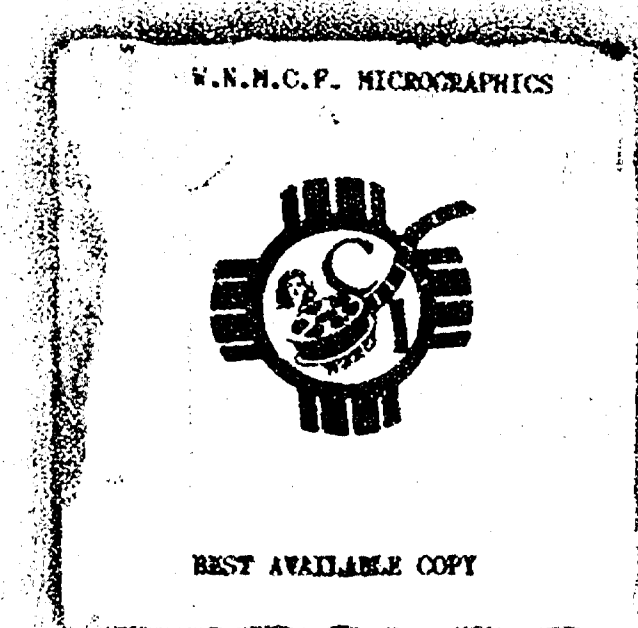
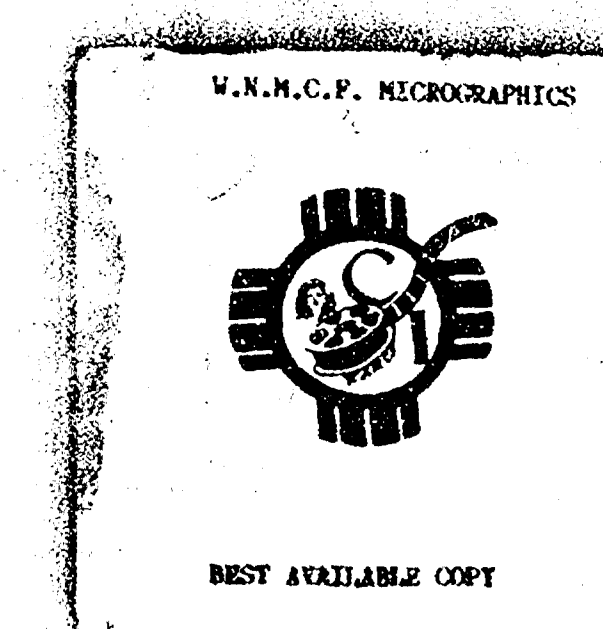
