



Oil Conservation Division

RECEIVED
JAN 21 1997

January 16, 1997

Nearburg Exploration Company, L.L.C.
3300 North "A" Street, Bldg. 2, Suite 120
Midland, Texas 79705

The Moore Trust
P. O. Box 1733
Midland, Texas 79702

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: Galileo "34" State Com #1 Well
Township 17 South, Range 28 East
Section 34: W/2
Eddy County, New Mexico

Ladies and Gentlemen:

Oil Conservation Division Case No. 11641, Order No. R-10728 (copy enclosed), Compulsory Pooling for the well referenced above, requires that ARCO Permian, as operator, provide all known working interest owners an itemized schedule of estimated well costs. A well cost estimate and operating agreement are enclosed for your review.

Two signature pages have been provided with the operating agreement. After your review, it is asked that each of the working interest parties execute and return one signature page and a geologic requirement listing to the undersigned as soon as possible. ARCO Permian would like to spud the Galileo well in January of 1997. Your early attention would be greatly appreciated.

Very truly yours,

Lee M. Scarborough
Land Director, SE New Mexico

LMS/sb

Enclosures

xc: William J. Lemay, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Supplement



Original

Well name Galileo 34 State Com #1						TD 10,700	
Location 1017 FSL & 1379 FWL Section 34, T-17-S, R-28-E, Eddy County, New Mexico							
District SE New Mexico Asset Area			Area or Group		Field Empire South Morrow		
Objective Atoka @ 9800 Ft. Morrow @ 10,400 Ft.							
☒ Development ☐ Exploratory ☐ Workover/ Recompletion		Gen 9171 9172 9171		☒ Single ☐ Dual ☐ Multiple		Data Processing Information AFC No. Original/Revision Indicator 1=Original 2=Revision 2	
Tangible Costs - SUB 500 and 550							
1. Tubular goods			Drilling	Evaluation	Completion	Sum	Total Gross Dollars
13 3/8 " OD from 0 ft. to 500			10,000			5 1 3	10,000
9 5/8 " OD from 0 ft. to 2600			28,000			5 9 5	28,000
" OD from ft. to							0
5 1/2 " OD from 0 ft. to 10700					60,000	5 5 5	60,000
2 7/8 " OD from 0 ft. to 10,700					42,800	5 2 7	42,800
" OD from ft. to							0
" OD from ft. to							0
" OD from ft. to							0
2. Casinghead, Tubinghead, Christmas Tree			5,000		8,000	5 0 4	13,000
3. Tubing Accessories					4,000	5 0 6	4,000
4. Artificial Lift Accessories						5 0 7	0
5. Well Protective Structures						5 0 8	0
6. Unclassified			1,000		2,000	0 0 0	3,000
7. Additional Basis (Sub 550)							0
Casinghead, Tubinghead, Christmas Tree						5 0 4	0
Tubing Accessories						5 0 6	0
Artificial Lift Accessories						5 0 7	0
Well Protective Structures						5 0 8	0
TOTAL TANGIBLES			44,000	0	116,800		160,800
Intangible Costs - SUB 600							
8. Contract Engineering Technical			12,000		4,500	0 1 3	16,500
9. Boat Operations						0 5 3	0
10. Minor Supplies						0 7 8	0
11. Electric Power and Light						2 4 1	0
12. Diesel Fuel						2 4 2	0
13. Natural Gas						2 4 3	0
14. Water			8,000		4,000	2 4 6	12,000
15. Property and Equipment Rentals			1,000		1,000	2 4 8	2,000
16. Security, Safety, and Firefighting			1,000		500	2 5 0	1,500
17. Tubular Testing, and Inspection			1,000		1,000	5 0 3	2,000
18. Trucking Tubulars			1,500		1,500	5 0 9	3,000
19. Casing Accessories			2,000		3,000	5 1 2	5,000
20. Site Preparation and Maintenance			14,000		2,000	5 1 4	16,000
21. Permits, Insurance, and Damages			3,000			5 1 5	3,000
22. Rig Moving Expense						5 1 7	0
23. Shorebases						5 2 1	0
24. Camp Housekeeping						5 2 2	0
25. Reclamation			1,000		1,000	5 2 5	2,000
26. Air Freight and Transportation						5 2 8	0
27. Disposal and Cleanup			4,000		2,000	5 3 1	6,000

