- EMPIRE SOL L'ALLOR CONTRACTOR SIZE		2 (A.R.Co) K (A.R.Co), 30 ACC 10755 023 PEN 1640731 021175 ROBINSON	ROC (UPER)	bassere Ray Westall	
- EMPIRE SO. L'ILLE MCOLC - Constant Stage - S	Amoco 22 Marbob	- 34 (A.R.Co.) (J.R.Co.) Shanon (ARC) So. Roy S/R +8 21888 -8 21888 -8 21888 -8 21888 -8 21888 -8 21888 -8 21888 -8 21888 -8 21888 -8 21888 - 10 21888 - 10 218888 - 10 21888 -		Gir Oil 10 36 2023 4450 10 enil Am 1 No Loco 7 1 B HBP 1 No Loco 7 1 1 B 4453 3 - 7	(Pridlipe)
Taking and the second s	Mortab to sooo, State St		" "Robinson" (wo).	2023 TF.23. 4778 ABUTO 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10	2 dersen Juni
Annoce Tris de internet de la constante de la	noneson HBP 27 '4846 5 - T8244 Strill Umotor 21rto Umoto 200 0' A For 304 T 02405 '701106 modorna '701106 058575 Tr. 1(3 50		•3* •4 ¥r (4 5 g3 + 6 2 Yates Pet. 1
The second secon	The course of the second secon	3 3 3 3 3 3 4 5570 3 3 3 3 4 5570 3 5 55700 3 5 55700 3 5 55700 3 5 557	-2	2 Yangs Pet New mont 2 991102 Notes Pet 551102 Notes Pet 5514 Tr. r.27, 1 Tr. 25	5 6043947 6 (h
Anddartos e trust - to serve - to	Hone (Artisant Control of Roy 1 - 1 Hone (Artis	SR kores J 22 Tr. 9	OPER)	Advised Nem 15-1 1000014 240 Jr 26 Yates Jr 4 51016 Yates Jr 4 51016 Yates Jr 4 51016 Yates Jr 4	10111 1
LARD (GRBG-SA) UNIT A Construction of the second se	Of Anodar No 122 Deficient (Cartonia 122 Deficient (Cartonia	Amer 11, 76 Fast 1 Yotes Bros. ATT.1-A Tr.5, 1 P.17-A 054411	RRay Tr. Desa	Tr. 34 Sister 4	Tr. Belr Tor Tor
Sade The set of the		5 10200 5 10200 5 10200 1 102005 10205	ILLS GRBG. UI	VITSounders P12 P15 P24	1 (Newmont) 1
Andrew 1882 Andrew 1650 Rou Anderko IB Transver 2 Transver 2 Transver 2 Transver 2 Transver 2 USS 8 USS 8 10 10 10 10 10 10 10 10 10 10	Construct Construct J.C. Thompson (mTr.II) J.C. Thompson (mTr.II) Lang/drum Antider of the state Antider of the state of t	L 28- U.S. TD261 9 (1038)	Knos Newmont	(Dizon) 455314 (Vartes) Tr. 6 Newmon1 2 HDP 1 Sounders 4 50425	37.90 TTr. 22 T (Ne U.S. 2
ay 1 234.5 Travis" Travis" Travis"	Conoco (C.) 2 Denogue I Rice 2 Rewroadt	8-B Underwaat with W Joseph (Disch Totage)	• 18 • 10-8" 705 M. Yatas, 1 s) Bassett.	M. Yetes E, etal HBP 0437523 M.Yotes Pet. 055830 Tr. 7-A	34.02 (Tr. 21 A 1 3 Belnorth, etal Mark 34.07 (2 102705)
(H E Votes L/R Votes 4 200 100 Junes 1	Costant Cervin I Tesas Trad. OS	Lace-Guy Alta Sachartin Yotes II Active Sachartin Yotes II Veridiga STL Jagramyte	Bassett-Birney 8-6058 H.B.P. #14	Yates Petr. etal	38.07 (2.102705) Being Tr 21-B 5 Being Newmont- AT93600 38 II 3 Build 18 Tr.
313 8 65 10 36429 Anodorko 6 Yotest 5/r 5/res 5/res 3600 rks XMII. Trovis 5/r 5/res 10 3360 10 3360 7 10 rks 10 7 rks 56427	Cai-Mon) B-5084	Anse Perosei HBP K65 0437524 Wige Ind. Bauter Fee "Bouter Fee	Bassett Trair Oil	0437522 Belnorth.etal 27 78 447311.8, 5, 447311.4, 17762	Yates 04 HBP 38.16 4 A.J. 0437523 HBP
93 (TO JIOC) TO U.S. Travis 11 ((NTO 332) 12 (NTO 332)	Denton State Fed Malco J.H. Triggi To 2002 State Conference J.H. Triggi etcl	U.S. U.S. Frostman Mortin Yotes III Oli Official States Pet, et Official Official States Pet, et Official States Pet,	al Yotes Pet. Martin Yatesal 1914	Hadlock, etal Mortin Yates E.ttal Lee TD 2774 Votes U.ttal	Vates Belnorth Beln HBP etal C427529 HBP H
(Word right Littles ORLG (OPER)) result values of the second sec	U.H. Trigg for the second seco	Amer."Petro HBP 0437524 22	-23	1480 17072 1 Ronadero 1 Ronadero 1 2 30 1 3 30 1	38 25 2 0437525 01 Renadero 6-1-99 1 St 38 25 3 19 TC
There are the area and a state of the share and a state and a stat	H. Trigg 667132 Fed Sivley Kersey & Co. et al Hongo Kersey & Co. et al	It Wine. Fed 2 1 Juli. Inst Ewine. 1 Fed 2 1 Juli. Inst Empire	Roach to tap of WC) West Day, Marbob Othes 20-60 12-1-92	P-405 Bros. M.I. 12 Bros. M.I. Begig Fina J.D. Graham M.Yates Belinger Ht Elinett-Shelay	Yoles Bros, MI J Greham 34 24 J So. Roy. 6 - 1 - 53
trasta statut 1/2 / 4 Vartes Vrates Vortes 1/02915 Ceremede Expl. Drag 20 Drag 20 1 (deren) rd \$5 of Vartes 1 (deren) rd \$1000000000000000000000000000000000000	Votes Kersey (an 2,15, 0 170 370 470 170 170 170 170 170 170 170 170 170 1	Fed. U.S.	Beinorthetal	51672 047311 1 U.3 6-17-62 HSS01 Marcon Belorth Yotes Pet 1 2163 0-1-47 0-27-62 HBP - 2-29 47 V-1052 0431120 0437525 98132	55940 U.S.
The provide of the second seco	Eparty 110 martes Pet. Denton	Empire	-26	75 34.00 Yates Petr. Mertin Yetes, III HBP HBP etal 0.7071 0437523 State 25	HBP 36,84 2 (Elliott Oi 02,096 (2) 36,34 3 (Elliott Oi 5105 (2) 36,34 3 (Elliott Oi 5105 (2) (2) 5105 (2) (2) (2) (2) (2) (2) (2) (2) (2) (2)
