CASE NO. 7151 APPlication, Transcripts, Small Exhibits, ETC.



C AND E OFERATORS, INC. SUITE 1100 TWO ENERGY SQUARE 4849 GREENVILLE AVENUE DALLAS, TEXAS 75206 (214) 363-6993

April 21, 1982

Case 7151

New Mexico 011 Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Attached find costs of developing the Mesa Verde unit provided in Commission Order #R-6599 covering the N/2 of Section 9, Township 30 North, Range 11 West, San Juan County, New Mexico.

Copies of this statement are being sent to all parties who did not join the unit on a voluntary basis.

Yours very truly, W. P. Carr

WPC/jck Attachment

- cc: Church of Latter Day Saints Real Estate Division 50 E. North Temple Salt Lake City, Utah 84150
- cc: Charles A. Fink P. O. Box 129 Farmington, New Mexico 67401
- cc: Beta Development Cc. P. O. Box 1659 Midland, Texas 79707

C & E OPERATORS, INC., FEE 9A N/2 Section 9, T30N, R11W San Juan County, New Mexico

Item #	Description	<u>Total</u>
1	Road, Location, Clean-up, Fencing	19,689.96
2	Water, Mud, Trucking	38,856.75
3	Cement & Services	18,581.12
4	Logging & Perforating	17,533.15
5	Wireline, Packers, Plugs	2,886.48
6	Acidizing, Fracturing, N ₂ Gas	34,026.04
7	Rentals	5,762.75
8	Legal, Engineering, Permits	15,090.63
9	Cathodic Protection	4,765.20
10	Drilling, Insurance	83,983,25
11	Completion Services	19,598.90
12	Wellhead, Valves, Fittings	38,323.77
13	Welding	14,479.35
14	Drilling Overhead	1,725.00
15	Casing, Tubing: 298' 8-5/8" Surface Casing 4852' 5-1/2" Casing 3806' 1-1/2" Tubing	3,955.55 44,742.79 9,712.86
16	Separator, Heater, Tanks	15,001.52

388,715.07

1

C & E Operators, Inc. - FEE 9Y NE 1/4 Section 9, T 30 N-R 11W San Juan County, New Mexico

		Pictured Cliffs	Mesa Verde	Total
1	Road, Location, Clean-up, Fencing	2,681.68	2,470.01	5,151.69
2	Water, Mud, Trucking	8,215.09	32,050.44	40,265.53
3	Cement & Services	5,195.22	24,790.64	29,985.86
4	Logging	1,967.25	17,632.38	19,599.63
5	Perforating	1,128.15	4,750.13	5,878.28
6	Wireline, Packers, Plugs	-0-	5,912.73	5,912.73
7	Acidizing, Fracturing, N ₂ Gas	24,544.65	54,094.90	78,639.55
8	Rentals	958.21	8,527.11	9,485.32
9	Legal, Engineering, Permits	2,537.29	12,093.61	14,630.90
10	Cathodic Protection	2,403.19	2,455.61	4,858.80
11	Drilling & Insurance	23,041.70	75,992.64	99,034.34
12	Completion Services	8,953.17	60,969.18	69,922.35
13	Wellhead, Valves, Fittings	13,708.37	25,096.78	38,805.15
·jý	Welding	1,308.77	8,346.33	9,655.10
15	Drilling, Overhead	2,409.00	3,066.00	5,475.00
16	Casing, Tubing 50' 13-3/8" Conductor Pipe 299' 9-5/8" Surface Casing 4834' 7" Casing 3782' 2-3/8" Tubing 2074' 1-1/4" Tubing	326.71 2,783.43 12,397.66 -0- 4,629.18	326.72 2,783.42 43,955.36 14,186.78 -0-	653.43 5,566.85 56,353.02 14,186.78 4,629.18
17	Separator, Heater, Tanks	-0-	15,254.21	15,254.21
		119,188.72	414,754.98	533,943.70

C & E OPERATORS, INC., FEE #9 N/2 Section 9, T30N R11W San Juan County, New Mexico

WELL COSTS
(Hole Lost & Abandoned - Moved
10' East for Fee 9Y)

		Pictured Cliffs	Mesa Verde	Total
1	Location, Waste Disposal	5,347.84	5,347.88	10,695.72
2	Casing - Conductor Pipe 49' 13-3/8" Conductor Pipe 187' 9-5/8" Surface Casing	160.99 320.18 1,740.84	160.99 320.18 1,740.84	321.98 640.36 3,481.68
3	Engineering, Legal, Permits	2,082.33	2,082.34	4,164.67
4	Cementing Surface Casing	3,235.94	3,235.93	6,471.87
5	Drilling, Mud, Water	361.27	361.26	722.53
6	Drilling-Day Rate & Insurance	12,831.00	12,831.00	25,662.00
	-			
		26,080.39	26,080.42	52,160.81



7151

March 25, 1981

New Mexico Oil Conservation Commission

Attention Energy and Minerals Department

Gentlemen:

P. 0. Box 2088

Santa Fe, New Mexico 87501

We gave the thirty day advance notice of the cost of drilling these wells before drilling the wells which is provided for in your recent order and the cost share of each unleased interest in the units. However, we did not give an itemized cost estimate at that time as specified in your order so we have provided this itemized cost estimate to each owner as indicated by the copies attached hereto, along with a letter offering them thirty days from the receipt of this AFE to pay their proportionate share of the esimted cost of these wells.

We will furnish the division and each non-working owner an itemized schedule of actual well costs within ninety days following completion of the wells on each of the units. These documents have been sent by certified mail with return receipts attached. We will send you copies of the return receipts when we have received them.

Yours very truly, W. P. Carr

WPC/nsf Encs.

OIL CC SANTA FE DUNSION

March 24, 1981

Beta Development Company P. O. Box 1659 Midland, Texas 79701

> Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: 085499

Dear Sirs:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$48,118.84 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

UNP Par

W. P. Carr

WPC/nsf

MAR 3 0 SANTA FE DEASION

March 24, 1981

Ms. Lillian C. Lopez 608 White Avenue Aztec, New Mexico 87410

> Re: N/2 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

> > Your interest: .000346

Dear Ms. Lopez:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$194.73 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

NO lon

W. P. Carr

WPC/nsf



March 24, 1981

Mr. Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico 87410

> Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: .000818

Dear Mr. Sanchez:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$460.37 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission order.

Very truly yours, Can

W. F. Carr

WPC/nsf



March 24, 1981

Mrs. Rosa J. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

> Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: .000818

Dear Mrs. Archuleta:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$460.37 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

> Very truly yours, WP Can

W. P. Carr

WPC/nsf

MARSO OIL C. SIQ:4 SANTA FE

March 24, 1981

Mr. Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico 87410

Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

Your interest: .001604

Dear Mr. Scogin:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$902.73 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

VP lan

W. P. Carr

wpc/nsf



March 24, 1981

Mr. Leslie Webb c/o Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87410

Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

Your interest: .000818

Dear Mr. Webb:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pocls the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$460.37 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

WPlan

W. P. Carr

WPC/nsf



March 24, 1981

Mr. Floyd E. Hazen c/o Noah E. Tindle 300 N. Light Plant Road

Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

Your interest: .000818

Dear Mr. Hazen:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$460.37 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours, Plan

W. P. Carr

WPC/nsf

March 24, 1981

Ms. Rosie Cordova 803 McCoy Avenue Aztec, New Mexico 87410

> Re: N/2 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

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Your interest: .000818

Dear Ms. Cordova:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$460.37 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

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W. P. Carr

WPC/nsf

March 24, 1981

Mr. Ford C. & Elsie Webb Rts, 3, Box 134-A Farmington, New Mexico 87401

> Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

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SANTA LE

OIL C. III

191011

Your interest: .017616

Dear Ford C. & Elsie Webb:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$9,914.29 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

Plan

W. P. Carr

WPC/nsf

MAR 8 0 1991 OIL COMPANY STANDARD SANTA FE

March 24, 1981

Mr. William Wayne Sumner 818 Pioneer Avenue Aztec, New Mexico 87410

> Rc: N/2 -Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: .000881

Dear Mr. Sumner:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$495.83 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

Plan

W. P. Carr

WPC/nsf

March 24, 1981

Mr. Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 87410

> Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

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SANTA FE

OIL CL.L

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Your interest: .000755

Dear Mr. Montoya:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$424.91 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

WPlan

W. P. Carr

WPC/nsf



March 24, 1981

Mr. Albert Marquez 518 Pioneer Street Aztec, New Mexico 87410

> Re: N/2 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

> > Your interest: .000723

Dear Mr. Marquez:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$406.90 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

Plan

W. P. Carr

WPC/nsf

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OIL CO SUSION SANTA FE

March 24, 1981

Mr. Terry Moss c/o Hooper c/o Gregory Plesko 616 Pioneer Avenue Aztec, New Mexico 87410

> Re: N/2 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

> > Your interest: .000503

Dear Mr. Moss:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$283.09 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

W. P. Carr

WPC/nsf

March 24, 1981

Mr. Loyd Armstrong 428 N. Church Street Aztec, New Mexico 97410

> Re: N/2 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

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OIL COME

Your interest: .001132

Dear Mr. Armstrong:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Divi ion the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$637.09 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

UP Can

W. P. Carr

WPC/nsf

011 0 SATATE SION

March 24, 1981

Mr. Charles A. Fink P. O. Box 129 Farmington, New Mexico 87401

> Re: N/2 Section 9 T3ON-R11W, MMPM San Juan County, New Mexico

> > Your interest: .000944

Dear Mr. Fink:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$531.28 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

W. P. Carr

WPC/nsi

March 24, 1981

Mr. Ralph A. Ransom 411 Aztec Blvd. N.E. Aztec, New Mexico 87410

> Re: N/2 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

OIL C. V.

MAR 8 0 1981

SANTA FE

1 DE 191011

Your interest: .001258 -

Dear Mr. Ransom:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$708.00 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

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W. P. Carr

WPC/nsf

MAR 8 0 100 OIL CLARE SANTA FE

March 24, 1981

Church of the Latter Day Saints Real Estate Division 50 E. North Temple Salt Lake City, Utah 84150

> Re: N/2 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: .002076

Dear Sirs:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6599 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$1,168.37 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs. plus your promate share of the 2000 rick factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

WA Can

W. P. Carr

WPC/nsf

N/2 Section 9-T3ON-R11W AFE - Gas Development Drilling

AFE - Gas Development Drilling		•
Lease Fee Well No. 9-A Depth 4,800	Dual Mesaver	de-PC
Location: Unit B Sec. 9'- 30N - 11W, San Juan Co., N.M.		
Dirt Work: Road & Loc. 26,000 Clean up 8,000		<u>3</u> 4,000
Drilling Fluids Water Frac 6,300 ^{Dr1g -} 8,400 Nud 12,00	00	26,700
Cement & Services: Surface 8-5/8" @ 275'		2,043
Production 5½" @ 4,800' 2 stage		10,525
Logging: OH IES & D/N 7,310 CH GR & CBL 2,185		9,495
Perforating MV 2,930 PC 2,600		5,530
Other Cased Hole Wire Line Services BP & Mod "D" Pkr		2,655
Press. tests, Spot acid 500 Gal Acetic - 2 set ups	•••	2,400
Packers for break down 2 sets		. 2,760
Pump charge & acid for break down 500 gal 15% HCI 2 set up		2,700
Fracturing: MV 28,232 PC 31,076	-	59,308
Rentals & Misc.:		
Guyline Anchors 500 Frac tanks 12 2,820		
Rental tools for dual 1,800		
Dual Equipment Mtl & Services Baker Services 3,770		8,890
Other Charges		
Consulting Eng & Geol. 5,800		
No or Cas to clean up well 16,000	 	
Roustabout Labor for Surface Hookup 3,500	-	
Fencing Mtl & installation 5,000	-	
Cathodic Protection 7,500	-	37,800
Rig Contract		
4,800 ft. @ 15.50 ft.		74,40Õ
Day work 1 days $(4,800)$		4,800
Completion Rig 9 days @ 2,000 /12 hr. day		18,000
Trucking: 4,000 casing: 1,800 comp. Rig	••	
1,000 Frac tanks		6,800
Cangible Costs	•	
Well Head 10" series 600 OCT Dual Well Head		17,000
Casing 8-5/8" 24#J @\$10.32/ft Surface 275 2838	-	
Casing 5 ¹ / ₂ " 15.5#J @\$6.70/ft Production 4,850 - 32,49	5	35,333
Tubing $\frac{1}{2}$ 2.9 #EUE @2.82/ft; 12.690 2,100'- 5,355 Tubing $\frac{1}{2}$ 2.9 #EUE @2.82/ft; 14" 1J @\$2.55/ft		18,045
Flow line & Connections	•	1,800
		na stan and and the states
		•
a na shekara kuta ma a sa		18,053
	Total	\$399,037
Shallow Zone Total \$ 125,353.00		¥

