

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

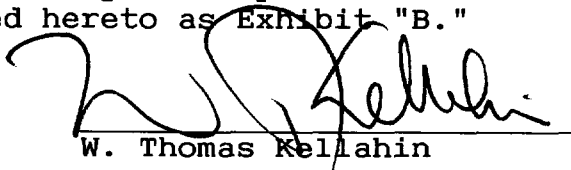
IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION  
FOR THE PURPOSE OF CONSIDERING:

APPLICATION FOR LBO NEW MEXICO, INC.  
FOR COMPULSORY POOLING AND UNORTHODOX  
GAS WELL LOCATION, LEA COUNTY,  
NEW MEXICO

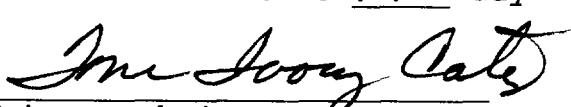
CASE NO. 10305

CERTIFICATE OF MAILING  
AND  
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on April 24, 1991, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for May 16, 1991, to the offset operators shown in the application as evidenced by the copies of return receipt cards attached hereto as Exhibit "B."

  
W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day  
of May, 1991.

  
Notary Public

My Commission Expires:

7-6-91

EXHIBIT "B"

Tipperary Oil & Gas Corp.  
500 W. Illinois  
Midland, Texas 79701

Tejas Energy Corp.  
8333 Douglas, Suite 1072  
Dallas, Texas 75225

BTA Producers  
104 S. Pecos  
Midland, Texas 79701

Fasken Oil & Ranch Interests  
Attn: Barbard Fasken  
303 W. Wall, Suite 1900  
Midland, Texas 79701

Greenwood Holdings  
5600 S. Quebec, Suite 150-C  
Englewood, Colorado 80111

MFG  
1126 Vaughn Bldg.  
Midland, Texas 79701

Chevron U.S.A., Inc.  
P.O. Box 1150  
Midland, Texas 79702  
Attn: Sam Martin

State Land Office  
P.O. Box 1148  
Santa Fe, New Mexico 87504  
Attn: Floyd Prando

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

BTA Producers  
104 S. Pecos  
Midland, TX 79701

4. Article Number  
**P 676 666 248**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Address  
**X**

6. Signature — Agent  
**X** *[Signature]*

7. Date of Delivery  
**APR 26 1991**

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Fasken Oil & Ranch Ints.  
Attn: Barbard Fasken  
303 W. Wall, Ste 1900  
Midland, TX 79701

4. Article Number  
**P 676 666 249**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Address  
**X**

6. Signature — Agent  
**X** *[Signature]*

7. Date of Delivery  
**4-26-91**

8. Addressee's Address (ONLY if requested and fee paid)

**LBO FP (KA) 4/24**

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Greenwood Holdings  
5600 S. Quebec  
Suite 150-C  
Englewood, CO 80111

4. Article Number  
**P 676 666 250**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Address  
**X**

6. Signature — Agent  
**X** *[Signature]*

7. Date of Delivery  
**4/26/91**

8. Addressee's Address (ONLY if requested and fee paid)

**LBO FP (KA) 4/24**

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

EXHIBIT "B"

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Chevron U.S.A., Inc. P.O. Box 1150 Midland, TX 79702 Attn: Sam Martin  <b>LABO FP (KA) 4/24</b>	4. Article Number <b>P 676 466 235</b> Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X <i>[Signature]</i>	
7. Date of Delivery <b>APR 26 1991</b>	


PS Form 3811, Apr. 1989

\* U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

State Land Office P.O. Box 1148 Santa Fe, NM 87504 Attn: Floyd Prando  <b>LABO FP (KA) 4/24</b>	4. Article Number <b>P 676 666 236</b> Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid) 
6. Signature — Agent X <i>[Signature]</i>	
7. Date of Delivery <b>4/25/91</b>	

PS Form 3811, Mar. 1988

\* U.S.G.P.O. 1988-212-865

DOMESTIC RETURN RECEIPT

P 674 666 246

**Certified Mail Receipt**No Insurance Coverage Provided  
Do not use for International Mail

MFG

1126 Vaughn Bldg.  
Midland, TX 79701

Postage	\$ 52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$2.52
Postmark or Date LBO FP 4-24-91 KA	

PS Form 3800, June 1990

P 674 666 246

**Certified Mail Receipt**No Insurance Coverage Provided  
Do not use for International MailTipperary Oil & Gas  
Corp.  
500 W. Illinois  
Midland, TX 79701

Postage	\$ .52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$2.52
Postmark or Date LBO FP 4-24-91 KA	

PS Form 3800, June 1990

P 674 666 247

**Certified Mail Receipt**No Insurance Coverage Provided  
Do not use for International MailTejas Energy Corp.  
8333 Douglas  
Suite 1072  
Dallas, TX 75225

Postage	\$ 52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$2.52
Postmark or Date LBO FP 4-24-91 KA	

PS Form 3800, June 1990

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 FOR LBO NEW MEXICO, INC.  
FOR COMPULSORY POOLING AND UNORTHODOX  
GAS WELL LOCATION, LEA COUNTY,  
NEW MEXICO

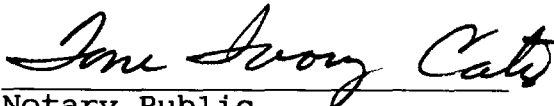
CASE NO. 10305

CERTIFICATE OF MAILING  
AND  
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on April 24, 1991, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for May 16, 1991, to the parties to be pooled shown in the application as evidenced by the copies of return receipt cards attached hereto as Exhibit "A"

  
W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day  
of May, 1991.

  
Notary Public

My Commission Expires:

7-6-91

EXHIBIT "A"

Don Turner 4201 Monte Drive Midland, TX 79703	12.500%
CBAT Corp. Trustee Energy Square, #402 505 N. Big Spring Street Midland, TX 79701	0.333%
Kent Cearley P.O. Box 508 Robert Lee, TX 76945	1.000%
Lt. Co. Michael Chisick 16465 Henerson Pass 624 San Antonio, TX 78232	0.500%
Steve Chisick 101 Galax Lane Durham, NC 27703	1.500%
Robert A. Harris 4550 Gorge Street Skokie, IL 60076	0.500%
Ken K. Kirby 750 E. Mid Cities Blvd. Suite 1407 Euless, TX 76039	4.000%
Annette C. Mills 1413 W. Michigan Midland, TX 79701-6055	0.500%
Jim Starrak 2401 S. County Road #1110 Midland, TX 79701	1.000%
Team Exploration 310 W. Illinois, Suite 220 Midland, TX 79701	1.000%
Susan Turner 2204 Lindor Way Midland, TX 79707	1.000%

Bonny Wilson  
10588 Stone Canyon #182  
Dallas, TX 75230-4417

0.667%

TOTAL

-----  
24.500%



**SENDER:** Complete Items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Team Exploration  
310 W. Illinois  
Suite 220  
Midland, TX 79701  
**LBOFP (KA) 4/24**

4. Article Number  
**P 676 666 256**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature — Address  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
**4-26-91**

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete Items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Bonny Wilson  
10588 Stone Canyon  
#182  
Dallas, TX 75230-4417  
**LBOFP (KA) 4/24**

4. Article Number  
**P 676 666 258**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature — Address  
X

6. Signature — Agent  
X *Bonny Wilson*

7. Date of Delivery  
**4-26-91**

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

CBAT Corp. Trustee  
Energy Square, #402  
505 N. Big Spring St.  
Midland, TX 79701  
**LBO FP (KA) 4/24**

