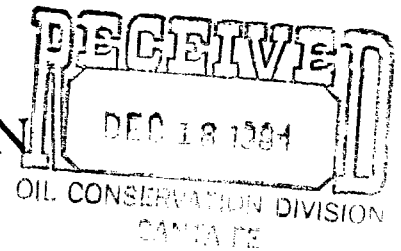


J. M. HUBER CORPORATION

OIL AND GAS DIVISION
1900 WILCO BUILDING
MIDLAND, TEXAS 79701-4480



MIDLAND DISTRICT OFFICE

December 13, 1984

TELEPHONE
915-682-3794

Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico

Attention: Mr. R. L. Stamets

Re: Wadley Trust No. 1 Well
S/2 SW/4 Section 32,
Township 12 South, Range 36 East,
Lea County, New Mexico
Tatum Prospect
14-N-260-A

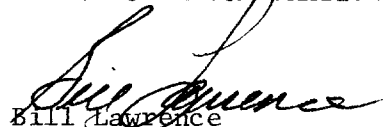
Gentlemen:

Pursuant to Force Pooling Order No. R-7744 dated December 6, 1984, attached please find one (1) copy each of J. M. Huber Corporation's AFE and worksheet for the above referenced well.

For your information we intend to spud this well around the first week of January, 1985, barring any unforeseen delays.

Sincerely yours,

J. M. HUBER CORPORATION


Bill Lawrence
Landman

BL/bgm
attachments

DISTRICT

Midland

DEAL NO.

14-N-260-A

PROJECT NO.

OUTSIDE OPERATOR AFE NO.

TYPE AFE

☒ DRILLING

☐ SECONDARY RECOVERY

☐ DHC OR BHC

TYPE: ☒ OIL ☐ GAS ☐ SERVICE

☒ WILDCAT

☐ PLANT

☐ FARM IN

EST. TOTAL DEPTH: 10,500'

☐ DEVELOPMENT

☐ LEASEHOLD PURCHASE

☐ DISPOSAL WELL

EST. STARTING DATE: Nov., 1984

☐ RECOMPLETION

☐ GEOPHYSICAL

☐ INJECTION WELL

EST. COMPLETION DATE: Dec., 1984

☐ WORKOVER

☐ PLUG & ABANDON

☐ OTHER

PROPERTY NAME

Wadley Trust

WELL NO.

1

PROPERTY NUMBER

PROSPECT OR AREA

Tatum Prospect

COUNTY

Lea

STATE

New Mexico

LOCATION

669' FSL & 1326' FWL, Section 32, T12S, R36E

FORMATION

Wolfcamp

DRILLING OBLIGATION DATE

1/7/85

LEASE EXPIRATION DATE

9/85

LOCATION MEETS:

☐ STATEWIDE RULES

☒ FIELD RULES

SPACING PATTERN

80

ACRES

THIS WELL

80

ACRES

SPECIAL PROVISIONS OR OBLIGATIONS

*Will require exception to Field rules in order to drill in SW¼ of SW¼ of Section.

OPERATOR

J.M. Huber Corp.

HUBER W.I.

93.75%BPO 77.08%^{APO}

HUBER REVENUE INT.

74.89%BPO; 65.18%

| DRY HOLE COST | | | | NON-DRILLING AFE | | | |
|---------------|---------|--------------|---------|------------------|-------|--------------|-------|
| | TOTAL | JOINT OWNERS | HUBER | TYPE | TOTAL | JOINT OWNERS | HUBER |
| INTANGIBLE | 335,000 | 20,938 | 314,062 | | | | |
| TANGIBLE | 75,000 | 4,687 | 70,313 | | | | |
| LESS DHC | | | | | | | |
| TOTAL | 410,000 | 25,625 | 384,375 | | | | |

| COMPLETED WELL COST | | | | RETIREMENT AFE | | | |
|---------------------|---------|--------------|---------|----------------|-------|--------------|-------|
| | TOTAL | JOINT OWNERS | HUBER | | TOTAL | JOINT OWNERS | HUBER |
| INTANGIBLE | 444,000 | 27,750 | 416,250 | PLUGGING COST | | | |
| TANGIBLE | 357,000 | 22,313 | 334,687 | SALVAGE REC. | | | |
| LEASE EQUIP. | 77,000 | 4,812 | 72,188 | | | | |
| TOTAL | 878,000 | 54,875 | 823,125 | NET COST | | | |

REMARKS

To drill and equip a 10,500' Wildcat prospect.

ACCOUNTING DISTRIBUTION

| GENERAL LEDGER | SECOND DETAIL | HUBER COST |
|----------------|---------------|------------|
| | | |
| | | |
| | | |
| | | |

APPROVALS

DISTRICT EXPLORATION

DISTRICT PRODUCTION

DIVISION EXPLORATION

DIVISION PRODUCTION

DIVISION VICE-PRES.

CORPORATE

JOINT OWNER APPROVAL

4.16667% PERCENT

BY

Thomas Max Nygaard

DATE

10-5-84

10-8-84

10-16-84

10-29-84

123456789101112

NOV 1984

RECEIVED

J. M. HUBER CORP.

MIDLAND DIST.



