

ESTIMATED REMAINING RECOVERABLE GAS IN PLACE
MONUMENT-EUNICE(EUMONT)-JALMAT TREND
LEA COUNTY NEW MEXICO

(1) INITIAL RECOVERABLE RESERVES (BCF)	(1) CUMULATIVE PRODUCTION 12/31/65 (BCF)	(2) PRODUCTION 1/1/65 TO 6/1/90 (BCF)	REMAINING RECOVERABLE RESERVES 6/1/90 (BCF)
9,800	6,700	2,361	739

CALCULATED PRODUCTION FROM 1/1/65 TO 6/1/90

FIELD/POOL	(3) CUMULATIVE PRODUCTION 12/31/65 (BCF)	(4) CUMULATIVE PRODUCTION 6/1/90 (BCF)	PRODUCTION 1/1/65 TO 6/1/90 (BCF)
GAS POOLS			
EUMONT (PRO GAS)	579	1,580	1,001
RHODES (GAS)	171	223	52
JALMAT (PRO GAS)	1,184	1,707	523
SUBTOTAL			1,576
ASSOCIATED CASINGHEAD POOLS			
ARROWHEAD	24	37	13
EUMONT (OIL)	229	365	136
EUNICES (OIL)	402	809	406
JALMAT (OIL)	146	210	64
LANG MATX (OIL)	272	438	166
SUBTOTAL			785
TOTAL GAS & ASSOC CSGHEAD			2,361

POTENTIAL MONEY INVESTED INTO LEA COUNTY, NEW MEXICO ECONOMY

REMAINING RECOVERABLE RESERVES ACCESSABLE TO INFILL WELLS (BCF)	ANTICIPATED MODERN INFILL WELL RECOVERY (BCF/WELL)	NUMBER OF MODERN INFILL WELLS REQUIRED (WELLS)	COST PER MODERN INFILL WELLS (\$/WELL)	TOTAL POTENTIAL INVESTMENT INTO LEA, COUNTY NM (\$)
(5) 438	1.612	272	\$630,123.00	\$171,393,456.00

- (1) FROM "NATURAL GASES OF NORTH AMERICA - A SUMMARY"; B.W. BEEBE AND BRUCE F. CURTIS
CUMULATIVE PRODUCTION INCLUDES ESTIMATES FOR VENTED AND FLARED CASINGHEAD GAS
(2) CALCULATED PRODUCTION FROM DWIGHTS' ENERGY DATA AND STATE OF NEW MEXICO ANNUAL REPORT FIGURES
(3) 12/31/65 CUMULATIVES FOR GAS POOLS FROM STATE OF NEW MEXICO ENGINEERING COMMITTEE REPORTS
CUMULATIVES FOR CASINGHEAD GAS POOL EFFECTIVE 1/1/70 FROM DWIGHTS ENERGY DATA NO CUMULATIVES
PUBLISHED PRIOR TO 1/1/70
(4) 6/1/90 CUMULATIVES FROM DWIGHTS ENERGY DATA
(5) BASED UPON FIELD DELCINE ANALYSIS 301 BCF IS RECOVERABLE BY EXISTING WELLS. THEREFORE
739 BCF - 301 BCF OR 438 BCF IS RECOVERABLE ONLY BY INFILL WELLS