4. Article Number  
**P 676 666 253**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
**4-26-91**

8. Addressee's Address (ONLY if requested and fee paid)

EXHIBIT "A"

PS Form 3811, Apr. 1989 \* U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Kent Cearley P.O. Box 508 Robert Lee, TX 76945  <b>LBO FP (KA) 4/24</b>	4. Article Number <b>P 676 666 254</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature - Addressee X <i>Kent Cearley</i>	8. Addressee's Address (ONLY if requested and fee paid)  <b>43</b>
6. Signature - Agent X	
7. Date of Delivery <b>4-27-91</b>	

PS Form 3811, Apr. 1989

\*U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Steve Chisick 101 Galax Lane Durham, NC 27703  <b>LBO FP (KA) 4/24</b>	4. Article Number <b>P 676 666 225</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature - Addressee X <i>Steve Chisick</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery <b>4-27-91</b>	

PS Form 3811, Apr. 1989

\*U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

Robert A. Harris 4550 Gorge Street Skokie, IL 60076  <b>LBO FP (KA) 4/24</b>	4. Article Number <b>P 676 666 231</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature - Addressee X <i>Robert A. Harris</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery	

PS Form 3811, Apr. 1989

\*U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge)  
2. ☐ Restricted Delivery (Extra charge)

Annette C. Mills  
1413 W. Michigan  
Midland, TX 79701

4. Article Number  
**P 676 666 233**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee  
X *[Signature]*

6. Signature - Agent  
X

7. Date of Delivery  
**4-29-91**

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 **DOMESTIC RETURN RECEIPT**

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge)  
2. ☐ Restricted Delivery (Extra charge)

Jim Starrak  
2401 S. County Rd  
#1110  
Midland, TX 79701

4. Article Number  
**P 676 666 234**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee  
X *[Signature]*

6. Signature - Agent  
X

7. Date of Delivery  
**4-27-91**

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 **DOMESTIC RETURN RECEIPT**

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge)  
2. ☐ Restricted Delivery (Extra charge)

Ken K. Kirby  
750 E. Mid Cities Blvd.  
Suite 1407  
Euless, TX 76039

4. Article Number  
**P 676 666 232**

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee  
X *[Signature]*

6. Signature - Agent  
X

7. Date of Delivery  
**5/7/91**

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 **DOMESTIC RETURN RECEIPT**

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested.

1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge)	2. <input type="checkbox"/> Restricted Delivery (Extra charge)
4. Article Number <b>1572125078</b>	
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature — Addressee X <i>Mike Chisick</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery <b>APR 24 1989</b>	

P 676 666 257

**Certified Mail Receipt**

No Insurance Coverage Provided  
Do not use for International Mail

Susan Turner  
2204 Lindor Way  
Midland, TX 79707

PS Form 3800, June 1990

Postage	\$ 52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$2.52

Postmark or Date

LBO FP

4-24-91 KA

P 676 666 252

**Certified Mail Receipt**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Back)

Don Turner  
4201 Monte Drive  
Midland, TX 79703

PS Form 3800, June 1990

Postage	\$ 52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$2.52

Postmark or Date

LBO FP

4-24-91 KA

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

MEMORANDUM

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

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, Director, Oil Conservation Division *WJL*

SUBJECT: RECENT FEDERAL ENVIRONMENTAL ACTION REGARDING  
EXPLORATION AND PRODUCTION WASTES

DATE: APRIL 25, 1991

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This memo summarizes and provides information on three recent federal actions involving oil and gas exploration and production wastes.

1. On February 25, 1991, EPA Region 6, Dallas, issued final Clean Water Act NPDES General Permits for oil and gas facilities in the Onshore Subcategory of the Oil and Gas Extraction Point Source Category for the States of Louisiana, New Mexico, Oklahoma and Texas. These permits prohibit all discharges of pollutants to waters of the U.S. from these facilities consistent with the requirements codified at 40 CFR Part 435, Subpart C. The permits became effective on March 27, 1991. Under the New Mexico permit (NMG 320000), discharges to "waters of the United States" (e.g. watercourses, rivers, streams, lakes, and playas, etc.) are prohibited, and operators are directed to operate in accordance with OCD Rules and Regulations. The permit does not require the operator to make application or contact EPA unless a discharge actually occurs. In the event of bypass or upset discharge, 24-hour reporting to EPA is required. (Note: Discharges specifically authorized by EPA-issued NPDES permits under the Agriculture and Wildlife Water Use, or Stripper Subcategories are not affected by this rule).
2. In a legal opinion issued by letter from EPA Region 6 on March 26, 1991, Laguna Gatuna (a natural playa salt lake in western Lea County) is now considered to be a "water of the United States" for purposes of regulation under the Federal Clean Water Act, and discharges of oil and gas wastes to the playa are prohibited without a federal NPDES permit. The opinion was requested by the NM Environment Department as a result of information provided by the US Fish and Wildlife Service. In the opinion, EPA states that under EPA's current definition of "waters of the U.S.", "even potential use by migratory birds is sufficient to show a specific surface water is subject to federal jurisdiction under the Clean Water Act." As a result of this action and the effect of the new NPDES General Permit discussed above, facilities discharging oilfield wastes to

MEMORANDUM

April 25, 1991

Page -2-

playas may not be in compliance with the federal Clean Water Act even though they have OCD-approved state permits. All operators discharging to such playas should review these developments with legal counsel familiar with federal environmental law and be prepared to modify discharge methods if necessary. This action does not change the status of OCD-approved permits; these permits remain in effect. Any modification to operations would be as a result of the requirements of federal law.

3. On April 2, 1991, EPA Washington, by letter, issued a preliminary determination that wastes generated by crude oil and tank bottom reclamation facilities are exempt from Subtitle C (Hazardous Waste) provisions of RCRA. This opinion was requested by several operators in southeast New Mexico and west Texas as a result of EPA's action, effective last fall, listing certain production-related wastes containing naturally occurring benzene as hazardous wastes. The April 2nd determination will be made final when published in the Federal Register, likely within the next 60 days. In the meantime, OCD believes the EPA letter serves as notification to treating plants and other reclamation facilities that they can again receive and treat these wastes under current OCD-approved permits. However, facilities can receive only production wastes for treatment (i.e. no used motor oils, or refined product tank bottoms) and no RCRA-regulated solvents may be used to treat production wastes (e.g. no chlorinated solvents or solvent mixtures containing xylenes, toluene and other mixtures as listed in 40 CFR Part 261.31).

Copies of all EPA documents mentioned in this memorandum are available at OCD district offices or through the Environmental Bureau in Santa Fe.

WJM/DGB/sl

OIL CONSERVATION DIVISION  
RECEIVED

'91 MAY 9 AM 8 48

R.J. STARRAK  
2401 S.C.R. 1110  
MIDLAND, TEXAS 79701

915/686-0258  
FAX 915/686-2065

May 6, 1991

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

RE: Application of LBO New Mexico, Inc, for  
Compulsory Pooling and Unorthodox Gas  
Well Location, Lea County, New Mexico.  
Application dated April 22, 1991

---

Dear Mr. Catanach:

Being a small Working Interest Owner (1%) in the N/2SW/4 and S/2SE/4 Section 9, Township 11 South, Range 33 East, N.M.P.M. I received a copy of the subject Application, through the Law Firm of Kellahin, Kellahin and Aubry, who request that it be set for hearing on the Examiner's Docket scheduled for May 16 1991. This is a similar Application which was scheduled for hearing on April 18, 1991 only to be dismissed.

