

KAREN AUBREY
ATTORNEY AT LAW
236 MONTEZUMA
SANTA FE, NEW MEXICO 87501

ALSO ADMITTED IN ARIZONA

TELEPHONE (505) 982-4287
TELEFAX (505) 986-8349

July 6, 1993

William J. LeMay, Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe NM 87504-2088

Re: Drum Energy Corporation Application for
Compulsory Pooling, Lea County, New Mexico

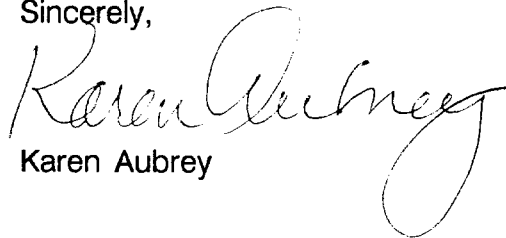
10776

Dear Mr. LeMay:

Enclosed is an Application for Compulsory Pooling which I am filing on behalf of Drum Energy Corporation. Please set this matter for hearing on July 29, 1993.

By copy of this letter we are notifying the nonconsenting working interest owners of their right to enter an appearance and present testimony in support of or in opposition to the Application.

Sincerely,



Karen Aubrey

ka/hg

xc: Parties listed in Paragraphs 5 of Application
by Certified Mail, return receipt requested

and

David Mussett
Drum Energy Corporation

KAREN AUBREY
ATTORNEY AT LAW
236 MONTEZUMA
SANTA FE, NEW MEXICO 87501

CERTIFIED
P 670 814 360
MAIL

JUL 17 1993
M
JUL 17 1993

NAME Abby 1993
1st Notice JUL 17
2nd Notice _____
Return _____

Charles Lee and Emma Lee
210 N. Denver Ave.
Tulsa, OK 74119

Handwritten signature

8-28

Handwritten return address

received
S-5-93

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

SENDER: <ul style="list-style-type: none">• Complete items 1 and/or 2 for additional services.• Complete items 3, and 4a & b.• 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 package, or on the back if space does not permit.• Write "Return Receipt Requested" on the package below the article number.• The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Charles Lee and Ethna Lee 210 S. Dejeu Ave. Tulsa, OK 74119		4a. Article Number	
5. Signature (Addressee) Charles Lee		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery	
8. Addressee's Address (Only if requested and fee is paid)			

Fold at line over top of envelope to the right of the return address.

Thank you for using
Return Receipt Service.

Form 3811, November 1990 * U.S. GPO: 1991-287-096 **DOMESTIC RETURN RECEIPT**

KAREN AUBREY

ATTORNEY AT LAW

236 MONTEZUMA

SANTA FE, NEW MEXICO 87501

TELEPHONE (505) 982-4287

TELEFAX (505) 986-8349

ALSO ADMITTED IN ARIZONA

July 29, 1993

Mr. Michael Stogner
Hearing Examiner
New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, NM 87501

HAND DELIVERED

Re: Application of Drum Energy Corporation for Compulsory
Pooling, Lea County New Mexico
NMOCD Case No. 10776

Dear Mr. Stogner:

I enclose Drum Energy Corporation's Exhibit 2A which we are submitting at Mr. Stovall's request. This exhibit contains copies of Mr. Alexander's telephone logs, correspondence, and notes reflecting Mr. Alexander's contact with and efforts to locate the working interest owners in the proposed proration unit.

The record should reflect that we offered this exhibit and that it was admitted into evidence at the hearing.

While we are happy to submit this documentation, we in no way are conceding that our June 11, 1993 request for voluntary participation was inadequate or untimely, nor do we understand that Mr. Stovall suggested that it was defective in any way.

Sincerely,


Karen Aubrey

ka/mm

xc: David Mussett
Drum Energy

KAREN AUBREY

ATTORNEY AT LAW

236 MONTEZUMA

SANTA FE, NEW MEXICO 87501

ALSO ADMITTED IN ARIZONA

TELEPHONE (505) 982-4287

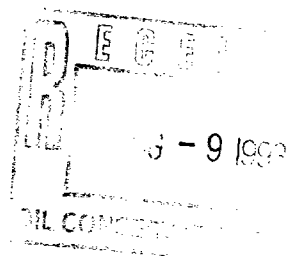
TELEFAX (505) 986-8349

August 9, 1993

Mr. Michael Stogner
Hearing Examiner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

Hand Delivered

Re: Drum Energy Corporation
Case No. 10776



Dear Mr. Stogner:

I enclose a Proposed Order for your use in the above captioned matter. In addition, I enclose, at your request, copies of the C-101 and C-102 which were filed on August 4, 1993 with the Hobbs Division, showing the staked, standard location as 1740 FWL and 990 FSL. I would appreciate it if you would incorporate this location into the Order of the Division.