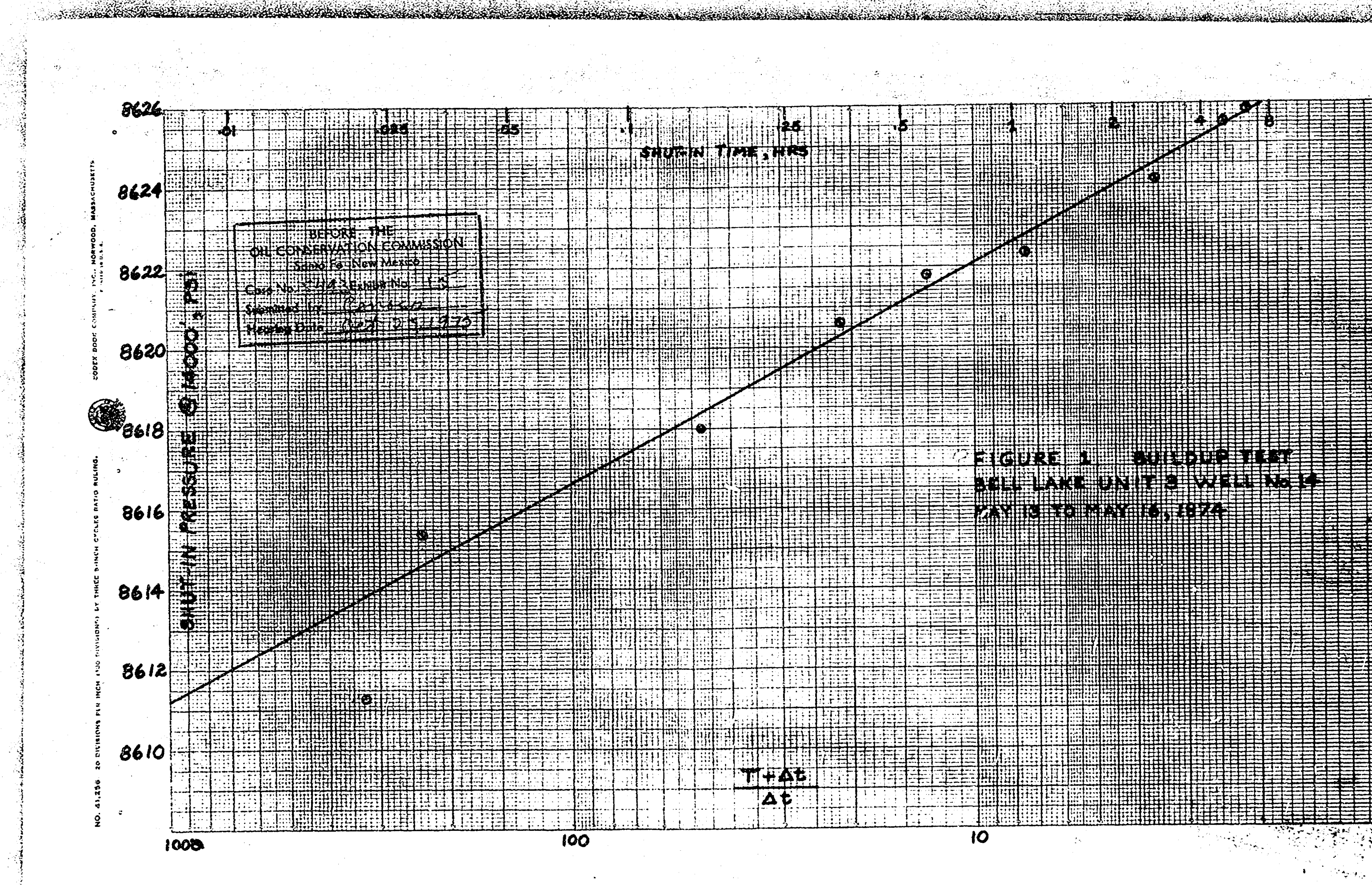