BEFORE EXAMINER CATANACH

Oil Conservation Division

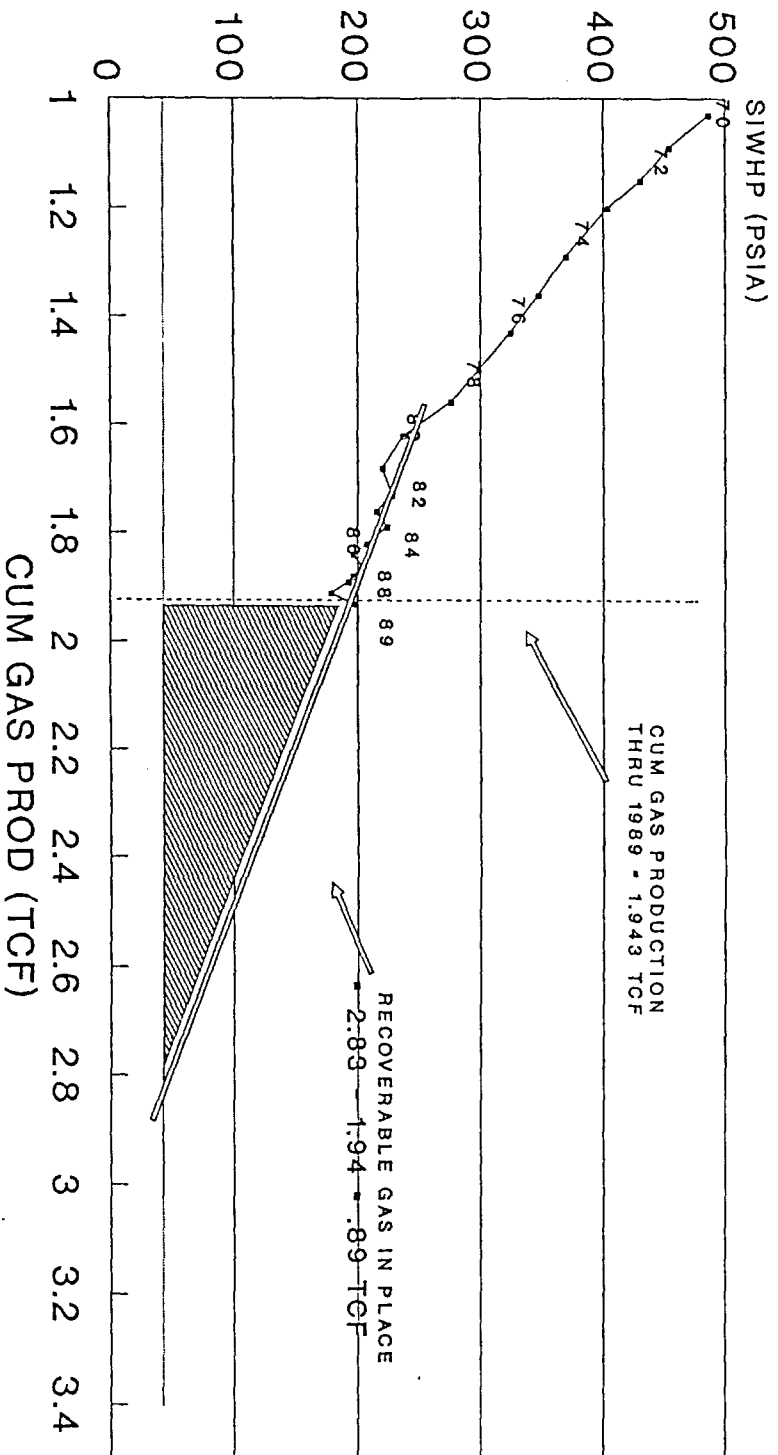
H Exhibit No. 7-A

Case No. 10036

EUMONT GAS POOL

SIWHP (PSIA) VS. GAS CUM (TCF)

SIWHP > 50 PSIA



SIWHP (PSIA)

EUMTPZ2/557/8-31-90

BEFORE EXAMINER CATANACH

Oil Conservation Division

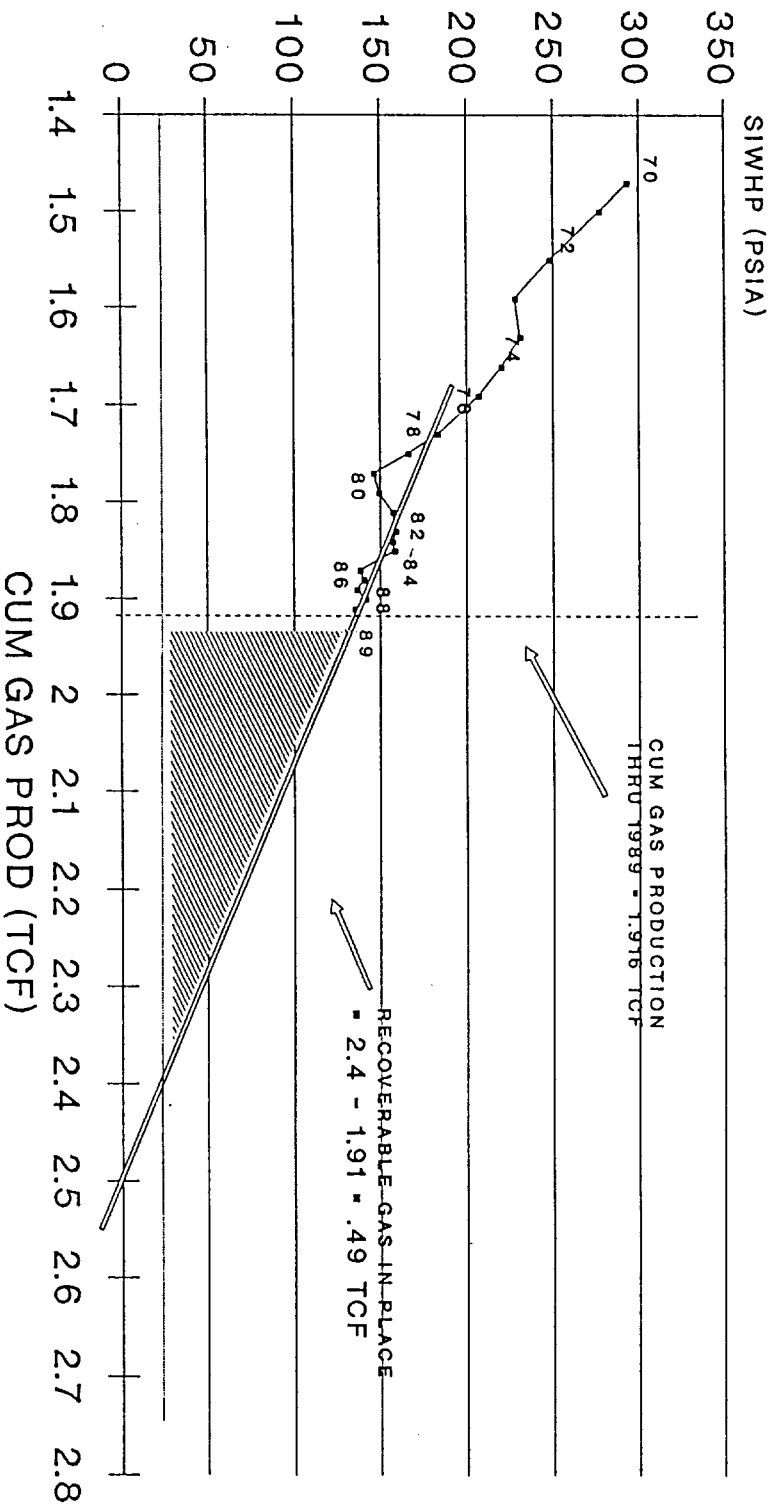
Exhibit No. 7-13

Case No. 10036

JALMAT GAS POOL

SIWHP (PSIA) VS. GAS CUM (TCF)

