

2 CASE 6772: READING & BATES PETROLEUM
CO. FOR COMPULSORY POOLING, RIO ARRIBA
COUNTY, NEW MEXICO

CASE NO.

6772

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

IN THE MATTER OF:)

Application of Reading & Bates Pet-)
roleum Co. for compulsory pooling,)
Rio Arriba County, New Mexico.)

CASE
6772

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

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MR. STAMETS: We will call next Case
6772.

MR. PADILLA: Application of Reading
and Bates Petroleum Company for compulsory pooling, Rio
Arriba County, New Mexico.

MR. STAMETS: Call for appearances in
this case.

MR. CARR: May it please the Examiner,
my name is William F. Carr, Campbell and Black, P. A., Santa
Fe, appearing on behalf of the applicant.

I have two witnesses who need to be
sworn.

(Witnesses sworn.)

LARRY BAUMAN

being called as a witness and having been duly sworn upon his
oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q. Will you state your name and place of
residence?

A. My name's Larry Bauman. I live in

Littleton, Colorado.

Q Mr. Bauman, by whom are you employed and in what capacity?

A I'm a Division Geologist, employed by Reading and Bates Petroleum Company.

Q Have you previously testified before this Commission and had your credentials accepted and made a matter of record?

A No, sir, I have not.

Q Would you summarize for the Examiner your educational background and your work experience?

A I went to school at Illinois State University. I received my Bachelor of Science degree in geology. I was then employed by MAPCO, Incorporated, located in Tulsa, Oklahoma, as exploration geologist, where I worked for three years, working the Anadarko Basin, et cetera.

I then became under the employment of Reading and Bates Petroleum Company, and I've been presently employed by them for two years.

Q Mr. Bauman, are you familiar with the application in this case and the Dakota formation in this general area?

A Yes, sir.

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q Mr. Bauman, have you prepared for introduction in this case certain exhibits?

A Yes, I have.

Q Will you refer to what has been marked for identification as Reading and Bates Exhibit Number One and explain to the Examiner what it is and what it shows?

A Exhibit Number One is a structure map on top of the Dakota formation. You will notice outlined or shaded in and colored green is the subject area today. Within that area is the proposed location, and it's marked. This structure map shows the regional dip on top of the Dakota formation and regional dip in this case is to the north/northeast.

Q Mr. Bauman, does this exhibit also contain the trace that will be used for a cross section that will be offered as a later exhibit?

A Yes. The cross section is so marked on this map as A-A', as shown by the heavy dashed line.

Q And is the proposed unit a standard unit?

A Yes, it is.

Q And is the proposed location a standard location?

A Yes.

Q The legend on the well indicates -- tells what kind of well each of the wells spotted on the plat is. Are all of these Dakota completions?

A No, sir, they are not. The ones that are Dakota completions are shown by the symbol oil and gas well, which is the first -- first mark on the legend column. The other wells that are shown in this area are gas wells, or shallower production, and this is producing out of the Pictured Cliffs formation.

Q Will you now refer to what has been marked Exhibit Number Two and review this for the Examiner?

A Exhibit Number Two is an Isopach of the Dakota A Sand. We have broken down the Dakota formation into two particular sands that can be correlated across in this area. This is a gross sand map of the Dakota A.

It shows the basic configuration of this particular field that is producing in this area, and just as the map is entitled, just shows gross sand for A.

Q Does this show where the Dakota production cuts off in this area?

A Yes, it does. Most of this -- or not most, but all of this production in the Dakota is found on this trend where the gross sand is at its thickness points, and this can be shown here with the contours as labeled. The contours are not drawn out any farther to the southwest or

northeast because I think this would add to the clarity of it, having those omitted, but it drops off 90, 80, et cetera, but it does show production is only in the thickest part of the sand.

Q What sort of well control do you have in the area?

A The only well control that these maps can be drawn on is the Dakota penetrations that are located within this one particular field. There are no penetrations on either side within a reasonable distance that can lend more control to this configuration.

Q And you have encountered your best production in the center or thickest part of the structure?

A Yes, sir.

Q Will you now refer to what has been marked for identification as Exhibit Number Three?

A Exhibit Number Three is the Isopach of the Dakota B Sand, and this is just very similar to the A. It shows the same, basically the same idea that is across this field. The production is in the thickest part of the B Sand. This field is producing out of both the A and the B Sand in the Dakota formation.

Q Will you now refer to what has been marked Exhibit Number Four?

A Exhibit Number Four is an Isopach of the Dakota formation A and B net sand, greater than or equal to 8 percent porosity. This map shows basically the same trending thickness of sand as the earlier two exhibits of the gross A and B. This porosity map is elongated in a northwest/southeast pattern. It shows our location on the northeast edge of this porosity trend within the thick sand.

Q All right, Mr. Bauman, would you now refer to what has been marked Exhibit Number Five and review this for the Examiner?

A Exhibit Five is the cross section A-A', which has been marked on the earlier exhibit and the Isopach maps, and this basically shows, as it is labeled, the top of the Dakota formation. It shows the interval which we have correlated and which we call here for this particular case, A Sand, and also what we call B Sand. The base of the E Sand is where we have correlated across as being a Burro Canyon member.

Q Mr. Bauman, what conclusions can you draw from all of this data concerning the nature of the Dakota?

A The Dakota, in this particular area, produces out of just the thickest part of the sand. Since the sand does carry over the general area, the production, as I said, only occurs in the thickest part. Our location here is crowding, or is pushing the edge of this thick sand build-up

to obtain production.

Q. How much risk do you believe Reading and Bates is assuming in drilling this well?

A. I think the risk is -- is substantial.

Q. And upon what do you base this conclusion?

A. I base it on my earlier exhibits that have been presented here that were referred to, I believe it would be Exhibit Four, where we appear to be on the very edge of the porosity that will be found in this thick sand, so thus we are crowding the northeastern edge.

Q. Do you anticipate that you will drill a dry hole?

A. No, I do not.

Q. Do you think that you are going to be able to make an economic well?

A. That's the largest risk that's being undertaken on this venture.

Q. Are you prepared to make a recommendation to the Examiner as to the risk factor that should be assessed against any of those who -- any working interest owners who did not participate in the drilling of the well?

A. I believe that due to the nature of the risk here of making an economic well with this test, I think the penalty should be at the maximum.

Q. In your opinion will granting this ap-

plication be in the interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, sir.

MR. CARR: At this time, Mr. Examiner, I would offer into evidence Applicant's Exhibits One through Five.

MR. STAMETS: These exhibits will be

admitted.

MR. CARR: I have nothing further on

direct.

MR. STAMETS: Any questions of this

witness? He may be excused.

MR. CARR: At this time I would call

Bob Ulrich.

BOB ULRICH

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q

Will you state your full name and

place of residence?

A

My name is Robert H. Ulrich. I

live in Littleton, Colorado.

A Mr. Ulrich, by whom are you employed and in what capacity?

A I am employed with Reading and Bates Petroleum Company as a landman.

Q Have you previously testified before this Commission, had your credentials accepted and made a matter of record?

A No.

Q Will you review for the Examiner your educational background and your work experience?

A I received a degree in geography from the University of Oklahoma in 1974; went to work for Reading and Bates in the land department in 1975; was transferred to Denver, Colorado as a landman in 1978; have worked in that capacity since then.

Q Are you familiar with the application in this case?

A Yes.

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q Mr. Ulrich, will you please refer to what has been marked for identification as Exhibit Number Six and explain to the Examiner what this is and what it

shows?

A. Okay. Exhibit Number Six shows a breakdown of interests, working interest owners, and what the interest will be in the 160-acre spacing unit.

Q. What percentage of the acreage has been committed to the unit?

A. 44.75 percent.

Q. Has notice been given to other working interest owners in the proposed unit?

A. Yes.

Q. And when was this notice given?

A. Between the dates of -- or the months of June, 1979, and December, 1979.

Q. Do you believe that any other working interests owners will voluntarily participate in the drilling of this well?

A. At this point in time, no.

Q. Has notice of this hearing been given to all working interest owners?

A. Yes, they have.

Q. And copies of these letters are marked as Exhibit Number Seven, is that correct?

A. Yes.

Q. Is this unit comprised of entirely Federal lands?

A Yes.

Q So the royalty is common throughout?

A Right.

Q Have you prepared an AFE for the proposed well?

A Yes, I have.

Q Will you please refer to what has been marked Exhibit Number Eight and review this for the Examiner?

A This is a typical AFE stating actual costs of different things throughout drilling of the well and down at the bottom the total cost is the primary concern, which is for a producing well \$471,100, and for a dry hole \$232,600.

Q Are the costs reflected on the AFE in line with what's being charged by other operators in the area?

