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**NOTE 2562: Application of REFERS &
HEAD for a force pooling order,
San Juan County, New Mexico.**

THE CITIZENS BANK

FARMINGTON, N. M.,

MAIN OFFICE CCO

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DEAR SIR:

Moved from town, address unknown.

BE LAND OFFICE-ALBANY, N.Y.

No. 16-62

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner.

CASE 2537: (Reopened)

Application of J. C. Williamson for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Westates-Federal Well No. 8 located in Unit E of Section 1, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the North Justis-McKee Pool and an undesignated Montoya pool with the production of oil from both zones to be through parallel strings of tubing.

CASE 2564:

Application of Tidewater Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its A. B. Coates "C" Well No. 18, located in Unit I, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis-Blinebry, Justis Tubb-Drinkard and Justis Ellenburger Pools through parallel strings of 2 3/8-inch tubing.

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Application of J. Glenn Turner for a dual completion and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion (conventional) of his Nye Well No. 9-1 at an unorthodox location 1810 feet from the North line and 900 feet from the West line of Section 9, Township 29 North, Range 10 West, San Juan County, New Mexico, in such a manner as to produce gas from the Blanco Mesaverde Gas Pool and the Basin Dakota Gas pool through parallel strings of 1 1/2-inch and 2 1/16-inch tubing.

CASE 2566:

Application of Newmont Oil Company for an amendment to Orders No. R-1110, R-1110-A and R-111-B, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Orders No. R-1110, R-1110-A and R-1110-B to define the proper limits of its Square Lake Pool Waterflood Project, Eddy County, New Mexico, to establish rules for expansion of the flood within the defined area, and to provide for capacity allowables for said area.

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CASE 2569:

Application of Texaco Inc., for a quintuple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the quintuple completion (tubingless) of its G. L. Erwin "B" NCT-2 Well No. 3, located in Unit I, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Waddell, McKee, Fusselman, Devonian, and Drinkard zones, North Justis Field, through parallel strings of 2 7/8 and 2 3/8 inch casing cemented in a common well bore.

16-62

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Docket No. 16-62

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2568
Order No. R-2258

APPLICATION OF REDFERN & HERD, INC.
FOR A FORCE-POOLING ORDER, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 23, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of June, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Redfern & Herd, Inc., seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 15, Township 29 North, Range 13 West, NMPN, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.
- (4) That the applicant has made fair and reasonable offers to lease or to communitize with respect to each non-consenting interest owner whose identity and address is known.
- (5) That although the applicant has made fair and reasonable offers and has been diligent in its efforts to form the proposed proration unit, there remain non-consenting interest owners in the subject proration unit who have not agreed to the pooling of their interests.

(6) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) That the applicant proposes to dedicate the subject proration unit to its Farmington Unit B Well No. 1, located in the SE/4 NE/4 of said Section 15.

(8) That the applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the costs of said well has been recovered, plus 50 percent thereof as a charge for the risk involved in the drilling of the well.

(9) That \$75.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(10) That the applicant should furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date the subject well is completed.

(11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished him by the applicant in lieu of paying his share of costs out of production.

(12) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the date said schedule is furnished him should have his share of the well costs withheld from production plus 25 percent thereof as a reasonable charge for the risk involved in drilling the well.

(13) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership.

(14) That Radfern & Herd, Inc. should be designated the operator of said unit.

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CASE No. 2568
Order No. R-2258

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool in the E/2 of Section 15, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to the Farmington Unit B Well No. 1, located in the SE/4 NE/4 of said Section 15.

(2) That Redfern & Herd, Inc. is hereby designated the operator of said unit.

(3) That Redfern & Herd, Inc. is hereby authorized to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of well costs has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(4) That \$75.00 per month is fixed as the cost of operating the subject well, and Redfern & Herd, Inc. is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

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

(6) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(7) That the applicant shall furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date the subject well is completed.

(8) That any non-consenting working interest owner shall have the right to pay his share of well costs to Redfern & Herd, Inc. within 30 days from the date the schedule of well costs is furnished him by Redfern & Herd, Inc., in lieu of paying his share of well costs out of production. In the event any such owner elects to pay his share of well costs as provided for in this paragraph, he shall remain liable for operating costs but shall not be liable for risk charges.

(9) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow

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CASE No. 2568

Order No. R-2258

in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The Commission shall be notified as to the name and address of said escrow agent.

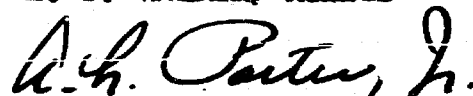
(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHAM, Chairman


E. S. WALKER, Member
A. L. PORTER, JR., Member & Secretary

esr/

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY-DIRECTOR

P. O. BOX 871
SANTA FE

June 7, 1962

Mr. Howard Bratton
Harvey, Dow & Hinkle
Attorneys at Law
Box 10
Roswell, New Mexico

Re: Case No. 2568
Order No. R-2258
Applicant:
Bedford & Hard, Inc.

Dear Sir:

Enclosed herewith are ^{one copy} ~~two copies~~ of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC X

OTHER Mr. Johnston Jeffries

Attorney at Law, Walters Bldg. Aztec, N. Mex.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

APPLICATION OF REDFERN & HERD, INC. FOR
AN ORDER POOLING A 320-ACRE GAS PRORATION
UNIT IN THE BASIN-DAKOTA GAS POOL, THE E $\frac{1}{2}$
OF SECTION 15, TOWNSHIP 29 NORTH, RANGE
13 WEST, N.M.P.M., SAN JUAN COUNTY, NEW
MEXICO.

Case No. 2568

APPLICATION

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

COMES NOW Redfern & Herd, Inc. and applies to the Commission
for an Order pooling all mineral interests in the Basin-Dakota Gas
Pool in the E $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West,
N.M.P.M., San Juan County, New Mexico, to form a 320-acre gas pro-
ration unit to be dedicated to a well to be drilled by Redfern &
Herd, Inc. in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range
13 West, N.M.P.M.

In support thereof, Applicant states:

1. That he has made diligent effort to identify and to locate
all owners of interest in the proposed proration unit.
2. That he has made fair and reasonable offers to each non-
consenting interest owner whose identity and address is known.
3. That, although he has made fair and reasonable offers and
has been diligent in his efforts to form the proposed proration unit,
there are non-consenting interest owners in the subject proration
unit who have not agreed to the pooling of their interests. A list
of the names and addresses, to the best of Applicant's knowledge and
belief, of such non-consenting interest owners is attached to this
application as Exhibit "A".

4. That, to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in the proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, all interests in the proration unit should be pooled.

WHEREFORE, Applicant requests:

1. This application be set for hearing before an Examiner at the earliest possible date.

2. That upon hearing, the Commission enter its order pooling all interests in the Basin-Dakota Pool in the E $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, to form a 320-acre gas proration unit to be dedicated to a well to be drilled by Redfern & Herd, Inc. in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.

3. That Redfern & Herd, Inc. be designated the operator of the said unit.

4. That Redfern & Herd, Inc. be authorized to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of costs have been recovered, plus 50% thereof as a charge for the risk involved in the drilling of the well.

5. That the Commission determine the cost of operating the subject well and that Redfern & Herd, Inc. be authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

6. For such other and further order of the Commission as is necessary to pool all interests in the Basin-Dakota Gas Pool in the E $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

Respectfully submitted,

Redfern & Herd, Inc.