I had sent a Statement of Opposition on the former Application, copy attached for your reference, and had planned to attend the hearing and voice objection. The subject Application was quite similar to the Application that was dismissed except "Gas Well" was added between Unorthodox and Location in the Application Designation and the N2/SW/4 was substituted for the W/2SW/4 on page 1 of the Application.

I will be unable to attend the hearing on May 16, 1991 since I am scheduled in court May 15, 1991 in Chickasha, Oklahoma as an expert witness, in a trial involving a deep well that was drilled in Grady County, Oklahoma in 1982.

I would therefore like to submit, for your consideration, my strong objection to the LBO Application.



There is currently a well producing from The Wolfcamp Formation, in the NE/4SW/4 in which I have an after payout interest. It is my understanding that the oil spacing and proration unit for this well is the N/2SW/4. I would be interested in joining in the drilling of a second Wolfcamp well in this oil spacing and proration unit, however I have not been afforded the opportunity by LBO New Mexico, Inc.

LBO New Mexico has taken the stand that I must join in the drilling of the propose 11,000' Mississippian test in order to retain my rights to the Wolfcamp Formation. Additionally LBO New Mexico, Inc. has stated that I must pay my 1% of the Deep Test even though I have interest in only 50% of the acreage which would be included in their 320 acre Gas Spacing and Proration Unit. I cannot afford the risk of Exploration and I agreed to go Non Consent in the test below the Wolfcamp Formation, however would expect to have the opportunity to join in a Wolfcamp completion should the Exploratory portion of the well prove non productive. This was denied by LBO, see attached letter.

In my opinion LBO New Mexico, is drilling in the NW/4SW/4 for two reasons, First, it is the approximate center of four Bagley Permo Pennsylvanian wells, and Second and most important the location is a very low risk well in the Wolfcamp Formation.

The Operating Agreement between LBO New Mexico, Inc. and myself, states in Article VI.B.2 as follows:

"Notwithstanding the provisions of this Article VI.B.2, it is agreed that without the mutual consent of all parties no well shall be completed in or produced from a source of supply from which a well located elsewhere on the Contract Area is producing, unless such well conforms to the then existing well spacing pattern for such source of supply."

The Contract Area specified by the Operating Agreement between LBO New Mexico, Inc., and myself as set out on Exhibit A of the Agreement is as follows:

" North 1/2 of the Southwest quarter and the South 1/2 of the Southeast quarter of Section 9, Township 11 South, Range 33 East consisting of 160 acres more or less, and located in Lea County, New Mexico."

Were the Commission to grant LBO New Mexico, Inc.'s request for Compulsory Pooling of the Wolfcamp Formation and/or the formation of oil spacing and proration units different from those now in effect, it would, in my opinion, override the protection now being afforded me in the Operating Agreement.

I would like it to be understood that I do not want to stand in the way of an 11,000' Exploratory test, however I would like to salvage something out of my investment without having to pay for a Deep Test. I have seen numerous deep test drilled in producing areas, but I have never seen a shallow Working Interest Owner have to pay for the deep well just to retain his rights in the shallow pool.

I would also like to know what LBO New Mexico will do to protect the Wolfcamp Formation should they be allowed to drill a deep test where the Wolfcamp is productive. Their AFE for the drilling of the Deep Test shows 8 5/8" casing at 4000' and 5 1/2" casing at 10,200 no cementing details were included.

Yours truly

A handwritten signature in cursive script, appearing to read "R. J. Starrak".

R. J. Starrak

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

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

CASE NO. 10256

**APPLICATION OF** LBO New Mexico, Inc.  
for Compulsory Pooling and Unorthodox  
Location, Lea County, New Mexico

**PRE-HEARING STATEMENT**

This prehearing statement is submitted by R. J. Starrak  
as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

**ATTORNEY**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

name, address, phone and  
contact person

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OPPOSITION OR OTHER PARTY**

**ATTORNEY**

R. J. Starrak

SELF

2401 So. Co. Rd 1110

Midland, Texas 79701

(915) 686-0258

Contact R. J. Starrak

name, address, phone and  
contact person

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**STATEMENT OF CASE**

**APPLICANT**

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

**OPPOSITION OR OTHER PARTY**

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

I am opposed to the LBO New Mexico, Inc., application for the compulsory pooling of the mineral interests in the Wolfcamp Formation; in particular, the proposed formation of an eighty-acre oil spacing and proration unit for the Wolfcamp Formation consisting of the W 1/2 of the SW 1/4 Section 9, TWP 11S, Rge, 33E N.M.P.M Lea County, New Mexico.

LBO New Mexico, Inc., has proposed the drilling of a Mississippian Test to 11,300 feet at a location in the NW 1/4 of the SW 1/4, which should also be an economic producer in the Wolfcamp Formation. LBO New Mexico, Inc., has given me, and other Working Interest Owners in the State OG oil spacing and proration unit, the option to join in the drilling of the deep test, farmout for 5% O.R.R.I. proportionally reduced, or sell our interest at \$1,000.00 per 1%. There is, however, no option to join in the drilling and/or completion of a Wolfcamp well. In fact, I have been denied this right as illustrated by the attached copies of our correspondence.

I do not feel that I should be forced to pay for a deep test merely to retain my interest in a potential forty-acre Wolfcamp completion.

I am not fully aware of the lease ownership in the S 1/2 of Section 9, TWP 11S Rge, 33E other than the N 1/2, SW 1/4 and the S 1/2, SE 1/4 which were the leases purchased by the group that had the first well, LBO OG State #1, drilled through farmout. I would have to assume that LBO either owns, or has options on, the remaining leases. Furthermore, allowing a change in the Wolfcamp spacing as requested by LBO New Mexico would dilute the interest at the Wolfcamp Potential Completion at the proposed site by 50%.

In addition, the Operating Agreement between LBO New Mexico and myself states in Article VI.B.2 as follows:

"Notwithstanding the provisions of this article VI.B.2, it is agreed that without the mutual consent of all parties no well shall be completed in or produced from a source of supply from which a well located elsewhere on the Contract Area is producing, unless such well conforms to the then existing well spacing pattern for such source of supply."

The Contract Area specified by the Operating Agreement between LBO New Mexico, Inc. and myself as set out on Exhibit A of the Agreement are as follows:

"North 1/2 of the Southwest quarter and the South 1/2 of the Southeast quarter of Section 9, Township 11 South, Range 33 East consisting of 160 acres, more or less, and located in Lea County, New Mexico."

Were the Commission to grant LBO New Mexico, Inc.'s request for compulsory pooling of the Wolfcamp Formation, and the formation of a new eighty-acre oil spacing and proration unit different from those in effect, it would, in my opinion, override the protection now being afforded me in the Operating Agreement.

STARRAK OPERATING COMPANY

2401 SO. CO. RD. 1110  
MIDLAND, TEXAS 79701  
915/686-0258  
Fax 915/686-2065

February 6, 1991

Strata Energy Resources Corporation  
28202 Cabot Road, Suite 250  
Laguna Niguel, Cal. 92677

Re: O.G. State No.2- NW/4 SW/4 of Section 9, Township 11S, Range 33E-Lea  
County--- Notice to Drill Second Well

Dear Mr. Diaz:

We are in receipt of your January 18, 1991 letter in which you propose the drilling of a deep test to the Mississippian formation at 11,300'. This letter is to advise that we do not wish to join in the drilling of this Mississippian test and agree to go under the agreement Article VI. We will expect however that if the Mississippian is non productive, that we will be offered the opportunity to participate in any completion attempt to be made in the Wolfcamp formation or correlative zones in the O.G. State No. 1 well.

