



**ARCO Permian**  
600 North Marienfeld  
Midland TX 79701-4373  
PO Box 1610  
Midland TX 79702-1610  
Telephone 915 688 5200

CONSERVATION DIVISION  
RECEIVED

JUL 12 1994 8 50

*Morrows*

*M.S.*

July 12, 1994

Mr. Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: **COMPULSORY POOLING ORDER; Case No. 10993; Order No. R-10147;**  
**ARCO Cedar Lake State 36-1 Well, 1980' FSL & 660' FWL of Section 36**  
**Township 17 South, Range 30 East, Eddy County, New Mexico**

Dear Mr. LeMay:

Reference is hereby made to that certain Compulsory Pooling Order issued by the Oil Conservation Division of the State of New Mexico with an effective date of July 5, 1994 concerning the captioned well. Pursuant to the terms and provisions of Paragraph 4 on page 4 of said Compulsory Pooling Order I have enclosed herewith a copy of an itemized schedule of our estimated well costs for the captioned well. In addition, I have also enclosed a copy of all letters submitted to each non-consenting working interest owner whereby such parties were furnished with a copy of said itemized schedule of estimated well costs.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

**ARCO Permian**

John E. Lodge  
Land Director

enclosures

Supplement

☒ Original

Well name <b>Cedar Lake State 36-1</b>						TD 11,500'	
Location 1980' FSL, 660' FWL, Section 36, T17S, R30E, Eddy County, New Mexico							
District ARCO Permian				Area or Group		Field Cedar Lake (Morrow)	
Objective Morrow @ Ft. @ Ft.							
<input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion		Gen 9171 9172 9171		<input type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple		Data Processing Information <div style="border: 1px solid black; padding: 5px; display: inline-block;">AFC No.</div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;">           Original/Revision Indicator            1=Original            2=Revision           <div style="border: 1px solid black; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-top: 5px;">1</div> </div>	
<b>Tangible Costs - SUB 500 and 550</b>							
1. Tubular goods				Drilling	Evaluation	Completion	Elem      Total Gross Dollars
13 3/8 " OD from 0 ft. to 550				10,000			10,000
8 5/8 " OD from 0 ft. to 3600				28,000			28,000
5 1/2 " OD from 0 ft. to 11,500						60,000	60,000
2 7/8 " OD from 0 ft. to 11,000						35,000	35,000
" OD from ft. to							0
" OD from ft. to							0
" OD from ft. to							0
" OD from ft. to							0
2. Casinghead, Tubinghead, Christmas Tree				7,500		5,000	5 0 4 12,500
3. Tubing Accessories						10,000	5 0 6 10,000
4. Artificial Lift Accessories							5 0 7 0
5. Well Protective Structures							5 0 8 0
6. Unclassified				2,000		2,000	0 0 0 4,000
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
<b>TOTAL TANGIBLES</b>				47,500	0	112,000	159,500
<b>Intangible Costs - SUB 600</b>							
8. Contract Engineering Technical							0 1 3 0
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				13,000		5,000	2 4 6 18,000
15. Property and Equipment Rentals							2 4 8 0
16. Security, Safety, and Firefighting				2,000		1,000	2 5 0 3,000
17. Tubular Testing, and Inspection				3,000		2,500	5 0 3 5,500
18. Trucking Tubulars				5,000		6,000	5 0 9 11,000
19. Casing Accessories				5,000		5,000	5 1 2 10,000
20. Site Preparation and Maintenance				30,000		5,000	5 1 4 35,000
21. Permits, Insurance, and Damanges				10,000			5 1 5 10,000
22. Rig Moving Expense							5 1 7 0
23. Shorebases							5 2 1 0
24. Camp Housekeeping				1,000		1,000	5 2 2 2,000
25. Reclamation				1,000		1,000	5 3 5 2,000
26. Air Freight and Transportation							5 2 8 0
27. Disposal and Cleanup				8,000		3,000	5 3 1 11,000