	•••••••••••••••••••••••••••••••••••••••	
		·····
N/2 Section 9-T3ON-R11W AFE - Gas Development Drilling		•
Lease Fee Well No. 9 Depth 4,800 Du	al Mesave	rde-PC
Location: Unit B Sec. 9 - 30N - 11W, San Juan Co., N.M.		
Dirt Work: Road & Low. 26,000 Clean up 8,000	·* ,	34,000
Drilling Fluids Water Frac 6,300 ^{Dr1g} - 8,400 Mud 12,000	•	26,700
Cement & Services: Surface 10-3/4" @ 275'	•	2,043
Production 7" @ 4,800' 2 stage		10,525
Logging: OH IES & D/N 7,310 CH GR & CBL 2,185		9,495
Perforating MV 2,930 PC 2,600	la l	5,530
Other Cased Hole Wire Line Services BP & Mod "D" Pkr		2,655
Press. tests, Spot acid 500 Gal Acetic - 2 set ups		2,400
Packers for break down 2 sets		. 2,760
Pump charge & acid for break down 500 gal 15% HCI 2 set ups		2,700
Fracturing: MV 28,232 PC 31,076		59,308
Rentals & Misc.:		
Guyline Anchors 500 Frac tanks 12 2,820		
Rental tools for dual 1,800		
Dual Equipment Mtl & Services Baker Services 3,770		8,890
Other Charges		
Roustabout Labor for Surface Hookup3,500Fencing Mtl & installation5,000		
		37,800
Rig Contract		79,200
<u>4,800 ft. @ 16.50 ft.</u>		4,800
Day work 1 days @ 4,800		18,000
Completion Rig 9 days @ 2,000 /12 hr. day	••	
Trucking: 4,000 casing: 1,800 comp. Rig		6,800
1,000 Frac tanks		
Tangible Costs		17 000
Well Head 10" series 600 OCT Dual Well Head		17,000
Casing $10-3/4$ 36# 14.00/ft. Surface 275 \$ 3885.		
Casing $7'' 23\# 9.60/i'$, Production $4,850 - 46,560$. 2,100'- 5,355		50,445
Tubing 12" 2.9 #EUE 02.82/IC ; 12" IJ 0\$2.55/ft		18,045
Flow line & Connections	•	1,800
\$3,657Stock Tank & Stairway	•	••••••
8,488 Production Unit	-	•
2,594 Production Unit		
3.314 Intermitter & Piston Installation		18,053
	otal	\$418,949
Shallow Zone Total \$ 129,833.00		



March 24, 1981

Ford & Elsie Webb Rt. 3, Box 134-A Farmington, New Mexico 87401

> Re: SW/4 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

> > Your interest: .001577

Dear Ford & Elsie Webb:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$426.11 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs. plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

Flan W. P. Carr

WPC/nsf

C AND E OPERATORS, INC. AND 0 1991 ONE ENERGY SQUARE SUITE 170 DALLAS, TEXAS 75206 OIL C SANTA FE (214) 363-6993

K 37 11 5

March 24, 1981

Beta Development Co. P. O. Box 1659 Midland, Texas 79701 -

> Re: SW/4 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: .081872

Dear Sirs:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$22,122.22 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

UP lan

W. P. Carr

WPC/nsf



March 24, 1981

Mr. Eugene Stewart Box 692 Aztec, New Mexico 87410

Re: SW/4 Section 9

T3ON-R11W, NMPM San Juan County, New Mexico

Your interest: .002523

Dear Mr. Stewart:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$681.73 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

Plan

W. P. Carr

WPC/nsf



March 24, 1981

Floyd & Maurice Rhodes c/o Robert L. Stevenson 301 S. Main Street Aztec, New Mcxico 87410

Re: SW/4 Section 9 T30N-RL1W, NMPM San Juan County, New Mexico

Your interest: .001766

Dear Floyd & Maurice Rhodes:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$477.18 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours, L'Plan

W. P. Carr

WPC/nsf

C AND E OPERATORS, INC

SUITE 170 DALLAS, TEXAS 75206 (214) 363-6993

March 24, 1981

Earnest & Margaret Maestas Box 493 Aztec, New Mexico 87410

> Re: SW/4 Section 9 T30N-R11W, NMPM San Juan County, New Mexico

OIL C

SANTA FE

Your interest: .001009

Dear Earnest & Margaret Maestas:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$272.64 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

W. P. Carr

WPC/nsf

 $\mathcal{O}_{\mathcal{U}_{\mathcal{C}}\mathcal{O}_{\mathcal{C}}}$, $\mathbb{Q}_{\mathcal{O}_{\mathcal{O}}}$, \mathbb{S}^{n+1}

March 24, 1981

Mr. Keith Vandruff Box 421 Aztec, New Mexico 87410

> Re: SW/4 Section 9 T3ON-R11W, NMPM San Juan County, New Mexico

> > Your interest: .001009

Dear Mr. Vandruff:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$272.64 and this is the autount of money you must tender to me for your share of the costs of the well.

In the event you do not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

W. P. Carr

WPC/nsf

C AND E OPERATORS, INC. ONE ENERGY SQUARE

SUITE 170 DALLAS, TEXAS 75206 (214) 363-6993

MAR 8 0 1991

• • • 1SIO11 OIL CLING SANTA FE

March 24, 1981

Mr. Robert N. Ramsey 412 S. Church Street Aztec, New Mexico 87410

> Re: SW/4 Section-9-T30N-R11W, NMPM San Juan County, New Mexico

> > Your interest: .006497

Dear Mr. Ramsey:

C and E Operators, Inc. has obtained from the New Mexico Oil Conservation Division the enclosed Order No. 6600 which pools the oil and gas minerals underlying the subject tract as set out therein.

In accordance with provisions of this order, we are enclosing to you a copy of the estimated well costs for these wells.

The order allows you thirty days from the date of the receipt of this letter to pay your proportionate share of the costs of these wells. If you desire to do so, your interest is \$1,755.52 and this is the amount of money you must tender to me for your share of the costs of the well.

In the event you dr not contribute your share of the costs of the well within the time prescribed, I will proceed to recover your share of the well costs, plus your prorata share of the 200% risk factor and the overhead charges allowed by the Oil Commission Order.

Very truly yours,

Can

W. P. Carr

WPC/nsf

SW/4 Section 9-T3ON-R11W

AFE - Gas Development Drilling	
Lease Aztec Well No. 9 Depth 4750' Dual Mesaverde	- FC
Location: Unit M Sec. 9 - 30N - 11W, San Juan Co, N.M.	· · · ·
Dirt Work: Road & Loc. 24,000 Clean up 8,000	32,000
Drilling Fluids Water Frag 6,300 Mud 11,875	26,488
Cement & Services: Surface 8-5/8 0275	2,043
Production 51/2 @4750 2 stage	16,525
Logging: OH IES & D/N 7285 CH GR CBL 2170	9,455
Perforating NV 2930 PC 2600	5,530
Othur Cased Hole Wire Line Services BP & Mod "D" Pkr	2,655
Press. tests, Spot acid 500 gal. Acetic - 2 set ups	2,400
Packers for break down 2 sats	2,760
Pump charge & acid for break down 500 gal. 15% HCI 2 set ups	2,700
Fracturing: MV 28,232 PC 31,076	59,308
Rentals & Misc.:	
Guyline Anchors 500 Frac tanks 12 2820	
Rental tools for Dual 1800	
Dual Equipment Mtl & Services Baker Services 3,770	8,890
Other Charges	
Consulting Eng & Geol. 5,800	
N ₂ or Gas to clean up well 16,000	
Roustabout Labor for Surface Hookup 3,500	
Fencing Mtl & installation 5,000	
Cathodic Protection 7,500	37,800
Rig Contract	
4750 ft. 0 15.50 ft.	73,625
Day work 1 days @ 4,800	•
Completion Rig 9 days @ 2,000 /12 hr. day	18,000
Trucking: 4,000 casing: 1,800 comp. Rig	
1,000 Frac tanks	ό,800
Tangible Costs	
Well Head 10" series 600 OCT Dual	17,000
Casing $8-5/8$ 24#J (\$10.32/ft Surface 275' 2838	
Casing 5 15.5 J @\$6.70/ft Production 2,050' 5,228	34,998
Tubing $1 \le 2.9 \text{ #J @ } 2.82/\text{ft}^{4,350-12,267}$ 12" IJ @\$2.55/ft	17,495
Flow line & Connections	1,800
\$3,657 Stock Tank & Stairway 300 bb1	
8,489 Production Unit Mesaverde	
2,594 Production Unit PC	
3,314 Intermitter & Piston Installation	18,053
Total	\$395,125
Shallow Zone Totai \$ 124,920.00	
Mesa Verde Zone Total 270,205.00	

· . :

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT



OIL CONSERVATION DIVISION

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

BRUCE KING LARRY KEHOE

February 25, 1981

Re:

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

Applicant:

ORDER NO. R.6599

CASE NO.

C & E Operators, Inc.

7151

Dear Sir:

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

Pours very truly, rnl JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCD Artesia OCD 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. 7151 Order No. R-6599

APPLICATION OF C & E OPERATORS, INC. FOR COMPULSORY POOLING, San Juan County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>23rd</u> day of February, 1981, 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, C & E Operators, Inc., seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 West, NMPM, Blanco Mesaverde Pool, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill two wells thereon, the first being at a standard location in the NE/4 and the second being a previously approved unorthodox location in the NW/4 of said section.

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

-2-Case No. 7151 Order No. R-6599

(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 wells 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 cut 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 200 percent thereof as a reasonable charge for the risk involved in the drilling of the wells.

(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 \$2732.50 per month while drilling and \$273.25 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the eperator 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 wells, not in excess of what are reasonable, attributable to each non-consenting working interest.
-3-Case No. 7151 Order No. R-6599

(12) That all proceeds from production from the subject wells 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 first well to which said unit is dedicated on or before June 1, 1981, 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 Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 Mest, NMPM, San Juan County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to two wells to be drilled thereon, the first being at a standard location in the NE/4 and the second at a previously approved unorthodox location in the NW/4 of said section.

<u>PROVIDED HOWEVER</u>, that the operator of said unit shall commence the drilling of the first well on or before the 1st day of June, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Mesaverde formation;

<u>PROVIDED FURTHER</u>, that in the event said operator does not commence the drilling of said well on or before the 1st day of June, 1981, 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 either of said wells not be drilled to completion, or abandonment, within six months after commencement of the first well, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded as to such well or wells.

(2) That C & E Operators, Inc. is hereby designated the operator of the subject wells and unit.

(3) That after the effective date of this order and within 90 days prior to commencing either of said wells, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs. -4-Case No. 7151 Order No. R-6599

(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 cut 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 woll costs within 20 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 rate share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rate 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) Thet the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs. -5-Case No. 7151 Order No. R-6599

(9) That \$2732.50 per month while drilling and \$273.25 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 wells, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a oneeighth (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 interest's 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 wells which are not disbursed for any reason shall immediately be placed in escrow in San Juan 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.