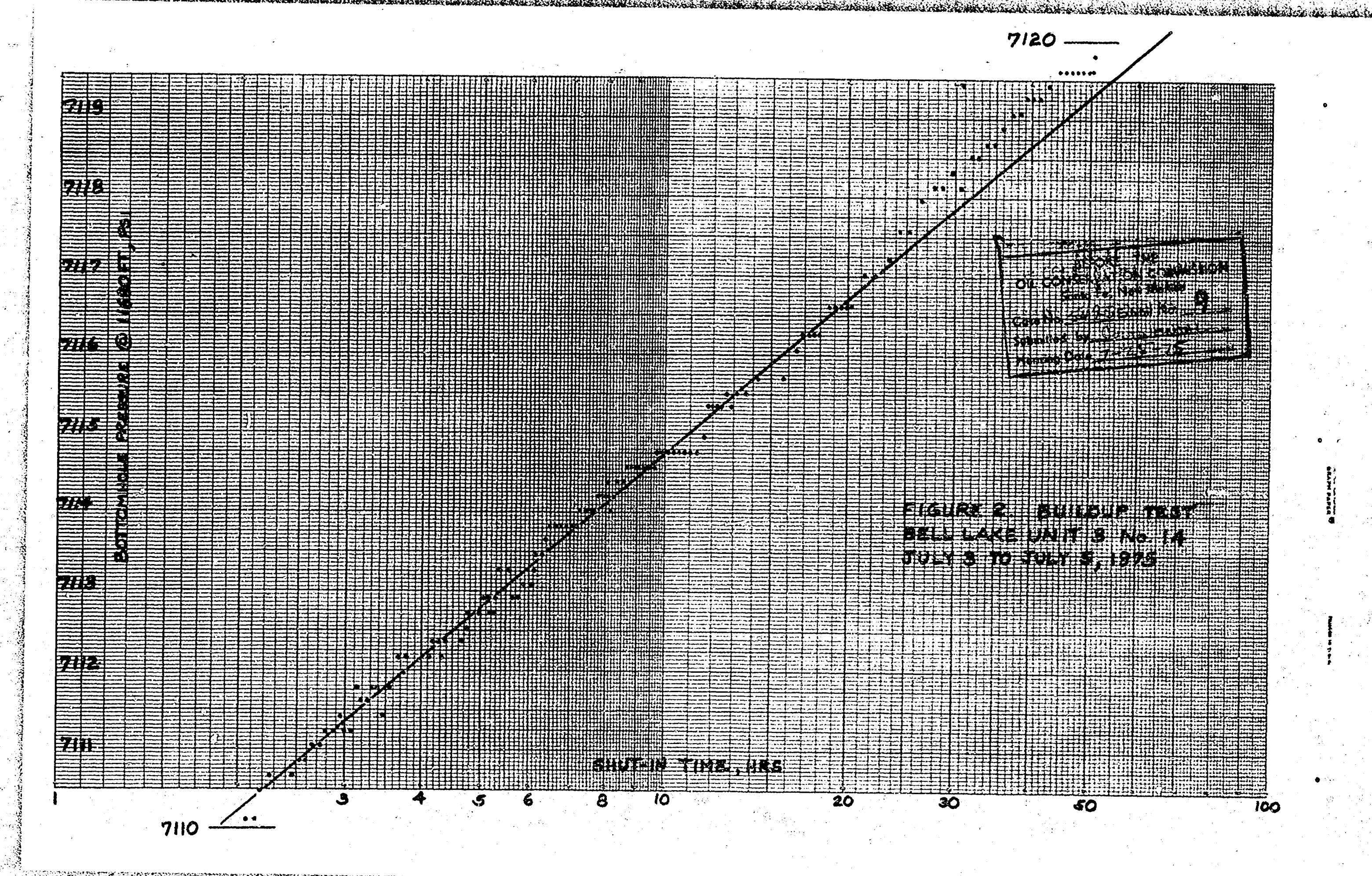
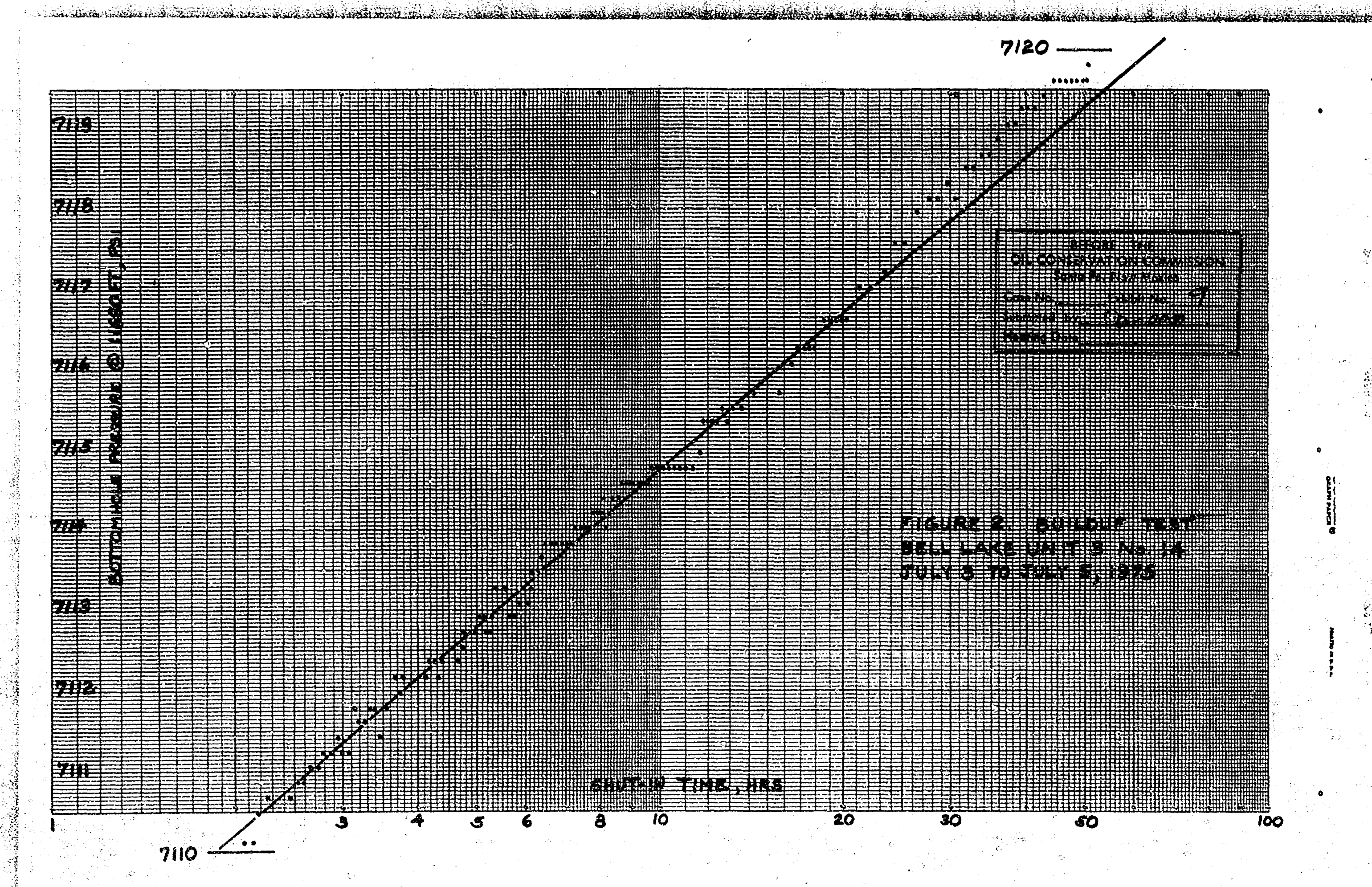
