



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 21, 1995

ARCO Permian
P.O. Box 1610
Midland, Texas 79702

Attention: David B. Percy
Senior Geologist

Administrative Order NSL-3607

Dear Mr. Percy:

Reference is made to your application dated November 29, 1995 to drill your proposed Dorothy "36" State Com Well No. 1 at an unorthodox gas well location 1163 feet from the South line and 1647 feet from the West line (Unit N) of Section 36, Township 17 South, Range 28 East, NMPM, to test the South Empire-Morrow Gas Pool, Eddy County, New Mexico.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The W/2 of said Section 36 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the subject pool.

By the authority granted me under the provisions of General Rules 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 1

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996



**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 2

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

ARCO Permian 
a Unit of Atlantic Richfield Company

EMPIRE ABO AREA
Eddy County, New Mexico

**Lease Ownership
DOROTHY PROSPECT
T 17 S R 28 E**

Section 36, W/2
(wells shown are MORROW penetrations)

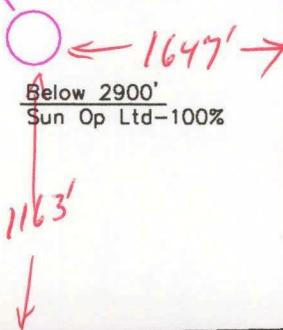
| | | |
|---------------------|--------------------------|----------------|
| By: Lee Scarborough | Drawn By: KAM | Date: 12-20-95 |
| Date: 12-20-95 | Revised By: KAM | Date: 1-9-96 |
| Dept: Land Admin. | Dwg No.: EMPRTXT nm\maps | |

36

Below Base of Abo
ARCO-50.0000%
Yates Pet-18.0556%
Dreyfus-15.9722%
Marathon-15.9722%

*Dorothy "36"
State Com. #1*

Below 2900'
ARCO-100%



BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 3

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

ARCO Permian 
a Unit of Atlantic Richfield Company

EMPIRE ABO AREA
Eddy County, New Mexico

Lease Ownership
DOROTHY PROSPECT
T 17 S R 28 E
Section 36, W/2

| | | |
|---------------------|--------------------------|----------------|
| By: Lee Scarborough | Drawn By: KAM | Date: 12-20-95 |
| Date: 12-20-95 | Revised By: | Date: |
| Dept: Land Admin. | Dwg No.: EMPRTXT nm\mops | |

Dorothy 36 State COM #1
W/2, 36-T17S-R28E
1163' FSL/1647' FWL

EMPIRE ABO AREA

Dorothy Prospect

| WI OWNER | spacing 320 | | | TRACT1 | | | TRACT2 | | | TRACT3 | | | |
|---------------------|--------------|--------------|-------|-------------|--------------|-------|-------------|--------------|-------|--------|-----|-------|-------------|
| | TOTAL UNIT% | TR% | TR AC | UNT% | TR% | TR AC | UNT% | TR% | TR AC | UNT% | TR% | TR AC | UNT% |
| ✓ ARCO | .2500000000 | .5000000000 | 240 | .3750000000 | 1.0000000000 | 40 | .1250000000 | | | | | | |
| ✓ AMOCO | .2500000000 | | | | | | | | | | | | |
| ✓ DREYFUS | .1197916667 | .1597222222 | 240 | .1197916650 | | | | | | | | | |
| ✓ MARATHON | .1197916667 | .1597222222 | 240 | .1197916650 | | | | | | | | | |
| ✓ YATES PET | .1354166666 | .1805555556 | 240 | .1354166620 | | | | | | | | | |
| ✓ SUN OPERATING LTD | .1250000000 | | | | | | | | | | | 40 | .1250000000 |
| TOTALS | 1.0000000000 | 1.0000000000 | 240 | | 1.0000000000 | 40 | | 1.0000000000 | 40 | | | 40 | |

✓ = committed unit

88% voluntary

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 4

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

EXHIBIT 5

Letters Reflecting Attempts To Obtain Voluntary Joinder

DOROTHY "36" STATE COM WELL NO. 1

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 5

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996



ARCO Permian
500 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Mr. Robert H. Bullock
Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

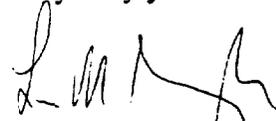
Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
500 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Texas Independent Exploration, Inc.
1300 Main, Suite 1435
Houston, Texas 77063

CERTIFIED MAIL
Return Receipt Requested

**Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico**

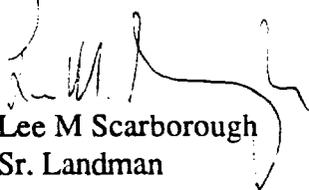
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Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Parker & Parsley Acquisition Company
P. O. Box 3178
Midland, Texas 79702

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

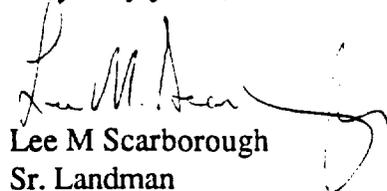
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Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
300 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Brothers Production Co.
6 Desta Drive, Suite 5700
Midland, Texas 79705

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

Ladies and Gentlemen:

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Very truly yours,

Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
 600 North Marienfeld
 Midland TX 79701-4373
 PO Box 1610
 Midland TX 79702-1610
 Telephone 915 688 5200

November 28, 1995

Doyle Hartman
 3811 Turtle Creek Blvd., Suite 730
 Dallas, Texas 75219

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
 Unorthodox Location
 Dorothy State Com #1
 T17S, R28E, Section 36
 1163' FSL and 1647' FWL
 Eddy County, New Mexico

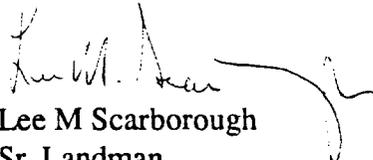
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If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


 Lee M Scarborough
 Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: Doyle Hartman
 Name: Doyle Hartman
 Title: _____
 Date: 11/28/95

RECEIVED
 NOV 28 1995
 BY: _____



ARCO Permian
 600 North Marienfeld
 Midland TX 79701-4373
 PO Box 1610
 Midland TX 79702-1610
 Telephone 915 688 5200

RECEIVED
 NOV 08 1995
 MIDLAND LAND DEPT.

November 28, 1995

Ms. Carol Myers
 Louis Dreyfus Gas Holdings, Inc.
 14000 Quail Springs Parkway, #600
 Oklahoma City, Oklahoma 73134

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
 Unorthodox Location
 Dorothy State Com #1
 T17S, R28E, Section 36
 1163' FSL and 1647' FWL
 Eddy County, New Mexico

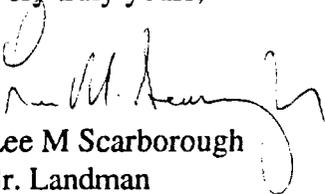
Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


 Lee M Scarborough
 Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.


 Company: Louis Dreyfus Natural Gas Corp.
 Name: James C. Welch
 Title: Land Manager
 Date: 12/5/95



ARCO Permian
 600 North Marienfeld
 Midland TX 79701-4373
 PO Box 1610
 Midland TX 79702-1610
 Telephone 915 688 5200

LE
R

November 28, 1995

Mr. Randal Wilson
 Marathon Oil Company
 P. O. Box 552
 Midland, Texas 79702

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
 Unorthodox Location
 Dorothy State Com #1
 T17S, R28E, Section 36
 1163' FSL and 1647' FWL
 Eddy County, New Mexico

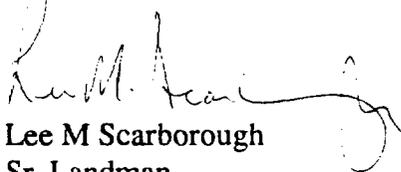
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If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


 Lee M Scarborough
 Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: MARATHON OIL COMPANY
 Name: Joseph M. Malon
 Title: Assistant Land Surveyor
 Date: December 22, 1995

RECEIVED

1995

MARATHON OIL COMPANY
 LAND DEPARTMENT



ARCO Permian
500 North Marientfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Mr. Larry West
Amoco Production Company
501 Westlake Park Boulevard
Houston, Texas 77253

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,

Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 27, 1995

Sun Operating Limited Partnership
13155 Noel Road
Dallas, Texas 75240

Attention: Mr. Fred Winters

Re: Offer to Purchase
State of New Mexico Lease B-11493
T17S, R28E
Section 27: NW/4 SW/4
Section 36: SE/4 SW/4
Eddy County, New Mexico

Gentlemen:

ARCO Permian offers to purchase your operating rights in the referenced State of New Mexico Lease under the following terms:

1. \$150.00 per acre
2. All depths below the base of the Abo in Section 27.
All depths in Section 36.
3. An 87.5% NRI to be delivered to ARCO.

Please contact me at your earliest convenience to discuss this offer. My telephone number is (915) 688-5270.

Very truly yours,

Lee M. Scarborough
Sr. Landman

LMS/sb

**NORTHRIDGE ENERGY COMPANY**

P.O. Box 1403, Purcell, OK 73080 • (405) 527-1558 • FAX (405) 527-5182

October 10, 1995

Mr. Steve Foerster
Oryx Energy Company
13155 Noel Road
Dallas, Texas 75240

Re: NW/4 SW/4 - Sec. 27-17S-28E
Eddy County, N.M.
Ester Prospect

Dear Mr. Foerster:

Northridge Energy Company ("NEC") is interested in acquiring a term assignment on your leasehold interest in the above referenced land. Please consider the following terms of our offer:

- a. \$100.00 per net leasehold acre as to all formations below the Abo Formation.
- b. Term Assignment of 2 years.
- c. Deliver a 81.25% NRI to NEC.

This offer is subject to the following conditions:

NEC be allowed to review your files for unrecorded burdens, title problems and/or contracts.

Your being able to provide valid recordable title at the Eddy County court house and the Bureau of Land Management office.

This offer may be revoked upon either of the following conditions:

Failure of title

Burdens or contracts, recorded or unrecorded, that are in NEC's opinion, unacceptable.

If this offer is not acceptable to you, I would appreciate a telephone call so that we can discuss it. This offer is valid for 15 days from the above date. After that time NEC retains the right to withdraw this offer. If you have any questions, please feel free to contact me at (405) 527-1558.

Thank you for giving this matter your prompt attention.

Sincerely,


Daniel H. Whiteside
Northridge Energy Company

DHW/s



NORTHRIDGE ENERGY COMPANY

P.O. Box 1403, Purcell, OK 73080 • (405) 527-1558 • FAX (405) 527-5182

October 2, 1995

Oryx Energy Company
 13155 Noel Road
 Dallas, Texas 75248

Re: NW/4 SW/4 - Sec. 27-17S-28E
 Eddy County, N.M.
 Ester Prospect

214-715-4754

Gentlemen:

Northridge Energy Company ("NEC") is interested in acquiring a term assignment on your leasehold interest in the above referenced land. Please consider the following terms of our offer:

- a. \$100.00 per net leasehold acre as to all formations below the Abo Formation.
- b. Term Assignment of 2 years.
- c. Deliver a 81.25% NRI to NEC.

