

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

April 29, 2003

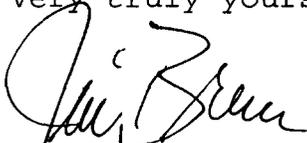
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of NM&O Operating Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. Please set this hearing for the May 22nd docket. Thank you.

The advertisement is also on the enclosed disk.

Very truly yours,



James Bruce

Attorney for NM&O
Operating Company

RECEIVED

APR 29 2003

Oil Conservation Division

Case 13074

PARTIES BEING POOLED

Van K. Bullock
Suite 381
4530 South Verbena
Denver, Colorado 80237

IAT Resources, Inc.
11281 Richmond Avenue
Houston, Texas 77082

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF NM&O OPERATING
COMPANY FOR COMPULSORY POOLING,
RIO ARRIBA COUNTY, NEW MEXICO.

RECEIVED

APR 2 2003

No. 13074

Oil Conservation Division
APPLICATION

Pursuant to Division Rule 1207.A(1) (b), NM&O Operating Company applies for an order pooling all mineral interests in the Mesaverde formation underlying the S½ of Section 35, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the S½ of Section 35, and has the right to drill or re-complete a well thereon.

2. Applicant proposes to re-enter its Hawk Federal Well No. 3, located 1835 feet from the south line and 1690 feet from the west line of the section, and re-complete it in the Mesaverde formation, and seeks to dedicate the S½ of Section 35 to the well to form a standard 320 acre gas spacing and proration unit in the Undesignated Blanco-Mesaverde Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 35 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the re-completion of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order

pooling all mineral interest owners in the S½ of Section 35, pursuant to NMSA 1978 §70-2-17.

5. Pursuant to Division Rule 1207.A(1)(b), the following information is submitted in support of this application:

(a) No opposition is expected because the owners have been contacted regarding the proposed well, but have simply not responded, or are unlocatable.

(b) A map outlining the spacing unit being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks to dedicate the S½ of Section 35 to the well. The Blanco-Mesaverde Gas Pool is a gas-bearing formation.

(c) The parties being pooled, and their last known addresses, are as follows:

Van K. Bullock (approx. 0.4% working interest)
Suite 381
4530 South Verbena
Denver, Colorado 80237

IAT Resources, Inc. (approx. 7.8% working interest)
11281 Richmond Avenue
Houston, Texas 77082

The above names and addresses were determined by a diligent search of all public records (i) in Rio Arriba County, including phone records and computer records, (ii) in the office of the Bureau of Land Management in Santa Fe, New Mexico, and (iii) in the records of the Texas Secretary of State (IAT Resources, Inc. is a Texas corporation). A Copy of the proposal letter mailed to the interest owners in the well is attached hereto as Exhibit B.

(d) The Hawk Federal Well No. 3 was originally drilled to and completed in the Mancos and Dakota formations. Applicant intends to re-enter the well to test the Mesaverde formation. Attached as Exhibit C is a description of the boundaries of the Blanco-Mesaverde Gas Pool: The well is outside the pool's boundaries, and it is a step-out from Mesaverde production (the nearest Mesaverde production is one mile away in Section 26, Township 25 North, Range 2 West, N.M.P.M.) Thus, applicant requests that a risk penalty of cost plus 200% be assessed against any interest owner who does not voluntarily join in the well.¹

(e) A copy of the Authorization for Expenditure for the well is attached hereto as Exhibit D. The re-completion costs are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Rio Arriba County.

(f) Overhead charges of \$6902.10/month for a drilling well, and \$690.21/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by applicant and other operators in this area for wells of this depth. (These rates have been approved by other consenting interests owners, and are included in the Joint Operating Agreement for the re-entry.)

