST

TOTAL

64,837.30