Trigg & Sivley ev, Treta Dres A Yares. Jr. 56426 v. 19505 Wright 9 Surves J 19505 Wright Fed 1912 19505 Wright Fed 1912 19505 U.S. 244	Construct Construction Construct Construction Constructin Construction Construction	In the second se	26- Votes Petr, etai HBP 0437522	Cherron HBP 1723 Holly Energy, et al 8-77-62 Car Stil	"Elliott-Fe
Ato Peta A Forister (14 Trad) Vote	SnowOEG 2 41 38242 KGS	Massie TD 3245 6324 T02:38 McKee (R E Mixee Find OEC	Feether-IWilson ry stone joisobe Forms Her HBP Matter TO 2010 Wilsonned C. Delhu 1	(2) U S. No. Cent. (Find Of.C) Oil (Find Of.C) 10:1:25 Elliott Oil	US 38 37 1 Ellioft Oil (Sunshine) (Greenkill Pet /
The Cisco Production Showace Showace The Showace Showa	SnowOEG 2 Ministry Constraints of the second secon	Method 1	Mer HBP 101907 Wilsonred 101907 Wilsonred 10190270 Wilsonred 1019027 101907 10	V8 + 49 Martob E - 1819 337 29 (Anor 54 (Anor 54 (Anor 54 (Anor 54 (Anor 54 (Anor 54 (Anor 54 (Anor 54 (Anor 54) (Anor 54 (Anor 54) (Anor 54)	3. 3. 2 2 2 27279 3. 3. 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
vey) (0/hic28 sq 0) Show 1 Azrec.St Mobil (0/hic28 sq 0) OGG PIZ 22 HBP WT02873 Put Wool ves Perm Unz.	F.0.40 M	9.WI SELOWI Broward Fidel istore	062C29	Meret Stand Control Co	38 24 3 Elliott Oil/A 4Elliott (Parcel Pi86 Fed 38 17 Roachetal
TAKUNU Lindo Drig. "Aztec-St" State ("State Pet Pos (Stroken) S sine zies a te stand state zies (State Conce) Amoce ★ 1.8 Mil Strate Prod.	10 10 1 10 1 10 1 10 1 10 1 10 1 10 1		ADEC. USAcod I Some For Mountain 07 Feed Street	Gold 2.2.1 (Find 1.21) Find OEC 5001 (Find) 40 08 4 40.06 31 40.04 2140(2) / (U.J.Ledberiter) 0.2 ⁻¹¹ - 3.3 ⁻¹¹ 10.2300' Find OEC 50.00	4 0/A 10-23-50 U.S. 38.22 1 pr al 3 46 66 Keothune p.
609 1 ST 10 20 1 1 1022 1 (1-ER) 1020 75 SDA 11 -/	Spencer	6 8 24 9 Fid IYHLA	A392 HUEINA OSC Leonord Augustore State Mul D4112	(Find OE, C7 B·7717 Sastiond Leonard-St Castiond Ca	38 21 5 HE D.C. 2- Collier.etal.org
(Amiler) (Miller) (Amiler) (Atoki pisc.) - Stiones (Contission) (Atoki pisc.) - Stiones (Contission) (Atoki pisc.) - Stiones (Contission) (Atoki pisc.) - Stiones (Contission) (Con	Turkey St HBC Bassett B-73	MERCE ISERVIT	(OPER)	A SA I T T T Debetter Far: don toport Shmun (Not for a start of t t t t t t t t t t t t t t t t t t	36 25 6 (Fine Of,C) I*Peri 066087 1702531 Harris Peri 38 36 To 26001 Pe
State Guajalote 34 State	ACK 1 19779	Intern Arcounter State State Anadar ko B 8096 all sec State	T 7.564 Indit7.A 7 105170 5 tote D/A 96.60 13 content 2.6 14 content 2.6 14 content 2.6 15 content 2.6 15 content 2.6 16 content 2.6 17 content 2.6 18 content 2.6 19 content 2.6	Chate Cate	(Leonard) -AD [] - Keohane - - - - - - - - - -
MitchellEner. (Corocci DAS: 21.49 104.5:21	Anadarko 102522 Varbido 8:1035 Varbido Mitchell Ener. Comoso Varbido 104 105 Varbido Mitchell Ener. Comoso Varbido 104 105 Varbido 105	Anadra b HBC	B-9739 to SA Base 3.0 Muce N/2 BBOC A.P mdOi Still Fostiand PGU (7/8) Castland PGU (7/8) St. (3.5 Mil)	D/AIO 26 62 (Finu D.F.G) VAIO 26 62 (Finu D.F.G) TAZEGO Chemical Explored F.T.T. H.J.Ledbetter Tenneco	166017 Ta 68 Z Ledbetter Res. (Es Sonto Ninn Greengne Co.
L.A. Yhtes S/R B 11 13 Jones 1007 - 101833	Harold Kersey HBr B-1036 B-1036 B-1036 HBr B-1036 HBr B-1036 HBr HBr HBr HBr HBr HBr HBr HBr HBr HBr	Keide 3 strey h Stavel 1 Keide 3 strey h Stavel 1 Media 4 strey h St	(Filla) MBC -2 •3 \$/2 MyCoi Solid So	Aceco Pet. St. L. 2634 Schoon- Pro Hudsen etcl	38 92 3 Find OBC
Internet Ener Villering Ener Strike	Contil-St State State Casi St. So. Roy. 1 15-9 4 12731	1 1	State	Find O.E.C. 100 1.95 H B7 B-7717 State, 212 22 Merbob 10 1.25	39 26 Alberta Link H.
Unit and the second sec	N/2 HBC Overland - 1 Se.	(4.5) (16.594) (7.3,50) (8.4587) (11.040) (1.6,594) (7.3,797) (1.2,480) (1.1,490) (1.2,197) (1.2,197) (1.1,197) (1.2,197) (1.2,197) (1.1,197) (1.2,197) (1.2,197) (1.1,197) (1.2,197) (1.2,197) (1.2,197) (1.1,197) (1.2,197		V 3455 225 55	2-1-73 2 0345220 0 3924 2 Mergle
18 Bern (Union) 2011 500 K 4093		C 538 Forkway St	14	13	1500 1970 - Varistita 1970 -
The And State Stat	37077		156 State	Votes Votes Statck 102053 DAI:544 	85905 39 16 21 390 92 1K.D. N Peter 13 5673 33 17 Mercel W veter
Visite Children Child	17:21:74 HBU HBU 1:4251 K:3702 BEFORE EX 53:21 I NMOCD CAS HE ISUNTAUL NMOCD CAS	INDUSTRIES INC. XAMINER CATANACH SE NO. 11190	So Roy	Collins E, Ware, 10 - 1 - 95 V - 3453 236 11	Collins E. Ware 39 :8 1 588:5
19 Source + 3702 - 2018	HE Surray NMOCD CAS Chiles M C DATE: 03 HBC State 21 Marolol Chiles HBC State 21 HBC State 21	3/02/95	3 Ch/OPEn 150 Ho F 37 Date	+ The Per Corp Store 10 315 TA 24 15 Mill + Yales McKee	יאן 19 - הספר