SIWHP > 50 PSIA



— SIWHP (PSIA)

JALPZ50/557/8-31-90

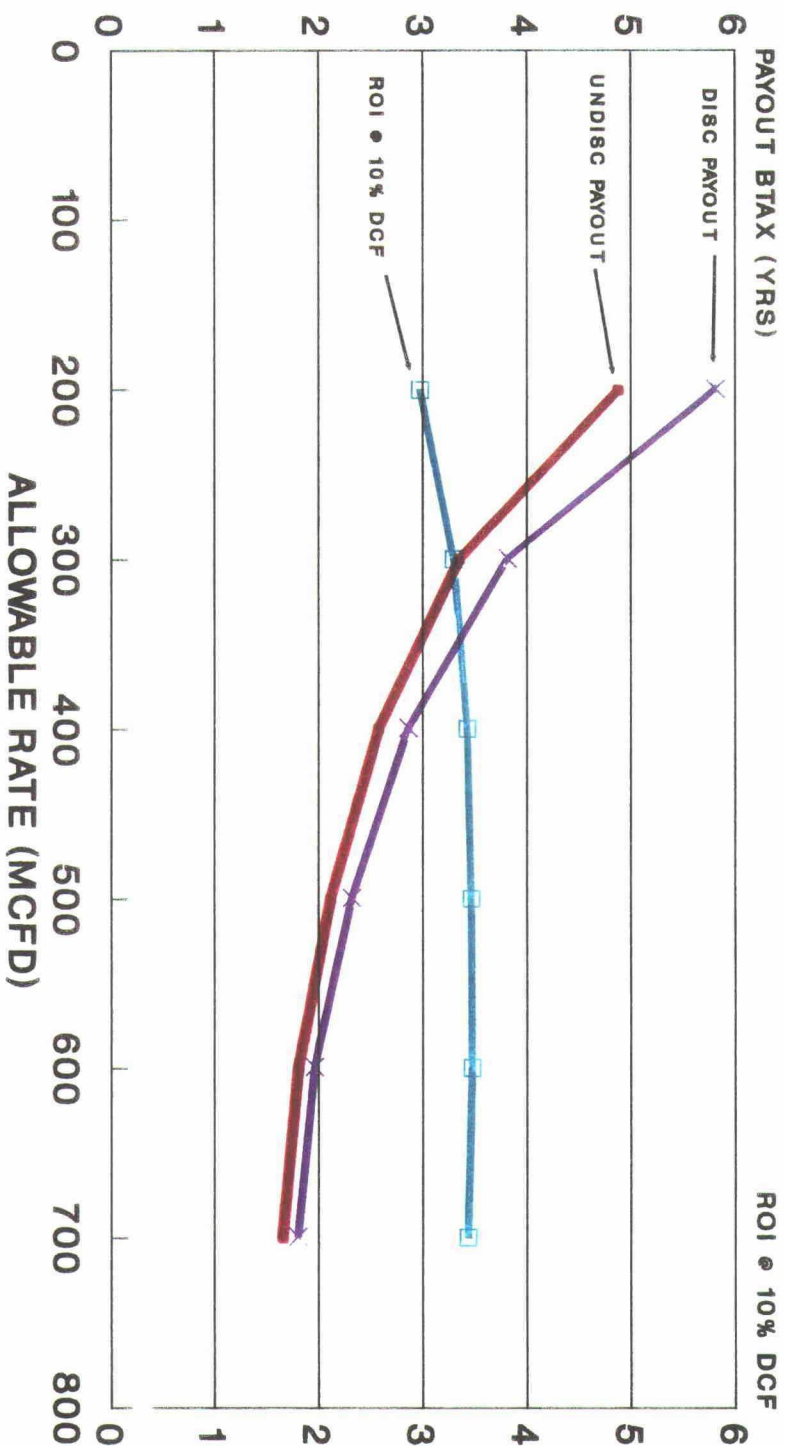
BEFORE EXAMINER CATANACH

Oil Conservation Division

Exhibit No. 7-6

Case No. 10036

TYPICAL MODERN JALMAT-EUMONT WELL ALLOWABLE VS. ECONOMIC RESULTS 32 WELL STUDY / AVG AF-1.091



BEFORE EXAMINER CATANACH

Oil Conservation Division

Exhibit No. 8

Case No. 10036

modern/17-Sep-90/557

TYPICAL MODERN JALMAT-EUMONT WELL
ALLOWABLE VS. ECONOMIC RESULTS
32 WELL STUDY / AVG AF=1.091

ALLOWABLE RATE (MCFPD)	PAYOUT UNDISC (YRS)	PAYOUT DISC @10% (YRS)	PROJECTED LIFE (YRS)	ROI @ 10% DISC
200	4.89	5.82	37	2.97
300	3.36	3.82	28	3.29
400	2.59	2.87	23	3.42
500	2.13	2.33	20	3.46
600	1.83	1.98	18	3.46
700	1.67	1.81	17	3.43