STATE OF NEW MEXICO NTI CONSERVATION DIVISION JOE D. RAMEY

Director

S E A L

dr/

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	STA	ATE OF NEW MEXICO	
	ENERGY A	AND MINERALS DEPARTMENT	• • • • • • • •
	OIL CO	DNSERVATION DIVISION	
	STATI	E LAND OFFICE BLDG.	
	SAN	TA FE, NEW MEXICO	
		February 1981	
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	EXA	MINER HEARING	
	ADMMRD OD.		
IN THE I	ATTER OF:)	
	Application of (C&E Operators, Inc.,)	CAGE
		pooling, San Juan	
	County, New Mex		7151
	country, new mext		
	and		<i>C</i> 1
	anu		
	Annitantian of)	
		C&E Operators, Inc.,)	CASE
		pooling and a non-)	7152
		ion unit, San Juan)	
	County, New Mexi	LCO.)	
)	
	and)	
	Numlian Star		
		C&E Operators, Inc.,)	CASE
		pooling and a non-)	7153
		lon unit, San Juan)	
	County, New Mexi	lco.)	
BEFOPP.	Richard L. Stamet:		
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			4.
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	TIMUS	SWILL OF MEAKING	
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	АРР	EAKANCES	
For the	Oil Concernation	Ernest L. Padilla	For
			· -
n:		Legal Counsel to	the DIVISI
Divis	LOIT.		
Divis		State Land Office Santa Fe, New Mey	Bldg.

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	A P P È A R A N C E S
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3	
4	For the Applicant: N. Thomas Kellahin, Esq. KELLAHIN & KELLAHIN
5	500 Don Gaspar Santa Fe, New Mexico 87501
6	
- 7 -	
8	
9	INDEX
10	A. R. KENDRJCK
11	Direct Examination by Mr. Kellahin 5
12	Cross Examination by Mr. Stamets 11
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16	
17	EXHIBITS
18	
19	4 Applicant Exhibit Cne, Letter
20	10 Applicant Exhibit Two, Documents
21	Applicant Exhibit Three, Documents
22	10
23	Applicant Exhibit Four, Documents
24	Applicant Exhibit Five, Documents
	Applicant Exhibit Six, Documents
25	

1	3
2	MR. STAMETS: Call next Case 7151, ap-
3	plication of C&E Operators, Inc., for compulsory pooling, San
4	Juan County, New Mexico.
5	MR. KELLAHIN: If the Examiner please,
6	I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf
7	of the applicant.
8	We'd request that Case 7151 for purposes
9	of testimony be consolidated with the next two C&E Operator
10	cases docketed as 7152 and 7153.
11	MR. STAMETS: The call of those cases
12	is identical to the first case and without objection they
	will be consolidated.
13	MR. KELLAHIN: In addition, Mr. Examiner
14	we'd like to incorporate the record of the hearing on December
15	
16	10th, 1980, involving Cases 7107, 7106, and 7105.
17	As the Examiner may recall, that was the
18	first hearing involved in the acreage that's been reapplied
19	for in the hearings today.
20	MR. STAMETS: The records in those cases
21	will be consolidated or incorporated in the hearing record.
22	MR. KELLAHIN: In addition, Mr. Examiner
23	there is a small change between Case 7153, which is a refiling
24	of Case 7106, with the change being that in the previous
25	case the applicant sought to pool the south half of Section

ì

1	
2	8.
3	In this case the applicant is seeking
4	approval of a non standard proration unit for the southwest
5	quarter of 8, and when we get to the plats of that case, we
6	can explain the reason for the change.
7	The other two cases are the same as those
8	filed back in December, or heard back in December.
<u> </u>	MR. STAMETS: Okay. At this point,
10	then, Case 7152 and 7153, in addition to the compulsory
11	pooling, are also requesting non-standard proration units.
12	MR. KELLAHIN: Two of the three cases
13	involve non-standard proration units.
14	I have one witness, Mr. Examiner.
15	
16	(Witness sworn.)
17	
18	MR. KELLAHIN: Mr. Stamets, we've showed
19	you what we've marked as Applicant's Exhibit Number One to
20	the three hearings involved in this case. One of the ques-
21	tions, there were two problems, as I understand it, with
22	the applications as originally heard. One is the applicant
23	was requested to document that the plats he had used at the
24	first hearing, which had been compiled from the tax records
25	of the county tax assessor based upon the assessment of the

surfaces, whether the surface plats used at the hearing also represented the plats of oil and gas mineral ownership. The purpose of the letter is to indicate that that comparison has been made and with regards to Case 7151 and 7152 involving Sections 9, that there is confirmation that the oil and gas mineral ownership is the same as the curface ownership for those areas.

5

In addition, the other problem at the previous hearing was a question of notice and we have subsequent exhibits to document the notice to all the parties being pooled.

And finally, the last case involves a change as to the acreage involved from the south half of Section 8, now to 160-acre nor standard proration unit in the southwest guarter of 8.

With regards to that portion of the application, I'd like to ask Mr. Kendrick some questions.

A. R. KENDRICK

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

DIRECT EXAMINATION

25 BY MR. KELLAHIN:

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	1	o	-
	-2-	Q. Mr. Kendrick, would you please state	
	3	your name and occupation?	
	4	A. A. R. Kendrick, Consulting Engineer.	
	5	Mr. Kendrick, have you previously testi-	
	6	fied as a petroleum engineer before the Oil Conservation	
	7	Division and had your qualifications accepted and made a	
	8	matter of record?	
	9	A. Yes, sir.	
	10	Q. And have you been employed as a petroleum	
	11	engineer consultant for the applicant in these three cases?	
	12	A. I have,	
	13	MR. KELLAHIN: We tender Mr. Kendrick	•
	14	as an expert petroleum engineer.	
	15	MR. STAMETS: He is considered qualified	
	16	Q. Mr. Kendrick, I'd like to direct your	
	17	attention to Exhibit Number Five which was used in the pre-	
	18	vious case, 7106, and involved the south half of Section 8.	
	19	Mr. Kendrick, what is your understanding	
•	20	as to the applicant's desires with regards to the develop-	
	21	ment and drilling of a well on the south half of Scction 8?	
	22	A. C&E Operators has applied for and re-	
	23	quests a non standard proration unit for the southwest	
	24	quarter of Section 8. The acreage, or mineral acreage, has	
	25	all been leased by C&E Operators in that quarter section.	

		· · · · · · · · · · · · · · · · · · ·
ī	· · · · · · · · · · · · · · · · · · ·	7
2		C&E Operators owns some of the interest
3	in the southeast g	uarter of Section 8 but do not own all of
4	the mineral intere	st in the southeast quarter, and it's their
5	desire to not dril	l a well in the southeast quarter of Section
6	8, so they'd prefe	r the non-standard unit in the southwest
-7	quarter of Section	8. ¹
8	Q.	To what formation will this well be
9	drilled?	
10	A.	To the Mesaverde.
11	Q.	And what acreage would be dedicated to
12	the well?	
13	A.	Just the southwest quarter.
14	Q	What pool is this Mesaverde acreage in
15	the southwest quar	ter of 8
16	A.	This will be an extension to the Blanco
17	Mesaverde Pool.	
18	Q.	What are the current applicable rules
19	in the Blanco Mesay	verde Pool with regards to infill wells?
20	A.	The authorization has been granted for
21	the drilling of a s	second well on the 320-acre drill tract,
22	so that one well ma	ay be drilled on each guarter section with-
23	in the pool.	
24	Q.	In your opinion, Mr. Kendrick, is it
25	necessary to drill	two wells in a 320-acre proration unit
	L	

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1	for Mesaverde production in order to adequately and efficiently
2	
3	drain a unit of that size?
4	A. Yes.
5	Q. In your opinion will the approval of
6	a non-standard proration unit, consisting of 160 acres for
7	purposes of Mesaverde production be an effective and efficient
8	method of adequately developing the Mesaverde?
9	A Yes. I think that a second well would
10	be required to drain the acreage because of its location as
11	far as the pool is concerned.
12	Q. Mr. Kendrick, are you aware of any
13	other non-standard proration units for Mesaverde production
14	consisting of 160 acres, as opposed to the use of the infill
15	metion units?
16	other non-standard proration
17	units have been issued in Blanco Mesaverde Pool in Township
18	
19	minion will the approval of
20	a non-standard proration unit for the southwest quarter of
2	the prevention of
2	the correlative rights?
2	3 A. I think so, yes.
2	A Q. Mr. Kendrick, with regard to the owner-
2	ship of the southwest quarter, based upon your study and in-

-	
	9
2	formation, are you confident that C&E Operators now does no
3	longer need a forced pooling order with regards to the acreage
4	involved in the southwest quarter?
5	A. Yes, sir, since they own the leases
6	forced pooling would not be necessary in the southwest quarter
7	All right, sir, so with regards to Case
8	7153, the only portion of that application for which you need
9	an order is the approval of the non-scandard proration unit.
10	A. Yes, sir.
11	MR. KELLAHIN: Mr. Stamets, with regards
12	to notice for purposes of this hearing, we have shown you
13	and move to introduce our exhibit with regards to an affidavit
14	of mailing. As for an explanation, we have also notified all
15	of the mineral owners in the southeast guarter of 8, the in-
16	terests that would be deleted by this application of the fact
17	that we intend to delete that acreage from the unit. So
18	those people that would have been included in a 320-acre
19	force pooled unit have been notified that their acreage is
20	not going to be included in that, and as I understand it,
21	there are no appearances on behalf of any of those individuals
22	In addition, we have provided notice to
23	all the mineral owners involved in the other two proration
24	units in the other two hearings.
25	MR. STAMETS; Would that be Exhibit Two,

1	
2	Mr. Kellahin?
3	MR. KELLAHIN: I believe that should be
4	Exhibit Two.
5	With regards to the north half of Section
6	9, C&E Operators Exhibits Three and Four are the documentation
. . .	of letters and then the return receipts to each of the indi-
8	viduals in the north half of Section 9 that are being pooled.
Ŷ	Those those letters were sent prior to filing the appli-
10	cation in the current case involving the north half of
11	Section 9.
12	With regards to the pooling hearing on
13	the southwest quarter of 9, C&E Operators Exhibits Five and
14	Six are the letters and correspondence documenting C&E's
15	efforts to obtain leases from the parties to be pooled and
16	Exhibit Six are the confirmation that those individuals re-
17	ceived the letters. They are copies of the return receipts.
18	MR. STAMETS: Exhibit Number Five is
19	the letter and Exhibit Number Six would be the return re-
20	ceipts?
21	MR. KELLAHIN: Yes, I believe that
22	answers the concerns the Examiner had had at the previous
23	hearings.
24	We'd move the introduction of C&E Oper-
25	ators Exhibits as tendered to the Examiner, and that con-

	1	11
	2	cludes our direct examination of Mr. Kendrick.
	3	MR. STAMETS: These exhibits will be
	4	admitted.
	5	In the letter supplied by Petroleum
	6	Land Sales, the second paragraph says the minerals under stated
	7.	tracts in the north half of Section 9 are owned as you have
	8	indicated with the exception of the Shamrock tract covering
	9	fractional Lots 1 and 39 through 44, inclusive, and McCoy
	10	tract 2, which has been sold to Charles A. Fink, P. O. Box
	11	129, Farmington, New Mexico, was Mr. Fink notified?
	12	A. Yes, sir.
\bigcirc	13	MR. STAMETS: And I presume that the
	14	property colored pink on the plats was the acreage which was
	15	subject to forced pooling, acreage which Mr. Carr did not
	16	have under lease or otherwise committed to the unit.
	17	MR. KELLAHIN: I believe that was his
	18	testimony back in December at the hearing, Mr. Examiner.
	19	MR. STAMETS: Any other questions of
	20	the witness? He may be excused.
	21	Anything further in this case, these
	22	cases?
	23	They will be taken under advisement.
	24	
	25	(Hearing concluded.)
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Page	12
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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sneey W. Boyd C.S.R.

I do hereby couling that the foregoing is the Example on the group wings in the provide the second state of Examiner hears Oil Conservation Division

SALLY W. BOYD, C.S.I KI. I Box 193-B Santa Fe, New Mexico 87301 Phone (303) 455-7409 1

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JOSEPH F. BURNS

Attorney-At-Law AZTEC, NEW MEXICO OIL CONS TYATION DIVISION

E 334-2661

February 9, 1981

Department of Energy and Minerals Oil Conservation Commission State Land Office Building Santa Fe, New Mexico 87501

ATTENTION: Examiner

Re: Mr. and Mrs. Eugene Stewart P.O. Box 692 Aztec, New Mexico 87410 (For Case No. 7152)

Dear Sir:

Enclosed is a carbon copy of a letter that I have written this date to Mr. W. P. Carr concerning the execution of a lease sent to Mr. and Mrs. Stewart by Mr. Carr in December, 1980.