Well name Galileo 34 State Com #1	☐ Original ☒ Supplement		Original/Revision Indicator 1=Original 2=Revision	
Location Eddy County, New Mexico	APC No. 		2	
District SE New Mexico Asset Area				

Intangible Costs (Cont'd) - SUB 600	Drilling	Evaluation	Completion	Total Gross Dollars	
				Bem	
28. Contract Footage Drilling 0 ft. @ \$ 0.00 per foot				5 3 2	0
29. Contract Drilling Daywork Drilling 30 days @ \$ 5,000.00 per day	150,000			5 3 3	150,000
30. Mobilization, Demobilization & Rig Mod.	25,000			5 3 4	25,000
31. Roads and Airstrips				5 3 6	0
32. Completion/Workover Daywork 10 days @ \$ 1,500.00 per day			15,000	5 4 2	15,000
33. Drill String & BHA Rental days @	8,000			5 4 3	8,000
34. Well Control Equipment			1,000	5 4 7	1,000
35. Bits, Underreamers, & Hole Openers					
	45,000		1,000	5 4 8	46,000
36. Drilling Mud and Transportation	22,000			5 5 1	22,000
37. Drilling Mud Equipment and Services	4,000			5 5 2	4,000
38. Completion Fluids				5 5 3	0
39. Open Hole Surveys	25,000			5 5 7	25,000
40. Wireline Work				5 5 9	0
41. Formation Monitoring	6,500			5 6 0	6,500
42. Cased Hole Surveys and perf. Fees			8,000	5 6 1	8,000
43. Surface Well Test Equipment			1,000	5 6 3	1,000
44. Coring and Analysis				5 6 8	0
45. Drill Stem Test Equipment	10,000			5 7 2	10,000
46. Fracturing, Acidizing, and Gravel Pack				5 7 7	0
47. Divers				5 7 8	0
48. Fishing Tool Rental				5 8 0	0
49. Directional Drilling Tool Rental				5 8 1	0
50. Telecommunications & Navigational Needs				5 8 2	0
51. Material Losses				5 8 8	0
52. Capitalized Overhead	33,300			6 0 4	33,300
53. Cement Running Fees for Casing & Tubing					
13 3/8" OD 400 Sacks	4,000			6 1 3	4,000
9 5/8" OD 1000 Sacks	10,000			6 9 5	10,000
5 1/2" OD 1000 Sacks			20,000	6 5 5	20,000
					0
54. Cementing - Squeezes & Plugs				6 9 9	0
55. Unclassified	15,000		10,000	0 0 0	25,000
					0
					0
TOTAL INTANGIBLES	406,300	0	76,500		482,800
TOTAL COST (Tangibles & Intangibles)	450,300	0	193,300		643,600
EVALUATED COST	450,300				
COMPLETED WELL COST	643,600				

Approved: _____

REPORT TO DEJ

UNIT NAME APRIL STATE
 OPERATOR McKay Oil Corporation
 COUNTY Chaves County, New Mexico

TERMINATED
 EFFECTIVE DATE 9/1/93
 APPROVAL DATE 9/3/93

DATE	APPROVED	OCB	CASE NO.	ORDER NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
06-28-91		R-9534			07-01-91	21,737.90	21,376.69	00	361.21	STRICT	FIVE (5) yrs

"REINSTATED"

Unit to be reinstated
 Date 9/1/93 BY [Signature]