BEFORE EXAMINER CATANACH

Oil Conservation Division

____ Exhibit No. ____

Case No. 10036

"GAS PROSPECT EVALUATION DATA SHEET"

Prospect: 1 Loc: Sec Twp Rge
 Well: Typical Modern Well Pool: Jalmat/Eumont
 Producing Zone: Yates-7R-Queen First Production: 1-1-90

I. ENGINEERING/GEOLOGICAL

1. Acreage Factor 1.091/well 2. Initial SIWHP (psig) 142
 3. Line Pressure (psig) 43 init 4. Coeff. "C" (SCFPD/psia²) 49
 5. P/z Slope (MCF/psia) 12,209 6. Reserves (BCF) 1.6 BCF
 7. Compressor (Years) 1.38
 8. Initial Allowable 600 Allowable Decline Rate 0
 Q_w equals MRA @ Time 1.91 Q_i = 600
 Decline Rate: 16.5%
 9. GOR/Yield
 10. Economic Parameters:
 Discount Rate 10% Start Date 1-1-90 As-Of Date 9-15-90
 11. Comments:

II. LAND

1. P.U. Description --
 2. Date Acquired -- 3. Gross Acres 175 (AF=1.091)
 4. Initial Ownership: WI NRI
 5. Additional Ownership: WI -- NRI --
 6. Total Participation: WI 100% NRI 81.6745
 Net WI Acres 175 Acreage Price (\$/Ac) \$811.37
 Net Acreage Cost (\$) 141,990 Acreage Cost @ 100% WI (\$) 141,990

III. GAS PRICING

1. Gatherer Spot Marketing Contract No. None
 2. Contract Pricing None Spot Pricing Major Pipeline
 3. FERC Pricing Section 103 4. Average WHBTU 1,170
 5. Comments: Major Pipeline + DRI + AGA
 6. Average Annual Price (\$/MCF, inclusive of taxes):
 1989 -- 1990 1.900 1991 2.574 1992 2.808
 1993 3.064 1994 3.331 1995 3.608 1996 3.842
 1997 4.082 1998 4.329 1999 4.583 2000 4.844
 7. Escalation Rate Beyond 2000 (%/Year) 5.4%/yr to life

IV. OIL PRICING

1. Average Annual Price (\$/BBL):
 1989 -- 1990 -- 1991 -- 1992 --
 1993 -- 1994 -- 1995 -- 1996 --
 2. Escalation Rate Beyond 1996 (%/Year) N/A

V. INVESTMENT COSTS/OPERATING COSTS

Tangible Cost 84,216
 Intangible Cost 310,779
 Completed Well Cost 394,995
 Leasehold (100%) Cost 141,990
 Compression Cost 43,071 (Gath) + 49,617* (Comp) = 92,688 (Total)
 Total Well Cost 629,673
 Operating/Overhead Cost (\$/Mo.) \$1300/mo. initial increasing to 2844/mo. @ 1.38 yrs
 Escalation Rate (%/Year) 4%/yr
 Beginning Escalation Date 1-1-90

*Cost of well compression installation at 1.38 years

BEFORE EXAMINER
 Oil Conservation
 H- Exhibit No. 4
 Case No. 10026
 540:TYPMODWL

Pa(psi/a) = 23
 Pi(psi/a) = 155.2
 M(mcf/psi/a) = 12209
 C(scfd/psi/a^2) = 49
 PRORAT-FAC = 1.091 MONTHS = EUMONT & JALMAT WELL
 Q(a1)(mcf/d) = 600 12 LEA COUNTY, NEW MEXICO
 LP(psi/a) = 43 EWAS =
 D(%/year) = 0 DEL DATE: 1-1-90
 P17G

YEAR	DT	Qa	YEARLY	SUM	DP	SUM	Pe	Qd(1p)	Qd(10)
			DO	DO		DP			
1990	0	655	238929	238929	19.6	19.6	135.6	747	875
1991	1	655	238929	477858	19.6	39.1	116.1	505 *	634 **
1992	2	655	238929	716787	19.6	58.7	96.5	301	430
1993	3	655	238929	955716	19.6	78.3	76.9	135	264
1994	4	655	238929	1194645	19.6	97.8	57.4	6	135
1995	5	655	238929	1433574	19.6	117.4	37.8	0	44
1996	6	655	238929	1672503	19.6	137.0	18.2	0	0
1997	7	655	238929	1911432	19.6	0.0	0.0	0	0
1998	8	655	238929	2150361	19.6	0.0	0.0	0	0
1999	9	655	238929	2389290	19.6	0.0	0.0	0	0
2000	10	655	238929	2628219	19.6	0.0	0.0	0	0
2001	11	655	238929	2867148	19.6	0.0	0.0	0	0

* CALCULATED TIME COMPRESSION NEEDED:
 = 1 YR + ((747 MCFPD - 655 MCFPD)/(747 MCFPD - 505 MCFPD))
 = 1.38 YRS

COMPRESSION LOE COST:
 = \$1300/MO + (655 MCFPD * \$.07/MCF ELECTRIC COST * 30.4 DAYS/MO)
 = \$2694/MO

ADJUSTED FOR FUTURE VALUE:
 = \$2694/MO * (1.04)^{1.38}
 = \$2884/MO

** CALCULATED TIME @ WHICH WELL BECOMES CAPACITY:
 = 1 YR + ((875 MCFPD - 655 MCFPD)/(875 MCFPD - 634 MCFPD))
 = 1.91 YRS