WORK SHEET - AUTHORITY FOR EXPENDITURE

WELL NAME Wadley Trust No. 1TYPE AFE Exploratory Drilling

| INTANGIBLE | ESTIMATED COSTS | | | | | | | |
|--|-----------------|--------------|----------------|-----------|-------|---------|---------|---------|
| | To Casing Point | Completion | Total Producer | | | | | |
| SURFACE - ACQUISITION, ROWS AND DAMAGES | 5,000 | - | 5,000 | | | | | |
| LOCATION, ROAD & PITS - SURVEY, PERMITS, CONSTRUCT & CLEANUP | 15,000 | 5,000 | 20,000 | | | | | |
| DRILLING RIG - FOOTAGE - 10,500 FT @ \$ 17.00/FT. | 181,000 | - | 181,000 | | | | | |
| DRILLING RIG - DAYWORK - 8 DAYS @ \$ 4800 /DAY | 20,000 | 19,000 | 39,000 | | | | | |
| DRILLING RIG - MOVING & RIGGING UP OR DOWN | - | - | - | | | | | |
| DRILLING RIG - CREW TRAVEL, CAMP, BOILER, BOATS, BARGES | - | - | - | | | | | |
| EQUIP. RENTALS - BOP'S, DP & DC, MUD COND., CHOKES, MONITORS | 3,000 | 7,000 | 10,000 | | | | | |
| MUD & CHEMICALS-DRILLING, COMPLETION & PACKER FLUIDS | 25,000 | - | 25,000 | | | | | |
| CEMENT & CEMENTING SERVICE | 27,000 | 22,000 | 49,000 | | | | | |
| FLOAT EQUIP., CENT., STAGE COLLARS, TONG SERVICE, CASING CREW | 2,000 | 4,000 | 6,000 | | | | | |
| ELEC. & R.A. LOGS, WL FORM TESTS, SIDEWALL CORES, DIR. & TEMP. SURV. | 29,000 | 4,000 | 33,000 | | | | | |
| MUD LOGGING, DATA RECORDING, OR GAS DETECTOR | 4,000 | - | 4,000 | | | | | |
| DRILL STEM TESTS, FLUID & GAS ANALYSIS | 4,000 | - | 4,000 | | | | | |
| CORING AND CORE ANALYSIS | - | - | - | | | | | |
| BITS, REAMERS, STABILIZERS, JARS, SHOCK SUBS, DOWNHOLE MOTORS | - | - | - | | | | | |
| TRUCKING | 1,000 | 1,000 | 2,000 | | | | | |
| FUEL | - | - | - | | | | | |
| WATER | 6,000 | 2,000 | 8,000 | | | | | |
| EQUIPMENT INSPECTION - CASING, TUBING, DP OR DC'S | - | 3,000 | 3,000 | | | | | |
| PERFORATING | - | 15,000 | 15,000 | | | | | |
| SUBSURFACE SERVICE TOOLS - BRIDGE PLUGS, PACKERS, RETAINERS | - | 3,000 | 3,000 | | | | | |
| FORMATION STIMULATION - ACIDIZE, FRACTURE, FLUIDS, TANKAGE | - | 6,000 | 6,000 | | | | | |
| COMPLETION RIG, WELL SERVICE RIG OR SWABBING UNIT 15 days @ \$1500/day | - | 22,000 | 22,000 | | | | | |
| SUPERVISION - EMPLOYEES OR CONSULTANTS, TRAVEL EXPENSE | 1,000 | 4,000 | 5,000 | | | | | |
| MISC. INTANG. - SAFETY, SUPPLIES, TAXES, WELDING, ETC. | 2,000 | 2,000 | 4,000 | | | | | |
| TOTAL INTANGIBLE - EXCLUSIVE OF DRY HOLE ABANDONMENT | 325,000 | 119,000 | 444,000 | | | | | |
| ABANDONMENT | 10,000 | XXXXXXXXXXXX | XXXXXXXXXXXX | | | | | |
| TOTAL INTANGIBLE - INCLUDING ABANDONMENT | 335,000 | XXXXXXXXXXXX | XXXXXXXXXXXX | | | | | |
| TANGIBLE WELL EQUIPMENT | | | | | | | | |
| | Footage | Size | Weight | Grade | Cplg. | | | |
| CONDUCTOR | | | | | | | | |
| SURFACE CASING | 400' | 13-3/8" | 48# | H-40 | STC | 10,000 | - | 10,000 |
| INTER. CASING | 4450' | 8-5/8" | 24,28# | K-55,S-80 | STC | 62,000 | - | 62,000 |
| PROD. CASING | 10,500' | 5-1/2" | 15,5,17# | K-55,N-80 | LTC | | 87,000 | 87,000 |
| LINER | | | | | | - | - | - |
| TUBING | 10,500' | 2-7/8" | 6.5# | N-80 | EUE | - | 54,000 | 54,000 |
| WELL HEAD, SAFETY VALVES, AND STORM CHOKES | | | | | | 3,000 | 14,000 | 17,000 |
| ARTIFICIAL LIFT EQUIPMENT 640 Pumping Unit, Motor & Rods | | | | | | - | 120,000 | 120,000 |
| PACKERS, ANCHORS, S. SLEEVES, AND OTHER TUBING ACCESSORIES | | | | | | - | 5,000 | 5,000 |
| MISC. WELL EQUIPMENT | | | | | | - | 2,000 | 2,000 |
| TOTAL TANGIBLE COST | | | | | | 75,000 | 282,000 | 357,000 |
| TOTAL WELL COST | | | | | | 410,000 | 401,000 | 801,000 |
| LEASE EQUIPMENT OR PLANT | | | | | | | | |
| TANKS, SEPARATORS, HEATERS, TREATERS AND DEHYDRATORS | | | | | | - | 32,000 | 32,000 |
| GAS METER STATIONS, LACT UNITS, AND OTHER METERING EQUIP. | | | | | | - | 10,000 | 10,000 |
| LINE PIPE, VALVES, FITTINGS, REGULATORS AND CONTROLS | | | | | | - | 9,000 | 9,000 |
| COMPRESSORS AND ACCESSORY EQUIPMENT | | | | | | - | - | - |
| CONSTRUCTION COSTS, INCLUDING LABOR, TRUCKING AND WELDING | | | | | | - | 20,000 | 20,000 |
| SALT WATER DISPOSAL EQUIPMENT AND LINES | | | | | | - | 5,000 | 5,000 |
| MISC. LEASE EQUIPMENT | | | | | | - | 1,000 | 1,000 |
| TOTAL LEASE EQUIPMENT OR PLANT COSTS | | | | | | - | 77,000 | 77,000 |
| GRAND TOTAL ESTIMATED COSTS | | | | | | 410,000 | 478,000 | 878,000 |
| FORM 1-444 A R 1/79 | ESTIMATED DAYS | | 27 | 15 | 42 | | | |