**ARCO PERMIAN**  
**BEFORE EXAMINER MORROW**  
**NMOCD CASE NO. 10993**  
**DATE: 06/09/94**  
**EXHIBIT NO. 5**

Well name <b>Cedar Lake State 36-1</b>	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement		Original/Revision Indicator 1=Original <span style="border: 1px solid black; padding: 2px;">1</span> 2=Revision	
Location <b>Lea County, New Mexico</b>	<div style="border: 2px solid black; padding: 5px; display: inline-block;"> <b>AFC No.</b>    </div>			
District <b>ARCO Permian</b>				

Intangible Costs (Cont'd) - SUB 600	Drilling	Evaluation	Completion	Elem			Total Gross Dollars
28. Contract Footage Drilling 11,500 ft. @ \$ 20.00 per foot	230,000			5	3	2	230,000
29. Contract Drilling Daywork Drilling 0.5 days @ : 4,400.00 per day	2,200		2,200	5	3	3	4,400
30. Mobilization, Demobilization & Rig Mod.				5	3	4	0
31. Roads and Airstrips				5	3	6	0
32. Completion/Workover Daywork 21 days @ : 2,000.00 per day			42,000	5	4	2	42,000
33. Drill String & BHA Rental			7,000	5	4	3	7,000
34. Well Control Equipment	4,000		2,500	5	4	7	6,500
35. Bits, Underreamers, & Hole Openers ____ - ____ " ____ - ____ " ____ - ____ " ____ - ____ " ____ - ____ " ____ - ____ "				5	4	8	0
36. Drilling Mud and Transportation	20,000			5	5	1	20,000
37. Drilling Mud Equipment and Services	2,000			5	5	2	2,000
38. Completion Fluids			5,000	5	5	3	5,000
39. Open Hole Surveys	15,000			5	5	7	15,000
40. Wireline Work				5	5	9	0
41. Formation Monitoring	9,000			5	6	0	9,000
42. Cased Hole Surveys and perf. Fees			18,000	5	6	1	18,000
43. Surface Well Test Equipment			8,000	6	5	3	8,000
44. Coring and Analysis	15,000			5	6	6	15,000
45. Drill Stem Test Equipment				5	7	2	0
46. Fracturing, Acidizing, and Gravel Pack			40,000	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	35,800		23,200	6	0	4	59,000
53. Cement Running Fees for Casing & Tubing 13 3/8 " OD 600 Sacks 8 5/8 " OD 2000 Sacks 5/1/02 " OD 2000 Sacks	6,000 15,000 20,000						6,000 15,000 20,000
49. Directional Drilling Tool Rental							0
54. Cementing - Squeezes & Plugs				6	9	9	0
55. Unclassified	5,000		5,000	0	0	0	10,000
							0
							0
<b>TOTAL INTANGIBLES</b>	437,000	0	202,400				599,400
<b>TOTAL COST (Tangibles &amp; Intangibles)</b>	484,500	0	314,400				798,900
<b>EVALUATED COST</b>	<b>484,500</b>						
<b>COMPLETED WELL COST</b>	<b>\$798,900</b>						



**ARCO Permian**  
600 North Marienfeld  
Midland TX 79701-4373  
PO Box 1610  
Midland TX 79702-1610  
Telephone 915 688 5200

July 12, 1994

**Hand Delivered**  
**on July 12, 1994**

Camterra Resources Partners, Ltd.  
306 West Wall, Suite 500  
Midland, Texas 79701  
Attention : Mr. Gary L. Pitts

**Re: COMPULSORY POOLING ORDER; Case No. 10993; Order No. R-10147;**  
**ARCO Cedar Lake State 36-1 Well, 1980' FSL & 660' FWL of Section 36**  
**Township 17 South, Range 30 East, Eddy County, New Mexico**

Gentlemen:

Reference is hereby made to that certain Compulsory Pooling Order issued by the Oil Conservation Division of the State of New Mexico with an effective date of July 5, 1994 concerning the captioned well. I have attached a copy of such order as Exhibit "A" for your perusal in the event that you have not previously received a copy of same.