BEFORE EXAMINER CATANACH
 Oil Conservation Division
 # Exhibit No. 1.9
 Case No. 10036

ANALYSIS OF PROJECTED AND ACTUAL DRILLING & COMPLETION COSTS TOTAL OF 8 WELLS DRILLED BY DOYLE HARTMAN 1989 AND 1990 EUMONT & JALMAT FIELDS - LEA COUNTY, NEW MEXICO

LEASE	FINAL AFE 100% WI	ACTUAL COST 100% WI	LEASE	FINAL AFE 100% WI	ACTUAL COST 100% WI
1 TURNER STATE #3			5 ARNOTT RAMSAY NCT-B #13		
SPUD DATE 7-31-89			SPUD DATE 9-6-89		
TANGIBLE COST \$	\$97,782.00	\$93,400.33	TANGIBLE COST \$	\$97,782.00	\$62,095.18
INTANGIBLE COST \$	\$277,990.00	\$269,148.88	INTANGIBLE COST \$	\$277,990.00	\$271,995.87
COMPLETED WELL COST \$ ¹	\$375,772.00	\$362,549.21	COMPLETED WELL COST \$ ¹	\$375,772.00	\$334,091.05
GATHERING/COMP. COST \$	\$35,000.00	\$42,464.15	GATHERING/COMP. COST \$	\$35,000.00	\$23,895.69
TOTAL WELL COST \$	\$410,772.00	\$405,013.36	TOTAL WELL COST \$	\$410,772.00	\$357,986.74
2 STATE E COM. #4			6 A.L. CHRISTMAS #1		
SPUD DATE 8-9-89			SPUD DATE 10-12-89		
TANGIBLE COST \$	\$97,782.00	\$58,458.48	TANGIBLE COST \$	\$97,782.00	\$96,499.92
INTANGIBLE COST \$	\$277,990.00	\$273,743.97	INTANGIBLE COST \$	\$277,990.00	\$268,267.39
COMPLETED WELL COST \$ ^{1,2}	\$375,772.00	\$332,202.45	COMPLETED WELL COST \$ ¹	\$375,772.00	\$364,767.31
GATHERING/COMP. COST \$	\$35,000.00	\$35,399.53	GATHERING/COMP. COST \$	\$35,000.00	\$10,827.34
TOTAL WELL COST \$	\$410,772.00	\$367,601.98	TOTAL WELL COST \$	\$410,772.00	\$375,594.65
3 LIBERTY ROYALTIES #6			7 JACK "A-20" #11		
SPUD DATE 8-19-89			SPUD DATE 10-24-89		
TANGIBLE COST \$	\$97,782.00	\$97,449.02	TANGIBLE COST \$	\$97,782.00	\$71,414.68
INTANGIBLE COST \$	\$277,990.00	\$247,778.94	INTANGIBLE COST \$	\$277,990.00	\$278,113.13
COMPLETED WELL COST \$ ^{1,2}	\$375,772.00	\$345,227.96	COMPLETED WELL COST \$ ^{1,2}	\$375,772.00	\$349,527.81
GATHERING/COMP. COST \$	\$35,000.00	\$70,947.69	GATHERING/COMP. COST \$	\$35,000.00	\$43,988.86
TOTAL WELL COST \$	\$410,772.00	\$416,175.65	TOTAL WELL COST \$	\$410,772.00	\$393,516.67
4 DABBS #3			8 HANSEN STATE #7		
SPUD DATE 8-28-89			SPUD DATE 3-29-90		
TANGIBLE COST \$	\$97,782.00	\$70,103.11	TANGIBLE COST \$	\$97,782.00	\$54,070.35
INTANGIBLE COST \$	\$277,990.00	\$268,620.35	INTANGIBLE COST \$	\$277,990.00	\$257,596.98
COMPLETED WELL COST \$ ¹	\$375,772.00	\$338,723.46	COMPLETED WELL COST \$ ¹	\$375,772.00	\$311,667.33
GATHERING/COMP. COST \$	\$35,000.00	\$74,468.53	GATHERING/COMP. COST \$	\$35,000.00	\$11,500.00 ³
TOTAL WELL COST \$	\$410,772.00	\$413,191.99	TOTAL WELL COST \$	\$410,772.00	\$323,167.33

TOTAL EIGHT WELLS

TANGIBLE COST \$	\$782,256.00	\$603,491.07	\$75,436.38
INTANGIBLE COST \$	\$2,223,920.00	\$2,135,265.51	\$266,908.19
COMPLETED WELL COST \$	\$3,006,176.00	\$2,738,756.58	\$342,344.57
GATHERING/COMP. COST \$	\$280,000.00	\$313,491.79	\$39,186.47
TOTAL WELL COST \$	\$3,286,176.00	\$3,052,248.37	\$381,531.05
PERCENT OF ACTUAL %	107.66%	100.00%	