By Howard C. Bratton (at law)

HERVEY, DOW & HINKLE

P. O. Box 10

Roswell, New Mexico

Attorneys for Applicant

EXHIBIT "A"

Names and Addresses
of
Non-Consenting Interest Owners

Alex Ferendelli
Sav-Mor Store, East Main Ave.
Farmington, New Mexico

C. M. Hallet
510 North Wall
Farmington, New Mexico

Anna Perez
429 East Broadway
Farmington, New Mexico

W. H. Brewer
216 East 5th Street
Muleshoe, Texas

Charles Phillips
1615 West Apache
Farmington, New Mexico

Hugh Trainer Estate
1000 North Vine
Farmington, New Mexico

Fern Knight Lane
P. O. Box 262
Cortez, Colorado

J. H. Smith
611 East Animas
Farmington, New Mexico

Mesa Construction Company
3812 - 40th Street
Lubbock, Texas

Dorothy George
603 North Wall
Farmington, New Mexico

Guy Bell
306 South Ivie
Farmington, New Mexico

R. P. McGee
Miracle Valley
Hereford, Arizona

Calvary Baptist Church
800 McCormick School Road
Farmington, New Mexico

Latter Day Saints Church
Salt Lake City, Utah

Wm. M. Niday
686 Estudillo Street
San Jacinto, California

Otho M. Donalson, Jr.
El Paso Camp
Bloomfield, New Mexico

Clarence E. Hodgson
1018 East Bloomfield Road
Farmington, New Mexico

Daie Hodgson
1018 Bloomfield Road
Farmington, New Mexico

Don Hodgson
1018 Bloomfield Road
Farmington, New Mexico

Glen Tyler
1018 Bloomfield Road
Farmington, New Mexico

J. L. Foutz
706 North Dustin
Farmington, New Mexico

Walter Johnson, c/o Carrol Fisk
900 East Main
Farmington, New Mexico

Century Drilling Company
1204 East Broadway
Farmington, New Mexico

Town of Farmington
Farmington, New Mexico

Handwritten:
Held to
Mailed
5/10/62

Page 2 of Exhibit "A"

Flossie Alsop
P. O. Box 105
Central Valley, California

Thelma D. Gullledge
P. O. Box 643
Central Valley, California

Bessie Farthing
715 El Centro Road
El Sabrante, California

William W. Dickey
2904 Indiana Avenue
South Gate, California

Ida Schmerbauch
4841 South Central Avenue
Phoenix 40, Arizona

Lorean Jeffers
2347 West Tonto Street
Phoenix 9, Arizona

Ruby Lee Metherd
620 Main Street
Red Bluff, California

Bonnie Miner
1101 West Apache
Farmington, New Mexico

R. J. Carter
312 East Hopi
Farmington, New Mexico

John W. Watson and wife, Ella T. Watson
920 Carlisle Boulevard S.E.
Albuquerque, New Mexico

Ted E. Brock and wife, Bessie C. Brock
3601 Coronado Avenue
Farmington, New Mexico

David W. Watson
901 North Butler
Farmington, New Mexico

Gus Anison
316 North Butler
Farmington, New Mexico

John Dent Lamar, c/o John W. Watson
920 Carlisle Boulevard S.E.
Albuquerque, New Mexico

Riverside Corporation

H. J. Cozzins

Texaco Inc.
101 South Behrend
Farmington, New Mexico

Handwritten:
Ks
3/10/62
[Signature]

Continuation of Exhibit A
to Application on E $\frac{1}{2}$ Sec-
tion 15, 29N-13W.

Names and Addresses
of
Non-Consenting Interest Owners

Maclavio Lobato
c/o J. E. Lobato
Bloomfield Highway
Farmington, New Mexico

Grace B. Trainer
1000 North Vine Avenue
Farmington, New Mexico

Board of Education of the
Town of Farmington, New Mexico
Farmington, New Mexico

John D. Bell
c/o Guy Bell, Sr.
306 South Ivie
Farmington, New Mexico

Robert E. Dwyer
c/o J. Vernon Bloomfield
209 North Auburn Avenue
Farmington, New Mexico

J. Vernon Bloomfield
209 North Auburn Avenue
Farmington, New Mexico

Merl A. Triplett
c/o Citizens Bank
Farmington, New Mexico

Elva Triplett
c/o Citizens Bank
Farmington, New Mexico

Handwritten:
Archives
mailed 5/10/62
gi

WALTERS BUILDING

PHONE FE 4-6431

MAIN OFFICE 000
1962 MAY 21 AM 9:14

JOHNSTON JEFFRIES

ATTORNEY AT LAW
AZTEC, NEW MEXICO
May 17, 1962

*Carl
2568*

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

ATTENTION: Mr. Elvis Utz or Mr. Daniel Nutter

Dear Sir:

I represent Bonnie Miner, administratrix of the J. W. Dickey estate. She has shown me the notice of hearing for an unorthodox location of a well on a unit which apparently includes some five or six acres owned by the Dickey estate. I am assuming that the company that wants to do the drilling wants to include this land in a drilling location and am further assuming that they are of the opinion that the owners of this small tract are refusing to lease to the company. Granting such application might (if it contemplates what is feared) adversely affect our land by drainage without my clients' sharing in royalty from production.

I may be wrong in the above assumption and if so, please so inform me. But, if I am correct, I should like to inform you that the heirs of this estate are willing to lease to the firm of Redfern & Herd as soon as this firm presents leases to them; but, because there are several of these heirs scattered all over the country, it may quite naturally take some period of time to obtain the leases.

I am sending a copy of this letter to Redfern & Herd trusting that an arrangement can be worked out whereby my clients can enter into lease arrangements with the interested parties.

Yours very truly,


Johnston Jeffries

JJ:ps

cc: Redfern & Herd, Inc.
P. O. Box 1747
Midland, Texas

Bonnie Miner

No. 16-62

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Application of Redfern & Herd, Inc., for a force-pooling order, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool underlying the E/2 Section 15, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to a well to be drilled in the SE/4 NE/4 of said Section 15.

CASE 2569:

Application of Texaco Inc., for a quintuple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the quintuple completion (tubingless) of its G. L. Erwin "B" NCT-2 Well No. 3, located in Unit 1, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Waddell, McKee, Fusselman, Devonian, and Drinkard zones, North Justis Field, through parallel strings of 2 7/8 and 2 3/8 inch casing cemented in a common well bore.

iqg/

16-62

**SUPPLEMENTAL DOCKET: EXAMINER HEARING - WEDNESDAY MAY 23, 1962
9 A.M. CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, N. M.**

The following case will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter Alternate Examiner.

CASE 2570:

Application of Cities Service Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State "AD" Well No. 2, located 3300 feet from the North line and 660 feet from the East line of Section 22, Township 10 South, Range 32 East, Lea County, New Mexico, as an oil-oil dual completion in the San Andres and Pennsylvanian formations in the Mescalero field with the production of oil to be through strings of 2-inch and 1½ or 1¼-inch tubing utilizing a crossover assembly.

J. M. HERVEY 1874-1953
HIRAM W. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROS WELL, NEW MEXICO
1962 MAY 7 AM 10:30
May 4, 1962

Case 2568
TELEPHONE MAIN 2-6510
POST OFFICE BOX 10

SPECIAL DELIVERY

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Application of Redfern & Herd, Inc. for
an Order Pooling a 320-acre Gas Proration
Unit in the Basin-Dakota Gas Pool, the E $\frac{1}{2}$
of Section 15, Township 29 North, Range
13 West, N.M.P.M., San Juan County, New
Mexico.

Attention: Mr. Dan Nutter

Gentlemen:

Pursuant to my telephone conversation with Mr. Nutter of this
A.M., I am enclosing a copy of the Application in connection with the
captioned matter, and also a copy of the Application for pooling of
the S $\frac{1}{2}$ of Section 11. These are forwarded in the event you still
have not received the original which was mailed out of this office on
May 1.

In connection with the Application on the E $\frac{1}{2}$ of Section 15, we
are enclosing a rider containing names of additional non-consenting
parties, which should be attached to the Application.

Yours very truly,

HERVEY, DOW & HINKLE

By 

LCC/ea
Enclosures

*Letter
mailed
5/10/62
JR*

List of Owners
E $\frac{1}{2}$ Section 15, Township
29 North, Range 13 West

41 tracts not
leased?

