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October 6, 1983



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Mr. Stanford Clinton, Jr.
P. O. Box 25015
Jackson, WY 83001

"CERTIFIED"
"RETURN RECEIPT"

Case 7970

Re: Belco Development Corporation

Dear Mr. Clinton:

Our firm represents Belco Development Corporation. In accordance with New Mexico law, we have obtained a compulsory pooling order, a copy of which is enclosed, pooling your interest underlying the W/2SW/4 of Section 18, T17S, R39E, Lea County New Mexico.

Pursuant to the terms of the order, I am also enclosing a copy of Belco's schedule of estimated well costs dated August 5, 1983. You have thirty days from receipt of this letter to pre-pay to Belco your share of the costs of the subject well. In the event you fail to make that prepayment then in the event of production your share of production will be charged with your share of the costs of the well plus the 200% risk factor.

If you elect to participate, make your cashier's check payable to Belco Development Corporation and deliver it to Don Peters, Landman, Belco Development Corporation, 411 Petroleum Building, 204 West Texas, Midland, Texas 79701.

Very truly yours,

Original signed by
W. THOMAS KELLAHIN
W. Thomas Kellahin

WTK:ca

Enc.

cc: Belco
Oil Conservation Division (Santa Fe)

COPY

REVISION REV. DT. _____	BELCO PETROLEUM CORPORATION AUTHORIZATION FOR EXPENDITURE	COMPANY 05 AFE NO. T6263
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SO	CHG.	PROPERTY NAME & NUMBER (27)	AUTH. DATE (6)	LOCATION (27)		
1	2	3	11	37 38 43 44 63		
18		BROOKS #1		1980' FSL & 660' FWL, Sec. 18, T17-S, R-39-E		
TYPE OF WORK (23)		P. DEPTH (8)	FORMATION	FIELD NAME	CONTRACTOR	RIG TYPE
66		88 89 96				
DW-Oil		12200'	Devonian	Knowles	Unknown	Rotary
SO	CHG.	PROSPECT NAME (22)	STATE (15)	COUNTY / PARISH (15)	CORP. W.I.	
1	2	3	11	32 33 47 48 62 63	CSG. PT. 71	COMPL. 80
19		Brandywine	New Mexico	Lea		

NO MORE THAN NINE DIGITS PER COLUMN-WHOLE DOLLARS ONLY

SO	CHG.	PROPERTY NO. <u>7470001</u>	CSG. PT. COST	COMPL. COST	TOTAL COST
1	2	5	21	23	
20		INTANGIBLE EXPENSE	730	734	
18	20		24	32	
		Rig Expenditure _____			
		Move In & Out _____ = _____			
		Drilling <u>12200'</u> Ft. @ \$ <u>21</u> /Ft. \$ <u>256,000</u>			
		Daywork <u>2 days</u> @ \$ <u>5000/day</u> = <u>10,000</u>			
		Completion/W.O. Unit <u>12 days</u> @ \$ <u>1200/day</u> = <u>15,000</u>			
218		Total Rig Expenditure _____	\$ 266,000	\$ 15,000	\$ 281,000
612		Location - Roads, Row & Damages _____	20,000	6,000	26,000
204		Contract Professional Services _____	18,000	8,000	26,000
418		Mud & Additives _____	50,000	5,000	55,000
220		Mud Logging _____	12,000	-	12,000
424		Bits _____	-	2,000	2,000
228		Tubular Testing/Inspection _____	2,000	8,000	10,000
230		CSG/TBG Crews/Tools _____	-	2,000	2,000
422		Float Eq., Cent & Scratchers _____	4,000	3,000	7,000
420		Cement Additives & Pump Trucks _____	32,000	15,000	47,000
236		Water & Water Hauling _____	12,000	6,000	18,000
222		Coring & Analysis _____	-	-	-
224		Elec. Line - Logs, Perf, Production, Etc. _____	32,000	15,000	47,000
226		Well Testing - DST, Wireline, Etc. _____	10,000	1,000	11,000
512		Eq. Rntls. - Surface/Downhole _____	18,000	6,000	24,000
950		Directional Drilling Expense _____	-	-	-
234		Transportation - Land - Marine _____	12,000	6,000	18,000
410		Fuel, Power & Water _____	-	-	-
930		Well Stimulation _____	-	12,000	12,000
830		Overhead _____	9,000	3,000	12,000
790		Misc. & Contingency _____	25,000	6,000	31,000
TOTAL INTANGIBLE EXPENSE			\$ 522,000	\$ 119,000	\$ 641,000

SO	CHG.	TANGIBLE EXPENSE	CSG. PT. COST	COMPL. COST	TOTAL COST
20			732	736	
		CSG. & LINER _____			
		Drive _____ Ft. _____ O.D. @ \$ _____ /Ft. = _____			
		Cond. _____ Ft. _____ O.D. @ \$ _____ /Ft. = _____			
		Surf. <u>400</u> Ft. <u>13-3/8"</u> O.D. @ \$ <u>25.93</u> /Ft. = <u>\$10,000</u>			
		Intr. <u>5000</u> Ft. <u>9-5/8"</u> O.D. @ \$ <u>20.09</u> /Ft. = <u>100,000</u>			
		Prod. <u>12200</u> Ft. <u>5 1/2"</u> O.D. @ \$ <u>12.53</u> /Ft. = <u>153,000</u>			
		Liner _____ Ft. _____ O.D. @ \$ _____ /Ft. = _____			
426		TOTAL _____	\$ 110,000	\$ 153,000	\$ 263,000
432		TUBING <u>12200</u> Ft. <u>2-7/8"</u> O.D. @ \$ <u>6.42</u> /Ft. = <u>78,000</u>	-	78,000	78,000
430		WELLHEAD EQUIPT. _____	10,000	12,000	22,000
440		WELL PROD. EQUIPT. - DOWNHOLE & SURFACE _____	-	80,000	80,000
442		PROD. FACILITIES - TANKS, EQUIPT. & LINES _____	-	15,000	15,000
450		MARINE PLATFORMS _____			
452		OFFSHORE PROD. FACILITIES _____			
TOTAL TANGIBLE EXPENSE			\$ 120,000	\$ 338,000	\$ 458,000
TOTAL WELL COST			\$ 642,000	\$ 457,000	\$ 1,099,000

WORKING INTEREST	PER CENT	CASING POINT	COMPLETED WELL

BELCO APPROVAL	
ENGINEERING	DATE
DIVISION <u>PE Shania</u>	DATE <u>8/5/83</u>
MANAGEMENT <u>Bank J. Rago</u>	DATE <u>8/8/83</u>

JOINT INTEREST APPROVAL	
COMPANY	DATE
BY	

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION