

January 21, 1986

Kastman Oil Company 2420 Quaker Lubbock, Texas 79410

Attn: Land Dept., Urgent

BEFORE EMARINER STOGNER
CH Comparation Division

PUEXCO Emiliati No. 2

Casa No. 8831

RE: Inexco Lea Farms #2

NE/4 Section 14, T17S, R37E

Lea County, New Mexico

Our File NM-181

Gentlemen:

This is to advise that Inexco plans to drill an 11,800' Strawn test 1800' FNL and 500' FEL of the captioned section. We invite your participation in the well with your working interest of 6.25%. Gross DHC is \$686,700 and total completed well cost is \$1,115,100. Please advise if you wish to participate and we will forward an AFE and Operating Agreement. In the alternative, Inexco et al would accept a lease (subject to approval of form and content) with a 1/4 royalty and a 1 year term or a farmout of your interest on agreeable terms. In either case, this location is unorthodox and at this time we would very much appreciate your execution and return of this letter evidencing your waiver of objection to the location regardless of your decision on joining the well.

As we would like to spud the well as soon as possible, your earliest response will be most appreciated.

Very truly yours,

Mack R. Ames Area Landman

MRA:bj

We hereby waive any objection to the herein described unorthodox location.

KASTMAN OIL COMPANY

BY: My arie Knotman 1-22-85

INEXCO OIL COMPANY

January 21, 1986

Exxon Company, U.S.A. P. O. Box 1600 Midland, Texas 79702

Attn: Mr. John A. Vance

rock property for the property of the contraction to the contraction to the contraction of the contraction o

Inexco Lea Farms #2 NE/4 Section 14, T17S, R37E Lea County, New Mexico Our File NM-181

Gentlemen:

This is to advise that Inexco plans to drill an 11,800' Strawn test 1800' FNL and 500' FEL of the captioned section. We invite your participation in the well with your working interest of 2.0833%. Gross DHC is \$686,700 and total completed well cost is \$1,115,100. Please advise if you wish to participate and we will forward an AFE and Operating Agreement. In the alternative, Inexco et al would accept a lease (subject to approval of form and content) with a 1/4 royalty and a 1 year term or a farmout of your interest on agreeable terms. In either case, this location is unorthodox and at this time we would very much appreciate your execution and return of this letter evidencing your waiver of objection to the location regardless of your decision on joining the well.

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EXXON COMPANY, U.S.A.

BY:		·•_		 _	 	•	 	 			 •	_		<u></u>
Title:			 											

EXON COMPANY, U.S.A. POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

EXPLORATION DEPARTMENT CENTRAL DIVISION

February 10, 1986

RE: Inexco

Lea Farms #2

NE/4 Section 14-17S-37E

Lea County, NM

Inexco Oil Company Suite 201 211 Highland Cross Houston, TX 77073-1791

Attn: Mr. Mack R. Ames

Gentlemen:

Please be advised that Exxon has elected to participate in the drilling of the captioned well as to our full working interest. The AFE for the well will be held in suspense file and payment held on any invoices pending the completion of satisfactory Joint Operating Agreement. Attached for your use is a copy of our Well Information Requirements which we would ask that you set up on your production schedule in order that we may receive the appropriate information.

We will await the proposed form of Joint Operating Agreement. You should also be notified that Exxon hereby approves of your proposed unorthodox location as set forth in your letter dated January 21, 1986.

Please advise if any further action is needed on our part at this time.

Sincerely.

Douglass C. Robison

Land-Unitization

(915) 683-0467

DCR:cs

attachment



January 23, 1986

PUFGRE EXAMINER STOGNER
Oil Conservation Division

Exhibit No. 3

Case No. 883

Rio Pecos Corporation 110 W. Louisiana, Suite 460 Midland, Texas 79701

Attn: Mr. Roger T. Elliot

RE: Waiver of Objection to Unorthodox Location; S. Humble City Strawn Pool Lea County, New Mexico (Our file NM-181)

Gentlemen:

Inexco and its partners intend to drill an 11,800' Strawn test 1800' FNL and 500' FEL of Section 14, T17S, R37E. This location is unorthodox to the field rules. As such, we would appreciate your execution and return of one copy of this letter to our office evidencing your waiver of objection to this location.

Please feel free to call if you should have a question about this request.

Very truly yours,

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We hereby waive any objection to the herein described unorthodox location.

RIO PECOS CORPORATION



Achland
Exploration, Inc.
Received

JAN 2 3 1986

Land Dept.
Houston, Region

January 23, 1986

Ashland Exploration, Inc. 900 Threadneedle, Suite 800 Houston, Texas 77079

Attn: Mr. George Worsham

RE: Waiver of Objection to Unorthodox Location; S. Humble City Strawn Pool Lea County, New Mexico (Our file NM-181)

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ASHLAND EXPLORATION, INC.

BY: ____

NEXCO OIL ČOMPANY BUILDING SUITE 201—211 HIGHLAND CROSS HOUSTON. TEXAS 77073-1791—(713) 443-2932



January 21, 1986

Kastman Oil Company 2420 Quaker Lubbock, Texas 79410

Attn: Land Dept., Urgent

RE: Inexco Lea Farms #2 NE/4 Section 14, T17S, R37E Lea County, New Mexico

Our File NM-181

Gentlemen:

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BY: My and Kustman 1-22-85



January 21, 1986

Exxon Company, U.S.A. P. O. Box 1600 Midland, Texas 79702

Attn: Mr. John A. Vance

rock property works by best of or

Inexco Lea Farms #2 NE/4 Section 14, T17S, R37E Lea County, New Mexico Our File NM-181

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EXXON COMPANY, U.S.A.