Pursuant to the terms and provisions of Paragraph 4 on page 4 of said Compulsory Pooling Order I have attached hereto as Exhibit "B", a copy of an itemized schedule of our estimated well costs for the captioned well. Please refer to Paragraph 5 on page 4 of said Compulsory Pooling Order for the specific rights of any non-consenting working interest owner to pay its share of estimated well costs to the operator.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

**ARCO Permian**

John E. Lodge  
Land Director

attachments



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PO Box 1610  
Midland TX 79702-1610  
Telephone 915 688 5200

July 12, 1994

**Hand Delivered**  
**on July 12, 1994**

Enron Oil & Gas Company  
P.O. Box 2267  
Midland, Texas 79702

Attn: Mr. Pat Tower

**Re: COMPULSORY POOLING ORDER; Case No. 10993; Order No. R-10147;**  
**ARCO Cedar Lake State 36-1 Well, 1980' FSL & 660' FWL of Section 36**  
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John E. Lodge  
Land Director

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July 12, 1994

**Hand Delivered**  
**on July 12, 1994**

El Paso Production Company  
c/o Meridian Oil Inc.  
3300 N. "A" Street, Bldg. 6  
Midland, Texas 79705-5406  
Attention: Mr. Larry Crowder

**Re: COMPULSORY POOLING ORDER; Case No. 10993; Order No. R-10147;**  
**ARCO Cedar Lake State 36-1 Well, 1980' FSL & 660' FWL of Section 36**  
**Township 17 South, Range 30 East, Eddy County, New Mexico**

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Sincerely,

**ARCO Permian**

John E. Lodge  
Land Director

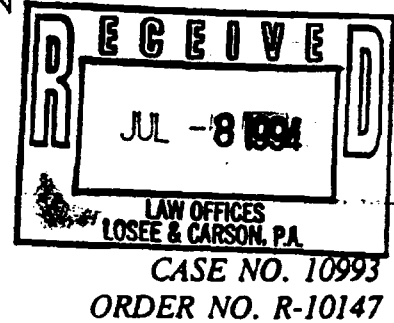
attachments

**EXHIBIT "A"**

Attached to and made part of that certain Letter dated July 12, 1994 from ARCO  
concerning Compulsory Pooling Order No. R-10147

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:



**APPLICATION OF ARCO PERMIAN 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 June 9, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 5th day of July 1994, the Division Director, having considered the testimony, the record and the recommendations of the Examiners, 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, Arco Permian, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the W/2 of Section 36, Township 17 South, Range 30 East, forming a standard 320-acre spacing unit within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Loco Hills-Atoka Gas Pool and the Cedar Lake-Morrow Gas Pool.
- (3) The applicant proposes to dedicate this pooled unit to its Cedar Lake State 36 Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line of said Section 36. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well.

(4) At the hearing, the applicant's attorney asked that the application be amended to include only those formations from the base of the Bone Spring formation to the base of the Morrow formation. The applicant is an interest owner in the W/2 of said Section 36 and has the right to develop the minerals underlying the proposed spacing unit.

(5) The applicant's geologic evidence included a cross-section, a Morrow Sand isopach map and offset production information. The information shows that the Morrow Sand should be productive at the proposed location. An AFE was submitted showing completed well cost of \$798,900.

(6) The applicant's land witness testified that 56.25% of the working interest owners have committed their interest to the proposed unit either through voluntary pooling or farmout agreements. Camterra Resources Partners, Ltd. with 31.25% is considering either a farmout agreement or participation. Meridian Oil Company with 12.50% has not agreed to participate.

(7) Enron Oil and Gas Company and Camterra Resources Partners, Ltd. appeared at the hearing through counsel but did not protest Arco's application.

(8) 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 unit the opportunity to recover or receive without unnecessary expense his just and fair share of the production in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, from the base of the Bone Spring formation to the base of the Morrow formation within said 320-acre unit.