6. The pooling of all interests underlying the S½ of Section 35 will prevent waste and protect correlative rights.

¹In Division Order No. R-11182-B, a risk charge of cost plus 200% was granted against applicant in a case involving a Mesaverde re-entry in Section 4, Township 25 North, Range 2 West, N.M.P.M.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the S½ of Section 35 in the Undesignated Blanco-Mesaverde Gas Pool;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering and re-completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

APPLICANT REQUESTS THAT IN THE ABSENCE OF OBJECTION THIS MATTER BE TAKEN UNDER ADVISEMENT.

Respectfully submitted,



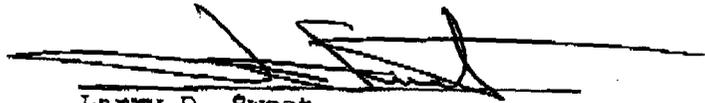
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for NM&O Operating Company

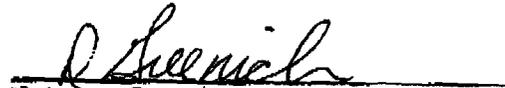
VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

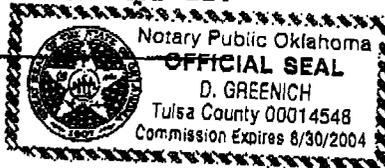