BY:	 		 	 	_		<u>.</u> ,		
Title:		-							

EXON COMPANY, U.S.A. POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

EXPLORATION DEPARTMENT

CENTRAL DIVISION

February 10, 1986

RE: Inexco

Lea Farms #2

NE/4 Section 14-17S-37E

Lea County, NM

Inexco Oil Company Suite 201 211 Highland Cross Houston, TX 77073-1791

Attn: Mr. Mack R. Ames

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We will await the proposed form of Joint Operating Agreement. You should also be notified that Exxon hereby approves of your proposed unorthodox location as set forth in your letter dated January 21, 1986.

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Sincerely,

Douglass G. Robison Land-Unitization

(915) 683-0467

DCR:cs

attachment



January 23, 1986

Rio Pecos Corporation 110 W. Louisiana, Suite 460 Midland, Texas 79701

Attn: Mr. Roger T. Elliot

RE: Waiver of Objection to Unorthodox Location; S. Bumble City Strawn Pool Lea County, New Mexico (Our file NM-181)

Gentlemen:

Inexpo and its partners intend to drill an 11,800' Strawn test 1800' FNL and 500' FEL of Section 14, 1175, R37E. This location is unorthodox to the field rules. As such, we would appreciate your execution and return of one copy of this letter to our office evidencing your waiver of objection to this location.

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MRA:bj

We hereby waive any objection to the herein described unorthodox location.

RIO PECOS CORPORATION

Title: Vice President

FOR **EXPENDITURE** AUTHORIZATION

	AFE No. (Inexco Prop	erty No.) <u>NM-181</u>					
	Prospect				Location	1: 1800' FNL	& 500' FE
	Well Name and Number	rInexco	No. 2 Lea			tion 14, T17	
			* * * * * * * * * * * * * * * * * * * *		Lea Co	unty, New Me	xico
	Estimated Days to Dri						
	Estimated Days to Cor	nplete3					
					ř		
		SANDS	AND	DEPTH	Est. T.D	11,800	1
	OBJECTIVES	San Andres		5260	Est. Spu	d	
		Base L. Clearfork		8410	AFEP	repared 1/21/	86
		Strawn		11430	By:	M. Pavelka	
		<u> Atoka </u>		11710			
	(X) Drill	() Wo	rkover Same Z	one	() Recomplete in f	New Zone
	^ DECORIOTION				ESTIMAT	ED COSTS	ACTUAL
	DESCRIPTION				DRILLING	COMPLETION	COST
= -					,		
	INTANGIBLE CO	•			50,000		
01		cation Costs			45,000	· · · · · · · · · · · · · · · · · · ·	
02	· •	o, Rig-down, Move-out		• • • • • • • • • • • • • • • • • • • •	45,000		
~~	Contract Drilli						
03 04	Pootage	ft. at \$	Tt	• • • • • • • • • • • • • • • • • • • •	200,000	15,000	
05	Completion	Unit5 days at \$ 2	_oay 2200			11,000	
06		ater and Water Lines	-		38,000	4,000	
07		ater and water Lines		· ·	43,000	1,000	
08		ntal			18,000	3,000	
09						, , , , , , , , , , , , , , , , , , , ,	
ດອ	Cementing and	Squeezing -			1,500		
		ng			4,700		
		Casing			18,000		
		Casing				13,500	
						·	
10		d Chemicals			38,000	3,000	
10	-				10,000		
11	Logging, Coring						
	Cores		<i></i>		16,000		
	DST's	`			5,000		
	LogsDi	L Inter Csg to TD			12,000	·	
	B	IC Density-CNL Inter	Csg to TI) ••••••	14,000		
			<i></i>			7,500	
12	Perforating				<u> </u>	12,000	
12	Acidizing and F	racturing				12,000	•
13	Labor and Supr	ervision			18,500	3,800	
13	Contract Labor		<i></i>		5,000	18,500	
14	Drilling Overhe	ad			10,000	5 000	
15	·				4,500	5,000 1,500	
16					5,000	13,000	
17		eous Intangible Costs			6,000	13,000	
18		s and Abandonment		• • • • • • • • • • • • • • • • • • • •	0,000		<u> </u>
19		pense and/or Directional Dr					
20		ibutions					
22	Well Control In	surance	• • • • • • • • • • • • • • • • • • • •				
		TOTAL INTANGIB	LE	\$ 696,000	\$ 572,200	\$ 123,800	\$