Yours truly

  
R. J. Starrak



# STRATA ENERGY RESOURCES CORPORATION

## Subsidiaries

LBO ENERGY, INC.

LBO NEW MEXICO, INC.

STRATA PROGRAMS, INC.

February 8, 1991

Mr. R.J. Starrak  
Starrak Operating Company  
2401 So. County Road 1110  
Midland, TX 79701

RE: Your February 6, 1991 letter -- O.G. State No. 2 well

Dear Mr. Starrak:

I am in receipt of your February 6, 1991 letter regarding the O.G. State No. 2 well, wherein you have elected to go non-consent under Article VI of the Operating Agreement, and thus we will proceed accordingly.

Your request for us to provide you with an opportunity to participate in the completion of the Wolfcamp formation in the event the deeper zones prove dry is not in keeping with the terms of the Operating Agreement, and thus cannot be honored.

Article VI of the Operating Agreement calls for a non-consenting party to either accept or reject in total the proposed operation as proposed by the proposing party. A nonconsenting party may not accept the proposed operation in part and reject the balance. Since you have elected to go nonconsent as to the proposed operation, namely the drilling of a well to the Mississippian, you will be treated as such for the entire well.

I also want to point out that there may be other potential productive zones between the Mississippian and the Wolfcamp where completions may be attempted.

We are sorry that we cannot honor your request for to do so would be contrary to the Operating Agreement.

If you have any questions or desire further information please let us know.

Sincerely,

STRATA ENERGY RESOURCES CORPORATION

Raymond A. Diaz  
President

RAD/jaf

cc: Don Turner

**PROPOSED EVIDENCE**

**APPLICANT**

<b>WITNESSES (Name and expertise)</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
---	------------------	-----------------

**OPPOSITION**

<b>WITNESSES (Name and expertise)</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
R. J. Starrak B. S. Geology 40 Years Experience in Oil Industry. Engineering, Drilling, and Production	10-15 Minutes	Isopach Map Wolfcamp Formation Operating Agreement

**PROCEDURAL MATTERS**

(Please identify any procedural matters which  
need to be resolved prior to the hearing)

I will probably wish to question the LBO New Mexico Inc.,  
witness.

  
\_\_\_\_\_  
Signature



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

RECEIVED

MAY 08 1991

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

OIL CONSERVATION DIVISION

CASE NO. 10305

APPLICATION OF LBO NEW MEXICO,  
INC. FOR COMPULSORY POOLING AND  
UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by LBO New Mexico, Inc. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT  
(name, address, phone  
and contact person)

ATTORNEY

Strata Energy Resources Corp.  
28202 Cabot Rd, Ste. 250  
Laguna Niguel, CA 92677  
Attn: Ray Diaz  
(714) 365-0100

Karen Aubrey  
KELLAHIN, KELLAHIN & AUBREY  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

OPPOSITION OR OTHER PARTY  
(name, address, phone  
and contact person)

ATTORNEY

**STATEMENT OF CASE**

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

LBO New Mexico, Inc. seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation or to a depth of 11,200 feet, whichever is deeper, underlying the following described acreage in Section 9, T11S, R33E and in the following manner: The S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; possibly the SW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the N/2SW/4 forming a standard 80-acre oil spacing and proration unit in the North Bagley-Permo Pennsylvanian Pool; and the NW/4SW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 9 being a standard well location for 40, 80, and 160-acre spacing units but an unorthodox gas well location for a 320-acre spacing unit. 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 operator of the well and a charge for risk involved in drilling said well.

LBO has sought the voluntary agreement of the owners of the non-consenting working interests and has been unable to obtain voluntary agreement.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Ray Diaz (general counsel - land)		Surface ownership plat
Jeff Smith (geologist)		Special Pool Rules Tabulation of interest owners Copies of correspondence Operating agreement AFE Structure map Production map Economic calculations

OPPOSITION

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
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Pre-hearing Statement  
NMOCD Case No. 10305  
Page 4

**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to the hearing)

KELLAHIN, KELLAHIN & AUBREY

By: Karen Aubrey  
Karen Aubrey  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

June 6, 1991

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

KELLAHIN, KELLAHIN & AUBREY  
Attorneys at Law  
P. O. Drawer 2265  
Santa Fe, New Mexico 87504

RE: CASE NO. 10305  
ORDER NO. R-9521

Dear Sir:

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

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson  
OC Staff Specialist

FD/sl

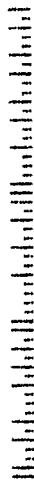
cc: BLM - Carlsbad  
Jim Starrak

STARRAK OPERATING COMPANY  
2401 S.C.R. 1110  
MIDLAND, TEXAS 79701

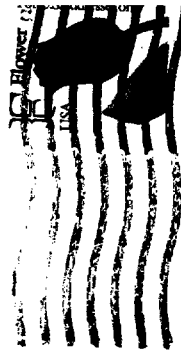
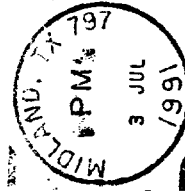


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Mr. Robert Stovall  
Oil Conservation Division  
P.O. Box 2088  
Sante Fe, NM 87504

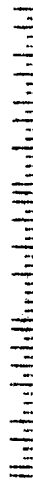


STARRAK OPERATING COMPANY  
2401 S.C.R. 1110  
MIDLAND, TEXAS 79701



OIL CONSERVATION DIVISION  
RECEIVED  
'91 JUL 8 AM 8 38

Mr. Robert Stovall  
Oil Conservation Division  
P.O. Box 2088  
Sante Fe, NM 87504



R. J. STARRAK  
2401 SCR 1110  
MIDLAND, TEXAS 79701  
(915) 686-0258  
FAX # 915/686-2065

*Case 10305*

July 1, 1991

Strata Energy Resources Corporation  
28202 Cabot Road  
Suite 250  
Laguna Niguel, California 92677

Re: Your AFE dated 2/5/91 to Drill and Complete the  
O. G. State #2 to a depth of 11,200'

Dear Mr. Diaz:

Attached are comments on the subject AFE. As you can see  
from the comments, the AFE does not contain sufficient  
information to check pricing and equipment to be utilized.

Please send me a copy of your Drilling and Completion  
Program, which should have all the information we require.  
We would also like to know if your Drilling Contract is a  
footage or day rate bid and the name of the Contractor.

Very truly yours,



R. J. (Jim) Starrak

RJS/ps

cc: Mr. Robert Stovall - Attorney  
New Mexico Oil & Gas Division

Comments on LBO New Mexico AFE  
to Drill & Complete 11,200' Well  
NW/4 SW/4, Section 9, T-ss-S, R-33-E NMPM  
Lea County, New Mexico

**LAND AND LEASE ACQUISITIONS COSTS** **\$10,000.00**

This is not a legitimate cost for drilling and completing a well. Each Interest Owner bears his own cost of acquiring their leases or interest in the well.

**DRILLING BOND/INSURANCE** **\$ 7,500.00**

The Drilling Bond is the responsibility of the Operator who gets compensated for the supervision of the well.