In addition, I enclose the original envelope, unopened, with the green certified mail card still attached, mailed to Charles and Emma Lee on July 6, 1993, and returned "unclaimed". This was not received in my office until August 5, 1993. It must have been in the 80,000 pieces of unsorted mail which the newspaper says are languishing at the Santa Fe post office. I would appreciate it if you would supplement Drum's Exhibit 4 with this document.

If you have any questions, or if I may provide additional information to you, please do not hesitate to call.

Sincerely,


Karen Aubrey

ka/mm
enclosures as stated
xc: David Mussett

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Francis Evelyn
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	

2. Name of Operator Drum Energy Corporation	8. Well No. 1
--	------------------

3. Address of Operator P.O. Box 2134, Midland, TX 79702	9. Pool name or Wildcat House Blinebry
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4. Well Location
 Unit Letter N : 990 Feet From The South Line and 1740 Feet From The West Line
 Section 35 Township 19S Range 38E NMPM Lea County

10. Proposed Depth 6200 feet	11. Formation Blinebry	12. Rotary or C.T. Rotary
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13. Elevations (Show whether DF, RT, GR, etc.) 3579.7-ground	14. Kind & Status Plug. Bond * Cash	15. Drilling Contractor to be determined	16. Approx. Date Work will start 10-15-93
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17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
15	12 3/4	33	30	RediMix	Surface
12 1/4	8 5/8	24	1650	800	Surface
7 7/8	5 1/2	17	6200	1600	Surface

8 5/8 casing: Use 8 5/8" guide shoe and 8 5/8" insert float, class C cement, circulate to surface
 5 1/2 casing: Use 5 1/2" guide shoe and 5 1/2" float collar with automatic fill, DV tool. Cement 1 st stage with 50/50 Pozmix "C", 2 % gel, 18% salt; second stage with Halliburton Lite with 15 lbs. salt, 5 lbs. Gilsonite, and 1/4 lb. Flocele per sack, tail with class "C" with 4 lbs. salt per sack, circulate to surface
 Mud: Drill surface hole with fresh water gel. Drill production hole with saturated salt (10.1 lb./gal.), water loss of 10 cc/30 min., viscosity of 34 to 36 seconds.
 Completion: Perforate in top 100' of Blinebry, acid treat. Fracture treat if necessary.
 BOP Program: A 10 3/4" 2000psi Rotating Head will be used while drilling surface hole. Before drilling out from under the surface the well will be equipped with a 3000 psi 10" 900 Series double ram hydrolic BOP system.

* 7,500 cash bond to be tendered prior to spudding well.
 IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE David R. Mussett TITLE President DATE 8-4-93