> Tract A-1:

A tract of land beginning at a point where the West line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., intersects the North line of public highway at or near the Southwest corner thereof; thence East 12 rods; thence North 33-1/3 rods; thence West 12 rods; thence South 33-1/3 rods to the point of beginning; LESS AND EXCEPT Tracts A-2, A-3 and A-4 (hereinafter described) and LESS AND EXCEPT Lots 1, 2 and 3 of Block 5 and the West 31.6 feet of Lots 3 and 4, Block 2 of the Peninsula Apartments Subdivision.

Owners: Clarence E. Hodgson and his wife, May Hodgson, as Joint Tenants.

> Tract A-2:

That part of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., described as follows:

Beginning at a point 310 feet North of the Southwest corner of the SE $\frac{1}{4}$ of said Section 15, which point is 260 feet North of where the North line of State Highway No. 17 intersects the West line of said SE $\frac{1}{4}$; thence North 70 feet; thence East 120 feet; thence South 70 feet; thence West 120 feet to the point of beginning.

Owner: Dale Hodgson

> Tract A-3:

That part of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., described as follows:

Beginning at a point 240 feet North of the Southwest corner of the SE $\frac{1}{4}$ of said Section 15, which point is 190 feet North of where the North line of State Highway No. 17 intersects the West line of said SE $\frac{1}{4}$; thence North 70 feet; thence East 120 feet; thence South 70 feet; thence West 120 feet to the point of beginning.

Owners: Glenn Tyler and his wife, Evelyn Tyler, as Joint Tenants.

> Tract A-4:

That part of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., described as follows:

Beginning at a point 155 feet North of the Southwest corner of the SE $\frac{1}{4}$ of said Section 15, which point is 105 feet North of where the North line of State Highway No. 17 intersects the West line of said SE $\frac{1}{4}$; thence North 85 feet; thence East 120 feet; thence South 37.1 feet; thence South 49° West 73 feet; thence West 64.9 feet, more or less, to the point of beginning.

Owner: Don Hodgson

TEXAS
Tract A-7:

A tract of land beginning at a point North 0° 28' West 961.7 feet from the Southwest corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 0° 28' West 880.8 feet; thence South 66° 19' East 566.3 feet; thence South 0° 42' West 656.3 feet; thence West 503.5 feet to the point of beginning, containing 9 acres, more or less.

Owner: Board of Education, School District No. 5

Peninsula Apartments Subdivision:

Block 1: Lot 1 - Oliver W. Harris
Lots 2 to 6 - Oliver W. Harris

Block 2: > Lot 1 - Otho M. Donalson, Jr.
> Lot 2 - William H. Nygren, Jr. and his wife, Joye Nygren, as Joint Tenants.
West 31.6 feet of Lots 3 and 4 - Clarence E. Hodgson and his wife, May Hodgson, as Joint Tenants.
Balance of Lots 3 and 4, and Lot 5 - William H. Nygren and his wife, Joye Nygren, as Joint Tenants.
Lot 6 - Maclavio Lobato, et ux, as Joint Tenants.

Block 3: > Lots 1 and 2 - Otho M. Donalson, Jr. et ux, as Joint Tenants.
> Lot 3 - W. M. Niday
Lots 4 to 9, inclusive - William H. Nygren, Jr. et ux, as Joint Tenants.
Lots 10 to 12, inclusive, - Ben Gamblin, et ux, as Joint Tenants.

Block 5: > Lot 1 - Clarence E. Hodgson, et ux
> Lot 2 - Glenn Tyler, et ux
> Lot 3 - Dale Hodgson

Block 4: Lots 1 to 6, inclusive - R. F. Haynsworth, et al

Pengilley Subdivision:

> Lot 1: Joseph Foutz, et ux
Lot 2: Edward Pengilley and his wife, Teleta Pengilley

Lots 3 and 4: Paul E. Wilson, et ux
→ Lots 5 and 6: The Latter Day Saints Church
Lot 7: Bertha Curry
→ Lots 8, 9, 10, 11 and 12, and the South
31 feet of Lot 13: Calvary Baptist Church
The North 38 feet of Lot 13,
and Lot 14: Cecil L. Daniel, et ux
Lot 15: W. L. McGee
Lots 16 to 20, inclusive: Robert L. Ledbetter, et ux
Lot 21: William L. McGee

→ Tract B-1:

Beginning at a point which is 140.4 feet East of the North Quarter corner of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence South 45° East 124 feet to the North line of the public road; thence along the North line of the public road South 45° 30' West 131.4 feet; thence along the North line of said road South 45° West 200 feet; thence North 45° 45' West 443 feet; thence North 52° 50' East 337 feet; thence South 45° East 370.3 feet to the point of beginning.

Owners: John W. Watson, et ux, - 1/2
John Dent Lamar - - 1/2

→ Tract B-1A:

A tract of land beginning at a point on the North boundary line of Section 15, Township 29 North, Range 13 West, N.M.P.M., that is 140.4 feet East of the North Quarter corner of said Section 15; thence running South 45° East 126 feet to the Northerly boundary line of the public road running from the Town of Farmington (the Farmington-Aztec Highway); thence running North 49° 30' East along the said boundary line of said road 24 feet; thence running North 45° West 494.3 feet to the North Farmington Irrigation Ditch; thence running South 52° 50' West along the said Ditch 362 feet; thence running South 45° 45' East 90 feet; thence running North 52° 50' East 337 feet; thence running South 45° East 280 feet, more or less, to the point of beginning.

Owner: The Town of Farmington.

Century 21
Tract B-1B: Owner: Riverside Corporation

Tract B-1C: Owner: Riverside Corporation

→ Tract B-2:

That part of the W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, described as follows:

Beginning at a point on the West line of the said W $\frac{1}{2}$ NW $\frac{1}{2}$ NE $\frac{1}{2}$ which is 392 feet South of the Northwest corner thereof, thence South 98 feet to the North line of the Wright-Leggett Ditch; thence North 65° East 93 feet along the North line of said Ditch; thence North 3° West 118 feet; thence South 45° West 110 feet to the point of beginning.

Owner: Gus Anison

Tract B-3:

A tract beginning at a point which is 110 feet North 45° East of a point which is 392 feet South of the Northwest corner of the NE $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., for the point of beginning; thence North 45° East 90 feet; thence South 2° 45' East 170 feet to the North side of the Wright-Leggett Ditch; thence South 65° West along said Ditch 72 feet; thence North 3° West 118 feet, more or less, to the point of beginning; together with a tract beginning at a point in the Southerly right-of-way line of U. S. Highway No. 550, which point is North 50° 05' East 186.5 feet from a point South 396.43 feet of the Northwest corner of the NE $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West; thence South 2° 45' East 130 feet; thence North 57° 21' East 40 feet; thence North 20° 15' West 115.5 feet to the point of beginning.

Owners: Earl O. Daugherty and his wife, May L. Daugherty

Tract B-4:

A tract beginning at a point which is South 396.4 feet and thence North 50° 05' East 186.5 feet from the Northwest corner of the NE $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence South 20° 15' East 115.5 feet; thence North 57° 21' East 130 feet; thence North 39° 55' West 125 feet; thence South 50° 05' West along the Southerly boundary of public highway No. 550, 90 feet to the point of beginning.

Owner: Hannes H. Parnegg

Tract B-5:

Beginning at a point on the Southerly line of Highway No. 550 and the Town of Farmington, New Mexico, which is 396.4 feet South; thence North 50° 05' East 276.5 feet from the Northwest corner of the NE $\frac{1}{2}$ of Section 15, Township 29 North, Range 13 West; thence North 50° 05' East 55.95 feet; thence South 39° 55' East 130 feet, more or less, to the North bank of the Wright-Leggett Irrigation Ditch; thence Southwesterly along the North bank of said Ditch 56 feet, more or less, to a point which is South 39° 55' East from the point of beginning; thence North 39° 55' West to the point of beginning.