A Yes, they are.

Q Have you made an estimate of the overhead and administrative costs while drilling and producing this well?

A Yes. For drilling it would be \$2000 and for producing, \$325.

Q These are monthly figures?

A Yes, they are.

Q Are these costs in line with what's being charged by other operators in the area?

A Yes.

Q And do you recommend that these figures be incorporated into the order which will result from this hearing?

A Yes.

Q Does Reading and Bates request to be designated operator of the subject well?

A Yes, we do.

Q In your opinion will granting this application be in the interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

MR. CARR: At this time, Mr. Examiner, we would offer into evidence Reading and Bates Exhibits Six through Eight.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Ulrich, what were the operating

costs drilling and production again?

A Okay. For drilling \$2000 and for producing \$325.

Q On Exhibit Number Six you have shown the working interest owners. Which of those owners are signed up already?

A Of course, Reading and Bates, Petroleum Corporation of Texas, Ibex Partnership, and Ralph Gilliland.

Q Okay. Now, you indicated that the rest of these people have been contacted anywhere from June of '79 to December of '79.

A Yes, sir.

Q Has everyone on this list been contacted and given an opportunity to join in the drilling of the well?

A Yes, they have.

Q Okay. So no one only was notified as a result of this hearing?

A Every person has received a letter with an offer.

Q Okay.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

MR. CARR: Nothing further.

MR. STAMETS: The case will be taken

under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6772
heard by me on 1-3 19 80.
Richard L. Starn Examiner
Oil Conservation Division

STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 STATE LAND OFFICE BLDG.
 SANTA FE, NEW MEXICO
 3 January 1980

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For the Applicant:

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I N D E X

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Direct Examination by Mr. Carr

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E X H I B I T S

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I have two witnesses who need to be
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(Witnesses sworn.)

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A. My name's Larry Bauman. I live in

Littleton, Colorado.

Q Mr. Bauman, by whom are you employed and in what capacity?

A I'm a Division Geologist, employed by Reading and Bates Petroleum Company.

Q Have you previously testified before this Commission and had your credentials accepted and made a matter of record?

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Q Mr. Bauman, are you familiar with the application in this case and the Dakota formation in this general area?

A Yes, sir.

MR. CARR: Are the witness' qualifications acceptable?

Q. Now, Mr. Bauman, have you prepared a
cross-section of this case which is
described?

A. Yes, I have.
Q. Will you refer to the map and explain
the identification as to the location and faces of the map and
explain to the jury what it is and what it shows?

A. Exhibit Number One is a structure map
on top of the Dakota formation. You will notice outlined in
shaded in and colored green is the subject area today
within that area is the proposed location, and this marked
this structure map shows the regional dip on top of the Dakota
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It shows the basic configuration of this particular field that is producing in this area, and just as the map is entitled, just shows gross sand for A.

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A. Yes, sir.

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MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

MR. STAMETS: Any questions of this witness? He may be excused.

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Q What percentage of the acreage has been committed to the unit?

A 44.75 percent.

Q Has notice been given to other working interest owners in the proposed unit?

A Yes.

Q And when was this notice given?

A Between the dates of -- or the months of June, 1979, and December, 1979.

Q Do you believe that any other working interests owners will voluntarily participate in the drilling of this well?

A At this point in time, no.

Q Has notice of this hearing been given to all working interest owners?

A Yes, they have.

Q And copies of these letters are marked as Exhibit Number Seven, is that correct?

A Yes.

Q Is this unit comprised of entirely Federal lands?

A

So the royalty is shown throughout?

Q

Right.

A

Have you prepared an AFE for the

Q

proposed well?

A

Yes, I have.

Q

Will you please refer to what has

been marked Exhibit Number Eight and review this for the Examiner?

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This is a typical AFE stating actual costs of different things throughout drilling of the well and down at the bottom the total cost is the primary concern, which is for a producing well \$471,100, and for a dry hole \$232,600.

Q

Are the costs reflected on the AFE in line with what's being charged by other operators in the area?

A

Yes, they are.

Q

Have you made an estimate of the overhead and administrative costs while drilling and producing this well?

A

Yes. For drilling it would be

\$2000 and for producing, \$325.

Q

These are monthly figures?

A

Yes, they are.

Q Are these costs in line with what's being charged by other operators in the area?

A Yes.

Q And do you recommend that these figures be incorporated into the order which will result from this hearing?

A Yes.

Q Does Reading and Bates request to be designated operator of the subject well?

A Yes, we do.

Q In your opinion will granting this application be in the interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

MR. CARR: At this time, Mr. Examiner, we would offer into evidence Reading and Bates Exhibits Six through Eight.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Ulrich, what were the operating

costs drilling and production again?

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Q On Exhibit Number Six you have shown the working interest owners. Which of those owners are signed up already?

A Of course, Reading and Bates, Petroleum Corporation of Texas, Ibex Partnership, and Ralph Gilliland.

Q Okay. Now, you indicated that the rest of these people have been contacted anywhere from June of '79 to December of '79.

A Yes, sir.

Q Has everyone on this list been contacted and given an opportunity to join in the drilling of the well?

A Yes, they have.

Q Okay. So no one only was notified as a result of this hearing?

A Every person has received a letter with an offer.

Q Okay.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

MR. CARR: Nothing further.

MR. STAMETS: The case will be taken

under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

i do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 18, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. William F. Carr
Campbell and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6772
ORDER NO. R-6243

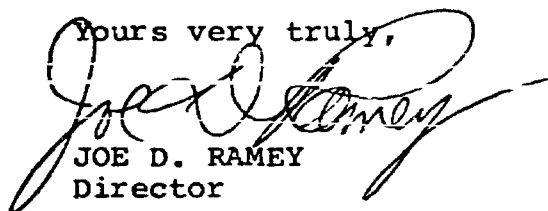
Applicant:

Reading & Bates Petroleum Co.

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD X

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6772
Order No. R-6243

APPLICATION OF READING & BATES
PETROLEUM CO. FOR COMPULSORY
POOLING, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of January, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Reading & Bates Petroleum Co., seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, NMPM, Chacon-Dakota Associated Pool, Rio Arriba County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the hydrocarbons in said pool, the subject application should be approved

by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$2000.00 per month while drilling and \$325.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before April 30, 1980, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, NMPM, Chacon-Dakota Associated Pool, Rio Arriba County, New Mexico, are hereby pooled to form a standard 160-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 30th day of April, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Dakota formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 30th day of April, 1980, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Reading & Bates Petroleum Co. is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division

-4-

Case No. 6772
Order No. R-6243

and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$2000.00 per month while drilling and \$325.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

-5-

Case No. 6772

Order No. R 6243

(10) 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.

(11) 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.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Rio Arriba County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

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

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY
Director

S E A L

fd/

Reading & Bates Petroleum Co.
 Hooper, Kimball & Williams, Inc.
 Petroleum Corporation of Texas
 Ibex Partnership
 Mabel Reed, Trustee of the Warren Clark Trust
 Carolyn Clark Oatman
 Mabel Reed and H. M. Reed, Trustees of the
 Warren Clark Testamentary Trust
 Mountain State Natural Gas Corporation
 Ruth Gilliland Hardman
 Ralph Gilliland

1/6
 1/6
 7.804365%
 7.804365%
 0.40690%
 0.43742%

 0.21362%
 1/4
 1/8
 1/8

BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
<i>Applicants</i>	EXHIBIT NO. <u>VI</u>
CASE NO. <u>6772</u>	
Submitted by <u>Reading + Bates</u>	
Hearing Date <u>1/3/80</u>	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Applicants EXHIBIT NO. VII
CASE NO. 6772
Submitted by Reading & Bates
Hearing Date 1/3/80

December 19, 1979

Hooper, Kimball & Williams, Inc.
c/o Mr. George Owens
Eagleton, Eagleton & Owens, Attorneys
1606 First National Bank Building
Tulsa, Oklahoma 74103

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Owens:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

SLNDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. George Owens
1606 1st Nat'l. Bank Bldg.
Tulsa, Oklahoma 74103

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749251
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized Agent
M. M. Carr

4. DATE OF DELIVERY DEC 21 1979 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

Form 3811, Jan. 1978

P08 5749251

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
George Owens
STREET AND NO.
1606 1st National Bank
CITY, STATE AND ZIP CODE
Tulsa, OK 74103

POSTAGE

CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	
	SPECIAL DELIVERY	
	RESTRICTED DELIVERY	
	OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
	SHOW TO WHOM AND DATE DELIVERED WITH RETURN RECEIPT	
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RETURN RECEIPT	
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		12/19/79