			ESTIMATE	D COSTS	ACTUAL
SCRIPTION			DRILLING	COMPLETION	COST
	240/04 0				
TANGIBLE COSTS (3		/ft	3,100	1	1
Onductor Csg			9,800	1	
31 Surface Csg32 Intermediate Csg		K-55 ST&0	43,000		
			8,900		
_			32,200		
		MATI OR M		80,100	
	1600 4 4 5 1/20 at 2011	17 55 TTX/A		36,900	
)3 Production Csg		K-31 LLOW		51,600	
	11800 ft. of 2 7/8" at 6.5			2,000	
	s and Non-Controllable Well Equipment		17,500	2,000	· · · · · · · · · · · · · · · · · · ·
Casing Head Ass	embly & B Section		47,500	26,000	[
O1 Tubing Head Ass	embly & Tree			69,000	
	ods, Pump, Tubing Anchor, etc.			8,000	i
	• • • • • • • • • • • • • • • • • • • •	1		9,000	
•	• • • • • • • • • • • • • • • • • • • •	t		3,500	· · · · · ·
	• • • • • • • • • • • • • • • • • • • •	. 1	· · · · · · · · · · · · · · · · · · ·	000,0	
		The state of the s		0.500	
				8,500	,
				 	
	n Unit				
11 Line Pipe				2,000	
14 Gas Recorders				 	
12 Installation Costs	and Non-Controllable Lease Equipment			8,000	
		1		<u> </u>	·
	•	}	· · · · · · · · · · · · · · · · · · ·		
		· · · · · · · · · · · · · · · · · · ·		h 	
	TOTAL TANGIBLE	\$ 419,100	\$ 114,500	\$ 304,600	\$
	TOTAL WELL	\$ 1,115,100	\$ 686,700	\$ 428,400	\$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

OWNERSHIP APPROVALS:

INEXCO OIL COMPANY	Interest: 44,4010	\$ 495.115.55	Authorized Signature .	Date:
AH 1980 Program	24.3490	271,515.69		
Exxon	2.0833	23,230.88		
Kastman Oil	6.2500	69,693.76		
Nadine Loveless	2.6641	29,707.38		
David Petroleum	8.5938	95,829.46	Thurst the Deivel	1-23-86
Colin McMillan	7.1615	79,857.89		
Fred Schlicher	1.8333	20,443.13		
Carolyn Schlicher	1.3320	14,853.13		
Lucinda Hershenhorn	1.3320	14,853.13		
				
				
				

DEFENSE EMARKINER STOGNER arystian Division THEXOPHINE No. 4

AUTHORIZATION FOR EXPENDITURE

	AFE No. (Inexco Property	77				10001 FNT	c 5001 ==
	Prospect		le City	Forma	Location	n: 1800' FNL	& 300 FI
. \	Well Name and Number	Inexe	co No. 2 Lea	rarms		tion 14, T17	
		4.3			Lea Co	unty, New Me	XICO
	Estimated Days to Oriil	_		·····			
8	Estimated Days to Complet	te		· · · · · · · · · · · · · · · · · · ·			
					•		
		S ANDS	AND	DEPTH	Est. T.D	11,800	1
(OBJECTIVES	San Andres		5260	Est Sou	ıd	
	Bas	se L. Clearforl	ς	8410	AFEP	repared 1/21/8	36
		Strawn		11430	Bv:	M. Pavelka	
		Atoka		11710			
((X) Drill	()	Workover Same 2	Zone	() Recomplete in N	lew Zone
			·				
					ESTIMAT	ED COSTS	ACTUAL
. [DESCRIPTION				DRILLING	COMPLETION	COST
_=					Directino	JOHN ELITON	
	INTANGIBLE COSTS						<u>.</u>
1 .	Access and Locatio	n Costs			50,000		-
2		g-down, Move-out			45,000		
	Contract Drilling						
3	Footage	ft. at \$	ft			15 000	
4	Daywork <u>43</u>	days at \$ _5000)day		200,000	15,000	
5	Completion Unit	t5 days at	\$ 2200 day			11,000	
6	Fuel, Power, Water	and Water Lines		,	38,000	4,000	
7	Bits, Reamers and S	Stabilizers			43,000	1,000	
8				The state of the s	18,000	3,000	
9	Cementing and Squ						-
-	Conductor Casin	g			1,500		
					4,700		
		sing			18,000		
		ng				13,500	
0		nemicals			38,000	3,000	
0	•	· · · · · · · · · · · · · · · · · · ·			10,000		
1	Logging, Coring and						· · · · · · · · · · · · · · · · · · ·
•	Cores 2 -	30'			16,000		
	DST's				5,000		
	Lore DTL 1	Inter Csg to TI			12,000		
	BHC I	ensity-CNL Int	er Csg to T	D	14,000		
						7,500	
2	- ·	• • • • • • • • • • • • • • • • • • • •		1		12,000	—— <u> </u>
2 3	-	· • • • • • • • • • • • • • • • • • • •		l l		12,000	•
2	-	uring		The state of the s	18,500	3,800	
3		on		L.	5,000	18,500	
3		• • • • • • • • • • • • • • • • • • • •) ·	10,000		·—,
4 5	_			ì	4,500	5,000	
5 6		• • • • • • • • • • • • • • • • • • • •			10,000	1,500	
		Interpila Costs			5,000	13,000	
7		Intangible Costs			6,000		
8		d Abandonment			,,,,,,,		
9		se and/or Directional	_	<u> </u>			•
0		ions					
2	Well Control Insurar	nce			i	1	