Owner: J. Wilbur Jones and David Specter

Tract B-6:

Beginning at a point on the Southerly line of Highway No. 550 which is South 396.4 feet and North 50° 05' East 332.45 feet from the Northwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence along the Southerly line of said highway North 50° 05' East 52.65 feet; thence still along the Southerly line of said highway Northeasterly on the arc of a 5,689.6 feet radius curve to the right 51.4 feet; thence South 37° 45' East 119.5 feet; thence South 50° 05' West 44.9 feet; thence South 39° 55' East 10 feet; thence South 50° 05' West 54 feet; thence North 39° 55' West 130 feet to the point of beginning.

Owner: Carl J. Eaton

Tract B-8:

From a point on the Southeasterly line of Highway 550 where the North line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., intersects said line of said highway, said point being 835 feet, more or less, West of the Northeast corner of said subdivision; thence Southwesterly along said line of said highway 125 feet to the point of beginning to the lands herein described; thence Southwesterly along said line of said highway 50 feet; thence Southeasterly at a 90° angle along the driveway 100 feet; thence Northeasterly parallel with the first course 50 feet; thence Northwesterly parallel with the second course herein 100 feet to the point of beginning; together with a tract beginning at a point which is South 89° 54' West 333 feet and South 104 feet from the Northeast corner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 50° 30' East 15 feet; thence South 37° 45' East 100 feet; thence South 50° 30' West 15 feet; thence North 37° 45' West 100 feet to the point and place of beginning.

Owner: Alex Ferrendelli, et ux

Tract B-7:

That part of Sections 14 and 15, Township 29 North, Range 13 West, N.M.P.M., described as follows:

That part of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 15, described as follows: Beginning at a point on the Southeasterly line of the right-of-way of Highway No. 550, which point is 254 feet Southwesterly from the point of intersection of the Southeasterly line of said highway with the East line of the W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 10; thence South 36° East 100 feet along the Southwesterly line of property described in deed recorded in Book 129, page 158, of San Juan County Records; thence South 51° West 100 feet, more or less, to the Southeast corner of Assembly of God Church

lands described in deed recorded in Book 147, page 84 of the San Juan County Records; thence Northwesterly along the Northeasterly line of said church land 100 feet to the Southeasterly line of said highway right-of-way; thence Northeasterly 100 feet, more or less, to the point of beginning.

Owner: Richard M. Mumma

→ Tract B-9:

Beginning at a point 101 feet West and 66 feet South of the Northeast corner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence Northwesterly 160 feet along the Southwesterly line of the property described in Warranty Deed recorded in Book 129, page 115, San Juan County, New Mexico, Records, to a point on the Southeasterly line of Federal Highway No. 550, which is 204 feet Southwesterly from the East line of the W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, Township 29 North, Range 13 West; thence Southwesterly along the Southwesterly line of said highway 50 feet; thence Southeasterly parallel to the first described course 155 feet; thence Easterly 50 feet, more or less, to the point of beginning; and
a tract beginning at a point that is 66 feet South and 46 feet West of the Northeast corner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence Northwesterly along the Southwesterly line of the lands described in a deed recorded in Book 116, page 532 of the San Juan County, New Mexico, Records, 170 feet to the Southeasterly line of Federal Highway 550; thence Southwesterly along the line of said highway 70 feet; thence Southeasterly 160 feet to a point that is 55 feet West of the point of beginning; thence East to the point of beginning, and being a part of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15 and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, Township 29 North, Range 13 West, N.M.P.M.

Owner: Bessie C. Brock

→ Tract B-10:

Beginning at a point on the East line of the W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, Township 29 North, Range 13 West, where said line intersects the Southeasterly line of Federal Highway 550; thence South 150 feet to the Southeast corner of said subdivision; thence continuing South along the East line of the W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, 66 feet; thence West 46 feet; thence Northwesterly 172 feet to a point on the Southeasterly line of said highway 134 feet Southwesterly from the point of beginning; thence Northwesterly along said highway 134 feet to the point of beginning.

Owner: David W. Watson

Tract B-11:

A tract of land beginning at a point in the South bank of the Wright-Leggett Ditch on the West line of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, which point of beginning is North 0° 4' West 803.6 feet from the Southwest corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 15; thence South 0° 4' East 130 feet; thence North 61° 19' East 524 feet; thence North 0° 4' West 125 feet to the South bank of said Wright-Leggett Ditch; thence along the said South bank of said Ditch South 84° West 126.3 feet; thence South 48° 27' West 246.6 feet; thence South 65° West 165 feet to the point of beginning, containing 1.499 acres, more or less.

Owner: C. M. Hallett, et ux

Tract B-12:

A tract of land beginning 422 feet North of the Southwest corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 61° East 524 feet; thence North 250 feet; thence South 61° 19' West 524 feet, more or less to West line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15; thence South along said line 250 feet to the point of beginning.

Owner: J. H. Hicks, 1/2; and W. L. Copeland, 1/2.

Tract B-13:

Beginning at the Southwest corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North along the West line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 422 feet; thence North 61° East 524 feet; thence South 480 feet, more or less, to the Northerly right-of-way line of the Denver & Rio Grande Railway; thence Southwesterly along the Denver & Rio Grande Railway right-of-way 406.5 feet to the intersection of said right-of-way line with the South line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 15; thence West 103 feet, more or less, to the point of beginning;

Owner: Continental Oil Company

Tract B-14:

Beginning South 36° East 125 feet from a point on the Southeast right-of-way line of U. S. Highway 550, which point is 254 feet Southwesterly from point of intersection of the Southeast line of said highway with the East line of W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10; thence South 51° West 150 feet; thence South 36° East 106 feet to the Wright-Leggett Ditch; thence South 87° 10' East 800 feet along said ditch to the East line of NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15; thence North 277 feet, more or less, to the Northeast corner of said last described subdivision; thence

West 660 feet to the Northeast corner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$; thence South 66 feet; thence West 101 feet; thence Southwesterly 50 feet to a point which is 30 feet Southeasterly from point of beginning; thence Northwesterly 30 feet to the point of beginning.

Owners: Sam Hines' heirs, 1/2; and Reid Coppinger, and his wife, Ruth M. Coppinger, 1/2.

Tract B-14A:

Beginning at a point which is North 35° East 660 feet from the Southwest corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence South 87° East 511 feet; thence South 88° 30' East 55 feet; thence South 74° 30' East 214 feet; thence North 64° 30' East 160 feet; thence due North 380 feet; thence North 87° 10' West 800 feet; thence North 36° West 106 feet; thence North 66° West 109 feet; thence South 38° West 70 feet; thence South 8° 30' West 20 feet; thence South 87° East 90 feet; thence due South 465 feet to the place of beginning.

Owners: Sam Hines' heirs, 1/2; and Reid Coppinger, and his wife, Ruth M. Coppinger, 1/2.

Tract B-15:

Beginning at a point which is 103 feet East thence North 62° 42' East 406.5 feet from the Southwest corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 64° 30' East 855 feet; thence North 74° 30' West 214 feet; thence South 88° West 55 feet; thence South 87° West 511 feet; thence South 400 feet to the point of beginning.

Owners: Paul Williams, 1/2; and Della Hines, 1/2.

Tract C-1:

A tract of land beginning at a point which is North 0° 61' East 623.5 feet and North 89° 57' East 660 feet from the Southwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 0° 1' East 40 feet; thence North 89° 57' East 250 feet; thence North 0° 9' East 300 feet; thence South 89° 57' West 300 feet; thence North 0° 9' East 296.7 feet; thence North 46° 42' East 39.5 feet; thence North 50° 10' West 86 feet to the Southerly right-of-way line of the D.R.G. & W. Railroad; thence North 62° East 540 feet; thence South 0° 9' West 975 feet, more or less, to the center line of the Animas River; thence Southwesterly 320 feet, more or less; thence South 89° 57' West 442 feet, more or less, to the point of beginning, EXCEPT Tract C-3 described below, containing 13.7 acres, more or less.