Form 3800, Apr. 1976

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

PENALTY FOR PRIVATE
USE OF MAIL
OF POSTAGE, 500%

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

RETURN
TO

CAMPBELL AND BLACK, P A

(Name of Sender)

Post Office Box 2208

(Street or P.O. Box)

Santa Fe, NM 87501

(City, State, and ZIP Code)

WFC

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISIONApplicant's EXHIBIT NO. VIICASE NO. 6772Submitted by Reading & SaterHearing Date 1/2/80

December 19, 1979

Hooper, Kimball & Williams, Inc.
c/o Mr. George Owens
Eagleton, Eagleton & Owens, Attorneys
1606 First National Bank Building
Tulsa, Oklahoma 74103

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Owens:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5749251

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		George Owens	
STREET AND NO.		1606 1st Natl Bank	
CITY, STATE AND ZIP CODE		Tulsa, OK 74103	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	\$	
	SPECIAL DELIVERY	\$	
	RESTRICTED DELIVERY	\$	
	OPTIONAL SERVICES	\$	
	RETURN RECEIPT SERVICE	\$	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		12/19/79	

PS Form 3830, Apr. 1976

December 17, 1979

Petroleum Corporation of Texas
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Dates - 6772

STANDARD: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Petroleum Corp. of Texas
Post Office Box 911
Breckenridge, Texas 76024

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749247
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☒ Addressee ☐ Authorized agent
12-21-79
1979 DEC 21
Breckenridge, TX

4. ADDRESS (Complete only if requested)
5. INSTRUCTIONS TO DELIVERER (If any)

6. RETURN RECEIPT REQUESTED

7. POSTAGE AND FEES

8. TOTAL POSTAGE AND FEES

9. POSTMARK OR DATE

12/19/79

POB 5749247

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Petroleum Corp. of TX
STREET AND NO.
P. O. Box 911
P.O. STATE AND ZIP CODE
Breckenridge, TX 76024

POSTAGE
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
SHOW TO WHOM AND DATE DELIVERED
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY
RESTRICTED DELIVERY
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY
RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES
POSTMARK OR DATE
12/19/79

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below.
- Complete Items 1, 2, and 3 on the form.
 - Attach to front of article if space permits, otherwise affix to back of article.
 - Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO INCREASE PAYMENT
OF POSTAGE ONLYRETURN
TO

CAMPBELL AND BLACK, P.A.
(Name of Sender)

Post Office Box 2208
(Street or P.O. Box)

Santa Fe, NM 87501
(City, State, and ZIP Code)

WFC

December 17, 1979

Petroleum Corporation of Texas
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5749247

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		Petrochem Corp. of TX	
STREET AND NO.		P. O. Box 911	
P.O. STATE AND ZIP CODE		Breckenridge, TX 76024	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	\$	
	SPECIAL DELIVERY	\$	
	REGISTERED DELIVERY	\$	
	OPTIONAL SERVICES	\$	
	RET. IN RECEIPT SERVICE	\$	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		12/19/79	

FORM 3800, Nov. 1976

December 19, 1979

Mr. William Kistler, III
10 East 53rd Street
New York, New York 10022

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Kistler:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

PS Form 3811, Jan. 1978

● SENDER: (Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on
reverse.)

1. The following service is requested (check one.)
☒ Show to whom and date delivered..... \$
☐ Show to whom, date and address of delivery..... \$
☐ RESTRICTED DELIVERY
Show to whom and date delivered..... \$
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery \$

(CONSULT POSTMASTER FOR FEES)

2. ADDRESS TO WHICH DELIVERED
William Kistler, III
10 East 53rd Street
New York, New York 10022

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749291

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
C. LaFontaine

4. DATE OF DELIVERY

5. ADDRESS (Complete only if different from above)

6. REASON TO DELIVER BECAUSE

CLERK'S
INITIALS

★ GPO : 1978-288-948

P08 5749291
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, Nov. 1976

CENT TO
William Kistler, III
STREET AND NO.
10 East 53rd St.
P.O., STATE AND ZIP CODE
New York, NY 10022

POSTAGE	
CERTIFIED FEE	\$
SPECIAL DELIVERY	\$
RESTRICTED DELIVERY	\$
SHOW TO WHOM AND DATE DELIVERED	\$
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	\$
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	\$
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES \$

POSTMARK OR DATE

12/19/79

UNITED STATES POSTAL SERVICE

PERMIT NO. 1000 NEW YORK, N.Y.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

RETURN
TO

CAMPBELL AND BLACK, P.A.

(Name of Sender)

Post Office Box 2208

(Street or P.O. Box)

Santa Fe, NM 87501

(City, State, and ZIP Code)

WFC

December 19, 1979

Mr. William Kistler, III
10 East 53rd Street
New York, New York 10022

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Kistler:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5748291

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		William Kistler, III	
STREET AND NO.		10 East 53rd St.	
P.O. STATE AND ZIP CODE		New York, NY 10022	
POSTAGE			
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		
	SPECIAL DELIVERY		
	RESTRICTED DELIVERY		
	OPTIONAL SERVICES		
	RETURN RECEIPT SERVICE		
SHOW TO WHOM AND DATE DELIVERED			
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY			
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY			
TOTAL POSTAGE AND FEES			
POSTMARK OR DATE			

PS Form 3800, Apr. 1976

12/19/79

Mr. Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

Dear Mr. Gilliland:

You may have an interest that will be affected by the above-referenced case.

William F. Carr

Enclosure

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Reading & Bates - 6772

PS Form 3811, Jan. 1978

1. The following service is requested (check one.)

☒ Show to whom and date delivered.

☐ Show to whom, date and address of delivery.

☐ RESTRICTED DELIVERY

Show to whom and date delivered.

☐ RESTRICTED DELIVERY.

Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

ARTICLE ADDRESSED TO:

Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

2. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	5749290	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☒ Addressee ☐ Authorized agent

DATE OF DELIVERY 12/21/78

3. ADDRESS (Complete only if registered)

4. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO : 1979-286-840

P08 5749290	
RECEIPT FOR CERTIFIED MAIL	
NO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL (See Reverse)	
SENT TO Ralph Gilliland STREET AND NO 7420 Caruth PO BOX STATE AND ZIP CODE Dallas, Texas 75225	
POSTAGE	
CERTIFIED FEE	
SPECIAL DELIVERY RESTRICTED DELIVERY SHOW TO WHOM MAIL IS DELIVERED RETURN RECEIPT SERVICE SHOW TO WHOM MAIL IS DELIVERED RETURN RECEIPT SERVICE SHOW TO WHOM MAIL IS DELIVERED RETURN RECEIPT SERVICE	
CONSULT POSTMASTER FOR FEES	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
TOTAL POSTAGE AND FEES	
POSTMARK OR DATE	
12/19/79	

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below:
- Complete Items 1, 2, and 3 on the reverse.
 - Attach to front of article if space permits, otherwise affix to back of article.
 - Endorse article "Return Receipt Requested" adjacent to number.

RETURN
TO

CAMPBELL AND BLACK, P.A.
(Name of Sender)

Post Office Box 2208
(Street or P.O. Box)

Santa Fe, NM 87501
(City, State, and ZIP Code)

WFC

December 19, 1979

Mr. Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Gilliland:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5749290
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		Ralph Gilliland	
STREET AND NO.		7420 Caruth	
P.O. STATE AND ZIP CODE		Dallas, Texas 75225	
POSTAGE			
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		
	SPECIAL DELIVERY		
	RESTRICTED DELIVERY		
	OPTIONAL SERVICES		
OPTIONAL SERVICES	RETURN RECEIPT SERVICE		
TOTAL POSTAGE AND FEES			
POSTMARK OR DATE		12/19/79	

PS Form 3800, Apr. 1976

Reading & Bates - 6772

SLADER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery \$.....
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Ruth Gilliland Hardman
 2423 East 72nd Place
 Tulsa, Oklahoma 74136

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 5749289
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☒ Addressee ☐ Authorized agent
Christine Bell

4. DATE OF DELIVERY POSTMARK
 12/19/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

U.S. POST OFFICE

December 19, 1979

Ms. Ruth Gilliland Hardman
 2423 East 72nd Place
 Tulsa, Oklahoma 74136

Re: New Mexico Oil Conservation Division
Case 6772

Dear Ms. Hardman:

Enclosed is a copy of the docket for the January 3,
 1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
 above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5743229
 RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO
 Ruth G. Hardman
 STREET AND NO.
 2423 East 72nd Pl.
 P.O. STATE AND ZIP CODE
 Tulsa, Oklahoma 74136

POSTAGE

CERTIFIED FEE	
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
DATA TO WHOM AND DATE OF DELIVERY	
POSTAL SERVICE	
RETURN RECEIPT SERVICE	
POSTAGE AND FEES	
TOTAL POSTAGE AND FEES	
POSTMARK OR DATE	12/19/79

CONSULT POSTMASTER FOR FEES
 OPT. DATA SERVICES
 RETURN RECEIPT SERVICE

U.S. POST OFFICE

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS
Print your name, address, and ZIP Code in the space below.
• Complete items 1, 2, and 3 on the reverse.
• Attach to front of package if space permits, otherwise affix to back of article.
• Endorse article "Return Receipt Requested" adjacent to number.