Larry D. Sweet, being duly sworn upon his oath, deposes and states that: He is the president of NM&O Operating Company, and a petroleum engineer by training, and is authorized to make this verification on its behalf; he has read the foregoing application and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


Larry D. Sweet

Subscribed and sworn to before me this 29 day of April, 2003 by Larry D. Sweet.


Notary Public

My Commission Expires:



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
 OIL AND MINERALS DEPARTMENT

P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501

Form C-107
 Revised 10-1-78

All distances must be from the outer boundaries of the Section.

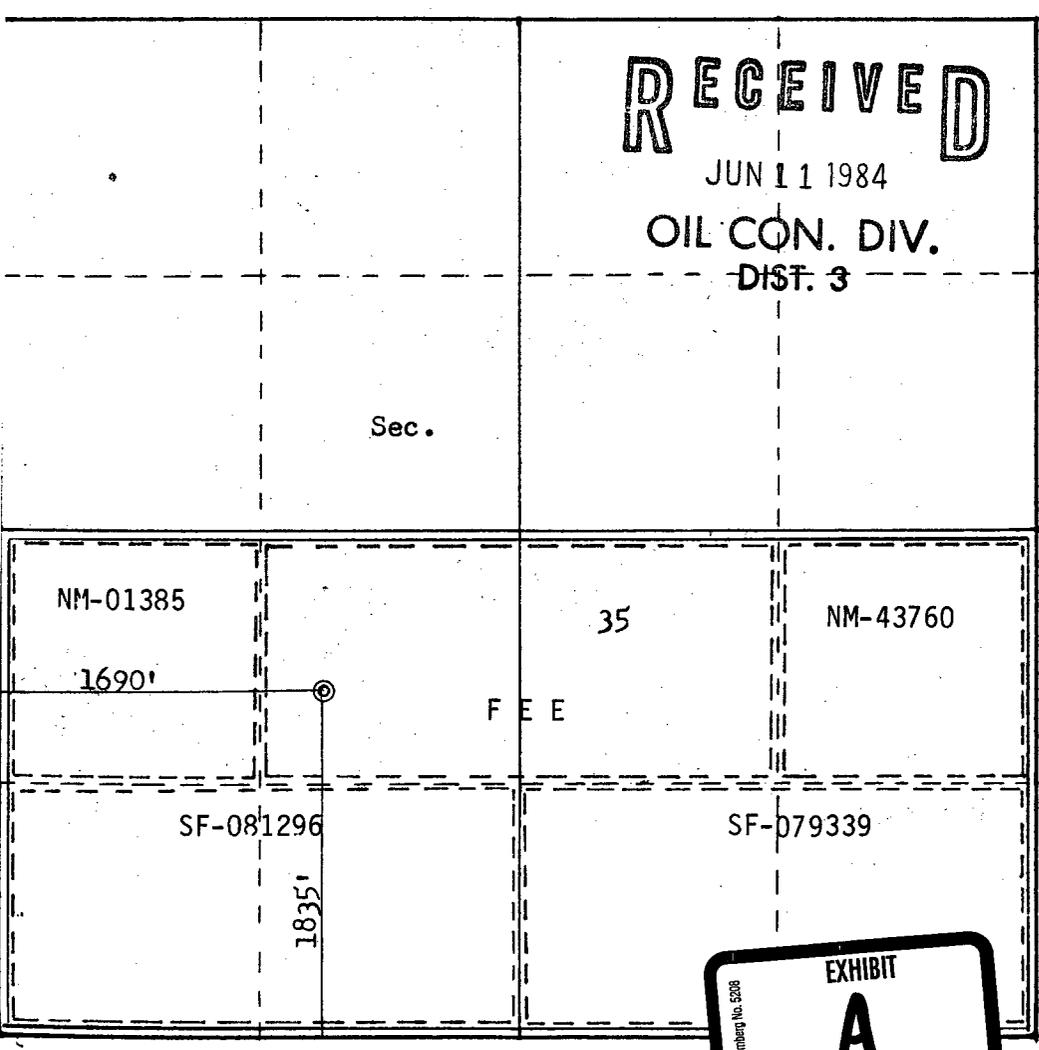
Operator SOUTHLAND ROYALTY COMPANY		Lease HAWK FEDERAL		Well No. 3
Unit Letter K	Section 35	Township 25N	Range 2W	County Rio Arriba
Actual Footage Location of Well: 1835' feet from the South line and 1690 feet from the West line				
Ground Level Elev: 7274' GL	Producing Formation Dakota/Mancos	Pool Dakota/Gavilan	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