TYPE OR PRINT NAME David R. Mussett TELEPHONE NO. (915)684-9081

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

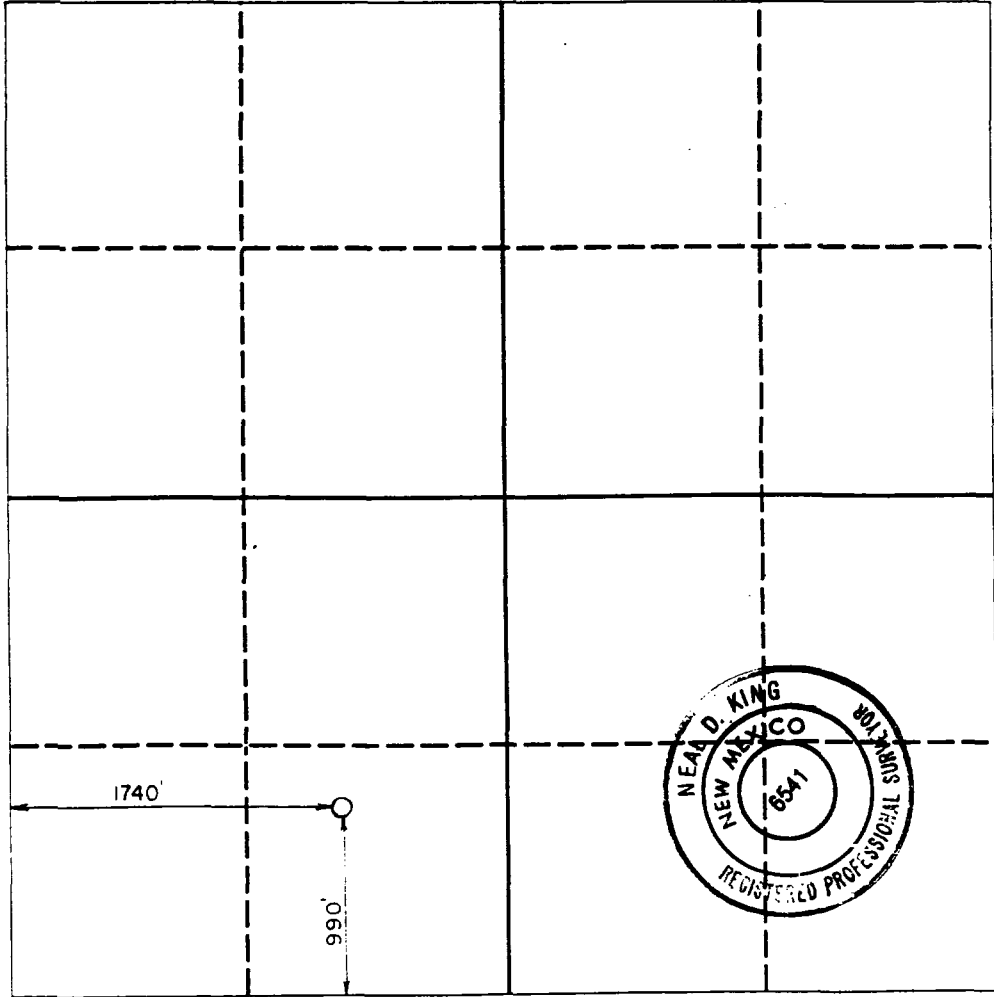
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Drum Energy Corporation			Lease Francis Evelyn		Well No. 1
Unit Letter N	Section 35	Township 19 South	Range 38 East	County NMPM Lea	
Actual Footage Location of Well: 990.0 feet from the South line and 1740.0 feet from the West line					
Ground level Elev. 3579.7	Producing Formation Blinebry		Pool House	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

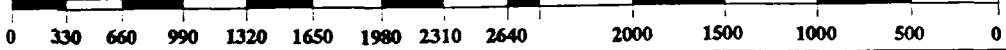


OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *David R. Mussett*
 Printed Name: David R. Mussett
 Position: President
 Company: Drum Energy Corp.
 Date: 8-03-93

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

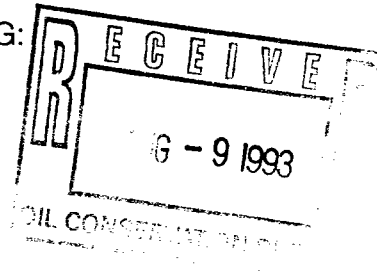
Date Surveyed: August 3, 1993
 Signature & Seal of Professional Surveyor: *Neal D. King*
 Certificate No. 6541



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 10776



APPLICATION OF DRUM ENERGY CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 29, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of August, 1993, the Division Director, having considered the testimony, the record and the recommendations of the examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Drum Energy Corporation, seeks an order pooling all mineral interests from the surface to the base of the Blinebry formation, House Blinebry Pool, or approximately 6,200 feet subsurface, whichever is deeper, forming a standard 160-acre gas spacing and proration unit consisting of the SW/4 of Section 35, T.19S., R.38 E., N.M.P.M., Lea County, New Mexico., or a standard 40 acre oil spacing and proration unit consisting of the SE/4SW/4 of Section 35, T. 19S., R. 38. E. N.M.P.M, Lea County

(3) The applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense a just and fair share of the hydrocarbons from any pool affected by this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That Drum Energy Corporation should be designated the operator of the subject well and unit.

(7) Any non-consenting working interest owner should be afforded the opportunity to pay a proportionate share of estimated well costs to the operator in lieu of paying those costs out of production.

(8) Any non-consenting working interest owner who does not pay that share of estimated well costs should have withheld from production a proportionate share of

reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) All non-consenting interest owners should be afforded the opportunity to object to the actual well costs, but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) Following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) \$4311.00 per month while drilling and \$550.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) All proceeds from production from subject well which are not disbursed for any reason should be placed in escrow in Lea County to be paid to the true owner thereof upon demand and proof of ownership.

