

CASE 7081: BELCO PETROLEUM CORPORATION  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

Case No.

7081

Application

Transcripts

Small Exhibits

ETC



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

December 15, 1980

POST OFFICE BOX 2036  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7081  
ORDER NO. R-6532

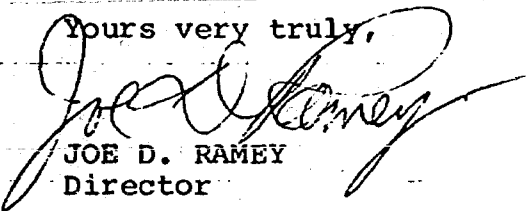
Applicant:

Belco Petroleum Corporation

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   

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. 7081  
Order No. R-6532

APPLICATION OF BELCO PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 12, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of December, 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, Belco Petroleum Corporation, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 19, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant has the right to drill and has drilled its Guitar Estate Com Well No. 1 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 in said pool, the subject application should be approved by

-2-

Case No. 7081

Order No. R-6532

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 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.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Pennsylvanian formation underlying the E/2 of Section 19, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to the Guitar Estate Com Well No. 1 located 2100 feet from the North line and 710 feet from the East line of said Section 19.

(2) That Belco Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) 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.

(4) 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.

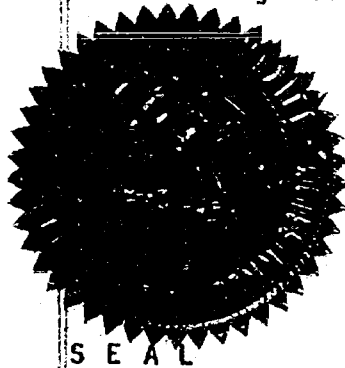
(5) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address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

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

-3-

Case No. 7081  
Order No. R-6532

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

fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Belco Petroleum Cor-  
poration for compulsory pooling, Eddy  
County, New Mexico.

CASE  
7081

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 to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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I N D E X

MARY WARD

Direct Examination by Mr. Kellahin

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Completion Report

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Applicant Exhibit Three, Completion Report

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Applicant Exhibit Four, AFE

7

Applicant Exhibit Five, Document

7

Applicant Exhibit Six, Letter

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Applicant Exhibit Seven, Document

8

Applicant Exhibit Eight, Correspondence

8

Applicant Exhibit Nine, Correspondence

8



MR. STAMETS: We'll call next Case 7081.

MR. PADILLA: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

MARY WARD

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you please state your name and occupation?

A. My name is Mary Ward and I am the District Landman for Belco.

Q. Mrs. Ward, have you previously testified before the Division as a landman?

A. Yes, I have.

Q. And have your qualifications been ac-

1  
2 cepted and made a matter of record?

3 A. Yes, they have.

4 MR. KELLAHIN: We tender Mrs. Ward as  
5 a petroleum landman.

6 MR. STAMETS: The witness is considered  
7 qualified.

8 Q. Mrs. Ward, would you please direct  
9 your attention to what we've marked as Exhibit Number One  
10 and identify that plat for us?

11 A. Yes. It doesn't show on there, but that  
12 is only the east half of Section 19.

13 Q. And what is Belco seeking to accomplish  
14 by this application?

15 A. The little Malaga tract 425, outlined  
16 in red, has a 1/16th unleased mineral interest, and that's  
17 what we're wanting to force pool now.

18 Q. That 1/16th of the 5-acre tract of the  
19 320-acre tract, to the best of your knowledge is owned by  
20 whom?

21 A. Owned by a man named Tom Powers.

22 Q. Now apart from that interest in this  
23 east half of Section 19, are all other working interests com-  
24 mitted to the Belco well?

25 A. Yes, sir, they are now. There was an  
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2 8/9ths but it's since been picked up.

3 Q How many leases did you have to compile  
4 and obtain in order to put together this proration unit?

5 A Well, it took thirteen for that one  
6 5 acres.

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8 Q How many leases in the total --

9 A It took a total of 37; not too bad,  
10 really.

11 Q And this is the only one you're not up  
12 to snuff on, huh?

13 A Yes, sir.

14 Q And have you drilled and completed this  
15 well?

16 A Yes, we have. This well was put on-  
17 stream in August.

18  
19 Q This tiny fractional working interest  
20 is the result of a division order title opinion, is it not,  
21 Mrs. --

22 A Yes, it is.

23 Q -- Ward? All right.

24 MR. STAMETS: By that do you mean you  
25 weren't aware this was an unleased --

26  
27 A Yes. Bob Coleman and George Bush,  
28 Junior, had this, they thought, fully leased. There was a

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2 question and they knew it. NOW there were thirteen Powers  
3 leases taken and they thought that Paul Powers' interest, is  
4 who it was originally under, could be spread out over the  
5 thirteen, but Mr. Lunsford, in his opinion, said no. We had  
6 to find his heir, who -- Bruce Junior didn't help because  
7 he's been busy, but Bob Coleman has called and written again  
8 trying to locate this Tom Powers, and the last he knew was  
9 the psychiatrist up at Bellevue in New York.  
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11 So I did some calling around and found  
12 three Tom Powers but none of them owned up to the interest,  
13 so --  
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15 MR. KELLAMIN: We have some correspon-  
16 dence and exhibits documenting the efforts to locate Mr. Paul  
17 Powers and his heirs. The point is that the working interest  
18 owner, Bush and Coleman, had believed that they had all the  
19 Powers interest at the time the well was drilled, and only  
20 as a result of the Division Order title opinion did this fact  
21 of the discrepancy come to our knowledge.  
22

23 Q. Refer to Exhibit Number Two, Mrs. Ward,  
24 and identify that for us.

25 A. Yes, this is a copy of our completion  
26 report. The well was completed in July the 18th.

27 Q. Of this year?

28 A. Yes, sir, and it was put on-stream

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August 22nd, I believe it was.

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Q All right, and if you'll turn to the

4

AFE, which I believe is numbered as Exhibit Four. Exhibit

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Number Two contains two pages --

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A Yes.

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Q -- but they have been erroneously labeled

9

Exhibits Two and Three.

10

A Yes. The AFE is Exhibit Three and that

11

cost is about another \$150,000 --

12

Q Just a minute, the AFE is Exhibit Num-

13

ber Four. All right, we've got it marked as Exhibit Four.

14

And the total cost was what, Mrs. Ward?

15

A The total cost on the next exhibit is

16

\$1,371,728.

17

18

Q This is on Exhibit Number Five, and the

19

actual cumulative costs of the well --

20

A Yes.

21

Q -- were \$1,371,728.

22

A Correct.

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Q All right. Now if you'll go to Exhibit

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Number Six and identify for us your efforts that have been

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made in order to identify the Paul Powers heirs.