This offer is subject to the following conditions:

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Burdens or contracts, recorded or unrecorded, that are in NEC's opinion, unacceptable.

If this offer is not acceptable to you, I would appreciate a telephone call so that we can discuss it. This offer is valid for 15 days from the above date. After that time NEC retains the right to withdraw this offer. If you have any questions, please feel free to contact me at (405) 527-1558.

Thank you for giving this matter your prompt attention.

Sincerely,

Daniel H. Whiteside
 Northridge Energy Company

DHW/s



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Sun Operating Limited Partnership
13155 Noel Road
Dallas, Texas 75240

Attention: Mr. Steve Foerster

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Sun Operating Limited Partnership desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Sun Operating Limited Partnership does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Sun Operating Limited Partnership
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Sun Operating Limited Partnership shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Sun Operating Limited Partnership will be subject to proportionate reduction.

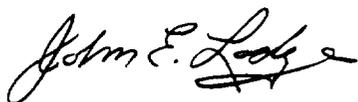
4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian



John E. Lodge
Land Director

JEL:pc
Enclosure

Sun Operating Limited Partnership

November 2, 1995

Page 3

Sun Operating Limited Partnership hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Sun Operating Limited Partnership

By: _____

Date: _____

Sun Operating Limited Partnership hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Sun Operating Limited Partnership

By: _____

Date: _____

Sun Operating Limited Partnership hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well

Sun Operating Limited Partnership

By: _____

Date: _____

Supplement Original

| | | |
|----------------------------------------------------------------------------|---------------|-----------------|
| Well name Dorothy 36 State Com #1 | | ID 11,100' |
| Location SE/4 SW/4, Section 36, T-17-S, R-28-E, Eddy County, New Mexico | | |
| District SE New Mexico Asset Area | Area or Group | Field Empire |
| Objective Morrow @ 10750 Ft. | | @ Ft. |

| | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion | Gen | 9171 | <input checked="" type="checkbox"/> Single | Data Processing Information AFC No. | Original/Revision Indicator 1=Original <input type="checkbox"/> 2=Revision <input type="checkbox"/> |
| | 9172 | <input type="checkbox"/> Dual | | | |
| | 9171 | <input type="checkbox"/> Multiple | | | |

| Tangible Costs - SUB 500 and 550 | | | | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
|-------------------------------------------|----------|--------|--|----------|------------|------------|-------|---------------------|
| 1. Tubular goods | | | | | | | | |
| 13 3/8" OD from | 0 ft. to | 500 | | 10,000 | | | 5 1 3 | 10,000 |
| 8 5/8" OD from | 0 ft. to | 2600 | | 21,000 | | | 5 8 5 | 21,000 |
| | ft. to | | | | | | | 0 |
| 5 1/2" OD from | 0 ft. to | 11100 | | | 60,000 | | 5 5 5 | 60,000 |
| 2 7/8" OD from | 0 ft. to | 10,700 | | | 50,000 | | 5 2 7 | 50,000 |
| | ft. to | | | | | | | 0 |
| | ft. to | | | | | | | 0 |
| | | | | | | | | 0 |
| 2. Casinghead, Tubinghead, Christmas Tree | | | | 5,000 | | 8,000 | 5 0 4 | 13,000 |
| 3. Tubing Accessories | | | | | | 4,000 | 5 0 6 | 4,000 |
| 4. Artificial Lift Accessories | | | | | | | 5 0 7 | 0 |
| 5. Well Protective Structures | | | | | | | 5 0 8 | 0 |
| 6. Unclassified | | | | 1,000 | | 2,000 | 0 0 0 | 3,000 |
| 7. Additional Basis (Sub 550) | | | | | | | | 0 |
| Casinghead, Tubinghead, Christmas Tree | | | | | | | 5 0 4 | 0 |
| Tubing Accessories | | | | | | | 5 0 6 | 0 |
| Artificial Lift Accessories | | | | | | | 5 0 7 | 0 |
| Well Protective Structures | | | | | | | 5 0 8 | 0 |
| TOTAL TANGIBLES | | | | 37,000 | 0 | 124,000 | | 161,000 |

| Intangible Costs - SUB 600 | | | | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
|----------------------------------------|--|--|--|----------|------------|------------|-------|---------------------|
| 8. Contract Engineering Technical | | | | 16,000 | | 4,000 | 0 1 3 | 20,000 |
| 9. Boat Operations | | | | | | | 0 5 3 | 0 |
| 10. Minor Supplies | | | | | | | 0 7 8 | 0 |
| 11. Electric Power and Light | | | | | | | 2 4 1 | 0 |
| 12. Diesel Fuel | | | | | | | 2 4 2 | 0 |
| 13. Natural Gas | | | | | | | 2 4 3 | 0 |
| 14. Water | | | | 10,000 | | 5,000 | 2 4 6 | 15,000 |
| 15. Property and Equipment Rentals | | | | 4,000 | | 2,000 | 2 4 8 | 6,000 |
| 16. Security, Safety, and Firefighting | | | | 2,000 | | 2,000 | 2 5 0 | 4,000 |
| 17. Tubular Testing, and Inspection | | | | 2,000 | | 3,000 | 5 0 3 | 5,000 |
| 18. Trucking Tubulars | | | | 2,000 | | 4,000 | 5 0 9 | 6,000 |
| 19. Casing Accessories | | | | 5,000 | | 5,000 | 5 1 2 | 10,000 |
| 20. Site Preparation and Maintenance | | | | 20,000 | | 5,000 | 5 1 4 | 25,000 |
| 21. Permits, Insurance, and Damanges | | | | 3,000 | | | 5 1 5 | 3,000 |
| 22. Rig Moving Expense | | | | | | | 5 1 7 | 0 |
| 23. Shorebases | | | | | | | 5 2 1 | 0 |
| 24. Camp Housekeeping | | | | | | | 5 2 2 | 0 |
| 25. Reclamation | | | | 2,000 | | 2,000 | 5 2 5 | 4,000 |
| 26. Air Freight and Transportation | | | | | | | 5 2 8 | 0 |
| 27. Disposal and Cleanup | | | | 5,000 | | 2,000 | 5 3 1 | 7,000 |

| | | | | | |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------|----------------|----------------------------------------------------------------------------------------|---------------------|
| Well name Dorothy 36 State Com #1 | <input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement | | | Original/Revision Indicator 1=Original <input type="text" value="1"/> 2=Revision | |
| Location Eddy County, New Mexico | AFC No. <input type="text"/> | | | | |
| District SE New Mexico Asset Area | | | | | |
| Intangible Costs (Cont'd) - SUB 600 | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
| 28. Contract Footage Drilling 0 ft. @ \$ 0.00 per foot | | | | 5 3 2 | 0 |
| 29. Contract Drilling Daywork Drilling 36 days @ : 4,500.00 per day | 162,000 | | | 5 3 3 | 162,000 |
| 30. Mobilization, Demobilization & Rig Mod. | 30,000 | | | 5 3 4 | 30,000 |
| 31. Roads and Airstrips | | | | 5 3 6 | 0 |
| 32. Completion/Workover Daywork 10 days @ : 1,000.00 per day | | | 10,000 | 5 4 2 | 10,000 |
| 33. Drill String & BHA Rental | | | 1,000 | 5 4 3 | 1,000 |
| 34. Well Control Equipment | | | 1,000 | 5 4 7 | 1,000 |
| 35. Bits, Underreamers, & Hole Openers | | | | | |
| | 50,000 | | 1,000 | 5 4 8 | 51,000 |
| 36. Drilling Mud and Transportation | 30,000 | | | 5 5 1 | 30,000 |
| 37. Drilling Mud Equipment and Services | 5,000 | | | 5 5 2 | 5,000 |
| 38. Completion Fluids | | | 2,000 | 5 5 3 | 2,000 |
| 39. Open Hole Surveys | 20,000 | | | 5 5 7 | 20,000 |
| 40. Wireline Work | | | | 5 5 9 | 0 |
| 41. Formation Monitoring | 8,000 | | | 5 6 0 | 8,000 |
| 42. Cased Hole Surveys and perf. Fees | | | 8,000 | 5 6 1 | 8,000 |
| 43. Surface Well Test Equipment | | | 1,000 | 5 6 3 | 1,000 |
| 44. Coring and Analysis | | | | 5 6 8 | 0 |
| 45. Drill Stem Test Equipment | 5,000 | | | 5 7 2 | 5,000 |
| 46. Fracturing, Acidizing, and Gravel Pack | | | | 5 7 7 | 0 |
| 47. Divers | | | | 5 7 8 | 0 |
| 48. Fishing Tool Rental | | | | 5 8 0 | 0 |
| 49. Directional Drilling Tool Rental | 25,000 | | | 5 8 1 | 25,000 |
| 50. Telecommunications & Navigational Needs | | | | 5 8 2 | 0 |
| 51. Material Losses | | | | 5 8 8 | 0 |
| 52. Capitalized Overhead | 36,800 | | 16,000 | 6 0 4 | 52,800 |
| 53. Cement Running Fees for Casing & Tubing | | | | | |
| 13 3/8 " OD 400 Sacks | 4,000 | | | 6 1 3 | 4,000 |
| 8 5/8 " OD 1000 Sacks | 8,000 | | | 6 8 5 | 8,000 |
| 5 1/2 " OD 1000 Sacks | | | 17,000 | 6 5 5 | 17,000 |
| | | | | | 0 |
| 54. Cementing - Squeezes & Plugs | | | | 6 9 9 | 0 |
| 55. Unclassified | 5,000 | | 2,000 | 0 0 0 | 7,000 |
| | | | | | 0 |
| | | | | | 0 |
| TOTAL INTANGIBLES | 459,800 | 0 | 93,000 | | 552,800 |
| TOTAL COST (Tangibles & Intangibles) | 496,800 | 0 | 217,000 | | 713,800 |
| EVALUATED COST | 496,800 | | | | |
| COMPLETED WELL COST | 713,800 | | | | |



ARCO Permian
500 North Marienreid
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5237

John Lodge
Manager, Land Administration
Land, Marketing & External Affairs

November 15, 1995

Working Interest Owners
(see attached distribution list)

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Ladies and Gentlemen:

Reference is hereby made to my letter dated November 2, 1995, addressed to each working interest owner separately, wherein ARCO Permian, a Unit of Atlantic Richfield Company, proposed the drilling of the captioned well at an approximate location 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. Please be advised that we have now surveyed this location and herewith enclose for your files one (1) copy of the location verification map and survey plat. Please note that the surveyed location continues to be located on the SE/4SW/4 of said Section 36, but is actually situated 1163' FSL and 1647' FWL of such Section 36.

Should you have any questions or problems concerning this matter, please do not hesitate in contacting me.

