

Stogner

RAY H. HASKINS

(915) 682-0054

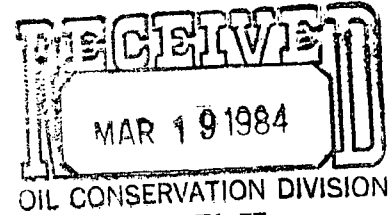
P.O. BOX 2582

FIRST CITY CENTER ONE, SUITE 1195

MIDLAND, TEXAS 79702

March 15, 1984

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



Re: NMOCD Case 8047 SANTA FE
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

Ray H. Haskins

/jto

cc/Kellahin

RAY H. HASKINS

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P.O. BOX 2582

FIRST CITY CENTER ONE, SUITE 1195

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

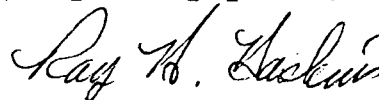
Re: Your 20/480 Mineral Interest
N/2 & SW/4 Section 32
T-12-S, R-36-E, NMPM
Lea County, New Mexico

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' Wolf-camp 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 pre-pay 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 amount of Thirty-Four Thousand Sixty-Two Dollars and Fifty Cents (\$34,062.50).

Very truly yours,



Ray H. Haskins

Encl.

cc/OCD

/jto

ESTIMATED A.F.E.

OPERATOR: Ray H. Haskins
WELL : Jennings No. 1

LOCATION: Sec 32 T-12-S R-36-E
Lea County, New Mexico

	To Casing Point	Flowing Well	Pumping Well
Roads & Location	8500	8500	8500
Damages	2500	2500	2500
Footage: 10,500' @ \$18.00/ft.	189000	189000	189000
Daywork: 5 days @ \$5000/day	25000	25000	25000
Cement & Cementing	25000	45000	45000
Mud & Chemicals	15000	15000	15000
Logging & Testing	30000	30000	30000
Mud Logging	7500	7500	7500
Water	12000	12000	12000
Perforating	0	4000	4000
Acidizing & Fracturing	0	10000	10000
Completion Unit	0	10000	10000
Trucking	2000	4000	6000
Contract Labor	3000	7000	10000
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
Intermediate Casing	50000	50000	50000
Production Casing	0	60000	60000
Wellhead & Valves	15000	22000	22000
Tubing & Packer	0	36000	36000
Sucker Rods	0	0	16000
Bottom Hole Pump	0	0	3000
Pumping Unit	0	0	45000
Base & Installation	0	0	5000
Pump Engine	0	0	3500
Electric 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 Equipment	89000	249000	342000
TOTAL COST	471500	703500	817500

Prepared by: Ray H. Haskins
Partner : Thomas Max Nygaard
Daisy Keith
Alice Nygaard
Shirley Nygaard

Date : 3/15/84
Approved: _____

Date : _____
Please Remit

Your 20/480 x \$817,500.00 = \$34,062.50