\$ 696,000

TOTAL INTANGIBLE

123,800\$

572,200 \$

	/			
<u>ئى</u> تىرۇ	•	ESTIMATE	D COSTS	ACTUAL
-	SCRIPTION	DRILLING	COMPLETION	COST
=	FANGIBLE COSTS (313/314):			
31	Conductor Csg. 60 ft. of 20" at /ft	3,100		
31	Surface Csg. 480 ft. of 13 3/8" at 48# H-40 ST&€	9,800		
J2	Intermediate Csg. 2700 ft. of 9 5/8" at 36# K-55 ST&0	43,000	ļ	
ງ 2	XXXX Inter. Csg. 500 ft. of 9 5/8" at 40# K-55 ST&@	8,900		
)2	XXXX Inter. Csg. 1500 ft. of 9 5/8" at 40# N-80 LT&Q	32,200		
J2	XXXXXX Prod. Csg. 1700 ft. of 5 1/2" at 20# N-80 LT&0		80,100	
)3	Production Csg. 4600 ft. of 5 1/2" at 17# K-55 LT&0		36,900	
)4	Tubing 11800 ft. of 2 7/8" at 6.5# N-80 EUT 8RD		51,600	
12	Installation Costs and Non-Controllable Well Equipment	! ##	2,000	
)1	Casing Head Assembly &.B.Section	17,500		
01	Tubing Head Assembly & Tree		26,000	
J2	Pumping Unit Rods, Pump, Tubing Anchor, etc.		69,000	
)3	Prime Mover		8,000	
)4	Storage Tanks		9,000	
)5	Separator		3,500	·
06	Dehydrator			
)7	Heater - Treater		8,500	
)8	LACT Unit			
)9	LTX or Production Unit			
11	Line Pipe		2,000	
14	Gas Recorders			
12	Installation Costs and Non-Controllable Lease Equipment		8,000	
-				
	TOTAL TANGIBLE \$ 419,100	s 114,500	\$ 304,600	s
	131723	¥ == ,,= ==		<u> </u>
.*	TOTAL WELL \$ 1,115,100	\$ 686,700	\$ 428,400	\$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

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Nadine Loveless	2.6641	29,707.38		
David Petroleum	8.5938	95,829.46		
Colin McMillan	7.1615	79,857.89	Calin Mc Mull	1/26/86
Fred Schlicher	1.8333	20,443.13		
Carolyn Schlicher	1.3320	14,853.13		
Lucinda Hershenhorn	1.3320	14,853.13		
	,			
				
				

AUTHORIZATION FOR EXPENDITURE

AFE No. (Inexco Property No.)	NM-181				
Prospect	11 . 1 1 . Ot		Location	1: 1800' FNL	<u>& 500' F</u>
Well Name and Number	o -	Farms	of Sec	tion 14, T17	S, R37E,
			Lea Co	unty, New Me	xico
Estimated Days to Oriil	43				
Estimated Days to Complete	5				
•					
			•		
SAND	S AND	DEPTH	Fet TD	11,800	1
OBJECTIVES San And		5260	Est Sou	d	
Base L. C	learfork	8410	A F F P	repared	86
Straw	n	11430	Bv:	M. Pavelka	
Atoka		11710			
(X) Drill	() Workover Same 2	Zone	() Recomplete in N	lew Zone
				50.0070	
DESCRIPTION				ED COSTS	ACTUA
			DRILLING	COMPLETION	COST
INTANGIBLE COSTS (321)					
Access and Location Costs		· ••••••••	50,000		· ·
Move-in, Rig-up, Rig-down, M			45,000		
Contract Drilling					
Footage ft.	at \$ ft at \$_5000 day		200 000		ļ
Daywork 43 days	at\$_5000day		200,000	15,000	
	days at $$2200$ day			11,000	
Fuel, Power, Water and Water			38,000	4,000	
Bits, Reamers and Stabilizers			43,000	1,000	
Equipment Rental	• • • • • • • • • • • • • • • • • • • •		18,000	3,000	
Cementing and Squeezing -			1 500		1
_			1,500		
-	• • • • • • • • • • • • • • • • • • • •	1	4,700		
_	• • • • • • • • • • • • • • • • • • • •		18,000	13,500	
_	• • • • • • • • • • • • • • • • • • • •	· · · · · · · · · · · · · · · · · · ·		13,500	
		· ·			
	•••••	1	38,000	3,000	
Drilling Mud and Chemicals Mud Logger		L L	10,000		
Logging, Coring and Testing -					
Cores 2 - 30'	•••••		16,000		
DST's 1	**********		5,000		
Logs DTL Inter Cs	g to TD		12,000		
BHC Density-	CNL Inter Csg to T)	14,000		
	***************************************			7,500	
Perforating	the state of the s			12,000	
Acidizing and Fracturing		L L		12,000	•
Labor and Supervision			18,500	3,800	
Contract Labor			5,000	18,500	·
Drilling Overhead			10,000	<u>-</u>	
Transportation			4,500	5,000	
Sales Tax			10,000	1,500	
Other Miscellaneous Intangible			5,000	13,000	······································
Losses, Damages and Abandon	•		6,000		
Fishing Tool Expense and/or E		}			
Dry Hole Contributions					
Well Control Insurance	• • • • • • • • • • • • • • • • • • • •				
		1	į	1	