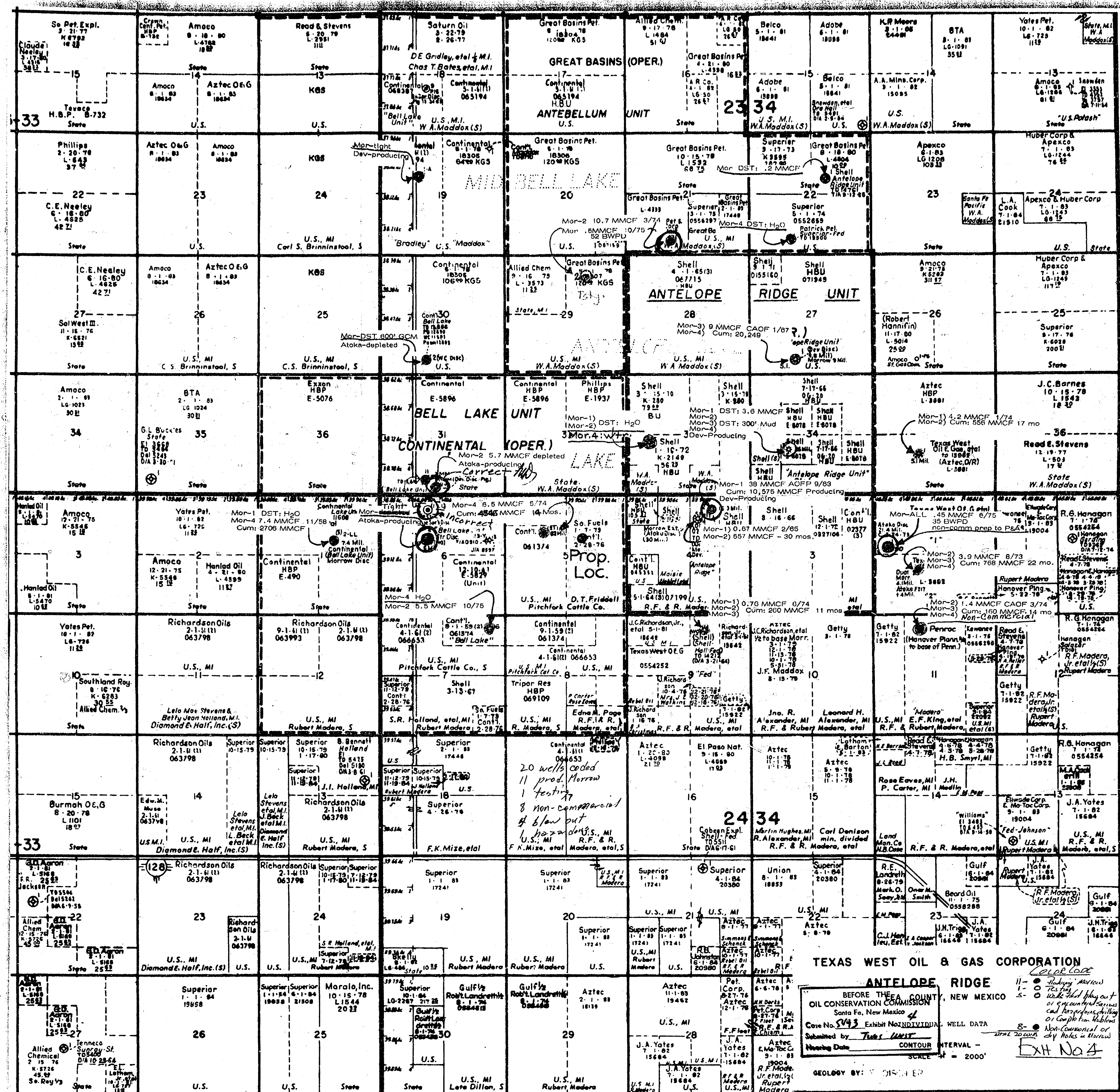