EXHIBIT "A"
 CASE NO. 10320
 ORDER NO. R-9534
 APRIL STATE UNIT AREA
 CHAVES COUNTY, NEW MEXICO

UNIT AREA

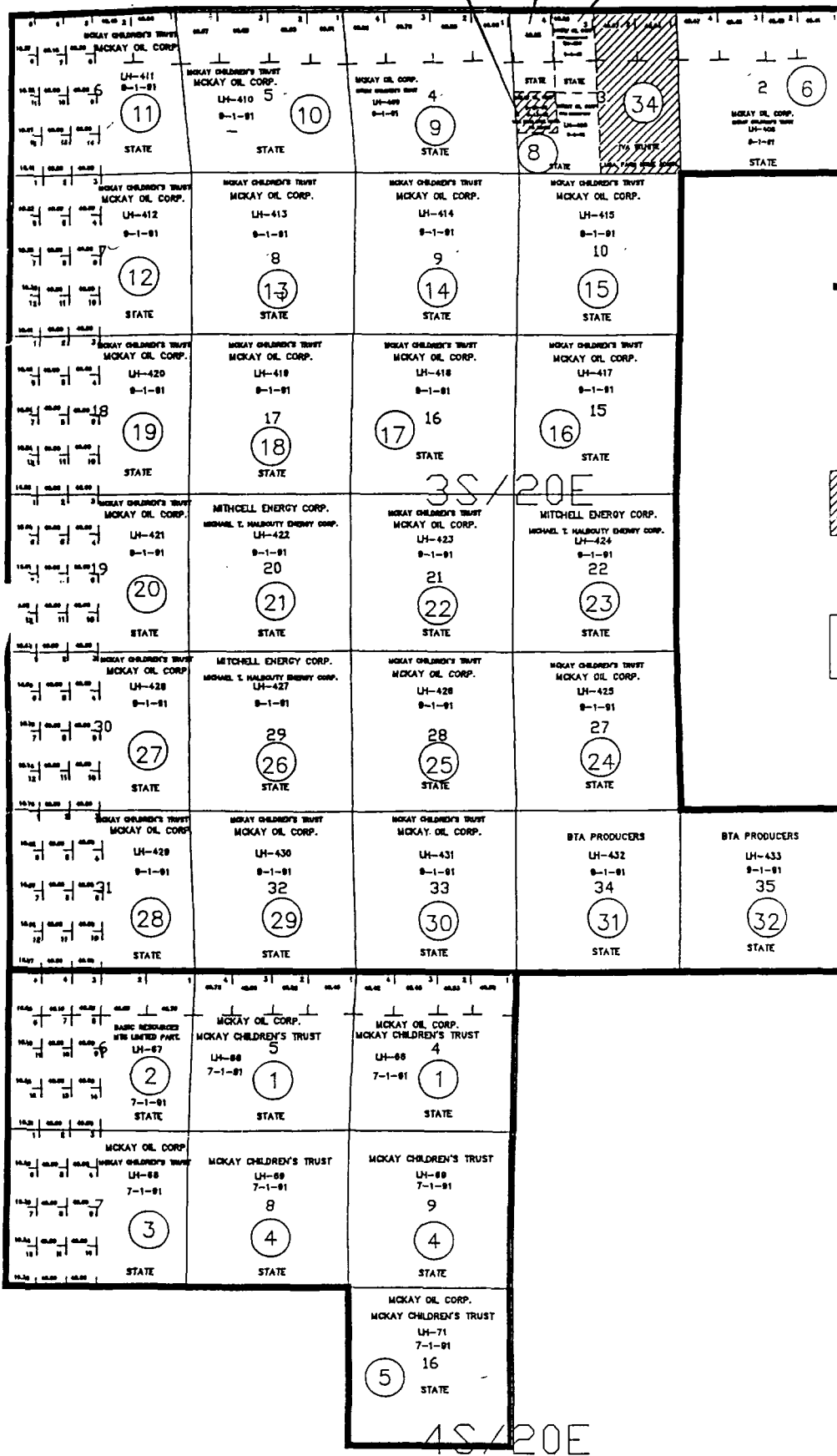
TOWNSHIP 3 SOUTH, RANGE 20 EAST, NMPM
 Sections 2 through 10: All
 Sections 15 through 22: All
 Sections 27 through 35: All

TOWNSHIP 4 SOUTH, RANGE 20 EAST, NMPM
 Sections 4 through 9: All
 Section 16: All

TERMINATED
 EFFECTIVE DATE 7-1-94
 APPROVAL DATE 1-16-97

TERMINATED
 EFFECTIVE DATE 9/1/93
 APPROVAL DATE 9/3/93

(35) (33) (7)



UNIT OUTLINE

TRACT NUMBER

FEE ACREAGE
361.21 ACRES

STATE ACREAGE
21,376.69 ACRES

TOTAL ACREAGE: 21,737.90

APRIL STATE UNIT

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORL PERCENTAGE	WI OWNER & PERCENTAGE
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STATE OF NEW MEXICO LANDS

