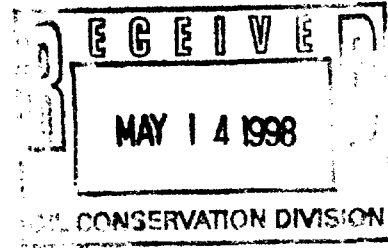


**BURLINGTON
RESOURCES**

MID-CONTINENT DIVISION

Stogner



May 11, 1998

Mr. William J. Lemay
State of New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Kerry Petroleum, Inc.
KP Acquisitions Corporation
500 West Texas, Suite 1450
Midland, TX 79701

Geodyne Nominee Corporation
Two W. Second Street
Tulsa, OK 74103-3104

Re: NMOCD Case 11837, Order R-10905
El Paso "23" Federal No. 2 Well
T-26-S, R-30-E, N.M.P.M.
Section 23: N/2
Eddy County, New Mexico

Gentlemen:

Pursuant to State of New Mexico Oil Conservation Order No. R-10905, enclosed for your review is an itemized schedule of actual well costs for the El Paso "23" Federal No. 2 Well. Said well was completed as producer on March 9, 1998, for a total cost of \$2,433,034.49

Should you have any questions regarding the enclosed schedule, please contact me at (915) 688-9044.

Very truly yours,

BURLINGTON RESOURCES
OIL & GAS COMPANY

A handwritten signature in black ink, appearing to read "Rick Gallegos". The signature is fluid and cursive, with a long, sweeping underline.

Rick Gallegos
Senior Landman

Enclosure

05/05/98
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AFE DETAIL FOR ALL CLASSES

PAGE 1
AFE755NB-A

AFE: 3134 EL PASO 23 FED #2 (DRILLING)

=====				=====			
ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
247-02 9805	J015	190964-DAMSON PRODUCTION	404.100010404	44-0756904	889.87	.00	
247-02 9805	J015	190964-DAMSON PRODUCTION	404.100010038	44-0756912	530.00	.00	
247-02 9805	J044	104252-WALLACH CONCRETE INC	038578	44-0762428	474.96	.00	
247-02 9805	J044	118035-GAS WELL SERVICES INC	009049	44-0762388	692.37	.00	
247-02 9805	J044	118035-GAS WELL SERVICES INC	009050	44-0762389	621.60	.00	
247-02 9805	J044	706911-ORVILLE'S WELDING SERVI	007494	44-0762391	1,494.55	.00	
247-02 9805	J045	190964-DAMSON PRODUCTION	404.100010642	44-0762530	1,127.37	.00	
247-02 9805	J045	190964-DAMSON PRODUCTION	404.100010603	44-0762531	985.16	.00	
247-02 9805	J045	190964-DAMSON PRODUCTION	404.100010573	44-0762533	787.03	.00	
247-02 9805	J045	190964-DAMSON PRODUCTION	404.100010702	44-0762536	984.53	.00	
247-02 9805	J045	190964-DAMSON PRODUCTION	404.100010735	44-0762538	2,063.27	.00	
247-02 9805	J045	190964-DAMSON PRODUCTION	404.100010558	44-0762540	2,602.05	.00	
247-02 ****	****	706911-ORVILLE'S WELDING SERVI	007497	44-0763852	357.85	.00	
247-02 ****	****	706911-ORVILLE'S WELDING SERVI	007499	44-0763853	518.71	.00	
TOTAL FOR LABOR-CONTRACT, ROUSTABOUT, CON					14,129.32	.00	**
247-03 9708	C070	JOURNAL ENTRY	052698		117.36	.00	
247-03 9711	C070	JOURNAL ENTRY	052698		176.04	.00	
247-03 9801	F099	JOURNAL ENTRY	052698		293.40	.00	
247-03 9801	F099	JOURNAL ENTRY	052698		293.40	.00	
TOTAL FOR COMPANY VEHICLES					293.40	.00	**
247-08 9804	J061	687910-U S DEPT OF THE INTERIO	RFC	44-0754194	187.50	.00	
TOTAL FOR LOCATION, ROADS & CANALS					187.50	.00	**
247-44 9805	J012	110912-BEARD ENGINEERING INC	000985	44-0756562	106.25	.00	
TOTAL FOR TECHNICAL CONTRACT SERVICES					106.25	.00	**
247-68 9708	C001	PAYROLL	052698		181.36	.00	
247-68 9708	S003	G	052698		27.51	.00	
247-68 9711	C001	PAYROLL	052698		787.86	.00	
247-68 9711	S003	G	052698		119.51	.00	
247-68 9801	F099	G	052698		1,116.24	.00	
247-68 9801	F099	JOURNAL ENTRY	052698		1,116.24	.00	
247-68 9802	C001	PAYROLL	052698		1,426.92	.00	
247-68 9802	S003	G	052698		324.72	.00	
TOTAL FOR DIRECT LABOR					2,867.88	.00	**
247-69 9708	S003	G	052698		41.71	.00	
247-69 9711	S003	G	052698		181.21	.00	
247-69 9802	S003	G	052698		313.92	.00	
247-69 9802	S004	CONTRACT BENEFITS	052698		402.88	.00	
247-69 9802	S004	CONTRACT BENEFITS	052698		402.88	.00	

NOTE: /****/ IN BATCH COLUMN MEANS PENDING INVOICES

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A/E DETAIL FOR ALL CLASSES

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A/E: 3134 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
=====							
TOTAL FOR BENEFITS							
247-70	9708	S003	G	052698		536.84	.00
247-70	9711	S003	G	052698		20.45	.00
247-70	9801	F099	G	052698		88.86	.00
247-70	9801	F099	G	052698		109.31	.00
247-70	9801	F099	G	052698		109.31	.00
247-70	9802	S003	G	052698		156.86	.00
=====							
TOTAL FOR P/R TAXES & INSURANCE							
247-73	9805	J037	190964-DAWSON PRODUCTION	404100010540	44-0760773	266.17	.00
=====							
TOTAL FOR FREIGHT / TRANSPORTATION							
247-73	9805	J037	190964-DAWSON PRODUCTION	404100010540	44-0760773	139.98	.00
=====							
TOTAL FOR MAJOR ACCOUNT							
248-02	9708	J031	104334-TOPOGRAPHIC LAND	052698	44-0671292	1,497.00	.00
248-02	9712	J036	107209-KELLAHIN & KELLAHIN	003409	44-0711928	120.86	.00
248-02	9801	F099	JOURNAL ENTRY	052698	44-0671292	1,497.00	.00
248-02	9801	F099	JOURNAL ENTRY	052698	44-0671292	1,497.00	.00
248-02	9801	J040	601292-CENTURY GRAPHICS & SIGN	972047	44-0722323	60.01	.00
248-02	9802	F099	JOURNAL ENTRY	003409	44-0711928	120.86	.00
248-02	9802	F099	JOURNAL ENTRY	003409	44-0711928	120.86	.00
248-02	9802	J005	150921-STEVEN W HORN	010597	44-0724178	225.00	.00
248-02	9804	J002	150921-STEVEN W HORN	030498	44-0744679	119.50	.00
=====							
TOTAL FOR LOCATIONS, ROADS, OR CANALS (P							
248-03	9702	J018	107209-KELLAHIN & KELLAHIN	003098	44-0602647	413.89	.00
248-03	9702	J037	133377-TURNER & DAVIS PC	002500028002JRT	44-0604704	7,681.27	.00
248-03	9704	J011	133377-TURNER & DAVIS PC	5002500028005	44-0622250	222.38	.00
248-03	9705	F099	JOURNAL ENTRY	003098	44-0602647	636.27	.00
248-03	9705	F099	JOURNAL ENTRY	002500028002JRT	44-0604704	7,681.27	.00
248-03	9705	F099	JOURNAL ENTRY	002500028002JRT	44-0604704	7,681.27	.00
248-03	9705	F099	JOURNAL ENTRY	5002500028005	44-0622250	636.27	.00
248-03	9707	J066	150921-STEVEN W HORN	060397	44-0666020	318.04	.00
248-03	9709	J010	104334-TOPOGRAPHIC LAND	052944	44-0677874	735.00	.00
248-03	9709	J019	107209-KELLAHIN & KELLAHIN	003319	44-0678734	1,135.46	.00
248-03	9709	J039	133377-TURNER & DAVIS PC	002500038008JRT	44-0683016	3,393.41	.00
248-03	9710	J025	107209-KELLAHIN & KELLAHIN	003347	44-0689425	1,855.87	.00
248-03	9710	Z084	107209-KELLAHIN & KELLAHIN	35316A	44-0681861	847.50	.00
248-03	9711	J012	107209-KELLAHIN & KELLAHIN	003376	44-0698742	185.94	.00
248-03	9712	J004	117705-PERK ROC INC	971957	44-0706534	44,626.56	.00
248-03	9712	J062	117705-PERK ROC INC	972213	44-0715323	2,803.38	.00
248-03	9801	F099	JOURNAL ENTRY	003098	44-0602647	16,788.76	.00
248-03	9801	F099	JOURNAL ENTRY	002500028002JRT	44-0604704	16,788.76	.00

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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A/E DETAIL FOR ALL CLASSES