MYCO Industries, Inc. Reflex Federal #1 Well E/2 of Section 22, T18S-R29E Eddy County, New Mexico

		Leasehold <u>Ownership</u>	Working Interest In Well
MYCO INDUSTRIES, INC. SHARBRO OIL, LTD. CO. LILLIE M. YATES ESTATE YATES PETROLEUM CORPORAT S. P. YATES JOHN A. YATES, INDIVIDUALLY PERSONAL REPRESENTATIVE	, AND AS	30.000000% 5.452920% 5.452920% 19.996670% 3.957500% 1.978750%	33.705894% 5.550872% 5.550872% 26.689873% 4.028589% 2.014295%
ESTATE OF PEGGY A. YATES YATES DRILLING COMPANY ABO PETROLEUM CORPORATIC 105 South Fourth Street Artesia, NM 88210 Attention: Douglas W. Hurlbut	DN	1.978750% 5.278330% 5.278330%	2.014295% 8.540145% 8.540145%
SOUTHLAND ROYALTY COMPAN 3300 N. "A" Street, Bldg. 6 Midland, TX 79705 Attention: James B. Shepherd III	NΥ	15.835000%	Non Consent to Yates Group
HARVEY E. YATES COMPANY P. O. Box 1933 Roswell, NM 88202 Attention: Melissa Randle		2.259142%	2.259142%
JALAPENO CORPORATION P. O. Box 1608 Albuquerque, NM 87103 Attention: Mindy Young		.357087%	.357087%
YATES ENERGY CORPORATION P. O. Box 2323 Roswell, NM 88201 Attention: Shari Hamilton		.748791%	.748791%
CIBOLA ENERGY CORPORATION P. O. Box 1668 Albuquerque, NM 87103	7	.592480%	Farmout to Yates Group
WILLIAM P. DOOLEY ESTATE 1006 South 2nd Street Artesia, NM 88210 Attention: Paula Dooley		.833330%	Farmout to Yates Group
ТО	FAL	100.000000%	100.000000%