Sincerely,

ARCO Permian

John E. Lodge

JEL:pb
Enclosure

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|----------------------------------------|-------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name DOROTHY 36 STATE COM. | Well Number 1 |
| OGRID No. | Operator Name ARCO PERMIAN | Elevation 3674 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 36 | 17 S | 28 E | | 1163 | SOUTH | 1647 | WEST | EDDY |

Bottom Hole Location if Different From Surface

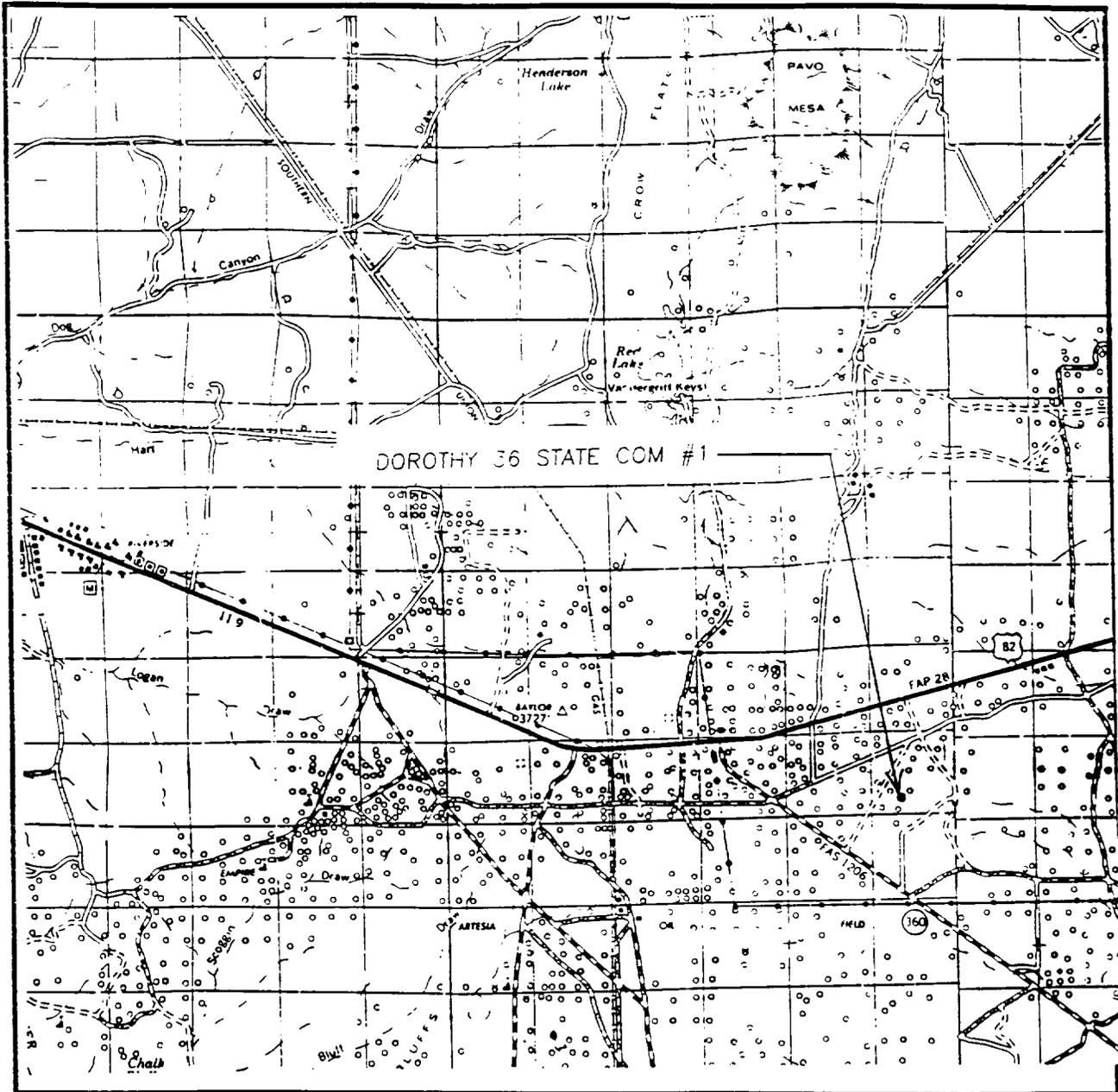
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>NOVEMBER 7, 1995</p> <p>Date Surveyed _____ SJA</p> <p>Signature & Seal of Professional Surveyor </p> <p>EW.O. Cum 95-10-1749</p> <p>Certificate No. JOHN W. EIDSEN 676 JOHN W. EIDSEN 3239 PROFESSIONAL SURVEYOR 12641</p> |

VICINITY MAP

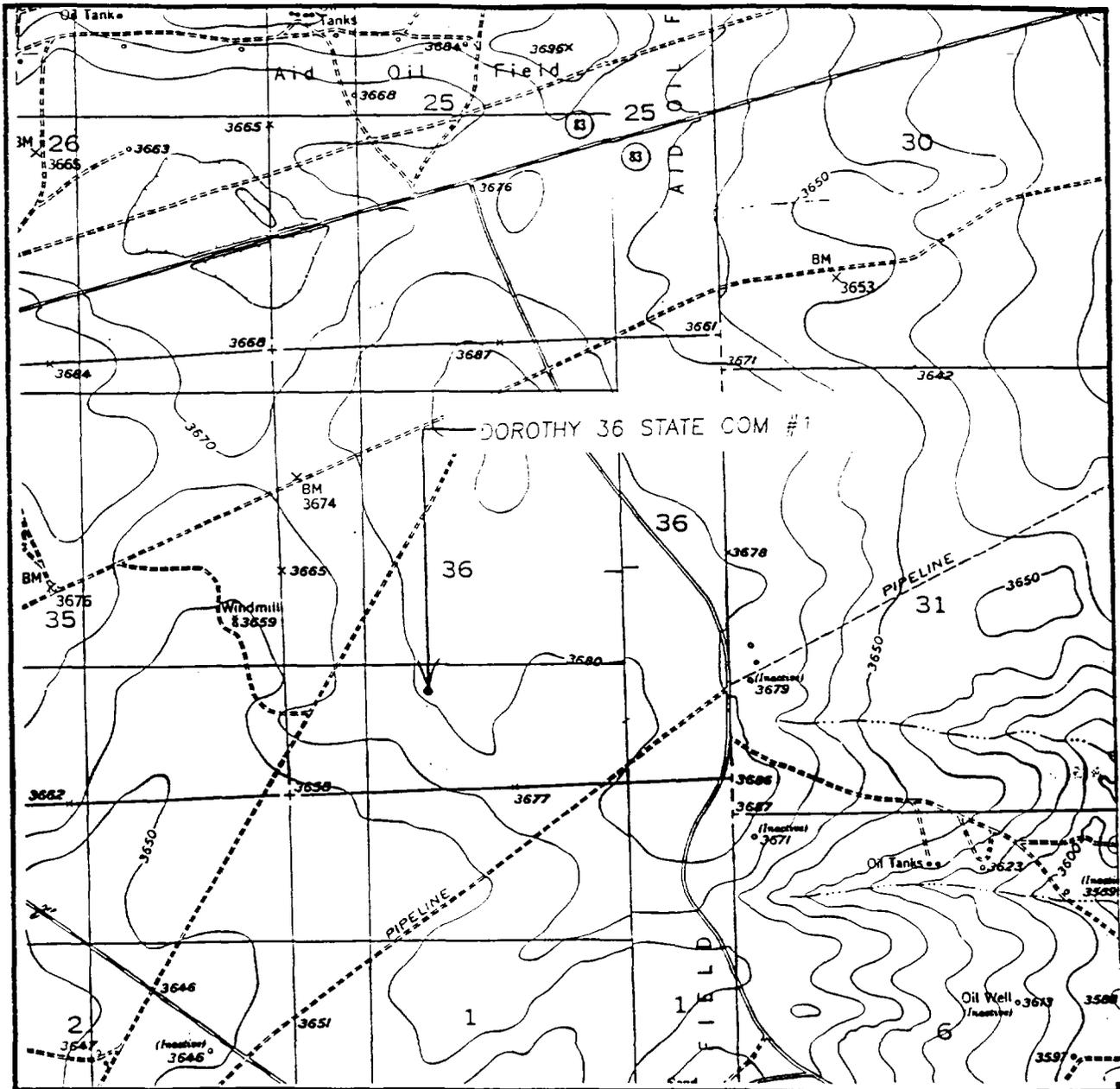


SCALE: 1" = 2 MILES

SEC. 36 TWP. 17-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 1163' FSL & 1647' FWL
 ELEVATION 3674
 OPERATOR ARCO PERMIAN
 LEASE DOROTHY 36 STATE COM.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: - 10'

SEC. 36 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1163' FSL & 1647' FWL

ELEVATION 3674

OPERATOR ARCO PERMIAN

LEASE DOROTHY 36 STATE COM.

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE, RED LAKE SE, N.M.

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

Working Interest Owners
Identified Below

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Sun Operating Limited Partnership
13155 Noel Road
Dallas, Texas 75240
Attention: Mr. Fred Winter

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Mr. Robert H. Bullock

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134
Attention: Ms. Carol Myers

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552
Attention: Mr. Randal Wilson

Amoco Production Company
501 Westlake Park Boulevard
Houston, Texas 77253
Attention: Mr. Jerry West

30-015-000032-001

30-015-003450-0013



ARCO Permian
600 North Maricopa
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 1, 1995

CERTIFIED MAIL

Amoco Production Company
501 WestLake Park Boulevard
Houston, Texas 77253

Attention: Mr. Jerry West

**RE: Empire Area; Area of Mutual Interest Agreement; Dorothy Prospect;
Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico
AR-105149**

Dear Mr. West:

Reference is hereby made to that certain Area of Mutual Interest Agreement dated effective September 1, 1994 by and between Atlantic Richfield Company ("ARCO") and Amoco Production Company ("AMOCO") concerning the captioned area. Pursuant to the terms and provisions of Article IV of said agreement, please be advised that ARCO hereby proposes the drilling of a 11,100' Morrow well to be located approximately 1200' FSL and 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. Said test well shall be construed for all purposes under said agreement as the initial well on the Dorothy Prospect. Consequently, enclosed herewith for your perusal you will find the following information :

1. One (1) copy of our current Geological /Geophysical Interpretation of the Dorothy Prospect;
2. One (1) copy of a Drilling Cost Estimate;
3. One (1) copy of an Authority For Expenditure;
4. One (1) copy of the land ownership information for the Dorothy Prospect.

Please be advised that I am currently in the process of having a Drillsite Title Opinion prepared covering the W/2 of the above described Section 36, which would be the anticipated spacing and proration unit for said initial well. Upon receipt of such opinion,

Amoco Production Company
November 1, 1995
Page 2

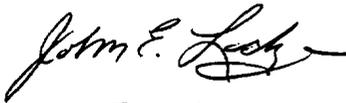
I will forward a copy of same to your attention for review. As of this date, ARCO currently owns or controls approximately 160 net leasehold acres within the W/2 of said Section 36. Consequently, if all parties who own leasehold acreage within the anticipated spacing and proration unit elect to participate in the drilling of this well, ARCO and AMOCO would each have a 25% working interest and 21.875% net revenue interest. However, the final interests of the participating parties will not be determined until a formal well proposal has been submitted to all parties. In addition, we are currently in the process of getting the proposed location surveyed, which may result in minor changes based upon surface conditions and tying same to our seismic grid.