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A Okay. These two letters, Mr. Coleman

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furnished me with a summation of what he had tried to do to

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2 reach this Tom Powers.

3 The aunt and uncle of Paul's family  
4 have said Tom is the only living heir, but they had not heard  
5 from him since he was supposed to be in up in Rhinebeck, New  
6 York, and then working as a psychiatrist in Bellevue Hospital.  
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11 The next was a new letter he wrote on  
12 April the 7th. It was a lead he had as to some kind of an  
13 address for Tom Powers, and it was returned "addressee unknown"  
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15 Q I believe it is --

16 A Just what I've tried to do just since  
17 I'd gotten a copy of the opinion myself, just to see if I  
18 could locate Mr. Powers.  
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20 Q And you were not able to locate him?

21 A No, sir.

22 Q All right. Mrs. Ward, were Exhibits  
23 One through Nine either copies of correspondence generated  
24 under your direction and supervision or documents from the  
25 files of Belco Petroleum Corporation of which are deposited  
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28 A That's right.

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MR. KELLAHIN: We move the introduction  
of Exhibits One through Nine.

MR. STAMETS: These exhibits will be  
admitted.

MR. KELLAHIN: And that concludes our  
testimony.

MR. STAMETS: I presume that you are not  
seeking risk factors or well costs.

MR. KELLAHIN: No, sir. What we'd like  
to do is have an order pooling this interest and then allowing  
us to recover the proportionate share of actual costs of this  
small interest, but it would be free of the risk factor.

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

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion 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.

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. 7081  
heard by me on Apr 17 1980  
Richard D. Hamblin Examiner  
Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
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Direct Examination by Mr. Kellahin

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MR. KELLAHIN: No, sir. What we'd like to do is have an order pooling this interest and then allowing us to recover the proportionate share of actual costs of this small interest, but it would be free of the risk factor.

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

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion 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.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner's hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

$\varepsilon/2$ 

389	390	391	392	393	394	395	396
404	403	402 Belco 12-14-80	401	400	399	398	397
421	422	423	424	425 <i>1/4 unbasid mineral in thrust</i>	426	427	428
436	435	434 Belco 10-23-80	433 Belco 10-21-80	432	431	430	429
451	452 Belco 10-21-80	453	454	455	456	457	458
466	465	464	463 Belco 6-8-81	462 Belco 12-21-80	461	460	459
Belco 12-21-80				473 Belco 12-21-80	474	475	476
477	478 Belco 12-21-80	479	480	481	482	483	484








Belco	
Belco,Coquina,HNG	
Coquina	
HNG	
Martin & Hensley	
Coquina & Isbell	
Bush & Coleman (15/16)	

EXHIBIT NO. 1  
CASE NO. 7081  
DATE 11-12-80

DIVISION		BELCO PETROLEUM CORPORATION		COMPANY	
REV DT		AUTHORIZATION FOR EXPENDITURE		05	
NO	CHG	PROPERTY NAME & NUMBER (122)	DATE (13)	LOCATION (123)	
18		Guitar Estate #1		2100' ENL & 710' FILL Section 19, T-23-S, R-28-E	
TYPE OF WORK (121)		DEPTH (14)	FORMATION	FIELD NAME	CONTRACTOR
Exploration Gas		12,450	Strawn-Morrow	Wildcat	Rotary-Land
NO	CHG	PROSPECT NAME (122)	STATE (15)	COUNTY / PARISH (16)	FORM WT
19		Pecos Bend	New Mexico	Eddy	

NO	CHG	PROPERTY NO	INTANGIBLE EXPENSE	CSG PT COST	COMPL COST	TOTAL COST
20						
BELCO PETROLEUM CORPORATION						
				EXHIBIT NO. 4		
				CASE NO. 9081		
				DATE 11-12-80		
218			Rig Expenditure	\$ 330,000	\$ 18,000	\$ 348,000
			Move In & Out			
			Drilling			
			Daywork \$ 5,000 day/60 days	\$ 330,000		
			Completion/W.O. Unit \$1000 day/18 days	\$ 18,000		
612			Location - Roads, Row & Damages	15,000	3,000	18,000
204			Contract Professional Services	15,000	5,000	20,000
210			Misc Contract Labor	5,000	5,000	10,000
418			Mud & Additives	125,000	--	125,000
220			Mud Logging	13,000	--	13,000
424			Bits	50,000	--	50,000
228			Tubular Testing/Inspection	10,000	2,000	12,000
230			CSG/LBG Crews/Tools	15,000	3,000	18,000
422			Float Eq, Cent & Scratchers	8,000	10,000	18,000
420			Cement, Additives & Pump Trucks	25,000	10,000	35,000
236			Water & Water Trucking	15,900	2,000	17,900
222			Coring & Analysis	--	--	--
224			Elec Line Logs, Perf, Production, Etc.	25,000	10,000	35,000
226			Well Testing - DST, Wireline, Etc.	12,000	4,000	16,000
512			Eq Rents - Surface/Downhole	10,000	10,000	20,000
950			Directional Drilling Expense	--	--	--
234			Transportation - Land - Marine	15,000	5,000	20,000
410			Fuel	40,000	--	40,000
930			Well Stimulation	--	30,000	30,000
408			Insurance & Bonds	--	--	--
920			Misc & Contingency	35,000	5,000	40,000
TOTAL INTANGIBLE EXPENSE				763,000	122,000	885,000

NO	CHG	TANGIBLE EXPENSE	CSG PT COST	COMPL COST	TOTAL COST
20			732	736	
CSG & LINER					
		Drive			
		Cond 30	1,000		
		Surf 450	12,000		
		Int 2300	43,000		
		Prod 9800	106,000		
		Line 5	30,000		
426		TOTAL	162,000	30,000	192,000
432		TUBING 12,450 Ft 2-3/8		50,000	50,000
430		WELLHEAD EQUIP	20,000	10,000	30,000
438		WELL PROD EQUIP. SURFACE	--	40,000	40,000
440		WELL PROD EQUIP. DOWNHOLE	--	2,000	2,000
442		PROD. FACILITIES TANKS, EQUIP. & LINES	--	30,000	30,000
450		MARINE PLATFORMS	--	--	--
452		OFFSHORE PROD FACILITIES	--	--	--
TOTAL TANGIBLE EXPENSE			182,000	162,000	344,000
TOTAL WELL COST			945,000	204,000	1,220,000

WORKING INTEREST	PER CENT	CASING POINT	COMPLETED WELL
Belco Petroleum Corp.	55.6003	\$525,424	\$683,327
Coquina	22.3684	211,381	274,908
HNG	18.7250	171,281	222,756
Martin	.9375	8,859	11,522
Isbell	.7813	7,383	9,602
Coleman	.7813	7,383	9,602
Bush	.7813	7,383	9,602
Hensley	.6250	5,906	7,681