Letters sent and telephone conversations with Southland Royalty

September, 1994

Monday, 12th -	Sent out certified letter referencing the Reflex #1 with election to
	participate or Farmout.
Friday, 16th -	Sent out certified letter with JOA and AFE enclosed to Don Davis
	at Meridian.
Wednesday, 28th -	Talked to Trey Sheppard at Meridian (Southland) about Farmout
	request or participation in well.

October, 1994

Thursday, 6th -	Made several calls to Trey Sheppard but only played telephone
	tag.
Friday, 7th -	Talked to Trey Sheppard again about Farmout, according to him
	it is in the works.
Friday, 21st -	Talked to Trey about Farmout. He said that he would call me
·	next Tuesday.
Wednesday, 26th -	Called Trey and left word for him to return my call.
Thursday, 27th -	Talked to Trey. He said that he would let me know by next
•	Tuesday.

<u>November, 1994</u>

Called Trey and left word for him to call me.
Called Trey again and left word for him to call me.
Called Trey and left word for him to call me.
Talked to Trey about possible acreage swap and worked out details.
Talked to Trey and requested production records on Little Jack lease wells #1, 2, and 3.
Talked to Trey and told him the acreage swap was in the works.
Called to talk with Trey and left word for him to call me.
Talked to Trey about the swap on acreage by acreage basis and told him that it looked negative at this time.
Talked to Trey again and told him the swap was still in the works.
Talked to Trey and told him the swap deal wouldn't work. He said they might Farmout but would want 1/2 BIAPO.

December, 1994

Friday, 2nd -	Sent out new request letter for Farmout to Southland.
Tuesday, 6th -	Talked to Trey again. He said that since we would not work a
	trade, they would not Farmout.

January, 1995

Wednesday, 11th -	Called to talk to Trey and left word for him to call me.
Thursday, 12th -	Called Trey and left word again.

MYCO INDUSTRIES INC. BEFORE EXAMINER CATANACH NMOCD CASE NO. 11190 DATE: 03/02/95 EXHIBIT NO.

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF : MYCO INDUSTRIES, INC. FOR COMPULSORY : CASE NO. 11190 POOLING, EDDY COUNTY, NEW MEXICO :

CERTIFICATE OF MAILING AND COMPLIANCE WITH RULE 1207

In accordance with Division Rule 1207, I hereby certify that on December 19 and 28, 1994, correspondence transmitting copies of the application filed in the above-referenced case were mailed to the leasehold operators and unleased mineral owners listed on Exhibit "A" hereto. Notice of the change of hearing date to March 2, 1995, was mailed to those from whom a waiver was not received on January 19, 1995.

Also attached hereto are copies of said correspondence, with return receipt cards, as Exhibit "B".

Respectfully submitted,

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: Ernest L. Carroll

P. O. Drawer 239 Artesia, New Mexico 88211-0239 (505)746-3505

Attorneys for MYCO Industries, Inc.

STATE OF NEW MEXICO) : ss. COUNTY OF EDDY)

SUBSCRIBED AND SWORN TO before me this February 27, 1995.

and I. Haldeman tary Public

My commission expires:

11-17-97

MYCO INDUSTRIES INC. BEFORE EXAMINER CATANACH NMOCD CASE NO. 11190 DATE: 03/02/95 EXHIBIT NO. _____4

EXHIBIT A

Southland Royalty Company c/o Meridian Oil P. O. Box 51810 Midland, TX 79710

Attn: James B. Shepherd III

Harvey E. Yates Company P. O. Box 1933 Roswell, NM 88202

Attn: Melissa Randle

Jalapeño Corporation P. O. Box 1608 Albuquerque, NM 87103

Attn: Mindy Young

Cibola Energy Corporation P. O. Box 1668 Albuquerque, NM 87103

Yates Energy Corporation P. O. Box 2323 Roswell, NM 88201

Attn: Shari Hamilton

William P. Dooley Estate 1006 South 2nd Street Artesia, NM 88210

Attn: Paula Dooley

LOSEE, CARSON, HAAS & CARROLL, P. A. 300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505

TELECOPY (505) 746-6316

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE

December 19, 1994

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Harvey E. Yates Company P. O. Box 1933 Roswell, NM 88202

Attn: Melissa Randle

Re: Application of MYCO Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

This office represents MYCO Industries, Inc. On December 16, 1994, the above-referenced Application was filed by MYCO Industries, Inc. to drill its Reflex Federal #1 Well in the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico. A copy of the Application is provided herewith for your information.

MYCO has requested a hearing date of January 19, 1995. Be advised that any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, along with a return envelope.