C. Terry Hobbs

Name
C. Terry Hobbs

Position
District Operations Engineer

Company
Southland Royalty Company

Date
June 6, 1984

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
April 26, 1984

Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.

Certificate No. 2, KEARNEY, NEB.
1950

NM&O Operating Company

First Place Tower - 15 East Fifth Street, Suite 3000 - Tulsa, Oklahoma 74103-4337

918-584-3802
918-585-1753 - FAX

email: deborah.xanadu@sbcglobal.net

March 4, 2003

CERTIFIED RETURN RECEIPT

Working Interest Owners
(on attached list)

RE: Hawk Federal #3 Well
S/2 Section 35-T25N-R2W
Rio Arriba County, NM

Dear Working Interest Owner:

NM&O Operating Company ("NM&O") proposes to recomplete the Hawk Federal #3 Well in the Mesaverde formation, therefore enclosed is NM&O's AFE and proposed workover procedure.

The Joint Operating Agreement ("JOA"), dated May 8, 1984, governing the subject well operations pertains and applies only to those oil and gas interests in and to the Gallup and Dakota formations (Exhibit "A" II. Restrictions As To Depth Of Formations). As a result, please consider this correspondence as NM&O's formal request to amend the JOA to include all depths from the base of the Pictured Cliffs formation to the base of the Dakota formation.

The Hawk Federal #3 Well was shut-in effective July, 2002 because of non-commercial production. The Well is currently completed in the pressure depleted Gallup zone interval 6742-6999' and 7218-7435'. As the recompletion proposal is the most economical way to test the Mesaverde formation in the S/2 of Section 35, we encourage you to support this proposal.

Please sign below indicating your approval to amend the JOA and your election pertaining to the proposed Mesaverde recompletion and return to this office at your earliest convenience. If we have not received your response within 30 days of your receipt of this correspondence, your election will be deemed to agree to amend the Joint Operating Agreement but not to participate in the proposed Mesaverde completion.

Sincerely,

Deborah Greenich
Land

:dg

Enclosures



NM&O OPERATING COMPANY

- Agree to amend Joint Operating Agreement dated 5/8/84, Exhibit "A" II. Restrictions As To Depth Of Formations to read: "This agreement shall pertain & apply to those oil & gas interests in and to the formations below the base of the Pictured Cliffs to the base of the Dakota".