Owner: B & C Development Corporation

Tract C-2:

A tract of land beginning at a point on the South right-of-way line of the Denver & Rio Grande Western Railroad, said point being North 0° 1' East 1492.79 feet and North 89° 57' East 660 feet from the Southwest corner of the NE¼ of Section 15, Township 29 North, Range 13 West; thence North 62° East 250 feet along the South right-of-way line of said railroad; thence South 50° 10' East 86 feet; thence South 46° 42' West 395 feet; thence North 0° 09' East 205 feet to the point of beginning.

Owner: Scott R. Brown, whose wife is Kathlene L. Brown

Tract C-3:

That part of the NW¼NE¼ of Section 15, Township 29 North, Range 13 West, described as follows: Beginning at a point 1479.64 feet North 27° 34' East from the center of said Section 15; thence South 36° 27' East 161.19 feet to a point on the North right-of-way line of Scott Avenue; thence North 53° 33' East 150 feet along said right-of-way line; thence North 36° 27' West 179.21 feet; thence South 45° 42' West 151.08 feet to the point of beginning.

Owners: Joy W. Noel and his wife, Anna Noel, as Joint Tenants.

Tract C-4:

A tract of land beginning at a point which is 663.5 feet North and 369.5 feet East of the center of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence East 240.5 feet; thence North 801.8 feet; thence South 61° 39' West 273.66 feet; thence South 671.9 feet to the point of beginning.

Owner: Agnes Foutz, as her separate property

Tract C-5:

A tract of land beginning at a point which is 643.5 feet North of the Southwest corner of the SW¼NE¼ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence East 369.5 feet; thence North 689 feet, more or less, to the South line of the Denver & Rio Grande Railroad right-of-way; thence Southwesterly along the South and East line of said right-of-way 418.5 feet, more or less, to a point due North of the point of beginning; thence South 486.5 feet, more or less, to the point of beginning.

Owner: Great Western Drilling Company

Tract C-6:

A tract of land beginning at a point which is 610 feet East and 663.5 feet North of the center of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 300 feet; thence East 300 feet; thence South 300 feet; thence West 300 feet to the point of beginning, being in and a part of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 15.

Owner: Beacon Supply Company

Tract C-7:

A tract beginning at a point 643.5 feet North of the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence East 120 feet; thence South 245 feet; thence West 120 feet; thence North 245 feet, to the point of beginning.

Owner: William H. Nygren, Jr., et ux

Tract C-8:

A tract of land beginning at a point 643.5 feet North and 120 feet East of the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence South 170 feet; thence East 100 feet; thence North 170 feet; thence West 100 feet, to the point of beginning.

Owners: H. M. Taylor, 1/2; and C. M. Taylor, 1/2.

Tract C-9:

Beginning at a point which is 643.5 feet North and 220 feet East of the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence East 200 feet; thence South 170 feet; thence West 200 feet; thence North 170 feet to the point of beginning.

Owners: William H. Nygren, Jr., et ux Natealeen Nygren

Tract C-10A:

Beginning at a point which is North 89° 57' East 20 feet from the Southwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 0° 01' East 123.5 feet; thence North 89° 57' East 100 feet; thence South 0° 01' West 123.5 feet; thence South 89° 57' East 100 feet to the point of beginning.

Owner: Guy A. Bell, Sr., whose wife is Ellen Bell

→ Tract C-10B:

Beginning at a point which is North 89° 57' East 120 feet from the Southwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 89° 57' East 50 feet; thence North 0° 01' East 123.5 feet; thence South 89° 57' West 50 feet; thence South 0° 01' West 123.5 feet, more or less, to the point of beginning.

Owner: John D. Bell, et ux

→ Tract C-10 C:

That part of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., beginning at a point which is North 89° 57' East 170 feet from the Southwest corner of the NE $\frac{1}{4}$ of Section 15; thence North 89° 57' East 250 feet to the West line of Waggoner Avenue; thence North 0° 01' East 123.5 feet; thence South 89° 57' West 250 feet; thence South 0° 01' West 123.5 feet, more or less, to the point of beginning.

Owner: Mesa Construction Company, Inc.

→ Tract C-11:

All that part of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., which lies North and West of the center of the Animas River.

Owner: Mesa Construction Company, Inc.

Tract C-12:

A tract in the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M., described as follows: Beginning South 89° 57' East 420 feet and North 0° 01' East 15 feet from the Southwest corner of said NE $\frac{1}{4}$; thence North 45° 22' East 151.3 feet; thence North 38° 50' East 135.4 feet to a point in the South right-of-way line of State Highway No. 17; thence North 38° 04' West 120.22 feet along the said right-of-way line; thence North 89° 57' West 78.34 feet to the East line of Waggoner Avenue; thence South 0° 01' West 40 feet; thence South 89° 57' East 60 feet; thence South 0° 01' West 150 feet; thence North 89° 57' West 100 feet; thence South 0° 01' West 118.5 feet to the point of beginning, containing .46 acres, more or less.

Owner: Ira B. Briner

→ Tract C-13:

Beginning at a point which is 283.5 feet North and 460 feet East of the Southwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 89° 57'

East 60 feet; thence South 0° 9' West 150 feet; thence South 89° 57' West 60 feet; thence North 0° 9' East 150 feet to the point of beginning.

Owners: Richard P. Magee and his wife, Gladys W. Magee

> Tract C-14:

A tract of land beginning at a point in the West side of Waggoner Avenue, which point is North 323.5 feet and East 460 feet from the Southwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 150 feet; thence East 120 feet; thence South 150 feet; thence West 120 feet to the point of beginning.

Owners: Richard P. Magee and his wife, Gladys W. Magee

> Tract C-15:

Beginning at a point which is 623.5 feet North and 460 feet East of the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence East 50 feet; thence South 150 feet; thence West 50 feet; thence North 150 feet to the point of beginning.

Owners: Robert E. Dwyer, 1/2; and J. Vernon Bloomfield, 1/2.

Tract C-16:

Beginning at a point which is 623.5 feet North and 510 feet East of the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 89° 57' East 165 feet; thence South 0° 09' West 300 feet; thence South 89° 57' West 95 feet; thence North 0° 09' East 150 feet; thence South 89° 57' West 70 feet; thence North 0° 09' East 150 feet to the point of beginning.

Owner: Desert Lands Company

> Tract C-17:

Beginning at a point which is 323.5 feet North and 675 feet East of the Southwest corner of the NE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, N.M.P.M.; thence North 0° 09' East 300 feet; thence North 89° 57' East 427 feet; thence in a Southwesterly direction to a point which is North 89° 57' East 287 feet from the point of beginning; thence South 89° 57' West 287 feet to the point of beginning.

Owner: Dorothy George

Triplett Subdivision:

Block 1: Lots 1 and 2: William H. Nygren, Jr., et ux

Lot 3: Anna Marie Perez

Lot 4: I. K. Westbrook (Real Estate Contract to R. L. Burnett)

Lot 5: Walter A. Saye, et ux (Real Estate Contract to W. H. Brewer)

Lot 6: Harold G. Vessels, et ux

Lot 7: Charles R. Phillips et ux, Clara M. Phillips

Block 2: Lots 1 and 2: Grace B. Trainer, a widow

Lot 3: R. J. Carter, et ux, Edith Carter

Lot 4 and W $\frac{1}{2}$ of Lot 5: Fern Knight Lane

E $\frac{1}{2}$ of Lot 5: Merl A. Triplett, et ux

Lot 6: John H. Smith

Lot 7: James H. Luther, et ux, Anna C. Luther

Lot 8: Melvin E. Smith (Real Estate Contract to J. H. Luther)

Dickey Heirs Tract

Beginning at a point in the north line of the Hydro Plant Road which point is 254.4 feet west and 15 feet north of the east quarter corner of Section 15, Township 29 North, Range 13 West. Thence north 20° 13 minutes west 285.8 feet to the south line of the Light Plant Ditch. Thence southwesterly along said south line of said ditch to the intersection of said line with the south line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15. Thence east to the east quarter corner of Section 15; thence north 15 feet; thence west 254.4 feet to the point of beginning, containing 3.44 acres, more or less.