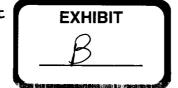
If you have any questions, do not hesitate to contact me at the letterhead address.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:kth Enclosure



LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE 300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505 TELECOPY (505) 746-6316

December 19, 1994

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jalapeño Corporation P. O. Box 1608 Albuquerque, NM 87103

Attn: Mindy Young

Re: Application of MYCO Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

This office represents MYCO Industries, Inc. On December 16, 1994, the above-referenced Application was filed by MYCO Industries, Inc. to drill its Reflex Federal #1 Well in the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico. A copy of the Application is provided herewith for your information.

MYCO has requested a hearing date of January 19, 1995. Be advised that any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, along with a return envelope.

If you have any questions, do not hesitate to contact me at the letterhead address.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:kth Enclosure

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE

300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505 TELECOPY

(505) 746-6316

December 19, 1994

CERTIFIED MAIL **RETURN RECEIPT REQUESTED**

Yates Energy Corporation P. O. Box 2323 Roswell, NM 88201

Attn: Shari Hamilton

Re: Application of MYCO Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

This office represents MYCO Industries, Inc. On December 16, 1994, the above-referenced Application was filed by MYCO Industries, Inc. to drill its Reflex Federal #1 Well in the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico. A copy of the Application is provided herewith for your information.

MYCO has requested a hearing date of January 19, 1995. Be advised that any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, along with a return envelope.

If you have any questions, do not hesitate to contact me at the letterhead address.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carro

ELC:kth Enclosure

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE

300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505 TELECOPY

(505) 746-6316

December 19, 1994

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Cibola Energy Corporation P. O. Box 1668 Albuquerque, NM 87103

Application of MYCO Industries, Inc. for Re: Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

This office represents MYCO Industries, Inc. On December 16, 1994, the above-referenced Application was filed by MYCO Industries, Inc. to drill its Reflex Federal #1 Well in the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico. A copy of the Application is provided herewith for your information.

MYCO has requested a hearing date of January 19, 1995. Be advised that any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, along with a return envelope.

If you have any questions, do not hesitate to contact me at the letterhead address.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:kth Enclosure

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE

300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505

TELECOPY (505) 746-6316

December 19, 1994

CERTIFIED MAIL **RETURN RECEIPT REQUESTED**

William P. Dooley Estate 1006 South 2nd Street Artesia, NM 88210

Attn: Paula Dooley

Re: Application of MYCO Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

This office represents MYCO Industries, Inc. On December 16, 1994, the above-referenced Application was filed by MYCO Industries, Inc. to drill its Reflex Federal #1 Well in the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico. A copy of the Application is provided herewith for your information.

MYCO has requested a hearing date of January 19, 1995. Be advised that any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, along with a return envelope.

If you have any questions, do not hesitate to contact me at the letterhead address.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

anel Ernest L.

ELC:kth Enclosure

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE 300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505 TELECOPY (505) 746-6316

December 28, 1994

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Southland Royalty Company c/o Meridian Oil P.O. Box 51810 Midland, TX 79710

Attn: James B. Shepherd III

Re: Application of MYCO Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

This office represents MYCO Industries, Inc. On December 16, 1994, the above-referenced Application was filed by MYCO Industries, Inc. to drill its Reflex Federal #1 Well in the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico. A copy of the Application is provided herewith for your information.

MYCO has requested a hearing date of January 19, 1995. Be advised that any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance. If you do not intend to protest said Application, enclosed you will find a waiver whereby you can make that decision known, along with a return envelope.

If you have any questions, do not hesitate to contact me at the letterhead address.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:kth Enclosure