(13) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before _____,

1993, the order pooling said unit should become null and void and of no further effect whatsoever.

(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(15) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Blinebry formation, House Blinebry Pool or approximately 6,200 feet subsurface, whichever is deeper, forming a standard 160-acre gas spacing and proration unit consisting of the SW/4 Section 35, T19S., R.389 E., N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 160-acre gas spacing, or a standard 40-acre oil spacing and proration unit consisting of the SE/4SW/4 Section 35, T19S, R38E. N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 40-acre oil spacing, within said vertical extent which presently includes but is not necessarily limited to the House Blinebry Pool. Said unit is to be dedicated to a well to be drilled at a standard well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the _____ day of _____, 1993 and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Blinebry formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the _____ day of _____, 1993, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

(2) Drum Energy Corporation is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay a proportionate share of estimated well costs to the operator in lieu of paying that share of reasonable well costs out of production, and any such owner who pays that share of estimated well costs, as provided above, shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well actual well costs within 90 days following completion

of the well; if no objection to the actual well costs is received by the Division, and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs in advance as provided above, shall pay to the operator a pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator a pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

(a) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid a proportionate share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished; and

(b) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributed to each non-consenting working interest owner who has not paid her/his share of ~~estimated~~ well costs within days from the date the schedule of estimated well costs is furnished.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$4311.00 per month while drilling and \$550.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths ($7/8$) working interest and a one-eighth ($1/8$) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

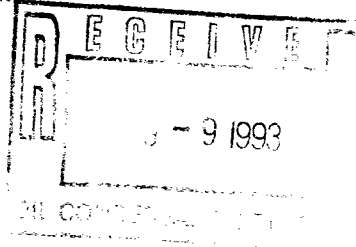
WILLIAM J. LEMAY
Director

S E A L

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:

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(2) The applicant, Drum Energy Corporation, seeks an order pooling all mineral interests from the surface to the base of the Blinebry formation, House Blinebry Pool, or approximately 6,200 feet subsurface, whichever is deeper, forming a standard 160-acre gas spacing and proration unit consisting of the SW/4 of Section 35, T.19S., R.38 E., N.M.P.M., Lea County, New Mexico., or a standard 40 acre oil spacing and proration unit consisting of the SE/4SW/4 of Section 35, T. 19S., R. 38. E. N.M.P.M, Lea County

(3) The applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense a just and fair share of the hydrocarbons from any pool affected by this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That Drum Energy Corporation should be designated the operator of the subject well and unit.

(7) Any non-consenting working interest owner should be afforded the opportunity to pay a proportionate share of estimated well costs to the operator in lieu of paying those costs out of production.

(8) Any non-consenting working interest owner who does not pay that share of estimated well costs should have withheld from production a proportionate share of

reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) All non-consenting interest owners should be afforded the opportunity to object to the actual well costs, but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) Following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) \$4311.00 per month while drilling and \$550.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) All proceeds from production from subject well which are not disbursed for any reason should be placed in escrow in Lea County to be paid to the true owner thereof upon demand and proof of ownership.

(13) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before _____,

1993, the order pooling said unit should become null and void and of no further effect whatsoever.

(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(15) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Blinebry formation, House Blinebry Pool or approximately 6,200 feet subsurface, whichever is deeper, forming a standard 160-acre gas spacing and proration unit consisting of the SW/4 Section 35, T19S., R.389 E., N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 160-acre gas spacing, or a standard 40-acre oil spacing and proration unit consisting of the SE/4SW/4 Section 35, T19S, R38E. N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 40-acre oil spacing, within said vertical extent which presently includes but is not necessarily limited to the House Blinebry Pool. Said unit is to be dedicated to a well to be drilled at a standard well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the _____ day of _____, 1993 and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Blinebry formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the _____ day of _____, 1993, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

(2) Drum Energy Corporation is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay a proportionate share of estimated well costs to the operator in lieu of paying that share of reasonable well costs out of production, and any such owner who pays that share of estimated well costs, as provided above, shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well actual well costs within 90 days following completion

of the well; if no objection to the actual well costs is received by the Division, and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs in advance as provided above, shall pay to the operator a pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator a pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

(a) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid a proportionate share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished; and