**SURFACE CASING - 13-3/8"** **\$ 9,000.00**

Please inform us of the weight and grade of the casing to be used.

**PROTECTION CASING - 8-5/8"** **\$48,000.00**

Please inform us of the weight and grade of the casing to be used.

**CASING HEADS, VALVES & FITTINGS** **\$ 8,500.00**

Please advise us of the type and series of the casing heads to be used. Your AFE cost seems excessive.

**MUD, WATER, OIL & CHEMICALS** **\$45,300.00**

Please supply us with a copy of your Mud Program.

**SUPERVISION, ENGINEERING & GEOLOGICAL** **\$ 8,750.00**

Since this well is being drilled in an older field with close control on four sides, we would like to know your plan for Geological Expense on the drilling of this well.

**COST TO ABANDON** **\$19,000.00**

Is this the cost to abandon the total well or just the lower portion if it is dry. Your cost seems excessive.

**PRODUCTION CASING/LINER** **\$109,200.00**

Please inform us of the weight and grade of the casing to be used. Also your planned cementing procedure for this string of casing.



**CASING HEADS, VALVES & FITTINGS****\$ 7,000.00**

Please advise us of the type and series of equipment to be used.

**PRODUCTION TUBING - 2-7/8"****\$ 22,950.00**

According to testimony at the hearing, this well would not require 2-7/8" tubing and 2-3/8" could be substituted.

**LEASE FACILITIES****\$ 37,525.00**

Unless a prolific producer is encountered, you should consider a flow line to the State D.G. #1 production facilities. A line of 1,400' would be less expensive than a new facility.

R. J. (Jim) STARRAK  
2401 SCR 1110  
MIDLAND, TEXAS 79701  
(915) 686-0258  
FAX # 915/686-2065

July 1, 1991

Strata Energy Resources Corporation  
28202 Cabot Road  
Suite 250  
Laguna Niguel, California 92677

Re: N/2 SW/4 & S/2 SE/4 of Section 9, T-11-S, R-33-E,  
Lea County, New Mexico

Dear Mr. Diaz:

I am in receipt of your June 17, 1991 letter, regarding the drilling of an 11,200' Mississippian Test in Section 9, T-11-S, R-33-E, NMPM, Lea County, New Mexico. Since your letter or attached AFE does not indicate the location of the well to be drilled, I will assume for now that it will be the center of the NW/4 of the SW/4 of Section 9, as you requested at the hearing in Sante Fe.

As previously stated, I will either go non-consent or farmout my interest in the geological horizons below the Wolfcamp Formation which is producing in the LBO State OG #1, located in the NE/4 SW/4, Section 9. I will join in the cost of drilling, completing and equipping a well drilled to the Wolfcamp Producing Horizon. Should you drill the well to the Mississippian, I am willing to join in the cost, which would **normally be attributed** to the cost of a Wolfcamp Well, or if you wish I will sell all of my interest in the said Section 9 for Three Thousand Dollars (\$3,000.00).

The AFE included with your letter is for the drilling of the 11,200' Mississippian Test which, as I understood your request at the Commission would have a proration and spacing unit comprised of the South half of Section 9. As you are aware, my interest is only in 160 acres of this 320 acre spacing and proration unit, so my interest in the well, if I were to join, would only be one-half of one percent (0.5%). The cost for the Mississippian Test therefore would not be \$7,954.72 to my interest as stated in your letter, but \$3,977.36. This would hold true for any 160 acre proration and spacing unit in the SW/4, Section 9.

R. J. Starrak  
Strata Energy Resources, Corp.  
July 1, 1991  
Page 2

Your letter also states "If I fail to submit the revised amount of \$7,954.72 or reach an agreement with you on leasing my interest or otherwise, within thirty (30) days, my interest will be force pooled pursuant to the decree". It was my understanding at the Pooling Hearing, that those people under an Operating Agreement would not come under the Pooling Order issued by the Oil Conservation Division. Also you might read Item #11, Page 3 of the Commissions Order.

There are several things on the AFE which I question, however I will bring these up in a seperate letter.

I look forward to hearing from you.

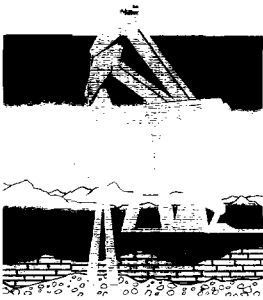
Very truly yours,

A handwritten signature in black ink, appearing to read "R. J. Starrak". The signature is stylized with a large, looped "R" and a cursive "J".

R. J. (Jim) Starrak

RJS/ps

cc: Mr. Robert Stovall - Attorney  
New Mexico Oil & Gas Division



# STRATA ENERGY RESOURCES CORPORATION

## Subsidiaries

LBO ENERGY, INC.

LBO NEW MEXICO, INC.

STRATA PROGRAMS, INC.

OIL CONSERVATION DIVISION  
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March 16, 1992

*CASE FILE  
10305*

*Catanach  
DK*

William J. Le May  
Oil Conservation Division  
Energy, Minerals and Natural Resources Department  
State of New Mexico  
P.O. Box 2088  
State Land Office Building  
Santa Fe, NM 87504

RE: LBO NEW MEXICO, INC., CASE NO. 10305, ORDER NO. R-9521/ITEMIZED ACTUAL WELL COST ACCOUNTING

Dear Mr. Le May:

Please find enclosed herewith an itemized statement in triplicate of the actual well costs incurred by the Petitioner above referenced, in the above referenced matter for the State O.G. No. 2 well, drilled and completed by Petitioner pursuant to the terms and conditions contained in Order no. R-9521, as required by paragraph (6) of the Order, calling for such statement to be submitted to both the Division and to each nonconsenting working interest owner subject to this Order within 90 days following completion of the subject well.

Petitioner hereby certifies that the subject well was completed and first placed on production on or about January 27, 1992, and that all costs contained in the enclosed schedule were necessary and reasonable costs for the drilling and completion of the subject well in the NW 1/4 of section 9, T 11 S, R 33 E, Lea County, New Mexico.

Furthermore, Petitioner hereby attests that all nonconsenting working interest owners as set forth on Exhibit "A" attached hereto, were sent a copy of the enclosed itemized statement of well costs by Petitioner on the date first above written, through the U.S. Postal Service certified return receipt, at the latest address known to Petitioner, at which address the AFE was previously mailed to said parties by Petitioner.

Petitioner further hereby notifies the Division that since the date of the Order, May 16, 1991, Petitioner has acquired and is now the sole legal owner of the working interests previously owned by those parties whose names and addresses are set forth on Exhibit "B" attached hereto and incorporated herein by reference.

CASE NO. 10305/ORDER NO. R-9521  
March 16, 1992  
Page 2

Wherefore, Petitioner executes this statement on the date first above written.

Respectfully submitted,  
Petitioner  
LBO NEW MEXICO, INC.

by:

A handwritten signature in dark ink, appearing to read 'Raymond A. Diaz', is written over a horizontal line.