1. T4S-R20E			LH-0066-3	State of N.M.-12.5%	McKay Oil Corporation	75%	Maxus Exploration-1.0%	McKay Oil Corporation	75.00%
Section 4: Lots 1,2,3,4,SW¼,SE¼	642.01	07/01/91		McKay Children's Trust	25%			Sanders Petroleum Corporation	25.00%
Section 5: Lots 1,2,3,4,SW¼,SE¼	642.40								
	1284.41								

2. T4S-R20E			LH-0067-3	State of N.M.-12.5%	MFS Limited Partnership	50%		Yates Petroleum Corporation	38.90475%
Section 6: Lots 1,2,3,4,5,6,7,8,9, 10,11,12,13,14, SW¼,SE¼ (A11)	718.79	07/01/91		Bastic Resources, Inc.	50%			Yates Drilling Co.	2.03175%
								ABO Petroleum Corporation	2.03175%
								Myco Industries, Inc.	2.03175%
								Bastic Resources, Inc.	50.0%
								Betchel Energy Partners Ltd.	5.0%

T4S-R20E			LH-0068-3	State of N.M.-12.5%	McKay Children's Trust			Sanders Petroleum Corporation	100%
Section 7: Lots 1,2,3,4,5,6,7,8,9, 10,11,12, E/2 (A11)	717.28	07/01/91							

4. T4S-R20E			LH-0069-3	State of N.M.-12.5%	McKay Children's Trust	100%		Sanders Petroleum Corporation	100%
Section 8: ALL	640.00	07/01/91							
Section 9: ALL	1280.00								

5. T4S-R20E			LH-0071-1	State of N.M.-12.5%	McKay Oil Corporation	75%		McKay Oil Corporation	75.00%
Section 16: ALL	640.00	07/01/91		McKay Children's Trust	25%			Sanders Petroleum Corporation	25.00%

* Working Interest is committed. Lessee of Record 50% committed.

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORR PERCENTAGE	MI OWNER & PERCENTAGE
<u>STATE OF NEW MEXICO LANDS</u>							
6. T3S-R20E Section 2: Lots 1,2,3,4, 58N½, 58½ (A11)		641.76	LH-405-1 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	C. Richard Overly-.538125% William C. Longquist, Jr.-.538125% Mills H. Oakes-.070875% Gayle A. Dalton-.023625% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%
7. T3S-R20E Section 3: Lots 3, 58N½		80.80	LH-406-1 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	3rd Neff-.021875% BHP Petroleum Inc.-1.0%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%
8. T3S-R20E Section 3: 58N½, 58N½		120.00	LH-408-1 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	C. Richard Overly-.63310% William C. Longquist, Jr.-.63310% Mills H. Oakes-.08338% Gayle A. Dalton-.02779% Milton R. Fry-.16677%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%
9. T3S-R20E Section 4: Lots 1,2,3,4, 58N½, 58½ (A11)		643.20	LH-409-1 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	C. Richard Overly-.538125% William C. Longquist, Jr.-.538125% Mills H. Oakes-.070875% Gayle A. Dalton-.023625% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORL PERCENTAGE	MI OWNER & PERCENTAGE
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STATE OF NEW MEXICO LANDS

10.	T3S-R20E Section 5: Lots 1,2,3,4, SW¼, SE¼ (A11)	642.56	LH-410 09/01/91	State of N.M.-12.5%	McKay Oil Corporation McKay Children's Trust	75% 25%	McKay Oil Corporation Sanders Petroleum Corporation	75.00% 25.00%
11.	T3S-R20E Section 6: Lots 1,2,3,4,5,6,7,8,9,10, 11,12,13,14,SW¼,SE¼ (A11)	714.68	LH-411 09/01/91	State of N.M.-12.5%	McKay Oil Corporation McKay Children's Trust	75% 25%	McKay Oil Corporation Sanders Petroleum Corporation	75.00% 25.00%
12.	T3S-R20E Section 7: Lots 1,2,3,4,5,6,7,8,9,10, 11,12, E¼ (A11)	713.28	LH-412 09/01/91	State of N.M.-12.5%	McKay Oil Corporation McKay Children's Trust	75% 25%	McKay Oil Corporation Sanders Petroleum Corporation	75.00% 25.00%
13.	T3S-R20E Section 8: ALL	640.00	LH-413 09/01/91	State of N.M.-12.5%	McKay Oil Corporation McKay Children's Trust	75% 25%	McKay Oil Corporation Sanders Petroleum Corporation	75.00% 25.00%

