



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
PO BOX 1989, Hobbs, NM 88241
(505) 393-6161

Jennifer A. Salisbury
CABINET SECRETARY

FAX

TO:

FROM:

RE:

DATE:

John Pude
J Hobbs O.C.D.
10-14-99

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12278 Exhibit No. 7
Submitted By:
Pride Energy Company
Hearing Date: November 18, 1999

NO. OF PAGES 19 INCLUDING COVERSHEET

RUN DATE: Monday October 4, 1999 3:56 PM

PAGE 1

Rhombus Operating Co., Ltd.

LEASE DDI OWNERS REPORT

CURRENT LEASE: 27260 ARCO STATE #1

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
27260 ARCO STATE #1					
	ARQ10 75-2708923 Amarco Oil Corporation P.O. Box 11262 Midland, TX 79702	.05000000	.04231250	.04231250	WORKING INTEREST
	RR111 Beaver Oil Company Box 985 Beaver, OK 73932	.00337500	.00250080	.00250080	WORKING INTEREST
	BL111 William C. Blanks, Jr. S2 Trust Account # 1164-09 NationsBank of TX, Trustee P.O. Box 832407 Dallas, TX 75283	.02500000	.02020840	.02020840	WORKING INTEREST
	BL112 Maurice Hewitt Blanks S2 Trust Account # 1363-09 NationsBank of TX, Trustee P.O. Box 832407 Dallas, TX 75283	.02500000	.02020830	.02020830	WORKING INTEREST
	BL113 Christine Ann Blanks S2 Trust Account # 1362-09 NationsBank of TX, Trustee P.O. Box 832407 Dallas, TX 75283	.02500000	.02020830	.02020830	WORKING INTEREST
	BL114 Richard C. Blackwell P.O. Box 1632 Midland, TX 79702	.00000000	.02000000	.02000000	OVERRIDING ROYALTY
	CA570 Cal-Mon Oil Company 500 W. Texas, Suite 1200 Midland, TX 79701-4281	.00000000	.01800000	.01800000	OVERRIDING ROYALTY
	DE950 Devon Energy Corp. Attn: O&G A/P Dept. 20 N. Broadway, Suite 1500 Oklahoma City, OK 76102-8260	.00000000	.00000000	.00000000	WORKING INTEREST

RUN DATE: Monday October 4, 1999 3:56 PM

PAGE 2

Rhombus Operating Co., Ltd.

LEASE DDI OWNERS REPORT

CURRENT LEASE: 27260 ARCO STATE #1

LEASE-----	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
	DMK40 Dumny	.00000000	.00000000	.00000000	WORKING INTEREST
	EL730 John Elphick 400 W. Illinois, Suite 1440 Midland, TX 79701	.00000000	.00150000	.00150000	OVERRIDING ROYALTY
	GR112 The Grayrock Corp. 11910 Greenville Ave. #302 Dallas, TX 75243	.07215000	.05772000	.05772000	WORKING INTEREST
	RB111 Readington Penn Corp. 7557 Rambler Rd. Suite 1150 Dallas, TX 75231	.03750000	.03031250	.03031250	WORKING INTEREST
	LO430 Loia Energy Inc. P.O. Box 389 La Grange, TX 78945	.02643750	.01958950	.01958950	WORKING INTEREST
	MO612 Monaghan Living Trust Virginia P. Monaghan, Trustee 500 W. Texas, Suite 1200 Midland, TX 79701	.00000000	.00200000	.00200000	OVERRIDING ROYALTY
	WIZ70 Wielson and Associates, Inc. P.O. Box 2850 Cody, WY 82414	.05625000	.04167960	.04167960	WORKING INTEREST
	NM230 NM Commissioner of Public Land P.O. Box 1148 Santa Fe, NM 87504-1148	.00000000	.12500000	.12500000	ROYALTY
	OT430 456-04-5205 Don P. Olive 315 Carol Lane Midland, TX 79705 915 686-0433	.03000000	.02538750	.02538750	WORKING INTEREST

RUN DATE: Monday October 4, 1999 3:56 PM

PAGE 3

Rhombus Operating Co., Ltd.

LEASE DDI OWNERS REPORT

CURRENT LEASE: 27260 ARCO STATE #1

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
PO571	Polaris Production Corp. P.O. Box 1749 Midland, TX 79702-1749	.03000000	.02395000	.02395000	WORKING INTEREST
PO961	Power-Can Resources Inc, c/o Oregon Resources Corp #1305 1090 W. Georgia St. Vancouver, BC Canada V6B3V7	.00000000	.00757810	.00757810	OVERRIDING ROYALTY
PR120	PREMIER OPERATING CO. Box 35984 Tulsa, OK 74153 918 743-6555	.02643750	.01958950	.01958950	WORKING INTEREST
PR432	Pride Energy Company P.O. Box 701602 Tulsa, OK 74170	.27500000	.23487500	.23487500	WORKING INTEREST
RR253	Redcliff Resources, L.C. P.O. Box 4848 Wichita, TX 76308	.07500000	.05987500	.05987500	WORKING INTEREST
RH632	75-2376366 Rhombus Energy Company 200 W. Lorraine, Suite 1270 Midland, TX 79701 915 683-8873	.06500000	.05500620	.05500620	WORKING INTEREST
SA270	75-2369801 S.E.S. Oil & Gas, Inc. P.O. Box 371 Midland, TX 79702-0371 915 682-0786	.08000000	.06770000	.06770000	WORKING INTEREST
SF110	Spartan Exploration Company 3300 Oak Lawn Ave. Suite 410 Dallas, TX 75219	.00285000	.00140500	.00140500	WORKING INTEREST
ST112	75-2711431 Starck Family, Ltd. P.O. Box 10886 Midland, TX 79702	.09500000	.08039380	.08039380	WORKING INTEREST