BELCO APPROVAL	
ENGINEERING <i>[Signature]</i> DIVISION MANAGEMENT	DATE 12/2/79 DATE 2-5-80 DATE
JOINT INTEREST APPROVAL	
COMPANY <i>[Signature]</i> BY	DATE

MIDLAND DISTRICT

WELLS

LEATHERWOOD #1  
Barkins Prospect  
Terrell Co., TX  
18700' Ellenburger  
Rowan Rig #12  
Belco WI: 29.62%

(NFG)

14942' (36') 771. Drig. Shale. Bit 160  
drig 207' in 117-3/4 hrs. Survey: 3 1/2", 83101  
@ 14887'. 15' 11.8, Vis 48, WL 5, OGI 87%  
21 1/2 hrs - drig, 2 hrs - survey, 1/2 hr - SR.

Cum. Cost: \$4,808,947  
AFE (Cap Pt): \$5,956,000

DEVELOPMENT WELLS

CASSIDY #1  
Pecos Bend Prospect  
Eddy Co., NM  
12600' Morrow  
Quarles Rig #2  
Belco WI: 100%

(DN-Gas)

11375' (51') 51. Drig. Lime & shale. Drld  
to 11335'. Trip for bit #14, 6 1/2" Sm. F-4.  
Bit #13 drld 294' in 6 3/4 hrs. 18' 11.6, Vis 60,  
WL 24, Chl 110,000. 14 hrs - drig, 8 1/2 hrs -  
trip, 1/2 hr - survey, 1/2 hr - jet cellar, 1 hr -  
room 15' to bit.

Cum. Cost: \$ 980,188  
AFE (Cap Pt): \$1,137,000

JAMES RANCH UNIT #11  
Los Medanos Field  
Eddy Co., NM  
14800' Morrow  
McVay Rig #8  
Belco '77 Fund WI: 66.667%

(DN-Gas)

3541' (494') 6. Drig. Anhydrite & salt.  
Bit #4 drig 1160' in 6 1/2 hrs. Surveys:  
2 1/2" @ 3300', 2 1/2" @ 3438'. Bit 10.1, Vis 29,  
Chl 210,000. 22 1/2 hrs - drig, 1 1/2 hrs - survey,  
1/2 hr - SR.

Cum. Cost: \$ 132,173  
AFE (Cap Pt): \$1,565,000

FEDERAL FL 14 #1  
Flata Prospect  
Lea Co., NM

Building location.

COMPLETIONS

LAKEY #1  
Pecos Bend Prospect  
Eddy Co., NM  
12600' Morrow  
Belco WI: 50%

(DN-Gas)

Prep to RIR w/sleeve polisher & csg scraper.  
Report #1. BIRG D&S workover rig. Installed  
ROP's. Set pipe racks. Unloaded & tallied 5"  
liner & 2-7/8" log. SDPR.

Cum. Cost: \$1,469,378  
AFE (Compl): \$1,427,000

GUITAR ESTATE #1  
Pecos Bend Prospect  
Eddy Co., NM  
12353' Morrow  
Belco WI: 55.6003%

(DN-Gas)

JTWG. Report #88. RE West Engr. Co. & TIR  
w/BHP gauge to 12283' (-9200') & took AOT.

Rate	CR	Tbr		Gas Vol Mcf/D	Fluids Rate	
		Presn (DRT)	PSIG		Cond	Wt
		3976				
1	9/64"	3755	317	1550	0	0
2	11/64"	3585	323	3290	0	0
3	13/64"	3320	329	3180	0	0
4	15/64"	3079	335	3900	0	0

TOH w/gauge & opened to sales on 16/64" ch @  
4:05 PM. 15 hrs - flow 0 BC & 2 BSW on 16/64"  
ch. FIP 31006, LP 3406, Gas vol 4300 Mcf/D.

Cum. Cost: \$1,371,728  
AFE (Compl): \$1,229,000

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 5

CASE NO. 9081

DATE 11-12-80

WELL COMPLETION OR RECOMPLETION REPORT AND LOG				DATE		PAGE	
1. U.S.G.S. LAND OFFICE OPERATOR				2. Unit Leasehold Name		3. Former Lease Name	
4. TYPE OF WELL				5. Former Lease Name		6. Former Lease Name	
7. TYPE OF COMPLETION				8. Former Lease Name		9. Well No.	
10. Name of Operator				11. Former Lease Name		12. Well No.	
13. Address of Operator				14. Former Lease Name		15. Well No.	
16. Location of Well				17. Former Lease Name		18. Well No.	
19. UNIT LETTER				20. LOCATED		21. FEET FROM THE	
22. NORTH				23. LINE AND		24. FEET FROM	
25. EAST				26. LINE OFFICE		27. TWP.	
28. 23-S				29. RGL.		30. 28-E	
31. Date Spudded				32. Date F.D. Reached		33. Date Compl. (Ready to Prod.)	
34. 4-2-80				35. 6-7-80		36. 7-18-80	
37. Total Depth				38. Depth Back F.D.		39. Depth Multiple Compl. How Many	
40. 12580				41. 12539		42. 3083	
43. Producing Interval(s) of this completion - Top, Bottom, Name				44. Interval(s) Produced By		45. Rotary Tools	
46. 12,410-248 Morrow				47. 12,509-536 Morrow		48. Cable Tools	
49. Type Electric and Other Logs Run				50. Was Directional Made		51. Was Well Cased	
52. Density - Neutron & Gamma - Guard - Forxo				53. No		54. No	
55. CASING RECORD (Report all strings set in well)							
56. CASING SIZE		57. WEIGHT LB. FT.		58. DEPTH SET		59. HOLE SIZE	
60. 16"		61. 65		62. 368		63. 20	
64. 10 - 3/4"		65. 40.5		66. 2420		67. 14 - 3/4"	
68. 7"		69. 29		70. 9660		71. 9 1/2"	
72. CEMENTING RECORD							
73. 900 SXS Class "C"							
74. 2000SXS 65-35 Poz & 300SXS Class "H"							
75. STG 1 350SXS 65-35 & 300SXS Class "H"							
76. STG 2 600SXS 65-35 & 100SXS Class "H"							
77. LINER RECORD							
78. SIZE		79. TOP		80. BOTTOM		81. SACKS CEMENT	
82. 5"		83. 9036		84. 12580		85. 500	
86. SCREEN							
87. 2-3/8 & 2-7/8							
88. PACKER SET							
89. 12325							
90. PERFORATION RECORD (Interval, size and number)							
91. 12410-428 2 Holes/Ft.							
92. 12509-536 1 Hole/Ft.							
93. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
94. DEPTH INTERVAL							
95. AMOUNT AND KIND MATERIAL USED							
96. PRODUCTION							
97. Date First Production		98. Production Method (Flowing, gas lift, pumping - Size and type pump)				99. Well Status (Prod. or Shut-in)	
100. 7-17-80		101. Flowing				102. SI	
103. Date of Test		104. Hours Tested		105. Choke Size		106. Flowing Per Test Period	
107. 7-17-80		108. 24		109. 14/64		110. 0	
111. Flow Test Press.		112. Casing Pressure		113. Calculated 24-Hour Rate		114. Oil - Bbl.	
115. 2050		116. 0		117. 0		118. 1950	
119. Disposition of Gas (Sold, used for fuel, vented, etc.)							
120. Closed-in: Disposition not determined on this date							
121. List of Attachments							
122. DST data, Suite of logs & inclination survey.							
123. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.							
124. SIGNED				125. TITLE			
126. Carl M. Jones				127. Production Superintendent			
128. NMOCC				129. BELCO PETROLEUM CORPORATION			