Raymond A. Diaz, President

attachments

**EXHIBIT "A"**

1.	Don Turner 4201 Monte Drive Midland, TX 79703	12.500%
2.	Kent Cearley P.O. Box 508 Robert Lee, TX 76945	1.000%
3.	Lt. Co. Michael Chisick 16465 Henerson Pass 624 San Antonio, TX 78232	0.500%
4.	Steve Chisick 101 Galax Lane Durham, NC 27703	1.500%
5.	Robert A. Harris 4550 Gorge Street Skokie, IL 60076	0.500%
6.	Ken K. Kirby 750 E. Mid Cities Blvd. Suite 1407 Euless, TX 76039	4.000%
7.	Annette C. Mills 1413 W. Michigan Midland, TX 79701-6055	0.500%
8.	Team Exploration 310 W. Illinois Suite 220 Midland, TX 79701	1.000%
9.	Susan Turner 2204 Lindor Way Midland, TX 79707	1.000%

**EXHIBIT "B"**

**LBO ACQUIRED INTERESTS**

- |    |  |        |
|----|--|--------|
| 1. | CBAT Corp. Trustee<br>Energy Square, #402<br>505 N. Big Spring Street<br>Midland, TX 79701 | 0.333% |
| 2. | Jim Starrak<br>2401 S. County Road, #1110<br>Midland, TX 79701                             | 1.000% |
| 3. | Bonny Wilson<br>10588 Stone Canyon, #182<br>Dallas, TX 75230-4417                          | 0.667% |

\$10,000.00



STATE O.G. NO. 2 WELL  
 ITEMIZED COST SCHEDULE  
 NW 1/4, SEC. 9, T 11 S R 33 E  
 LEA COUNTY, N.M.  
 CASE NO. 10305  
 ORDER NO. R-9521

3/10/92

DESCRIPTION	INVOICE NUMBER	DETAIL COSTS	TOTAL TO DATE	BUDGET
3. DRILLING RIG				
NORTON DRILLING	4327	\$179,829.10		
NORTON DRILLING	4327	\$125,000.00		
NORTON DRILLING	4327	\$25,000.00		
DRILLING RIG SUBTOTAL			\$329,829.10	\$334,100.00
4. DRILLING BOND/INSURANCE				
FREBERG	15001	\$625.00		
DRILLING BOND/INSURANCE SUBTOTAL			\$625.00	\$7,500.00
5. SURFACE CASING		\$0.00		\$9,000.00
CEMENT/ACCESSORIES/SERVICES-SURFACE CASING		\$0.00		\$8,700.00
6. TRUCKING				
KENNETH TANK SERVICE	2844	\$3,349.89		
KENNETH TANK SERVICE	2912	\$4,199.96		
KENNETH TANK SERVICE	2942	\$17,111.05		
TRUCKING SUBTOTAL			\$24,660.90	\$9,000.00
7. CEMENT/ACCESSORIES/SERVICES-PROTECTIVE CASING		\$0.00		\$12,300.00
CASING HEADS, VALVES & FITTINGS		\$0.00		\$8,500.00
LOGGING				
QUALITY LOGGING INC.	1500	\$4,590.00		
SCHLUMBERGER WELL SERVICE	761770	\$20,178.08		
LOGGING SUBTOTAL			\$24,768.08	\$14,000.00
8. FORMATION TESTING		\$0.00		\$12,000.00
SPECIAL TOOLS, BITS & RENTALS				
QUALITY LOGGING INC.	1500	\$700.00		
STEARNS	22-2075	\$844.00		
EQUIPMENT RENTAL SUBTOTAL			\$1,544.00	\$5,000.00
9. SUPERVISION, ENGINEERING & GEOLOGICAL				
GRASHA, MATTHEW P.	11091	\$3,440.00		
GRASHA, MATTHEW P.	9391	\$350.00		
GRASHA, MATTHEW P.	91791	\$890.00		
SMITH, JEFF	101891	\$200.00		
SMITH, JEFF	102491	\$200.00		
SMITH, JEFF	102991	\$2,000.00		
SUPERVISION, ENGINEERING & GEOLOGICAL SUBTOTAL			\$7,080.00	\$8,750.00

STATE O.G. NO. 2 WELL  
ITEMIZED COST SCHEDULE  
NW 1/4, SEC. 9, T 11 S R 33 E  
LEA COUNTY, N.M.  
CASE NO. 10305  
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3/10/92

DESCRIPTION	INVOICE NUMBER	DETAIL COSTS	TOTAL TO DATE	BUDGET
<b>10.MISCELLANEOUS SERVICES, SUPPLIES &amp; LABOR</b>				
PRO WELL TESTING & WIRELING	1127-34	\$771.98		
WEST, JOHN	92140001	\$241.11		
WEST, JOHN	92140209	\$239.84		
WEST, JOHN	92140252	\$239.84		
MISCELLANEOUS DRILLING SUBTOTAL			\$1,492.77	\$13,000.00
CONTINGENCY (5%)		\$0.00		\$25,343.00
SUBTOTAL DRILLING COSTS			\$439,751.44	\$492,193.00
<b>II. COMPLETION COSTS</b>				
<b>1. PRODUCTION CASING/LINER CEMENT/ACCESSORIES/SERVICE</b>				
B.J. SERVICES	056360	\$26,021.46		
NATIONAL OILWELL	7570-24161	\$91,578.38		
NATIONAL OILWELL	7570-24161	\$61.38		
CEMENTING SUBTOTAL			\$117,661.22	\$16,000.00
<b>2. CASING HEADS, VALVES &amp; FITTINGS PACKERS, ACCESSORIES &amp; SERVICE</b>				
BAKER OIL TOOLS	10391	\$550.96		
B.J. SERVICES	56462	\$2,867.50		
B.J. SERVICES	56464	\$4,251.65		
UNITED PACKER SERVICE	1-16	\$7,270.74		
PACKERS, ACCESSORIES & SERVICESUBTOTAL			\$14,940.85	\$10,500.00
<b>3. PRODUCTION TUBING</b>				
B & R INSPEC/EQUIP. TUBING	26274	\$23,650.00		
PRODUCTION TUBING SUBTOTAL			\$23,650.00	\$22,950.00
<b>4. PERFORATING SERVICE/LOGS</b>				
SCHLUMBERGER WELL SERVICE	762076	\$6,298.66		
SCHLUMBERGER WELL SERVICE	762144	\$5,701.11		
WEAVER SERVICES, INC	1075R	\$1,188.00		
WEAVER SERVICES, INC	1458L	\$1,399.00		
WEAVER SERVICES, INC	1463L	\$2,052.37		
WEDGE WIRELINE, INC.	49037	\$4,758.75		
PERFORATING SUBTOTAL			\$21,397.89	\$6,500.00

STATE O.G. NO. 2 WELL  
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LEA COUNTY, N.M.  
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ORDER NO. R-9521