\$ 696,000

TOTAL INTANGIBLE

123,800s

572,200 s

ممور		ESTIMATE	U 00313	ACTUAL
	DESCRIPTION	DRILLING	COMPLETION	COST
	TANGIBLE COSTS (313/314):			
)1	Conductor Csg60ft. of20"at/ft	3,100		
)1	Surface Csg. 480 ft. of 13 3/8" at 48# II-40 ST&Q	9,800		
)2	Intermediate Csg. 2700 ft. of 9 5/8" at 36# K-55 ST&Q	43,000		
)2	XXXX Inter. Csg. 500 ft. of 9 5/8" at 40# K-55 ST&Q	8,900_		
)2	NYNH Inter. Csg. 1500 ft. of 9 5/8" at 40# N-80 LT&C	32,200		
)2	XXXXXX Prod. Csg. 1700 ft. of 5 1/2" at 20# N-80 LT&Q		80,100	· · · · · · · · · · · · · · · · · · ·
)3	Production Csg. 4600 ft. of 5 1/2" at 17# K-55 LT&0		36,900	
)4	Tubing 11800 ft. of 2 7/8" at 6.5# N-80 EUR 8RD		51,600	
12	Installation Costs and Non-Controllable Well Equipment		2,000	
21	Casing Head Assembly & B Section	17,500		
31	Tubing Head Assembly & Tree		26,000	
02	Pumping Unit . Rods, Pump, Tubing Anchor, etc.		69,000	
23	Prime Mover		8,000	
)4	Storage Tanks		9,000	
)5	Separator		3,500	
)6	Dehydrator			
)7	Heater - Treater		8,500	
)8	LACT Unit			
)9	LTX or Production Unit			
11	Line Pipe		2,000	
14	Gas Recorders			
12	Installation Costs and Non-Controllable Lease Equipment		8,000	
	•			
	4.c			
	TOTAL TANGIBLE \$ 419,100	\$ 114,500	\$ 304,600	\$
	TOTAL WELL \$ 1,115,100	\$ 686,700	\$ 428,400	\$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

OWNERSHIP APPROVALS:

NEXCO OIL COMPANY	Interest: 44,4010	\$ 495.115.55	Authorized Signature	Date:
AH 1980 Program	_24.3490	271,515.69		
Exxon	2.0833	23,230.88		
Kastman Oil	6.2500	69,693.76		
Nadine Loveless	2.6641	29,707.38		
David Petroleum	8.5938	95,829.46	-	
Colin McMillan	7.1615	79,857.89	,	
Fred Schlicher	1.8333	20,443.13		`
Carolyn Schlicher	1.3320	14,853.13		
Lucinda Hershenhorn	1.3320	14,853.13	Lucialantickerker	1-23-
			•	
	·			
	•			

AUTHORIZATION FOR EXPENDITURE

	AFE No. (Inexco Proc	perty No.) NM-1	.81				
	Prospect		le City		Location	1: 1800' FNL	& 500' F
	Well Name and Number	rInex	co No. 2 Lea	Farms	of Sec	tion 14, T17	s, R37E,
		• .			Lea Co	unty, New Mer	kico
	Estimated Days to Ori	43					
	Estimated Days to Cor	nplete5					
					•		
					•		
		SANDS	AND	DEPTH	Est TD	11,800	·
	OBJECTIVES	San Andres	AND	5260		d	
	0032011420	Base L. Clearfor	-k	8410	A = = 3	repared 1/21/8	36
		Strawn		11430	A F E I	M. Pavelka	
	 	Atoka		11710	Бу		
	(X) Drill		Workover Same 2			Recomplete in N	lew Zone
					`		
	DESCRIPTION				ESTIMAT	ED COSTS	ACTUA
	DESCRIPTION				DRILLING	COMPLETION	COST
- -	INTANCIBLE CO	CTC /224\		,	2		
01	INTANGIBLE CO	, ,			50,000		÷
02	and the second s	cation Costs			45,000		
UZ	_	p, Rig-down, Move-out .	• • • • • • • • • • • • • • • • • • • •		13,000		
03	Contract Drillin		4.				
04	Poortage	ft. at \$ 43 days at \$_500	π		200,000	15,000	
05	Campletian	Unit days at \$ days a	day			11,000	
06		Vater and Water Lines			38,000	4,000	,,,,
07		rater and water Lines and Stabilizers			43,000	1,000	
08		ntal			18,000	3,000	
			• • • • • • • • • • • • • • • • • • • •		10,000	3,000	
09	Cementing and	Squeezing - Casing			1,500		
		_			4,700		
		ing			18,000		
		e Casing				13,500	
		Casing					
10		d Charian			38,000	3,000	
10		nd Chemicals			10,000		
10		g and Testing -					
11	Logging, Coring	· • ·			16,000		
	DST's				5,000		
		l FL Inter Csg to T	D		12,000		
	EogsRI	HC Density-CNL In	ter Csg to T	D	14,000		
						7,500	
12						12,000	
12		· · · · · · · · · · · · · · · · · · ·				12,000	•
12		racturing			18,500	3,800	
13		ervision			5,000	18,500	
13 14					10,000		
15		ad			4,500	5,000	
16					10,000	1,500	
17		neous Intangible Costs			5,000	13,000	
18	Losses Damage	es and Abandonment			6,000		
19	Fishing Tool F	xpense and/or Directions	d Drilling	• • • • • • • • • • • • • • • • • • •			
20		ributions					
22		surance					

