RAY H. HASKINS (915) 682-0054 P.O. BOX 2582 March 15, 1984

FIRST CITY CENTER ONE, SUITE 1195

MIDLAND, TEXAS 79702

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

SANTA FE Re: NMOCD Case 8047

Order R-7460

## Gentlemen:

Enclosed please find copies of a letter and AFE sent this day to Thomas Max Nygaard, Daisy Keith, Alice Nygaard and Shirley Nygaard, as required in the above captioned Case and Order.

Very truly yours,

Ray H. Haskins

/jto

cc/Kellahin

(915) 682-0054

P.O. BOX 2582

MIDLAND, TEXAS 79702

## CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 15, 1984

Thomas Max Nygaard Daisy Keith Alice Nygaard Shirley Nygaard

P. O. Box 238 Dallas, Texas 75221

Re: Your 20/480 Mineral Interest N/2 & SW/4 Section 32 T-12-S, R-36-E, NMPM Lea County, New Mexico

Dear Mr. Nygaard et al:

With reference to my repeated efforts to obtain a lease from you on the above captioned mineral interest, or to obtain your cooperation in joining me in the drilling of a 10,500' Wolfcamp test, you are hereby advised that on March 7, 1984, the State of New Mexico, Oil Conservation Division, issued an Order for Compulsory Pooling on the W/2 of said Section 32.

A copy of the Compulsory Pooling Order is enclosed, along with an AFE for the proposed well. Kindly note that you must prepay your proportionate share of the AFE within thirty (30) days from the date of receipt of this letter, or be subject to the risk factor penalty. Please sign one copy of the AFE and return it to me, along with your check in the amout of Thirty-Four Thousand Sixty-Two Dollars and Fifty Cents (\$34,062.50).

Very truly yours,

Ray H. Haskins

Encl.