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AFE: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-03 9801	J040	117705-PERK ROC INC		972286	44-0722307	492.57	.00
248-03 9801	J041	295300-DUBOSE DRILLING INC		020830	44-0721886	5,019.30	.00
248-03 9802	F099	JOURNAL ENTRY		972213	44-0715323	47,429.94-	.00
248-03 9802	F099	JOURNAL ENTRY		971957	44-0706534	47,429.94	.00
248-03 9802	J005	448220-HOBBS ANCHOR INC		006617	44-0724478	540.60	.00
248-03 9802	J007	117705-PERK ROC INC		972423	44-0725147	2,986.55	.00
248-03 9803	J013	900817-WALLACE COMPANY		53109598	44-0736078	414.23	.00
248-03 9804	J048	117705-PERK ROC INC		980762	44-0753154	2,000.00	.00
TOTAL FOR LOCATION/ROADS OR CANALS CONST							75,671.95
248-05 9802	J022	134504-IMPULSE ELECTRIC INC		020454	44-0728089	1,456.28	.00
248-05 9804	J014	747017-PATTERSON DRILLING		0M8179	44-0747260	30,000.00	.00
TOTAL FOR MOVE IN, MOVE OUT							31,456.28
248-07 9804	J047	747017-PATTERSON DRILLING		0M8227	44-0752632	2,226.77-	.00
248-07 9804	J048	747017-PATTERSON DRILLING		M8215A	44-0753207	262,483.16	.00
TOTAL FOR FEES OF CONTRACTOR - DAYWORK &							260,256.39
248-08 9803	J001	747017-PATTERSON DRILLING		RFC	40-0323604	2,247.00	.00
248-08 9804	J048	747017-PATTERSON DRILLING		M8215A	44-0753207	2,401.00	.00
TOTAL FOR FIRE & SAFETY EQUIPMENT							4,648.00
248-09 9801	J033	744212-PRADON CONSTRUCTION &		168572	44-0721142	1,165.60	.00
248-09 9804	J038	110778-SWACO GEOLOGRAPH COMPAN		032828	44-0751474	1,320.31	.00
248-09 9804	J038	110778-SWACO GEOLOGRAPH COMPAN		032835	44-0751477	2,112.50	.00
248-09 9804	J061	894090-SULLIVAN'S CRANE &		018276	44-0753774	1,399.20	.00
TOTAL FOR DRILLING FLUIDS SYSTEMS-LIQUID							5,997.61
248-11 9802	J051	649014-DALE MEYER TRUCKING CO		980150	44-0732536	1,800.00	.00
248-11 9802	J051	649014-DALE MEYER TRUCKING CO		9801134	44-0732539	1,894.50	.00
248-11 9802	J051	649014-DALE MEYER TRUCKING CO		9801128	44-0732542	412.80	.00
248-11 9802	J051	649014-DALE MEYER TRUCKING CO		980107	44-0732545	412.80	.00
248-11 9803	J012	110778-SWACO GEOLOGRAPH COMPAN		029784	44-0735726	2,244.54	.00
248-11 9803	J013	135052-SEPCO INDUSTRIES		30684900	44-0736421	1,130.42	.00
248-11 9803	J023	611826-MCGUIRE INDUSTRIES INC		018183	44-0737798	12,593.89	.00
248-11 9803	J023	611826-MCGUIRE INDUSTRIES INC		018184	44-0737801	10,186.65	.00
248-11 9803	J023	611826-MCGUIRE INDUSTRIES INC		030605	44-0739603	364.90	.00
248-11 9804	J025	102774-GLENN'S WATER WELL SERVI		003522	44-0749069	2,820.70	.00
248-11 9804	J040	110778-SWACO GEOLOGRAPH COMPAN		029780	44-0751819	7,125.47	.00
248-11 9804	J047	110778-SWACO GEOLOGRAPH COMPAN		032678	44-0752370	5,915.00	.00
248-11 9804	J047	110778-SWACO GEOLOGRAPH COMPAN		032680	44-0752372	5,915.00	.00
248-11 9804	J047	110778-SWACO GEOLOGRAPH COMPAN		032684	44-0752374	3,696.88	.00
248-11 9805	J004	110778-SWACO GEOLOGRAPH COMPAN		029782	44-0755251	3,956.72	.00

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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A/E DETAIL FOR ALL CLASSES

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A/E: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-11 9805	J018	611826-MCGUIRE INDUSTRIES INC		038002	44-0757518	2,496.41	.00
248-11 9805	J018	611826-MCGUIRE INDUSTRIES INC		038003	44-0757520	13,646.90	.00
248-11 9805	J031	110778-SWACO GEOLOGRAPH COMPAN		033894	44-0759575	422.50-	.00
TOTAL FOR DRILLING FLUID SYS.-PROC./MAIN							.00
TOTAL FOR FLUIDS & CHEMICALS / SPECIALTY							.00
248-12 9804	J038	990010-XL TRANSPORTATION CO		013021	44-0751642	2,967.52	.00
248-14 9802	J030	990010-XL TRANSPORTATION CO		012267	44-0729052	1,359.83	.00
248-14 9802	J038	990010-XL TRANSPORTATION CO		012330	44-0730378	879.89	.00
248-14 9802	J062	990010-XL TRANSPORTATION CO		012032	44-0732938	19,337.58	.00
248-14 9803	J023	990010-XL TRANSPORTATION CO		012423	44-0736051	1,839.77	.00
248-14 9803	J023	990010-XL TRANSPORTATION CO		012607	44-0737842	399.95	.00
248-14 9803	J041	990010-XL TRANSPORTATION CO		012747	44-0741800	1,863.98	.00
248-14 9804	J004	990010-XL TRANSPORTATION CO		012833	44-0745660	459.94	.00
248-14 9804	J029	990010-XL TRANSPORTATION CO		012972	44-0749430	1,319.84	.00
248-14 9804	J036	990010-XL TRANSPORTATION CO		013022	44-0751002	199.98	.00
TOTAL FOR SALT / BRINE WATER							.00
248-16 9801	J035	150170-LINDSAY WATER SALES		001163	44-0721689	477.50	.00
248-16 9802	J014	150170-LINDSAY WATER SALES		001169	44-0726428	150.00	.00
248-16 9802	J030	990010-XL TRANSPORTATION CO		012268	44-0729072	2,396.54	.00
248-16 9802	J038	990010-XL TRANSPORTATION CO		012331	44-0730395	1,863.98	.00
248-16 9802	J062	990010-XL TRANSPORTATION CO		012031	44-0732939	13,893.00	.00
248-16 9803	J013	990010-XL TRANSPORTATION CO		012492	44-0735880	1,215.64	.00
248-16 9803	J013	990010-XL TRANSPORTATION CO		012424	44-0736048	1,285.10	.00
248-16 9803	J023	990010-XL TRANSPORTATION CO		012606	44-0737840	671.49	.00
248-16 9803	J032	990010-XL TRANSPORTATION CO		012679	44-0740042	752.54	.00
248-16 9803	J041	990010-XL TRANSPORTATION CO		012748	44-0741802	694.65	.00
248-16 9804	J004	150170-LINDSAY WATER SALES		001172	44-0745519	207.50	.00
248-16 9804	J004	990010-XL TRANSPORTATION CO		012832	44-0745659	822.00	.00
248-16 9804	J029	990010-XL TRANSPORTATION CO		012971	44-0749428	903.05	.00
248-16 9804	J048	990010-XL TRANSPORTATION CO		013120	44-0753179	184.19	.00
248-16 9805	J005	150170-LINDSAY WATER SALES		001183	44-0755369	112.50	.00
TOTAL FOR FRESH WATER							.00
248-17 9801	J034	104470-HUGHES CHRISTENSEN CO		0723804	44-0721049	2,581.10	.00
248-17 9801	J035	114904-H & T BIT SERVICE INC		0125044	44-0721729	795.00	.00
248-17 9802	J007	118226-SMITH INTERNATIONAL INC		5158991	44-0725570	6,222.03	.00
248-17 9802	J043	104470-HUGHES CHRISTENSEN CO		0724362	44-0730694	2,774.61	.00
248-17 9802	J051	118226-SMITH INTERNATIONAL INC		5158989	44-0732443	6,222.03	.00
248-17 9802	J062	118226-SMITH INTERNATIONAL INC		5162358	44-0732918	5,660.17	.00
248-17 9803	J012	761100-REED TOOL COMPANY		00540228	44-0735756	5,618.21	.00
248-17 9803	J016	104470-HUGHES CHRISTENSEN CO		0724678	44-0737535	5,568.35	.00

NOTE: /*****/ IN BATCH COLUMN MEANS PENDING INVOICES

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A/E DETAIL FOR ALL CLASSES

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A/E: 3L34 EL PASO 23 FEB #2 (DRILLING)