	Attach this form to the front of the mailpiece, or on the back if space Section the receipt Requésted" on the mailpiece below the article number. Section Receipt Requésted" on the article was delivered and the date delivered. Section 1 In International Internation International Internatio
SENDER: SENDER: Complete items 1 and/or 2 for additional s Complete items 3. and 4 & b. Complete items 3. and 4 & b. Complete items 3. and 4 & b. Attach this form to the front of the malpin does not permit. The Return Receipt Requested" on the m Write: "Return Receipt Requested" on the m Write: "Return Receipt Requested" on the m 3. Article Addressed to: Yates Energy Corp P. 0. Box 2323 ROSWell, NM 8820 Attn: Shari Hand. With "Return (Addressee)	3. Article Addressed to: 4a. Article Number 3. Article Addressed to: 2. 0. 312.839 4b. Service Type Registered 9. 0. Box 1933 Certified COD Roswell, NM 88202 Express Mail Return Receipt for Merchandise 7. Date of Delivery 1 × 10 - % 5. Signature (Addressee) 8. Addressee's Address (Only if requested and fee is paid)
additional services. additional services. I also wish to receive the following services (for an extra fee): I also wish to receive the following services (for an extra I addressee's Addresse's Address Corporation A. Article Number 2. Addressee's Addresse's Address Corporation A. Article Number 2. Restricted Delivery whom the article was delivered and the date Consult postmaster for fee. A. Article Number A. Art	PS Form 3811, December 1991 ±U.S. GPO: 1993–352-714 DOMESTIC RETURN RECEIPT SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered. Article Addressed to:- Complete items 2, and 4a & b. Article Addressed to:- Complete items 3, and 4a & b. Complete items 4, and 4a & b. Article Addressed to:- Complete items 4, and 4a & b. Signature (Addresset) Signature (Addresset) PS Form 3811, December 1991 U.S. GPO: 1993–352714 DOMESTIC RETURN RECEIPT
Your RETURN ADDRESS SENDER: Sender Sender Sender Sender Sender Sender Write Return Receipt Requested 'on the melipiece, or on the back if spreated below the erricle Sender Attach this form to the front of the melipiece, or on the back if spreated below the erricle Sender Write 'Return Receipt Hequested' on the melipiece below the erricle delivered and the delivered. Attach this form to the front of the melipiece below the erricle delivered and the delivered. Article Addressed to: Sender Sender Article Addressed to: Sender Sender Article Addressed to: Sender South and and addressed to: Article Addressed to: Sender South and and addressed to: Article Addressed to: Sender South and and addressed to: Article Addressed to: Sender South and and addressed to: Article Addressed to: Sender Sender Article Addressed to: Article Addressed to: Sender Signature (Addressee) Article Addressee) Article Addressee Sender Signature (Addressee) Signature to the top the	PS Form 3811, December 1991 U.S. GPO: 1993–352-714 DOMESTIC RETURN RECEIPT SENDER: • Complete items 1 and/or 2 for additional services. • I also wish to receive the following services (for an extra fee): • Print you name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space • Addressee's Address • Write "Return Receipt Requested" on the mailpiece below the article number. • Consult postmaster for fee. • Addressee's Address • Write "Return Receipt will show to whom the article was delivered and the date • Consult postmaster for fee. • Consult postmaster for fee. • Article Addressed to: 4a. Article Number • O (a) 3/2 3/3 William P. Dooley Estate 1006 South 2nd Street 4b. Service Type Insured Artesia, NM 88210 Express Mail Return Receipt for Attn: Paula Dooley • Do -9M 5. Signature (Addressee) 8. Addressee's Address (Only if requested and fee is paid)
I also wish to receive the following services (for an extra fee): back if space hearticle number. 2. Addressee's Address 4a. Article Number 4b. Service Type Begistered 7. Date of Delivery 8. Addresse's Address (Only if requested) 8. Addressee's Address (Only if requested) Thank you for using Return Receipt Service.	PS Form 2811, December 1991 xU.S. GPO 1993-352-714 DOMESTIC RETURN RECEIPT SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3. and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • Write "Return Receipt will show to whom the article was delivered and the date delivered. 3. Article Addressed to: Jalapeño Corporation P. O. Box 1608 Albuquerque, NM 87103 Attn: Mindy Young Attn: Mindy Young • Totate primely a state of the second for the se

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE ERNEST L. CARROLL JOEL M. CARSON DEAN B. CROSS JAMES E. HAAS A. J. LOSEE BARRY D. GEWEKE 300 YATES PETROLEUM BUILDING P. O. BOX 1720 ARTESIA, NEW MEXICO 88211-1720

TELEPHONE (505) 746-3505 TELECOPY (505) 746-6316

January 16, 1995

VIA FACSIMILE AND FIRST CLASS MAIL

Ms. Florene Davidson New Mexico Oil Conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87504

> Re: Application of MYCO Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico, Case No. 11190

Dear Florene:

Pursuant to your telephone conversation with Kandy Haldeman, I would confirm my request that the above-referenced matter be continued to the March 2, 1995, hearing date.

Thank you for your assistance.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Imest

