

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683 - 4836

July 16, 1986

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Attn: R. L. Stamets

Re: Case No.: 8844
Order No.: R-8192

Gentlemen:

Pursuant to the terms of the captioned Forced Pooling Order, we have enclosed copies of the letter to the parties who have been forced pooled and a copy of our Authority for Expenditure for the Hudgens #1 Well located 1980' FSL and 1980' FEL Section 11, T16S, R36E, Lea County, New Mexico.

Regards,

Wm. R. Fair

Wm. R. Fair
District Landman

WRF:dr
Enclosures

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

July 16, 1986

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Eutie Velma Andrew
Box 1143
Karnes City, Texas 78118

Re: S. E. Lovington Prospect
Forced Pooling Order #R-8192
Case No.: 8844
Hudgens Well #1
S/2 Sec. 11, T16S, R36E,
Lea County, New Mexico

Dear Ms. Andrew:

Pursuant to the terms of the Forced Pooling Order, copy attached, we have enclosed an Authority for Expenditure for the captioned well.

You have thirty (30) days in which to elect to participate and tender your proportionate share (.8928571%) of the drilling and completion costs of the captioned well. After the 30 day notice period has expired, then you will have been deemed to have elected to "go non-consent" and will be subject to the terms and conditions of the captioned Forced Pooling Order.

Regards,

A handwritten signature in cursive script that reads "Wm. R. Fair".

Wm. R. Fair
District Landman

WRF:dr
Enclosures

xc: State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088
Attn: R. L. Stamets

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683 - 4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

July 16, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Opal Poovy
510 Drexel
El Dorado, Arkansas 71730

Re: S. E. Lovington Prospect
Forced Pooling Order #R-8192
Case No.: 8844
Hudgens Well #1
S/2 Sec. 11, T16S, R36E,
Lea County, New Mexico

Dear Ms. Poovy:

Pursuant to the terms of the Forced Pooling Order, copy attached, we have enclosed an Authority for Expenditure for the captioned well.

You have thirty (30) days in which to elect to participate and tender your proportionate share (.1190476%) of the drilling and completion costs of the captioned well. After the 30 day notice period has expired, then you will have been deemed to have elected to "go non-consent" and will be subject to the terms and conditions of the captioned Forced Pooling Order.

Regards,

Wm. R. Fair

Wm. R. Fair
District Landman

WRF:dr
Enclosures

xc: State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088
Attn: R. L. Stamets

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

July 16, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. W. Jim Nagel
88 Everett Drive
Colorado Springs, Colorado 80901

Re: S. E. Lovington Prospect
Forced Pooling Order #R-8192
Case No.: 8844
Hudgens Well #1
S/2 Sec. 11, T16S, R36E,
Lea County, New Mexico

Dear Mr. Nagel:

Pursuant to the terms of the Forced Pooling Order, copy attached, we have enclosed an Authority for Expenditure for the captioned well.

You have thirty (30) days in which to elect to participate and tender your proportionate share (.8928571%) of the drilling and completion costs of the captioned well. After the 30 day notice period has expired, then you will have been deemed to have elected to "go non-consent" and will be subject to the terms and conditions of the captioned Forced Pooling Order.

Regards,

Wm. R. Fair

Wm. R. Fair
District Landman

WRF:dr
Enclosures

xc: State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088
Attn: R. L. Stamets

NORTH AMERICAN ROYALTIES, INC.



OIL AND GAS DIVISION
(915) 683-4836

CLAYDESTA CENTER DOWNTOWN
306 WEST WALL - SUITE 1400
MIDLAND, TEXAS 79701

July 16, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alva Hagan
3216 Daniel Street
Dallas, Texas 75221

Re: S. E. Lovington Prospect
Forced Pooling Order #R-8192
Case No.: 8844
Hudgens Well #1
S/2 Sec. 11, T16S, R36E,
Lea County, New Mexico

Dear Ms. Hagan:

Pursuant to the terms of the Forced Pooling Order, copy attached, we have enclosed an Authority for Expenditure for the captioned well.

You have thirty (30) days in which to elect to participate and tender your proportionate share (.5952381%) of the drilling and completion costs of the captioned well. After the 30 day notice period has expired, then you will have been deemed to have elected to "go non-consent" and will be subject to the terms and conditions of the captioned Forced Pooling Order.

Regards,

Wm. R. Fair

Wm. R. Fair
District Landman

WRF:dr
Enclosures

xc: State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088
Attn: R. L. Stamets



ACCOUNTING STATEMENT FOR EXPENDITURE
NORTH AMERICAN ROYALTES, INC.

(REVISED)

AFE No. 73103

WELL NAME HUDGENS WELL NO. 1 Co. / PSH. XXXXX LEA ST. NEW MEXICO
 LOCATION SEC. 11, T16S, R36E
 DISTRICT MIDLAND FIELD WILDCAT PROSPECT S.E. LOVINGTON
 OBJECTIVE @ 10,500-11,500 FT. T.D. 12,000'
 WILDCAT X DEV