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
=====							
248-17	9803	J016	104470-HUGHES CHRISTENSEN CO	0724679	44-0737537	5,568.35	.00
248-17	9803	J030	761100-REED TOOL COMPANY	00540660	44-0739532	5,289.08	.00
248-17	9803	J058	104470-HUGHES CHRISTENSEN CO	0724867	44-0743371	5,568.35	.00
248-17	9803	J058	104470-HUGHES CHRISTENSEN CO	0724869	44-0743372	5,568.35	.00
248-17	9804	J002	104470-HUGHES CHRISTENSEN CO	0725065	44-0744591	7,977.09	.00
248-17	9804	J002	104470-HUGHES CHRISTENSEN CO	0725064	44-0744592	7,977.09	.00
248-17	9804	J003	104470-HUGHES CHRISTENSEN CO	0724721	44-0745073	5,586.54	.00
248-17	9804	J011	104470-HUGHES CHRISTENSEN CO	0724761	44-0745751	3,802.39	.00
248-17	9804	J011	104470-HUGHES CHRISTENSEN CO	0725094	44-0745753	5,568.35	.00
248-17	9804	J011	104470-HUGHES CHRISTENSEN CO	0725093	44-0745754	5,568.35	.00
248-17	9804	J040	761100-REED TOOL COMPANY	00541638	44-0751983	5,769.70	.00
TOTAL FOR BITS						99,685.14	.00
							**
248-18	9802	J006	265850-DAVIS-LYNCH INC	130563	44-0724867	809.90	.00
248-18	9802	J023	406340-HALLIBURTON ENERGY SVCE	318999	44-0728399	26,927.21	.00
248-18	9802	J051	265850-DAVIS-LYNCH INC	130755	44-0732490	5,261.55	.00
248-18	9802	J051	406340-HALLIBURTON ENERGY SVCE	349755	44-0732620	7,427.81	.00
248-18	9803	J023	406340-HALLIBURTON ENERGY SVCE	299891	44-0737741	12,122.78	.00
248-18	9804	J014	406340-HALLIBURTON ENERGY SVCE	318584	44-0747230	41,556.75	.00
248-18	9804	J037	110778-SMACO GEOLOGRAPH COMPAN	032798	44-0751499	419.43	.00
TOTAL FOR PRIMARY CEMENT, CEMENT SERVICE						94,525.43	.00
							**
248-20	9804	J036	282817-DISCOVERY LOGGING INC	001426	44-0750680	33,374.78	.00
TOTAL FOR MUD LOGGING						33,374.78	.00
							**
248-21	9802	J051	406340-HALLIBURTON ENERGY SVCE	301680	44-0732632	18,432.10	.00
248-21	9803	J032	406340-HALLIBURTON ENERGY SVCE	309140	44-0739924	29,675.91	.00
248-21	9804	J019	116204-PRO WELL TESTING &	1029841	44-0747600	301.57	.00
248-21	9804	J040	406340-HALLIBURTON ENERGY SVCE	319897	44-0752002	4,209.71	.00
248-21	9804	J040	406340-HALLIBURTON ENERGY SVCE	355828	44-0752003	7,660.99	.00
TOTAL FOR WIRELINE LOGGING-OPEN HOLE						60,280.28	.00
							**
248-22	9803	J026	150442-DIAMOND OIL WELL DRILLI	002263	44-0739262	33,686.48	.00
248-22	9804	J002	131052-ROTARY LABORATORIES INC	9802241	44-0744764	4,912.19	.00
248-22	9804	J004	110945-SCIENTIFIC DRILLING	0000980431	44-0745238	11,950.00	.00
TOTAL FOR CORING & ANALYSIS						50,548.67	.00
							**
248-23	9801	J014	303120-EDDINS-WALCHER CO	0519887	44-0718234	705.43	.00
248-23	9803	J013	303120-EDDINS-WALCHER CO	0521858	44-0736222	505.09	.00
248-23	9803	J015	303120-EDDINS-WALCHER CO	0521919	44-0736792	724.53	.00
248-23	9803	J030	303120-EDDINS-WALCHER CO	0521937	44-0739582	501.89	.00
248-23	9803	J038	303120-EDDINS-WALCHER CO	0522375	44-0740901	526.42	.00
248-23	9803	J061	303120-EDDINS-WALCHER CO	0522406	44-0743676	424.53	.00

NOTE: '****' IN BATCH COLUMN MEANS PENDING INVOICES

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-23	9803	J061	303120-EDDINS-WALCHER CO	0522405	44-0743678	388.68	.00
248-23	9804	J004	303120-EDDINS-WALCHER CO	0522588	44-0745441	38.26	.00
248-23	9804	J016	303120-EDDINS-WALCHER CO	0522643	44-0746827	481.13	.00
248-23	9804	J047	747017-PATTERSON DRILLING	0M8220	44-0752633	41,524.86	.00
248-23	9805	J011	303120-EDDINS-WALCHER CO	0523540	44-0756481	99.06	.00
248-23	9805	J011	303120-EDDINS-WALCHER CO	0523578	44-0756482	668.86	.00
248-23	9805	J024	303120-EDDINS-WALCHER CO	0523699	44-0758432	195.28	.00
248-23	9805	J024	303120-EDDINS-WALCHER CO	0523749	44-0758434	188.68	.00
248-23	9805	J038	303120-EDDINS-WALCHER CO	0523748	44-0758435	882.45	.00
248-23	9805	J038	303120-EDDINS-WALCHER CO	0523839	44-0761142	457.55	.00
248-23	9805	J039	303120-EDDINS-WALCHER CO	0524142	44-0761535	674.16	.00

TOTAL FOR FUEL/ELECTRICITY

47,261.18 **

248-24	9801	J028	662106-MONAHANS NIPPLE-UP	12733T	44-0720520	797.50	.00
248-24	9801	J028	662106-MONAHANS NIPPLE-UP	12776T	44-0720525	960.00	.00
248-24	9802	J006	744212-PRADON CONSTRUCTION &	168091	44-0724875	253.00	.00
248-24	9802	J008	662106-MONAHANS NIPPLE-UP	12921T	44-0725620	520.00	.00
248-24	9802	J023	193043-HALEY HEIDELBERG	002274	44-0728322	1,345.05	.00
248-24	9802	J029	662106-MONAHANS NIPPLE-UP	01291T	44-0728698	5,390.00	.00
248-24	9802	J029	662106-MONAHANS NIPPLE-UP	012962	44-0728823	1,936.00	.00
248-24	9802	J029	662106-MONAHANS NIPPLE-UP	012912L	44-0728824	2,516.00	.00
248-24	9802	J029	662106-MONAHANS NIPPLE-UP	12935T	44-0728825	1,930.00	.00
248-24	9802	J029	662106-MONAHANS NIPPLE-UP	012856	44-0728826	1,890.00	.00
248-24	9802	J051	706911-ORVILLE'S WELDING SERVI	007415	44-0732527	1,136.70	.00
248-24	9802	J051	706911-ORVILLE'S WELDING SERVI	007418	44-0732528	1,517.70	.00
248-24	9803	J014	662106-MONAHANS NIPPLE-UP	12977T	44-0736691	700.00	.00
248-24	9804	J014	405910-SHORTY HALL RIG CO, INC	442205	44-0747299	330.40	.00
248-24	9804	J038	110778-SNACO GEOLOGRAPH COMPAN	032836	44-0751476	2,112.50	.00
248-24	9804	J040	110778-SNACO GEOLOGRAPH COMPAN	029783	44-0751976	2,585.70	.00
248-24	9804	J040	130807-WEATHERFORD ENTERRA	983200200592	44-0751820	34,659.29	.00
248-24	9804	J047	110778-SNACO GEOLOGRAPH COMPAN	032683	44-0752371	4,258.86	.00
248-24	9805	J018	130807-WEATHERFORD ENTERRA	983200200865	44-0757447	23,554.93	.00

TOTAL FOR BOP'S AND WELLHEAD RENTALS (SU

88,393.63 **

248-25	9801	J034	118226-SMITH INTERNATIONAL INC	5157211	44-0721532	2,870.42	.00
248-25	9802	J029	150239-PERMIAN BASIN TOOL	002574	44-0728705	2,803.68	.00
248-25	9802	J051	118226-SMITH INTERNATIONAL INC	5160982	44-0732440	3,076.22	.00
248-25	9803	J013	900817-WALLACE COMPANY	53109598	44-0736078	469.67	.00
248-25	9803	J026	260817-DAILEY OIL TOOLS INC	058231	44-0739261	3,346.88	.00
248-25	9803	J026	322330-E L FARMER & CO	120020998	44-0739360	398.94	.00
248-25	9803	J062	475021-ICO INC	08600791	44-0744274	869.09	.00
248-25	9804	J011	300818-ROLAND TRUCKING CO INC	605929H	44-0745836	763.06	.00
248-25	9804	J014	744212-PRADON CONSTRUCTION &	171071	44-0747295	162.36	.00
248-25	9804	J025	257998-CURLEY'S FISHING TOOL	030388	44-0749158	2,329.40	.00
248-25	9804	J040	175295-BRANTLEY TRUCKING, INC	047888	44-0751919	599.16	.00
248-25	9804	J047	118226-SMITH INTERNATIONAL INC	5173138	44-0752358	6,246.65	.00