(b) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributed to each non-consenting working interest owner who has not paid her/his share of ~~estimated~~ well costs within days from the date the schedule of estimated well costs is furnished.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$4311.00 per month while drilling and \$550.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths ($7/8$) working interest and a one-eighth ($1/8$) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

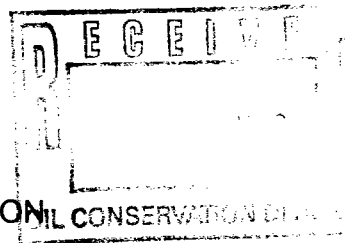
WILLIAM J. LEMAY
Director

S E A L

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 10776



APPLICATION OF DRUM ENERGY CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 29, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of August, 1993, the Division Director, having considered the testimony, the record and the recommendations of the examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Drum Energy Corporation, seeks an order pooling all mineral interests from the surface to the base of the Blinebry formation, House Blinebry Pool, or approximately 6,200 feet subsurface, whichever is deeper, forming a standard 160-acre gas spacing and proration unit consisting of the SW/4 of Section 35, T.19S., R.38 E., N.M.P.M., Lea County, New Mexico., or a standard 40 acre oil spacing and proration unit consisting of the SE/4SW/4 of Section 35, T. 19S., R. 38. E. N.M.P.M, Lea County

(3) The applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense a just and fair share of the hydrocarbons from any pool affected by this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That Drum Energy Corporation should be designated the operator of the subject well and unit.

(7) Any non-consenting working interest owner should be afforded the opportunity to pay a proportionate share of estimated well costs to the operator in lieu of paying those costs out of production.

(8) Any non-consenting working interest owner who does not pay that share of estimated well costs should have withheld from production a proportionate share of

reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) All non-consenting interest owners should be afforded the opportunity to object to the actual well costs, but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) Following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) \$4311.00 per month while drilling and \$550.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) All proceeds from production from subject well which are not disbursed for any reason should be placed in escrow in Lea County to be paid to the true owner thereof upon demand and proof of ownership.

(13) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before _____,

1993, the order pooling said unit should become null and void and of no further effect whatsoever.

(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(15) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Blinebry formation, House Blinebry Pool or approximately 6,200 feet subsurface, whichever is deeper, forming a standard 160-acre gas spacing and proration unit consisting of the SW/4 Section 35, T19S., R.389 E., N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 160-acre gas spacing, or a standard 40-acre oil spacing and proration unit consisting of the SE/4SW/4 Section 35, T19S, R38E. N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 40-acre oil spacing, within said vertical extent which presently includes but is not necessarily limited to the House Blinebry Pool. Said unit is to be dedicated to a well to be drilled at a standard well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the _____ day of _____, 1993 and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Blinebry formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the _____ day of _____, 1993, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

(2) Drum Energy Corporation is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay a proportionate share of estimated well costs to the operator in lieu of paying that share of reasonable well costs out of production, and any such owner who pays that share of estimated well costs, as provided above, shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well actual well costs within 90 days following completion

of the well; if no objection to the actual well costs is received by the Division, and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs in advance as provided above, shall pay to the operator a pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator a pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

(a) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid a proportionate share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished; and

(b) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributed to each non-consenting working interest owner who has not paid her/his share of ~~estimated~~ well costs within days from the date the schedule of estimated well costs is furnished.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$4311.00 per month while drilling and \$550.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 13, 1993

Karen Aubrey
Attorney At Law
236 Montezuma
Santa Fe, New Mexico 87501

RE: CASE NO. 10776
ORDER NO. R-9939

Dear Madam:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Leichle

Sally E. Leichle
Administrative Secretary

cc: BLM - Carlsbad
Steve Keene

DRUM ENERGY
CORPORATION

915/684-9081
915/683-3520
AUG 26 54

P.O. Box 2134
Midland, Texas 79702
915/684-9081
Fax 915/683-3520

Stogner



August 24, 1993

New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, NM 87501

Re: Compulsory Pooling
Case No. 10776
Order No. R-9939

Gentlemen:

In accordance with referenced Order, please find enclosed an AFE itemizing estimated well costs.

