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November 5, 1985

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W. E. BONDURANT, JR. (913-1973)
ROBERT A. STONE (905-1981)

*NOT LICENSED IN TEXAS

Mr. Roy E. Johnson
Senior Petroleum Geologist
State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Tucumcari First National Bank Well No. 1-X
located 710 feet from the East line, 660 feet
from the South line of Section 20, Township 8
North, Range 22 East, N.M.P.M., Guadalupe
County, New Mexico

Dear Roy:

I would like to thank you for the courtesies given to Steve
Moise and myself last week while visiting your office.

Confirming our conversations of last week, I am writing this
letter with regard to the captioned matter.

The Moise family executed an oil and gas lease to Clifton
Wilderspin dated February 4, 1972 providing for primary term of
ten years from date and covering some 12,966.16 acres located in
Guadalupe County, New Mexico. This lease was subsequently
assigned on April 24, 1972 to Amoco Production Company and
thereafter farmed out to the predecessors of the parties now
purporting to operate said well. Forty of these acres, being the
SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 20, are located within the proration unit for
the captioned well. My information indicates that your form
C-101 was filed on November 19, 1981 for the re-entry of the Bert
Thompson, et al., Tucumcari First National Bank Well No. 1
located 660 feet from the East line and 660 from the South line
of said Section 20, the original well having been drilled in 1959
and plugged and abandoned. We understand that this re-entry was

junked and that a new C-101 was filed January 5, 1981 for the captioned well. This well was drilled across the primary term and based upon this well the operator and working interest owners are claiming the lands upon which this well is drilled and those pooled therewith (including the Moise 12,966.16 acres), are held by production.

It is our view that this well is not a commercial well and as a result the oil and gas lease covering the Moise lands has expired. We have communicated this conclusion to the current operators on several occasions. You have previously submitted to me certain logs which your files contained in connection with the captioned well which we, in turn, submitted to Joe C. Neal & Associates, Petroleum Consultants here in Midland. Based upon examination of this log, Mr. Neal, a petroleum engineer, has concluded that the captioned well is not a commercial well. Mr. Neal would like to be able to examine any additional information or results of tests which may be conducted on said well which are submitted to your office.

After conversing with you earlier in the year with regard to this matter I learned that pursuant to your Rule 202 B this matter would begin being reconsidered later in this year and a decision would be rendered on or before January 10, 1986 by the Oil Conservation Division to determine whether or not the current temporary abandonment permit (which we understand is the second such permit) issued to the operator will be terminated and not extended again. In this regard I refer you to my prior letter to you of June 26, 1985. It is my understanding that within the next few weeks you will be looking into the commerciality of this well, assuming that the operator requests that yet another temporary abandonment permit be issued. We, of course, oppose the issuance of any further such permits or extensions of the current permit and would like to have input into any decision which you might make in this regard. Our input will support our position that the well is non-commercial.

As a result of the foregoing, we would respectfully request that:

1. We be kept advised of any actions on your part in connection with this matter;
2. We be furnished with copies of all correspondence or any information, verbal or written, relating to this matter;
3. We be furnished with copies of the results of any testing of the captioned well, such as a four point test, so that our engineer may examine these and submit his conclusions to you before you reach any decision on this matter.

We would appreciate any notices or correspondence as requested hereinabove be mailed to me at our Midland address with copies sent to Mr. Moise at his Albuquerque address.

Mr. Johnson
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If we may furnish any information or be of any aid at this time, please do not hesitate to call upon us. Again, we appreciate your consideration of this matter.

Sincerely yours,

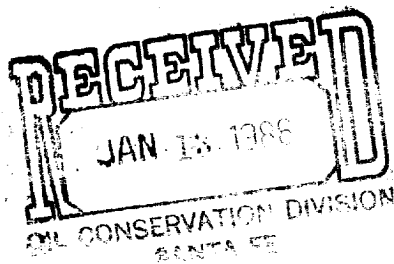
HINKLE, COX, EATON,
COFFIELD & HENSLEY

C. D. Martin

CDM:pk

xc: Richard L. Stamets
Director
State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Steven K. Moise
Sutin, Thayer & Browne
P. O. Box 1945
Albuquerque, New Mexico 87103



O. H. BERRY
Independent Oil Producer
188 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79701
10 January 1986

(915) 684-4932

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

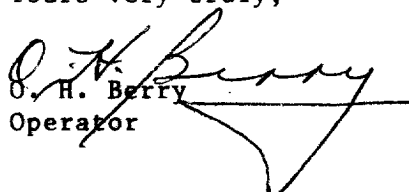
Attention: Mr. Roy E. Johnson
Senior Petroleum Geologist

Tucumcari FNB Well No. 1-X
P-20-8N-22E
Guadalupe County, New Mexico

Gentlemen:

In response to your letter of December 27, 1985, concerning the captioned well, I submit herewith Form C-103 for your consideration.

Yours very truly,


O. H. Berry
Operator

cc to WI Owners listed below:
James E. Redman
Jerry Hooper
William E. Weatherford
Gerald Bartley
J. Cecil Rhodes
AMOCO: Attn: Jerry West

Dalton H. Cobb
E. Robert Duke
Lario Oil & Gas Co.
Petroleum Acquisition
Word B. Wilson