cc/OCD

/jto

To Casing Point   Plowing Point   Pumping Pumping Point   Pumping Pu	OPERATOR: Ray H. Haskins WELL : Jennings No. 1	LOCATION:	Lea County,	2-S R-36-E New Mexico
Damages		To Casing	Flowing	Pumping
Damages	Roads & Location	8500	8500	8500
Pootage: 10,500' @ \$18.00/ft.				
Daywork: 5 days @ \$5000/day   25000   25000   25000   Cement & Cementing   25000   45000   45000   Mod & Chemicals   15000   15000   15000   15000   15000   Logging & Testing   30000   30000   30000   30000   Mod Logging   7500   7500   7500   7500   7500   Mater   12000   12000   12000   Perforating   0   4000   4000   4000   Addidizing & Fracturing   0   100000   10000   10000   10000   10000   10000   10000   10000   1000				
Cement & Cementing   25000   45000   45000   Mud & Chemicals   15000   1500		25000	25000	25000
Logging & Testing   30000   30000   30000   Mud Logging   7500   7600   7600		25000	45000	45000
Mud Logging	Mud & Chemicals	15000	15000	15000
Water	Logging & Testing	30000	30000	30000
Perforating	Mud Logging	<b>75</b> 00	7500	7500
Acidizing & Fracturing 0 10000 10000 Completion Unit 0 10000 10000 170000 170000 170000 170000 170000 170000 170000 170000 170000 10000 20000 25000 25000 25000 25000 25000 25000 25000 25000 25000 25000 25000 25000 30000 25000 25000 30000 25000 25000 30000 25	Water	12000	12000	12000
Completion Unit		0	4000	4000
Trucking	Acidizing & Fracturing	0	10000	10000
Contract Labor	Completion Unit	•		
Equipment Rental & Misc. 15000 20000 25000 Overhead & Supervision 15000 25000 30000 Contingencies 20000 25000 30000 Sales Tax 13000 15000 16000 Total Intangibles 382500 454500 475500 Surface Casing 7500 7500 7500 7500 Intermediate Casing 50000 50000 60000 Production Casing 0 60000 60000 Wellhead & Valves 15000 22000 22000 22000 Sucker Rods 0 0 0 16000 Pumping Unit 0 0 0 3000 Pumping Unit 0 0 0 3000 Pumping Unit 0 0 0 5000 Electic Power Equipment 0 0 0 5000 Chemical Pump 0 0 0 0 1000 Tanks 0 19000 12000 Electic Power Equipment 0 0 1000 12000 Line Pipe & Connections 2500 6000 6000 Miscellaneous 3000 5000 8000 Sales Tax 3200 9500 13000 Total Equipment 89000 249000 342000 T	<del>-</del>			
Overhead & Supervision         15000         25000         30000           Contingencies         20000         25000         30000           Sales Tax         13000         15000         16000           Total Intangibles         382500         454500         475500           Surface Casing         7500         7500         7500           Intermediate Casing         50000         50000         50000           Production Casing         0         60000         60000           Wellhead & Valves         15000         22000         2000           Tubing & Packer         0         36000         36000           Sucker Rods         0         0         16000           Sucker Rods         0         0         16000           Bottom Hole Pump         0         0         3000           Pumping Unit         0         0         5000           Pump Engine         0         0         5000           Selectic Power Equipment         0         0         5000           Chemical Pump         0         12000         12000           Separator & Treater         0         12000         12000           Line P			7000	
Contingencies   20000   25000   30000   Sales Tax   13000   15000   16000     Total Intangibles   382500   454500   475500     Surface Casing   7500   7500   7500     Intermediate Casing   50000   50000   50000     Production Casing   0   60000   60000     Wellhead & Valves   15000   22000   22000     Tubing & Packer   0   36000   36000     Sucker Rods   0   0   0   16000     Bottom Hole Pump   0   0   0   3000     Pumping Unit   0   0   0   45000     Base & Installation   0   0   5000     Pump Engine   0   0   0   5000     Chemical Pump   0   0   1000     Tanks   0   19000   19000     Separator & Treater   0   12000   12000     Line Pipe & Connections   2500   6000   6000     Miscellaneous   3000   5000   8000     Contingencies   7800   22000   30000     Sales Tax   3200   9500   13000     Prepared by:	• •			
Total Intangibles   382500   454500   475500				
Total Intangibles   382500   454500   475500	<del>-</del>			
Surface Casing	Sales Tax	13000	15000	16000
Intermediate Casing	Total Intangibles	382500	454500	475500
Production Casing	Surface Casing	7500	7500	7500
Wellhead & Valves	Intermediate Casing	50000	50000	50000
Tubing & Packer 0 36000 36000 Sucker Rods 0 0 0 16000 Bottom Hole Pump 0 0 0 3000 Pumping Unit 0 0 0 45000 Base & Installation 0 0 0 5000 Pump Engine 0 0 0 5000 Chemical Pump 0 0 0 1000 Tanks 0 19000 19000 Separator & Treater 0 12000 12000 Line Pipe & Connections 2500 6000 6000 Contingencies 7800 22000 30000 Sales Tax 3200 9500 13000  Total Equipment 89000 249000 342000  Total Equipment 89000 249000 342000  Prepared by: Thomas Max Nygaard Date : Approved:  Partner : Thomas Max Nygaard Shirley Nygaard Shirley Nygaard Date : ———————————————————————————————————		0	60000	60000
Sucker Rods	Wellhead & Valves	15000	22000	22000
Bottom Hole Pump	•		36000	
Pumping Unit				
Base & Installation	<del>-</del>			
Pump Engine         0         0         3500           Electic Power Equipment         0         0         5000           Chemical Pump         0         0         1000           Tanks         0         19000         19000           Separator & Treater         0         12000         12000           Line Pipe & Connections         2500         6000         6000           Miscellaneous         3000         5000         8000           Contingencies         7800         22000         30000           Sales Tax         3200         9500         13000           TOTAL COST         471500         703500         817500           Prepared by:         Factor         Date         Histage           Prepared by:         Thomas Max Nygaard         Approved:         Date           Baisy Keith         Alice Nygaard         Approved:         Date	- <del>-</del>			
Electic Power Equipment				
Chemical Pump				
Tanks 0 19000 19000 Separator & Treater 0 12000 12000 Line Pipe & Connections 2500 6000 6000 Miscellaneous 3000 5000 8000 Contingencies 7800 22000 30000 Sales Tax 3200 9500 13000  Total Equipment 89000 249000 342000  TOTAL COST 471500 703500 817500  Prepared by: Austria Date : 3/15/84  Partner : Thomas Max Nygaard Approved: Daisy Keith Alice Nygaard Shirley Nygaard Date :				
Separator & Treater	<del>"</del>		-	
Line Pipe & Connections 2500 6000 6000  Miscellaneous 3000 5000 8000  Contingencies 7800 22000 30000  Sales Tax 3200 9500 13000  Total Equipment 89000 249000 342000  TOTAL COST 471500 703500 817500  Prepared by: Ray H. Kaslar Date : 3/15/84  Partner : Thomas Max Nygaard Approved: Daisy Keith Alice Nygaard Shirley Nygaard Date :				
Miscellaneous   3000   5000   8000	=			
Total Equipment   89000   249000   342000	<u>-</u>			
Total Equipment   89000   249000   342000				
TOTAL COST 471500 703500 817500  Prepared by: Ray H. Klaskin Date : 3/15/84  Partner : Thomas Max Nygaard Approved: Daisy Keith Alice Nygaard Shirley Nygaard Date :	<del>-</del>			
Prepared by: Ray M. Macker Date : 3/15/84  Partner : Thomas Max Nygaard Approved: Daisy Keith Alice Nygaard Shirley Nygaard Date :	Total Equipment	. 89000	249000	342000
Partner : Thomas Max Nygaard Approved:  Daisy Keith Alice Nygaard Shirley Nygaard  Date :	TOTAL COST	471500	703500	817500
Partner : Thomas Max Nygaard Approved:  Daisy Keith Alice Nygaard Shirley Nygaard  Date :	Prepared by: Kay H. Hackin	Date	: 3/15/84	
Alice Nygaard Shirley Nygaard Date:		Approved	:	
Shirley Nygaard  Date :	Daisy Keith		<del></del>	
Date :	Alice Nygaard			<del> </del>
	Shirley Nygaard			
Your 20/480 x \$817,500.00 = \$34,062.50 Please Remit			•	
	Your $20/480 \times $817,500.00 = $34,062.5$	O Please R	emit	