Ernest L. Carroll

ELC:kth

xc: Nelson Muncy, Doug Hurlbut, MYCO Industries, Inc. All Interested Parties

 Print your name and address on the reverse of this form so that 	Toliowing services (for an extra
return this card to you.	
does not permit. • Write "Return Receipt Requested" on the mailpiece below the artic	cle number 2. Restricted Delivery
6 delivered.	Consult postmaster for fee.
3. Article Addressed to:	4a. Article Number Z 061 312 792
fourthland logal y Co.	4b. Service Type
: Go Meridiano Chi	Certified COD
3. Article Addressed to: Jourthland Royalty Co. Co Meridian Oil P. D. Box 51810 Midland, TT 79710	Express Mail Return Receipt for Merchandise
Milland, TX 79710	7. Date of Delivery
	8. Addressee's Address (Only if requested
5. Signature (Addressee) 6. Signature (Agenti 2000)	and fee is paid)
n / llkll	
> PS Form 3811 , December 1991 #U.S. GPO: 1993-352	DOMESTIC RETURN RECEIPT
• Complete items 1 and/or 2 for additional services.	I also wish to receive the
	following services (for an extra
 Complete items 5, and 4a & b. Print your name and address on the reverse of this form so that or return this card to you. Attach this form to the front of the mailpiece, or on the back it does not permit. 	f space 1.
Write "Return Receipt Requested" on the mailpiece below the arti Write Beturn Receipt will show to whom the article was delivered at	nd the date
6 delivered.	4a. Article Number
	Z 061 312 796
E Cho la Energy Cite	4b. Service Type
SI HO. Box 16 5	Certified COD .
3. Article Addressed to: Cibe la Energy Curp P.D. Box 16 100 Albuque que Missipert	7. Date of Delivery
	P
5. Signature (Addressee)	8. Addressee's Address (Only if requested and fee is paid)
$\frac{\omega}{2} = \frac{6.5 \text{ Signature (Agent)}}{1000 \text{ Cm}}$ $\frac{1000 \text{ Cm}}{2} = \frac{1000 \text{ Cm}}{2}$	-714 DOMESTIC RETURN RECEIPT
<u>v</u>	
SENDER: • Complete items 1 and/or 2 for additional services.	I also wish to receive the
o • Complete items 3, and 4a & b.	
 return this card to you. Attach this form to the front of the mailpiece, or on the back if 	space 1.
• Write "Return Receipt Requested" on the mailpiece below the artic	the number. 2. Restricted Delivery
6 delivered.	t we can following services (for an extra fee): space 1. Addressee's Address for fee. d the date Consult postmaster for fee. 4a. Article Number Consult 3/2797 4b. Service Type
alapeno Constin	2061312797
E Larapeno Corportion	I Decisteren I Linsuren
BY H. O. Box Maria ,	
Albuquerente MM 57 07	Express Mail Return Receipt for Merchandise Merchandise
ATTA MUNICALLING	
5. Signature (Addressee) 6. Signature (Agent)	8. Addressee's Address (Only if requested and fee is paid)
	<u>ڀ</u>
PS Form 3811 , December 1991 *U.S. GPO: 1993-352-	74 DOMESTIC DETURN DECENT
2	DOMESTIC RETURN RECEIPT
SENDER:	
• Complete items 1 and/or 2 for additional services.	I also wish to receive the following services (for an extra
 Print your name and address on the reverse of this form so that return this card to you. 	at we can fee):
does not permit.	
 Write Return Receipt Requested on the maliplece below the article The Return Receipt will show to whom the article was delivered a delivered. 	
3. Article Addressed to:	4a. Article Number
William F. Dorbey Est.	4b. Service Type
i vue sous). I -	☐ Registered ☐ Insured ☐ Certified ☐ COD
and st.	Express Mail Return Receipt for Merchandise
	7. Date of Delivery
g walling in roxic	
Artn' Paula alcole 5. Signature (Addressee)	8. Addressee's Address (Only if requested _
Attn: Daula alcole, 5. Signature (Addressee)	
BE Form 3811 December 1991 - CL 3 370: 1993-525	8. Addressee's Address (Only if requested

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF : MYCO INDUSTRIES, INC. FOR COMPULSORY : CASE NO. 1/190 POOLING, EDDY COUNTY, NEW MEXICO :

WAIVER

CIBOLA ENERGY CORPORATION, as offset operator or interest owner, has no objection to MYCO Industries, Inc.'s application as captioned hereinabove, and hereby waives any objection MYCO's drilling of its Reflex #1 Federal Well or to the pooling of all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

CIBOLA ENERGY CORPORATION
By: Harm 2 DT
President
Title
2/4/95
Date

MYCO INDUSTRIES INC.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 11190
DATE: 03/02/95
EXHIBIT NO. 5

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF : MYCO INDUSTRIES, INC. FOR COMPULSORY : CASE NO. ///90 POOLING, EDDY COUNTY, NEW MEXICO :

WAIVER

JALAPEÑO CORPORATION, as offset operator or interest owner, has no objection to MYCO Industries, Inc.'s application as captioned hereinabove, and hereby waives any objection MYCO's drilling of its Reflex #1 Federal Well or to the pooling of all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

JALAPEÑO CORPORATION 2/9/95

Date

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF : MYCO INDUSTRIES, INC. FOR COMPULSORY : CASE NO. /// 90 POOLING, EDDY COUNTY, NEW MEXICO :

WAIVER

YATES ENERGY CORPORATION, as offset operator or interest owner, has no objection to MYCO Industries, Inc.'s application as captioned hereinabove, and hereby waives any objection MYCO's drilling of its Reflex #1 Federal Well or to the pooling of all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

YATES ENERGY CORPORATION

SKIL By: Fred G. Presid Title December 20, 1994

Date

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF : MYCO INDUSTRIES, INC. FOR COMPULSORY : CASE NO. 1190 POOLING, EDDY COUNTY, NEW MEXICO :

WAIVER

HARVEY E. YATES COMPANY, as offset operator or interest owner, has no objection to MYCO Industries, Inc.'s application as captioned hereinabove, and hereby waives any objection MYCO's drilling of its Reflex #1 Federal Well or to the pooling of all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

HARVEY E. YATES COMPANY	
By: George M. Yates	INE
President Title	
December 21, 1994	

Date

MYCO INDUSTRIES INC. BEFORE EXAMINER CATANACH NMOCD CASE NO. 11190 DATE: 03/02/95 EXHIBIT NO.

GEOLOGICAL DISCUSSION

The proposed MYCO Industries, Inc., Reflex Federal No. 1 is located about 11 miles southwest of Loco Hills at 1990 feet FSL and 660 feet FEL of Sec. 22-T18S-R29E, Eddy County, New Mexico. The proposed location is an orthodox location for the dedicated 320 acre proration unit covering the E/2 of Section 22, in the Turkey Track Atoka field. Projected total depth is 11,600 feet in the Mississippian.