BY: _____ / Date

- Agree to participate in the proposed Mesaverde recompletion work.

BY: _____ / Date

- Do not wish to participate in the proposed Mesaverde completion work.

BY: _____ / Date

HAWK FEDERAL #3
MAILING LIST

3 TEC ENERGY CORPORATION
700 MILAM ST STE 1100
HOUSTON TX 77002-2819

BENSON-MONTIN-GREER
4900 COLLEGE BLVD
FARMINGTON NM 87402

VAN K BULLOCK
4530 S VERBENA # 381
DENVER CO 80237

CLARK & OATMAN
PO BRAWER 310
BASTROP TX 78602-0310

HOOPER, KIMBALL & WMS INC
5550 S. LEWIS # 301
TULSA OK 74109

IAT RESOURCES
14655 NORTHWEST FWY #118
HOUSTON TX 77040-4032

CR MORRIS TRUST FOR ARRIBA
PO BOX 35304
TULSA OK 74153

NM&O OPERATING COMPANY
15 EAST 5TH STREET STE 3000
TULSA OK 74103

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

VAN K BULLOCK
4530 S VERBENA # 381
DENVER CO 80237

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **D. Bullock** B. Date of Delivery **3-10-03**

C. Signature *(Signature)* Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
7001 2510 0008 9151 7841

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-178

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 2510 0008 9151 7841

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

UNIT ID: 0003
 Postmark Here
 Clerk: KNST7S
 03/06/03

Sent To *HAWK-3*
 Street, or PO B **VAN K BULLOCK**
 City, St **4530 S VERBENA # 381**
DENVER CO 80237

FROM :

PHONE NO. : 9185851753

Apr. 21 2003 01:29PM P5

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mail piece, or on the front if space permits.

Received by (Please Print Clearly) B. Date of Delivery

Signature

- Agent
- Addressee

1. Article Addressed to:

- Delivery address different from item 1? Yes
- If Yes, enter delivery address below: No

IAT RESOURCES
 14655 NORTHWEST FWY #118
 HOUSTON TX 77040-4032

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

7001 2510 0008 9151 7926

926

PS Form 3811, July 1999

Domestic Return Receipt

102505-99-M-1788

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

HOUSTON TX 77040

Postage	0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

UNIT ID: 0003

Postmark Here

Clerk: KNTJTS

Sent To

IAT RESOURCES
 14655 NORTHWEST FWY #118
 HOUSTON TX 77040-4032

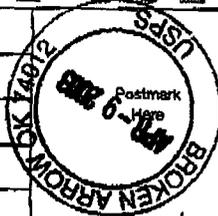
7001 2510 0008 9151 7926

PS Form 3811, July 1999

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



Sent To

IAT Resources
 11281 Richmond Ave #100
 Houston TX 77082

7001 2510 0008 9151 7803

PS Form 3811, July 1999

Use Reverse for Instructions

FROM :

PHONE NO. : 9185851753

Apr. 21 2003 01:30PM P6

U.S. POSTAGE
PAID
TULSA, OK
74103
MAR 06 '03
AMOUNT
\$465
00047890-10



9264

77040

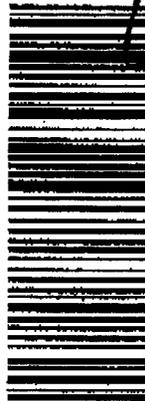
First Class Mail
First Class Mail

*MLNA
W3D
3.8
M*

*081-759-9700
Disconnected*



CERTIFIED MAIL



7001 2510 0008 9151 7100

RETURNED TO SENDER
MOVED NO ADDRESS
IAT RESOURCES
14655 NORTHWEST FRY #118
HOUSTON TX 77040
PO BOX 1118
HOUSTON, TX 77040