RETURN TO

CAMPBELL AND BLACK, P.A.
(Name of Sender)

Post Office Box 2208
(Street or P.O. Box)

Santa Fe, NM 87501
(City, State, and ZIP Code)

WFC

PERMIT FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE. \$300

U.S. MAIL

December 19, 1979

Ms. Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

Re: New Mexico Oil Conservation Division
Case 6772

Dear Ms. Hardman:

Enclosed is a copy of the docket for the January 3, 1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5743289
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Ruth G. Hardman
STREET AND NO.
2423 East 72nd Pl.
P.O. STATE AND ZIP CODE
Tulsa, Oklahoma 74136

POSTAGE		
CERTIFIED FEE		\$
SPECIAL DELIVERY		
RESTRICTED DELIVERY		
CONSULT POSTMASTER FOR FEES		
OPTIONAL SERVICES		
RETURN RECEIPT SERVICE		
POSTAGE AND FEES		\$

TOTAL POSTAGE AND FEES

POSTMARK OR DATE

12/19/79

December 19, 1979

Mountain States Natural Gas Corporation
c/o Mr. Albert J. Blair, Jr.
Post Office Box 35426
Tulsa, Oklahoma 74135

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Blair:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

PS Form 3811, Jan 1978

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on
reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.
☐ Show to whom, date and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Albert J. Blair, Jr.
P. O. Box 35426
Tulsa, Oklahoma 74135

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749250

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
DATE OF DELIVERY DEC 26 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
DEC 26 1979
TULSA OK

U.S. POSTAL SERVICE
*UPO: 1979-289-040

P08 5749250

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

DELIVER TO
Albert J. Blair, Jr.
STREET ADDRESS
P. O. Box 35426
P.O. STATE AND ZIP CODE
Tulsa, OK 74135

POSTAGE

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES

POSTMARK OR DATE

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below.
- Complete items 1, 2, and 3 on the reverse.
 - Attach to front of article if space permits, otherwise affix to back of article.
 - Enclose article "Return Receipt Requested" adjacent to number.

RETURN
TO

CAMPBELL AND BLACK, P.A.
(Name of Sender)

Post Office Box 2208
(Street or P.O. Box)

Santa Fe, NM 87501
(City, State, and ZIP Code)

WFC

December 19, 1979

Mountain States Natural Gas Corporation
c/o Mr. Albert J. Blair, Jr.
Post Office Box 35426
Tulsa, Oklahoma 74135

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Blair:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5749250

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		Albert J. Blair, Jr.	
STREET AND NO.		P. O. Box 35426	
P.O. STATE AND ZIP CODE		Tulsa, OK 74135	
CONSULT POSTMASTER FOR FEES	POSTAGE	\$	
	CERTIFIED FEE	\$	
	SPECIAL DELIVERY	\$	
	RESTRICTED DELIVERY	\$	
	OPTIONAL SERVICES	\$	
OPTIONAL SERVICES	RETURN RECEIPT SERVICE	\$	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE			

PS 3800, Apr. 1976

December 19, 1979

Mabel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Mabel Reed and H.M. Reed, Trustees of the
Warren Clark Testamentary Trust
c/o Clark Trusts
Post Office Box 1846
Austin, Texas 78767

Attention: Wayland W. Oatman

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Oatman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

SENDER: Complete Items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☒ Show to whom and date delivered.
☐ Show to whom, date and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

ARTICLE ADDRESSED TO:
Clark Trusts
P. O. Box 1846
Austin, Texas 78767

2. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749249

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
DATE OF DELIVERY DEC 21 1979

3. ADDRESS (Complete only if registered)
POSTMARK

4. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★GPO : 1978-288-840

P08 5749249
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED -
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Clark Trusts
P. O. Box 1846
P.O. STATE AND ZIP CODE
Austin, Texas 78767

POSTAGE
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY

CONSU. POSTMASTER F.R. FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES
POSTMARK OR DATE
12/19/79

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below.
- Complete items 1, 2, and 3 on the reverse.
 - Attach to front of article if space permits, otherwise affix to back of article.
 - Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO

CAMPBELL AND BLACK, P.A.
(Name of Sender)

Post Office Box 2208
(Street or P.O. Box)

Santa Fe NM 87501
(City, State, and ZIP Code)

WFC

December 19, 1979

Mabel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Mabel Reed and H.M. Reed, Trustees of the
Warren Clark Testamentary Trust
c/o Clark Trusts
Post Office Box 1846
Austin, Texas 78767

Attention: Wayland W. Oatman

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Oatman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5749243
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Clark Trusts
STREET AND NO
P. O. Box 1846
P.O. STATE AND ZIP CODE
Austin, Texas 78767

POSTAGE
CERTIFIED FEE
SPECIAL DELIVERY
RESTRICTED DELIVERY
CONSULT POSTMASTER FOR FEES
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES
POSTMARK OR DATE

12/19/79

December 19, 1979

Ibex Partnership
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

1. The following service is requested (check one.)
☒ Show to whom and date delivered.
☐ Show to whom, date and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ibex Partnership
Post Office Box 911
Breckenridge, TX 76024

3. ARTICLE DESCRIPTION:
REGISTERED NO. 5749248 INSURED NO.

(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent

4. DATE OF DELIVERY 12-21-79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

DEC 21 1979

POSTAL SERVICE

PS Form 3830, Apr. 1976

PO 5749248
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED -
NOT FOR INTERNATIONAL MAIL
(See Regulations)

SENT TO:
Ibex Partnership
P. O. Box 911
Breckenridge, TX 76024

POSTAGE
CERTIFIED MAIL
OPTIONAL SERVICES
RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES
POSTMARK OR DATE

12/19/79

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300RETURN
TOCAMPBELL AND BLACK, P.A.
(Name of Sender)Post Office Box 2208
(Street or P.O. Box)Santa Fe, NM 87501
(City, State, and ZIP Code)

WFC

December 19, 1979

Ibex Partnership
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P08 5749248
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Ibex Partnership
STREET AND NO.
P. O. Box 911
P.O. STATE AND ZIP CODE
Breckenridge, TX 76024

POSTAGE

CERTIFIED FEE

SPECIAL DELIVERY

RESTRICTED DELIVERY

SHOW TO WHOM AND

DATE DELIVERED

SHOW TO WHOM, DATE

AND ADDRESS OF

DELIVERY

SHOW TO WHOM AND DATE

DELIVERED WITH RESTRICTED

DELIVERY

SHOW TO WHOM, DATE AND

ADDRESS OF DELIVERY WITH

RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES

POSTMARK OR DATE

Form 3800, Apr. 1976

12/19/79

WELL COST ESTIMATE

COMPANY READING & BATES PETROLEUM CO.

DATE Dec. 19, 1979

WELL FEDERAL #17-1

LOCATION 790' FSL, 1850' FSL - Section 17 T24N-R3W - Rio Arriba Co., New Mexico

PROPOSED TD 7700' EST. DRILLING DAYS 16

Tangible Well Costs

Well Pipe

40'	of	20"	@	\$ 25.00	/ft.
350'	of	8-5/8"	@	\$ 9.00	/ft.
7700'	of	5-1/2"	@	\$ 8.50	/ft.
7700'	of	2-3/8"	@	\$ 2.45	/ft.

Wellhead Assembly

Subsurface Equip. - packer, rods, pumps, etc.

Separation Facilities, Installed

Tanks and Shipping Facilities, Installed

Flow Lines, Pipe & Electric Lines, Installed

Other Equipment - ~~Pumping Unit~~ Misc.

Total Tangibles

Producer	Dry Hole
\$	\$
88,500	4,200
10,000	1,500
5,000	--
9,700	--
9,800	--
4,000	--
6,400	300
\$ 133,400	\$ 6,000

Intangible Well Costs

Permits, Surveys, Foundations

Location, Roads & Damages

Contract Drilling

7700	ft. @ \$	15.00	/ft.
2	days @ \$	4500.00	/day
	days @ \$		/day

Compl. Unit 8 days @ \$ 1300.00 /day

Cement and Cement Service

Drilling Fluid Materials

Excess Water & ~~Drill~~

Supplies

Drill Stem Testing 1 @ 3000

Coring and Analysis

Wireline Service

Logging \$17,000

Perforating \$ 5,000

Other --

Formation Treating

Transportation and Hauling (surface, long string, tubing)

Rentals, Contract Labor, Misc.