3/10/92

DESCRIPTION	INVOICE NUMBER	DETAIL COSTS	TOTAL TO DATE	BUDGET
=====				
5. TREATING SERVICES/SUPPLIES				
B.J. SERVICES	56381	\$3,667.19		
B.J. SERVICES	56390	\$3,253.66		
B.J. SERVICES	647950	\$5,877.68		
B.J. SERVICES	56447	\$6,460.10		
B.J. SERVICES	56463	\$3,943.19		
	CHEMICALS SUBTOTAL		\$23,201.82	\$12,000.00
6. FRACING/SWABBING		\$0.00		\$7,500.00
COMPLETION RIG				
D.C. WELL SERVICE, INC.	292-73	\$1,905.08		
LUCKY WELL SERVICE	3152	\$9,292.57		
LUCKY WELL SERVICE	3158	\$5,143.15		
LUCKY WELL SERVICE	3173	\$8,743.52		
LUCKY WELL SERVICES	3173	\$8,743.52		
LUCKY WELL SERVICES	3215	\$7,106.51		
LUCKY WELL SERVICES	3219	\$11,469.33		
LUCKY WELL SERVICES	3228	\$13,702.24		
WEATHERFORD U.S. INC.	585970	\$4,867.23		
	COMPLETION RIG SUBTOTAL		\$70,973.15	\$11,200.00
7. ARTIFICIAL LIFT EQUIPMENT				
IRA PUMP & SUPPLY-RODS	923406	\$14,322.89		
IRA PUMP & SUPPLY-RODS	924550	\$2,102.44		
LEAMCO-RUTHCO	263050	\$2,322.81		
LEAMCO-RUTHCO	263373	\$3,302.03		
PRANDON CONSTRUCTION	104306	\$250.00		
R.G. GUNN ENTERPRISES-PUMPING UNIT	121691	\$30,000.00		
	ARTIFICIAL LIFT EQUIPMENT SUBTOTAL		\$52,300.17	\$37,000.00
8. SUPERVISION, ENGINEERING, GEOLOGICAL				
GRASHA, MATTHEW P.	110691	\$300.00		
GRASHA, MATTHEW P.	110891	\$300.00		
GRASHA, MATTHEW P.	112191	\$2,730.02		
GRASHA, MATTHEW P.	25	\$6,646.43		
GRASHA, MATTHEW P.	30	\$6,692.45		
GRASHA, MATTHEW P.	33	\$2,937.84		
GRASHA, MATTHEW P.	39	\$4,557.18		
KENT CEARLEY	110191	\$2,000.00		
KENT CEARLEY	120291	\$2,000.00		
KENT CEARLEY	120491	\$1,717.57		
KENT CEARLEY	120491	\$5,826.47		
SMITH, JEFF	111291	\$2,000.00		
SMITH, JEFF	112291	\$24.00		
SMITH, JEFF	111291	\$1,000.00		
SMITH, JEFF	112691	\$3,000.00		
	SUPERVISION, ENGINEERING, GEOLOGICAL	SUBTOTAL	\$41,731.96	\$5,250.00

STATE O.G. NO. 2 WELL  
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LEA COUNTY, N.M.  
CASE NO. 10305  
ORDER NO. R-9521

3/10/92

DESCRIPTION	INVOICE NUMBER	DETAIL COSTS	TOTAL TO DATE	BUDGET
=====				
9. MISC. SERVICES, SUPPLIES & LABOR				
B.J. SERVICES	650463	\$132.75		
B.J. SERVICES	56390	\$332.76		
BAKER TOOLS	24881	\$4,623.92		
BURRO PIPELINE CORP	22992	\$342.88		
E.L. FARMER	12-02995	\$293.03		
K & S ELECTRIC CO.	26861	\$3,910.65		
HUDSON PACKER CO	312	\$768.00		
MAYPOLE	12169	\$267.02		
LIBERTY PUMP & SUPPLY	924	\$3,405.74		
LIBERTY PUMP & SUPPLY	934	\$1,471.72		
LIBERTY PUMP & SUPPLY	933	\$1,981.24		
LIBERTY PUMP & SUPPLY	1129	\$2,351.67		
MAN WELDING	2213	\$101.28		
MAN WELDING	2214	\$135.04		
MILFORD PIPE & SUPPLY	0063469-CM	(\$284.03)		
MILFORD PIPE & SUPPLY	0063248-IN	\$60.96		
MILFORD PIPE & SUPPLY	0063247-IN	\$705.25		
MILFORD PIPE & SUPPLY	0063290-IN	\$813.40		
MILFORD PIPE & SUPPLY	0063243-IN	\$1,382.18		
MILFORD PIPE & SUPPLY	0063246-IN	\$1,408.79		
MILFORD PIPE & SUPPLY	0063379-IN	\$1,514.52		
MILFORD PIPE & SUPPLY	0063245-IN	\$2,178.73		
MILFORD PIPE & SUPPLY	0063244-IN	\$2,305.37		
MILFORD PIPE & SUPPLY	0063289-IN	\$2,924.62		
MILFORD PIPE & SUPPLY	0063747-IN	\$493.20		
MILFORD PIPE & SUPPLY	0064202-IN	\$51.11		
R.G. GUNN ENTERPRISES	1219	\$111.04		
R.G. GUNN ENTERPRISES	1220	\$183.05		
R.G. GUNN ENTERPRISES	1171	\$230.54		
STEARNS	33-2061	\$830.81		
MISC. SERVICES, SUPPLIES & LABOR		SUBTOTAL	\$35,027.24	\$8,000.00
CONTINGENCY (5%)			\$0.00	\$12,654.00
-----				
SUBTOTAL COMPLETION COSTS			\$400,884.30	\$265,754.00

### III. LEASE FACILITIES COSTS

1. BUILDING SITE & ROAD			\$0.00
A-1 SIGN ENGRAVERS	13439	\$37.65	
GLOBE CONSTRUCTION	31092	\$12,800.00	
BUILDING SITE & ROAD SUBTOTAL		\$12,837.65	

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LEA COUNTY, N.M.  
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3/10/92

DESCRIPTION	INVOICE NUMBER	DETAIL COSTS	TOTAL TO DATE	BUDGET
<b>2. PRODUCTION TANKS/ACCESSORIES</b>				
BAKER OIL TOOLS	50556	\$1,821.44		
CHANCE TOOL CO., INC.	930	\$17,908.77		
GOOCH TANK & MFG. CO	129106-T	\$105.50		
HUDSON PACKER CO	312	\$1,869.30		
HUDSON PACKER CO	1264	\$3,435.29		
K & S PAINTING	912854	\$7,596.00		
VENTURE EQUIPMENT	1214	\$9,631.06		
WELLHEAD RECYCLING	324	\$2,654.96		
PRODUCTION TANKS/ACCESSORIES SUBTOTAL			\$45,022.32	\$23,000.00
<b>3. HEATERS/TREATERS/ACCESSORIES</b>			\$0.00	\$5,000.00
LINE/FLOW PIPE				
K & S PAINTING	912055	\$300.15		
K & S PAINTING	912758	\$1,342.45		
K & S PAINTING	912759	\$600.30		
K & S PAINTING	912817	\$870.38		
K & S PAINTING	912893	\$390.19		
K & S PAINTING	912894	\$1,218.84		
LINE/FLOW PIPE SUBTOTAL			\$4,722.31	\$500.00
<b>4. VALVES &amp; FITTINGS</b>				
MILFORD PIPE & SUPPLY	63609	\$908.76		
VALVES & FITTINGS SUBTOTAL			\$908.76	\$2,000.00
<b>5. OPERATING FEE</b>				
LBO NEW MEXICO-OCT	113191	\$5,000.00		
LBO NEW MEXICO-NOV	113091	\$5,000.00		
LBO NEW MEXICO-DEC	123191	\$5,000.00		
LBO NEW MEXICO-JAN	13192	\$5,000.00		
OPERATING FEE SUBTOTAL			\$20,000.00	\$5,000.00
CONTINGENCY (5%)		\$0.00		\$2,025.00
SUBTOTAL LEASE FACILITIES COSTS			\$83,491.04	\$37,525.00
<b>IV. GENERAL &amp; ADMINISTRATIVE:</b>				
ACCOUNTING				
MORGANTI	111591	\$137.92		
MORGANTI	112691	\$688.07		
MORGANTI	112691	\$324.00		
ACCOUNTING SUBTOTAL			\$1,149.99	

STATE O.G. NO. 2 WELL  
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 NW 1/4, SEC. 9, T 11 S R 33 E  
 LEA COUNTY, N.M.  
 CASE NO. 10305  
 ORDER NO. R-9521