COMPANY
3000

BLANCO-MESAVERDE GAS POOL
Rio Arriba and San Juan Counties, New Mexico

Order No. R-799, February 25, 1949, Readopted by Order No. 850, January 1, 1950, Redefining Blanco Area; Order No. R-13, March 15, 1950, Establishing LaPlata (Mesaverde) Pool; Order No. R-16, April 27, 1950, Establishing Largo (Mesaverde) Pool; Order No. R-42, December 22, 1950, Establishing South La Plata (Mesaverde) Pool; as Amended by Order No. R-13, March 15, 1950; Order No. R-31, September 29, 1950; Order No. R-42, December 22, 1950; Order No. R-67, April 20, 1951; Order No. R-89, September 20, 1951; Order No. R-129, March 26, 1952; Order No. R-156, May 20, 1952; Order No. R-166, June 19, 1952; Order No. R-185, August 28, 1952; Order No. R-208, October 20, 1952; Order No. R-220, December 4, 1952; Order No. R-237, December 24, 1952; Order No. R-262, February 10, 1953; Order No. R-311, April 10, 1953; Order No. R-321, May 21, 1953; Order No. R-331, June 10, 1953; Order No. R-335, June 23, 1953; Order No. R-366, September 17, 1953; Order No. R-383, October 21, 1953; Order No. R-387, November 10, 1953; Order No. R-394, November 24, 1953; Order No. R-399, January 20, 1954; Order No. R-406, February 26, 1954; Order No. R-409, March 31, 1954; Order No. R-459, April 15, 1954; Order No. R-570, January 13, 1955; Order No. R-739, January 9, 1956; Order No. R-764, March 14, 1956; Order No. R-813, June 8, 1956; Order No. R-913, November 13, 1956; Order No. R-934, December 28, 1956; Order No. R-949, January 30, 1957; Order No. R-959, March 8, 1957; Order No. R-983, April 23, 1957; Order No. R-987, April 29, 1957; Order No. R-1018, June 28, 1957; Order No. R-1043, August 29, 1957; Order No. R-1060, September 30, 1957; Order No. R-1090, November 27, 1957; Order No. R-1106, December 30, 1957; Order No. R-1119, January 28, 1958; Order No. R-1141, March 25, 1958; Order No. R-1167, April 25, 1958; Order No. R-1211, June 26, 1958; Order No. R-1222, July 21, 1958; Order No. R-1239, August 14, 1958; Order No. R-1249, September 29, 1958; Order No. R-1261, October 21, 1958; Order No. R-1313, December 24, 1958; Order No. R-1325, January 21, 1959; Order No. R-1341, February 23, 1959; Order No. R-1373, April 21, 1959; Order No. R-1442, July 21, 1959; Order No. R-1489, September 22, 1959; Order No. R-1531, November 23, 1959; Order No. R-1578, January 18, 1960; Order No. R-1634, March 18, 1960; Order No. R-1653, April 19, 1960; Order No. R-1682, May 20, 1960; Order No. R-1721, July 15, 1960; Order No. R-1798, October 14, 1960; Order No. R-1858, February 1, 1961; Order No. R-1879, March 1, 1961; Order No. R-2048, September 1, 1961; Order No. R-2063, October 1, 1961; Order No. R-2102, November 1, 1961; Order No. R-2140, January 1, 1962; Order No. R-2188, March 1, 1962; Order No. R-2265, July 1, 1962; Order No. R-2293, August 1, 1962; Order No. R-2340, November 1, 1962; Order No. R-2428, March 1, 1963; Order No. R-2486, June 1, 1963; Order No. R-2626, January 1, 1964; Order No. R-2743, August 1, 1964; Order No. R-2858, February 1, 1965; Order No. R-2896, May 1, 1965; Order No. R-2986, November 1, 1965; Order No. R-3057, May 1, 1966; Order No. R-3167, January 1, 1967; Order No. R-3403, May 1, 1968; Order No. R-3856, November 1, 1969; Order No. R-4260, March 1, 1972; Order No. R-4292, May 1, 1972; Order No. R-4690, December 1, 1973; Order No. R-4888, November 1, 1974; Order No. R-4963, March 1, 1975; Order No. R-5129, January 1, 1976; Order No. R-5339, February 1, 1977; Order No. R-5596, January 1, 1978; Order No. R-5772, July 1, 1978; Order No. R-5779, August 1, 1978; Order No. R-5843, December 1, 1978; Order No. R-6056, August 1, 1979; Order No. R-6180, November 1, 1979; Order No. R-6327, May 1, 1980; Order No. R-6421, August 1, 1980; Order No. R-6886, January 1, 1982; Order No. R-7046, August 1, 1982; Order No. R-7185, January 1, 1983; Order No. R-7277, May 1, 1983; Order No. R-7420, January 1, 1984; Order No. R-7764, January 1, 1985; Order No. R-7957, July 1, 1985; Order No. R-8180, April 1, 1986; Order No. R-8273, August 1, 1986; Order No. R-8640, April 1, 1988; Order No. R-8713, September 1, 1988; Order No. R-9101, February 1, 1990; Order No. R-9801, January 1, 1993; Order No. R-10178, September 1, 1994; Order No. R-10194, October 1, 1994; Order No. R-10290, January 1, 1995; Order No. R-10357, June 1, 1995; Order No. R-10464, October 1, 1995; Order No. R-10610, July 1, 1996; Order No. R-10676, October 1, 1996; Order No. R-10719, January 1, 1997; Order No. R-10761, March 1, 1997; Order No. R-10902, November 1, 1997; Order No. R-11445, September 1, 2000; Order No. R-11540, March 1, 2001.