(9) The applicant should be designated the operator of the subject well to be drilled at the aforementioned standard gas well location.

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

(11) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(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) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated 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.

(14) At the time of the hearing, the applicant proposed that the reasonable monthly fixed charges for supervision while drilling and producing said well should be initially set at \$5300 and \$530, respectively, and that any such overhead charges included in this order contain provisions for an annual adjustment based on accepted industry practices.

(15) \$5,300 per month while drilling and \$530 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 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.

(16) 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.

(17) Upon the failure of the operator of said pooled units to commence drilling of the well to which said unit is dedicated on or before October 1, 1994, the order pooling said unit should become null and void and of no further effect whatsoever.

(18) 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.

(19) The operator of the well and 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) All mineral interests, whatever they may be, from the base of the Bone Spring formation to the base of the Morrow formation underlying the W/2 of Section 36, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico are hereby pooled to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Loco Hills-Atoka Gas Pool and the Cedar Lake-Morrow Gas Pool.

(2) Said unit is to be dedicated to applicant's Cedar Lake State 36 Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line of said Section 36.

PROVIDED HOWEVER, the operator of said unit shall commence the drilling of said well on or before the 1st day of October, 1994, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the above described area.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 1st day of October, 1994, Decretory Paragraph Nos. (1) and (2) 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 Nos. (1) and (2) of this order should not be rescinded.

(3) Arco Permian is hereby designated the operator of the subject well and unit.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

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

(10) \$5300 per month while drilling and \$530 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.

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

(12) 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 interest.

(13) 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.

(14) 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.

(15) 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.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

## EXHIBIT "B"

Attached to and made part of that certain Letter dated July 12, 1994 from ARCO  
concerning Compulsory Pooling Order No. R-10147

ARCO Permian a unit of Atlantic Richfield Company

Drilling Cost Estimate - Page 1

☐ Supplement

☒ Original

Well name <b>Cedar Lake State 36-1</b>						TD 11,500'	
Location 1980' FSL, 660' FWL, Section 36, T17S, R30E, Eddy County, New Mexico							
District ARCO Permian				Area or Group		Field Cedar Lake (Morrow)	
Objective Morrow @ Ft. @ Ft.							
<input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion		Gen 9171 9172 9171		<input type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple		Data Processing Information <div style="border: 1px solid black; padding: 5px; display: inline-block;">AFC No.</div> Original/Revision Indicator 1=Original <input type="checkbox"/> 1 2=Revision <input type="checkbox"/>	
<b>Tangible Costs - SUB 500 and 550</b>							
1. Tubular goods				Drilling	Evaluation	Completion	Total Gross Dollars
13 3/8" OD from 0 ft. to 550				10,000			10,000
8 5/8" OD from 0 ft. to 3600				28,000			28,000
5 1/2" OD from 0 ft. to 11,500						50,000	60,000
2 7/8" OD from 0 ft. to 11,000						35,000	35,000
" OD from ft. to							0
" OD from ft. to							0
" OD from ft. to							0
2. Casinghead, Tubinghead, Christmas Tree				7,500		5,000	12,500
3. Tubing Accessories						10,000	10,000
4. Artificial Lift Accessories						5,000	0
5. Well Protective Structures						5,000	0
6. Unclassified				2,000		2,000	4,000
7. Additional Basis (Sub 550)							0
Casinghead, Tubinghead, Christmas Tree						5,000	0
Tubing Accessories						5,000	0
Artificial Lift Accessories						5,000	0
Well Protective Structures						5,000	0
<b>TOTAL TANGIBLES</b>				47,500	0	112,000	159,500
<b>Intangible Costs - SUB 600</b>							
8. Contract Engineering Technical						0 1 3	0
9. Boat Operations						0 5 3	0
10. Minor Supplies						0 7 8	0
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12. Diesel Fuel						2 4 2	0
13. Natural Gas						2 4 3	0
14. Water				13,000		2 4 6	18,000
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23. Shorebases						5 2 1	0
24. Camp Housekeeping				1,000		5 2 2	2,000
25. Reclamation				1,000		5 3 5	2,000
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27. Disposal and Cleanup				8,000		5 3 1	11,000