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APE: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-25 9804	J061	130807-WEATHERFORD ENTERRA		983200200593	44-0753417	51,233.07	.00
248-25 9805	J018	130807-WEATHERFORD ENTERRA		M9832002008401	44-0757444	2,670.16-	.00
248-25 9805	J018	130807-WEATHERFORD ENTERRA		983200200864	44-0757446	28,009.17	.00
248-25 9805	J025	116454-VENTURE TRANSPORT INC		885573	44-0758932	210.00	.00
248-25 9805	J026	322330-E L FARMER & CO		120090498	44-0758918	420.16	.00
TOTAL FOR DRILL WORK STRING RENTALS (SUB						101,137.77	.00
							**
248-26 9803	J025	130807-WEATHERFORD ENTERRA		983200200290	44-0738855	782.28	.00
248-26 9804	J029	130807-WEATHERFORD ENTERRA		983200200737	44-0749566	2,951.34	.00
TOTAL FOR FISHING TOOL RENTALS						3,733.62	.00
							**
248-27 9804	J025	279042-DIAMOND TANK RENTAL INC		107307	44-0749080	1,181.50	.00
248-27 9805	J005	300818-ROMLAND TRUCKING CO INC		606121	44-0755549	1,636.64	.00
248-27 9805	J005	300818-ROMLAND TRUCKING CO INC		606180	44-0755551	552.56	.00
TOTAL FOR TANK RENTALS						3,370.70	.00
							**
248-28 9801	J024	150743-RTO S & S		001670	44-0719529	1,854.06	.00
248-28 9801	J056	193422-SANI TECH RENTALS		004367	44-0723211	725.04	.00
248-28 9801	J056	995110-YOUNG'S MOBILE HOME SAL		015618	44-0723395	1,157.75	.00
248-28 9802	J005	295300-DUBOSE DRILLING INC		020970	44-0724501	450.45	.00
248-28 9802	J005	295300-DUBOSE DRILLING INC		020940	44-0724502	412.91	.00
248-28 9802	J037	118226-SMITH INTERNATIONAL INC		5160457	44-0729559	786.70	.00
248-28 9802	J048	126611-BAKER OIL TOOLS		348684	44-0732032	2,603.36	.00
248-28 9803	J007	995110-YOUNG'S MOBILE HOME SAL		015789	44-0735258	3,010.15	.00
248-28 9803	J012	295300-DUBOSE DRILLING INC		021103	44-0735693	498.71	.00
248-28 9803	J013	300818-ROMLAND TRUCKING CO INC		605670H	44-0736134	1,026.19	.00
248-28 9803	J030	110778-SWACO GEOLOGRAPH COMPAN		030604	44-0739602	419.43	.00
248-28 9803	J037	995110-YOUNG'S MOBILE HOME SAL		015996	44-0740405	2,757.55	.00
248-28 9804	J004	193422-SANI TECH RENTALS		004463	44-0745320	1,123.60	.00
248-28 9804	J011	295300-DUBOSE DRILLING INC		021201	44-0745817	450.45	.00
248-28 9804	J011	295300-DUBOSE DRILLING INC		021236	44-0745818	450.45	.00
248-28 9804	J014	193422-SANI TECH RENTALS		004599	44-0747314	955.06	.00
248-28 9804	J047	150743-RTO S & S		001804	44-0752583	5,307.19	.00
248-28 9805	J018	611826-MCGUIRE INDUSTRIES INC		038002	44-0757518	2,550.00	.00
248-28 9805	J025	995110-YOUNG'S MOBILE HOME SAL		016227	44-0758681	1,378.78	.00
248-28 9805	J026	193422-SANI TECH RENTALS		004689	44-0759064	84.80	.00
TOTAL FOR OTHER RENTALS						28,002.63	.00
							**
248-29 9801	J038	603220-MCCLATCHY BROS, INC		098164	44-0721002	621.70	.00
248-29 9801	J038	603220-MCCLATCHY BROS, INC		098285	44-0721010	2,173.38	.00
248-29 9801	J038	603220-MCCLATCHY BROS, INC		098482	44-0721355	358.74	.00
248-29 9801	J038	603220-MCCLATCHY BROS, INC		098460	44-0721356	568.52	.00
248-29 9802	J030	194266-COOMBES TRUCKING INC		006821	44-0729430	757.90	.00
248-29 9802	J036	603220-MCCLATCHY BROS, INC		098966	44-0729464	99.50	.00

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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AFE: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-29 9802	J038	109504-INDUSTRY EXPRESS INC		980163	44-0730325	2,402.00	.00
248-29 9802	J045	775325-RIG RUNNER EXPRESS INC		H287177	44-0731782	325.40	.00
248-29 9802	J045	775325-RIG RUNNER EXPRESS INC		H298552	44-0731784	237.62	.00
248-29 9802	J051	109504-INDUSTRY EXPRESS INC		980016	44-0732494	7,756.00	.00
248-29 9802	J061	603220-MCCLATCHY BROS, INC		099132	44-0730655	99.50	.00
248-29 9804	J014	744212-PRADON CONSTRUCTION &		170544	44-0747294	344.74	.00
248-29 9804	J019	322330-E L FARMER & CO		120071798	44-0747826	295.95	.00
248-29 9804	J019	322330-E L FARMER & CO		120071598	44-0747828	174.54	.00
248-29 9804	J021	322330-E L FARMER & CO		120080298	44-0748434	368.33	.00
248-29 9804	J021	322330-E L FARMER & CO		120080798	44-0748435	368.33	.00
248-29 9804	J025	194266-COOMES TRUCKING INC		006932	44-0749119	1,717.20	.00
248-29 9804	J025	744212-PRADON CONSTRUCTION &		171481	44-0749123	354.64	.00
248-29 9804	J025	744212-PRADON CONSTRUCTION &		171381	44-0749117	162.36	.00
248-29 9804	J025	775325-RIG RUNNER EXPRESS INC		H309365	44-0749117	318.50	.00
248-29 9804	J029	603220-MCCLATCHY BROS, INC		050028	44-0744420	100.00	.00
248-29 9804	J029	603220-MCCLATCHY BROS, INC		050140	44-0746898	671.64	.00
248-29 9804	J029	603220-MCCLATCHY BROS, INC		050088	44-0746906	100.00	.00
248-29 9804	J029	603220-MCCLATCHY BROS, INC		050075	44-0746909	154.50	.00
248-29 9804	J031	322330-E L FARMER & CO		120086698	44-0750151	169.45	.00
248-29 9804	J040	744212-PRADON CONSTRUCTION &		169475	44-0751848	196.72	.00
248-29 9804	J040	744212-PRADON CONSTRUCTION &		169476	44-0751849	159.72	.00
TOTAL FOR TRANSPORTATION							21,056.88
							**
248-30 9803	J013	990010-XL TRANSPORTATION CO		012491	44-0735877	809.00	.00
248-30 9803	J016	990010-XL TRANSPORTATION CO		012422	44-0737196	1,443.00	.00
248-30 9804	J004	990010-XL TRANSPORTATION CO		012831	44-0745658	373.50	.00
TOTAL FOR OFFSITE DISPOSAL SERVICES							2,625.50
							**
248-32 9803	J013	110945-SCIENTIFIC DRILLING		0000980285	44-0736433	4,952.50	.00
248-32 9804	J061	104845-ANADRILL		9090134524	44-0753625	243,034.81	.00
TOTAL FOR DIRECTIONAL SERVICES							247,987.31
							**
248-33 9802	J015	245833-COTTON'S INSPECTION		H88002	44-0727022	70.13	.00
248-33 9802	J015	245833-COTTON'S INSPECTION		H88001	44-0727024	82.06	.00
248-33 9802	J043	108322-TUBOSCOPE VEICO		39396800	44-0730894	2,091.91	.00
248-33 9802	J051	108322-TUBOSCOPE VEICO		39392800	44-0732502	1,063.98	.00
248-33 9802	J062	108322-TUBOSCOPE VEICO		39743200	44-0732817	1,057.88	.00
248-33 9803	J026	245833-COTTON'S INSPECTION		001256	44-0739259	964.92	.00
248-33 9804	J020	108322-TUBOSCOPE VEICO		39760600	44-0748259	490.52	.00
248-33 9804	J030	108322-TUBOSCOPE VEICO		39762200	44-0749864	1,854.68	.00
248-33 9804	J030	108322-TUBOSCOPE VEICO		39762000	44-0749865	667.80	.00
TOTAL FOR TUBULAR INSPECTION							8,343.88
							**
248-34 9801	J027	265905-DAVIS FLUID CALLIPERS IN		005785	44-0719962	990.34	.00

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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AFE: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-34	9802	J062	406340-HALLIBURTON ENERGY SVCE	299738	44-0733030	8,367.01	.00
248-34	9803	J013	150710-HOBBS WATER MART	035395	44-0736102	25.55	.00
TOTAL FOR CASED HOLE SERVICES						9,382.90	.00
							**
248-40	9801	J033	901435-ALLEN'S CASING CREWS IN	033963	44-0720864	1,245.50	.00
248-40	9801	J039	901435-ALLEN'S CASING CREWS IN	033968	44-0721965	2,305.50	.00
248-40	9801	J039	901435-ALLEN'S CASING CREWS IN	035033	44-0721972	1,152.75	.00
248-40	9802	J030	901435-ALLEN'S CASING CREWS IN	034907	44-0728941	3,657.00	.00
248-40	9802	J030	901435-ALLEN'S CASING CREWS IN	034905	44-0728942	2,517.50	.00
248-40	9802	J030	901435-ALLEN'S CASING CREWS IN	034600	44-0728943	6,042.00	.00
248-40	9802	J062	901435-ALLEN'S CASING CREWS IN	035001	44-0733018	3,657.00	.00
248-40	9804	J014	901435-ALLEN'S CASING CREWS IN	035015	44-0746967	954.00	.00
248-40	9804	J014	901435-ALLEN'S CASING CREWS IN	035522	44-0746969	1,272.00	.00
248-40	9804	J025	901435-ALLEN'S CASING CREWS IN	035376	44-0749049	2,051.10	.00
248-40	9805	J011	170321-GRANT PRIDCO	0062436	44-0756268	1,564.00	.00
TOTAL FOR CASING CREWS AND LAYDOWN						26,418.35	.00
							**
248-43	9703	J051	150840-SIERRA ENGINEERING	006587	44-0618690	840.00	.00
248-43	9704	J017	150840-SIERRA ENGINEERING	006383	44-0623949	2,320.00	.00
248-43	9705	F099	JOURNAL ENTRY	006383	44-0623949	3,160.00	.00
248-43	9705	F099	JOURNAL ENTRY	006587	44-0618690	3,160.00-	.00
248-43	9706	J045	150840-SIERRA ENGINEERING	006716	44-0651634	280.00	.00
248-43	9801	F099	JOURNAL ENTRY	006383	44-0623949	3,440.00-	.00
248-43	9801	F099	JOURNAL ENTRY	006587	44-0618690	3,440.00	.00
248-43	9801	J057	193214-BUDS CONSULTANT	000406	44-0723605	8,420.00	.00
248-43	9802	J038	193214-BUDS CONSULTANT	000407	44-0730256	5,262.50	.00
248-43	9803	J014	193214-BUDS CONSULTANT	000408	44-0736579	4,210.00	.00
248-43	9803	J048	193214-BUDS CONSULTANT	000409	44-0743163	4,291.56	.00
248-43	9804	J036	193214-BUDS CONSULTANT	000411	44-0750810	2,657.50	.00
TOTAL FOR CONSULTANTS						28,281.56	.00
							**
248-44	9702	J003	150840-SIERRA ENGINEERING	006249	44-0600200	960.00	.00
248-44	9704	J041	150840-SIERRA ENGINEERING	007042	44-0627815	240.00	.00
248-44	9704	J060	150840-SIERRA ENGINEERING	006985	44-0630107	160.00	.00
248-44	9704	J060	150840-SIERRA ENGINEERING	006985	44-0630107	320.00	.00
248-44	9704	J060	150840-SIERRA ENGINEERING	006985	44-0630107	400.00	.00
248-44	9704	J060	150840-SIERRA ENGINEERING	006985	44-0630107	240.00	.00
248-44	9705	F099	JOURNAL ENTRY	006985	44-0630107	2,320.00-	.00
248-44	9705	F099	JOURNAL ENTRY	006249	44-0600200	2,320.00	.00
248-44	9707	J025	150840-SIERRA ENGINEERING	007717	44-0659341	160.00	.00
248-44	9708	J030	150840-SIERRA ENGINEERING	008106	44-0670807	160.00	.00
248-44	9711	J003	150840-SIERRA ENGINEERING	007720	44-0696213	400.00	.00
248-44	9801	F099	JOURNAL ENTRY	007717	44-0659341	3,040.00-	.00
248-44	9801	F099	JOURNAL ENTRY	007042	44-0627815	3,040.00	.00
TOTAL FOR TECHNICAL CONTRACT SERVICES						3,040.00	.00
							**