Town of Farmington Tract

Part of the W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, containing 8.5 acres

Texaco Tract No. 1

SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 13 West, containing 10 acres

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 23, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Redfern & Hurd, Inc., for a force-pooling order, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to a well to be drilled in the SE/4 SE/4 of said Section 11.

CASE 2567

IN THE MATTER OF:

Application of Redfern & Hurd, Inc., for a force-pooling order, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool underlying the E/2 Section 15, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to a well to be drilled in the SE/4 NE/4 of said Section 15.

CASE 2568

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 2567.

MR. BRATTON: Howard Bratton on behalf of the applicant.

We have one witness and we can put on both 2567 and 2568 at the same time, if it would suit the Commission.

MR. UTZ: 2567 and 2568 will be consolidated for the purposes of testimony only.

(Witness sworn.)

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WILLIAM B. JOHNSTON

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, by whom you are employed and in what capacity?

A William B. Johnston, Redfern & Herd, Inc., as a landman.

Q Are you familiar with the applications in these two cases, Mr. Johnston?

A Yes.

Q Are you familiar with the matters leading up to it and the efforts of Redfern & Herd to obtain leases and/or communitization agreements in the areas?

A Yes.

Q Turning first to Case 2567, you seek an order force-pooling the mineral interests in the Basin-Dakota Gas Pool under the South Half of 11, 29 North, 13 West, is that correct?

A That's right.

Q And that's to be dedicated to a well to be drilled in the Southeast of the Southeast of 11?

A That's right.

Q That well has not been drilled as yet?

A No.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

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Q Mr. Johnston, will you refer to Exhibit No. 1, the big map on the board? Does that reflect the status of that tract insofar as Redfern & Herd's lease and the unleased acreage in it?

A Yes, I believe so. The colored acreage is the acreage in which we have leases or commitments from those having leases.

Q And the white acreage is the unleased acreage?

A That's right.

Q Is this located right in the south part of Farmington?

A In generally the southeast part of Farmington, the southeast edge of the town of Farmington.

Q As the map reflects, it's pretty severely chopped up by virtue of being subdivided for homes and shopping centers and other ownerships, is it?

A Right. This is the Aztec area, and, of course, you see the numerous small tracts on both sides of the area. Over here you get into the residential subdivision, which is extremely divided.

Q And the well itself would be located --

A Down in this portion here (indicating).

Q -- south and east of the highway, considerably?

A Yes.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

Q Mr. Johnston, referring to a tabulation that has been marked as Exhibit No. 2, does that reflect the same information as



is shown on the map as to the tracts which you have not been able to lease or obtain agreements to joint operate?

A That's right. We checked this list with red checks, I believe, showing the tracts that are uncolored on this map. Now there are one or two parties that are on the list which have agreed to, subsequent to the listing being prepared, have agreed to lease. In the last day or two, one or two have called me, but they're shown on there because we don't have a lease in hand.

Q But the red checked entries on the Exhibit No. 2 are the ones that you do not have leases from, or operating agreements?

A Right.

Q Mr. Johnston, what efforts have you made to obtain leases or operating agreements from these owners?

A Some two years ago we started leasing in this tract and we acquired leases on most of the relatively large tracts. We employed brokers, we employed an independent landman on the ground making personal contact with all of those that live on the ground or operate their businesses. During the last several months we have secured title information on many of these chopped-up, cut-up areas, and from that title information have written letters to all of those that have not been leased, some of which had been personally contacted, had not been leased from; and we followed up with those letters, we made identical offers to all unleased small tract owners and we followed up those letters with second letters indicating to those people that we reluctantly must file

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this force-pool application in order to get the unit put together and drill our well.

Q You did either examine the title or obtain take-offs as to the ownership of all of the tracts in this half section, is that correct?

A Yes. We either had abstracts on it or secured from an abstracter title information, and secured such additional information as was available from tax rolls and what-not on the leases.

Q In addition to the many personal contacts, do I understand you have written two letters to each one of these non-consenting owners?

A Essentially, that is correct. There are a few that probably have only received one letter due to recent title examination to where that the owner was just recently revealed.

Q In those letters, what did you offer each of these owners, Mr. Johnston?

A We made the blanket offer of \$60.00 per acre or the usual 1/8 royalty or no cash and a quarter royalty.

Q Is this consistent with the acreage that you have leased in this area?

A That is the highest price, to my knowledge, that we have paid in that area. Most of the acreage was acquired at a small amount less.

Q Is this acreage on the north edge of the Basin?

A Generally it's in the northwest area that produces from

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the Dakota, I believe.

Q You may have paid different prices in the heart of the Basin, but this is the price at which you have leased your other acreage in this edge of the Basin?

A Yes, at this price or less.

Q So you have contacted by mail or in person every known mineral interest owner in this section?

A Yes.

Q And you have, through title examinations and through searches of the County records, determined to your satisfaction the mineral owners in the area?

A Reasonably so, yes.

Q Do you have some that are in question?

A No, not specifically.

Q You are still offering and desirous of leasing this acreage rather than force-pooling, if anybody is willing to go ahead and lease at this time?

A Yes. I have had one or two calls since apparently the applications were mailed out to the parties, and I informed each of them that we would voluntarily, and prefer to voluntarily accept a lease on the same basis that we had leased from other people, and we will continue to do so up through the drilling of the well.

Q As a matter of fact, it would be much simpler if it were leased, would it not?

A We would prefer to have 100 percent participation,

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voluntarily.

Q Mr. Johnston, you have asked for a risk factor as to non-consenting working interest owners, is that correct?

A Yes.

Q Is that based on the location of the well with relation to the Basin?

A Yes. There are step-out wells.

Q As to this well, is there any offsetting production from the Dakota?

A Yes, there's a well in the East Half of 14 which I believe would be considered a direct offset to this well unit.

Q Is there any to the north?

A Not a direct offset.

Q Or to the west?

A No.

MR. BRATTON: If the Examiner please, frankly we do not have any expert evidence; we don't propose to put on expert evidence as to the geology, the risk. We would ask the Commission to take administrative notice of its recent hearings on the Basin-Dakota Pool and the fact that there are wells of different characteristics brought in in the Basin-Dakota Pool; some are dry holes and some are economic failures, and we ask the Commission to take administrative notice of that fact and judge this well on that basis.

Q (By Mr. Bratton) As to your operating costs, Mr.

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Johnston, what operating costs do you anticipate and request the Commission to establish in connection with this unit?

A We have included in proposed operating agreements on these units an administrative overhead of \$100.00 per well. I would estimate it would cost an additional \$50.00 per well per month to handle the actual field operation of these wells.

Q Now the \$100.00 a month is what you've proposed in your joint operating agreements to those who want to join, to operate with you?

A That's right.

Q Is the reason for that because of the diverse ownership and the fact that you are going to have a number of small non-consenting owners?

A The administration of these units will be, as you can readily see, a voluminous task, and if you account to these owners monthly or quarterly or however you account to them, it's going to be an administrative chore. For that reason, we have raised our administrative overhead to \$100.00 a month per well. We normally include \$50.00 per month.

Q But that would be one where you do not have the problems of this multiple ownership?