ARCO PERMIAN  
BEFORE EXAMINER MORROW  
NMOC CASE NO. 10993  
DATE: 06/09/94

Well name <b>Cedar Lake State 36-1</b>	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement		Original/Revision Indicator 1=Original <span style="border: 1px solid black; padding: 2px;">1</span> 2=Revision	
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District <b>ARCO Permian</b>				

Intangible Costs (Cont'd) - SUB 600	Drilling	Evaluation	Completion	Elem			Total Gross Dollars
28. Contract Footage Drilling 11500 ft. @ \$ 20.00 per foot	230,000			5	3	2	230,000
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31. Roads and Airstrips				5	3	6	0
32. Completion/Workover Daywork 21 days @ : 2,000.00 per day			42,000	5	4	2	42,000
33. Drill String & BHA Rental			7,000	5	4	3	7,000
34. Well Control Equipment	4,000		2,500	5	4	7	6,500
35. Bits, Underreamers, & Hole Openers ____ " _____ " _____ " ____ " _____ " _____ "				5	4	8	0
36. Drilling Mud and Transportation	20,000			5	5	1	20,000
37. Drilling Mud Equipment and Services	2,000			5	5	2	2,000
38. Completion Fluids			5,000	5	5	3	5,000
39. Open Hole Surveys	15,000			5	5	7	15,000
40. Wireline Work				5	5	9	0
41. Formation Monitoring	9,000			5	6	0	9,000
42. Cased Hole Surveys and perf. Fees			18,000	5	6	1	18,000
43. Surface Well Test Equipment			8,000	6	5	3	8,000
44. Coring and Analysis	15,000			5	6	6	15,000
45. Drill Stem Test Equipment				5	7	2	0
46. Fracturing, Acidizing, and Gravel Pack			40,000	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	35,800		23,200	6	0	4	59,000
53. Cement Running Fees for Casing & Tubing 13 3/8 " OD _____ 600 Sacks 8 5/8 " OD _____ 2000 Sacks 5 1/2 " OD _____ 2000 Sacks	6,000 15,000 20,000						6,000 15,000 20,000
49. Directional Drilling Tool Rental							0
54. Cementing - Squeezes & Plugs				6	9	9	0
55. Unclassified	5,000		5,000	0	0	0	10,000
							0
							0
<b>TOTAL INTANGIBLES</b>	437,000	0	202,400				599,400
<b>TOTAL COST (Tangibles &amp; Intangibles)</b>	484,500	0	314,400				798,900
<b>EVALUATED COST</b>	<b>484,500</b>						
<b>COMPLETED WELL COST</b>	<b>\$798,900</b>						



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

July 5, 1994

LOSEE, CARSON, HAAS & CARROLL  
Attorneys at Law  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

**RE: CASE NO. 10993**  
**ORDER NO. R-10147**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

  
Sally E. Martinez  
Administrative Secretary

Enclosure

cc: BLM - Carlsbad  
Bill Carr  
Taxation & Revenue

NEW MEXICO OIL CONSERVATION DIVISION  
LOSEE, CARSON, HAAS & CARROLL, P. A.  
300 YATES PETROLEUM BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88211-0239  
ERNEST L. CARROLL  
JOEL M. CARSON  
DEAN B. CROSS  
JAMES E. HAAS  
A. J. LOSEE  
MARY LYNN BOGLE

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

June 3, 1994

**VIA FACSIMILE AND FIRST CLASS MAIL**

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Arco Permian Appl. for Compulsory Pooling,  
Case No. 10993

Anadarko Appl. for Compulsory Pooling, Case  
No. 10996

Clark/Matador Applications for Compulsory Pooling,  
Case Nos. 11000 and 11001

Dear Mr. LeMay:

I am transmitting herewith Arco Permian's Prehearing Statement for filing in the above-referenced Case No. 10993.