Engineering Supervision

Geological Supervision (Mud Logger & consultant)

Overhead

Contingencies

Total Intangibles

\$ 1,000	\$ 1,000
7,500	7,500
--	--
134,900	124,500
16,700	4,800
25,000	25,000
9,000	5,000
--	--
3,000	3,000
--	--
--	--
22,000	14,000
60,000	--
3,000	700
8,200	6,600
4,200	2,100
10,400	10,400
1,900	1,200
30,700	20,400
\$ 337,700	\$ 226,600
\$ 471,100	\$ 232,600

TOTAL

Prepared By:

Jerry L. Hofman
Jerry L. Hofman

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Applicants EXHIBIT NO. VIII

CASE NO. 6772

Submitted by Reading + Bates

Hearing Date 1/3/80

Reading & Bates Petroleum Co.
 Hooper, Kimball & Williams, Inc.
 Petroleum Corporation of Texas
 Ibox Partnership
 Mabel Reed, Trustee of the Warren Clark Trust
 Carolyn Clark Oatman
 Mabel Reed and H. M. Reed, Trustees of the
 Warren Clark Testamentary Trust
 Mountain State Natural Gas Corporation
 Ruth Gilliland Hardman
 Ralph Gilliland

1/6
 1/6
 7.804365%
 7.804365%
 0.40690%
 0.43742%

 0.21362%
 1/4
 1/8
 1/8

BEFORE EXAMINER STAMETS
 OIL CONSERVATION DIVISION

Applicants EXHIBIT NO. VI

CASE NO. 6772

Submitted by Reading + Bates

Hearing Date 1/3/82

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
<i>Applicants</i>	EXHIBIT NO. <u>VIII</u>
CASE NO. <u>6772</u>	
Submitted by <u>Reading & Bates</u>	
Hearing Date <u>1/3/80</u>	

December 19, 1979

Hooper, Kimball & Williams, Inc.
c/o Mr. George Owens
Eagleton, Eagleton & Owens, Attorneys
1606 First National Bank Building
Tulsa, Oklahoma 74103

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Owens:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Mr. George Owens 1606 1st Nat'l. Bank Bldg. Tulsa, Oklahoma 74103	
3. ARTICLE DESCRIPTION: REGISTERED NO. 5749251	INSURED NO.
I have received the article described above. SIGNATURE <i>W. F. Carr</i> (Authorized agent) Address (Complete only if requested)	
4. DATE OF DELIVERY DEC 21 1979	POSTMARK
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER (Reason)	CLERK'S INITIALS

December 17, 1979

Petroleum Corporation of Texas
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUEST

Reading & Bates - 6772

1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.....		2. ARTICLE ADDRESSED TO: Petroleum Corp. of Texas Post Office Box 911 Breckenridge, Texas 76024		3. ARTICLE DESCRIPTION: REGISTERED NO. 5749247 CERTIFIED NO. 5749247 INSURED NO.		4. SIGNATURE I have received the article described above. SIGNATURE <i>W. F. Carr</i> ADDRESS <i>Breckenridge, Texas</i> DATE OF DELIVERY <i>12-21-79</i> POSTMARK <i>DEC 21 1979</i>		5. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS <i>CE</i>	
--	--	--	--	---	--	--	--	---	--

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 17, 1979

Petroleum Corporation of Texas
Post Office Box 911
Breckenridge, Texas 76024
Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Report.
You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT FORM

Reading & Bates - 6772

PS Form 3811, Jan. 1978

1. The following service is requested (check one.)		
<input checked="" type="checkbox"/> Show to whom and date delivered.....		
<input type="checkbox"/> Show to whom, date and address of delivery.....		
<input type="checkbox"/> RESTRICTED DELIVERY		
Show to whom and date delivered.....		
<input type="checkbox"/> RESTRICTED DELIVERY.		
Show to whom, date, and address of delivery.....		
(CONSULT POSTMASTER FOR FEES)		
2. ARTICLE ADDRESSED TO:		
Petroleum Corp. of Texas Post Office Box 911 Breckenridge, Texas 76024		
3. ARTICLE DESCRIPTION:		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	5749247	
(Always obtain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> Authorized agent		
4. DATE OF DELIVERY		POSTMARK
12-21-79		DEC 21 1979
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		
		CLERK'S INITIALS
		EE

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1972

Mr. William Kistler, III
10 East 53rd Street
New York, New York 10022

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Kistler:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REC

Reading & Bates - 6772

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.....		2. ARTICLE ADDRESSED TO: William Kistler, III 10 East 53rd Street New York, New York 10022		3. ART CLE DESCRIPTION: REGISTERED NO. 5749291 INSURED NO.		4. DATE OF DELIVERY: DEC 28 1972		5. ADDRESS (Complete only if required)		6. UNABLE TO DELIVER BECAUSE:		7. CLERK'S INITIALS	
8. SENDER'S SIGNATURE: C. LaFontaine		9. SENDER'S ADDRESS: 10 East 53rd Street, New York, NY 10022		10. POSTAGE PAID: 5749291		11. POSTAGE PAID: 5749291		12. POSTAGE PAID: 5749291		13. POSTAGE PAID: 5749291		14. POSTAGE PAID: 5749291	

December 19, 1979

Mr. William Kistler, III
10 East 53rd Street
New York, New York 10022

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Kistler:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.
You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William S. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REC

Reading & Bates - 6772

PS Form 3811, Jan. 1979

1. SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
William Kistler, III
10 East 53rd Street
New York, New York 10022

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749291

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
C. LaFontaine

DATE OF DELIVERY POSTMARK
DEC 20 1979

5. ADDRESS (Complete only if required)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

December 19, 1979

Mr. Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Gilliland:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUIRED

Reading & Bates - 6772

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery \$.....		2. ARTICLE ADDRESSED TO: Ralph Gilliland 7420 Caruth Dallas, Texas 75225		3. ARTICLE DESCRIPTION: REGISTERED NO. 5749290 INSURED NO.	
4. DATE OF DELIVERY 12/21/79				5. ADDRESS (Complete only if required)	
6. SIGNATURE [Signature]				7. CLERK'S INITIALS	

Form 3811, Jan. 1979

December 19, 1979

Mr. Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Gilliland:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lf

Inclosure

CERTIFIED MAIL
RETURN RECEIPT PDS

Reading & Bates - 6772

Form 3811, Jan. 10/78

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FILES)

2. ARTICLE ADDRESSED TO:
Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749290
(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☒ Addressee ☐ Authorized agent
DATE OF DELIVERY 12/21/79
5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RECEIVED
DEC 21 1979
DALLAS TEXAS

December 19, 1979

Ms. Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

Re: New Mexico Oil Conservation Division
Case 6772

Dear Ms. Hardman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.....		2. ARTICLE ADDRESSED TO: Ruth Gilliland Hardman 2423 East 72nd Place Tulsa, Oklahoma 74136		3. ARTICLE DESCRIPTION: REGISTERED NO. 5749289 INSURED NO.		4. SIGNATURE: [Signature] [Address] [Authorized agent]		5. POSTMARK TULSA DEC 21 1979		6. ADDRESS IS complete only if requested		7. UNABLE TO DELIVER BECAUSE:	
PS Form 3811, Jan. 1979													

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Ms. Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

Re: New Mexico Oil Conservation Division
Case 6772

Dear Ms. Hardman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiners hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT RE

Reading & Bates - 6772

PS Form 3811, Jan. 1978

1. SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749289
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Christine Bell

4. DATE OF DELIVERY

5. ADDRESSEE (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
TULSA, OKLA.
DEC 21 1979

★ UPO : 1979 200 018

December 19, 1979

Mountain States Natural Gas Corporation
c/o Mr. Albert J. Blair, Jr.
Post Office Box 35426
Tulsa, Oklahoma 74135

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Blair:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery.....	
(CONSULT POSTMASTER FOR FILES)	
2. ARTICLE ADDRESSED TO: Albert J. Blair, Jr. P. O. Box 35426 Tulsa, Oklahoma 74135	
3. ARTICLE DESCRIPTION: REGISTERED NO. 5749250	INSURED NO.
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE: [Signature] [Address: 35426] [Authorized agent]	
4. DATE OF DELIVERY: DEC 20 1979	POSTMARK: [Postmark]
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE: [] CLERK'S INITIALS: []	

December 19, 1979

Mountain States Natural Gas Corporation
c/o Mr. Albert J. Blair, Jr.
Post Office Box 35426
Tulsa, Oklahoma 74135

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Blair:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772

Form 3811, Jan 1979

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Albert J. Blair, Jr.
P. O. Box 35426
Tulsa, Oklahoma 74135

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749250

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Albert J. Blair, Jr.