RUN DATE: Monday October 4, 1999 3:56 PM

PAGE 4

Rhombus Operating Co., Ltd.

LEASE DDI OWNERS REPORT

CURRENT LEASE: 27260 ARCO STATE #1

LEASE-----	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
	ST630 William T. Stokes 7703 Southwestern Dallas, TX 75225	.00000000	.00150000	.00150000	OVERRIDING ROYALTY
	TR636 Wayne D. Thornton 12900 Preston Rd. Suite 420 Dallas, TX 75230	.00000000	.00150000	.00150000	OVERRIDING ROYALTY

61.25% voting for new operator

84.5% of the non-operated interest

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1980 by and between Cal-Mon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 16, Township 18 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701602 Tulsa, OK 74170-1602 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10888, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 2 day of Sept, 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

By: Atlantic Richfield Company

Name: R.D. Smith

Title: President

E.G.L. Resources, Inc.

W. Wesley Perry
W. Wesley Perry, President

09/03 09:18 NO.993 02/02

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between Cal-Mon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 16, Township 16 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701802 Tulsa, OK 74170-1802 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10886, Midland, Texas 79702 as the successor operator.

By its execution of this ballot EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 3rd day of SEPT., 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

By: 

Name: DEAN SURRELS

Title: OWNER

BEAVER OIL CO.
P. O. Box 985
Beaver, OK. 73932

E.G.L. Resources, Inc.


W. Wesley Perry, President

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between Cal-Mon Oil Company, as operator and Avenda Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 16, Township 16 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701602 Tulsa, OK 74170-1602 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10886, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 3rd day of September, 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

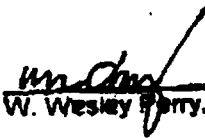
By: 

Name: H. GREG HOLCOMB

Title: SENIOR VICE PRESIDENT

Trustee for the "Blacker" Trusts

E.G.L. Resources, Inc.


W. Wesley Perry, President

ILLEGIBLE

08/12 '99 145 NO.492 02/02

**Arco State # 1
Ballot for Removal of Operator
and Election of New Operator**

Item 1 Under Article V Section B of that certain Operating Agreement dated February 20, 1980 by and between Cal-Mon Oil Company, as Operator and Atlantic Richfield Company, as Non-Operator, covering SE1/4, S1/2 SW1/4, NE1/4 SW1/4 Section 16, T-18-S, R-36-E, Lea Co, NM, hereinafter referred to as "JOA", the undersigned working interest owner hereby elects to remove Pride Energy Company, ("Pride"), P.O. Box 701602 Tulsa, OK 74170-1602 as Operator under to "JOA".

Under the terms of the JOA Pride may be removed as Operator because it has failed to carry out the duties of Operator. One of the reasons includes but is not limited to the following:

Under Article VII, paragraph C, Pride has violated the payment and accounting procedures by not paying revenues and/or invoices for the joint account.

Item 2 The undersigned owner votes for E.G.L. Resources, Inc. ("EGL") P.O. Box 10880, Midland, Texas 79702 as the successor operator.

Item 3 By signing below, E.G.L. Resources, Inc. agrees to take over operations under the JOA pursuant to all the terms and conditions of the JOA.

Item 4 As a condition of this ballot, EGL shall change an overhead rate as shown in the JOA \$450 for the Producing Well Rate.

Agreed and accepted to this the 12 day of August, 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

Nielson & Associates, Inc.

By: *James H. Williams*

Name: *James H. Williams*

Title: *Vice President*

E.G.L. Resources, Inc.

W. Wesley Perry
W. Wesley Perry, President

ILLEGIBLE

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between Cull-Moss Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SW1/4, S1/2 SW1/4, NE1/4 SW1/4 Section 18, Township 18 South, Range 35 East, Lee County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company ("Pride"), P.O. Box 701802 Tulsa, OK 74170-1802 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10888, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 2nd day of September 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

By: 

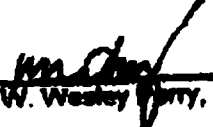
Name:

SANDY WHITE / LOIN ENERGY CORPORATION

Title:

VP

E.G.L. Resources, Inc.


W. Wesley Perry, President

ILLEGIBLE

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between Cal-Mon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE1/4, S/2 SW1/4, NE1/4 SW1/4 Section 10, Township 10 South, Range 35 East, Lee County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701802 Tulsa, OK 74170-1802 as operator.