Also enclosed is an Entry of Appearance on behalf of C. W. Stumhoffer and C. Daniel Walker for filing in the Anadarko case (10996) listed above.

I am also enclosing M. Craig Clark's Consolidated Prehearing Statement for filing in cases 11000 and 11001.

Thank you for your assistance.

Very truly yours,

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

*Ernest L. Carroll / KTH*

Ernest L. Carroll

ELC:kth  
Encl.



BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

JUN - 8 1994

IN THE MATTER OF THE APPLICATION OF :  
ARCO PERMIAN FOR COMPULSORY POOLING, : CASE NO. 10993  
EDDY COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

ARCO PERMIAN'S PREHEARING STATEMENT

This prehearing statement is submitted by ARCO PERMIAN as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

**ATTORNEY**

ARCO PERMIAN

Ernest L. Carroll  
Losee, Carson, Haas & Carroll, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239  
(505)746-3505

**OPPOSITION OR OTHER PARTY**

**ATTORNEY**

Camterra Resources Partners, Ltd.  
306 West Wall, Suite 500  
Midland, TX 79701

William F. Carr  
Campbell, Carr, Berge  
& Sheridan, P.A.  
P. O. Box 2208  
Santa Fe, NM 87504

**STATEMENT OF CASE**

APPLICANT

Applicant has applied to the Division for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 36, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its Cedar Lake State 36-1 Well and dedicate the W/2 of said Section 36 for all pools or formations spaced on 320 acres.

OPPOSITION OR OTHER PARTY

Camterra Resources Partners, Ltd. has entered its appearance.

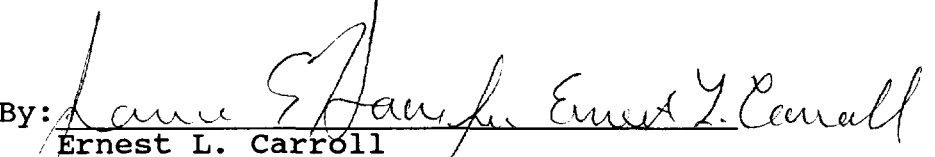
**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
John Lodge, Land Director	20 min.	3
Dave Pearcy, Contract Geologist	30 min.	4
Gary Smallwood, Engineer	10 min.	1

**OPPOSITION**

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

By:   
Ernest L. Carroll  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239  
(505) 746-3505

Attorneys for Arco Permian

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

IN THE MATTER OF THE APPLICATION  
OF ARCO OIL AND GAS COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 10993

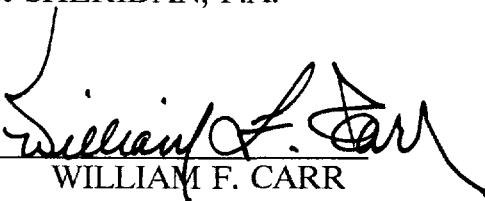
ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby  
enters its appearance in the above referenced case on behalf of Camterra Resources  
Partners, Ltd.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

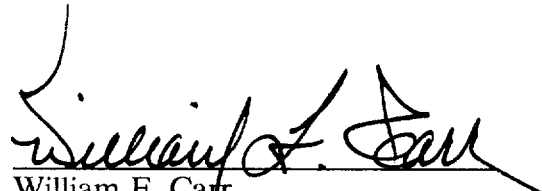
Telephone: (505) 988-4421

ATTORNEYS FOR CAMTERRA RESOURCES  
PARTNERS, LTD.

# CERTIFICATE OF MAILING

I hereby certify that on this 23<sup>rd</sup> day of May, 1994, I have caused to be mailed a copy of our Entry of Appearance in the above-captioned case to:

Ernest L. Carroll, Esq.  
Losee, Carson, Haas & Carroll, P.A.  
Post Office Drawer 239  
Artesia, New Mexico 88211-0239

  
William F. Carr