A Right, that's the reason.

Q Is Redfern & Herd to be the operator of the well?

A Right.

Q In your opinion, Mr. Johnston, to protect the correlative



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rights of Redfern & Herd and of the non-consenting working interest owners, is it necessary to enter a force-pooling order in this case?

A We feel so.

Q Would Redfern & Herd be agreeable to a provision in the order that any non-consenting working interest owner would be afforded the opportunity to pay his share of well costs within thirty days after the well is completed and after a schedule of the costs are furnished to the non-consenting working interest owner?

A Yes, we would agree to that.

Q That would be without any risk factor as to such person?

A Yes.

MR. BRATTON: If the Examiner please, perhaps it might be better, if the Examiner or the Commission attorney have any questions as to this particular application, to ask them at this time before we get mixed up in the other one.

MR. UTZ: Yes, sir, I think that's a good idea.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Johnston, where do you intend to locate the well, or have you staked the location?

A Yes, we intend to locate the well in the Southeast of the Southeast Quarter. I might add, this map does not reflect the river, but it's to be located south of the river, and we have before



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the Commission an unorthodox location application for this well.

Q Due to topography?

A Yes.

MR. MORRIS: Does that well have a name?

A We're calling that one the Farmington Unit.

MR. UTZ: No. 1?

A Yes.

MR. UTZ: Are there any other questions?

MR. MORRIS: Yes.

BY MR. MORRIS:

Q Mr. Johnston, just to clarify this one point, Mr. Bratton has asked the Commission to take administrative notice that the usual risks that are involved in the drilling of Dakota wells, and I suppose that would be equally applicable to other wells in any pool, there are always certain risks -- are there any particular unusual risks with respect to any of these wells?

A Well, they are step-out locations producing from wells capable of producing, I don't think these offsets are on the line. They are, we consider, edge Dakota wells, generally in the northwest area, that's known to produce from the Dakota; and in an area that we would not consider the prime Dakota area.

Q Other than geological considerations, are you going to, at the location of your well -- is that in the City of Farmington, is there housing?

A No.

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Q Or other topographic obstructions in the immediate area?

A No. This well here falls in a cultivated field.

MR. UTZ: Would that be on the south bank of the Animas?

A It's southeast of the river, yes, sir.

Q (By Mr. Morris) With respect to the non-consenting owners in this unit, is it a possibility that there are, say, unknown heirs which you have not been able to locate or even to ascertain the identities of that might have some interest in this unit?

A There's that possibility, I would say. We've tried to diligently check all available records short of spending a lot of money acquiring an absolute abstract. I think you would have to admit that there's certainly that possibility.

Q Then there would also be the possibility that Redfern & Herd might have in its possession proceeds from production from the well which would not be actually distributed to the owners of interest?

A Well, I would say our normal policy --

Q One would follow the other, would it not?

A -- following the production of a well would be to examine even more diligently all available records and ascertain the ownership.

Q Assume with me, Mr. Johnston, that you cannot distribute some of the funds that come into your hands for various reasons, one of which might be that you couldn't find the person to whom it



should be distributed. What disposition do you feel that Redfern & Herd might make of that money? Would they be willing to place it in escrow for distribution to the proper owner of those funds?

A Yes.

MR. MORRIS: I believe that's all I have.

MR. UTZ: Are there other questions of the witness?

You may proceed to 2568.

REDIRECT EXAMINATION

BY MR. BRATTON:

Q Mr. Johnston, with relation to Case 2568, that covers a Dakota well to be located in the East Half of Section 15, 29 North, 13 West, is that correct?

A That's correct.

Q That well has not been drilled?

A No, sir.

Q Your statements as to your knowledge of the background and events leading up to this application apply equally to this one as to the previous case?

A Yes, sir.

(Whereupon, Applicant's Exhibit 1, Case 2568, marked for identification.)

Q Referring to what has been marked as Exhibit No. 1 in Case 2568, is that likewise a map showing the leased and unleased area in the half section?

A That's right.

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Q The yellow area is under lease to Redfern & Herd?

A That's right.

Q And also the pink area at the north there, I believe that has come in?

A That's right. We had an undivided interest under that tract, and I have, subsequent to coloring the map, secured the lease on the other undivided interest.

Q So it also is under lease to Redfern & Herd?

A Right.

(Whereupon, Applicant's Exhibit 2, Case 2568, marked for identification.)

Q Exhibit No. 2 is a list of the owners of the unleased tracts, those unleased tracts being the ones with red checkmarks on that list, is that correct?

A Yes, that's unleased and uncommitted. There are some relatively large tracts in this area on which other companies have leases.

Q Without referring to those at the moment, as to the unleased interest, are your statements as to the efforts you've made to determine the ownership, and the efforts you have made to obtain leases, those statements you made in the previous case, equally applicable here?

A That's right.

Q And your statements as to your continued willingness to lease from any of these non-consenting owners?



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A That's right.

Q As to the tracts on which there are leases, I believe those are both Texaco tracts, are they not?

A Yes, that's right.

Q Have you been and are you negotiating with Texaco as to those interests?

A That's right. We have asked them to join in this unit.

Q And you are awaiting a further reply from them, is that correct?

A Yes, their last letter indicated we would be advised shortly.

Q Regardless of the order which might be entered in this case, you prefer to joint operate or take a farmout from Texaco?

A Yes.

Q Where is your well to be located in this half section?

A It will be in the Southeast Quarter Northeast Quarter, it's immediately south and east of the river again. On that map, I believe the river is drawn in. It also falls within an open cultivated or pasture-type tract.

Q As to this application as well as the previous one, you are willing to put in escrow those moneys which it might not be possible to distribute by virtue of not being able to determine owners or contact owners, is that correct?

A Yes, we would be agreeable.

Q And your offer to lease is still open to any of these

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owners through the drilling of the well?

A That's right.

Q Is there anything peculiar about this location as far as the risk factor, as Mr. Morris asked you about the previous case?

A The actual location of this well is a little further from any producing well. However, on a well unit basis it is a direct offset.

Q In one direction?

A Yes, sir, to the south.

Q But there is no offset to the west or north or east?

A No.

Q Your operating costs would be the same?

A Yes.

MR. BRATTON: I believe we have nothing further at this time. I would offer Applicant's Exhibits 1 and 2 in both cases.

Q (By Mr. Bratton) These were prepared by you or under your supervision?

A They were prepared by our attorney.

MR. UTZ: Without objections, exhibits in -- this would be Exhibit 1, also?

MR. BRATTON: Yes, sir, the big map will be Exhibit 1 in each case and the list of ownerships Exhibit 2 in each case.

MR. UTZ: Exhibits 1 and 2 in Cases 2567 and 2568 will be entered into the record in the cases.



RECROSS EXAMINATION

BY MR. UTZ:

Q Do you have this well located?

A Yes, it's to be in the Southeast Quarter Northeast Quarter immediately south and east of the river.

MR. MORRIS: Have you given that well a name?

A Yes, that's what we call our Farmington Unit B Well 1.

MR. UTZ: Any other questions?

MR. MORRIS: Yes, sir.

BY MR. MORRIS:

Q Mr. Johnston, in the operating agreements which have been signed with some of the interest owners in these units, what allowance has been made for the risk involved in the drilling of the well, if any?

A Well, our operating agreement has a standard provision for additional wells; however, there is no express provision in connection with this well. Since normally these Dakota units are one well units, I mean if they agree to drill this well, they take 100 percent, we have asked no one to sign any agreement providing for a risk factor on the initial well.

Q Some of the interests that have joined the operating agreements are to be carried interests, though, are they not?

A No.

Q They all agree to pay their costs in advance of the drilling of the well?

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A Well, not in advance, ordinarily, but ordinarily we bill them at completion of the well.

Q None of the interests have made arrangements with you to pay their costs of the well out of production?