T-25-N, R-2-W Secs. 2 through 11, 14 through 23; E/2 Sec. 26.
T-25-N, R-3-W Secs. 1 through 24; W/2 Sec. 29.
T-25-N, R-4-W Secs. 1 through 4, 9 through 15; N/2, SE/4 Sec. 16; E/2 Sec. 21; Sec. 22.

T-25-N, R-5-W Secs. 1 through 11; N/2 Sec. 12.
T-25-N, R-6-W Secs. 1, 2, 3, 12.
T-26-N, R-2-W Secs. 4, 5; (Partial) Sec. 6; Secs. 7, 8, 9; W/2 Sec. 10; Secs. 16 through 21; Secs. 28, 29; (Partial) Sec. 30; (Partial) Sec. 31; Secs 32 through 35.
T-26-N, R-3-W Secs. 1 through 36.
T-26-N, R-4-W Secs. 1 through 29, 33 through 36.
T-26-N, R-5-W Secs. 1 through 23; W/2 Sec. 24; Secs. 25 through 36.
T-26-N, R-6-W Secs. 1 through 29, 32, 33 through 36.
T-26-N, R-7-W Secs. 1 through 15; N/2 Sec. 22; Sec. 23; N/2 Sec. 24.
T-26-N, R-8-W Sec. 1; N/2 Sec. 4; N/2 Sec. 5; Sec. 6; E/2 Sec. 7; Sec. 12.
T-26-N, R-9-W Sec. 1; E/2 Sec. 2; E/2 Sec. 11.
T-27-N, R-2-W W/2 Sec. 16; E/2 Sec. 17; E/2 Sec. 20; S/2, NW/4 Sec. 21; W/2 Sec. 28; N/2, S/2 (Partial) Sec. 29; N/2, S/2 (Partial) Sec. 30.
T-27-N, R-3-W Secs. 7 through 36.
T-27-N, R-4-W Secs. 1 through 36.
T-27-N, R-5-W Secs. 1 through 36.
T-27-N, R-6-W Secs. 1 through 36.
T-27-N, R-7-W Secs. 1 through 36.
T-27-N, R-8-W Secs. 1 through 36.
T-27-N, R-9-W Secs. 1 through 4; E/2 Sec. 6; E/2 Sec. 9; Secs. 10 through 14; N/2 Sec. 15; Secs. 23 through 26, 34, 35, 36.
T-28-N, R-3-W Secs. 4 through 9, 15 through 23; W/2 Sec. 24; W/2 Sec. 25; Secs. 26 through 35; W/2 Sec. 36.
T-28-N, R-4-W Secs. 7 through 36.
T-28-N, R-5-W Secs. 7 through 36.
T-28-N, R-6-W Secs. 7 through 36.
T-28-N, R-7-W Secs. 7 through 36.
T-28-N, R-8-W Secs. 7 through 36.
T-28-N, R-9-W (Partial) Sec. 7; Secs. 8 through 36.
T-28-N, R-10-W Secs. 10 through 14; N/2 Sec. 23; Sec. 24; N/2 Sec. 25.
T-29-N, R-3-W Secs. 19, 20, 21, 28 through 33.
T-29-N, R-4-W Secs. 4 through 9, 16 through 36.
T-29-N, R-5-W Secs. 1 through 36.
T-29-N, R-6-W Secs. 1 through 36.
T-29-N, R-7-W Secs. 1 through 36.
T-29-N, R-8-W Secs. 1 through 36.
T-29-N, R-9-W Secs. 1 through 36.
T-29-N, R-10-W Secs. 1 through 30, 33 through 36.
T-29-N, R-11-W Secs. 1, 12, 13, 24, 25, 26.
T-30-N, R-4-W W/2 Sec. 7; Secs. 17 through 21; Secs. 28 through 33.
T-30-N, R-5-W W/2 Sec. 1; Secs. 2 through 36.
T-30-N, R-6-W Secs. 1 through 36.
T-30-N, R-7-W Secs. 1 through 36.
T-30-N, R-8-W Secs. 1 through 36.
T-30-N, R-9-W Secs. 1 through 36.
T-30-N, R-10-W Secs. 1 through 36.
T-30-N, R-11-W Secs. 1 through 17; Secs. 20 through 28; E/2 Sec. 29; E/2 Sec. 32; Secs. 33 through 36.
T-30-N, R-12-W Secs. 1, 2, 3, 4; N/2 Sec. 11; Sec. 12.
T-31-N, R-5-W Secs. 5 through 9, 16 through 21, 27 through 34.
T-31-N, R-6-W Secs. 1 through 36.
T-31-N, R-7-W Secs. 1 through 36.
T-31-N, R-8-W Secs. 1 through 36.
T-31-N, R-9-W Secs. 1 through 36.
T-31-N, R-10-W Secs. 1 through 36.
T-31-N, R-11-W Secs. 1 through 36.
T-31-N, R-12-W Secs. 1 through 36.
T-31-N, R-13-W Secs. 1, 2, 3; E/2 Sec. 4; E/2 Sec. 9; Secs. 10 through 15, 23, 24, 25.
T-32-N, R-5-W (Partial) Secs. 18, 19; W/2 Sec. 20; Secs. 30 through 33.
T-32-N, R-6-W Secs. 7, 8, 16 through 36.
T-32-N, R-7-W Secs. 7 through 36.
T-32-N, R-8-W Secs. 7 through 36.
T-32-N, R-9-W Secs. 7 through 36.
T-32-N, R-10-W Secs. 7 through 36.
T-32-N, R-11-W Secs. 7 through 36.
T-32-N, R-12-W Secs. 7 through 36.
T-32-N, R-13-W Secs. 7 through 36.