TOTAL INTANGIBLE

572,200 \$

\$ 696,000

123,800\$

',					
7			ESTIMATE	D COSTS	ACTUA
/- 	SCRIPTION		DRILLING	COMPLETION	COST
	TANGIBLE COSTS (313/314):				
31	Conductor Csg. 60 ft. of 20" at	/ft	3,100		
31	Surface Csg. 480 ft. of 13 3/8" at 48# H-40 ST8	¥Q	9,800		ļ
)2	Intermediate Csg. 2700 ft. of 9 5/8" at 36# K-55 ST&	W	43,000		
)2	XXXX Inter. Csg. 500 ft. of 9 5/8" at 40# K-55 ST&	vQ	8,900		<u> </u>
)2	XXXX Inter. Csg. 1500 ft. of 9 5/8" at 40# N-80 LT&	VQ.	32,200		
J2	XXXXXX Prod. Csg. 1700 ft. of 5 1/2" at 20# N-80 LT&	/ Q		80,100	
)3	Production Csg. 4600 ft. of 5 1/2" at 17# K-55 LT&	O.		36,900	ļ
)4	Tubing 11800 ft. of 2 7/8" at 6.5# N-80 EU			51,600	
12	Installation Costs and Non-Controllable Well Equipment		·	2,000	
)1	Casing Head Assembly &.B. Section		17,500		
31	Tubing Head Assembly &. Tree			26,000	
J2	Pumping Unit Rods, Pump, Tubing Anchor, etc.	••		69,000	
03	Prime Mover			8,000	
)4	Storage Tanks			9,000	
)5	Separator			3,500	
)6	Dehydrator				
)7	Heater - Treater			8,500	
)8	LACT Unit				
)9	LTX or Production Unit				
11	Line Pipe			2,000	
14	Gas Recorders				
12	Installation Costs and Non-Controllable Lease Equipment			8,000	
	resident and the second				
	TOTAL TANGIBLE \$ 41	9,100	\$ 114,500	\$ \\304,600	\$
	TOTAL WELL \$ 1,11	5,100	\$ 686,700	\$ 428,400	\$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

OWNERSHIP APPROVALS:

INEXCO OIL COMPANY	Interest:	\$	Authorized Signature	. Date: .
AH 1980 Program	<u>44.4010</u> 	495,115.55 271,515.69		
Exxon	2.0833	23,230.88		
Kastman Oil	6.2500	69,693.76		
Nadine Loveless	2.6641	29,707.38		
David Petroleum	8.5938	95,829.46	•	
Colin McMillan "-	7.1615	79,857.89		
Fred Schlicher	1.8333	20,443.13	no celle	1/23/86
Carolyn Schlicher	1.3320	14,853.13	Constitute & Smith Pice	- 1/22/196
Lucinda Hershenhorn	1.3320	14,853.13		
			· · · · · · · · · · · · · · · · · · ·	
	<u> </u>			
	_			
			•	

AUTHORIZATION FOR EXPENDITURE

		vn/ 1	0.1				
	AFE No. (Inexco Propert		le City			1: 1800' FNL 8	5001 FF
	Prospect		co No. 2 Le	a Farme		tion 14, T175	
	Well Name and Number	Lilex	CO NO. 2 Le	a raims		unty, New Mex	
	F	43			Lea Co	direy, New Mez	KICO
	Estimated Days to Drill					······································	
	Estimated Days to Comple	ete			L		
						·	
		SANDS	AND	DEPTH	Est. T.D	11,800	· · · · · · · · · · · · · · · · · · ·
	OBJECTIVES			5260	Est. Spu	d	
	Ba	se L. Clearfor	<u>k</u>	8410	AFEP	repared 1/21/8	36
		Strawn		11430	By:	M. Pavelka	
	/37 5 :11	Atoka		11710			
	(X) Drill	()	Workover Same	Zone	() Recomplete in N	lew Zone
	DESCRIPTION				ESTIMAT	ED COSTS	ACTUAL
	DESCRIPTION				DRILLING	COMPLETION	COST
	INTANGIBLE COST	C (201)					
01		•			50,000		÷
02					45,000		
02	Contract Drilling	ng-down, wove-out .	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			
03		ft at \$	f+				
04	Daywork 43	days at \$ 500	0 day		200,000	15,000	
05	Completion Un	nit 5 days at	\$ 2200 day			11,000	
06					38,000	4,000	
07					43,000	1,000	
80					18,000	3,000	
09	Cementing and Sq						
•		ng			1,500		
				1	4,700		
		asing		3	18,000		
	Production Cas	ing				13,500	
	Liner						
	Other						
10	Drilling Mud and O	Chemicals			38,000	3,000	
10					10,000		
11	Logging, Coring ar		•		16 000		
		. 30'			16,000 5,000		
	$DST's,\ldots, \frac{1}{2}\ldots$	T. E O			12,000		
	LogsP.T.L.	inter Usg to i	p		14,000		
		Density-CNL In	• • • • • • • • • • • • •		14,000	7,500	
						12,000	
12	•					12,000	•
12					18,500	3,800	
13		sion			5,000	18,500	
13					10,000	20,200	
14	-			1	4,500	5,000	
15 16				1	10,000	1,500	
17		us Intangible Costs		1	5,000	13,000	
18		nd Abandonment		- 1	6,000		
19		nse and/or Directiona					
20							•
22							
							