Mr. and Mrs. Stewart actually signed this lease before me in January, 1981, and I had intended writing Mr. Carr before this time concerning the items contained in this letter but unfortunately did not do so.

Because the time period for the notice concerning the "forced pooling" hearing was a relatively short one, it is my purpose to have in your files a copy of the letter now written to Mr. Carr concerning questions that we would like to have answered before actually forwarding the Lease to Mr. Carr.

Our purpose is also to show that Mr. and Mrs. Stewart have no objection to the forced pooling as such, as we expect that it will be necessary to have the forced pooling authorized, but we do not wish to have Mr. and Mrs. Stewart penalized in any way under the claimed justification that they refuse to lease their mineral ownership to C & E Operators, Inc.

Very truly yours,

seph & Bun

JOSEPH FU BURNS Attorney-at-Law

JFB:zc Enclosure cc: Mr. and Mrs. Eugene Stewart Mr. W. Thomas Kellahin Mr. W. P. Carr

DIL CONS MATION DIVISION

February 9, 1981

Mr. W. P. Carr C & E Operators, Inc. One Energy Square Suite 170 Dállas, Texas 75206

> Re: Mese Verde Unit SW/4 Sec. 9-T3ON-R11W, San Juan County, New Mexico Containing 158.54 acres.

> > Interest of Rugene Stewart and wife 4 acres or .002523 interest

Dear Mr. Carri

Mr. Eugene Stewart brought to me on February 6, 1981, correspondence from your attorneys, Kellahin and Kellahin, notifying of a hearing scheduled for February 11, 1981, before the Examiner for the Department of Energy and Minerals, Oil Conservation Commission, in Cases No. 7151, 7152, and 7153, the purpose of these hearings being to have the Commission enter its order pooling all of the mineral interests in the Mesa Verde formation underlying lands described in the three Applications furnished.

This letter on Mr. Stewart's behalf concerns the Southwest Quarter (SWH) of Section 9-30-11 and has reference to Case No. 7152.

The purpose of my letter is to advise you that Mr. and Mrs. Stewart have signed the Lesse which was sent with your letter of December 12, 1980, but before returning the Lesse to you they ask that I write you concerning the following items:

(1) Amount of royalty to be paid in the event production is realized.

My understanding is that the bonus for signing the Lease is a fairly standard one, but that in many instances, the royalty to be paid exceeds the standard one-eighth (1/8th) interest set forth in the Form 88 which was sent to Mr. and Mrs. Stewart for execution. He and his wife would like to receive a three-sixteenths (3/16ths) interest rather than the one-eighth offered in the Lease which I have in my possession.

(2) Land to be included in the Lease.

Page 2 Mr. W. P. Carr February 9, 1981

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I had hoped to visit with Woodrow Stiles on this particular item but have not seen Woodrow for a period of time. He perhaps could answer the questions concerning descriptions for me.

Mr. Stewart actually owns nine lots, numbered 16 through 24 on Park Avenue in Block 20 of the Original Townsite of Azteo. The description in your Lease is only for Lots 20 through 24 of Block 20.

I have made no attempt to research their ownership of these nine lots, but am advised that three of these lots, 16, 17, and 18, were acquired from Katherine Hoopes in 1980. The other 6 lots were acquired some years ago. Perhaps because of the recent acquisition of Lots 16, 17, and 18 these lots have been excluded from the Lease description, but this excuse would have no reference to their ownership of lot 19 which Mr. and Mrs. Stewart obtained at the same time as they acquired Lots 20 and 21.

I can obtain and forward to you copies of their deeds if this is important to your consideration.

Mr. and Mrs. Stewart also own some lots on Main Street in this same Block 20. It is possible that these lots are not actually in the Southwest Quarter (SW_{4}^{-}) of Section 9-30-11, but I ask that you advise concerning whether or not the lots i. Main Street should be included in the Lease.

In view of the fact that my understanding is that the "forced pooling" request has reference to those refusing to sign leases with you, I am directing a copy of this letter to the Oil Conservation Commission to establish that Mr. and Mrs. Stewart are not refusing to sign a Lease but wish to have the information requested herein furnished before they complete the procedures of forwarding the Lease to you.

I would appreciate your response to this letter at your early opportunity.

Very truly yours,

JOSEPH F. BURNS Attorney-at-Law

JFB:zc

cc: Mr. and Mrs. Bugene Stewart Oil Conservation Commission / Kellahin and Kellahin

PETROLEUM LAND SERVICE

5271 Memorial Drive

Houston, Texas 77007

713/880-1005

15 January 1981

RECEIVED JAN 2 8 1981

Mr. Plack Carr 4925 Greenville Ave. Suite 170 Dallas, Texas 75206

Farmington Prospect Re: San Juan County, New Mexico

Dear Plack,

Pursuant to your telephone call Sunday afternoon the 21st of December, 1980, I went over to Basin Title Company's office in Farmington, New Mexico and ran their indexes to determine the current mineral and lease ownership on the property colored pink on the attached plats covering a portion of the SW/4 of Sec. 9, T-30N, R-11-W of San Juan County, New Mexico. The mineral ownerships of the tracts in this Southwest Quarter of Section 9 are just as your records indicate.

The minerals in the shaded tracts in the North Half of Section 9 are owned as your records indicate with the exception of the Shamrock tract covering fractional lots 1 and 39 through 44 inclusive in the McCoy Tract 2, which has been sold to Charles A. Fink, P.O. Box 129, Farmington, New Mexico 87401.

I examined the actual records in the courthouse in Aztec and learned that the abstractors indexes were in fact, correct.

- on C\$ 2. Ex | 1152 Q151 aud 7152 CA 9151 aud 7152 Thank you for the opportunity to do this work. Please call on us again when further field work is needed.

Personal regards,

u Chriaden Ulii (Peter Verhalen

PV/jl

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATIONS OF C & E OPERATORS, INC., FOR COMPULSORY POOLING. SAN JUAN COUNTY, NEW MEXICO.

> Cases 7151 7152 7153

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)) ss. COUNTY OF SANTA FE)

I, W. Thomas Kellahin, being first duly sworn upon my oath state on February 2, 1981, I placed a notice of compulsory pooling with a copy of the February 11, 1981, New Mexico Oil Conservation Division Docket, exhibits A and B attached hereto and incorporated by reference herein, in the U.S. Mails, by first class letter, poctage paid to each and every individual and company indicated on the respective applications filed in the above referenced cases.

W. Thomas Ralla

SUBSCRIBED AND SWORN TO before me this <u>Jrl</u> day of February, 1981.

Jacquelic N. Martine

My Commission Expires:

april 12, 1981

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
CNE EXHIBIT NO. 2
CASE NO. 7151, 7152, 7153
Submitted by
Hearing Date

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

February 2, 1981

NOTICE OF COMPULSORY POOLING

Our firm represents C & E Operators, Inc., which has applied to the New Mexico Oil Conservation Division for three separate orders pooling all unleased mineral interests in the N/2 of Section 9, T30N, R11W, San Juan County, in the SW/4 of Section 8, T30N, R11W, San Juan County and in the sW/4 of Section 9, T30N, R11W, San Juan County.

Our records reflect that you may have an unleased mineral interest involved in one of the above units.

Enclosed is a copy of the New Mexico Oil Conservation Division docket advising you that your mineral interest in the above unit or units will be pooled as a result of a hearing to be held on February 11, 1981, in Cases 7151, 7152 or 7153.

This hearing will affect your mineral interests. You should contact Mr. W. P. Carr of C & E Operators Phone (214) 363- 6993 if you have any questions.

Yours very trily, W. Thomas Wellahir

WTK:jm Enclosure-

Docket No. 5-81

Dockets Nos. 7-81 and 8-81 are tentatively set for February 25 and March 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 11, 1981

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 March, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for March, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

(3) Consideration of purchaser's nominations for the one year period beginning April 1, 1981, for both of the above areas.

CASE 7146: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Perro Grande Unit Area, cornel

Page 3 of 3 Examiner Hearing - Wednesday - February 11, 1981

Docket No. 5-81

CASE 151: Application of C & E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 West, to be dedicated to a well to be drilled at a standard location in the NE/4 and a well to be drilled at a previously approved unorthodox location in the NM/4 of said Section 9. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 7152: Application of C 6 E-Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 9, Township 30 North, Range 11 West, 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 ssid 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 7153: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 West, 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.

ACE 7129 (Continued from January 28 1981 Evaminer Hearing)

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATIONS OF C & E OPERATORS, INC., FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

Cases	7151
	7152
	7153

AFFIDAVIT OF MAILING

ss.

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W. Thomas Kallahin

SUBSCRIBED AND SWORN TO before me this Jud day of February, 1981.

Jacquelia. D. Martini

My Commission Expires:

april 12, 1981

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

February 2, 1981

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Yours very trai Thomas

WTK:jm Enclosure⁻

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Page 2 of 3 Examiner flearing - Wednesday - February 11, 1981

. . . .

Docket No. 5-81

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CASE 7152: Application of C & E-Operators, Inc. for compulsory pooling and a non-standard provation unit, San Juan County, New Nexico. Applicant, in the above-styled cause, seeks an order pooling all miceral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas provation unit comprising the SW/4 of Section 9, Turnship 30 Morth, Range 11 Mest, 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 7153: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit. San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Nesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 West, 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.

CACE 7179 (Continued from January 28, 1981 Examiner Hearing)

December 17, 1980

Church of Latter Day Saints Mr. Brent Christensen Box 2488 Farmington, New Mexico-87401

Gentlemen:

We are attaching a copy of our letter and lease which was sent to your office in Salt Lake City, as indicated.

In the event anything in connection with this matter should be required in your office, will you please advise me at once.

Yours very truly, Par W. P. Carr

WPC/nsf

A SECTOR MADE AND A DESCRIPTION OF A DES
BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Strict Britelon
EXHIBIT NO. 3
CASE NO. 7151 -7157 -7153
Submitted by
Hearing Date

N/2 7- 30 - 11

December 12, 1980

Mrs. Rosa J. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2. Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mrs. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agree indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde test immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

NP. Can

W. P. Carr

WPC:rd

Enclosures: P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

· December 12, 1980

Mr. Loyd Armstrong 428 N. Church Street AZ.tec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .36 acre or .001132 interest

Dear Mr. Armstrong:

We are submitting for your approval and execution our oil and gas lease covering land cwned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WPlan

W. P. Carr

WPC:rd

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December 12, 1980

Ms. Ann Tonia Bennett 5209 Berget Drive Amarillo, Texas 79106

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .67 acre or _002108 interest

Dear Ms. Bennett:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP lan

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before

January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mc. Claudio Chavez 665 Pioneer Avenue Artec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .59 acre or .001856 interest

Dear Mr. Chavez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement, will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Church of Latter Day Saints Real Estate Division 50 E. North Temple Salt Lake City, Utah 84150

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .66acre or .002076 interest

Dear Sirs:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

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W. P. Carr

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P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not Enclosures: wish to either lease or join.

December 12, 1980

Mr. Terry Moss

Hooper c/o Gregory Plesko 616 Pioneer Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .16 acre or .000503 interest

Dear Mrs. Moss:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed. and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well Enclosures: If you do not either lease or notify usof your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do n wish to either lease or join.

Decémber 12, 1980

Ms. Lillian C. Lopez 608 White Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .11 acre or .000346 interest

Dear Ms. Lopez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verdetests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contrac ted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Ms. Rosie Cordova 803 McCoy Avenue Aztec, New Mexico 87401

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Ms. Cordova:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly;

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well, Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

· December 12, 1980

Mr. Floyd E. Hazen c/o Noah E. Tindle 300 N. Light Plant Road Aztec, NM 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000813 interest

Dear Mr. Hazen:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25, for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the leage before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly, 100 Can

WPC:rd

W. P. Carr P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January], [98] we will assume you do not wish to either lease or join.

· December 12, 1980

Mr. Albert Marguez 618 Pioneer Street Aztec, New Mexico 87410

> Re: Mosà Verde Communitization Covering N/2, Sec. 9-30-11 and containing . 317.90 Acres. Your 23 acre or .000723 interest

Dear Mr. Marquez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign." Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator, in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

WPo.