Please indicate AMOCO's election below in the space provided, of either to participate or not to participate in the drilling of the captioned well and return one (1) copy of this letter to the undersigned within thirty (30) days from your receipt of same. I will formally propose the drilling of this well to all parties who own leasehold acreage within the anticipated spacing and proration unit and will advise you of any additional interest that we may possibly acquire. Upon finalization of the working interest in this well, I will prepare an original Operating Agreement, with the surveyed location indicated therein, and an Authority For Expenditure for your signature, should you elect to participate. As previously discussed, Atlantic Richfield Company would like to commence the drilling of this well this year. However, inasmuch as our proposed location is an unorthodox location, we may be delayed if required to conduct an NMOCD hearing.

Should you have any questions or problems concerning this matter, please do not hesitate in contacting me.

Sincerely,

ARCO Permian



John E. Lodge
Land Director

JEL:pc
enclosures

cc: Mr. Dave Cole - Amoco

Amoco Production Company
November 1, 1995
Page 3

ELECT TO PARTICIPATE IN THE DRILLING OF THE DOROTHY 36 STATE COM.
NO. 1 WELL THIS 30th DAY OF NOVEMBER, 1995.

AMOCO PRODUCTION COMPANY

By: W. R. Stokes 2015

Title: LAND MANAGER

ELECT NOT TO PARTICIPATE IN THE DRILLING OF THE DOROTHY 36 STATE
COM. NO. 1 WELL THIS _____ DAY OF _____, 1995.

AMOCO PRODUCTION COMPANY

By: _____

Title: _____



ARCO Permian
500 North Marientfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Randal Wilson

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Marathon Oil Company desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Marathon Oil Company does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Marathon Oil Company
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Marathon Oil Company shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Marathon Oil Company will be subject to proportionate reduction.

4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian



John E. Lodge
Land Director

JEL:pc
Enclosure

Marathon Oil Company
November 2, 1995
Page 3

Marathon Oil Company hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Marathon Oil Company

By: Joseph J. Mariani

Date: December 22, 1985

~~Marathon Oil Company hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well~~

~~Marathon Oil Company~~

~~By: _____~~

~~Date: _____~~

~~Marathon Oil Company hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well~~

~~Marathon Oil Company~~

~~By: _____~~

~~Date: _____~~



ARCO Permian
300 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

December 20, 1995

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Randal P. Wilson

**Re: Dorothy 36 State Com #1 Well
1163' FSL & 1647' FWL, Section 36
Township 17 South, Range 28 East
Eddy County, New Mexico**

Gentlemen:

Reference is hereby made to our prior telephone discussions and that certain letter dated November 2, 1995 from ARCO Permian, a unit of Atlantic Richfield Company ("ARCO"), and Marathon Oil Company ("Marathon"), whereby ARCO proposed to drill an 11,100' Morrow test well ("test well") at an unorthodox location approximately 1163' FSL and 1647' FWL of the above described Section 36. The purpose of this letter is to confirm the commitment of MARATHON to ARCO of either to *i*) farmout its leasehold interest in the hereinafter described lands to ARCO for the drilling of said test well, or *ii*) participate with a working interest in the drilling of said test well, on the following basis:

1. ARCO agrees to make a geological presentation of the referenced area to MARATHON on December 21, 1995 to assist MARATHON in determining if it desires to participate in the drilling of said above mentioned test well.
2. Within seven (7) days after ARCO makes the above mentioned geological presentation to MARATHON, MARATHON shall provide written notice to ARCO of its desire to either participate in the drilling of said test well or to farmout its leasehold interest to ARCO as hereinafter provided.

3. In the event that MARATHON elects to participate in the drilling of the test well, it shall do so to the full extent of its leasehold contribution to the spacing unit allocated to such well, which would be the W/2 of the above described Section 36. A mutually acceptable Operating Agreement will be entered by ARCO and MARATHON, with ARCO designated as operator, to govern this operation prior to the drilling of this well.

4. In the event that MARATHON elects not to participate in the drilling of the test well, MARATHON will farmout all of its leasehold interest to ARCO in the NW/4 and N/2SW/4 of said Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:
 - A. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at approximately the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

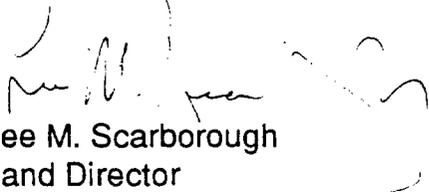
 - B. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all MARATHON's leasehold interest in the NW/4 and N/2SW/4 of said Section 36, insofar and only insofar as same is included with the geographic boundary of the proration unit for said well, from below the base of the ABO formation down to a depth of 100' below the total depth drilled. MARATHON shall retain an overriding royalty interest in an amount being equal to the difference between all existing leasehold burdens and twenty-five percent (25%).

 - C. Any overriding royalty interest retained by MARATHON will be subject to proportionate reduction.

 - D. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

If you are in agreement with all of the above terms, please so indicate by signing below in the space so indicated and return one (1) copy of this letter to the undersigned.

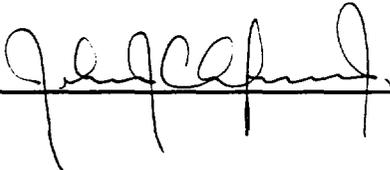
Very truly yours,
ARGO Permian



Lee M. Scarborough
Land Director

ACCEPTED AND AGREED TO THIS 21 DAY OF DECEMBER 1995.

Marathon Oil Company

By:  _____



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Randy Patterson

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Yates Petroleum Corporation desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Yates Petroleum Corporation does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Yates Petroleum Corporation
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Yates Petroleum Corporation shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Yates Petroleum Corporation will be subject to proportionate reduction.

4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian



John E. Lodge
Land Director

JEL:pc
Enclosure

Yates Petroleum Corporation
November 2, 1995
Page 3

Yates Petroleum Corporation hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Yates Petroleum Corporation

13.5375%

By: 

Date: 1-3-96

Yates Petroleum Corporation hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Yates Petroleum Corporation

By: _____

Date: _____

Yates Petroleum Corporation hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well

Yates Petroleum Corporation

By: _____

Date: _____

Supplement Original

| | | |
|----------------------------------------------------------------------------|---------------|-----------------|
| Well name Dorothy 36 State Com #1 | | TD 11,100' |
| Location SE/4 SW/4, Section 36, T-17-S, R-28-E, Eddy County, New Mexico | | |
| District SE New Mexico Asset Area | Area or Group | Field Empire |
| Objective Morrow @ 10750 Ft. | | @ Ft. |

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion | Gen | <input checked="" type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple | Data Processing Information | |
| | 9171 9172 9171 | | APC No. | Original/Revision Indicator 1=Original <input type="text" value="1"/> 2=Revision <input type="text"/> |

| Tangible Costs - SUB 500 and 550 | | | | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
|-------------------------------------------|----------|--------|--|----------|------------|------------|-------|---------------------|
| 1. Tubular goods | | | | | | | | |
| 13 3/8 * OD from | 0 ft. to | 500 | | 10,000 | | | 5 1 3 | 10,000 |
| 8 5/8 * OD from | 0 ft. to | 2600 | | 21,000 | | | 5 8 5 | 21,000 |
| | ft. to | | | | | | | 0 |
| 5 1/2 * OD from | 0 ft. to | 11100 | | | 60,000 | | 5 5 5 | 60,000 |
| 2 7/8 * OD from | 0 ft. to | 10,700 | | | 50,000 | | 5 2 7 | 50,000 |
| | ft. to | | | | | | | 0 |
| | ft. to | | | | | | | 0 |
| | ft. to | | | | | | | 0 |
| 2. Casinghead, Tubinghead, Christmas Tree | | | | 5,000 | | 8,000 | 5 0 4 | 13,000 |
| 3. Tubing Accessories | | | | | | 4,000 | 5 0 6 | 4,000 |
| 4. Artificial Lift Accessories | | | | | | | 5 0 7 | 0 |
| 5. Well Protective Structures | | | | | | | 5 0 8 | 0 |
| 6. Unclassified | | | | 1,000 | | 2,000 | 0 0 0 | 3,000 |
| 7. Additional Basis (Sub 550) | | | | | | | | 0 |
| Casinghead, Tubinghead, Christmas Tree | | | | | | | 5 0 4 | 0 |
| Tubing Accessories | | | | | | | 5 0 6 | 0 |
| Artificial Lift Accessories | | | | | | | 5 0 7 | 0 |
| Well Protective Structures | | | | | | | 5 0 8 | 0 |
| TOTAL TANGIBLES | | | | 37,000 | 0 | 124,000 | | 161,000 |

| Intangible Costs - SUB 600 | | | | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
|----------------------------------------|--|--|--|----------|------------|------------|-------|---------------------|
| 8. Contract Engineering Technical | | | | 16,000 | | 4,000 | 0 1 3 | 20,000 |
| 9. Boat Operations | | | | | | | 0 5 3 | 0 |
| 10. Minor Supplies | | | | | | | 0 7 8 | 0 |
| 11. Electric Power and Light | | | | | | | 2 4 1 | 0 |
| 12. Diesel Fuel | | | | | | | 2 4 2 | 0 |
| 13. Natural Gas | | | | | | | 2 4 3 | 0 |
| 14. Water | | | | 10,000 | | 5,000 | 2 4 6 | 15,000 |
| 15. Property and Equipment Rentals | | | | 4,000 | | 2,000 | 2 4 8 | 6,000 |
| 16. Security, Safety, and Firefighting | | | | 2,000 | | 2,000 | 2 5 0 | 4,000 |
| 17. Tubular Testing, and Inspection | | | | 2,000 | | 3,000 | 5 0 3 | 5,000 |
| 18. Trucking Tubulars | | | | 2,000 | | 4,000 | 5 0 9 | 6,000 |
| 19. Casing Accessories | | | | 5,000 | | 5,000 | 5 1 2 | 10,000 |
| 20. Site Preparation and Maintenance | | | | 20,000 | | 5,000 | 5 1 4 | 25,000 |
| 21. Permits, Insurance, and Damages | | | | 3,000 | | | 5 1 5 | 3,000 |
| 22. Rig Moving Expense | | | | | | | 5 1 7 | 0 |
| 23. Shorebases | | | | | | | 5 2 1 | 0 |
| 24. Camp Housekeeping | | | | | | | 5 2 2 | 0 |
| 25. Reclamation | | | | 2,000 | | 2,000 | 5 2 5 | 4,000 |
| 26. Air Freight and Transportation | | | | | | | 5 2 8 | 0 |
| 27. Disposal and Cleanup | | | | 5,000 | | 2,000 | 5 3 1 | 7,000 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