Case No.
5493

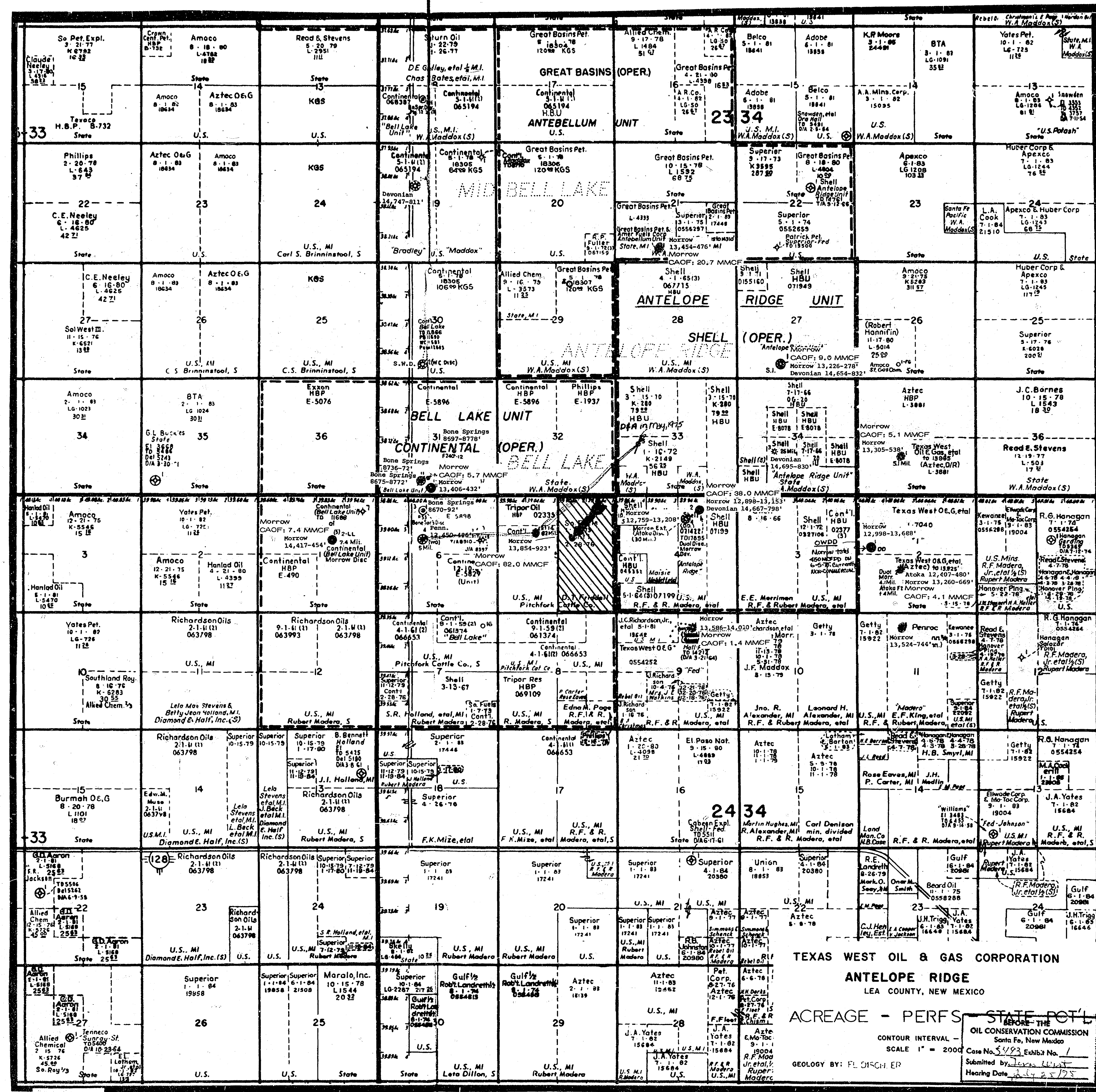
Large Exhibits