AVERAGE ACTUAL COST 8 WELLS

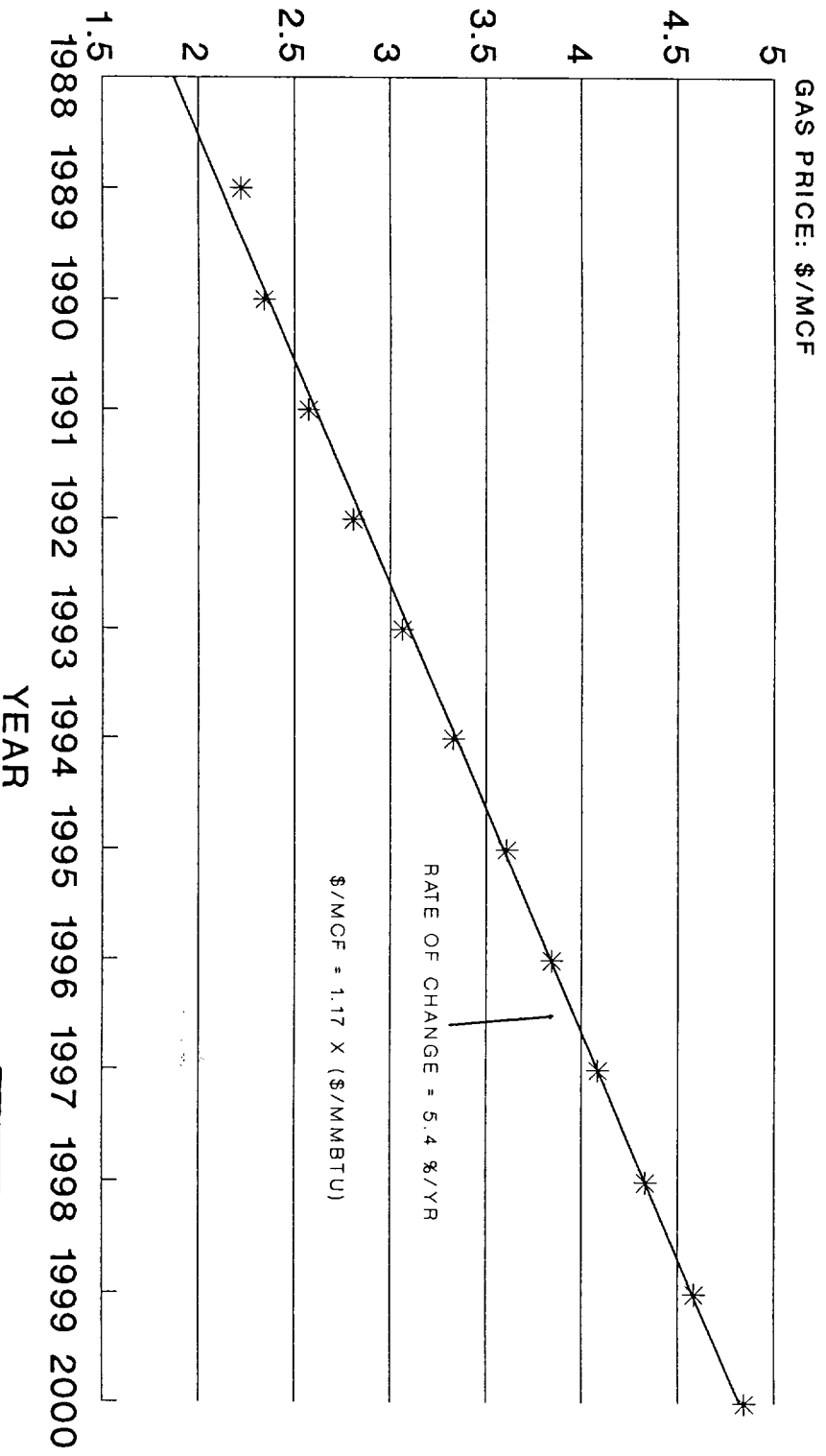
¹INCLUDED CONTINGENCY AMOUNT FOR FINAL AFE
²DUE TO 100% HARTMAN OWNERSHIP, UTILIZED TURNER STATE #3 AFE FOR STATE "E" COM. #4, LIBERTY ROYALTIES #6, JACK A-20 #11 AND HANSEN STATE #7
³ESTIMATED DUE TO CONSTRUCTION IN PROGRESS