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC RENTALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORL PERCENTAGE	MI OWNER & PERCENTAGE
STATE OF NEW MEXICO LANDS							
14.	T3S-R20E Section 9: ALL	640.00	LH-414-3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% 25%	C. Richard Overly-.538125% William C. Longquist, Jr.-.538125% Mills H. Oakes-.070875% Gayle A. Dalton-.023625% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%
15.	T3S-R20E Section 10: ALL	640.00	LH-415-3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% 25%	C. Richard Overly-.538125% William C. Longquist, Jr.-.538125% Mills H. Oakes-.070875% Gayle A. Dalton-.023625% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%
16.	T3S-R20E Section 15: ALL	640.00	LH-417-1 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% 25%	BHP Petroleum Inc.-1.0%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%
17.	T3S-R20E Section 16: ALL	640.00	LH-418-3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% 25%	C. Richard Overly-.538125% William C. Longquist, Jr.-.538125% Mills H. Oakes-.070875% Gayle A. Dalton-.023625% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%
18.	T3S-R20E Section 17: ALL	640.00	LH-419-1 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% 25%	BHP Petroleum Inc.-1.0%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORL PERCENTAGE	HI OWNER & PERCENTAGE
STATE OF NEW MEXICO LANDS							
19. T3S-R2OE		714.08	LH-420	State of N.M.-12.5%	McKay Oil Corporation	BHP Petroleum Inc.-1.0%	McKay Oil Corporation
Section 18:	Lots 1,2,3,4,5,6,7,8,9, 10,11,12, EX (A11)	09/01/91		McKay Oil Corporation	McKay Children's Trust		Sanders Petroleum Corporation
					75%		75.00%
					25%		25.00%
20. T3S-R2OE		714.46	LH-421	State of N.M.-12.5%	McKay Oil Corporation	C. Richard Overly-.538125%	McKay Oil Corporation
Section 19:	Lots 1,2,3,4,5,6,7,8,9,10, 11,12, EX (A11)	09/01/91		McKay Oil Corporation	McKay Children's Trust	William C. Longquist, Jr.-.538125%	Sanders Petroleum Corporation
					75%	Willis H. Oakes-.070875%	75.00%
					25%	Gayle A. Dalton-.023625%	25.00%
						Milton R. Fry-.14175%	
21. T3S-R2OE		640.00	LH-422	State of N.M.-12.5%	Mitchell Energy Corp.		Mitchell Energy Corporation
Section 20:	ALL	09/01/91		Michael T. Halbouty Energy Company	50%		Michael T. Halbouty Energy Company
					50%		50.00%
22. T3S-R2OE		640.00	LH-423	State of N.M.-12.5%	McKay Oil Corporation	C. Richard Overly-.538125%	McKay Oil Corporation
Section 21:	ALL	09/01/91		McKay Children's Trust	75%	William C. Longquist, Jr.-.538125%	Sanders Petroleum Corporation
					25%	Willis H. Oakes-.070875%	25.00%
						Gayle A. Dalton-.023625%	
						Milton R. Fry-.14175%	