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APE: 3L34 EL PASO 23 FED #2 (DRILLING)

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
=====							
248-45 9801	J055	192820-ACTION OIL INC		218225	44-0722657	1,465.40	.00
248-45 9801	J055	192820-ACTION OIL INC		218224	44-0722658	1,422.30	.00
248-45 9802	J007	706911-ORVILLE'S WELDING SERVI		007402	44-0725719	1,094.60	.00
248-45 9802	J007	706911-ORVILLE'S WELDING SERVI		007401	44-0725721	1,625.06	.00
248-45 9802	J023	150756-WOOD GROUP PRESSURE		112486	44-0728372	527.90	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007403	44-0732526	517.50	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007398	44-0732529	294.70	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007396	44-0732530	252.60	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007395	44-0732531	610.45	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007387	44-0732532	505.20	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007383	44-0732533	736.75	.00
248-45 9802	J051	706911-ORVILLE'S WELDING SERVI		007386	44-0732534	589.40	.00
248-45 9802	J062	150756-WOOD GROUP PRESSURE		114298	44-0732816	2,644.55	.00
248-45 9803	J025	706911-ORVILLE'S WELDING SERVI		007424	44-0739172	294.70	.00
248-45 9804	J004	706911-ORVILLE'S WELDING SERVI		007434	44-0745502	189.45	.00
248-45 9804	J004	706911-ORVILLE'S WELDING SERVI		007406	44-0745503	352.27	.00
248-45 9804	J040	706911-ORVILLE'S WELDING SERVI		007453	44-0751900	357.85	.00
248-45 9804	J040	706911-ORVILLE'S WELDING SERVI		007465	44-0751902	357.85	.00
TOTAL FOR ROUSTABOUT LABOR						13,838.53	.00
							**
248-46 9712	J063	104824-VIKING OFFICE PRODUCTS		506790	44-0716009	165.97	.00
248-46 9801	J024	337200-FORKLIFT ENTERPRISES		054644	44-0719649	591.48	.00
248-46 9801	J056	303120-EDDINS-WALCHER CO		0520651	44-0723106	1,208.82	.00
248-46 9802	F099	JOURNAL ENTRY		506790	44-0716009	165.97	.00
248-46 9802	F099	JOURNAL ENTRY		506790	44-0716009	165.97	.00
248-46 9802	J006	150710-HOBBS WATER MART		035176	44-0724985	66.78	.00
248-46 9802	J037	136153-KMART		939502402	44-0729888	111.97	.00
248-46 9802	J048	974922-WILSON SUPPLY COMPANY		51722798	44-0731814	45.49	.00
248-46 9802	J048	974922-WILSON SUPPLY COMPANY		51723098	44-0731815	1,123.95	.00
248-46 9803	J013	900817-WALLACE COMPANY		53109598	44-0736078	310.89	.00
248-46 9803	J025	706911-ORVILLE'S WELDING SERVI		007431	44-0739170	252.60	.00
248-46 9803	J030	150739-LA TIENDA THRIFTWAY		123197	44-0739782	610.95	.00
248-46 9803	J038	300785-LOWE'S MARKETPLACE		700273	44-0740635	63.91	.00
248-46 9803	J038	300785-LOWE'S MARKETPLACE		700344	44-0740636	56.58	.00
248-46 9803	J038	300785-LOWE'S MARKETPLACE		700363	44-0740637	55.00	.00
248-46 9803	J038	300785-LOWE'S MARKETPLACE		706238	44-0740638	75.43	.00
248-46 9803	J038	300785-LOWE'S MARKETPLACE		706249	44-0740639	40.16	.00
248-46 9804	J004	150710-HOBBS WATER MART		035921	44-0745589	7.95	.00
248-46 9804	J011	193422-SANI TECH RENTALS		004562	44-0746172	1,038.80	.00
248-46 9804	J013	110620-BLAIR MACHINE INC		034703	44-0746761	357.14	.00
248-46 9804	J014	150710-HOBBS WATER MART		035687	44-0747265	18.33	.00
248-46 9804	J019	194964-CONCRETE INC		032021	44-0747792	740.94	.00
248-46 9804	J019	194964-CONCRETE INC		032026	44-0747793	566.04	.00
248-46 9804	J040	150739-LA TIENDA THRIFTWAY		013198	44-0750720	117.99	.00
248-46 9804	J047	900817-WALLACE COMPANY		57698398	44-0752719	74.74	.00
248-46 9805	J015	871213-STANDARD OIL FIELD SUPP		025953	44-0757183	559.05	.00
TOTAL FOR MISCELLANEOUS						8,260.96	.00
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NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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A/E: 31.34 EL PASO 23 FED #2 (DRILLING)

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
=====							
248-48 9801	J027	140629-CELLULAR ONE		0000582571	44-0719801	225.11	.00
248-48 9801	J054	118741-GTE SOUTHWEST		5053942277	44-0723043	44.57	.00
248-48 9801	J056	193043-HALEY HEIDELBERG		002257	44-0723194	1,041.88	.00
248-48 9802	J022	747277-SBMS INC		91555992481	44-0727988	361.90	.00
248-48 9802	J044	118741-GTE SOUTHWEST		5053942277	44-0731796	19.46	.00
248-48 9803	J015	747277-SBMS INC		91555992481	44-0736909	1,552.89	.00
248-48 9803	J024	118741-GTE SOUTHWEST		5053952531	44-0738419	44.22	.00
248-48 9803	J032	119002-LEACO CELLULAR INC		36953670	44-0740000	132.84	.00
248-48 9803	J047	118741-GTE SOUTHWEST		5053942277	44-0742423	29.65	.00
248-48 9804	J012	119002-LEACO CELLULAR INC		36953670	44-0746230	132.84	.00
248-48 9804	J012	747277-SBMS INC		91555992481	44-0746254	1,402.67	.00
248-48 9804	J014	140629-CELLULAR ONE		0000582571	44-0747144	215.25	.00
248-48 9804	J048	118741-GTE SOUTHWEST		5053942277	44-0753145	18.06	.00
TOTAL FOR COMMUNICATION SYSTEMS						5,221.34	.00
=====							
248-50 9802	J037	990010-XL TRANSPORTATION CO		012266	44-0729645	1,538.76	.00
248-50 9802	J062	406340-HALLIBURTON ENERGY SVCE		349251	44-0733032	2,941.34	.00
248-50 9804	J061	990010-XL TRANSPORTATION CO		013119	44-0753732	160.51	.00
248-50 9805	J004	406340-HALLIBURTON ENERGY SVCE		349263	44-0754867	3,671.12	.00
TOTAL FOR PUMPING CHARGES - OTHER						8,311.73	.00
=====							
248-65 9712	C070	JOURNAL ENTRY		052698		117.36	.00
248-65 9801	C070	JOURNAL ENTRY		052698		153.92	.00
248-65 9802	C070	JOURNAL ENTRY		052698		2,270.32	.00
248-65 9802	F099	JOURNAL ENTRY		052698		117.36	.00
248-65 9802	F099	JOURNAL ENTRY		052698		117.36	.00
248-65 9803	C070	JOURNAL ENTRY		052698		.00	.00
248-65 9804	C070	JOURNAL ENTRY		052698		1,192.88	.00
TOTAL FOR WORK VEHICLES AND OTHER EQUIPM						3,734.48	.00
=====							
248-68 9712	C001	PAYROLL		052698		275.74	.00
248-68 9712	S003	G		052698		41.83	.00
248-68 9801	C001	PAYROLL		052698		1,269.17	.00
248-68 9801	S003	G		052698		288.82	.00
248-68 9802	C001	PAYROLL		052698		8,365.42	.00
248-68 9802	F099	G		052698		317.57	.00
248-68 9802	F099	G		052698		317.57	.00
248-68 9802	S003	G		052698		1,903.70	.00
248-68 9803	C001	PAYROLL		052698		11,131.34	.00
248-68 9803	S003	G		052698		2,277.59	.00
248-68 9804	C001	PAYROLL		052698		9,266.96	.00
248-68 9804	S003	G		052698		1,896.12	.00
TOTAL FOR DIRECT LABOR						36,716.69	.00
=====							