4. DATE OF DELIVERY DEC 26 1979 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Mabel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Mabel Reed and H.M. Reed, Trustees of the
Warren Clark Testamentary Trust
c/o Clark Trusts
Post Office Box 1346
Austin, Texas 78767

Attention: Wayland W. Oatman

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Oatman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Clark Trusts P. O. Box 1846 Austin, Texas 78767	
3. REGISTERED NO.	INSURED NO.
5749249	
I have received the article described above. SIGNATURE (Address of addressee or agent) J. F. Oatman	
DATE OF DELIVERY DEC 19 1979	
POSTMARK	
6. ADDRESS (Complete only if requested)	
7. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

December 19, 1979

Habel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Habel Reed and H.H. Reed, Trustees of the
Warren Clark Testamentary Trust
c/o Clark Trusts
Post Office Box 1346
Austin, Texas 78767

Attention: Wayland W. Oatman

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Oatman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT PLS

Reading & Bates - 6772

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		
1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery..... (CONSULT POSTMASTER FOR FEES)		
2. ARTICLE ADDRESSED TO: Clark Trusts P. O. Box 1846 Austin, Texas 78767		
3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO. 5749249 (Always obtain signature of addressee or agent)		
I have received the article described above. SIGNATURE: <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent 4. DATE OF DELIVERY: DEC 19 1979 POSTMARK		
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS

December 19, 1979

Ibex Partnership
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT MAIL

Reading & Bates - 6772

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(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Ibex Partnership Post Office Box 911 Breckenridge, TX 76024	
3. ARTICLE DESCRIPTION: REGISTERED NO. 5749248	INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above: SIGNATURE <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> Authorized agent	
DATE OF DELIVERY 12-21-79	POSTMARK 1979
5. ADDRESS (Complete only if request is)	
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Ibex Partnership
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. W. Keaugh

Re: New Mexico Oil Conservation Division
Case 0772

Dear Mr. Keaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.
You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lc

Enclosure

CERTIFIED MAIL
RETURN RECEIPT PER

Reading & Bates - 6772

PS Form 3811, Jan 1979

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		
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2. ARTICLE ADDRESSED TO: Ibex Partnership Post Office Box 911 Breckenridge, TX 76024		
3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO. 5749248 (Always obtain signature of addressee or agent)		
I have received the article described above. SIGNATURE [Addressed] [Authorized agent] <i>Isaac Woodall</i>		
4. DATE OF DELIVERY 12-21-79		POSTMARK TX 1979
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS <i>W</i>

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

WELL COST ESTIMATE

COMPANY READING & BATES PETROLEUM CO.DATE Dec. 19, 1979WELL FEDERAL #17-1LOCATION 790' EBL, 1850' PBL - Section 17 T24N-R3W - Rio Arriba Co., New MexicoPROPOSED TD 7700' EST. DRILLING DAYS 16Tangible Well Costs

Well Pipe

40'	of	20"	@	\$ 25.00	/ft.
350'	of	8 5/8"	@	\$ 9.00	/ft.
7700'	of	5-17/8"	@	\$ 8.50	/ft.
7700'	of	2-3/8"	@	\$ 2.45	/ft.

Wellhead Assembly

Subsurface Equip. - packer, rods, pumps, etc.

Separation Facilities, Installed

Tanks and Shipping Facilities, Installed

Flow Lines, Pipe & Electric Lines, Installed

Other Equipment - Pumping Unit, Misc.

Total Tangibles

Producer	Dry Hole
\$	\$
88,500	4,200
10,000	1,500
5,000	--
9,700	--
9,800	--
4,000	--
6,400	300
\$ 133,400	\$ 6,000

Intangible Well Costs

Permits, Surveys, Foundations

Location, Roads & Damages

Contract Drilling

7700 ft. @ \$ 15.00 /ft.

2 days @ \$ 4500.00 /day

days @ \$ /day

Compl. Unit 8 days @ \$ 1300.00 /day

Cement and Cement Service

Drilling Fluid Materials

Fuel, Water & Power

Supplies

Drill Stem Testing 1 @ 3000

Coring and Analysis

Wireline Service

Logging \$17,000

Perforating \$ 5,000

Other --

Formation Treating

Transportation and Hauling (surface, long string, tubing)

Rentals, Contract Labor, Misc.

Engineering Supervision

Geological Supervision (Mud logger & consultant)

Overhead

Contingencies

Total Intangibles

\$ 1,000	\$ 1,000
7,500	7,500
--	--
134,900	11,500
16,700	3,500
25,000	25,000
9,000	5,000
--	--
3,000	3,000
--	--
--	--
22,000	14,000
60,000	--
3,000	700
8,200	6,600
4,200	2,100
10,500	10,500
1,900	1,200
30,700	20,500
\$ 337,700	\$ 226,600
\$ 471,100	\$ 232,600

TOTAL

Prepared By:

Jerry L. Hofman

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISIONApplicant's EXHIBIT NO. VIIICASE NO. 6772Submitted by Reading & BatesHearing Date 1/3/80

Reading & Bates Petroleum Co.
Hooper, Kimball & Williams, Inc.
Petroleum Corporation of Texas
Ibex Partnership
Mabel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Mabel Reed and H. M. Reed, Trustees of the
Warren Clark Testamentary Trust
Mountain State Natural Gas Corporation
Ruth Gilliland Hardman
Ralph Gilliland

1/6 ✓
1/6
7.804365% ✓
7.804365% ✓
0.40690%
0.43742%

0.21362%
1/4
1/8
1/8 ✓

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
Applicants	EXHIBIT NO. <u>VI</u>
CASE NO.	<u>6772</u>
Submitted by	<u>Reading & Bates</u>
Hearing Date	<u>1/2/80</u>

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
<i>Apheint</i>	EXHIBIT NO. <u>VII</u>
CASE NO. <u>6772</u>	
Submitted by <u>Reading + Bates</u>	
Hearing Date <u>1/3/80</u>	

December 19, 1979

Hooper, Kimball & Williams, Inc.
c/o Mr. George Owens
Eagleton, Eagleton & Owens, Attorneys
1606 First National Bank Building
Tulsa, Oklahoma 74103

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Owens:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery \$ —	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Mr. George Owens 1606 1st Nat'l. Bank Bldg. Tulsa, Oklahoma 74103	
3. ARTICLE DESCRIPTION: REGISTERED NO.	CERTIFIED NO. 5749251 INSURED NO. (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <i>W. M. Carr</i>
4. DATE OF DELIVERY DEC 21 1979	POSTMARK
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	
C-ERK'S INITIALS	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Applied EXHIBIT NO. VII
CASE NO. 6772
Submitted by Reading & Bates
Hearing Date 13 Dec

December 19, 1979

Hooper, Kimball & Williams, Inc.
c/o Mr. George Owens
Eagleton, Eagleton & Owens, Attorneys
1606 First National Bank Building
Tulsa, Oklahoma 74103

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Owens:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr
Enclosure
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

PS Form 3811, Jan. 1979

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☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. George Owens
1606 1st Nat'l. Bank Bldg.
Tulsa, Oklahoma 74103

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749251

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
M. M. Lee

4. DATE OF DELIVERY DEC 21 1979 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 17, 1979

Petroleum Corporation of Texas
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUEST

Reading & Bates - 6772

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery \$		2. ARTICLE ADDRESSED TO: Petroleum Corp. of Texas Post Office Box 911 Breckenridge, Texas 76024		3. REGISTERED NO. 5749247 CERTIFIED NO. INSURED NO.	
4. SIGNATURE (Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE [Addressed] [Authorized agent] DATE OF DELIVERY 12-21-79		5. POSTMARK BRECKENRIDGE TX DEC 21 1979		6. ADDRESS (Complete only if requested)	
7. UNABLE TO DELIVER BECAUSE:		8. CLERK'S INITIALS CE			

December 17, 1979

Petroleum Corporation of Texas
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Feaugh

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT ONLY

Reading & Bates - 6772

PS Form 3811, Jan. 1978

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<input checked="" type="checkbox"/> Show to whom and date delivered.....		
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Show to whom, date, and address of delivery \$.....		
(CONSULT POSTMASTER FOR FEES)		
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Petroleum Corp. of Texas		
Post Office Box 911		
Breckenridge, Texas 76024		
3. ARTICLE DESCRIPTION:		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	5749247	
(Always obtain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> Authorized agent		
4. DATE OF DELIVERY		
12-21-79		
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		
CLERK'S INITIALS		
EE		

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1972

Mr. William Kistler, III
10 East 53rd Street
New York, New York 10022

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Kistler:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

ENCLOSURE

CERTIFIED MAIL
RETURN RECEIPT REC

Reading & Bates - 6772

1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery \$.....		2. ARTICLE ADDRESSED TO: William Kistler, III 10 East 53rd Street New York, New York 10022		3. ARTICLE DESCRIPTION: REGISTERED NO. 5749291 INSURED NO.		4. DATE OF DELIVERY		5. ADDRESS (Complete only if required)		6. UNABLE TO DELIVER BECAUSE		7. CLEAN'S INITIALS	
PS Form 3831, Jan. 1979		RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL											

December 19, 1979

Mr. William Kistler, III
10 East 53rd Street
New York, New York 10022

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Kistler:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQ

Reading & Bates - 6772

PS Form 3811, Jan. 1978

1. SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on
reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
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☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.\$____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
William Kistler, III
10 East 53rd Street
New York, New York 10022

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749291
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
C. LaFontaine
DATE OF DELIVERY POSTMARK
DEC 20 1979
NEW YORK, NY
U.S.P.S.