NM&O OPERATING COMPANY AUTHORITY FOR EXPENDITURE HAWK FEDERAL #3 WELL

Recomplete the Hawk Federal #3 Well
to the Mesa Verde Formation

Legal Description: S/2 SEC. 35-T25N-R2W Estimated TD: State: New Mexico County: Rio Arriba

DETAILS OF ESTIMATED COST		ESTIMATED COSTS @ 100% WI	
DESCRIPTION OF WORK	Before Csg Point	After Csg Point	Total Well Costs
Leasehold Cost	\$ -		\$ -
Fixed Overhead		\$ 500.00	\$ 500.00
Drilling/Division Order Title Opinion (for Mesa Verde)		\$ 5,000.00	\$ 5,000.00
Survey and Permits			\$ -
Surface Damages			\$ -
Abstracts and Legal (Pooling Work)		\$ 5,000.00	\$ 5,000.00
Engineering Services		\$ 4,600.00	\$ 4,600.00
Set Conductor Casing/ Drill Rat Hole and Mouse Hole			\$ -
Drilling - Footage			\$ -
Drill Stem Test			\$ -
Coring Services			\$ -
Drill Bits			\$ -
Drilling and Frac Water including water lines			\$ -
Drilling Mud			\$ -
Disposal of Water (Trucking and Disposal Fees)		\$ 2,500.00	\$ 2,500.00
Cement Services		\$ 4,500.00	\$ 4,500.00
Cement Equipment for Surface and Production Casing			\$ -
Casing Crews for Surface and Production Casing			\$ -
Open Hole Logs*/ Cased Hole Logs			\$ -
Dozer to Clean Up Location			\$ -
Dozer to Build Location/ Shale/ Rock			\$ -
Perforating/CBL		\$ 4,500.00	\$ 4,500.00
Acidizing/ Pump Truck Service (for Fracture Treatment)		\$ 40,000.00	\$ 40,000.00
Unit to Run Tubing and Test		\$ 20,000.00	\$ 20,000.00
Miscellaneous Trucking		\$ 3,000.00	\$ 3,000.00
Trucking Water to Location		\$ 2,000.00	\$ 2,000.00
Rental Tools		\$ 1,500.00	\$ 1,500.00
Rental of Blowout Preventor			\$ -
Crew to Set Tank Battery and pumping unit			\$ -
Miscellaneous Welding			\$ -
Contingencies/Well Insurance		\$ 8,000.00	\$ 8,000.00
TOTAL INTANGIBLE WELL COSTS	\$ -	\$ 101,100.00	\$ 101,100.00

DESCRIPTION OF EQUIPMENT	Before Csg Point	After Csg Point	Total Well Costs
Cable Guards	\$ -		\$ -
9 5/8" Surface Casing		\$ -	\$ -
5 1/2" Production Casing	\$ -		\$ -
Wellhead Equipment			\$ -
2 7/8" Production Tubing	\$ -		\$ -
Tank Battery	\$ -		\$ -
Saltwater Tank	\$ -		\$ -
Linesipe, Valves and Battery Fittings (New)	\$ -		\$ -
Pumping Unit/ Gas Engine	\$ -		\$ -
Asst'd Rods/ Downhole Pump	\$ -		\$ -
Tubing Anchor/ Packer/ Miscellaneous Equipment	\$ -		\$ -
Fence and Dice*** Material	\$ -		\$ -
Miscellaneous Fittings	\$ -		\$ -
TOTAL TANGIBLE COSTS	\$ -	\$ -	\$ -
TOTAL ESTIMATED COSTS	\$ -	\$ 101,100.00	\$ 101,100.00

RECOMMENDED WORKOVER DATE: April 1, 2003 AFE APPROVED: YES NO
 RECOMMENDED CONT'R: NON-OPERATOR: NM&O OPERATING CO .77464192
 TYPE OF WELL: Gas BY: 
 PREPARED BY: L. Sweet DATE: 3/5/03



PROPOSED ADVERTISEMENT

Case 13074 :

Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Undesignated Blanco-Mesaverde Gas Pool underlying the S½ of Section 35, Township 25 North, Range 2 West, N.M.P.M. The unit is to be dedicated to the Hawk Federal Well No. 3, to be recompleted in the subject pool at an orthodox location in the NE¼SW¼ of Section 35. Also to be considered will be the cost of recompleting the 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 the risk involved in recompleting the well. The well unit is located approximately 4 miles North of Lindrith, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVERTISEMENT.**

RECEIVED

APR 29 2003

Oil Conservation Division