| Well name Dorothy 36 State Com #1 | <input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement | | Original/Revision Indicator 1=Original <input type="text" value="1"/> 2=Revision | | |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------------|-------|---------------------|
| Location Eddy County, New Mexico | AFC No. | | | | |
| District SE New Mexico Asset Area | | | | | |
| Intangible Costs (Cont'd) - SUB 600 | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
| 28. Contract Footage Drilling Q ft. @ \$ 0.00 per foot | | | | 5 3 2 | 0 |
| 29. Contract Drilling Daywork Drilling 36 days @ \$ 4,500.00 per day | 162,000 | | | 5 3 3 | 162,000 |
| 30. Mobilization, Demobilization & Rig Mod. | 30,000 | | | 5 3 4 | 30,000 |
| 31. Roads and Alstrips | | | | 5 3 6 | 0 |
| 32. Completion/Workover Daywork 10 days @ \$ 1,000.00 per day | | | 10,000 | 5 4 2 | 10,000 |
| 33. Drill String & BHA Rental | | | 1,000 | 5 4 3 | 1,000 |
| 34. Well Control Equipment | | | 1,000 | 5 4 7 | 1,000 |
| 35. Bits, Underreamers, & Hole Openers | | | | | |
| | 50,000 | | 1,000 | 5 4 8 | 51,000 |
| 36. Drilling Mud and Transportation | 30,000 | | | 5 5 1 | 30,000 |
| 37. Drilling Mud Equipment and Services | 5,000 | | | 5 5 2 | 5,000 |
| 38. Completion Fluids | | | 2,000 | 5 5 3 | 2,000 |
| 39. Open Hole Surveys | 20,000 | | | 5 5 7 | 20,000 |
| 40. Wireline Work | | | | 5 5 9 | 0 |
| 41. Formation Monitoring | 8,000 | | | 5 6 0 | 8,000 |
| 42. Cased Hole Surveys and perf. Fees | | | 8,000 | 5 6 1 | 8,000 |
| 43. Surface Well Test Equipment | | | 1,000 | 5 6 3 | 1,000 |
| 44. Coring and Analysis | | | | 5 6 8 | 0 |
| 45. Drill Stem Test Equipment | 5,000 | | | 5 7 2 | 5,000 |
| 46. Fracturing, Acidizing, and Gravel Pack | | | | 5 7 7 | 0 |
| 47. Divers | | | | 5 7 8 | 0 |
| 48. Fishing Tool Rental | | | | 5 8 0 | 0 |
| 49. Directional Drilling Tool Rental | 25,000 | | | 5 8 1 | 25,000 |
| 50. Telecommunications & Navigational Needs | | | | 5 8 2 | 0 |
| 51. Material Losses | | | | 5 8 8 | 0 |
| 52. Capitalized Overhead | 36,800 | | 16,000 | 6 0 4 | 52,800 |
| 53. Cement Running Fees for Casing & Tubing | | | | | |
| 13 3/8 " OD 400 Sacks | 4,000 | | | 6 1 3 | 4,000 |
| 8 5/8 " OD 1000 Sacks | 8,000 | | | 6 8 5 | 8,000 |
| 5 1/2 " OD 1000 Sacks | | | 17,000 | 6 5 5 | 17,000 |
| | | | | | 0 |
| 54. Cementing - Squeezes & Plugs | | | | 6 9 9 | 0 |
| 55. Unclassified | 5,000 | | 2,000 | 0 0 0 | 7,000 |
| | | | | | 0 |
| | | | | | 0 |
| TOTAL INTANGIBLES | 459,800 | 0 | 93,000 | | 552,800 |
| TOTAL COST (Tangibles & Intangibles) | 496,800 | 0 | 217,000 | | 713,800 |
| EVALUATED COST | 496,800 | | | | |
| COMPLETED WELL COST | 713,800 | | | | |



ARCO Permian
300 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134

Attention: Ms. Carol Myers

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Marathon Oil Company desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Marathon Oil Company does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Louis Dreyfus Natural Gas Corp.
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Louis Dreyfus Natural Gas Corp. shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Louis Dreyfus Natural Gas Corp. will be subject to proportionate reduction.

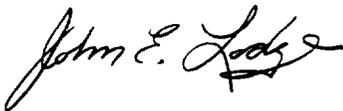
4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian



John E. Lodge
Land Director

JEL:pc
Enclosure

Louis Dreyfus Natural Gas Corp.
November 2, 1995
Page 3

Louis Dreyfus Natural Gas Corp. hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Louis Dreyfus Natural Gas Corp.

By: _____

Date: _____

Louis Dreyfus Natural Gas Corp. hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Louis Dreyfus Natural Gas Corp.

By: _____

Date: _____

Louis Dreyfus Natural Gas Corp. hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well

Louis Dreyfus Natural Gas Corp.

By: _____

Date: _____

Supplement Original

Well name: **Dorothy 36 State Com #1** TD: 11,100'

Location: SE/4 SW/4, Section 36, T-17-S, R-28-E, Eddy County, New Mexico

District: SE New Mexico Asset Area Area or Group: Field: Empire

Objective: Morrow @ 10750 Ft. @ F

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion | Gen | <input checked="" type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple | Data Processing Information | |
| | 9171 | | AFC No. | Original/Revision Indicator |
| | 9172 | | | 1=Original <input type="checkbox"/> |
| | 9171 | | | 2=Revision <input type="checkbox"/> |

| Tangible Costs - SUB 500 and 550 | | | | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
|-------------------------------------------|----------|--------|--|----------|------------|------------|-------|---------------------|
| 1. Tubular goods | | | | | | | | |
| 13 3/8" * OD from | 0 ft. to | 500 | | 10,000 | | | 5 1 3 | 10,000 |
| 8 5/8" * OD from | 0 ft. to | 2600 | | 21,000 | | | 5 8 5 | 21,000 |
| | | | | | | | | 0 |
| 5 1/2" * OD from | 0 ft. to | 11100 | | | 60,000 | | 5 5 5 | 60,000 |
| 2 7/8" * OD from | 0 ft. to | 10,700 | | | 50,000 | | 5 2 7 | 50,000 |
| | | | | | | | | 0 |
| | | | | | | | | 0 |
| | | | | | | | | 0 |
| 2. Casinghead, Tubinghead, Christmas Tree | | | | 5,000 | | 8,000 | 5 0 4 | 13,000 |
| 3. Tubing Accessories | | | | | | 4,000 | 5 0 6 | 4,000 |
| 4. Artificial Lift Accessories | | | | | | | 5 0 7 | 0 |
| 5. Well Protective Structures | | | | | | | 5 0 8 | 0 |
| 6. Unclassified | | | | 1,000 | | 2,000 | 0 0 0 | 3,000 |
| 7. Additional Basis (Sub 550) | | | | | | | | 0 |
| Casinghead, Tubinghead, Christmas Tree | | | | | | | 5 0 4 | 0 |
| Tubing Accessories | | | | | | | 5 0 6 | 0 |
| Artificial Lift Accessories | | | | | | | 5 0 7 | 0 |
| Well Protective Structures | | | | | | | 5 0 8 | 0 |
| TOTAL TANGIBLES | | | | 37,000 | 0 | 124,000 | | 161,000 |

| Intangible Costs - SUB 600 | | | | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
|----------------------------------------|--|--|--|----------|------------|------------|-------|---------------------|
| 8. Contract Engineering Technical | | | | 16,000 | | 4,000 | 0 1 3 | 20,000 |
| 9. Boat Operations | | | | | | | 0 5 3 | 0 |
| 10. Minor Supplies | | | | | | | 0 7 8 | 0 |
| 11. Electric Power and Light | | | | | | | 2 4 1 | 0 |
| 12. Diesel Fuel | | | | | | | 2 4 2 | 0 |
| 13. Natural Gas | | | | | | | 2 4 3 | 0 |
| 14. Water | | | | 10,000 | | 5,000 | 2 4 6 | 15,000 |
| 15. Property and Equipment Rentals | | | | 4,000 | | 2,000 | 2 4 8 | 6,000 |
| 16. Security, Safety, and Firefighting | | | | 2,000 | | 2,000 | 2 5 0 | 4,000 |
| 17. Tubular Testing, and Inspection | | | | 2,000 | | 3,000 | 5 0 3 | 5,000 |
| 18. Trucking Tubulars | | | | 2,000 | | 4,000 | 5 0 9 | 6,000 |
| 19. Casing Accessories | | | | 5,000 | | 5,000 | 5 1 2 | 10,000 |
| 20. Site Preparation and Maintenance | | | | 20,000 | | 5,000 | 5 1 4 | 25,000 |
| 21. Permits, Insurance, and Damages | | | | 3,000 | | | 5 1 5 | 3,000 |
| 22. Rig Moving Expense | | | | | | | 5 1 7 | 0 |
| 23. Shorebases | | | | | | | 5 2 1 | 0 |
| 24. Camp Housekeeping | | | | | | | 5 2 2 | 0 |
| 25. Reclamation | | | | 2,000 | | 2,000 | 5 2 5 | 4,000 |
| 26. Air Freight and Transportation | | | | | | | 5 2 8 | 0 |
| 27. Disposal and Cleanup | | | | 5,000 | | 2,000 | 5 3 1 | 7,000 |