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.
December 12, 1980

Angelica & Joe E. Martinez 1404 Hermosa S.E. Albuquerque, New Mexico 87108

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your ,26 acre or .000818 interest

Dear Mr. & 'Ms. Martinez:

We are submitting for your approval and execution our oil and gas lease covering land cwned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share or the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or Join.

December 12, 1980

Mr. Ralph A. Ransom 411 Aztec Blvd. NE Axtec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .40 acre or .001258 interest

Dear Mr. Ransom:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AMB and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP. Pan.

WPC:rd

W. P. Carr P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill Enclosures: this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will ass ume you do not wish to either lease or join.

December 12, 1980

Mr. Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .34 acre or .000755 interest

Dear Mr. Montoya:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill' two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

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WPC:rd

W. P. Carr P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr. Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acros. Your .26 acre or .000618 interest

Dear Mr. Sanchez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agree indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times 'your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP Can

W. P. Carr

WPC:rd

Enclosures: P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

M. Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .51 acre or .001604 interest

Dear M. Scogin:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the Area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP lan

W. P. Carr

WPC:rd

Enclosures:

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of our intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr. William Wayne Summer 818 Pioneer Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .28 acre or .000881 interest

Dear Mr. Sumner:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the afrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill'two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly.

W. P. Carr

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WPC:rd

P.S. Ypu have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170

DALLAS, TEXAS 75206 (214) 363-6993

December 12, 1980

Ford C. & Elsie Webb Rte. 3, Box 134-A Farmington, New Mexico 87401 Re: Mesa Verde Communitization Covering, N/2, Sec. 9-30-11 and containing 317.90 Acres. Your 5:60 acre or .017616 interest

Dear Mr. & Mrs. Webb:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also fign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours ve

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Enclosures:

WPC:rd

December 12, 1980

M. Leslie Webb c/o Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear M. Webb:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acceage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator' in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP lan

W. P. Carr

WPC: rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this. land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

9 H H KARS - C OUR 1010-5 S. 1 5000 9 EXGibity 1151 'an 101-1020 21 1010 30 1010 10212 Lue 1010 30 1010 10317 1010 1020 200 1020 ç Hattan to real to to ... UP destap aleo alta to ... Cel : 1800 Still ICEN IC. a colin 2 م جو ŵ٦; Di Sines en como ć , i (EFTIFIED MAIL FEE. A NDER Complete items 1, 2, and 3, Add your address in the "RETURN TO" space on Complete Herns 1, 2, and 3. Add your address in the "REAURN TO" ap The following service is requested (check one.) Ø The following service is requested (check one.) 1. Show to where, date and address of delivery.....
RESTRICTED DELIVERY Show to whom and date delivered .. C RESTRICTED DELIVERY RESTRICTED DELIVERY. Show to whom and date delivere Show to whom date, and address of delivery.\$ C RESTRICTED DELIVERY. Show to whom, date, and address of delivery.\$ (CONSULT POSTMASTER FOR FLES) 2. ARTICLE ADDRESSED TO: (CONSULT POSTMASTER FOR FLES) Claudio Chavez 2. ARTICLE ADURENSED TO: 665 Pioneer Avenue Twauna C. Scogin Aztec, New Mexico 87410 ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. | 713 McCoy Avenue Aztec, New Mexico 87410 ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. | MULTINED NO. 212572864 INSURED NO. (Always ofstein signature of add P212572875 (Atways obtain signature of address I have received the article described above OF BOI e or agent) I have received the article described above. SIGNATURE -Ellan . ÚAugu BIGNATURE DAddressee DAuthorized agent ~3 U CATE OF DELIVERY Gue David Jurney 12 22 POSTMAN MARK ADDRESS (Comptete only if re-6 õ APORESS (C 5 UNABLE TO DELIVER BECAUSE: 8 CLERK'S UFIED UNABLE TO DELIVER BECAUSE 6. CLERK S ۲ WITTAL ž ce TIGPO : 1878 ST GPO : 1979-300-159 50/11 9 x

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SHE SHE NA THOM TO BE SEM IS З, n., 11433 Complete Hems I, 2, and 3, Add your eddies in the "RETURN TO" ape forces. Complete liens 1, 2, and 3. Add your address in the "RETURN TO" rowsie. ENDER The following service is requested (clock one.) The following service is requested (check one.) D Show to whom and date delivered...... 1. 4. 02 Show to whom and date delivered ... ţ ţ C Show to whom, date and address of delivery . 45 Show to whom, date and address of delivery... C RESTRICTED DELIVERY Show to whom and date delivered Show to whom and date delivered D RESTRICTED DELIVERY. C RESTRICTED DELIVERY, Show to whom, date, and address of delivery. S. Show to whom, date, and address of delivery.\$ (CONSULT POSTMASTER FOR FEES) (CONSULT POSTMASTER FOR FEES) E. ARTICLE ADDRESSED TO: 2. ARTICLE ADDREMED TO: 퀰 Angelica & Joe E. Martinez Lillian C. Lopez 608 White Avenue 1404 Hermosa S. E. Albuquerque, New Mexico 87108 Aztec, New Mexico 87410 ARTICLE DESSRIPTION: REGISTERED NO. | CERTIFIED NO. 1 REGISTERED NO. | CERTIFIED NO. INSURED NO. NULLAS NO. P212572870 P212572873 (Ahways obtain signature of adde (Atways obtain signature of addre or eacht e or agent) I have received the article described above. I have received the article described above UAdresses UAuthorized a SIGNATURE DAddressos Clauthorized a SIGNATURE DELIVERY DATE OF DELIVERY 1RI 3 4. POSTMARK OSTAANK 12-18-80 81 2 }×0 ۴. ADDB PRE (Complete ash ADDRESS (C CERT Ĩ. TIFIED UNABLE TO DELIVER SECAUSE UNABLE TO DELIVER GECAUSE: CLERK 3 4. 8. CLERK'S INITIA:3 STGPO : 1979-500-159 200 : 1979 300-453 N/3-9-30-11

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January 14, 1981

Mr. Charles A. Fink Bar F Enterprises, Inc. P. O. Box 129 1313 East Navajo Farmington, New Mexico 87401

Dear Mr. Fink:

We have applied for forced pooling for a Mesa Verde unit covering the N/2 of Section 9 - T30N - R11W, San Juan County, New Mexico.

The record owner in the Tax Office of this tract at the time we filed this notice for forced pooling was Diamond Shamrock Corp. We are sending you a copy of the letter which we sent to them which sets out the pertinent facts concerning this unit.

We are hereby requesting that you either lease your land to us on the terms outlined in our letter to Diamond Shamrock or join us in the drilling of this well on the basis set out in the letter to them. We are enclosing an original and a copy for your files of a lease covering your interest. If you decide to lease we will pay you on the same basis which we offered Diamond Shamrock. If you are married it will be necessary for you to add your wife's name to the lease form in the first blank space in which the lessors are named and both of your signatures are to be notarized by a Notary Public.

If you will mail in properly executed leases to us we will send you our check as indicated or if you will notify us of your intention to lease and you have the lease prepared and ready for delivery to us we will have a representative hand deliver you the specified sum of money at the time of delivery of the lease.

Thank you for your advice in this matter.

Yours very truly, M. W. C.

M. W. Carr for W. P. Carr

WPC/nsf Enc.

CERTIFIED MAIL NO. P21 2572908





FREIVED DEC 2 6 1960

RECEIVED DEC 2 6 1980

December 22, 1980

C And E Operators, Inc. One Energy Square Suite 170 Dallas, Texas 75206

Attention: Mr. W. P. Carr

Re: N/2 Section 9, Township-9-East, Range-11-West, San Juan County, Texas. WD-75

Dear Mr. Carr:

By letter dated December 12, 1980, you forwarded to Diamond Shamrock Corporation an Oil, Gas and Mineral Lease for execution. Said lease covers acreage where Diamond Shamrock once held a surface and mineral interest. Enclosed please find an unrecorded copy of Diamond's conveyance to Charles A. Fink dated February 25, 1980.

We would request that Mr. Fink be contacted in regard to leasing this acreage. If you have any further questions, please contact us.

Yours very truly,

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Bob Shelton Senior Landman

BS:bj

Enclosure

Diamond Shamrock Corporation P.O. Bosto (E. Amardio, Texas, 7417 (Presser), #00, 122, 390)

December 12, 1980

Shamrock Oil & Gas Co. Attn: Emerald Corp. P.O. Box 631 Amarillo, Texas 79105

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .30 acre or .00944 interest

Dear Sirs:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly.

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill Enclosures: this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.







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N/2 -9-30-11



December 17, 1980

Church of Latter Day Saints Mr. Brent Christensen Box 2488 Farmington, New Mexico 87401

Gentlemen:

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We are attaching a copy of our letter and lease which was sent to your office in Salt Lake City, as indicated.

In the event anything in connection with this matter should be required in your office, will you please advise me at once.

Yours very truly,

W. P. Carr

WPC/nsf

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EFFORE EXAMINER STAMETS OIL CONSERVATION DIVISION
CHE EXHIBIT NO. 3
CASE NO. <u>7151</u>
Submitted by
Hearing Date <u>2/11/81</u>

December 12, 1980

Mrs. Rosa J. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mrs. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde test immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

P. Can

W. F. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr. Loyd Armstrong 428 N. Church Street AZ.tec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing . 317.90 Acres. Your .36 acre or .001132 interest

Dear Mr. Armstrong:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WPlan

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before

January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Ms. Ann Tonia Bennett 5209 Berget Drive Amarillo, Texas 79106

> Re: Mesa Verde Communitization Covering N/2; Sec. 9-30-11 and containing 317,90 Acres. Your .67 acre or .002108 interest

Dear Ms. Bennett:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP lan

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

W. P. Carr

December 12, 1980

Mr. Claudio Chavez 665 Pioneer Avenue Patec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .59 acre or .001856 interest

Dear Mr. Chavez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agree indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

W. P. Carr

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WPC:rd

Enclosures:

P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well if you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Church of Latter Day Saints Real Estate Division 50 E. North Temple Salt Lake City, Utah 84150

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .66acre or .002076 interest

Dear Sirs:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arca indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly Glan

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do ne wish to either lease or join.

December 12, 1980

Mr. Terry Moss Hooper c/o Gregory Plesko 616 Pioneer Avenue Aztec, New Mexico 97410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .16 acre or .000503 interest

Dear Mrs. Moss:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

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December 12, 1980

Ms. Lillian C. Lopez 608 White Avenue Aztec, New Mexico 87410

Rc: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .11 acre or .000346 interest

Dear Ms. Lopez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP Can

W. P. Carr

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December 12, 1980

Ms. Rosie Cordova 803 McCoy Avenue Aztec, New Mexico 87401

Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Ms. Cordova:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the afrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter,

Yours very truly,

W. P. Carr

WPC:rd

P,S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr, Floya E. Hazen c/o Noah E. Tindle 300 N. Light Plant Road Aztec, NM 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mr. Hazen:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly, W@ Can

P.S. You have previously been notified of our application for forced

WPC:rd

Enclosures:

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pooling for the formation of a unit to develop the Mesa Verde formation

· · December 12, 1980

Mr. Albert Marquez 618 Pioneer Street Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .23 acre of .000723 interest

Dear Mr. Marquez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the afrea indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator, in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

DO Can

W. P. Carr

WPC:rd

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December 12, 1980

Angelica & Joe E. Martinez 1404 Hermosa S.E. Albuquerque, New Mexico 87108

> Re: Mesa Verde Communitization Covering N/2, Sac. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Fear Mr. & Ms. Martinez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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December 12, 1980

Mr. Ralph A. Ransom 411 Aztec Blvd. NE Axtec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .40 acre or .001258 interest

Dear Mr. Ransom:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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December 12, 1980

Mr. Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .34 acre or .000755 interest

Dear Mr. Montoya:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50, times your acreage, whichever is the larger amount.