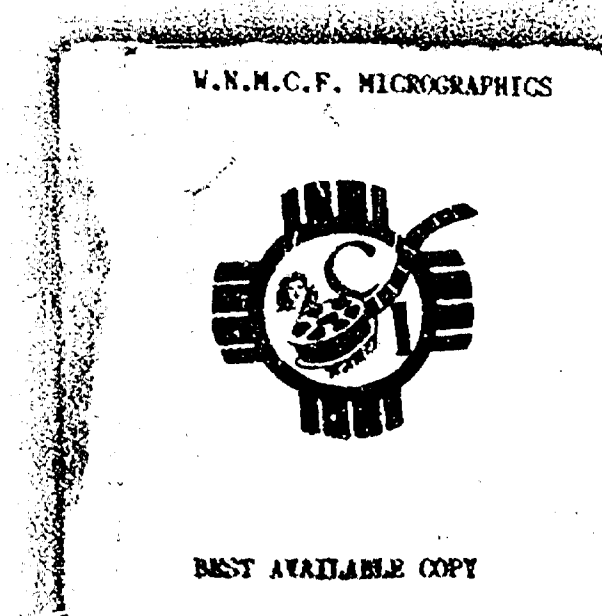
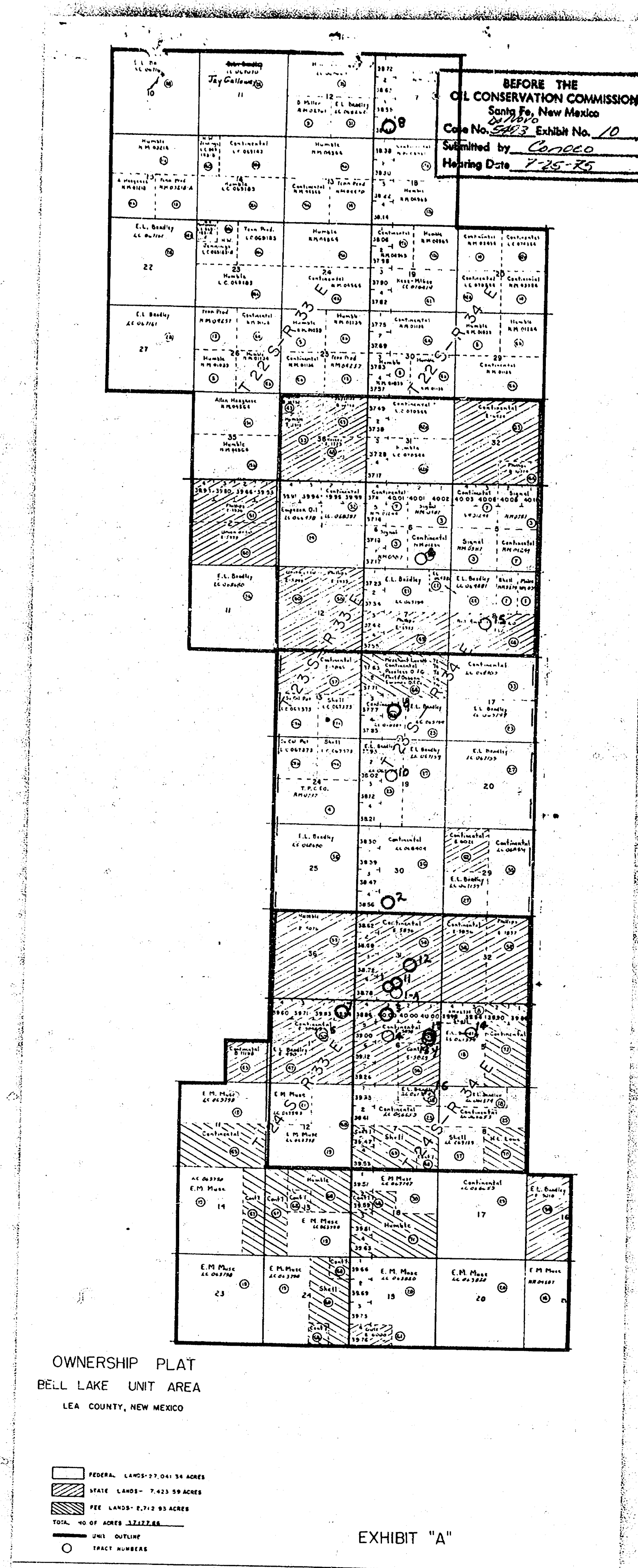