TANGIBLE WELL COST

	CODE		ESTIMATE COST	
	DH	COMP	Dry Hole	Completion
Conductor & Drive Pipe	100			
Casing:				
Surface <u>400</u> FT. <u>13-3/8'@\$11.60</u> FT. <u>48# H-40</u>	110		4,700	
FT. " @ \$ FT.	120			
Inter. <u>2,000</u> FT. <u>8-5/8'@\$ 6.50</u> FT. <u>24# K-55</u>	130		13,000	
<u>2,600</u> FT. <u>8-5/8'@\$ 8.00</u> FT. <u>32# K-55</u>	140	181	21,000	
Prod. <u>3,000</u> FT. <u>5-1/2'@\$ 5.60</u> FT. <u>20# N-80</u>		182		16,800
<u>9,000</u> FT. <u>5-1/2'@\$ 5.00</u> FT. <u>17# N-80</u>		183		45,000
Tubing <u>12,000</u> FT. <u>2-7/8'@\$ 3.00</u> FT. <u>6.5# J-55</u>		184		36,000
Flowline		185		1,000
Wellhead Equipment		186	5,000	15,000
Pumping Equipment		187		
Tanks & Accessories		188		10,000
Separator _____ Dehydrator _____ Meters _____		189		2,000
Heater _____ Treater _____		190		5,000
Miscellaneous	160	191	5,000	10,000
TOTAL TANGIBLES	189,500		48,700	140,800

INTANGIBLE WELL COST

Contract MI, RU, MO, RIG	200			
Drilling <u>12,000</u> Feet @ \$ <u>11.55</u> FT.	210		138,600	
Daywork <u>6</u> Days @ \$ <u>3,950</u> DAY	220		23,700	
Compl. Rig <u>10</u> Days @ \$ <u>1,200</u> DAY	230	700		12,000
Survey, Roads, Location, Restoration, Damages	240	701	25,000	
Barge & Boat Expense	250	702		
Drilling Mud, Chemicals	260	703	15,000	
Fuel	270	704		
Water (Incl. Hauling)	280	705	12,000	3,000
Cement Services	290	706	15,000	10,000
Mud Logging	300		6,000	
Other Logging	310	707	15,000	
Drill Stem or Formation Tests	320		10,000	
Perforating	330	708		6,000
Acidizing _____ Fracture _____	340	709		10,000
Drill bits, reamers, stabilizers	350	710		
Misc. Valves & Fittings	360	711	1,000	5,000
Rental Drill Pipe and Tubing	370			
Rental Equipment & Tools	380	712	5,000	3,000
Trucking & Hauling	390	713	3,000	2,000
Testing Tubular Goods	400	714	1,000	5,000
Roustabout & Misc. Labor	410	715	2,000	2,000
Supervision (Contract and or Company)	420	716	8,000	3,000
Administrative Overhead	430	717	5,000	2,000
Miscellaneous	440	718	20,000	8,000
TOTAL INTANGIBLES	376,300		305,300	71,000
TOTAL WELL COST	565,800		354,000	211,800

APPROVED

[Signature]

COMPANY _____
 APPROVED _____
 TITLE _____
 DATE _____

NORTH AMERICAN ROYALTIES INC.
 APPROVED *[Signature]*
 Gordon L. Smith, III
 TITLE Division Engineering Manager
 DATE 7-3-86



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

June 25, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

Mr. J. Randy Turner
Stubbeman, McRae, Sealy,
Laughlin & Browder, Inc.
550 West Texas Avenue
P. O. Box 1540
Midland, Texas 79702

RE: CASE NO. 8844; ORDER NO. R-8192

Dear Mr. Turner:

Based upon the information contained in your letter of June 19, 1986, Manzano Oil Corporation is hereby granted an extension of time until August 1, 1986, in which to begin the well on the unit pooled by the subject order.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS
Director

RLS:dp

cc: Case File
Jerry Sexton

RECEIVED

JUN 2 1986

STUBBEMAN, McRAE, SEALY, LAUGHLIN & BROWDER, INC.

ATTORNEYS AT LAW

MIDLAND, TEXAS

SUITE 800

TWO FIRST CITY CENTER • 79701

550 WEST TEXAS AVENUE

P. O. BOX 1540 • 79702

915/682-1616

TELECOPIER 915/682-4884

OIL CONSERVATION DIVISION

AUSTIN, TEXAS

1800 AMERICAN BANK TOWER • 78701

221 WEST 6TH STREET

P. O. BOX 2286 • 78768

512/476-3502

TELECOPIER 512/476-5382

STUBBEMAN, McRAE, SEALY,
LAUGHLIN & BROWDER

HOUSTON, TEXAS

REPUBLICBANK CENTER • 77002

700 LOUISIANA, SUITE 1700

P. O. BOX 6149 • 77208

713/237-1100

TELECOPIER 713/237-1234

J. RANDY TURNER

June 19, 1986

The State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. R. L. Stamets, Director

Re: Case No. 8844; Order No. R-8192

Gentlemen:

Pursuant to the captioned Order Number entered in the captioned Case, Manzano Oil Corporation was designated as the Operator to drill a well situated in the NW/4 SE/4 of Section 11, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and all mineral interests under said lands were pooled under the New Mexico compulsory pooling provisions. The Order provides that Manzano is to commence the drilling of said well on or before July 1, 1986.

There are several tracts with diverse mineral and oil and gas leasehold ownership which comprise the S/2 of said Section 11 and the title thereto is extremely complex. Manzano therefore requests an extension of time, until August 1, 1986, in which to commence the drilling of said well.

Please advise me as soon as possible as to whether or not you will approve this request.

Very truly yours,

STUBBEMAN, McRAE, SEALY,
LAUGHLIN & BROWDER, INC.

By

J. Randy Turner
J. Randy Turner

JRT:ps

RECEIVED
JUN 21 1986
OIL CONSERVATION DIVISION
SANTA FE