| | | | | | |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------|-------|---------------------|
| Well name Dorothy 36 State Com #1 | <input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement | | Original/Revision Indicator 1=Original 1 2=Revision | | |
| Location Eddy County, New Mexico | <div style="border: 2px solid black; padding: 5px; width: fit-content; margin: 0 auto;">AFC No.</div> | | | | |
| District SE New Mexico Asset Area | | | | | |
| Intangible Costs (Cont'd) - SUB 600 | Drilling | Evaluation | Completion | Elem | Total Gross Dollars |
| 28. Contract Footage Drilling <u>0</u> ft. @ \$ <u>0.00</u> per foot | | | | 5 3 2 | 0 |
| 29. Contract Drilling Daywork Drilling <u>36</u> days @ : <u>4,500.00</u> per day | 162,000 | | | 5 3 3 | 162,000 |
| 30. Mobilization, Demobilization & Rig Mod. | 30,000 | | | 5 3 4 | 30,000 |
| 31. Roads and Airstrips | | | | 5 3 6 | 0 |
| 32. Completion/Workover Daywork <u>10</u> days @ : <u>1,000.00</u> per day | | | 10,000 | 5 4 2 | 10,000 |
| 33. Drill String & BHA Rental | | | 1,000 | 5 4 3 | 1,000 |
| 34. Well Control Equipment | | | 1,000 | 5 4 7 | 1,000 |
| 35. Bits, Underreamers, & Hole Openers _____ : _____ : _____ : _____ : _____ : _____ : _____ : _____ : | 50,000 | | 1,000 | 5 4 8 | 51,000 |
| 36. Drilling Mud and Transportation | 30,000 | | | 5 5 1 | 30,000 |
| 37. Drilling Mud Equipment and Services | 5,000 | | | 5 5 2 | 5,000 |
| 38. Completion Fluids | | | 2,000 | 5 5 3 | 2,000 |
| 39. Open Hole Surveys | 20,000 | | | 5 5 7 | 20,000 |
| 40. Wireline Work | | | | 5 5 9 | 0 |
| 41. Formation Monitoring | 8,000 | | | 5 6 0 | 8,000 |
| 42. Cased Hole Surveys and perf. Fees | | | 8,000 | 5 6 1 | 8,000 |
| 43. Surface Well Test Equipment | | | 1,000 | 5 6 3 | 1,000 |
| 44. Coring and Analysis | | | | 5 6 8 | 0 |
| 45. Drill Stem Test Equipment | 5,000 | | | 5 7 2 | 5,000 |
| 46. Fracturing, Acidizing, and Gravel Pack | | | | 5 7 7 | 0 |
| 47. Divers | | | | 5 7 8 | 0 |
| 48. Fishing Tool Rental | | | | 5 8 0 | 0 |
| 49. Directional Drilling Tool Rental | 25,000 | | | 5 8 1 | 25,000 |
| 50. Telecommunications & Navigational Needs | | | | 5 8 2 | 0 |
| 51. Material Losses | | | | 5 8 8 | 0 |
| 52. Capitalized Overhead | 36,800 | | 16,000 | 6 0 4 | 52,800 |
| 53. Cement Running Fees for Casing & Tubing <u>13 3/8</u> * OD <u>400</u> Sacks | 4,000 | | | 6 1 3 | 4,000 |
| <u>8 5/8</u> * OD <u>1000</u> Sacks | 8,000 | | | 6 8 5 | 8,000 |
| <u>5 1/2</u> * OD <u>1000</u> Sacks | | | 17,000 | 6 5 5 | 17,000 |
| | | | | | 0 |
| 54. Cementing - Squeezes & Plugs | | | | 6 9 9 | 0 |
| 55. Unclassified | 5,000 | | 2,000 | 0 0 0 | 7,000 |
| | | | | | 0 |
| | | | | | 0 |
| TOTAL INTANGIBLES | 459,800 | 0 | 93,000 | | 552,800 |
| TOTAL COST (Tangibles & Intangibles) | 496,800 | 0 | 217,000 | | 713,800 |
| EVALUATED COST | 496,800 → | | | | |
| COMPLETED WELL COST | 713,800 → | | | | |

Call Sheet - Dorothy Dancer

| DATE | CALLER | COMPANY | CONTACT | STATUS | PHONE# | REMARKS | WELL |
|----------|--------------|-----------|-------------------|--------|--------------|----------------------------------------------------|---------|
| 11/8/95 | Fred Winter | Oryx | J Lodge | LM | 214-715-8371 | He wrks NIM/questions on well proposals | both |
| 11/17/95 | JL | Oryx | Fred Winter | LM | 214-715-8371 | | Dorothy |
| 11/17/95 | JL | Marathon | Randal Wilson | | 915-687-8476 | reviewing-like it-budget? | Dorothy |
| 11/20/95 | Fred Winter | Oryx | J Lodge | LM | 214-715-8371 | want to completely sell out-make offer | both |
| 11/29/95 | LS | Amoco | Jerry West | | 713-366-3588 | talking to Mgmt | both |
| 11/30/95 | LS | Marathon | Randal Wilson | | 915-687-8476 | no decision-won't take us to force pool | Dorothy |
| 11/30/95 | LS | Oryx | Fred Winter | LM | 214-715-8371 | | Dorothy |
| 11/30/95 | LS | Oryx | Fred Winter | | 214-715-8371 | asked for cash - has not seen our offer | Dorothy |
| 11/30/95 | LS | Amoco | Jerry West | | 713-366-3588 | verbal OK | both |
| 12/4/95 | LS | Oryx | Fred Winter | LM | 214-715-8371 | did he get offer? | Dorothy |
| 12/4/95 | Rusty Waters | Dreyfus | LS | | 405-749-5282 | can they look @ seis? | both |
| 12/5/95 | LS | Dreyfus | Rusty Waters | | 405-749-5282 | no on 3D look | both |
| 12/5/95 | LS | Amoco | Jerry West | | 713-366-3588 | update on progress | both |
| 12/5/95 | Eric Hanson | Fina | JL | | 915-688-0646 | wants geol presentation | Dancer |
| 12/7/95 | LS | HEYCO | Melissa Randal | | 505-623-6601 | requested cc of T/O-sent | Dancer |
| 12/13/95 | LS | Oryx | Fred Winter | LM | 214-715-8371 | | Dorothy |
| 12/14/95 | LS | Yates Pet | Robt Bullock | | 505-748-1471 | requested cc of T/O-sent | both |
| 12/14/95 | LS | Fina | Eric Hanson | | 915-688-0646 | set up show | Dancer |
| 12/15/95 | LS | Oryx | Fred Winter | | 214-715-8371 | no answer fr Mgmt-cb 12/27-may be other bidder | Dorothy |
| 12/18/95 | LS | Oryx | Fred Winter | | 214-715-8371 | can we bid loc? response-no! | Dorothy |
| 12/18/95 | LS | Dreyfus | Rusty Waters | | 405-749-5282 | mgmt meets in PM-wcb | both |
| 12/19/95 | LS | Marathon | Randal Wilson | | 915-687-8476 | wants geol presentation | both |
| 12/20/95 | LS | Marathon | Randal Wilson | | 915-687-8476 | scheduling probs | both |
| 12/20/95 | LS | Fina | Eric Hanson | | 915-688-0646 | scheduling probs | Dancer |
| 12/21/95 | LS | Marathon | JL Chapman | | 915-687-8476 | show & tell | both |
| 12/21/95 | LS | Fina | Eric Hanson | | 915-688-0646 | sent letter for commitment | Dancer |
| 12/26/95 | LS | Fina | Eric Hanson | | 915-688-0646 | xid show & tell | Dancer |
| 12/27/95 | LS | Oryx | Fred Winter | | 214-715-8371 | bid situation w/ Logro | Dorothy |
| 12/27/95 | LS | Amoco | Jerry West | | 713-366-3588 | reviewed situation w/ Oryx | Dorothy |
| 12/28/95 | LS | Marathon | Randal Wilson | | 915-687-8476 | will participate in both wells | both |
| 12/28/95 | LS | Oryx | Fred Winter | | 214-715-8371 | no answer | Dorothy |
| 12/28/95 | LS | Yates Pet | Robt Bullock | | 505-748-1471 | w/o mgmt-expect to participate | both |
| 12/29/95 | D Pearcy | Oryx | Roy Wolin | | 214-715-8379 | Mgmt decision this PM-sec 36 only-Forrester wcb | Dorothy |
| 12/29/95 | LS | Oryx | Fred Winter | | 214-715-8371 | wld like to part-want to sell both 40's-geol show? | Dorothy |
| 12/29/95 | LS | Fina | Eric Hanson | | 915-688-0646 | change geol show to 1/4/96-9:30am | Dancer |
| 12/96 | LS | Conoco | Warren Richardson | LM | 915-688-5400 | | Dancer |
| 12/96 | LS | Oryx | Fred Winter | | 214-715-8371 | no decision-rquested cc Marathon commit letter | Dorothy |
| 12/96 | LS | Dreyfus | John Lennin | | 405-749-5268 | what are spud dates? w/o your commitment! | Both |
| 12/96 | LS | Aston Gp | Jerry Bridgens | | 214-508-3744 | responding to loc notice - send T/O | Dancer |
| 1/3/96 | LS | Fina | Eric Hanson | | 915-688-0646 | confirmed geol show for 1/4 | Dancer |
| 1/3/96 | D Pearcy | Oryx | Roy Wolin | | 214-715-8379 | Oryx will not be pushed/know rts under pooling | Dorothy |
| 1/3/96 | LS | Oryx | Fred Winter | | 214-715-8371 | w/o mgmt | Dorothy |

| | | | | | | |
|--------|----------------|-----------|-----------------------|--------------|--------------------------------------------------|---------|
| 1/3/96 | LS | HEYCO | Melissa Randal | 505-623-6601 | w/o mgmt | Dancer |
| 1/4/96 | LS | Amoco | Jerry West | 713-368-3588 | update | both |
| 1/4/96 | LS | Fina | Kitty Chalfant, et al | 915-688-0640 | geol presentation | Dancer |
| 1/4/96 | DP | Oryx | Jerry Box | 214-715-4000 | req that mgr hip expediate decision | Dorothy |
| 1/5/96 | Melissa Randal | HEYCO | LS | 505-623-6601 | | Dancer |
| 1/5/96 | Fred Winter | Oryx | LS | 214-715-8371 | will sell-bidding open til 5pm 1/8/96 | Dorothy |
| 1/5/96 | Eric Hanson | Fina | LS | 915-688-0646 | Mgmt will review 1/8/96-local rec. participation | Dancer |
| 1/5/96 | DP | Oryx | Tommy Drescher | 214-715-4243 | details on delays | Dorothy |
| 1/5/96 | Rusty Waters | Dreyfus | LS | 405-749-5282 | | Dancer |
| 1/8/96 | LS | Fina | Eric Hanson | 915-688-0646 | Mgmt will review 1/8/96 | Dancer |
| 1/8/96 | LS | Dreyfus | Rusty Waters | 405-749-5282 | his geol has questions | Dorothy |
| 1/8/96 | LS | Oryx | Fred Winter | 214-715-8379 | bid faxed in | Dorothy |
| 1/8/96 | LS | Conoco | Warren Richardson | 915-688-5400 | will show to mgmt | Dancer |
| 1/8/96 | DP | Yates Pet | Ray Beck | 505-748-1471 | agreed to participate | Dorothy |
| 1/8/96 | DP | Dreyfus | Wayne Roberts | 405-748-2746 | discussed reserves-decision soon | Dorothy |
| 1/9/96 | DP | Fina | Robert Martin | 915-688-0643 | discussed reserves-will join | Dancer |
| 1/9/96 | LS | HEYCO | Melissa Randal | 505-623-6601 | processing-w/o mgmt | Dancer |

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 6

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

EXHIBIT A

Sun Operating Limited Partnership
13155 Noel Road
Dallas, TX 75240
Attn: Mr. Fred Winter

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, TX 77002

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Mr. Robert H. Bullock

Brothers Production Company
6 Desta Drive, Suite 5700
Midland, TX 79705

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

Marathon Oil Company
Post Office Box 552
Midland, TX 79702-0552
Attn: Mr. Randal Wilson

Parker & Parsley Acquisition Company
Post Office Box 3178
Midland, TX 79702

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Jerry West

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Larry West

Doyle Hartman Oil Co.
Attn: Sheila Potts
500 N. Main Street
Midland, TX 79701

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 7

Submitted by: ARCO Permian a unit of Atlantic Richfield

AFFIDAVIT,
Page 2

Hearing Date: January 11, 1996

CAMPBELL, CARR & BERGE, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

December 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of ARCO Permian, a unit of Atlantic Richfield, for Compulsory Pooling and an Unorthodox Well Location, Eddy County, New Mexico

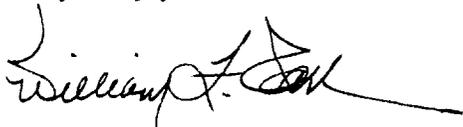
Gentlemen:

This letter is to advise you that ARCO Permian, a unit of Atlantic Richfield has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the W/2 of Section 36, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. ARCO proposes to dedicate the referenced pooled unit to its Dorothy 36 State Com #1 Well to be drilled to the Morrow formation, South Empire-Morrow Gas Pool at an unorthodox location 1163 feet from the South line and 1647 feet from the West line of said Section 36.