3/10/92

DESCRIPTION	INVOICE NUMBER	DETAIL COSTS	TOTAL TO DATE	BUDGET
OFFICE EXPENSE	1990	\$1,841.00		
ABIGAIL ABBOTT PERSONNEL	C165697	\$64.89		
ABIGAIL ABBOTT PERSONNEL	C163306	\$537.60		
ABIGAIL ABBOTT PERSONNEL	111591	\$80.00		
COSTCO	112691	\$7.00		
COSTCO	112691	\$50.00		
FEDERAL EXPRESS	451370305	\$13.00		
OFFICE LABOR	111491	\$276.00		
OFFICE LABOR	111491	\$1,937.68		
OFFICE LABOR	112291	\$675.00		
MORGANTI	121291	\$30.00		
PACIFIC BELL	122291	\$177.71		
ROUGHNECK SYSTEMS	S100	\$16.50		
SOUTHWESTERN BELL	121791	\$73.11		
OFFICE EXPENSES SUBTOTAL			\$5,779.49 *	
TAX PREPARATION				
BOLAR DAINKO & TOLLESON	10	\$86.90		
BOLAR DAINKO & TOLLESON	11	\$15.00		
BOLAR DAINKO & TOLLESON	12	\$190.79		
LINDA LOPEZ	121991	\$81.88		
TAX PREPARATION SUBTOTAL			\$374.57	
TRAVEL	1990	\$2,862.00		
AMERICAN EXPRESS	121491	\$930.79		
AMERICAN EXPRESS	111491	\$395.24		
TRAVEL	120691	\$200.00		
TRAVEL	103191	\$500.00		
TRAVEL	103191	\$500.00		
TRAVEL SUBTOTAL			\$5,388.03 *	
SUBTOTAL GENERAL & ADMINISTRATIVE			\$12,692.08	
GRAND TOTAL		\$936,818.86	\$936,818.86	\$795,472.00

*case file*

R. J. STARRAK  
2401 So. Co. Rd. 1110  
Midland, Texas 79701

915/686-0258  
Fax 915/686-2065

July 31, 1991

Mr. Robert Stovall  
New Mexico Energy, Minerals  
& Natural Resources Department  
Oil and Gas Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

RE: Case No. 10305 -- Order No. R-9521  
Application of LBO New Mexico, Inc.  
for Compulsory Pooling and an  
Unorthodox Gas Well Location, Lea  
County, New Mexico.

Dear Mr. Stovall:

Attached is a copy of the Assignment of my interest in  
Section 9, T-11-S, R-33-E, NMPM, to LBO New Mexico, Inc.

This is being sent merely to advise you of the change in my  
and LBO New Mexico, Inc.'s status in the subject case.

Thank you for your consideration.

Yours truly,

*R.J. Starrak*

R.J. Starrak

## ASSIGNMENT

STATE OF NEW MEXICO

§

§

COUNTY OF LEA

§

REFERENCE is made to the following oil and gas leases (hereinafter called the "Subject Leases"):

1. Oil and Gas Lease from the State of New Mexico, Lease No. E-26, to Gulf Oil Corporation dated January 10, 1945 insofar as same covers the N/2 SW/4 and SE/4 SE/4 of Section 9, T-11-S, R-33-E, NMPM; and
2. Oil and Gas Lease from the State of New Mexico, Lease No. OG-1402, to Gulf Oil Corporation dated October 15, 1957 insofar as said lease covers the SW/4 SE/4 of Section 9, T-11-S, R-33-E, NMPM.

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the undersigned ("Assignor") does hereby GRANT, SELL, ASSIGN and CONVEY unto LBO New Mexico, Inc. whose address is 28202 Cabot Rd., Suite 250, Laguna Niguel, CA 92677 ("Assignee") all of Assignor's right, title and interest in and to the Subject Leases insofar as same cover the above described lands, together with a like interest in all personal property and equipment located upon the above described lands and used in connection with operation of the Subject Leases including, but not limited to, all equipment and personal property located upon or affixed to the LBO New Mexico, Inc.-OG State No. 1 and OG State No. 2 wells. This assignment of all of Assignor's right, title and interest shall include, but shall not be limited to, all interest in any and all causes of action, claims, choses in action, or damages incurred or claimed by Assignor with respect to the Subject Leases; and for the consideration above expressed, Assignor hereby waives all such claims, debts, damages, causes of action or choses in action with respect to the Subject Leases as against Assignee or its respective officers, directors, shareholders, employees or affiliated entities.

Assignee's interest shall be subject to the terms and provisions of all instruments under which Assignor acquired title and shall also be subject to and shall bear its proportionate part of all burdens of record affecting Assignor's interest in the Subject Leases.

Assignor warrants title by, through and under itself but not otherwise.

EXECUTED as of this the 26<sup>th</sup> day of JULY, 1991; but effective as of July 1, 1991 at 7:00 a.m. local time.

  
\_\_\_\_\_  
R. J. STARRAK

  
\_\_\_\_\_  
E. M. STARRAK, wife  
of R. J. Starrak



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

August 6, 1991

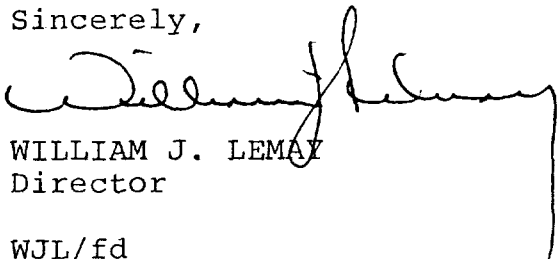
POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Ms. Karen Aubrey  
Kellahin, Kellahin and Aubrey  
Attorneys at Law  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Dear Ms. Aubrey:

Based upon your letter of July 31, 1991, and in accordance with the provisions of Division Order No. R-9521, LBO New Mexico Inc. is hereby granted an extension of time in which to begin the well on the unit pooled by said order until January 1, 1992.

Sincerely,

  
WILLIAM J. LEMAY  
Director

WJL/fd

cc: ✓ Case File No. 10305  
Oil Conservation Division - Hobbs

OIL CONSERVATION DIVISION  
RECEIVED

'91 AUG 2 AM 9 11

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN  
KAREN AUBREY

JASON KELLAHIN  
OF COUNSEL

July 31, 1991

Mr. William J. LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

K  
M.S.

Re: Request of LBO New Mexico  
Inc. for an Extension of Order  
R-9521, NMOCD Case No. 10305

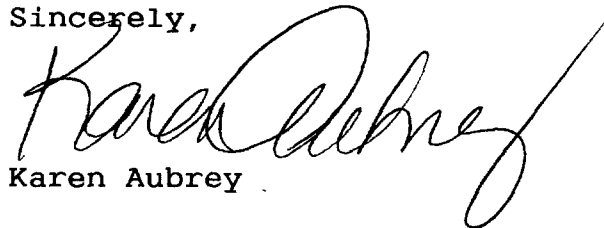
Dear Mr. LeMay:

On behalf of Strata Energy Resources Corporation,  
we request the Oil Conservation Division grant an  
Extension of Order R-9521 for 120 days until January 1,  
1992.

Strata Energy is attempting to conclude  
negotiations with its partners to drill this well.

If you have any questions or desire further  
information, please contact me.

Sincerely,

  
Karen Aubrey

KA/tic

xc: Ray Diaz  
R.J. Starrak