Yours truly,
DRUM ENERGY CORPORATION

By: *David R. Mussett*
David R. Mussett, President

**AUTHORITY FOR EXPENDITURE
DRUM ENERGY CORP.
HOUSE PROSPECT
FRANCIS EVELYN #1**

INTANGIBLE	PRODUCER	DRY HOLE
Abstract/Title opinion	\$ 6,000	\$ 6,000
Survey/Location/Damages	5,000	5,000
Drilling footage @ \$11.00	68,200	68,200
Rotary day work: 2 days @ \$4200	8,400	8,400
Pulling unit: 4 days @ \$1200	4,800	
Drilling fluid & trucking	8,000	8,000
Drilling mud and chemicals	4,000	4,000
Surface csg. cement & hardware	4,000	4,000
Production csg. cement & DV tool	22,900	
Pit lining	750	750
Mud logging	1,000	1,000
Open hole logging	5,600	5,600
Perforating	1,200	
Acidizing	2,200	
Frac	25,000	
Engineering/Supervision	4,500	3,600
Rental equipment	2,500	1,500
Trucking and forklift	4,000	2,500
Labor: surface installations	2,500	
Overhead	1,500	1,200
Plugging (cement, dry hole marker, site restoration)		4,000
Contingencies: 10%	<u>17,600</u>	<u>11,800</u>
TOTAL INTANGIBLE	\$ 193,650	\$ 129,550
TANGIBLE		
Surface csg.: 1600 feet 8 5/8 @ \$8.00	12,800	12,800
Production csg.: 6200 feet 5 1/2 @ \$3.75	23,250	
Tubing: 6200 feet 2 7/8 @ \$2.25	13,950	
Rods: 6200 feet @ .90	5,580	
Downhole pump	1,200	
Wellhead	1,750	750
Flowlines and connections	2,000	
Tankage: (2) 300 steel, (1) 500 fiberglass	8,000	
Pumping unit and base	15,000	
Motor and controls	2,500	
Heater treater	2,500	
Electrification	3,500	
Contingencies: 10%	<u>9,200</u>	<u>1,350</u>
TOTAL TANGIBLE	\$ 101,230	\$ 14,900
Cash plugging bond:	7,500	
TOTAL	\$ 302,380	\$ 144,450

OIL CONSERVATION DIVISION
REC'D

DRUM ENERGY
CORPORATION

David R. Mussett, President

1993 NOV 7 AM 9 47

P.O. Box 2134
Midland, Texas 79702
915/684-9081
Fax 915/683-3520

October 27, 1993

William J. LeMay, Director
New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, NM 87501

Handwritten initials

RE: Compulsory Pooling Case No. 10776, Order No. R-9939

Dear Mr. LeMay:

We have reached voluntary agreement with these parties who were subject to the above captioned order:

John P. Cox
James N. Coll and Florence M. Coll
Jon F. Coll and Mary R. Coll
Max W. Coll, II and Martha M. Coll

Yours truly,
DRUM ENERGY CORPORATION

Handwritten signature of David R. Mussett

By: David R. Mussett

DRUM ENERGY
CORPORATION

OIL CONSERVATION DIVISION
RECEIVED

1994 APR 15 AM 8 50

P.O. Box 2134
Midland, Texas 79702
915/684-9081
Fax 915/683-3520

April 11, 1994

New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, NM 87501

Re: Compulsory Pooling
Case No. 10776
Order No. R-9939

Gentlemen:

In accordance with the referenced Order, please find enclosed an itemized schedule of actual well costs.