EXHIBIT NO. 2  
CASE NO. 7081  
DATE 11-12-80

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Ancho	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Crown 11,094	T. Kirkland-Emmelland	T. Penn. "C"
B. Salt	T. Atoka 11,459	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Quartz
T. Glorieta	T. McKee	T. Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	
T. Blinberry	T. Gr. Wash	T. Morrison	
T. Tubb	T. Granite	T. Todillo	
T. Drinkard	T. Delaware Sand	T. Entrada	
T. Abo	T. Bone Springs	T. Wingate	
T. Wolfcamp	T. Morrow 12,037	T. Chinle	
T. Penn.		T. Permian	
T. Cisco (Bough C)		T. Penn. "A"	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....	No. 4, from.....to.....
No. 2, from.....to.....	No. 5, from.....to.....
No. 3, from.....to.....	No. 6, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....	feet.
No. 2, from.....to.....	feet.
No. 3, from.....to.....	feet.
No. 4, from.....to.....	feet.

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
11,094	11,350	256	Carbonates & Shale				
11,350	12,037	687	Carbonates & Shale				
12,037	12,515	478	Sands & Shale				

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 3

CASE NO. 7081

DATE 11-12-80

ROBERT BENSON COLEMAN

P. O. BOX 501

MIDLAND, TEXAS 79702

W/2 NW/4 SE/4 NE/4 Section 19  
Township 23 South, Range 28 East  
Eddy County, New Mexico

Tom Powers is the unleased mineral interest under the above described tract. I have made numerous phone calls to his most recent address in Rhinebeck, New York, and also to his place of employment at Bellview Hospital in New York City. It is my information that Mr. Powers is, or was, a psychiatrist and I have even contacted the American Psychiatric Association and they claim to have no record of him.

Mr. Powers' family, consisting of an aunt and uncle that I have talked to, have no idea where he is. All correspondence sent to his most recent address returns "Moved, not forwardable." The only other lead I had was that his father died in Oakland, California.

NMOCC  
DELCO PETROLEUM CORPORATION

EXHIBIT NO. 6

CASE NO. 7081

DATE 11-12-80



ROBERT BENSON COLEMAN

P. O. BOX 501

MIDLAND, TEXAS 79702

April 7, 1980

Mr. Tom R. Powers  
P. O. Box 149  
Rhinebeck, New York 12572

Re: Oil and Gas Lease  
All of the W/2 NW/4 SE/4  
NE/4 Section 19, T-23-S,  
R-28-E, Eddy County,  
New Mexico

Dear Mr. Powers:

As one of the Powers heirs, it appears that you own a fractional mineral interest under the above described land in Eddy County, New Mexico. Provided my information is correct, you own a 1/16 interest in the 5 acres described above, or a .3125 mineral acre.

My partner, George Hush, and I have acquired Oil and Gas Leases from ~~all the rest of the Powers heirs~~ under this tract of land. All of these leases have been acquired on the basis of \$250.00 a net mineral acre, with a 3/16 royalty for a term of 4 years.

I have enclosed a lease for your review and execution. Also enclosed, you will find a sight draft in the amount of \$65.00. Provided this offer is acceptable to you, please execute the lease in the presence of a Notary Public and place the lease and endorsed draft in your bank as a "Collection Item". Upon receipt, I will pay off same.

Thank you for your cooperation.

Yours very truly,

*Robert B. Coleman*  
Robert B. Coleman

RBC:pg  
Enclosures

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 7  
CASE NO. 1081  
DATE 11-12-80

*diver. Psychiatric  
Assoc.*

MOVED, NOT FORWARDABLE

Mr. Tom R. Powers  
P. O. Box 149  
Rhinebeck, New York 12572

ROBERT BENSON COLEMAN  
P. O. BOX 301  
MIDLAND, TEXAS 79702



*Tom's Dad died in  
Orlando, Calif.  
(Paul was D.A.'s  
friend.)*

*Mr. Roy L. Coleman  
A.M.A.*

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 8  
CASE NO. 7081  
DATE 11-12-80

NOVEMBER 10, 1980

**Belco**

NOTE TO FILE:

Belco #1-Guitar Estate  
E/2 Section 19, T23S, R28E  
Eddy County, New Mexico

Since September, 1980, I have tried to locate TOM POWERS, the heir of Paul Powers, deceased, relative to the 1/16th unleased mineral interest under the captioned land, as shown on the Title Opinion as Tract 16.

- (1) Tom Powers, c/o Bellview Hospital - phone 212-561-4891. No one employed by that name. They were unable to find employee records on him as far back as eight years.
- (2) Tom Powers - phone 914-691-6399 living in Highland, New York. Contact with him. He said he is not an heir of Paul Powers.
- (3) Tom Powers - phone 914-883-6609 living in Clintondale, New York. Same as (2).
- (4) Tom Powers - phone 914-677-6000 living in Millnook, New York. Same as (2).