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
248-69	9712	S003	G	052698		63.42	.00
248-69	9801	S003	G	052698		279.22	.00
248-69	9801	S004	CONTRACT BENEFITS	052698		358.34-	.00
248-69	9801	S004	CONTRACT BENEFITS	052698		358.34	.00
248-69	9802	S003	G	052698		1,840.39	.00
248-69	9802	S004	CONTRACT BENEFITS	052698		2,361.90-	.00
248-69	9802	S004	CONTRACT BENEFITS	052698		2,361.90	.00
248-69	9803	S003	G	052698		2,448.89	.00
248-69	9803	S004	CONTRACT BENEFITS	052698		3,084.06-	.00
248-69	9803	S004	CONTRACT BENEFITS	052698		3,084.06	.00
248-69	9804	S003	G	052698		2,038.73	.00
248-69	9804	S004	CONTRACT BENEFITS	052698		2,455.88-	.00
248-69	9804	S004	CONTRACT BENEFITS	052698		2,455.88	.00
TOTAL FOR BENEFITS							.00
248-70	9712	S003	G	052698		31.10	.00
248-70	9801	S003	G	052698		139.52	.00
248-70	9802	F099	G	052698		31.10	.00
248-70	9802	F099	G	052698		31.10-	.00
248-70	9802	S003	G	052698		919.63	.00
248-70	9803	S003	G	052698		1,223.69	.00
248-70	9804	S003	G	052698		1,018.74	.00
TOTAL FOR PAYROLL TAXES AND INSURANCE							.00
248-72	9804	S007	JOURNAL ENTRY	052698		17,416.35	.00
TOTAL FOR OVERHEAD							.00
248-74	9711	J033	109868-MIKE W WALLACE	EXP	44-0702524	363.82	.00
248-74	9711	J033	109868-MIKE W WALLACE	EXP	44-0702524	24.00	.00
248-74	9801	F099	JOURNAL ENTRY	EXP	44-0702524	387.82	.00
248-74	9801	F099	JOURNAL ENTRY	EXP	44-0702524	387.82-	.00
248-74	9801	J039	481715-WANE E JACKSON	EXP	44-0721851	58.76	.00
248-74	9803	J006	481715-WANE E JACKSON	EXP	44-0734992	45.50	.00
248-74	9803	J006	481715-WANE E JACKSON	EXP	44-0734992	51.98	.00
248-74	9803	J041	151156-KEITH E WINFREE	EXP	44-0741718	20.59	.00
248-74	9804	J003	115354-JAMES E KRAMER	EXP	44-0744932	84.50	.00
248-74	9804	J003	115354-JAMES E KRAMER	EXP	44-0744932	82.38	.00
248-74	9804	J036	115354-JAMES E KRAMER	EXP	44-0750837	55.10	.00
248-74	9804	J036	115354-JAMES E KRAMER	EXP	44-0750837	84.50	.00
248-74	9805	J003	481715-WANE E JACKSON	EXP	44-0754601	77.97	.00
TOTAL FOR EMPLOYEE EXPENSE							.00
248-79	9708	J016	102616-ROBERT W WINN	EXP	44-0668908	13.10	.00
248-79	9711	J032	102616-ROBERT W WINN	EXP	44-0702365	24.40	.00

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A/E: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY	
248-79 9712	J013	102616-ROBERT W WINN	EXP	EXP	44-0707758	21.90	.00	
248-79 9801	F099	JOURNAL ENTRY	EXP	EXP	44-0702365	37.50	.00	
248-79 9801	F099	JOURNAL ENTRY	EXP	EXP	44-0702365	37.50-	.00	
248-79 9801	J039	481715-WANE E JACKSON	EXP	EXP	44-0721851	106.45	.00	
248-79 9802	F099	JOURNAL ENTRY	EXP	EXP	44-0707758	21.90	.00	
248-79 9802	F099	JOURNAL ENTRY	EXP	EXP	44-0707758	21.90-	.00	
248-79 9803	J006	481715-WANE E JACKSON	EXP	EXP	44-0734990	40.25	.00	
248-79 9803	J006	481715-WANE E JACKSON	EXP	EXP	44-0734992	102.45	.00	
248-79 9804	J003	115354-JAMES E KRAMER	EXP	EXP	44-0744932	40.72	.00	
248-79 9804	J036	115354-JAMES E KRAMER	EXP	EXP	44-0750837	36.92	.00	
248-79 9805	J003	481715-WANE E JACKSON	EXP	EXP	44-0754601	96.45	.00	
248-79 9805	J003	481715-WANE E JACKSON	EXP	EXP	44-0754601	82.50	.00	
248-79 9805	J010	119249-RONNIE F RAYBON	EXP	EXP	44-0755690	224.50	.00	
248-79 9805	J010	481715-WANE E JACKSON	EXP	EXP	44-0755687	10.50	.00	
TOTAL FOR EMPLOYEE MEALS						800.14	.00	**
248-80 9801	D001	9840164 091714302047191	052698			12,714.42	581.00	
248-80 9801	D001	9840308 091210808067191	052698			61,600.41	4,010.00	
248-80 9801	D001	9840474 090403801067194	052698			24.49	79.00	
248-80 9801	D001	9840494 091210808067191	052698			5,499.48-	358.00-	
248-80 9801	D001	9840498 091714302047191	052698			3,763.99-	172.00-	
248-80 9801	J003	116036-PYRAMID TUBULAR PRODUCT	014681		44-0716531	155,143.75	12,500.00	
248-80 9802	J029	116036-PYRAMID TUBULAR PRODUCT	015211		44-0728658	29,721.49	2,268.00	
248-80 9802	J062	116036-PYRAMID TUBULAR PRODUCT	015072		44-0733049	4,209.16-	376.00-	
248-80 9804	J004	575118-B & R INSPECTION &	033244		44-0745235	3,375.23	.00	
TOTAL FOR CASING_(TANGIBLE)						249,107.16	18,532.00	**
248-82 9803	J012	265850-DAVIS-LYNCH INC	131353		44-0735759	12,427.99	.00	
TOTAL FOR PACKERS AND BRIDGE PLUGS (TANG						12,427.99	.00	**
248-84 9804	J040	906757-TIW CORPORATION	98030031		44-0751833	18,134.09	.00	
TOTAL FOR CASING/LINER EQUIPMENT (TANGIB						18,134.09	.00	**
248-86 9801	J033	150756-WOOD GROUP PRESSURE	110540		44-0721175	607.87	1.00	
248-86 9801	J033	150756-WOOD GROUP PRESSURE	110540		44-0721175	585.26	1.00	
248-86 9801	J033	150756-WOOD GROUP PRESSURE	110540		44-0721175	1,583.51	.00	
248-86 9801	J033	150756-WOOD GROUP PRESSURE	110540		44-0721175	1,627.25	1.00	
248-86 9802	J061	150756-WOOD GROUP PRESSURE	114267		44-0732758	1,268.26	1.00	
248-86 9802	J061	150756-WOOD GROUP PRESSURE	114267		44-0732758	1,170.16	.00	
248-86 9802	J061	150756-WOOD GROUP PRESSURE	114267		44-0732758	1,038.18	1.00	
248-86 9803	J046	150756-WOOD GROUP PRESSURE	113879		44-0742213	1,304.04	.00	
248-86 9803	J046	150756-WOOD GROUP PRESSURE	113879		44-0742213	2,319.60	1.00	
248-86 9803	J046	150756-WOOD GROUP PRESSURE	113879		44-0742213	1,132.13	1.00	
248-86 9803	J046	150756-WOOD GROUP PRESSURE	113879		44-0742213	4,267.26	1.00	

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APE: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY	
248-86 9803	J046	150756-WOOD GROUP PRESSURE	113879	44-0742213	2,319.60	1.00	**
TOTAL FOR WELLHEAD EQUIPMENT & XMAS TREE					19,223.12	9.00	**
TOTAL FOR MAJOR ACCOUNT					1874,096.86	18,541.00	***
249-03 9804	J041	448220-HOBBS ANCHOR INC	006897	44-0752126	676.28	.00	
249-03 9804	J048	117705-PERK ROC INC	980720	44-0753166	1,011.36	.00	
249-03 9805	J004	117705-PERK ROC INC	980720	44-0754927	1,011.36	.00	
249-03 9805	J018	117705-PERK ROC INC	980720	40-0332182	1,011.36-	.00	
TOTAL FOR LOCATION/ROADS OR CANALS CONST					1,687.64	.00	**
249-07 9804	J048	747017-PATTERSON DRILLING	M8215A	44-0753207	40,465.00	.00	
TOTAL FOR FEES OF CONTRACTOR - DAYWORK &					40,465.00	.00	**
249-11 9805	J018	611826-MCGUIRE INDUSTRIES INC	038002	44-0757518	320.00	.00	
249-11 9805	J018	611826-MCGUIRE INDUSTRIES INC	038003	44-0757520	1,080.00	.00	
TOTAL FOR DRILLING FLUID SYSTEMS-PROC./M					1,400.00	.00	**
249-14 9805	J005	990010-XL TRANSPORTATION CO	000114	44-0755448	2,262.35	.00	
249-14 9805	J012	990010-XL TRANSPORTATION CO	013219	44-0756712	2,914.37	.00	
249-14 9805	J025	990010-XL TRANSPORTATION CO	013255	44-0758776	884.10	.00	
249-14 9805	J025	990010-XL TRANSPORTATION CO	000168	44-0758780	2,387.83	.00	
TOTAL FOR SALT / BRINE WATER					8,448.65	.00	**
249-15 9805	J036	300818-ROWLAND TRUCKING CO INC	32256H	44-0760357	4,264.15	.00	
249-15 9805	J039	300818-ROWLAND TRUCKING CO INC	32298H	44-0761378	3,433.15	.00	
249-15 ****	****	300818-ROWLAND TRUCKING CO INC	32382H	44-0763311	623.08	.00	
TOTAL FOR ONSITE DISPOSAL SERVICES					8,320.38	.00	**
249-16 9805	J012	990010-XL TRANSPORTATION CO	013221	44-0756713	312.59	.00	
249-16 9805	J012	990010-XL TRANSPORTATION CO	013220	44-0756714	608.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	
249-16 9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00	