This application has been set for hearing before a Division Examiner on January 11, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR ARCO PERMIAN, A UNIT OF ATLANTIC RICHFIELD

WFC:mlh

Enc.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Sun Operating Limited Partnership
 13155 Noel Road
 Dallas, TX 75240
 Attn: Mr. Fred Winter

4a. Article Number

P326931901

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12/27

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X: *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 901

U.S. Postal Service

Receipt for Certified Mail

Sun Operating Limited Partnership
 13155 Noel Road
 Dallas, TX 75240
 Attn: Mr. Fred Winter

| | |
|------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3811, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Yates Petroleum Corporation
 105 South Fourth Street
 Artesia, NM 88210
 Attn: Mr. Robert H. Bullock

4a. Article Number

P326931907

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-22-95

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

X L Hayes

6. Signature: (Addressee or Agent)

X J. Hayes

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 907

US Postal Service
 Receipt for Certified Mail

Yates Petroleum Corporation
 105 South Fourth Street
 Artesia, NM 88210
 Attn: Mr. Robert H. Bullock

| | |
|-------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3800, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

4a. Article Number

P336 931 909

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12.26.95

5. Received By: (Print Name)

X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 909

US Postal Service
Receipt for Certified Mail
Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

| | |
|-------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3811, April 1994

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil Company
 Post Office Box 552
 Midland, TX 79702-0552
 Attn: Mr. Randal Wilson

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

4a. Article Number

PS26 931 902

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery:

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

P 326 931 902

U.S. Postal Service
Receipt for Certified Mail

Marathon Oil Company
 Post Office Box 552
 Midland, TX 79702-0552
 Attn: Mr. Randal Wilson

| | |
|------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3811 April 1995

Thank you for using Return Receipt Service.

P 326 931 905

US Postal Service

Receipt for Certified Mail

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Larry West

PS Form 3800 April 1995

| | |
|-------------------------------------------------------------|--------------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

Is your **RETURN ADDRESS** completed on the reverse side?

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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Jerry West

4a. Article Number

P326931906

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Insured
- COD

Certified

7. Date of Delivery

DEC 21 1995

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

X *[Signature]* 117795

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 906

US Postal Service

Receipt for Certified Mail

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Jerry West

| | |
|-------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3811, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

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- Write "Return Receipt Requested" on the mailpiece below the article number.
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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Doyle Hartman Oil Co.
 Attn: Sheila Potts
 500 N. Main Street
 Midland, TX 79701

4a. Article Number

P326 931 903

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12/27

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Sheila Potts*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 903

US Postal Service
Receipt for Certified Mail

Doyle Hartman Oil Co.
 Attn: Sheila Potts
 500 N. Main Street
 Midland, TX 79701

| | |
|-----------------------------------------------------------|--------------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom Date & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3800 April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, TX 77002

4a. Article Number

P326931910

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

DEC 26 1995

5. Received By: (Print Name)

Elisa Barakat

6. Signature: (Addressee or Agent)

X Elisa Barakat

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 910

US Postal Service
Receipt for Certified Mail

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, TX 77002

| | |
|-------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Brothers Production Company
6 Desta Drive, Suite 5700
Midland, TX 79705

4a. Article Number

P326931911

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-26-95

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

X *[Signature]*

6. Signature: (Addressee or Agent)

Domestic Return Receipt

PS Form 3811, December 1994

Thank you for using Return Receipt Service.

11 15 93 1 911

US Postal Service

Receipt for Certified Mail

Brothers Production Company
6 Desta Drive, Suite 5700
Midland, TX 79705

| | |
|-------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3811, April 1995

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

4a. Article Number

3326931904

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-26-95

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Address or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 904

US Postal Service

Receipt for Certified Mail

Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

| | |
|-------------------------------------------------------------|-----------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |

Postmark or Date

DEC 21 1995

PS Form 3811, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Parker & Parsley Acquisition Company
 Post Office Box 3178
 Midland, TX 79702

4a. Article Number

P326 931 908

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Insured
- COD

7. Date of Delivery

DEC 20 1995

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

P 326 931 908

US Postal Service

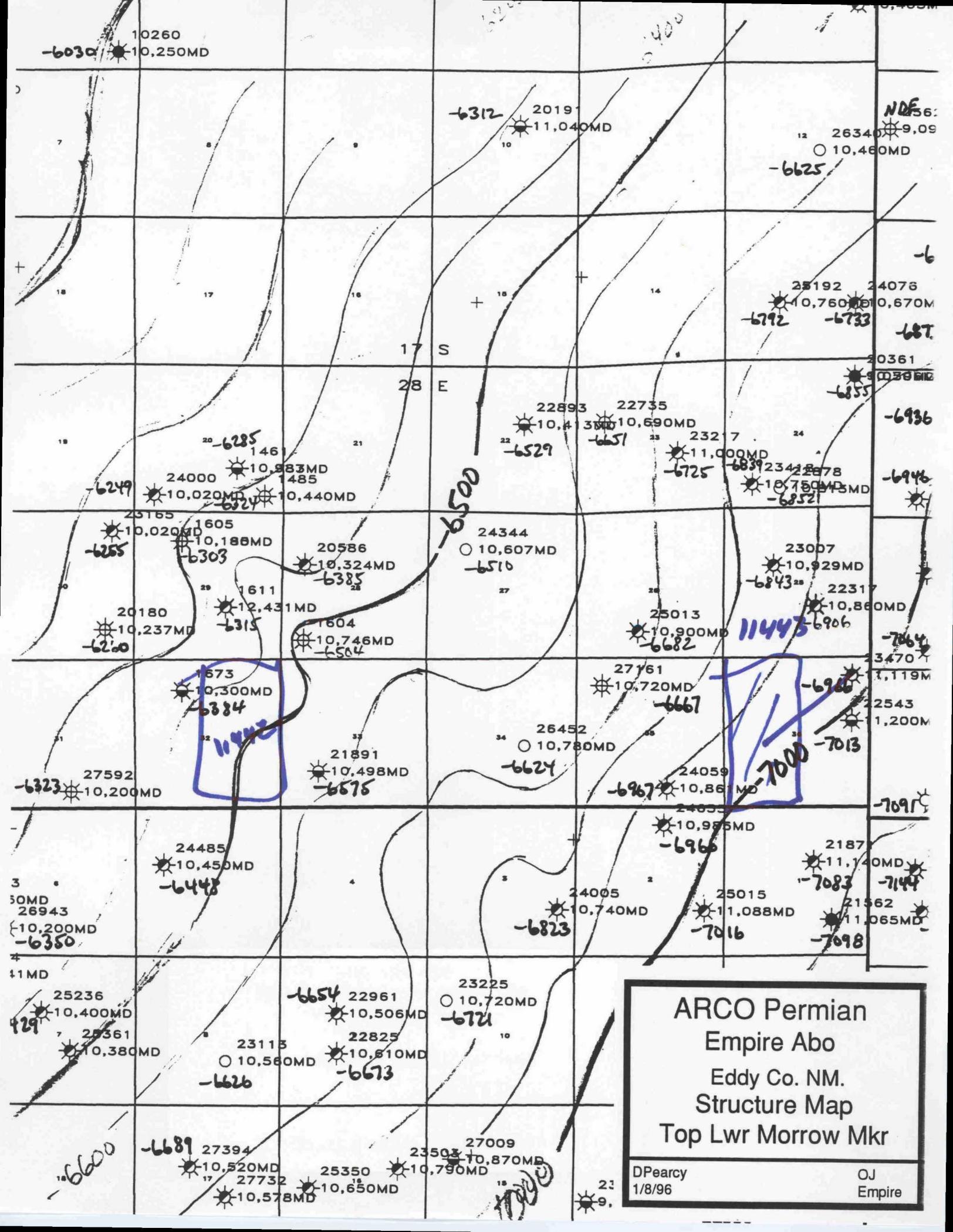
Receipt for Certified Mail

Parker & Parsley Acquisition Company
 Post Office Box 3178
 Midland, TX 79702

| | |
|------------------------------------------------------------|-------------|
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| Postmark or Date | DEC 21 1995 |

PS Form 3800 April 1995

Thank you for using Return Receipt Service.



-6030 10260
10,250MD

-6312 20191
11,040MD

NDF 56:
26340 9,09
10,460MD

17 S
28 E

25192 24076
10,760MD 10,670MD
-6792 -6733 -687

-6249 24000 10,020MD
-6285 146 10,83MD
1485 10,440MD

22893 22735
10,413MD 10,690MD
-6529 -651 2327
-6725 11,000MD
-6839 2342 2878
10,750MD 3MD
-6852

-6255 25165 1605
10,020MD 10,186MD
-6303 20586
10,324MD
-6385 1611
12,431MD
-6315 1604
10,746MD
-6504

24344 10,607MD
-6510 23007
10,929MD
-6843 22317
10,860MD
-6906 25013
10,900MD
-6682 11443

1673 10,300MD
-6384
11443

27161 10,720MD
-6667 26452
10,780MD
-6624 24059
10,860MD
-6967 7000
-7013

-6323 27592 10,200MD
21891 10,498MD
-6675

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-6448 2187
11,140MD
-7083 -7144
24005 10,740MD
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11,088MD
-7016 21562
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-7098

25236 10,400MD
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-6626 23113
10,560MD
-6654 22961
10,506MD
-6721 23225
10,720MD
22825 10,610MD
-6673

-6600 -6689 27394
10,520MD 25350 10,650MD
27732 10,578MD
27009 10,870MD
23503 10,790MD

ARCO Permian
Empire Abo
Eddy Co. NM.
Structure Map
Top Lwr Morrow Mkr

DPearcy
1/8/96

OJ
Empire

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 8

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 9

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

E/c identification



30-015-24059
ARCO Oil & Gas Co.
"BX" State No. 1
Eddy Co.
Sec. 35, 17S-28E
KB. 3670.5
TD. 10,874

(c)