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

STATE OF NEW MEXICO LANDS

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORIG PERCENTAGE	MI OWNER & PERCENTAGE
23.	T3S-R20E Section 22: ALL	640.00	LH-424 09/01/91	State of N.M.-12.5% Mitchell Energy Corp. Michael T. Halbouty Energy 50% Company	50%		Mitchell Energy Corp. Michael T. Halbouty Energy 50.00%
24.	T3S-R20E Section 27: ALL	640.00	LH-425 09/01/91	State of N.M.-12.5% McKay Oil Corporation McKay Children's Trust	75% 25%	C. Richard Overly--538125% William C. Longquist, Jr.--538125% Mills H. Oakes--070875% Gayle A. Dalton--023625% Milton R. Fry--14175%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%
25.	T3S-R20E Section 28: ALL	640.00	LH-426 09/01/91	State of N.M.-12.5% McKay Oil Corporation McKay Children's Trust	75% 25%	BHP Petroleum Inc.-1.0%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%
26.	T3S-R20E Section 29: ALL	640.00	LH-427 09/01/91	State of N.M.-12.5% Mitchell Energy Corp. Michael T. Halbouty Energy 50% Company	50% 50%		Mitchell Energy Corporation Michael T. Halbouty Energy 50.00%
27.	T3S-R20E Section 30: Lots 1,2,3,4,5,6,7,8,9,10,11,12, EX (A11)	714.88	LH-428 09/01/91	State of N.M.-12.5% McKay Oil Corporation McKay Children's Trust	75% 25%	BHP Petroleum Inc.-1.0%	McKay Oil Corporation Sanders Petroleum Corporation 75.00% 25.00%

EXHIBIT "B"

Schedule of Lands and Leases lying within the April 11 State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORI PERCENTAGE	HI OWNER & PERCENTAGE
<u>STATE OF NEW MEXICO LANDS</u>							
28. T3S-R20E Section 31: Lots 1,2,3,4,5,6,7,8,9, 10,11,12, EX (A11)		715.58	LH-429 - 3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	C. Richard Overly-.538125% William C. Longquist, Jr.- .538125% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%
29. T3S-R20E Section 32: ALL		640.00	LH-430 - 3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	C. Richard Overly-.538125% William C. Longquist, Jr.- .538125% Milton R. Fry-.14175%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%
30. T3S-R20E Section 33: ALL		640.00	LH-431 - 3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	75% McKay Children's Trust	C. Richard Overly-1.07625% William C. Longquist, Jr.- 1.07625% Milton R. Fry-.2835%	McKay Oil Corporation Sanders Petroleum Corporation 25.00%
31. T3S-R20E Section 34: ALL		640.00	LH-432 - 3 09/01/91	State of N.M.-12.5% McKay Oil Corporation	100% BTA Oil Producers		BTA Oil Producers 100%

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORL PERCENTAGE	WT OWNER & PERCENTAGE
STATE OF NEW MEXICO LANDS							
32. T3S-R20E Section 35: ALL		640.00	LH-433 09/01/91	State of N.M.-12.5% BTA Oil Producers	100%		BTA Oil Producers 100%
33. T3S-R20E Section 3: Lot 4, S44N44E		80.93	V-0-1 07/01/96	State of N.M.-12.5% McKay Oil Corporation	100%		McKay Oil Corporation 100%
TOTAL		21,376.69 Acres		STATE OF NEW MEXICO LAND-98.33% OF UNIT AREA			

* Lease sale of 06/18/91
Tract V-0-1
Serial Number Unknown

EXHIBIT "B"

Schedule of Lands and Leases lying within the April State Unit Area, Chaves County, New Mexico

Township 3 South, Range 20 East, N.M.P.M.

TRACT NO.	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPIRATION	BASIC ROYALTY & OWNERSHIP	LESSEE OF RECORD & PERCENTAGE	ORL PERCENTAGE	MT OWNED & PERCENTAGE
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FEE (PATENTED) LANDS

1.	T3S-R20E Section 3: Lots 1,2, SWNE1/4, SE1/4	321.21		Iva A. Withite USA, Farmers Home Administration	OPEN		Iva A. Withite USA, Farmers Home Administration
							38.5% 61.5%
3.	T3S-R20E Section 3: NW1/4SW1/4	40.00	05/26/92 05/19/92	Iva A. Withite USA, Farmers Home Administration	McKay Oil Corporation McKay Children's Trust	75% 25%	McKay Oil Corporation Sanders Petroleum Corporation
							75.00% 25.00%
					C. Richard Overly-.083025% William C. Longquist, Jr.- .083025% Mills R. Brown-.010935% Gayle A. Dalton-.003645% Milton R. Fry-.021870%		

AL 361.21 ACRES FEE LANDS, 1.67% OF UNIT AREA

RECAPITULATION

21,376.69 ACRES STATE LANDS	98.33%
361.21 ACRES FEE LANDS	1.67%
TOTAL	21,737.90
	100.00%