Yours truly,
DRUM ENERGY CORPORATION

By: 
David R. Mussett, President

DRUM ENERGY CORPORATION

ITEMIZED WELL COSTS, Frances Evelyn #1

NMOCD Case No. 10776, Order No. R-9939

Invoice No.	Invoice Date	Vendor	Description	Amount
13151	6/23/93	Elliott & Waldron Title & Abstract	Abstract	5,294.58
93-0118	7/6/93	Rudolph A. Woemdle, P.C.	Drilling title opinion	3,000.00
1487	7/7/93	Karen Aubrey, Attorney	Compulsory pooling action	159.19
1558	8/3/93	Karen Aubrey, Attorney	Compulsory pooling action	1,735.75
5574	8/5/93	King Surveying	Survey location	242.87
1653	9/3/93	Karen Aubrey, Attorney	Compulsory pooling action	437.77
1724	10/4/93	Karen Aubrey, Attorney	Compulsory pooling action	74.90
	10/5/93	Joe Alexander, Landman	Compulsory pooling hearing, testimony	300.00
	11/1/93	N. E. Hall	Surface damages	3,000.00
	11/1/93	James Owens	Surface damages	1,000.00
1798	11/2/93	Karen Aubrey, Attorney	Compulsory pooling action	81.17
1193-004	11/11/93	Globe Construction Company	Build location, pits	6,330.00
ELS-247	11/19/93	Environmental Lining Services	Line, fence, flag pit	1,346.10
5401	11/19/93	Scarborough Inc.	Valves and fittings	519.93
71304	11/22/93	Chaparral Service, Inc.	Transport	199.50
930630-A	11/22/93	Atlas Sign Company	Safety signs	41.63
19763	11/23/93	Custom Welding	Cut off conductor, welding	135.68
41190	11/23/93	Forklift Enterprises	Unload casing	332.31
515468	11/23/93	Halliburton Energy Services	Cement conductor casing	2,006.02
3453	11/24/93	S.I.W. Pipe & Supply, Inc.	Conductor and surface casing	13,929.50
2895	11/24/93	Ralph's Welding	Cut off surface casing, welding	203.04
8523 H	11/30/93	Rowland Trucking Co.	Brine water	3,052.48
H2074-IN	11/30/93	Milford Pipe & Supply, Inc.	Poly pipe to pipe fresh water	1,212.30
	11/30/93	Drum Energy Corp.	Drilling rate overhead	1,289.97
3742	12/2/93	Gunn's Enterprises	Lay and connect water line	344.17
4398	12/2/93	Gunn's Enterprises	Lay and connect water line	366.44
538560	12/3/93	Halliburton Energy Services	Cement surface casing	5,872.96
151754	12/3/93	Waste Management	Chemical toilet	24.38
41361	12/3/93	Forklift Enterprises	Unload 5 1/2" casing	332.31
165506	12/4/93	Schlumberger Well Services	Open hole logs	9,880.42
A41615	12/4/93	Halliburton Energy Services	Cement production casing	20,966.91
931119401	12/4/93	Ely and Associates	Contract engineering	501.20
2905	12/5/93	Ralph's Welding	Cut off & cap 5 1/2" casing	135.36
5069	12/6/93	Rod Ric Corp.	Drilling contractor	82,413.22
3487	12/6/93	S.I.W. Pipe & Supply, Inc.	Production casing	25,234.02
93345	12/7/93	Advance Consultants Corp.	Mud logging	4,105.85
4454	12/7/93	Gunn's Enterprises	Trash trailer	371.22
58882	12/8/93	Callaway Safety Equipment	H2S Safety Compliance Pkg.	718.68
8571 H	12/8/93	Rowland Trucking Co.	Brine water	1,015.06
4420	12/10/93	Gunn's Enterprises	Clean, backdrag location	195.15
71948	12/14/93	Chaparral Service	Haul off drilling fluid	1,128.51
3791	12/15/93	Gunn's Enterprises	Cement top of conductor	289.55
72063	12/19/93	Chaparral Service	Haul off drilling fluid	159.09
5043	12/20/93	The McDaniel Co.	Tanks, heater treater, circ pmp, valves, fittings	5,908.25
99-164	12/21/93	Frank C. Strech Trucking	Transport battery	1,586.26
115043	12/27/93	Rod Ric Corp.	Retip milltooth bit	689.00
72298	12/27/93	Chaparral Service, Inc.	Haul fluid from pit	142.65
170784	12/27/93	Waste Management	Chemical toilet	48.76
1283-038	12/27/93	Globe Construction	Build tank grade, gravel	1,635.25
4538	12/27/93	Permian Fabrication & Service	Separator, valves, stairway	1,667.11
4538	12/27/93	Permian Fabrication & Service	Prep used tanks, deliver & set separator	2451.82
742783	12/31/93	Watson Truck & Supply	Sample bags	53.03