123,800\$

572,200 \$

\$ 696,000

\$

TOTAL INTANGIBLE

شر					ESTIMATE	ED C	OSTS	ACTUAL
	ČRIPTION				DRILLING	C	OMPLETION	COST
— – ТА	NGIBLE COSTS (313/314):					1		
)1	Conductor Csg. 60 ft. of 20" at	/f	t	<u> </u>	3,100			
)1	Surface Csg. 480 ft. of 13 3/8" at 48#				9,800	<u> </u>		ļ
)2	Intermediate Csg. 2700 ft. of 9 5/8" at 36#			<u></u>	43,000	<u> </u>		
)2	XXXX Inter. Csg. 500 ft. of 9 5/8" at 40#	<u>K-55 ST&</u> €	ł		<u>8,900</u>			
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2	XXXXXXX Prod. Csg. 1700 ft. of 5 1/2" at 20#					1	80,100	
3	Production Csg. 4600 ft. of 5 1/2" at 17#	K-55_LT&€	ł	<u> </u>		ļ	36,900	
14	Tubing 11800 ft. of 2 7/8" at 6.5#			L		1	51,600	
2	Installation Costs and Non-Controllable Well Equipment					 	2,000	
1	Casing Head Assembly & B. Section			<u></u>	17,500	↓		
1	Tubing Head Assembly & Tree						26,000	
2	Pumping Unit Rods, Pump, Tubing Anchor, etc.					<u> </u>	69,000	
3	Prime Mover					1	8,000	
4	Storage Tanks					<u> </u>	9,000	
5	Separator			<u></u>			3,500	
6	Dehydrator			L		<u></u>		
7	Heater - Treater						8,500	
8	LACT Unit					L		
9	LTX or Production Unit					<u> </u>		
1	Line Pipe						2,000	
4	Gas Recorders							
2	Installation Costs and Non-Controllable Lease Equipment						8,000	
_	The tank and the t							
* • •						T		
	TOTAL TANGIBLE	\$ 419	,100	\$	114,500	\$	304,600	\$
. •	TOTAL WELL	\$ 1,115	,100	\$	686,700	\$	428,400	\$

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, whether more or less than that herein set out.

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Nadine Loveless	2.6641	29,707.38	Marin Buch	relin 1-28-8
David Petroleum	8.5938	95,829.46		
Colin McMillan ·	7.1615	79,857.89		
Fred Schlicher	1.8333	20,443.13	<u> </u>	* /
Carolyn Schlicher	1.3320	14,853.13		
Lucinda Hershenhorn	1.3320	14,853.13		
			·	
				
				
				
				

CAMPBELL & BLACK, P.A.

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE
SUITE 1- 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 24, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702
ATTN: John A. Vance, Jr.

BEFORE EXAMINER STOGNER

Oil Conservation Division

TNEXCO Exhibit No.

Coop No. 2031

Case No. 8831

Re: Application of Inexco Oil Company for Compulsory Pooling and an Unorthodox Well Location, Lea County, New Mexico.

Dear Sirs:

This letter is to advise you that Inexco Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox well location for its Inexco Lea Farms #2 Well at a point 1800 feet from the North line and 500 feet from the East line in Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Inexco Oil Company proposes to complete this well in the Strawn formation. Inexco Oil Company also seeks the compulsory pooling of certain uncommitted leasehold, mineral or royalty interests in the lands proposed to be dedicated to the subject well.

This application has been set for hearing before a Division Examiner on February 19, 1986. You are not required to attend this hearing, but as an offsetting interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Vary truly yours,

William F. Carr

Attorney for Inexco Oil

Company

	The first of the second of the			
SENDER: Complete ite	ms 1, 2, 3 and 4			
Put your address in the "RE reverse side. Failure to do the	TURN TO" space on the his will prevent this card from return receipt fee will provide delivered to and the date of			
1. Show to whom, date	and address of delivery.			
2. Restricted Delivery.				
3. Article Addressed to:	o .			
Exxon Company, U.S.A. Post Office Box 1600 Midland, Texas 79702 Attn: John A. Vance, Jr.				
. Type of Service:	Article Number			
Registered Insured COD Express Mail	P 176 152 420			
Always obtain signature of ad DATE DELIVERED.	dressee <u>or</u> agent and			
 Signature – Addressee X				
6. Signature Agent	nesta			
7. Date of Delivery	区域域的			
. Addressee's Address (ONL)	if requested and fee paid)			
	N 10 mm.			
	being returned to you. The you the name of the person delivery. For additional fees available. Consult postmaste for service(s) requested. 1. Show to whom, date 2. Restricted Delivery. 3. Article Addressed to: EXXON COMPANY Post Office Bound Addressed to: Attn: John A. 3. Type of Service: Registered Insured Control Co			

P 176 152 420

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

	(See Reverse)	73 NI CIT	TD
7	Sent to	ANCE -	-JR.
146-0	Exxon Company U	S.A.	\dashv
384-4	P. O. Box 1600		
.O. 1	P.O. State and ZIP Code Midland, TX 797	702	
* U.S.G.P.O. 1984-446-014	Postage	\$	
*	Certified Fee		1
	Special Delivery Fee		
	Restricted Delivery Fee		
	Return Receipt Showing to whom and Date Delivered		
1982	Return receipt showing to whom, Date, and Address of Delivery		
Feb.	TOTAL Postage and Fees	\$	
00	Postmark or Date		
PS Form 3800, Feb. 1982	1/24/86 cv	·	

CAMPBELL & BLACK, P.A.

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 24, 4986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kastman Oil Company 2420 Quaker Lubbock, Texas 79410 ATTN: Marjorie Kastman, President

Re: Application of Inexco Oil Company for Compulsory Pooling and an Unorthodox Well Location, Lea County, New Mexico.

Dear Sirs:

This letter is to advise you that Inexco Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox well location for its Inexco Lea Farms #2 Well at a point 1800 feet from the North line and 500 feet from the East line in Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Inexco Oil Company proposes to complete this well in the Strawn formation. Inexco Oil Company also seeks the compulsory pooling of certain uncommitted leasehold, mineral or royalty interests in the lands proposed to be dedicated to the subject well.