The primary objective of the Reflex No. 1 is the Pennsylvanian Atoka sand expected at 10,710 feet. The Cisco, Strawn and Morrow offer good secondary objectives.

Exhibit No. 6 is a geological discussion of some of the features and maps that support the drilling of this well. Four additional exhibits are included in support of the proposed location. Exhibit No. 7 is a location plat which shows the location of the proposed well and all of the wells in the 20 Section area surrounding it. Exhibit No. 8 is an isopach of our primary objective, the Atoka pay sand. Exhibit No. 9 is a structure map drawn on the top of the Atoka pay sand. These two exhibits cover the same area as Exhibit No. 7, but only shows the wells deeper than 10,000 feet which give us the control to make the isopach and structure maps. Exhibit No. 10, Cross Section A-A', is NW-SE section across the Turkey Track Atoka sand body. It uses Gamma Ray Neutron-Density logs to illustrate the reservoir quality and stratigraphic nature of the Atoka pay sand. The location of this cross section is shown on Exhibits Nos. 8 and 9.

Exhibit No. 8 the Atoka pay sand isopach map, is on a scale of 1" = 2000' with a contour interval of 10 feet. The proposed location is shown in the SE/4 of Section 22. The thickness of the Atoka pay sand is spotted by all wells which were used for subsurface control in the construction of this isopach map. Only the wells deeper than 10,000 feet are spotted on this map. It should be noted that we have no deep subsurface control to the north and northeast of the proposed location. Our isopach mapping shows that we could encounter 22 feet of sand at the proposed location and that the proposed well is a reasonable step out to the existing production in Turkey Track Atoka Field. The Atoka sands occur in NE-SW trending lenses which probably represent sand bars or barrier island deposits. The reservoir sand is a clean, clear, medium to coarse grained fairly unconsolidated quartz sand. Poor wells and dry holes on the flanks of the sand body as shown on Exhibit Nos. 8 and 10 have thin sands with considerable calcareous cement or have the reservoir replaced by limestone. We have the proposed well mapped to tap into the Turkey Track Atoka sand lense which currently has two wells producing from it. The Southland Empire Federal "A" No. 1 (Well No. 3 on Exhibits Nos. 8, 9, and 10)

at the C location of Sec. 27-T18S-R29E, completed in 1980, has produced an estimated 4,178,527 MCFG + 34,060 BO from 28 feet of Atoka sand at 10,752 feet. The Southland Federal Com. No. 1 (Well No. 4 on Exhibits Nos. 8, 9, and 10) at the K location of Section 27, also completed in 1980, has produced an estimated 3,629,441 MCFG + 24,634 BO from 12 feet of Atoka sand at 10,763 feet. Each of these wells is currently producing at an estimated rate of between 500 to 700 MCFGPD with little or no water. If the proposed well comes in as mapped we expect it recover its proportional share of the remaining reserves in the Atoka sand body. The risk involved is if the well encounters 22 feet of sand as mapped and the amount of drainage by the two existing wells. The estimated amount of drainage and estimated remaining reserves will be discussed in the engineering testimony presented by Mr. Muncy. We have no deep well control in the north half of Section 23 or in Section 14. The MYCO East Turkey Track No. 1 at the K location of Section 23 has only 4 feet of tight calcareous Atoka sand which tested only a small amount of gas through perforations. This well is mapped on the southeast flank of the sand body with the lense open ended to the northeast. If the sand lense pinches out west of the MYCO well, the proposed well will encounter much less sand and consequently less reserves. As pointed out, poor wells or dry holes generally encounter thinner, tighter and calcareous sand in the Atoka pay Since we have no subsurface control to the interval. northeast of the proposed location, it carries considerable geological risk in predicting the thickness and reservoir quality of our primary objective, the Atoka sand.

Exhibit No. 9 is a structure map drawn on the top of Atoka pay sand. The scale and deep control wells are the same as on Exhibit No. 8, but the contour interval is 50 feet. The map shows regional southeast dip out into the Delaware Basin. We have the proposed location mapped to encounter the Atoka pay slightly high to the Southland Empire Federal "A" Com. No. 1 at the C location of Section 27. It appears that structure has little or no effect on the entrapment of the gas in the Turkey Track Atoka Field.

The Morrow at 11,080 feet, the Strawn at 10,250 feet and the Cisco at 9850 feet, all offer good secondary objectives. These zones all produce in the area but reserves have been spotty and overall production disappointing. The Morrow, which contains some excellent gas reserves in this part of Eddy County, has been especially disappointing in the immediate area of the proposed location. All four wells shown on Exhibit No. 10 drilled deep enough to test the Morrow, but two found it dry and the other two found minimum production. Although the Morrow represents a high risk reservoir, it is certainly worthy of drilling the additional 800 feet to test it and most prudent operators would do so. In summary the proposed well should recover its proportional share of the remaining reserves if it encounters the Atoka pay sand as mapped. The geological risk involved is considerable since we have no subsurface control to the northeast to map the northeast limits of the reservoir. Additionally, the amount of drainage by the two existing wells presents an another risk factor. In my opinion these risk factors should qualify the proposed well for the maximum penalty under the Oil Conservation divisions forced pooling rules.

Leo J. Lammers, Consulting Geologist, 3/2/95 OCD Hearing

• Case No. 11190