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December 12, 1980

Nr. Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mr. Sanchez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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December 12, 1980

M. Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico 87410

> Re: Mcsa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .51 acre or .001604 interest

Dear M. Scogin:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the free indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dailas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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December 12, 1980

Mr. William Wayne Sumner 818 Pioneer Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .28 acre or .000881 interest

Dear Mr. Summer:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce; Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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December 12, 1980

Ford C. & Elsie Webb Rte, 3, Box 134-A Farmington, New Mexico 87401 Re: Mesa Vorde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your 5:60 acre or .017616 interest

Dear Mr. & Mrs. Webb:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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WPC:rd

Enclosures:

December 12, 1980

M. Leslie Webb c/o Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear M. Webb:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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January 14, 1981

Mr. Charles A. Fink Bar F Enterprises, Inc. P. 0. Box 129 1313 East Navajo Farmington, New Mexico 87401

Dear Mr. Fink:

We have applied for forced pooling for a Mesa Verde unit covering the N/2 of Section 9 - T30N - R11W, San Juan County, New Mexico.

The record owner in the Tax Office of this tract at the time we filed this notice for forced pooling was Diamond Shamrock Corp. We are sending you a copy of the letter which we sent to them which sets out the pertinent facts concerning this unit.

We are hereby requesting that you either lease your land to us on the terms outlined in our letter to Diamond Shamrock or join us in the drilling of this well on the basis set out in the letter to them. We are enclosing an original and a copy for your files of a lease covering your interest. If you decide to lease we will pay you on the same basis which we offered Diamond Shamrock. If you are married it will be necessary for you to add your wife's name to the lease form in the first blank space in which the lessors are named and both of your signatures are to be notarized by a Notary Public.

If you will mail in properly executed leases to us we will send you our check as indicated or if you will notify us of your intention to lease and you have the lease prepared and ready for delivery to us we will have a representative hand deliver you the specified sum of money at the time of delivery of the lease.

Thank you for your advice in this matter.

Yours very truly, M. W. C

M. W. Carr for W. P. Carr

WPC/nsf Enc.

CERTIFIED MAIL NO. P21 2572908



SCEIVED DEC 2 6 1980

RECEIVED DEC 2 6 1980

December 22, 1980

C And E Operators, Inc. One Energy Square Suite 170 Dalias, Texas 75206

Attention: Mr. W. P. Carr

Re: N/2 Section 9, Township-9-East, Range-11-West, San Juan County, Texas.

WD-75

Dear Mr. Carr:

By letter dated December 12, 1980, you forwarded to Diamond Shamrock Corporation an Oil, Gas and Mineral Lease for execution. Said lease covers acreage where Diamond Shamrock once held a surface and mineral interest. Enclosed please find an unrecorded copy of Diamond's conveyance to Charles A. Fink dated February 25, 1980.

We would request that Mr. Fink be contacted in regard to leasing this acreage. If you have any further questions, please contact us.

Yours very truly,

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Bob Shelton Senior Landman

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BS:bj

Enclosure

Diamond Shamrock Corporation P.O. Box 631, Amarillo, Texas 79173 Phone. 306: 378-3500

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December 12, 1980

Shamrock Oil & Gas Co. Attn: Emerald Corp. P.O. Box 631 Amarillo, Texas 79105

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .30 acre or .00944 interest

Dear Sirs:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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"HILLS CAR 5 334 The second ст. 1. С. 1. 1. 2 9.11.9M .0. 5 3774 40 1.05 (THI-HAN) \$2 ENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" Complete licens 1, 2, and 3. Add your address in the "RETURN TO" apa termina: ġ The following service is requested (check one.) The following service a requested (clask one.) 1811. Jan 1. 1. 2 Show : whor and date delivered ... Show to whom, date and address of delivery ... D Show to whon, date and address of delivery ... C RESTRICTED DELIVERY Show to which and date delivered Show to whom and date delivered. C RESTRICTED DELIVERY. Show to whom, date, and addres of delivery.\$. Show to whom, date, and address of delivery (CONSULT POSTMASTER FOR FEES) (CONSULT POSTMASTER FOR FEES) ARTICLE ADDRESSED 10: ARTICLE ADDRESSED 10: 2 à. RETURN Lillian C. Lopez Angelica & Joe E. Martinez 1404 Hermosa S. E. 608 White Avenue Albuquerque, New Mexico 87108 Aztec, New Mexico 87410 ANTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. | IN ÷ ī, REGISTERED NO. 1 CERTIFIED NO. INSURED 40. HOURED NO. P212572870 P212572873 (Always obtain signation of addresses or agent) (Always obtain signature of addresses or agent) I have received the article described above. I have received the article described above. SIGNATURE DAddrosses Clasting SIGNATURE DAddresse DAuthorized sanst XEC 101 marting TE OF DELIVERY R DELD POSTMARK TAT 12-18-80 AND AND ADDRESS Complete only H 6. ADDRESS IC CER FRED UNABLE TO DELIVER BECAUSE a. UNABLE TO DELIVER BECAUSE: -CLERK G ĉ CLERK'S INITIA: S Ş OFGPO : 1979-300-459 2000 : 1079-300-459

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SENDER Complete items 1, 2, and 3. Add year address in the "RETURN TO" space on 1. The following service is requested (check one.) Ì C RESTRICTED DELIVERY Show to whom and date delivered...... C RESTRICTED DELIVERY. Show to whom, date, and address of delivery.\$ (CONSULT POSTMASTER FOR FEES) 2 ARTICLE ADDRESSED TO: Church of Latter Day Saints Box 2488 armington, New Mexico 87401 ARTICLE DESCRIPTION REGISTERED NO. | CERTIFIED NO. INSURED NO. P212572896 Always obtain signature of utdress o or agent) I have received the article described ab SIGNATURE CIA deressee ADDRES 6. UNABLE TO DELIVER BECAUSE: 035 CI FRY'S WTIALS TTGPO : 4978-900 459



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N/2- 9-30-11

P21 2572869 SENDER: Complete frems 1, 2, and 3. Add your address in the "RETURN TO" retarse. **RECEIPT FOR CERTIFIED MAIL** 1. The following service is requested (check one.) 505 NO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL (See Reverse) Church of Latter Day Saints STREET AND NO Real Est, Div. 50 E.N. Temple PO STATE AND 21P CODE Show to whom, date, and address of delivery.\$ (CONSULT POSTMASTER FOR FEES) Salt Lake City,Utah 84150 2 ANTICLE ADDA BEED TO: Charles' A. Fink, Bar F. Enterprises inc CERDIFIED FEE .80 Famington, New Mexico 87401 PECIAL DELIVERY FEES RESTRICTED DELIVERY ä ANTICLE DESCRIPTION ğ OPTIONAL SERVICES RETURN RECEIPT SERVICE NACAGEDARD AD DATED TREAD DERTIFIED NO CONSULT POSTMASTER .45 P21 2572908 ናክርላ ዘር ውጪ ዎ, ዕለጉ መስከለመመታ አንም ማ የቀንቶዋ ISTEP.CO nga yang tersebut kana yang katala katala k ngang mga pang tersebut katala katala k nga pang tersebut जन २८१० SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH PESTRICTED DELIVERY 1976 TOTAL POSTAGE AND FEES ñ ^{\$}1.53 Apr. POSTMARK OR DATE PS Form 3800. CER UNABLE TO DELIVER BECAUSE . to oro \mathcal{L}

December 17, 1980

Church of Latter Day Saints Mr. Brent Christensen Box 2488 Farmington, New Mexico 87401

Gentlemen:

We are attaching a copy of our letter and lease which was sent to your office in Salt Lake City, as indicated.

In the event anything in connection with this matter should be required in your office, will you please advise me at once.

N/2 C:

Yours very truly,

Carr

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WPC/nsf

December 12, 1980

Mrs. Rosa J. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mrs. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde test immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

Enclosures: P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr. Loyd Armstrong 428 N. Church Street AZ.tec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing. 317.90 Acres. Your .36 acre or .001132 interest

Dear Mr. Armstrong:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acted indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your <u>ج</u> acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Ms. Ann Tonia Bennett 5209 Berget Drive Amarillo, Texas 79106

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .67 acre or .002103 interest

Dear Ms. Bennett:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

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December 12, 1980

Mr. Claudio Chavez 665 Pioneer Avenue Aztec, New Mexico 87410

Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .59 acre or .001856 interest

Dear Mr. Chavez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times you: acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

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December 12, 1980

Church of Latter Day Saints Real Estate Division 50 E. North Temple Salt Lake City, Utah 84150

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .66acre or .002076 interest

Dear Sirs:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names, in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly, 10 Plan

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do no wish to either lease or join.

December 12, 1980

Terry Moss Mr. Hooper c/o Gregory Plesko 616 Pioneer Avenue Aztec, New Mexico 87410

Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .16 acre or .000503 interest

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

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P.S. You have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this Inc.: In the furnication of a unit to develop the ness for the formation of drill this well. land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify usof your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do no wish to either lease or join.

December 12, 1980

Ms. Lillian C. Lopez 608 White Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .11 acre or .000346 interest

Dear Ms. Lopez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50, per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter

Yours very truly,

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contrac ted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Ms. Rosic Cordova 803 McCoy Avenue Aztec, New Mexico 87401

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing -317.90 Acres. Your .26 acre or .000818 interest

Dear Ms. Cordova:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

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W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

· December 12, 1980

Mr.-Floyd E. Hazen c/o Noah E. Tindle 300 N. Light Plant Road Aztec, NM 87410

> Re: Mesa Verde Communitization Covoring N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mr. Hazen:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50, times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation

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WPC:rd

under this land. We have a rig contracted for the end of this year to Enclosures: drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

· December 12, 1980

Mr. Albert Marquez 618 Pioneer Street Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .23 acre or .000723 interest

Dear Mr. Marquez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event-you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Angelica & Joe E. Martinez 1404 Hermosa S.E. Albuquerque, New Mexico 87108

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mr. & Ms. Martinez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate, your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

Plan

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr. Ralph A. Ransom 411 Aztec Blvd. NE Axtec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .40 acre or .001258 interest

Dear Mr. Ransom:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP. Pan

WPC:rd

W. P. Carr P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill Enclosures: this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will ass ume you do not wish to either lease or join.

December 12, 1980

Mr. Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .34 acre or .000755 interest

Dear Mr. Montoya:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the adrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

W. P. Carr

Van

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

December 12, 1980

Mr. Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-1⁹ and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear Mr. Sanchez:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the agree indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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your share of what this advance will be by multiplying your share times \$500,000, The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP tan

W. P. Carr

WPC:rd

Enclosures:

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.
C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170 DALLAS, TEXAS 75206 (214) 363-6993

December 12, 1980

M. Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .51 acre or .001604 interest

Dear M. Scogin:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the Area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

WP lan

W. P. Carr

WPC:rd

Enclosures:

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of our intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170 DALLAS, TEXAS 75206 (214) 363-6993

December 12, 1980

Mr. William Wayne Sumner 818 Pioneer Avanue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .28 acre or .000881 interest

Dear Mr. Sumner:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Flease add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

1) Plan

W. P. Carr

WPC:rd

P.S. Ypu have previously been notified of our application for forced poolin for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170 DALLA9, TEXAS 75206 (214) 363-6999

December 12, 1980

Ford C. & Elsie Webb Rte. 3, Box 134-A Farmington, New Mexico 87401

Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your 5:60 acre or .017616 interest

Dear Mr. & Mrs. Webb:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the area indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very ruly Dank

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

Enclosures:

WPC:rd

C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170 DALLAS, TEXAS 75206 (214) 363-6993

December 12, 1980

M. Leslie Webb c/o Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87410

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .26 acre or .000818 interest

Dear M. Webb:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the arrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unleased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

In the event you do not wish to lease this land we hereby request that you join us as a non operator in the formation and development of the above unit on which we propose to drill two Mesa Verde tests immediately. We will promptly forward to you for your approval and execution our AFE and Operating Agreement when notified of your election to join in this communitization. The operating agreement will provide that you will immediately advance to us your share of the estimated cost of drilling and completing the two wells planned. You may estimate your share of what this advance will be by multiplying your share times \$500,000. The exact amount will be given to you when we forward our AFE.

Thank you for your consideration and prompt action in this matter.