This application has been set for hearing before a Division Examiner on February 19, 1986. You are not required to attend this hearing, but as an offsetting interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

William F. Carr

Attorney for Inexco Oil

Company

	SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.
	1. Show to whom, date and address of delivery. 2. Restricted Delivery.
I	3. Article Addressed to:
	Kastman Oil Company 2420 Quaker Lubbock, Texas 79410 Attn: Marjorie Kastman, Pres
I	Type of Service: Article Number
	Registered Insured COD P 176 152 421
	Always obtain signature of addressee or agent and DATE DELIVERED.
I	5. Signature - Addressee
	6. Signature - Agent X
	7. Date of Delivery
ľ	8. Addressee's Address (ONLY if requested and fee paid)

P 176 152 421

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

-014	Attn: Marjorie K Sent to Kastman Oil Comp	astman any
* U.S.G.P.O. 1984-446-014	Street and No. 2420 Quaker	
.0. 19	P.O. State and ZIP Code Lubbock, "Exas	79410
S.G.F	Postage	\$
⊃ *	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
1982	Return receipt showing to whom, Date, and Address of Delivery	
Feb.	TOTAL Postage and Fees	\$
,008	Postmark or Date	
S Form 3800, Feb. 1982	1/24/86 cv	

CAMPBELL & BLACK, P.A.

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE

SUITE 1 - HO NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE. NEW MEXICO 87501

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

January 24, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ashland Exploration, Inc. Post Office Box 218330 Houston, Texas 77218 ATTN: George Worsham

Re: Application of Inexco Oil Company for Compulsory Pooling and an Unorthodox Well Location, Lea County, New Mexico.

Dear Sirs:

This letter is to advise you that Inexco Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox well location for its Inexco Lea Farms #2 Well at a point 1800 feet from the North line and 500 feet from the East line in Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Inexco Oil Company proposes to complete this well in the Strawn formation. Inexco Oil Company also seeks the compulsory pooling of certain uncommitted leasehold, mineral or royalty interests in the lands proposed to be dedicated to the subject well.

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Very truly yours,

William F. Carr

Attorney for Inexco Oil

Company

Put your address in the "RET reverse side. Failure to do this being returned to you. The reyou the name of the person delivery. For additional fees to available. Consult postmaster for service(s) requested.	URN TO" space on the will prevent this card from turn receipt fee will provide elivered to and the date of the following services are
1. Show to whom, date at	nd address of delivery.
2. Restricted Delivery.	် နာ
3. Article Addressed to:	•
Ashland Explor P. O. Box 2183 Houston, Texas Attn: George W	30 77218
4. Type of Service:	Article Number
☐ Registered ☐ Insured XIX Certified ☐ COD ☐ Express Mail	P 176 152 422
Always obtain signature of ac DATE DELIVERED.	Idressee or agent and
5. Signature – Addressee	T SULL JAA
6. Signature - Agent	28
7. Date of Delivery	1936
r. Sale Of Solitory	TON TO
8. Addressee's Address (ONL	Y if requested and fee paid

P 176 152 422

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

	Attn: George Wor	shan	1	ł
8-014	Sent to Ashland Explorat	ion	In	c
84.44	Street and No. P. O. Box 218330			
* U.S.G.P.O. 1984-446-014	P.O., State and ZIP Code Houston, Texas	7721	.8	
1.S.G.	Postage	\$		į
*	Certified Fee			
	Special Delivery Fee			
	Restricted Delivery Fee			
	Return Receipt Showing to whom and Date Delivered			
1982	Return receipt showing to whom, Date, and Address of Delivery			
Feb.	TOTAL Postage and Fees	\$		
PS Form 3800, Feb. 1982	Postmark or Date			
E orm	1/24/86 cv			
PS F				

CAMPBELL & BLACK, P.A.

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE

SUITE I - 110 NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87501

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

January 24, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rio Pecos Corporation 110 West Louisiana, Suite 460 Midland, Texas 79701 ATTN: Roger T. Elliot

Re: Application of Inexco Oil Company for Compulsory Pooling and an Unorthodox Well Location, Lea County, New Mexico.

Dear Sirs:

This letter is to advise you that Inexco Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox well location for its Inexco Lea Farms #2 Well at a point 1800 feet from the North line and 500 feet from the East line in Section 14, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Inexco Oil Company proposes to complete this well in the Strawn formation. Inexco Oil Company also seeks the compulsory pooling of certain uncommitted leasehold, mineral or royalty interests in the lands proposed to be dedicated to the subject well.

This application has been set for hearing before a Division Examiner on February 19, 1986. You are not required to attend this hearing, but as an offsetting interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

William F. Carr

Attorney for Inexco Oil

Company

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SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the
reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of
delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.
Show to whom, date and address of delivery.
2. Restricted Delivery.
3. Article Addressed to:
Rio Pecos Corporation
110 W. Louisiana, Suite 460
Midland, Texas 79701
Attn: Roger T. Elliot
. Type of Service: Article Number
P Registered Insured I
Always obtain signature of addressee <u>or</u> agent and <u>DATE DELIVERED</u> .
5. Signature – Addressee X
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7. Date of Delivery
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* U.S.G.P.O. 1984-446-014	Attn: Roger T. Elliot Sent to Rio Pecos Corporation		
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1982	Return receipt showing to whom, Date, and Address of Delivery		
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