	12/31/93	Drum Energy Corp.	Drilling rate overhead	4,300.00
4912	1/4/94	Horizon Mud Company	Drilling mud & chemicals	4,788.12
2930	1/4/94	Ralph's Welding	Weld on 5 1/2" bell nipple	135.36
4044	1/5/94	Gunn's Enterprises	Install firetube and manway	236.2
4053	1/5/94	Gunn's Enterprises	Rebuild, sandblast, coat firetube	844.25
4054	1/5/94	Gunn's Enterprises	Sandblast, coat treater	848.50
4055	1/5/94	Gunn's Enterprises	Clean out & hook up treater	244.69
5051	1/6/94	The McDaniel Co.	200 jts. 2 3/8" tubing	9,338.28
HNA0194-10	1/6/94	T & C Tank Rental & Anchor	Guylane anchors and intallation	602.08
166886	1/6/94	Schlumberger Well Services	Log and perforate	2,184.35
41788	1/6/94	Forklift Enterprises	Unload 2 3/8" tubing	302.10
515595	1/7/94	Halliburton Energy Services	Treating packer rental	1,051.55
72612	1/8/94	Chaparral Service	Haul solids from reverse pit	1,118.96
4085	1/11/94	Gunn's Enterprises	Cement around casing, fill cellar	181.05
4177	1/11/94	Gunn's Enterprises	Hook up flowline and gas lines	141.27
72750	1/12/94	Chaparral Service	Empty reserve pit	173.94
5824	1/14/94	Energy Group of NM	Rental equipment	1,578.75
65558	1/14/94	Tommy White Supply	Tank net	63.03
4089	1/14/94	Gunn's Enterprises	Work on battery connections	181.05
940011-A	1/16/94	Atlas Sign	Well signs	109.95
494003	1/17/94	Tyler Well Service	Pulling unit, completion	8,770.23
72942	1/20/94	Chaparral Service	Empty treater	161.75
94435	1/21/94	Eunice Well Servicing	Swab unit	2,408.90
4127	1/21/94	Gunn's Enterprises	Work on battery	422.44
4129	1/21/94	Gunn's Enterprises	Work on battery	241.40
401028	1/21/94	Two-State Tank Rental	Frac tank rentals	1,881.87
7274 H	1/21/94	Rowland Trucking Co.	Empty pit	253.87
73029	1/24/94	Chaparral Service	Empty pit	171.03
11335	1/25/94	Lea Fishing Tools	Reverse unit	1,380.54
11336	1/25/94	Lea Fishing Tools	Stripper head rental	257.58
503873	1/26/94	Acid Engineering (NOWSCO)	Fracture treatment	34,361.95
503874	1/26/94	Acid Engineering (NOWSCO)	Acid treatment	2,652.52
7404 H	1/26/94	Rowland Trucking Co.	Empty pits & frac tanks, KCL wtr	4,706.40
	1/31/94	O. T. Maxwell	Drilling & comp supervision/eng	5,340.00
266708	1/31/94	Leamco-Fluthco	Move and install pumping unit	1,135.42
742783	1/31/94	Watson Truck & Supply	Pipe dope, perf sub, tbg cplg, bulplg	413.36
	1/31/94	Drum Energy Corp.	Drilling rate overhead	4,300.00
201-94	2/1/94	Tomsco Energy	Luffkin 160 pumping unit	6,894.06
22400	2/1/94	Packer Sales & Rental	Rental on production packer	1,187.20
23561	2/1/94	Pacific Pumps	Gas anchor, parts	138.28
8008	2/2/94	Energy Group of NM	BOP, matting boards	631.61
4171	2/4/94	Gunn's Enterprises	Roustabout	120.70
266748	2/7/94	Leamco-Fluthco	Work on PU	109.71
940119402	2/7/94	Ely and Associates	Engineering services	1,869.62
21748	2/8/94	Gary Electric	Bring electricity to well	6,618.16
940315	2/9/94	D A & S Oil Well Servicing	Pulling unit, completion	2,028.38
	2/10/94	Martin Pumping Service	Downhole pump	530.00
23613	2/10/94	Pacific Pumps	Pump repairs	335.42
620	2/11/94	Permian Pump & Supply	Valve, fittings	312.14
21755	2/14/94	Gary Electric	Electrify circulating pump at battery	843.09
26806	2/28/94	ICO	Sucker rods	4,563.70
	2/28/94	O. T. Maxwell	Completion supervision	350.00
	2/28/94	Bituminous Casualty	General public liability insurance	374.75
742783	2/28/94	Watson Truck & Supply	Parts	863.80
	2/28/94	Drum Energy Corp.	Drilling rate overhead	716.65
5610	3/3/94	Scarborough, Inc.	Csg & well heads, valves, fittings	5,824.42
13856	3/11/94	Elliott & Waldron Title & Abstract	Supplemental abstract	342.78
394-018	3/14/94	Globe Construction	Bury pits	3,052.25
94-0043	3/30/94	Rudolph A. Woemdle, P.C.	Division order title opinion	2,160.00

Total

\$ 251,280.00