Yours very truly,

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill this well. Enclosures: If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

WP lan

C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170 DALLAS, TEXAS 75206 (214) 353-6993

January 14, 1981

Mr. Charles A. Fink Bar F Enterprises, Inc. P. O. Box 129 1313 East Navajo Farmington, New Mexico 87401

Dear Mr. Fink:

He have applied for forced pooling for a Mesa Verde unit covering the N/2 of Section 9 - T30N - R11W, San Juan County, New Mexico.

The record owner in the Tax Office of this tract at the time we filed this notice for forced pooling was Diamond Shamrock Corp. We are sending you a copy of the letter which we sent to them which sets out the pertinent facts concerning this unit.

We are hereby requesting that you either lease your land to us on the terms outlined in our letter to Diamond Shamrock or join us in the drilling of this well on the basis set out in the letter to them. We are enclosing an original and a copy for your files of a lease covering your interest. If you decide to lease we will pay you on the same basis which we offered Diamond Shamrock. If you are married it will be necessary for you to add your wife's name to the lease form in the first blank space in which the lessors are named and both of your signatures are to be notarized by a Notary Public.

If you will mail in properly executed leases to us we will send you our check as indicated or if you will notify us of your intention to lease and you have the lease prepared and ready for delivery to us we will have a representative hand deliver you the specified sum of money at the time of delivery of the lease.

Thank you for your advice in this matter.

Yours very truly, M. W.

M. W. Carr for W. P. Carr

WPC/nsf Enc.

CERTIFIED MAIL NO. P21 2572908



TOEIVED DEC 2 6 1900

RECEIVED DEC 2 6 1980

December 22, 1980

C And E Operators, Inc. One Energy Square Suite 170 Dallas, Texas 75206

Attention: Mr. W. P. Carr

Re: N/2 Section 9, Township-9-East, Range-11-West, San Juan County, Texas. WD-75

Dear Mr. Carr:

By letter dated December 12, 1980, you forwarded to Diamond Shamrock Corporation an Oil, Gas and Mineral Lease for execution. Said lease covers acreage where Diamond Shamrock once held a surface and mineral interest. Enclosed please find an unrecorded copy of Diamond's conveyance to Charles A. Fink dated February 25, 1980.

We would request that Mr. Fink be contacted in regard to leasing this acreage. If you have any further questions, please contact us.

Yours very truly,

Bob Shelton Senior Landman

. .

BS:bj

Enclosure

Diamond Shamrock Corporation P.O. Box 631, Annualty, Texas, 7917 (Phone: 306), 578-590.

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The toron of

C AND E OPERATORS, INC. ONE ENERGY SQUARE SUITE 170 DALLAS, TEXAS 75205 (214) 363-6993

December 12, 1980

Shamrock Oil & Gas Co. Attn: Emerald Corp. P.O. Box 631 Amarillo, Texas 79105

> Re: Mesa Verde Communitization Covering N/2, Sec. 9-30-11 and containing 317.90 Acres. Your .30 acre or .00944 interest

Dear Sirs:

We are submitting for your approval and execution our oil and gas lease covering land owned by you in the acrea indicated above. We will pay you a cash bonus of \$50. per acre with a minimum of \$25. for executing the oil and gas lease enclosed in the event you own an unlcased interest in the oil and gas minerals under the tract described in this lease. Each named party must sign the lease before a notary public. If you are married, your spouse must also sign. Please add your spouse's name after your name at the top of the lease. The names in this part of the lease should correspond to your signatures at the end of the lease. The copy of the lease is for your files. When the lease has been signed and notarized, please draw a 30 day draft on our account in the National Bank of Commerce, Dallas, Texas, in the appropriate amount of \$25.00; or \$50. times your acreage, whichever is the larger amount.

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Thank you for your consideration and prompt action in this matter.

Yours very truly,

VP Pan

W. P. Carr

WPC:rd

P.S. You have previously been notified of our application for forced pooling for the formation of a unit to develop the Mesa Verde formation under this land. We have a rig contracted for the end of this year to drill Enclosures: this well. If you do not either lease or notify us of your intention to join us in the formation of this unit on or before January 1, 1981 we will assume you do not wish to either lease or join.

Dockets Nos. 7-81 and 8-81 are tentatively set for February 25 and March 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 11, 1981

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 March, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1981, for both of the above areas.
- CASE 7146: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Perro Grande Unit Area, comprising 3524 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 35 East.

CASE 7135: (Continued and Readvertised)

Application of Celeste C. Grynberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Cottonwood Draw Unit Area, comprising 3,195 acres, more or less, of State lands in Township 16 South, Range 24 East.

- CASE 7147: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.
- CASE 7140: (Continued from January 28, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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 4063: (Reopened and Readvertised)

In the matter of Case No. 4063 being reopened on the motion of the Oil Conservation Division to consider the abolishment of the special rules and regulations for the Four Mile Draw-Morrow Gas Pool, Eddy County, New Mexico, as promulgated by Order No. R-3698. In the absence of objection said rules will be rescinded.

- CASE 7148: Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.
- CASE 7149: Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmai Fool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.
- CASE 7150: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy 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 K or L of Section 33, Township 18 South, Range 30 East.

Page 2 of 3 Examiner Hearing - Wednesday - February 11, 1981

CASE 7151: Application of C & E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 West, to be dedicated to a well to be drilled at a standard location in the NE/4 and a well to be drilled at a previously approved unorthodox location in the NW/4 of said Section 9. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

- CASE 7152: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 9, Township 30 North, Range 11 West, 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 7153: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 West, 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 7129: (Continued from January 28, 1981, Examiner Hearing)

Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling eli mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, 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 6670: (Continued from January 14, 1981, Examiner Hearing)

In the matter of Case 6670 being reopened and pursuant to the provisions of Order No. R-6183 which order promulgated temporary special rules and regulations for the Red Hills-Devonian Gas Pool in Lea County, New Mexico, including a provision for 640-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 320-acre spacing units.

CASE 7154: Application of Mobil Producing Texas and New Mexico, Inc. for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mesaverde formation underlying portions of Townships 26 and 27 North, Ranges 2 and 3 West. containing 13,920 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7134: (Continued and Readvertised)

Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the NH/4 of Section 13, Township 15 South, Range 27 East, to be dedicated to its Langley "Com" Well No. 1 in Unit C, and the other being the NE/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North and East lines of the section.

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 18, 1981

OIL CONSERVATION COMMISSION - 9 A.H. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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 Pennsyl-vanian formation underlying the E/2 of Section 35, Township 18 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 CASE 7155: 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 7057: (DE NOVO)

Application of Doyle Hartman for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Township 24 South, Range 37 East: SE/4 SE/4 of Section 30: 3364 feet; NE/4 SE/4 of Section 30: 3389 feet; and SE/4 SW/4 of Section 20: 3390 feet.

Upon application of ARCO Oil and Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7156: Application of Parabo, Inc. for amendment of Order No. R-5516; Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5516 which authorized the disposal of produced salt water in unlined surface pits in Section 29, Township 21 South, Range 38 East. Applicant proposes modification of the Commission's requirements for the number, location, and depths of monitor wells, casing and perforating monitor wells, and a change in maximum depths of water permitted in the pits.

STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF C & E OPERATORS INC. FOR COM-PULSORY POOLING AND FOR APPROVAL OF A NON-STANDARD PRORATION UNIT, SAN JUAN COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

CASE No.

APPLICATION

COMES NOW C & E OPERATORS, INC., by and through its attorneys, KELLAHIN & KELLAHIN, and pursuant to Section 70-2-17 NMSA-1978, applies to the Oil Conservation Division of New Mexico for a compulsory pooling order pooling all mineral interest in the Mesa Verde formation in the N/2 of Section 9, T3ON, R11W, San Juan County New Mexico and for approval of a non-standard proration unit consisting of 317.90 acres, more or less, and in support thereof would show:

1. Applicant has the rights to develop the Mesa Verde formation in the N/2 of Section 9, T30N, R11W.

2. Applicant proposes to drill two Mesa Verde tests one at a standard location in the NE/4 and another in a previously approved non-standard location in NW/4, and to dedicate a unit consisitng of the N/2 of said section to the wells. The unit shall consist of 317.90 acres more or less. 3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain its just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are attached as Exhibit "A" hereto and incorporated by reference.

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 Commission enter its order pooling all of the mineral interets in the Mesa Verde formation underlying the N/2 of Section 9, T30N, R11W, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover out of production, its costs of drilling the subject wells, completing and equipping its, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling of the well for approval of a non-standard proration unit, and for such other and turther relief as may be proper.

KELLAHIN & KELLAHIN W. Thomas Kellah P.O. Box 1769

Santa Fe, New Mexico 87501 (505) 982-4285

ATTORNEYS FOR C & E OPERATORS INC.

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES NOTICES TO:

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.26

Lots 32, 33, 34, 35 & Fr. Lots 7, 8, 9, 10 McCoy Tract 2

Church of Latter Day Saints Mr. Brent Christensen Box 2488 Farmington, New Mexico 87401 Ralph A. Ransom

Church of Latter Day Saints

50 E. North Temple Salt Lake City, Utah 84150

Real Estate Division

411 Aztec Blvd. NE Aztec, New Mexico 87410

Loyd Armstrong 428 N. Church Street Astec, New Mexico 87410 .36

Claudio Chavez 665 Pioneer Avenue Aztec, New Mexico 87410

Terry Moss c/o Hooper c/o Gregory Plesko 616 Pioneer Avenue Aztec, New Mexico 87410

Albert Marquez 618 Pioneer Street Aztec, New Mexico 87410

Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 87410

William Wayne Summer 918 Fioneer Avenue Aztec, New Mexico 87410

Rosie Cordova 803 McCoy Avenue Aztec, New Mexico 87410

Floyd E. Hazen c/o Noah E. Tindle 300 N. Light Plant Road

Leslie Webb c/o Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87410 (same land)

TRACT

Fr. Lots 1, 2, 3, 4, 5, 36 37, McCoy Tract 2

Fr. Lots 1, 39, 40, 41 42, 43, 44 McCoy Tract 2

Fr. SE/NE Sec. 9 T30N-R11W

Lot 35, McCoy Tract 1

Lot 23, Fr. Lot 22, McCoy Tract 1

Lot 12, McCoy Tractl

Lot 9, McCoy Tract 1

Lot 10, McCoy Tract 1

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES NOTICES TO:

		AC.	TRACT
Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico	87410	.51	Lots 7, 8, McCoy Tract 1
Mrs. Rosa J. Archu 711 McCoy Avenue Aztec, New Mexico		.26	Lot 6, McCoy Tract 1
Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico	87401	. 26	Lot 4, McCoy Tract 1
Ann Tonia Bennett 5209 Berget Drive Amarillo, Texas 7	9106	.67	Fr. SE/NE Sec. 9-T30N-R11W
Lillian C. Lopez 608 White Avenue Aztec, New Mexico	87410	.11	Fr. SE/NE Sec.9-T30N-R11W
Beta Development C P.O. Box 1659 Midland, Texas 79	_	27.18	Various Oil & Gas Leases
Ford C. Webb L.C. Webb Rt. 3 Box 134-A Farmington, New Me	xico 87401		

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C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES PARTIES INTEREST IN UNIT

	AC	PERCENTAGE
Church of Latter Day Saint	s 0.66	.002076
Ransom	0.40	.001258
Shamrock	0.30	.000944
Armstrong	0.36	.001132
Chavez	0.59	.001856
Moss	0.16	.000503
Marquez	0,23	.000723
Montoya	0.24	.000755
Sumer	0.28	.000881
Cordova	0.26	.000818
Hazen	0.26	.000818
Webb	0.26	.000818
Scogin	0,51	.001604
Archuleta	0.26	.000818
Marcinez	0.26	.000818
Sanchez	0.26	.000818
Bennett	0.67	.002108
Lopez	0.11	.000346
Beta Development Company	27.18	.085499
C & E Operators	284.65	.895407
	317.90	1.000000

STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF C & E OPERATORS INC. FOR COM-PULSORY POOLING AND FOR APPROVAL OF A NON-STANDARD PRORATION UNIT, SAN JUAN COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

CASE No. 715

APPLICATION

COMES NOW C & E OPERATORS, INC., by and through its attorneys, KELLAHIN & KELLAHIN, and pursuant to Section 70-2-17 NMSA-1978, applies to the Oil Conservation Division of New Mexico for a compulsory pooling order pooling all mineral interest in the Mesa Verde formation in the N/2 of Section 9, T30N, R11W, San Juan County New Mexico and for approval of a non standard protation unit consisting of 317.90 acres, more or less, and in support thereof would show:

1. Applicant has the rights to develop the Mesa Verde formation in the N/2 of Section 9, T30N, R11W.

2. Applicant proposes to drill two Mesa Verde tests one at a standard location in the NE/4 and another in a previously approved non-standard location in NW/4, and to dedicate a unit consisitng of the N/2 of said section to the wells. The unit shall consist of 317.90 acres more or less. 3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain its just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are attached as Exhibit "A" hereto and incorporated by reference.