BELCO PETROLEUM CORPORATION

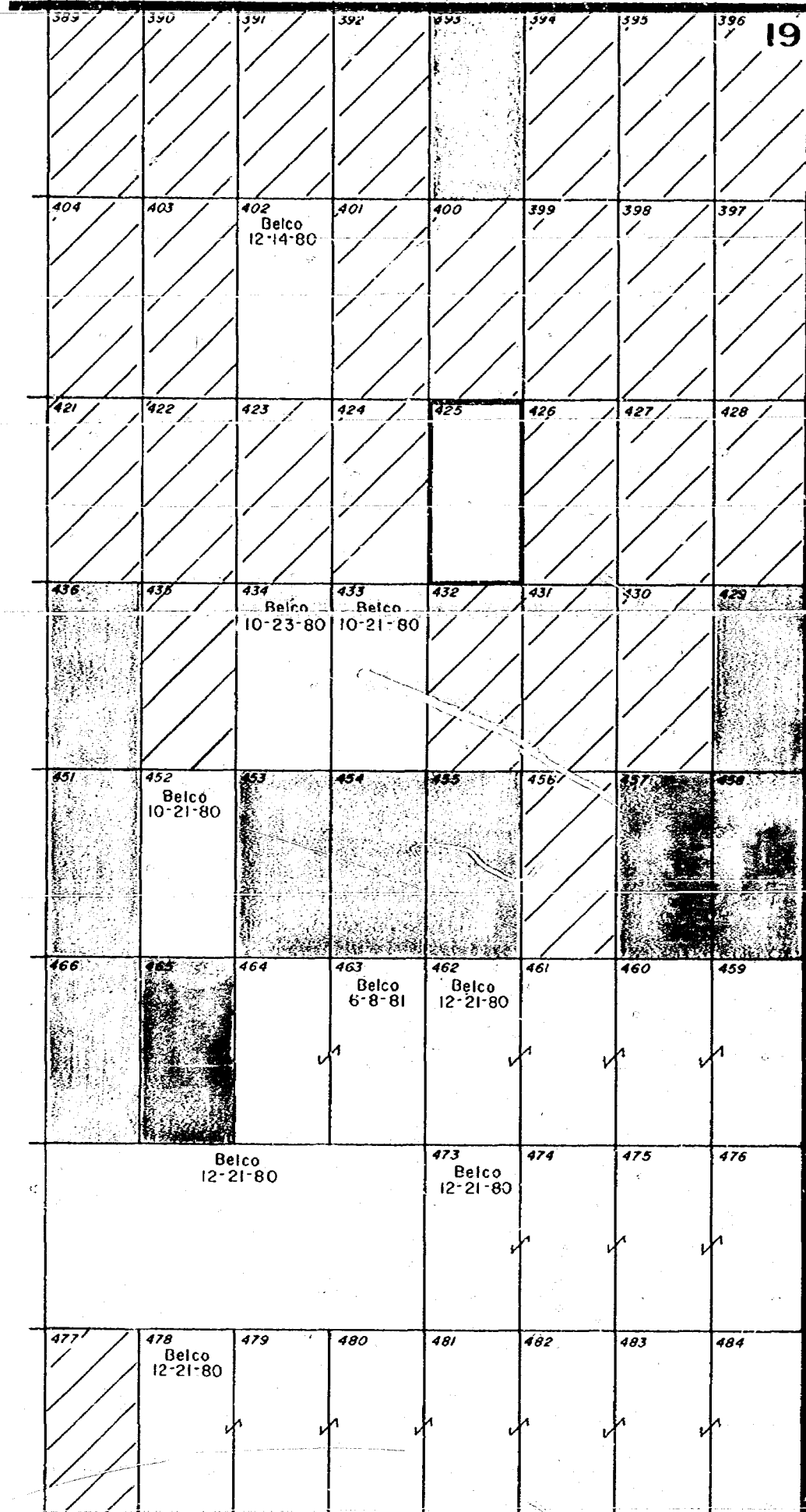
BY: Mary R. Ward  
District Landman

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 9  
CASE NO. 9081  
DATE 11-12-80

R 28 E

18 17  
19 20



T  
23  
S

- Belco
- Belco, Coquina, HNG
- Coquina
- HNG
- Martin & Hensley
- Coquina & Isbell
- Bush & Coleman (15/16)

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 1  
CASE NO. 7081  
DATE 11-12-80

**BELCO PETROLEUM CORP.**  
MIDLAND DISTRICT

PECOS BEND PROSPECT  
EDDY CO. NEW MEXICO



U.S.G.S.  
LAND OFFICE  
OPERATOR

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG

SECT. [ ] TWP. [ ] R. [ ]

1. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

2. TYPE OF COMPLETION

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVN. ☐ OTHER ☐

3. Name of Operator

BELCO PETROLEUM CORPORATION

4. Address of Operator

10,000 OLD KATY RD., SUITE 100, HOUSTON, TEXAS 77055

5. Location of Well

NIT LETTER H LOCATED 2100 FEET FROM THE NORTH LINE AND 710 FEET FROM

THE EAST LINE DEPT. 19 SEC. 23-S TWP. 28-E R. 10-E EDDY

15. Date Spudded 4-2-80 16. Date F.D. Reached 6-7-80 17. Date Compl. (Ready to Prod.) 7-18-80 18. Elevations (D.F., RKB, RT, GR, etc.) 3083 19. Elev. Casinghead 3067

20. Total Depth 12580 21. Final Fick T.D. 12539 22. If Multiple Compl., How Many 23. Intervals Picked by Rotary Tools X Cable Tools

24. Producing Intervals, of this completion - Top, Bottom, Name

12,410-248 Morrow

12,509-536 Morrow

25. Type of Seals and Other Logs Run

Density - Neutron & Gamma - Guard - Forxo

26. Was Well Cored

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT FULL
16"	65	368	20	900 SXS Class "C"	
10" 2 1/2"	20.5	4420	14 3/4	2000SXS 65-35Poz & 300SXS Class "H"	
7"	29	9660	9 1/2	STG 1 350SXS 65-35 & 300SXS Class "H"	
				STG 2 600SXS 65-35 & 100SXS Class "H"	

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5"	9036	12580	500		2-3/8 & 2-7/8	12325	12325

31. Perforation Record (Interval, size and number)

12410-428 2 Holes/Ft.

12509-536 1 Hole/Ft.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

33. PRODUCTION

Date First Production 7-17-80 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) SI

Date of Test 7-17-80 Hours Tested 24 Choke Size 14/64 Prod'n. Per Test Period 0 Oil - Bbl. 1950 Gas - MCF 0 Water - Bbl. 0 Gas - Oil Ratio

Flow Test No. Press. 2050 Casing Pressure 0 Calculated 24-Hour Rate 0 Oil - Bbl. 1950 Gas - MCF 0 Water - Bbl. 0 Oil Gravity - API (Corr.)