BEST AVAILABLE COPY





TEXAS WEST OIL & GAS CORPORATION
609 Midland National Bank Building
Midland, Texas 79701

AUTHORITY FOR EXPENDITURE Date: April 23, 1975
W/locat Development AFE # 108
() Drilling (x) Drilling
() Completion (x) Completion
() Drill Deeper () Drill Deeper
() Workover () Workover

Lease Name Nodera Well No. 1 Proposed Depth 14,200'
County Lea State New Mexico Well Location 1980' FN & BL-
Sec. 5, T-24S, R-14E

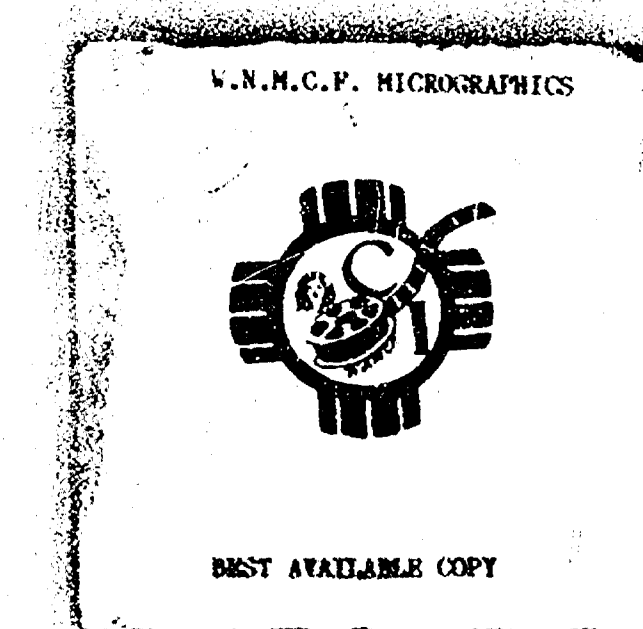
Spud Date _____ Estimated Days to Drill 100 To Complete 12

INTANGIBLE WELL COST	DRY HOLE	COMPLETED WELL
Access, Location & Roads	\$	\$ 15,000
Rig Move		20,000
Footage Cost		
Day Work Cost (100 days @ \$250; 12 days		278,800
Bits & Reamers @ \$2400		55,500
Fuel		8,000
Water		62,000
Mud & Chemicals		45,000
Cementing & Services		
Coring		
Surveying & Testing		20,000
Mud Logging		5,000
Perforating		5,500
Stimulation		7,500
Transportation		10,000
Drilling Overhead		5,500
Other Drilling Expense		15,000
Contingencies		15,000
Total Intangible Well Cost	\$	\$ 562,800