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 Commission enter its order pooling all of the mineral interets in the Mesa Verde formation underlying the N/2 of Section 9, T30N, R11W, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover out of production, its costs of drilling the subject wells, completing and equipping its, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling of the well for approval of a non-standard proration unit, and for such other and further relief as may be proper.

KELLAHIN & KELLAHIN By W. Thomas Kellahir P.O. Box 1769

Santa Fe, New Mexico 87501 (505) 982-4285

ATTORNEYS FOR C & E OPERATORS INC.

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES NOTICES TO:

	AC.	
Church of Latter Day Real Estate Division 50 E. North Temple Salt Lake City, Utah		
Church of Latter Day Mr. Brent Christense Box 2488 Farmington, New Mexid	n	
Ralph A. Ransom 411 Aztec Blvd. NE Aztec, New Mexico 87	410 . 40	
Charles A. Fink P.O. Box 129 Farmington, New Mexi	co 87401 .30	
Loyd Armstrong 428 N. Church Street Aztec, New Mexico 8		
Claudio Chavez 665 Pioneer Avenue Aztec, New Mexico 8	7410 . 59	
Terry Moss c/o Hooper c/o Gregory Plesko 616 Pioneer Avenue Aztec, New Mexico 87	410 .16	
Albert Marquez 618 Pioneer Street Aztec, New Mexico 8	7410 .23	
Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 8	.7410 . 24	
William Wayne Sumner 818 Pioneer Avenue Aztec, New Mexico 8		
Rosie Cordova 803 McCoy Avenue Aztec, New Mexico 8	.26	
Floyd E. Hazen c/o Noah E. Tindle 300 N. Light Plant R	coad . 26	
Leslie Webb c/o Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87	.26	

Lots 32, 33, 34, 35 & Fr. Lots 7, 8, 9, 10 McCoy Tract 2

(same land)

TRACT

Fr. Lots 1, 2, 3, 4, 5, 36 37, McCoy Tract 2

Fr. Lots 1, 39, 40, 41 42, 43, 44 McCoy Tract 2

Fr. SE/NE Sec. 9 T30N-R11W

Lot 35, McCoy Tract 1

Lot 23, Fr. Lot 22, McCoy Tract 1

Lot 12, McCoy Tract1

Lot 9, McCoy Tract 1

Lot 10, McCoy Tract 1

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES NOTICES TO:

	AC.	TRACT
Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico 87410	.51	Lots 7, 8, McCoy Tract 1
Mrs. Rosa J. Archuleta 711 McCoy Avenue Aztec, New Mexico 87410	. 26	Lot 6, McCoy Tract 1
Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico 87401		Lot 4, McCoy Tract 1
Ann Tonia Bennett 5209 Berget Drive Amarillo, Texas 79106	.67	Fr. SE/NE Sec. 9-T30N-R11W
Lillian C. Lopez 608 White Avenue Aztec, New Mexico 87410	.11	Fr. SE/NE Sec.9-T30N-R11W
Beta Development Company P.O. Box 1659 Midland, Texas 79701	27.18	Various Oil & Gas Leases
Ford C. Webb L.C. Webb Rt. 3 Box 134-A		

Farmington, New Mexico 87401

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES PARTIES INTEREST IN UNIT

	AC	PERCENTAGE
Church of Latter Day Sain	ts 0.66	.002076
Ransom	0.40	.001258
Shamrock	0.30	.000944
Armstrong	0.36	.001132
Chavez	0.59	.001856
Moss	0.16	.000503
Marquez	0,23	.000723
Montoya	0.24	.000755
Sumner	0.28	.000881
Cordova	0.26	.000818
Hazen	0.26	.000818
Webb	0.26	.000818
Scogin	0.51	.001604
Archuleta	0.26	.000818
Martinez	0.26	.000818
Sanchez	0.26	.000818
Bennett	0.67	.002108
Lopez	0.11	.000346
Beta Development Company	27.18	.085499
C & E Operators	284.65	. 895407
	317.90	1.000000
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STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF C & E OPERATORS INC. FOR COM-PULSORY POOLING AND FOR APPROVAL OF A NON-STANDARD PRORATION UNIT, SAN JUAN COUNTY, NEW MEXICO



CASE No. 7/51

APPLICATION

COMES NOW C & E OPERATORS, INC., by and through its attorneys, KELLAHIN & KELLAHIN, and pursuant to Section 70-2-17 NMSA-1978, applies to the Oil Conservation Division of New Mexico for a compulsory pooling order pooling all mineral interest in the Mesa Verde formation in the N/2 of Section 9, T3ON, RllW, San Juan County New Mexico and for approval of a non-standard proration unit consisting of 317.90 acres, more or less, and in support thereof would show:

1. Applicant has the rights to develop the Mesa Verde formation in the N/2 of Section 9, T30N, R11W.

2. Applicant proposes to drill two Mesa Verde tests one at a standard location in the NE/4 and another in a previously approved non-standard location in NW/4, and to dedicate a unit consisitng of the N/2 of said section to the wells. The unit shall consist of 317.90 acres more or less. 3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain its just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are attached as Exhibit "A" hereto and incorporated by reference.

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 Commission enter its order pooling all of the mineral interets in the Mesa Verde formation underlying the N/2 of Section 9, T30N, R11W, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover out of production, its costs of drilling the subject wells, completing and equipping its, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling of the well for approval of a non-standard proration unit, and for such other and further relief as may be proper.

KELLAHIN & KELLAHIN By Thomas Kellahin P.O. Box 1769

P.O. Box 1769 7 Santa Fe, New Mexico 87501 (505) 982-4285

ATTORNEYS FOR C & E OPERATORS INC,

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES NOTICES TO:

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	AC.	TRACT
Church of Latter Day Saints Real Estate Division 50 E. North Temple Salt Lake City, Utah 84150	. 66	Lots 32, 33, 34, 35 & Fr. Lots 7, 8, 9, 10 McCoy Tract 2
Church of Latter Day Saints Mr. Brent Christensen		
Box 2488 Farmington, New Mexico 87401	<i>,</i>	(same land)
Ralph A. Ransom 411 Aztec Blvd. NE Aztec, New Mexico 87410	. 40	Fr. Lots 1, 2, 3, 4, 5, 36 37, McCoy Tract 2
Charles A. Fink P.O. Box 129 Farmington, New Mexico 87401	. 30	Fr. Lots 1, 39, 40, 41 42, 43, 44 McCoy Tract 2
Loyd Armstrong 428 N. Church Street Aztec, New Mexico 87410	. 36	Fr. SE/NE Sec. 9 T30N-R11W
Claudio Chavez 665 Pioneer Avenue Aztec, New Mexico 87410	. 59	Fr. SE/NE Sec. 9 T30N-R11W
Terry Moss c/o Hooper c/o Gregory Plésko 616 Pioneer Avenue Aztec, New Mexico 87410	.16	Fr. SE/NE Sec. 9 T30N-R11W
Albert Marquez 618 Pioneer Street Aztec, New Mexico 87410	. 23	Fr. SE/NE Sec. 9 T30N-R11W
Joe B. Montoya 722 Pioneer Avenue Aztec, New Mexico 87410	. 24	Lot 35, McCoy Tract 1
William Wayne Sumner 818 Pioneer Avenue Aztec, New Mexico 87410	. 28	Lot 23, Fr. Lot 22, McCoy Tract l
Rosie Cordova 803 McCoy Avenue Aztec, New Mexico 87410	.26	Lot 12, McCoy Tractl
Floyd E. Hazen c/o Noah E. Tindle 300 N. Light Plant Road	. 26	Lot 9, McCoy Tract 1
Leslie Webb c/c Genevieve Lopez 719 McCoy Avenue Aztec, New Mexico 87410	. 26	Lot 10, McCoy Tract 1

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES NOTICES TO:

		AC.	TRACT
Twauna C. Scogin 713 McCoy Avenue Aztec, New Mexico	87410	. 51	Lots 7, 8, McCoy Tract l
Mrs. Rosa J. Archu 711 McCoy Avenue Aztec, New Mexico		. 26	Lot 6, McCoy Tract 1
Bernado Sanchez 707 McCoy Avenue Aztec, New Mexico	87401	. 26	Lot 4, McCoy Tract 1
Ann Tonia Bennett 5209 Berget Drive Amarillo, Texas 7	9106	.67	Fr. SE/NE Sec. 9-T30N-R11W
Lillian C. Lopez 608 <u>White</u> Avenue Aztec, New Mexico	87410	. 11	Fr. SE/NE Sec.9-T30N-R11W
Beta Development O P.O. Box 1659 Midland. Texas 79		27.18	Various Oil & Gas Leases
Ford C. Webb L.C. Webb Rt. 3 Box 134-A	vi ao 97	601	

Farmington, New Mexico 87401

C & E OPERATORS FORCED POOLING APPLICATION N/2 SECTION 9 - T30N-R11W, SAN JUAN COUNTY, NEW MEXICO CONTAINING 317.90 ACRES PARTIES INTEREST IN UNIT

	AC	PERCENTAGE
Church of Latter Day Saints	0,66	.002076
Ransom	0.40	.001258
Shamrock	0.30	.000944
Armstrong	0.36	.001132
Chavez	0.59	.001856
Moss	0.16	.000503
Marquez	0,23	.000723
Montoya	0.24	.000755
Sumner	0.28	.000881
Cordova	0.26	.000818
Hazen	0.26	.000818
Webb	0.26	.000818
Scogin	0.51	.001604
Archuleta	0.26	.000818
Martinez	0.26	.000818
Sanchez	0.26	.000818
Bennett	0.67	.002108
Lopez	0.11	.000346
Beta Development Company	27.18	.085499
C & E Operators	284.65	. 895407
	317.90	1.000000

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:

7151 CASE NO.

Jose

Order No. R-<u>6599</u>

APPLICATION OF C & E OPERATORS, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

DRAFT

dr/

This cause came on for hearing at 9 a.m. on February 11 19_81, at Santa Fe, New Mexico, before Examiner Richard L. Stamats NOW, on this day of February, 19_81, 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, <u>C & E Operators, Inc.</u> seeks an order pooling all mineral interests in the <u>Mesaverde</u> formation underlying the N/2

of Section 9, Township 30 North, Range 11 West NMPM, <u>Blance Accorde Part</u>, San Juan County, New Mexico. -2-Case No. Order No. R-

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(3) That the applicant has the right to drill and proposes
to drill
(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 wells 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 chare of the reasonable well costs plus an additional <u>200</u> percent thereof as a reasonable charge for the risk involved in the drilling of the wells.

(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 **p**aid estimated well costs exceed reasonable well costs. (11) That \$2732.57 per month while drilling and \$273.26 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 wells, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) That all proceeds from production from the subject wells 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 $\frac{198}{198}$, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

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PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said wells on or before the _/s! day of _______, 19_81, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Mesaverde formation;

<u>PROVIDED FURTHER</u>, that in the event said operator does not commence the drilling of said well on or before the <u> 13^{+} </u> day of <u> 13^{+} </u>, 19<u>81</u>, 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 show.

either of said

the operator of the subject wells and unit.

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 (3) That after the effective date of this order and within *ver b*
 90 days prior to commencing said wells, 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

-5-Case No. Order No. R-

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, <u>200</u> 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 d 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 \$2732.50 per month while drilling and \$273.25 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 wells, 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 wellswhich are not disbursed for any reason shall immediately be placed in escrow in <u>San Juan</u> 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.