Case No. 10036

Exhibit No. 10

EXAMINER CATANACH
Conservation Division

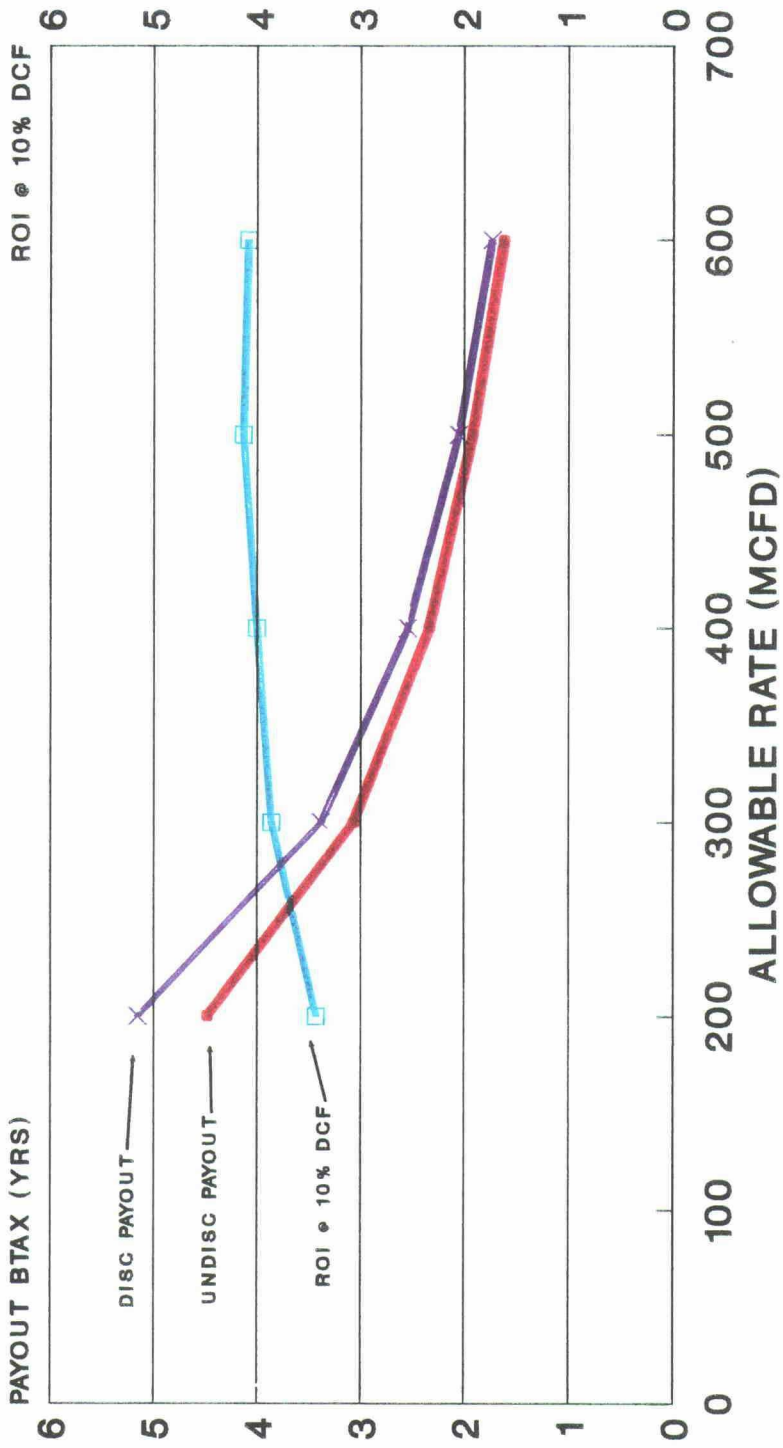
MAJOR GAS PIPELINE COMPANY SPOT PRICING SCENARIO



—*— \$/MCF

BEFORE EXAMINER CATANACH
Oil Conservation Division
SPOT BUY 1/7-0-90/561
Exhibit No. 11
Case No. 10036

TURNER STATE #3 ALLOWABLE VS. ECONOMIC RESULTS EUMONT AF-1.0



— PAYOUT BTAX (YRS) — ROI @ 10% — DISC PAYOUT BTAX YRS

BEFORE EXAMINER CATANACH

Oil Conservation Division

Exhibit No. 12

Case No. 10036

on prod cap.

TURNECON/17-Sep-90/557

TURNER STATE #3
ALLOWABLE VS. ECONOMIC RESULTS
AF=1.00

ALLOWABLE RATE (MCFPD)	PAYOUT UNDISC (YRS)	PAYOUT DISC @10% (YRS)	PROJECTED LIFE (YRS)	ROI @ 10% DISC
200	4.49	5.16	27	3.43
300	3.08	3.39	20	3.86
400	2.35	2.55	17	4.00
500	1.93	2.06	13	4.13
600	1.63	1.74	13	4.08

BEFORE EXAMINER CATANACH
Oil Conservation Division

Exhibit No. _____

Case No. 10036

"GAS PROSPECT EVALUATION DATA SHEET"

Prospect: _____ Loc: Sec 32 Twp 20S Rge 37E
Well: Turner State No. 3 Actual Pool: Eumont (Gas)
Producing Zone: Eumont (Y-7R-Qn) First Production: 1-90

I. ENGINEERING/GEOLOGICAL

1. Acreage Factor 1.0 2. Initial SIWHP (psig) 114
3. Line Pressure (psig) 55 4. Coeff. "C" (SCFPD/psia²) 49
5. P/z Slope (MCF/psia) 15,000 6. Reserves (BCF) 1.56 BCF
7. Compressor (Years) 2.26
8. Initial Allowable 600 Allowable Decline Rate 0
Q_w equals MRA @ Time 3.98 Yrs Q_i = 600
Decline Rate: 27.05
9. GOR/Yield _____
10. Economic Parameters:
Discount Rate 10% Start Date 1-1-90 As-Of Date 9-15-90
11. Comments: _____

II. LAND

1. P.U. Description E/2 NW/4 and W/2 NE/4 Section 32, T-20-S, R-37-E
2. Date Acquired -- 3. Gross Acres 160
4. Initial Ownership: WI _____ NRI _____
5. Additional Ownership: WI -- NRI --
6. Total Participation: WI 100% NRI 71.875%
Net WI Acres 160 Acreage Price (\$/Ac) \$200.89
Net Acreage Cost (\$) 32,142.86 Acreage Cost @ 100% WI (\$) 32,142.86