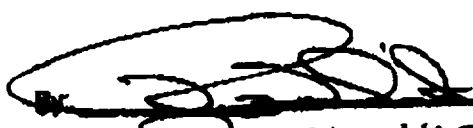
The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10888, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 2nd day of September, 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

By: 

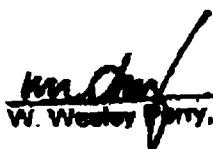
Name:

RANDY WHITE / LOIN ENERGY CORPORATION

Title:

VP

E.G.L. Resources, Inc.


W. Wesley Perry, President

ILLEGIBLE

FROM : RHOMBUS 9156838876

PHONE NO. :

Sep. 03 1999 09:46AM P2

09/03 99 09:46 NO. 990 01/01

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1980 by and between Cal-Mon Oil Company, as operator and Alento Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 18, Township 18 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701602 Tulsa, OK 74170-1602 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10888, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this by Don E. Oltz Joy or September 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

By: Don E. OltzName: Don E. Oltz

Title: _____

E.G.L. Resources, Inc.

W. Wesley Perry
W. Wesley Perry, President

ILLEGIBLE

09/03/1999 09:47 FROM POLARIS PRODUCTION

TO 6025452

P. 02

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between Cal-Mon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 16, Township 18 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701602 Tulsa, OK 74170-1602 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10886, Midland, Texas 79702 as the successor operator.

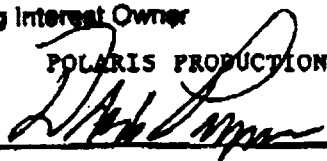
By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

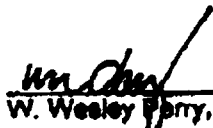
Agreed and accepted to this the 3rd day of September, 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

POLARIS PRODUCTION CORP.

By: Name: Davis PayneTitle: President

E.G.L. Resources, Inc.


W. Wesley Barry, President

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between CalMon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 10, Township 18 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701802 Tulsa, OK 74170-1802 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10886, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to whatever operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 2 day of September 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest OwnerBy: James G. BaconName: James G. BaconTitle: President Premier Operating Company**E.G.L. Resources, Inc.**W. Wesley Perry
W. Wesley Perry, President**ILLEGIBLE**

FROM : RHOMBUS 9156838876

PHONE NO. :

Sep. 03 1999 09:45AM P1
09/03 '99 48 NO.990 01/01

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1990 by and between Cal-Mon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 16, Township 18 South, Range 35 East, Lee County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701802 Tulsa, OK 74170-1802 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10888, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 3rd day of September 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner Rhombus Energy Co.

By: [Signature]
Name: Gregory D. Carls
Title: President

E.G.L. Resources, Inc.

[Signature]
W. Wesley Perry, President

ILLEGIBLE

ILLEGIBLE

OCT-14-99 THU 10:00 AM OGD HOBBS
Sep 12 99 03:57p Grady Vaughn

FAX NO. 15053930720
214-526-0040

P. 18
P. 2

380-11-99 02:15P C.H. VAUGHN

214-526-0040 P. 02

Ballet

THE undersigned, as a non-operator under that certain Operating Agreement dated February 28, 1980 by and between Cal-Mex Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SEC4, SR2 SW/4, NE/4 SW/4 Section 16, Township 15 South, Range 26 East, Lee County, New Mexico, hereinafter referred to as "JCA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701602 Tulsa, OK 74170-1602 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10086, Midland, Texas 79702 as the successor operator.

By its execution of this ballet, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballet EGL shall charge an overhead rate as shown in the JOA \$480 for the producing well rate.

Agreed and accepted to this the 12th day of September 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner - Synstar Exploration Co.

by Grady M. Vaughn
Name: Grady M. Vaughn
Title: President

E.G.L. Resources, Inc.

W. Wesley Perry
W. Wesley Perry, President

ILLEGIBLE

Ballot

The undersigned, as a non-operator under that certain Operating Agreement dated February 20, 1980 by and between Cal-Mon Oil Company, as operator and Atlantic Richfield Company, as non-operator, covering SE/4, S/2 SW/4, NE/4 SW/4 Section 18, Township 18 South, Range 35 East, Lea County, New Mexico, hereinafter referred to as "JOA", hereby votes to remove Pride Energy Company, ("Pride"), P.O. Box 701802 Tulsa, OK 74170-1802 as operator.

The undersigned owner also votes in favor of E.G.L. Resources, Inc. ("EGL") P.O. Box 10886, Midland, Texas 79702 as the successor operator.

By its execution of this ballot, EGL agrees to takeover operations under the JOA pursuant to the terms and conditions thereof.

As a condition of this ballot EGL shall charge an overhead rate as shown in the JOA \$450 for the producing well rate.

Agreed and accepted to this the 2 day of September 1999, but shall be effective as of September 1, 1999 at 7:00 AM.

Working Interest Owner

By: STARCK FAMILY, LTD.

Name: JOHN STARCK *[Signature]*

Title: President

E.G.L. Resources, Inc.

[Signature]
W. Wesley Perry, President