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.
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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	9805	J045	990010-XL TRANSPORTATION CO	000210	44-0762554	.00	.00
249-16	****	****	300818-ROWLAND TRUCKING CO INC	32382H	44-0763311	3,910.04	.00
			TOTAL FOR FRESH WATER			706.23	.00
249-24	9805	J018	130807-WEATHERFORD ENTERRA	983200200865	44-0757447	5,536.86	.00
			TOTAL FOR BOP'S AND WELLHEAD RENTALS (SU			7,500.00	.00
249-25	9804	J041	130807-WEATHERFORD ENTERRA	983200200814	44-0752115	2,741.16	.00
249-25	9805	J018	130807-WEATHERFORD ENTERRA	983200200864	44-0757446	9,600.00	.00
249-25	9805	J037	529345-KNIGHT OIL TOOLS	108142	44-0760781	98.14	.00
			TOTAL FOR DRILL WORK STRING RENTALS (SUB			12,439.30	.00
249-26	9805	J004	130807-WEATHERFORD ENTERRA	983200200830	44-0754919	2,290.87	.00
			TOTAL FOR FISHING TOOL RENTALS			2,290.87	.00
249-28	9805	J018	611826-MCGUIRE INDUSTRIES INC	038002	44-0757518	300.00	.00
249-28	9805	J037	132926-GUARDIAN WELLHEAD	002866	44-0760778	2,020.00	.00
			TOTAL FOR OTHER RENTALS			2,320.00	.00
249-29	9802	J007	405910-SHORTY HALL RIG CO, INC	045385	44-0725292	450.00	.00
249-29	9802	J023	109504-INDUSTRY EXPRESS INC	973005	44-0728445	490.00	.00
249-29	9802	J038	405910-SHORTY HALL RIG CO, INC	045634	44-0730127	330.40	.00
249-29	9803	J026	109504-INDUSTRY EXPRESS INC	980165	44-0739253	920.00	.00
249-29	9803	J026	894090-SULLIVAN'S CRANE &	018120	44-0739234	1,257.16	.00
249-29	9804	J014	337200-FORKLIFT ENTERPRISES	055324	44-0747236	443.61	.00
			TOTAL FOR TRANSPORTATION			3,891.17	.00
249-30	9802	J038	990010-XL TRANSPORTATION CO	012329	44-0730380	1,492.00	.00
249-30	9803	J041	990010-XL TRANSPORTATION CO	012749	44-0741801	1,314.98	.00
249-30	9805	J037	990010-XL TRANSPORTATION CO	000162	44-0760798	241.55	.00
			TOTAL FOR OFFSITE DISPOSAL SERVICES			3,048.53	.00
249-33	9801	J054	475021-ICO INC	04096785	44-0722551	3,748.90	.00
249-33	9802	J051	474211-HYDRIL COMPANY	187334	44-0732371	435.00	.00

NOTE: '***' IN BATCH COLUMN MEANS PENDING INVOICES

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APE: 3L34 EL PASO 23 FED #2 (DRILLING)

ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY	
=====								
249-33	9804	J029	204135-CAMPBELL TESTING COMPAN	002640	44-0749461	7,184.65	.00	.00
TOTAL FOR TUBULAR INSPECTION							11,368.55	.00
								**
249-34	9804	J012	114714-LIGHTFOOT WIRELINE	009890	44-0746419	1,969.61	.00	.00
249-34	9804	J019	114714-LIGHTFOOT WIRELINE	009892	44-0747601	500.12	.00	.00
249-34	9804	J019	114714-LIGHTFOOT WIRELINE	009891	44-0747602	2,658.08	.00	.00
249-34	9804	J047	114714-LIGHTFOOT WIRELINE	009970	44-0752593	4,625.52	.00	.00
249-34	9804	J047	114714-LIGHTFOOT WIRELINE	009969	44-0752594	4,001.46	.00	.00
249-34	9805	J018	406340-HALLIBURTON ENERGY SVCE	267179	44-0757534	6,835.34	.00	.00
249-34	9805	J037	116204-PRO WELL TESTING &	W049835	44-0760783	2,140.14	.00	.00
249-34	9805	J037	116204-PRO WELL TESTING &	W049824	44-0760784	2,392.42	.00	.00
249-34	9805	J037	116204-PRO WELL TESTING &	W049834	44-0760785	2,330.94	.00	.00
249-34	9805	J039	116204-PRO WELL TESTING &	W049815	44-0761351	5,172.80	.00	.00
TOTAL FOR CASED HOLE SERVICES							32,626.43	.00
								**
249-36	9805	J024	116204-PRO WELL TESTING &	W039896	44-0758146	4,579.20	.00	.00
249-36	9805	J036	116204-PRO WELL TESTING &	T039869	44-0760313	8,675.04	.00	.00
249-36	9805	J036	116204-PRO WELL TESTING &	T039870	44-0760315	7,353.01	.00	.00
249-36	9805	J036	116204-PRO WELL TESTING &	T039871	44-0760316	7,657.44	.00	.00
249-36	****	****	116204-PRO WELL TESTING &	W049845	44-0763321	851.18	.00	.00
TOTAL FOR PRODUCTION TESTING							29,115.87	.00
								**
249-37	9805	J005	100255-CUDD PRESSURE CONTROL I	026097	44-0755298	8,818.85	.00	.00
249-37	9805	J005	130520-SPER PRODUCTION EQUIPME	002835	44-0755437	1,565.85	.00	.00
249-37	9805	J024	100255-CUDD PRESSURE CONTROL I	026296	44-0758135	36,105.30	.00	.00
TOTAL FOR SHABBING AND COILED TUBING							46,490.00	.00
								**
249-38	9805	J032	406340-HALLIBURTON ENERGY SVCE	348622	44-0759817	11,545.95	.00	.00
249-38	9805	J032	406340-HALLIBURTON ENERGY SVCE	NS407285	44-0759819	17,497.31	.00	.00
TOTAL FOR STIMULATION							29,043.26	.00
								**
249-39	9805	J037	406340-HALLIBURTON ENERGY SVCE	395779	44-0760556	118,648.30	.00	.00
TOTAL FOR FRACTURING							118,648.30	.00
								**
249-40	9804	J024	901435-ALLEN'S CASING CREWS IN	035018	44-0748968	4,531.50	.00	.00
249-40	9804	J025	901435-ALLEN'S CASING CREWS IN	035017	44-0749047	675.75	.00	.00
249-40	9804	J030	901435-ALLEN'S CASING CREWS IN	035378	44-0749724	4,007.33	.00	.00
TOTAL FOR CASING CREWS AND LAYDOWN							9,214.58	.00
								**
249-43	9804	J029	116316-D W C CONSULTANTS INC	000304	44-0749361	1,000.00	.00	.00
249-43	9804	J036	193214-BUDS CONSULTANT	000411	44-0750810	3,657.50	.00	.00

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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APE DETAIL FOR ALL CLASSES

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APE: 3L34 EL PASO 23 FED #2 (DRILLING)

===== MISCELLANEOUS INFO. =====				INVOICE		CTRL NO.		AMOUNT		QUANTITY		=====	
ACCT	DATE	BATCH	MISCELLANEOUS INFO.										
249-43 9805	J030	116316-D M C CONSULTANTS INC		000305		44-0759116		5,500.00				.00	
249-43 9805	J045	150692-PECOS VALLEY CONSULTANT		001570		44-0762485		4,140.62				.00	
TOTAL FOR CONSULTANTS								14,298.12				.00	**
249-45 9802	J007	190964-DAMSON PRODUCTION		404100007943		44-0725418		740.61				.00	
249-45 9802	J007	190964-DAMSON PRODUCTION		404100007905		44-0725419		740.61				.00	
249-45 9802	J007	190964-DAMSON PRODUCTION		404100007985		44-0725420		744.12				.00	
249-45 9802	J064	193171-MICHAEL G METCALF		107118		44-0733772		5,653.32				.00	
249-45 9802	J064	282817-DISCOVERY LOGGING INC		00001405		44-0733680		17,078.30				.00	
249-45 9804	J061	150756-WOOD GROUP PRESSURE		118583		44-0753350		1,967.70				.00	
249-45 9805	J004	190964-DAMSON PRODUCTION		404100010167		44-0754959		334.43				.00	
249-45 9805	J004	190964-DAMSON PRODUCTION		404100009862		44-0754966		721.86				.00	
249-45 9805	J004	190964-DAMSON PRODUCTION		404100010084		44-0754967		456.33				.00	
249-45 9805	J024	150756-WOOD GROUP PRESSURE		118975		44-0758099		702.49				.00	
TOTAL FOR ROUSTABOUT LABOR								29,139.77				.00	**
249-46 9802	J007	900817-WALLACE COMPANY		86265097		44-0725432		45.75				.00	
249-46 9802	J007	900817-WALLACE COMPANY		86842297		44-0725433		611.27				.00	
249-46 9802	J007	900817-WALLACE COMPANY		86841797		44-0725434		148.87				.00	
249-46 9804	J025	974922-WILSON SUPPLY COMPANY		56449398		44-0749139		563.56				.00	
249-46 9804	J061	900817-WALLACE COMPANY		57450198		44-0753765		124.91				.00	
249-46 9805	J015	900817-WALLACE COMPANY		59178998		44-0756810		336.88				.00	
249-46 9805	J037	150096-J & J TOOLS INC		000197		44-0760760		397.04				.00	
249-46 9805	J045	337200-FORKLIFT ENTERPRISES		055512		44-0762856		504.56				.00	
TOTAL FOR MISCELLANEOUS								2,732.84				.00	**
249-50 9804	J061	406340-HALLIBURTON ENERGY SVCE		319258		44-0753493		3,490.66				.00	
TOTAL FOR PUMPING CHARGES								3,490.66				.00	**
249-81 9712	J040	937620-VINSON SUPPLY CO		103628		44-0713039		67,287.25				12,809.00	
249-81 9801	J028	135430-CHAMPIONS PIPE &		97126040		44-0720755		77,921.59				12,517.00	
249-81 9801	J028	135430-CHAMPIONS PIPE &		97126040		44-0720755		2,855.48				.00	
249-81 9801	J040	937620-VINSON SUPPLY CO		121331		44-0722154		68,593.80				12,809.00	
249-81 9802	F099	TUBING; 2 3/8; 4.70; L-80;		103628		44-0713039		67,287.25				12,809.00	
249-81 9802	F099	TUBING; 2 3/8; 4.70; L-80;		103628		44-0713039		67,287.25				12,809.00	
TOTAL FOR TUBING & TIEBACKS (TANGIBLE)								79,470.52				38,135.00	**
249-82 9804	J040	906757-TIM CORPORATION		98030031		44-0751833		11,316.48				.00	
249-82 9805	J025	126611-BAKER OIL TOOLS		364064		44-0758700		21,565.66				.00	
TOTAL FOR PACKERS AND BRIDGE PLUGS (TANG)								32,882.14				.00	**
249-86 9801	D001	0741544 960510210301112		052698				1,149.15				1.00	