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Mr. Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Gilliland:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Inclosure

CERTIFIED MAIL
RETURN RECEIPT REQUIRED

Reading & Bates - 6772

MINDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery.....	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Ralph Gilliland 7420 Caruth Dallas, Texas 75225	
3. ARTICLE DESCRIPTION: REG. INTER. NO. 5749290 CERTIFIED NO. 5749290 INSURED NO.	(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE: <i>[Signature]</i> Address: <input type="checkbox"/> Authorized agent
4. DATE OF DELIVERY 12/21/79	5. ADDRESS (Complete only if required)
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

December 19, 1979

Mr. Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Gilliland:

Inclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lc

Inclosure

CERTIFIED MAIL
RETURN RECEIPT ONLY

Reading & Bates - 6772

Form 3811, Jan. 1978

SENDER: Complete items 1, 2, and 3.
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Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ralph Gilliland
7420 Caruth
Dallas, Texas 75225

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749290
(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☒ Addressee ☐ Authorized agent

4. DATE OF DELIVERY
12/21/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

DEC 21 1979
DALLAS TEX

December 19, 1979

Ms. Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

Re: New Mexico Oil Conservation Division
Case 6772

Dear Ms. Hardman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT

Reading & Bates - 6772

1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.		2. ARTICLE ADDRESSED TO: Ruth Gilliland Hardman 2423 East 72nd Place Tulsa, Oklahoma 74136	
3. ARTICLE DESCRIPTION: REGISTERED NO. 5749289		INSURED NO.	
4. SIGNATURE (Handwritten: William F. Carr) I have received the article described above. SIGNATURE (Handwritten: William F. Carr) [Authorized agent]		5. ADDRESS (Complete only if requested) TULSA, OKLAHOMA 74136	
6. POSTMARK TULSA, OKLAHOMA DEC 21 1979		7. UNABLE TO DELIVER BECAUSE: INITIALS	

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Ms. Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

Re: New Mexico Oil Conservation Division
Case 6772

Dear Ms. Hardman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Reading & Bates - 6772

Postmark: Tulsa, Jan 1980

SLINDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ruth Gilliland Hardman
2423 East 72nd Place
Tulsa, Oklahoma 74136

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749289
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE: *Christine Bell*
DATE OF DELIVERY: POSTMARK: *DEC 21 1979*

4. ADDRESS (Complete only if suppressed)

5. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Mountain States Natural Gas Corporation
c/o Mr. Albert J. Blair, Jr.
Post Office Box 35426
Tulsa, Oklahoma 74135

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Blair:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772

SLIDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one.) <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery \$	
(CONSULT POSTMASTER FOR FILES)	
2. ARTICLE ADDRESSED TO: Albert J. Blair, Jr. P. O. Box 35426 Tulsa, Oklahoma 74135	
3. ARTICLE DESCRIPTION: REGISTERED NO.	CERTIFIED NO. 5749250 INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
4. DATE OF DELIVERY DEC 20 1979 POSTMARK	
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS	

December 19, 1979

Mountain States Natural Gas Corporation
c/o Mr. Albert J. Blair, Jr.
Post Office Box 35426
Tulsa, Oklahoma 74135

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Blair:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.
You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT R

Reading & Bates - 6772

Form 3811, Jan 1978

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.....
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Albert J. Blair, Jr.
P. O. Box 35426
Tulsa, Oklahoma 74135

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
5749250
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
H. L. W. Carr

4. DATE OF DELIVERY DEC 26 1979 POSTMARK
DEC 26 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT R, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Mabel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Mabel Reed and M.H. Reed, Trustees of the
Warren Clark Testamentary Trust
c/o Clark Trusts
Post Office Box 1846
Austin, Texas 78767

Attention: Wayland W. Oatman

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Oatman:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

WTC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reading & Bates - 6772	
SENDER: Complete Items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following action is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery.	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Clark Trusts P. O. Box 1846 Austin, Texas 78767	
3. ARTICLE DESCRIPTION: REGISTERED NO.	CERTIFIED NO. 5749249
INSURED NO.	
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE: <i>W. F. Oatman</i> ADDRESS: <i>Clark Trusts</i> DATE OF DELIVERY: <i>Dec 19 1979</i>	
POSTMARK	
5. ADDRESS (Complete only if requested):	
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

December 19, 1979

Mabel Reed, Trustee of the Warren Clark Trust
Carolyn Clark Oatman
Mabel Reed and H.L. Reed, Trustees of the
Warren Clark Testamentary Trust
c/o Clark Trusts
Post Office Box 1346
Austin, Texas 78767

Attention: Wayland W. Oatman

Re: New Mexico Oil Conservation Division
Case 6772

Dear Mr. Oatman:

Inclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner hearing.
You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

WFO:lr
Enclosure
CERTIFIED MAIL
RETURN RECEIPT PL

Reading & Bates - 6772

1. The following service is requested (check one.)
☒ Show to whom and date delivered.
☐ Show to whom, date and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Clark Trusts
P. O. Box 1346
Austin, Texas 78767

3. ARTICLE DESCRIPTION:
REGISTERED NO. 5749249 INSURED NO.
(Addressee's signature or address of agent)

I have received the article described above.
SIGNATURE: *G. F. Oatman* ADDRESS: AUTHORIZED AGENT

4. DATE OF DELIVERY: DEC 19 1979 POSTMARK

5. ADDRESSEE (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1979

Ibex Partnership
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 8772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL
RETURN RECEIPT MAIL

Reading & Bates - 6772

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered..... <input type="checkbox"/> Show to whom, date and address of delivery..... <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered..... Show to whom, date, and address of delivery.....	
(CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Ibex Partnership Post Office Box 911 Breckenridge, TX 76024	
3. ARTICLE DESCRIPTION: REGISTERED NO.	CERTIFIED NO. 5749248 INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE <i>W. F. Carr</i> ADDRESS <i>Post Office Box 911, Breckenridge, TX 76024</i>	
4. DATE OF DELIVERY 12-21-79	POSTMARK BRECKENRIDGE TX DEC 21 1979
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS <i>WFC</i>	

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

December 19, 1973

Ibex Partnership
Post Office Box 911
Breckenridge, Texas 76024

Attention: Mr. O. H. Reaugh

Re: New Mexico Oil Conservation Division
Case 0772

Dear Mr. Reaugh:

Enclosed is a copy of the docket for the January 3,
1980 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

NFC:1r

Enclosure

CERTIFIED MAIL
RETURN RECEIPT MAIL

Reading & Bates - 6772

PS Form 3811, Jan. 1973

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		
1. The following service is requested (check one.)		
<input checked="" type="checkbox"/> Show to whom and date delivered.....*		
<input type="checkbox"/> Show to whom, date and address of delivery.....*		
<input type="checkbox"/> RESTRICTED DELIVERY		
Show to whom and date delivered.....*		
<input type="checkbox"/> RESTRICTED DELIVERY		
Show to whom, date, and address of delivery..\$		
(CONSULT POSTMASTER FOR FEES)		
2. ARTICLE ADDRESSED TO:		
Ibex Partnership Post Office Box 911 Breckenridge, TX 76024		
3. ARTICLE DESCRIPTION:		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	5749248	
(Always obtain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> Authorized agent		
4. DATE OF DELIVERY		POSTMARK
12-21-79		DEC 21 1973 TX
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		
		CLERK'S INITIALS
		CE

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

WELL COST ESTIMATE

COMPANY READING & BATES DRILLING CO.DATE Nov. 19, 1979WELL FEDERAL #17-1LOCATION 790' FSL, 1850' FLL - Section 17-T24N-R3W - Rio Arriba Co., New MexicoPROPOSED TD 7700' EST. DRILLING DAYS 16

Tangible Well Costs

Well Pipe

40'	of	20"	@	\$ 25.00	/ft.
350'	of	8 5/8"	@	\$ 9.00	/ft.
7700'	of	5-17/2"	@	\$ 8.50	/ft.
7700'	of	2-3/8"	@	\$ 2.45	/ft.