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Closed-in: Disposition not determined on this date Test Witnessed By

35. List of Attachments DST data, Suite of logs & inclination survey.

6. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

*Carl M. Hansen*

TITLE Production Superintendent

DATE 7-22-80

BELCO PETROLEUM CORPORATION

EXHIBIT NO. 4

CASE NO. 9081

DATE 11-12-80

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Salt	T. Canyon	T. Ojo Alamo	T. Penn. "B"
B. Salt	T. Strawn 11,094	T. Kirtland Frontland	T. Penn. "C"
T. Yates	T. Atoka 11,459	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Miss	T. Cliff House	T. Leadville
T. Queen	T. Devonian	T. Menefee	T. Madison
T. Grayburg	T. Silurian	T. Point Lookout	T. Elbert
T. San Andres	T. Montoya	T. Muncos	T. McCracken
T. Glorieta	T. Simpson	T. Gallup	T. Ignacio Qizte
T. Paddock	T. McKee	T. Rose Greenhorn	T. Granite
T. Blinberry	T. Ellenburger	T. Dakota	T.
T. Tubb	T. Gr. Wash	T. Morrison	T.
T. Drinkard	T. Granite	T. Todillo	T.
T. Aho	T. Delaware Sand	T. Entrada	T.
T. Wolfcamp	T. Bone Springs	T. Wapate	T.
T. Penn.	T. Morrow 12,037	T. Chinle	T.
T. Cisco (Bough C)	T.	T. Pennian	T.
		T. Penn. "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....	No. 4, from.....to.....
No. 2, from.....to.....	No. 5, from.....to.....
No. 3, from.....to.....	No. 6, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.	
No. 2, from.....to.....feet.	
No. 3, from.....to.....feet.	
No. 4, from.....to.....feet.	

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
11,094	11,350	256	Carbonates & Shale				
11,350	12,037	687	Carbonates & Shale				
12,037	12,515	478	Sands & Shale				

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 3

CASE NO. 7081

DATE 11-12-80

DIVISION <span style="border: 1px solid black; padding: 2px;"> </span>		BELCO PETROLEUM CORPORATION		AUTHORIZATION FOR EXPENDITURE		DATE <span style="border: 1px solid black; padding: 2px;">05</span>	
REV DT <span style="border: 1px solid black; padding: 2px;"> </span>							

NO	CHG	PROPERTY NAME & NUMBER (221)	AUTH. DATE (151)	LOCATION (171)
18		Guitar Estate #1		2100' FNL & 710' FEL Section 19, T-23-S, R-28-E
		TYPE OF WORK (231)	DEPTH (161)	FORMATION
		Exploration Gas	12,450	Strawn-Morrow
				Wildcat
				Rotary-Land
NO	CHG	PROSPECT NAME (221)	STATE (151)	COUNTY / PARISH (151)
19		Pecos Bend	New Mexico	Eddy

NO		CHG	PROPERTY NO.	CSG FT. COST	COMPL. COST	TOTAL COST
20			INTANGIBLE EXPENSE	736	736	
NO MORE THAN NINE DIGITS PER COLUMN, GROSS DOLLARS ONLY						
				BELCO PETROLEUM CORPORATION		
				EXHIBIT NO. <u>4</u>		
				CASE NO. <u>7081</u>		
				DATE <u>11-12-80</u>		
218			Rig Expenditure	\$ 330,000	\$ 18,000	\$ 348,000
			Move In & Out			
			Drilling			
			Daywork \$ 5,000 day/60 days			
			Completion/W.O. Unit \$1000 day/18 days			
612			Location - Roads, Row & Damages	15,000	3,000	18,000
204			Contract Professional Services	15,000	5,000	20,000
210			Misc. Contract Labor	5,000	5,000	10,000
418			Mud & Additives	125,000	--	125,000
220			Mud Logging	13,000	--	13,000
424			Rits	50,000	--	50,000
228			Toolbit Testing/Inspection	10,000	2,000	12,000
230			CSG/IBG Crews/Tools	15,000	3,000	18,000
422			Float Eq. Cent & Scratchers	8,000	10,000	18,000
420			Cement, Additives & Pump Trucks	25,000	10,000	35,000
236			Water & Water Trucking	15,000	2,000	17,000
222			Coring & Analysis	--	--	--
224			Elec. Line - Logs, Perf, Production, Etc.	25,000	10,000	35,000
226			Well Testing - DST, Wireline, Etc.	12,000	4,000	16,000
512			Eq. Rents - Surface/Downhole	10,000	10,000	20,000
950			Directional Drilling Expense	--	--	--
234			Transportation - Land - Marine	15,000	5,000	20,000
410			Fuel	40,000	--	40,000
930			Well Stimulation	--	30,000	30,000
408			Insurance & Bonds	--	--	--
920			Misc. & Contingency	35,000	5,000	40,000
TOTAL INTANGIBLE EXPENSE				763,000	122,000	885,000

NO		CHG	TANGIBLE EXPENSE	CSG FT. COST	COMPL. COST	TOTAL COST
20				732	736	
CSG & LINER						
			Drive	Fi	OD @ \$	/Fi. =
			Cond	30	Fi 30"	OD @ \$ 1,000
			Surt	450	Fi 16"	OD @ \$ 12,000
			Intr	2300	Fi 10-3/4"	OD @ \$ 43,000
			Prod	9800	Fi 7-5/8"	OD @ \$ 106,000
			Liner	5	Fi 2900	OD @ \$ 30,000
426			TOTAL			
432			TUBING 12,450 Fi 2-3/8	OD @ \$	/Fi. = 50,000	
430			WELLHEAD EQUIPT			
438			WELL PROD EQUIPT. SURFACE			
440			WELL PROD EQUIPT. DOWNHOLE			
442			PROD FACILITIES TANKS, EQUIPT. & LINES			
450			MARINE PLATFORMS			
452			OFFSHORE PROD FACILITIES			
TOTAL TANGIBLE EXPENSE				182,000	162,000	344,000
TOTAL WELL COST				945,000	284,000	1,229,000

WORKING INTEREST	PERCENT	CASING POINT	COMPLETED WELL
Belco Petroleum Corp.	55.6003	\$525,424	\$683,327
Coquina	22.3684	211,381	274,908
Irving	18.1250	171,291	222,756
Martin	.9375	8,859	11,522
Isbell	.7813	7,383	9,602
Coleman	.7813	7,383	9,602
Bush	.7813	7,383	9,602
Hensley	.6250	5,906	7,681

BELCO APPROVAL	
ENGINEERING <i>[Signature]</i> DIVISION MANAGEMENT	DATE <u>12/2/79</u> DATE <u>2-5-80</u>
JOINT INTEREST APPROVAL	
COMPANY	DATE
HNC OIL COMPANY	
BY	

MIDLAND DISTRICT

WELDCATS

LEATHERWOOD #1 (NINE) 74942' (36') 713. Drilg. Shale. Bit 160  
Harkins Prospect  
Terrell Co., TX  
18700' Ellenburger  
Rewan Rig #12  
Belco WI: 29.62%  
Cum. Cost: \$4,808,947  
AFE (Cap P.): \$5,956,000