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

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AFE: 3134 EL PASO 23 FED #2 (DRILLING)

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ACCT	DATE	BATCH	MISCELLANEOUS INFO.	INVOICE	CTRL NO.	AMOUNT	QUANTITY
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249-86 9802	J024	974922-WILSON	SUPPLY COMPANY	50107398	44-0727240	300.02	.00
249-86 9802	J024	974922-WILSON	SUPPLY COMPANY	50108298	44-0727241	963.11	.00
249-86 9802	J024	974922-WILSON	SUPPLY COMPANY	50107698	44-0727242	82.04	.00
249-86 9802	J024	974922-WILSON	SUPPLY COMPANY	50107898	44-0727243	351.28	.00
249-86 9802	J024	974922-WILSON	SUPPLY COMPANY	50107298	44-0727244	859.03	.00
249-86 9804	J041	150756-WOOD	GROUP PRESSURE	118489	44-0752154	836.22	.00
TOTAL FOR WELLHEAD EQUIPMENT & XMAS TREE						4,540.85	1.00
TOTAL FOR MAJOR ACCOUNT						540,410.29	38,136.00
TOTAL FOR EL PASO 23 FED #2 (DRILLING)						2433,034.49	56,677.00

NOTE: '*****' IN BATCH COLUMN MEANS PENDING INVOICES

**

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 11837
ORDER NO. R-10905

**APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 21, 1997, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of October, 1997, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Burlington Resources Oil & Gas Company ("Burlington"), seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 23, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico, thereby forming a standard 320-acre gas spacing and proration unit for the Undesignated Ross Draw-Wolfcamp Gas Pool.

(3) Said unit is to be dedicated to its proposed El Paso "23" Federal Well No. 2, which is to be drilled in accordance with Rule 111 of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the New Mexico Oil Conservation Commission in Case 11274 on June 13, 1997, as a multilateral directional wellbore whose producing intervals will be located within its producing area and dedicated to a project area consisting of the N/2 of said Section 23.

(4) The Ross Draw-Wolfcamp Gas Pool is a "non-prorated gas pool" and is not governed by the "*General Rules for the Prorated Gas Pools of New Mexico*," as promulgated by Division Order No. R-8170, as amended. Said gas pool is therefore subject to the Division's Statewide Rule 104.C(2)(b), which provides for 320-acre gas spacing and proration units, or

drilling units, and requires that wells be located no closer than 660 feet to the nearest side boundary of the designated tract nor closer than 1650 feet to the nearest end boundary, nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary thereon and General Rule 104.D(3), which restricts the number of producing wells within a single gas spacing unit within non-prorated pools to only one.

(5) At the time of the hearing Burlington presented geologic and petroleum engineering evidence and testimony which demonstrates that:

(a) the Ross Draw-Wolfcamp Gas Pool is a naturally-fractured limestone reservoir with large lateral variations in thickness and that these lateral variations cause wide variations of initial gas rates, ultimate per well gas recoveries, and drainage areas;

(b) the limestone litofacies within the Wolfcamp formation form a laterally discontinuous reservoir; and

(c) horizontal drilling perpendicular to the natural vertical fractures will serve to increase the rate, ultimate recovery, and drainage area thereby enhancing the economic viability of the pool.

(6) Burlington presented land testimony and evidence which demonstrates that:

(a) Burlington has attempted to consolidate on a voluntary basis all of the oil and gas working interests ("operating rights") within the above-described 320-acre gas spacing and proration unit;

(b) Burlington's estimated cost for the subject multilateral directional wellbore is: (i) dry hole costs \$1,614,100; (ii) completion \$250,000; and (iii) facilities \$94,000; for a total cost of \$1,987,300;

(c) As of August 15, 1997, Burlington had obtained the voluntary agreement of 13 working interest owners so that as of that date Burlington had obtained the voluntary agreement of 73.89% percent of the working interest owners;

(d) Burlington has not been able to consolidate on a voluntary basis the interests of Kerry Petroleum, Inc. (Kerry") and K P Acquisitions Corporation (KP") a subsidiary of Kerry for the drilling of this well;

(e) Kerry's working interest is burdened with a 12.5% royalty and a 6.25% overriding royalty ("ORR") which results in Kerry having a 0.338540% net revenue interest which translates into a gross 81.25% net working interest while KP's working interest is burdened with a 12.5% R, a 6.25% ORR and an additional 3% ORR which results in KP having a net revenue interest of 3.04305% which translates into a gross 78.25% net working interest;

(f) Between June 2, 1997 and July 21, 1997, Burlington had approximately four conversations with Kerry/KP in an attempt to negotiate a voluntary agreement for the commitment of the Kerry and KP interests; and,

(g) On July 21, 1997, Burlington made a final attempt to negotiate an agreement with Kerry/KP.

(7) Hardeman L. Stonestreet of Midland, Texas appeared at the hearing on behalf of Kerry and KP and presented a statement in opposition and subsequent to the hearing filed an additional written objection in which he confirms that Burlington has correctly calculated the interests of Kerry and KP in this spacing unit but still contends that:

(a) Burlington did not negotiate in good faith because Burlington's landman refused to increase their offer to him;

(b) Burlington's offer of purchase or farmin terms was unreasonable;

(c) the risk factor penalty should be only 100% (however, he failed to provide any supporting evidence); and,

(d) Burlington has failed to offer to market Kerry/KP's share of gas production.

(8) Burlington having: (i) provided Kerry/KP with an adequate period of time in which to make their own analysis and reach their own independent decision concerning whether they wanted to sell, farmout, or participate in this well; and (ii) engaged in good faith efforts to obtain voluntary agreement and despite its efforts has not been able to obtain such an agreement, the application of Burlington in the immediate case should be approved by pooling all mineral interests, whatever they may be, within said 320-acre unit.

(9) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste, and to afford to the owner of each interest in said 320-acre unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas production in the Undesignated Ross Draw-Wolfcamp Gas Pool, the immediate application of Burlington should be approved by pooling all mineral interests, whatever they may be within the Wolfcamp formation, underlying said 320-acre unit.

(10) Further, Burlington should be designated the operator of the subject well and unit.

(11) Any non-consenting working interest owner should be afforded the opportunity to pay his share of the estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(12) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(13) At the time of the hearing Burlington presented adequate geological evidence and testimony to support the assignment of the maximum allowed 200% penalty for the risk involved in the drilling of the well. Therefore, any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(14) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(15) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated well costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(16) \$5,500.00 per month while drilling and \$650.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(17) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(18) Upon the failure of the operator of said pooled unit to commence drilling of the subject well to which said unit is dedicated on or before January 31, 1998, the order pooling said unit should become null and void and of no effect whatsoever.

(19) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(20) The operator of the subject well and 320-acre unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company ("Burlington") in Case No. 11837 for an order pooling all mineral interests in the Undesignated Ross Draw-Wolfcamp Gas Pool underlying the N/2 of Section 23, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for said pool is hereby **approved**.

PROVIDED HOWEVER THAT, Burlington as the operator of said unit shall commence the drilling of its proposed El Paso "23" Federal Well No. 2, which is to be drilled in accordance with Rule 111 of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the New Mexico Oil Conservation Commission in Case 11274 on June 13, 1997, as a multilateral directional wellbore whose producing intervals will be located within its producing area and dedicated to a project area consisting of the N/2 of said Section 23.

PROVIDED FURTHER THAT, in the event Burlington as the said operator does not commence the drilling of said well on or before the thirty-first day of January, 1998, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

(2) Burlington Resources Oil & Gas Company is hereby designated the operator of the subject well and 320-acre unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him; and
- (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$5,500.00 per month while drilling and \$650.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

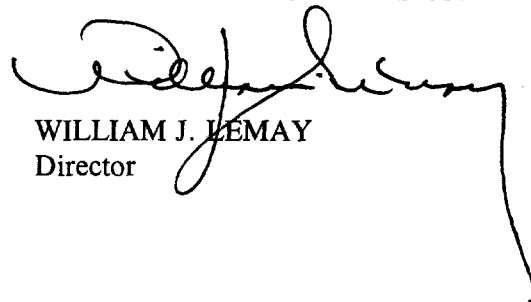
(14) The operator of the subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

WITNESSED at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director