PREPARED BY

WGH

DATE

9/28/84

AFE NO.

J. M. HUBER CORPORATION

OIL AND GAS DIVISION GENERAL OFFICE

2000 WEST LOOP SOUTH

HOUSTON, TEXAS 77027

(713) 871-4400

June 12, 1985

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico
Attention: Mr. R. L. Stamets

Quintana
Case 8401

Re: Wadley Trust #1 Well
S/2 SW/4 Section 32
Township 12 South,
Range 36 East
Lea County, New Mexico

Gentlemen:

Pursuant to Force Pooling Order No. R-7744 dated December 6, 1984,
attached please find itemized schedule of actual well costs. Copies
of this schedule will be sent to all working interest owners.

Sincerely,

J. M. HUBER CORPORATION



H. Rene Calderon, Jr.
Supervisor
Joint Venture Accounting

HRC:cha
Attachment

WADLEY TRUST # 1
LEA COUNTY, NEW MEXICO
ACTUAL WELL COST

| | |
|---------------------------------|--------------|
| SURFACE ACQUISITION, DAMAGES | 6,296.00 |
| LOCATION ROADS AND PITS | 17,432.10 |
| DRILLING RIG-FOOTAGE | 175,623.75 |
| DRILLING RIG-DAYWORK | 22,275.47 |
| EQUIPMENT RENTALS | 1,289.04 |
| MUD AND CHEMICALS | 19,635.22 |
| CEMENT AND CEMENTING SERVICES | 30,385.94 |
| FLOAT EQUIPMENT | 26,797.04 |
| ELECTRIC LOGGING | 31,502.29 |
| MUD LOGGING | 5,790.13 |
| DRILL STEM TEST, FLUID ANALYSIS | 4,982.91 |
| TRUCKING | 947.24 |
| WATER | 9,449.09 |
| EQUIPMENT INSPECTION | 1,251.04 |
| PERFORATING | 13,476.28 |
| SUBSURFACE TOOLS | 3,791.11 |
| FORMATION STIMULATION | 2,618.10 |
| COMPLETION RIG | 21,052.4 |
| WELLSITE SUPERVISION | 6,806.78 |
| WELDING | 697.20 |
| MISCELLANEOUS | 1,588.35 |
| OVERHEAD | 7,226.00 |
| CONDUCTOR CASING | 231.70 |
| SURFACE CASING | 41,089.60 |
| INTERMEDIATE CASING | 23,114.66 |
| PRODUCTION CASING | 72,382.39 |
| TUBING | 31,838.98 |
| WELL HEAD, SAFETY VALVES | 17,422.34 |
| ARTIFICIAL LIFT EQUIPMENT | 83,434.33 |
| TANKS, SEPARATORS, HEATERS | 29,059.08 |
| PIPE, VALVES, FITTINGS | 10,071.34 |
| CONSTRUCTION COSTS | 9,923.03 |
| MISCELLANEOUS LEASE EQUIPMENT | 10,354.75 |
| TOTAL WELL COSTS | \$739,835.68 |