DEVELOPMENT WELLS

CASSIDY #1 (DR-Gas) 11375' (51') 51. Drilg. Lime & shale. Drld  
Pecos Bend Prospect  
Eddy Co., NM  
12600' Morrow  
Quarles Rig #2  
Belco WI: 100%  
to 11335'. Trip for bit #14, 6 1/2" Sp. F-4.  
Bit #13 drld 294' in 6 3/4 hrs. 18 11.6, Vis 60,  
WL 24, Chl 110,000. 14 hrs - drilg, 8 1/2 hrs -  
trip, 1/2 hr - survey, 1/2 hr - jet cellar, 1 hr -  
room 15' to bit.  
Cum. Cost: \$ 960,168  
AFE (Cap P.): \$1,137,000

JAMES RANCH UNIT #11 (DR-Gas) 3541' (494') 6. Drilg. Anhydrite & salt.  
Los Medanos Field  
Eddy Co., NM  
14800' Morrow  
McVay Rig #8  
Belco '71 Fund WI: 66.667%  
bit #4 drilg 1160' in 6 1/2 hrs. Surveys:  
2 1/2 @ 3300', 2 1/2 @ 3438'. 18 10.1, Vis 29,  
Chl 210,000. 22 1/2 hrs - drilg, 1 1/2 hrs - survey;  
1/2 hr - SR.  
Cum. Cost: \$ 132,173  
AFE (Cap P.): \$1,565,000

FEDERAL PL 14 #1  
Plata Prospect  
Lea Co., NM  
Building location.

COMPLETIONS

LAREY #1 (DR-Gas) Prep to RWH w/cleeve polisher & csg scraper.  
Pecos Bend Prospect  
Eddy Co., NM  
12600' Morrow  
Belco WI: 50%  
Report #1. WIRE MMS workover rig. Installed  
ROP's. Set pipe racks. Unloaded & lalled 5"  
liner & 2-7/8" ilg. SDR.  
Cum. Cost: \$1,469,378  
AFE (Compl): \$1,427,000

GUITAR ESTATE #1 (DR-Gas) Flwg. Report #88. RB West Engr. Co. & TIB  
Pecos Bend Prospect  
Eddy Co., NM  
12353' Morrow  
Belco WI: 55.6003%  
w/WHF gauge to 12283' (-9200') & took AOF.

Rate	Ck	Thg. Press (BRT)	LP PSIG	Gas Vol Ref/D	Fluids Rate Cond	Wtr
		3976				
1	9/64"	3755	317	1550	0	0
2	11/64"	3585	323	3290	0	0
3	13/64"	3520	329	3180	0	0
4	15/64"	3079	335	3900	0	0

TOH w/gauge & opened to sales on 16/64" ck @  
4105 PS. 15 hrs - flwd 0 EC & 2 PSW on 16/64"  
ck. FIP 31006, LP 3406, Gas vol 4300 Ref/D.

Cum. Cost: \$1,371,728  
AFE (Compl): \$1,229,000



ROBERT BENSON COLEMAN  
P. O. BOX 501  
MIDLAND, TEXAS 79702

W/2 NW/4 SE/4 NE/4 Section 19  
Township 23 South, Range 28 East  
Eddy County, New Mexico

Tom Powers is the unleased mineral interest under the above described tract. I have made numerous phone calls to his most recent address in Rhinebeck, New York, and also to his place of employment at Bellview Hospital in New York City. It is my information that Mr. Powers is, or was, a psychiatrist and I have even contacted the American Psychiatric Association and they claim to have no record of him.

Mr. Powers' family, consisting of an aunt and uncle that I have talked to, have no idea where he is. All correspondence sent to his most recent address returns "Moved, not forwardable." The only other lead I had was that his father died in Oakland, California.

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 6

CASE NO. 7081

DATE 11-12-80

ROBERT BENSON COLEMAN

P. O. BOX 501

MIDLAND, TEXAS 79702

April 7, 1980

Mr. Tom R. Powers  
P. O. Box 149  
Rhinebeck, New York 12572

Re: Oil and Gas Lease  
All of the W/2 NW/4 SE/4  
NE/4 Section 19, T-23-S,  
R-28-E, Eddy County,  
New Mexico

Dear Mr. Powers:

As one of the Powers heirs, it appears that you own a fractional mineral interest under the above described land in Eddy County, New Mexico. Provided my information is correct, you own a 1/16 interest in the 5 acres described above, or a .3125 mineral acre.

My partner, George Bush, and I have acquired Oil and Gas Leases from all the rest of the Powers heirs under this tract of land. All of these leases have been acquired on the basis of \$250.00 a net mineral acre, with a 3/16 royalty for a term of 4 years.

I have enclosed a lease for your review and execution. Also enclosed, you will find a sight draft in the amount of \$65.00. Provided this offer is acceptable to you, please execute the lease in the presence of a Notary Public and place the lease and endorsed draft in your bank as a "Collection Item". Upon receipt, I will pay off same.

Thank you for your cooperation.

Yours very truly,

*Robert B. Coleman*  
Robert B. Coleman

RBC:pg  
Enclosures

NMOCC  
BELCO PETROLEUM CORPORATION  
EXHIBIT NO. 2  
CASE NO. 7081  
DATE 11-12-80

*Answer. Psychiatric Assoc.*

MOVED, NOT FORWARDABLE

Mr. Tom R. Powers  
P. O. Box 149  
Rhinebeck, New York 12572

ROBERT BENSON COLEMAN  
P. O. BOX 501  
MIDLAND, TEXAS 79702



*Tom and Dick  
Orlando, Calif.  
(I will write Dick's  
name.)*

*Mr. Rhinebeck  
A.M.A.*

NMCCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 8  
CASE NO. 7081  
DATE 11-12-80

NOVEMBER 10, 1980

# Belco

NOTE TO FILE:

Belco #1-Guitar Estate  
E/2 Section 19, T23S, R28E  
Eddy County, New Mexico

Since September, 1980, I have tried to locate TOM POWERS, the heir of Paul Powers, deceased, relative to the 1/16th unleased mineral interest under the captioned land, as shown on the Title Opinion as Tract 16.

- (1) Tom Powers, c/o Bellview Hospital - phone 212-561-4891. No one employed by that name. They were unable to find employee records on him as far back as eight years.
- (2) Tom Powers - phone 914-691-6399 living in Highland, New York. Contact with him. He said he is not an heir of Paul Powers.
- (3) Tom Powers - phone 914-883-6609 living in Clintondale, New York. Same as (2).
- (4) Tom Powers - phone 914-677-6000 living in Millnook, New York. Same as (2).