Wellhead Assembly

Subsurface Equip. - packer, rods, pumps, etc.

Separation Facilities, Installed

Tanks and Shipping Facilities, Installed

Flow Lines, Pipe & Electric Lines, Installed

Other Equipment - ~~Drilling~~ Misc.

Total Tangibles

Producer

Dry Hole

\$	\$
88,500	4,200
10,000	1,500
5,000	--
9,700	--
9,800	--
4,000	--
6,500	300
\$ 133,400	\$ 6,000

Intangible Well Costs

Permits, Surveys, Foundations

Location, Roads & Damages

Contract Drilling

7700 ft. @ \$ 15.00 /ft.

2 days @ \$4500.00 /day

days @ \$ /day

Compl. Unit 8 days @ \$ 1300.00 /day

Cement and Cement Service

Drilling Fluid Materials

Excess Water & Wax

Supplies

Drill Stem Testing 1 @ 3000

Coring and Analysis

Wireline Service

Logging \$17,000

Perforating \$ 5,000

Other --

Formation Treating

Transportation and Hauling (surface, long string,

Rentals, Contract Labor, Misc. tubing)

Engineering Supervision

Geological Supervision (the Logger & consultant)

Overhead

Contingencies

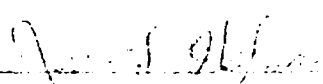
Total Intangibles

\$	\$
1,000	1,000
7,500	7,500
--	--
134,900	104,500
16,700	4,800
25,000	25,000
9,000	5,000
--	--
3,000	3,000
--	--
--	--
22,000	14,000
60,000	--
3,000	700
8,200	6,600
4,200	2,100
10,000	10,000
1,900	1,200
39,700	20,400
\$ 337,700	\$ 226,600

TOTAL

\$ 471,100	\$ 232,600
------------	------------

Prepared By:



Jerry L. Hoffman

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISIONApplicants EXHIBIT NO. VIIICASE NO. 6772Submitted by Reading & BatesHearing Date 1/3/80

Docket No. 1-80

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.
- CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota Pool, to be dedicated to a well to be drilled at a standard location thereon. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6773: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 19 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6768: (Continued and Readverrised)
- Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

Docket No. 1-80

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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- CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.
- CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota Pool, to be dedicated to a well to be drilled at a standard location thereon. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6773: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 19 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 560 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6768: (Continued and Readvertised)
- Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6767: (Continued from December 12, 1979, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6437: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Palalotes-Pennsylvanian Pool.

CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.

CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10, Township 18 South, Range 32 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6777: Application of Harvey E. Yates Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit C of Section 22, Township 23 South, Range 27 East.

CASE 6778: Application of Harvey E. Yates Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit N of Section 4, Township 18 South, Range 29 East.

CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6779: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 33 East.

CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Serpentine Bands Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.

CASE 6781: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

CASE 6782: Application of Inexco Oil Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit II of Section 7, Township 19 South, Range 33 East.

CASE 6783: Application of McClellan Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlise State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6784: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

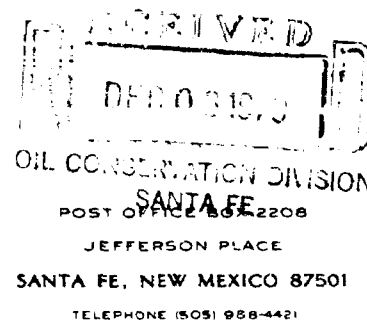
In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785: Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 18, Township 8 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL



December 4, 1979

Case 6772

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of Energy & Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Reading & Bates Petroleum
Co. for Compulsory Pooling, Rio Arriba
County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Reading & Bates Petroleum Co. in the above-referenced matter.

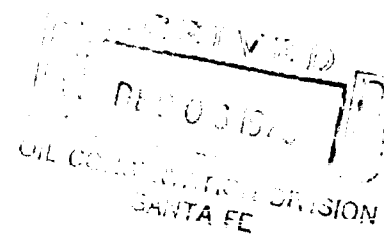
The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on January 3, 1980.

Very truly yours

William F. Carr
William F. Carr

WFC:lr

Enclosures



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
READING & BATES PETROLEUM CO. FOR
COMPULSORY POOLING, RIO ARRIBA
COUNTY, NEW MEXICO.

CASE 6772

APPLICATION

Comes now, READING & LATES PETROLEUM CO., by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A., 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Dakota formation in and under the SE/4 of Section 17, Township 24 North, Range 3 West, N.M.P.M. Rio Arriba County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of 16.66% of the working interest in and under the SE/4 of Section 17, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its C & C Federal Well #1 to be drilled at an orthodox location 790 feet from the south line and 1850 feet from the west line of said Section 17.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the SE/4 of said Section 17 except Mountain States Natural Gas Corporation, owners of a 25% working interest, Ruth Gilliland Hardman, owner of a 12.5% working interest and Ralph Gilliland, owner of a 12.5% working interest.

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

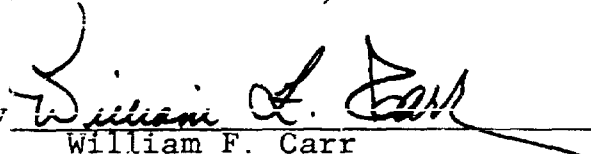
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order pooling the land, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges and a risk factor for the risk assumed by applicant in drilling, equipping and completing the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

RECEIVED
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
READING & BATES PETROLEUM CO. FOR
COMPULSORY POOLING, RIO ARRIBA
COUNTY, NEW MEXICO.

CASE 6772

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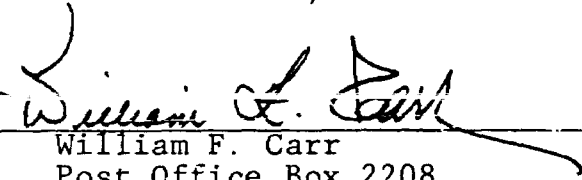
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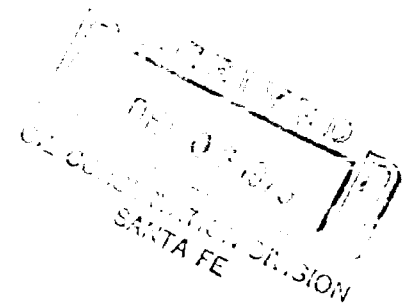
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Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
READING & BATES PETROLEUM CO. FOR
COMPULSORY POOLING, RIO ARRIBA
COUNTY, NEW MEXICO.

CASE 6772

APPLICATION

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1. Applicant is the owner of 16.66% of the working interest in and under the SE/4 of Section 17, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its C & C Federal Well #1 to be drilled at an orthodox location 790 feet from the south line and 1850 feet from the west line of said Section 17.
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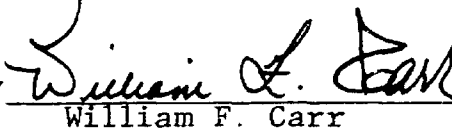
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WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order pooling the land, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges and a risk factor for the risk assumed by applicant in drilling, equipping and completing the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

DPART

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6172

Order No. R- 6243

APPLICATION OF READING & BATES
PETROLEUM CO. FOR COMPULSORY POOLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of January, 19 80, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Reading & Bates Petroleum Co.,
seeks an order pooling all mineral interests in the Dakota
formation underlying the SE/4
of Section 17, Township 24 North, Range 3 West,
NMPM, Chacon-Dakota Pool, Rio Arriba County, New
Mexico.

-2-
Case No.
Order No. R-

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the ~~gas~~ ^{hydrocarbons} in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 20 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

Case No.
Order No. R-

*\$2000⁰⁰ per month while drilling
and \$325⁰⁰ per month while producing*

(11) That per month should be fixed as a reasonable charge^s for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charge^s attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before April 30, 1980, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, NMPM, Chacon-Dakota^{Associated} Pool, Rio Arriba County, New Mexico, are hereby pooled to form a standard 160 acre ^{oil} gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 30th day of April, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Dakota formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 30th day of April, 1980, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Reading & Bates Petroleum Co. is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs in advance as provided

above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

\$ 2000 ^{or} per month while drilling, and
\$ 200 ^{or} per month while producing
(9) That 325 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

-6-

Case

Order No.

(10) 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.

(11) 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.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Rio Arriba County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

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

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