BEFORE THE
OIL CONSERVATION COMMISSION
Santo Fe, New Mexico
Case No. 2773 Exhibit No. 2
Submitted by TXO
Hearing Date 4-23-75

TANGIBLE WELL COSTS		
30' of 30" Conductor Csg.	\$	\$ 450
500' of 14" Surface Casing		9,200
5,200' of 10-3/4" Intermediate Csg.		69,000
12,000' of 7-5/8" Intermediate Csg.		144,000
2,600' of 5" Production Casing		18,500
13,800' of 2-7/8" Tubing		55,200
Liner Equipment		2,500
Wellhead Equipment		24,000
Producing Facilities, Tank Batteries, Flowlines		35,000
Packers & Other Subsurface Tools		7,500
Contingencies		10,000
Total Tangible Well Costs	\$	\$ 375,350
TOTAL WELL COST	\$	\$ 938,150
Acresage Cost	\$	
Geological (Acquisition) Cost		
TOTAL WELL COST + ACRESAGE & GEOLOGICAL COSTS	\$	\$ 938,150 +5%

APPROVED BY: _____
COMPANY: _____



-4-
Case No. 5493
Order No. R-5039-B

(17) That the protestant in this case, Continental Oil Company, as operator of the Bell Lake Unit, has the operating rights to a 25/32 undivided working interest in said 320-acre spacing unit, as well as to the working interest in all acreage off-setting the proposed unit to the north, south, and west.

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

(19) That Continental has objected to the proposed compulsory pooling on two grounds:

a. That the Morrow zone of the Pennsylvanian formation underlying the proposed spacing unit is being adequately drained by offsetting wells in its Bell Lake Unit; and

b. That the applicant can protect its correlative rights by committing its interest in the E/2 of Section 5, Township 24 South, Range 34 East, NMPM, to the Bell Lake Unit and sharing in unit production.

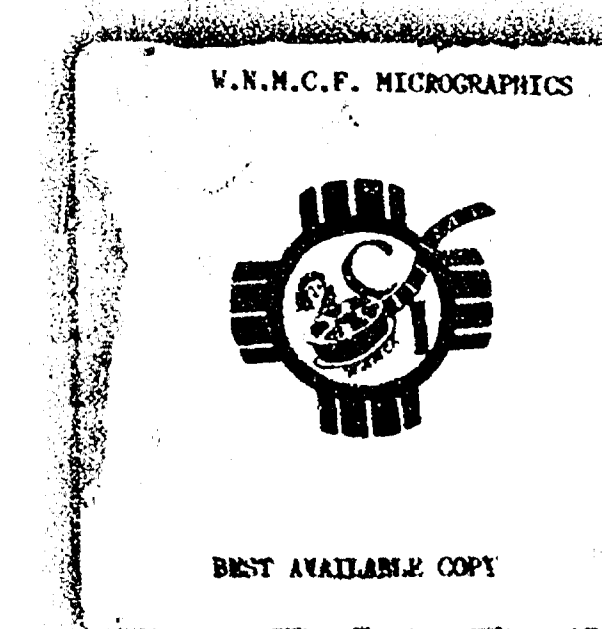
(20) That Continental's objections summarized in Finding No. (19)a, above constitute a collateral attack upon the spacing established for the South Bell Lake-Morrow Gas Pool by Order No. R-4918, which issue is not properly before the Commission in this case.

(21) That the Commission in Order No. R-4918 found that waste will not result from developing the South Bell Lake-Morrow Gas Pool and the Morrow formation within one mile thereof by drilling one well on each 320-acre spacing unit.

(22) That Continental's objections summarized in Finding No. (19)b, above are tantamount to an attempt to compulsorily include applicant's interest in the E/2 of the aforesaid Section 5 in the Bell Lake Unit.

~~23~~ (23) That the State of New Mexico has no statute permitting compulsory unitization for natural gas exploration or development.

24. That in the absence of compulsory unitization, the unit plan of development including unit well spacing, cannot be imposed upon non-consenting working interest owners without the unit owner's consent to develop their acreage according to the rules of the Commission.



(24) ...
...
...