A No, sir.

Q Mr. Johnston, in your title searches, or searches for interest owners in these two units, have you ever come upon a person by the name of Bonnie Minor, the Administratrix of the J. W. Dickey Estate?

A Yes, that is the small triangular piece there in the Southeast Northeast Quarter. We have put forth a lot of effort over the last eighteen months to acquire that property in fee or lease it or do almost anything. Now most recently we were given a list of the, supposedly a list of all of the heirs, and we have now written to all those heirs making them the same offer that we made everyone else.

MR. MORRIS: For the record, Mr. Examiner, the Commission has received a letter from Mr. Johnston Jeffries, Attorney at Law in Aztec, New Mexico, who represents Bonnie Minor, the Administratrix of the J. W. Dickey Estate to which I have just referred. He did not in his letter refer to the exact acreage which the Dickey Estate owns, and I did not know to which application it might be applicable. I would like to offer his letter in the record of Case 2568. Mr. Jeffries wants to be sure that they are included in whatever unit is formed in this particular area.

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MR. BRATTON: I believe that is correct.

MR. MORRIS: I have just shown that particular letter to Mr. Bratton, and I believe --

MR. BRATTON: That is correct.

MR. MORRIS: That's all the questions I have.

MR. UTZ: Are there any other questions of the witness?

The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in this case?

MR. MORRIS: Yes, sir. The Commission has received a letter from Skelly Oil Company with reference to Case 2567, stating that Skelly is agreeable to pooling as requested by the applicant in that case.

MR. UTZ: The case will be taken under advisement.

* * * * *

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 9th day of June, 1962, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 256212565 heard by me on *May 25* 1962. *Theresa A. [Signature]*, Examiner
New Mexico Oil Conservation Commission

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REDFERN & HERD, INC.

WILCO BUILDING
MIDLAND, TEXAS

POST OFFICE BOX 1747

TELEPHONE MUTUAL ~~XXXX~~ 35184

03
November 7, 1962

IN REPLY REFER TO
FILE:

Re: Farmington Unit "B" #1 - E/2 Section 15, T-29-N, R-13-W,
San Juan County, New Mexico
(Oil Conservation Case No. 2568 - Order No. R-2258)

TO: ALL NON-CONSENTING OWNERS

Enclosed is a copy of the Statement of Costs which we have expended in drilling the above well.

Under the Order of the Oil Conservation Commission, we are to afford any non-consenting owner a thirty (30) day notice in which to pay his share of the well costs.

Unless we receive your share of the costs as indicated on the attached list of non-consenting owners on or before thirty (30) days after receipt of this letter, we shall presume that you elect not to pay your share of the costs and in lieu thereof, the Operator will recover your share of the costs, plus twenty-five percent (25%) thereof, out of seven-eighths (7/8ths) of your share of the production from this well.

Very truly yours,

REDFERN & HERD, INC.

Wm. B. Johnston
Wm. B. Johnston

WBJ:lk

Attachments

cc: Oil Conservation Commission
P.O. Box 871
Santa Fe, N.M.

REDFERN & HERD, INC.

Farmington Unit "B" #1
E/2 Section 15, T-29-N, R-13-W,
San Juan County, New Mexico

CARRIED INTERESTS

<u>NAME</u>	<u>NET ACRES</u>	<u>INTEREST PERCENTAGE</u>	<u>SHARE OF COST</u>
Town of Farmington	10.2921	3.216282%	\$1,719.33
Clarence E. Hodgson and wife, May Hodgson, (Joint Tenants)	1.7538	.548062	292.98
Dale Hodgson	.3622	.113181	60.50
Glenn Tyler and wife, Evelyn Tyler, (Joint Tenants)	.3590	.112187	59.97
Don Hodgson	.2407	.075219	40.21
Texaco, Inc.	18.8532	5.891625	3,149.48
Otho M. Donalson, Jr., et ux, (Joint Tenants)	.5035	.157344	84.11
Ray Archuleta and wife, Gloria Archuleta, (Joint Tenants)	.2231	.069719	37.27
Joseph Foutz, et ux	.4535	.141719	75.76
The Latter Day Saints Church	.5820	.181875	97.22
Calvary Baptist Church	1.5256	.476750	254.86
John W. Watson	.6826	.213297	114.02
John Dent Lamar	.6825	.213297	114.02
Riverside Corporation	.2343	.073219	39.14
Gus Anison	.2824	.088250	47.18
J. Wilbur Jones	.1112	.034735	18.57
David Specter	.1111	.034734	18.57
Alex Ferrendelli, et ux	.2238	.069937	37.39
Bessie C. Brock	.3812	.119125	63.68
C. M. Hallett, et ux	1.4578	.455562	243.53
C. M. Taylor	.1951	.060969	32.59
Guy A. Bell, Sr.	.3402	.106312	56.83
John D. Bell, et ux	.1417	.044282	23.67
Mesa Construction Co., Inc.	4.1080	1.283750	686.25
Richard P. Magee and wife, Gladys W. Magee	.2754	.086062	46.01
Full Gospel Mission	.4820	.150625	80.52
Dorthy George	2.4585	.768281	410.70
Walter A. Saye	.1951	.060969	32.59
Charles R. Phillips and wife, Clara M. Phillips	.2731	.085344	45.62
Grace B. Trainor, widow	.4682	.146312	78.21
Fern Knight Lane	.2926	.091437	48.88
John Smith and wife, Emma Louise Smith	.2926	.091438	48.88
	48.8381	15.261906	\$8,158.54

REDFERN & HERD, INC.

LOCATION: The E/2 of Section 15, Township 29 North,
Range 13 West, San Juan County, New Mexico.

LEASE NAME Farmington "B" #1
DRILLING OPERATIONS

Code 1	INTANGIBLE DEVELOPMENT	Well #	Well #	Well # 1	
1-1-1	Drilling (Footage) 5959' @ \$3.70 + tax			\$ 22,268 78	
1-1-2	Daywork, W/DP				
1-3	Daywork, WO/DP				
1-2	Labor			2,099 20	
1-3	Trucking			279 27	
1-4	Roads, Loc. & Damages			1,087 17	
1-5	Power, Fuel & Water				
1-6-1	Materials, Supplies & Rentals			58 43	
1-6-2	Mud & Chemicals			1,009 89	
1-7-1	Surveys & Test			1,626 82	
7-2	Cement & Cementing			2,908 62	
7-3	Perforating & Treating			5,880 21	
1-8	Geological & Engineering			1,035 30	
	Coring				
	Core Analysis				
	Other (Includes Plugging)			411 29	
	Total Intangible				\$38,664.48
Code 3	WELL EQUIPMENT				
3-1-1	Casing			8,996 06	
3-1-2	Tubing			2,927 06	
3-1-3	Rods				
3-2	Well Head Connections			2,634 65	
3-4	Pumping Equipment				
3-5	Other				
	Total Well Equipment				
Code 4	LEASE EQUIPMENT				
4-1	Tank Batteries & Treating Equipment				
4-6	Lease Lines				
4-7	Fittings				
4-8	Other Equipment			234 73	
	Total Lease Equipment				
	Total Lease & Well Equipment				\$14,792.50
Code 6	LEASE OPERATIONS				
6-1	Labor-Contract & Payroll				
6-2	Repairs & Supplies				
6-3	Automobile & Truck				
6-4	Power, Fuel & Water				
6-6	Cleanout, Pulling & Workover				
6-7	Misc. Direct Expense				
6-8	Taxes & Insurance				
6-10	Retirement & Abandonment				
6-11	Administrative Charges				
6-12	Misc. Indirect Expense				
	Total Lease Operations				
	TOTAL COST, MONTH OF				\$53,456.98
	Intangible Development	Equipment			
R					TOTAL COST
H					
JV					
100 % -	\$38,664.48	\$14,792.50			\$53,456.98