BELCO PETROLEUM CORPORATION

BY: Mary R. Ward  
District Landman

NMOCC  
BELCO PETROLEUM CORPORATION

EXHIBIT NO. 89  
CASE NO. 9081  
DATE 11-12-80

Dockets Nos. 37-80 and 38-80 are tentatively set for November 25 and December 10, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 12, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for December, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7076: Application of Vista Resources, Inc. for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its John H. Dashko Federal Well No. 1 to be drilled 2510 feet from the South line and 790 feet from the East line of Section 11, Township 24 North, Range 7 West, Basin-Dakota Pool, the E/2 of said Section 11 to be dedicated to the well.
- CASE 7077: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Conoco "10" State Com Well No. 1 located in Unit I of Section 10, Township 19 South, Range 29 East, Turkey Track Field, to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.
- CASE 7046: (Continued from October 15, 1980, Examiner Hearing)
- Application of Cotton Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Pictured Cliffs production in the wellbores of wells in the South Blanco-Pictured Cliffs Pool located in Sections 1, 2, 3, 4, 9, 10, 11, 13, 23, and 24, Township 24 North, Range 4 West.
- CASE 7078: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Warren Unit Well No. 82 located in Unit C of Section 35, Township 20 South, Range 38 East, to produce oil from the Blinbry Oil and Gas or Warren-Tubb Pools and the D-K Abo Pool.
- CASE 7079: Application of HNG Oil Company for the amendment of Order No. R-5727, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5727 to include the entire Pennsylvanian formation under the compulsory pooling order rather than only the Morrow formation as previously ordered.
- CASE 7080: Application of Franks Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and East lines of Section 9, Township 21 South, Range 32 East, Hat Mesa-Morrow Gas Pool, the E/2 of said Section 9 to be dedicated to the well.
- CASE 7081: Application of Belco Petroleum Corporation 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 19, Township 23 South, Range 28 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7070: (Continued from October 29, 1980, Examiner Hearing)
- Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.
- CASE 7082: Application of Maralo, Inc. and Dalport Oil Corporation for a waterflood project, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute a joint waterflood project on Dalport's Winters Lease offsetting Maralo's Jalmat Yates Unit waterflood project by the injection of water into the Yates-Seven Rivers-Queen formations through a well to be jointly drilled at an unorthodox location 1250 feet from the South line and 1250 feet from the West line of Section 7, Township 25 South, Range 36 East, Jalmat Pool.

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
Attorneys at Law  
500 Don Gaspar Avenue  
Post Office Box 1769  
Santa Fe, New Mexico 87501

Telephone 982-4285  
Area Code 505

OCT 17 1980  
OIL CONSERVATION DIVISION  
SANTA FE  
October 10, 1980

Mr. Joe Ramey  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Belco Petroleum Corporation

Case 7081

Dear Joe:

Please set the enclosed application for an examiner  
hearing on November 12, 1980.

Very truly yours,

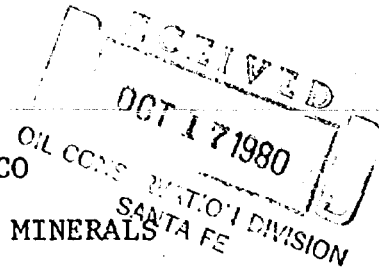
*W. Thomas Kellahin*  
W. Thomas Kellahin

Encl.  
cc: Mr. James Patrick Miller

WTK:jm

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION  
OF BELCO PETROLEUM CORPORATION  
FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

Case 7081

A P P L I C A T I O N

COMES NOW BELCO PETROLEUM CORPORATION and pursuant to Section 70-2-17, New Mexico Statutes Annotated 1978, as amended, applies to the Oil Conservation Division of New Mexico for an order pooling all the mineral interest in and under E/2 of Section 19, Township 23 South, Range 28 East, N.M.P.M., Eddy County New Mexico and in support thereof would show:

1. Applicant is the owner of the right to drill and develop the E/2 of said Section 19 and shall be operator of said spacing and proration unit.
2. Applicant desires to drill a Pennsylvanian Test well at a standard location within the E/2 of said Section 19 and to dedicate the E/2 of said Section 19 to the subject well.
3. Applicant has obtained voluntary agreement for pooling from all but the following:  
  
Paul Powers, if living, if deceased, his unknown heirs, a 1/16th mineral interest in Tract 16 being a 5 acre tract consisting of the W/2NW/4SE/4NE/4 of said Section 19.
4. Applicant requests that it be designated the operator of the pooled unit requested above.

5. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests indicated in paragraph 3 above, and in order to avoid the drilling of unnecessary wells, to protect correlative rights, and to prevent waste, the Commission should pool all interests in the spacing or proration unit as a unit.


6. Applicant further requests that the Division award a risk factor of 200% for the drilling of this well, with a provision for the payment of operating costs and costs of supervision out of production for recovery out of production of its costs of drilling and equipping subject, and for such other and further relief as deemed appropriate.

WHEREFORE, applicant respectfully requests that the Division set this matter for hearing before the Division's examiner and that after notice and hearing as required by law the Division grant the application as requested.

Belco Petroleum Corporation

Kellahin & Kellahin

By

  
W. Thomas Kellahin  
P.O. Box 1769  
Santa Fe, New Mexico 87501  
(505) 982-4285

ATTORNEYS FOR BELCO PETROLEUM  
CORPORATION



DRAFT

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. 7081

Order No. R- 6532

APPLICATION OF BELCO PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 12,  
1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets  
NOW, on this        day of November, 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, Belco Petroleum Corporation,  
seeks an order pooling all mineral interests in the Pennsylvanian  
formation underlying the E/2  
of Section 19, Township 23 South, Range 28 East  
NMPM,       , Eddy County, New  
Mexico.

Case No.  
Order No. R-

173 Grunitz *Proposed* (3) That the applicant has the right to drill and <sup>has drilled</sup> ~~proposes~~ *Com Well No 1* ~~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 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 who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional \_\_\_\_ 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 who 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 \$ \_\_\_\_\_ per month while drilling and \$ \_\_\_\_\_ 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 \_\_\_\_\_, 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 Pennsylvanian formation underlying the E/2 of Section 19, Township 23 South, Range 28 East, NMPM, \_\_\_\_\_, Eddy County, New Mexico, are hereby pooled to form a standard 320 - acre gas spacing and proration unit to be dedicated to the Guitar Estate Gas well

No 1 located at 2100 feet from the North line and 710 from the East line of said Section 19.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, 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 Belco Petroleum Corporation 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 who 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, \_\_\_\_\_ 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 \$ \_\_\_\_\_ per month while drilling and \$ \_\_\_\_\_ 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.

-6-  
Case  
Order No.

(3) ~~(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.

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

(5) ~~(12)~~ That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Eddy 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.

(6) ~~(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.