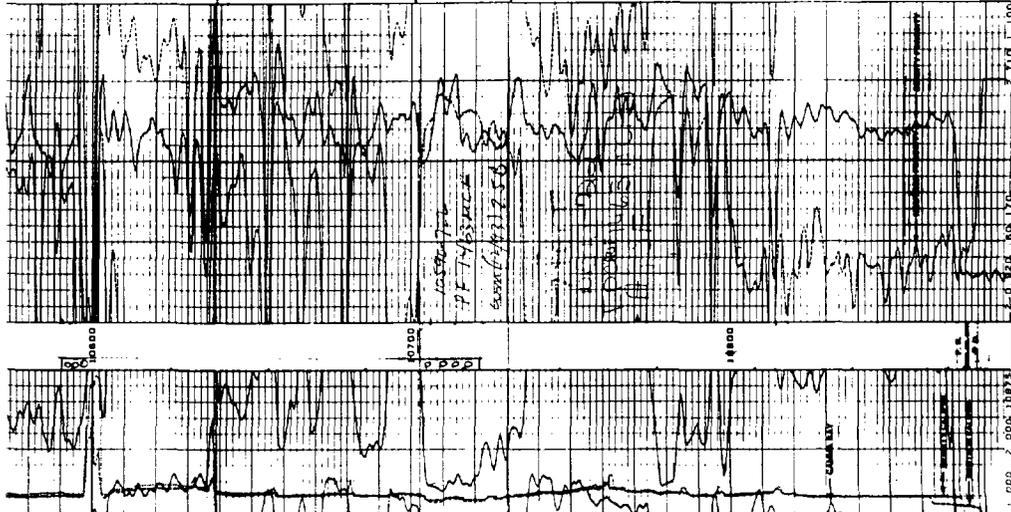
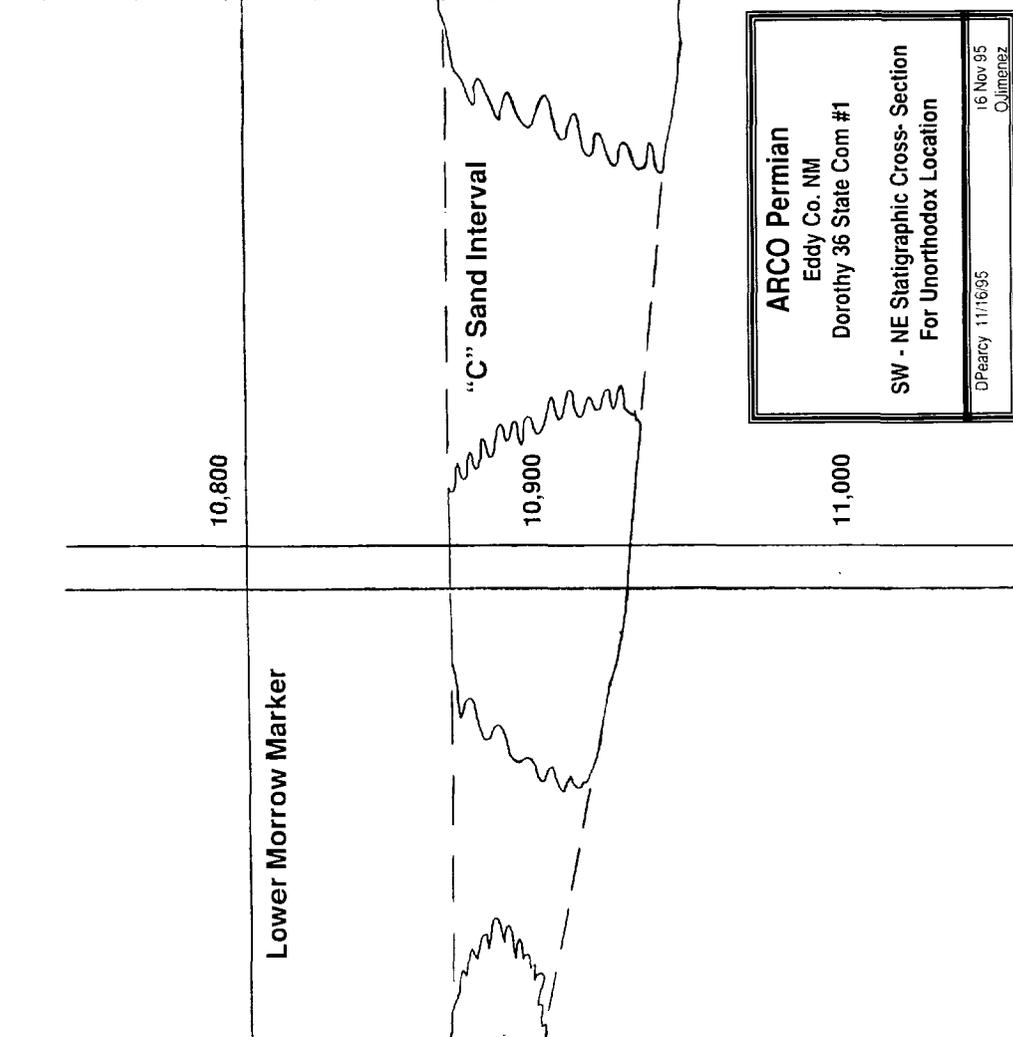
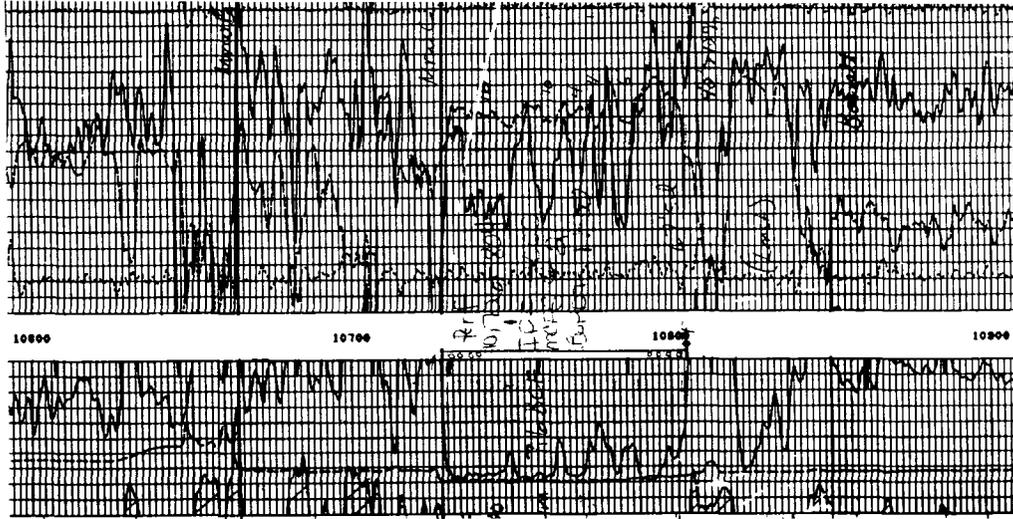


Dorothy State Com
No. 1
Eddy Co.
Sec. 36, 17S-28E
KB. 3689 est
PTD. 11,110



30-015-23470
Amoco Prod. Co.
Empire So. Deep Ut. #21
Eddy Co.
Sec. 36, 17S-28E
KB. 3698.3
TD. 11,111

(A)

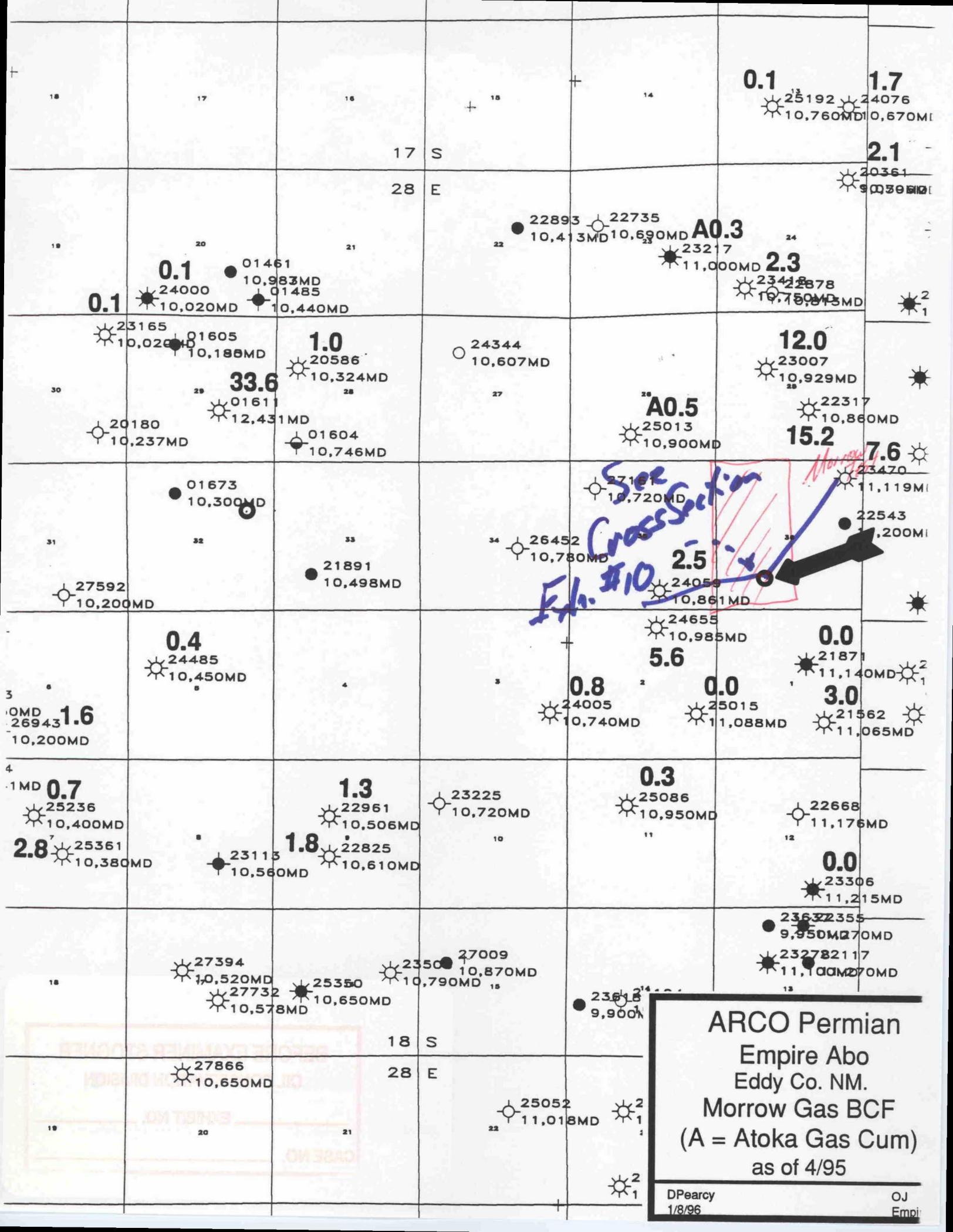


**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 10

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996



ARCO Permian
 Empire Abo
 Eddy Co. NM.
 Morrow Gas BCF
 (A = Atoka Gas Cum)
 as of 4/95

DPearcy
 1/8/96

OJ
 Empl

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 11

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996