III. GAS PRICING

1. Gatherer Spot Marketing NNG Contract No. None
2. Contract Pricing None Spot Pricing Major Pipeline
3. FERC Pricing Section 103 4. Average WHBTU _____
5. Comments: Major Pipeline + DRI + AGA

6. Average Annual Price (\$/MCF, inclusive of taxes):
1989 -- 1990 1.900 1991 2.574 1992 2.808
1993 3.064 1994 3.331 1995 3.608 1996 3.842
1997 4.082 1998 4.329 1999 4.583 2000 4.844
7. Escalation Rate Beyond 2000 (%/Year) 5.4%/yr to life

IV. OIL PRICING

1. Average Annual Price (\$/BBL):
1989 -- 1990 -- 1991 -- 1992 --
1993 -- 1994 -- 1995 -- 1996 --
2. Escalation Rate Beyond 1996 (%/Year) N/A

V. INVESTMENT COSTS/OPERATING COSTS

Tangible Cost \$93,400
Intangible Cost \$269,149
Completed Well Cost \$362,549
Leasehold (100%) Cost \$32,143
Compression Cost 42,464 (Gath) + 51,360* (Comp) = 93,824 (Total)
Total Well Cost \$488,516
Operating/Overhead Cost (\$/Mo.) \$1300/mo. initial increasing to 2816/mo. @ 2.26 yrs
Escalation Rate (%/Year) 4%/yr
Beginning Escalation Date 1-1-90

*Cost of well compression installation at 2.26 years

Oil Conservation Division
Exhibit No. 10036
Case No. 10036

BEFORE EXAMINER (ATTACH)

TURNER STATE # 3
WELL DELIVERABILITY VS. MARKET RATEABLE TAKE
EUMONT FIELD
LEA COUNTY, NEW MEXICO
DEL DATE: 1-1-90

17-Sep-90

P17-COM4

Pa(psi)a= 23
Pi(psi)a= 127
M(mct/psi)a= 15000
C(sct/d/psi)a^2= 142
PRORAT-FAC= 1.00
Q(a1)(mcf/d)= 600
LP(psi)g= 55
D(%/year)= 0
MONTHS= 12
EMAS(%)= 0
LOE(\$/MO)= 1300
LOE(\$/MCF)= 0.07

YEAR	dt	qa	YEARLY dq	YEARLY SUM dq	dp	SUM dp	Pe	qd(lp)	qd(10)	dt	SUM dt	dt(YRS) CAPACITY	dt(YRS) NON-CAP	TOTAL YEARS
1990	0	600	219000	219000	14.6	14.6	112.4	1134	1719	0	0	0.0	1.0	1.0
1991	1	600	219000	438000	14.6	29.2	97.8	698	1283	0	0	0.0	2.0	2.0
1992	2	600	219000	657000	14.6	43.8	83.2	322	908	0	0	0.0	3.0	3.0
1993	3	600	219000	876000	14.6	58.4	68.6	8	593	235	235	0.6	0.0	3.6
1994	4	600	219000	1095000	14.6	73.0	54.0	0	339	452	687	1.9	0.0	4.9
1995	5	600	219000	1314000	14.6	87.6	39.4	0	145	1390	2077	5.7	0.0	8.7
1996	6	600	219000	1533000	14.6	102.2	24.8	0	12	17925	0	0.0	0.0	0.0
1997	7	600	219000	1752000	14.6	116.8	10.2	0	0	0	0	0.0	0.0	0.0
1998	8	600	219000	1971000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
1999	9	600	219000	2190000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2000	10	600	219000	2409000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2001	11	600	219000	2628000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2002	12	600	219000	2847000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2003	13	600	219000	3066000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2004	14	600	219000	3285000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2005	15	600	219000	3504000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2006	16	600	219000	3723000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2007	17	600	219000	3942000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2008	18	600	219000	4161000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2009	19	600	219000	4380000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2010	20	600	219000	4599000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2011	21	600	219000	4818000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2012	22	600	219000	5037000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2013	23	600	219000	5256000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2014	24	600	219000	5475000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2015	25	600	219000	5694000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2016	26	600	219000	5913000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2017	27	600	219000	6132000	14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0
2018	28	600	219000		14.6	0.0	0.0	0	0	0	0	0.0	0.0	0.0

* COMPRESSION (YRS) = 2.26

** CAPACITY (YRS) = 3.98

LOE @ COMPRESSION(\$/MO) = \$2,816

BEFORE EXAMINER CATANACH

Oil Conservation Division

Exhibit No. 13 B

Case No. 10036

COMPUTATION OF RESERVES
DOYLE HARTMAN - TURNER STATE NO. 3
F-32-20S-37E
EUMONT GAS POOL
LEA COUNTY, NEW MEXICO

OPERATOR

WELL NAME

WELL LOCATION

M=
SLOPE
MCF/psi

MERIDIAN	Shell State #7	K-32-20-37	17,500
MERIDIAN	Shell State #6	I-32-20-37	24,615
TEXACO	State AY #1	H-32-20-37	14,348
ARCO	State "O" #2	D-32-20-37	8,888
CHEVRON	Bell Ramsay NCT-B #1	M-29-20-37	10,476

AVERAGE OF ALL WELLS

15,165

AVERAGE USED FOR CALCULATION

15,000

RECOVERABLE RESERVES = 15,000 x (127-23) = 1,560,000 MCF

1838:OCDTBL

BEFORE EXAMINER CATANACH

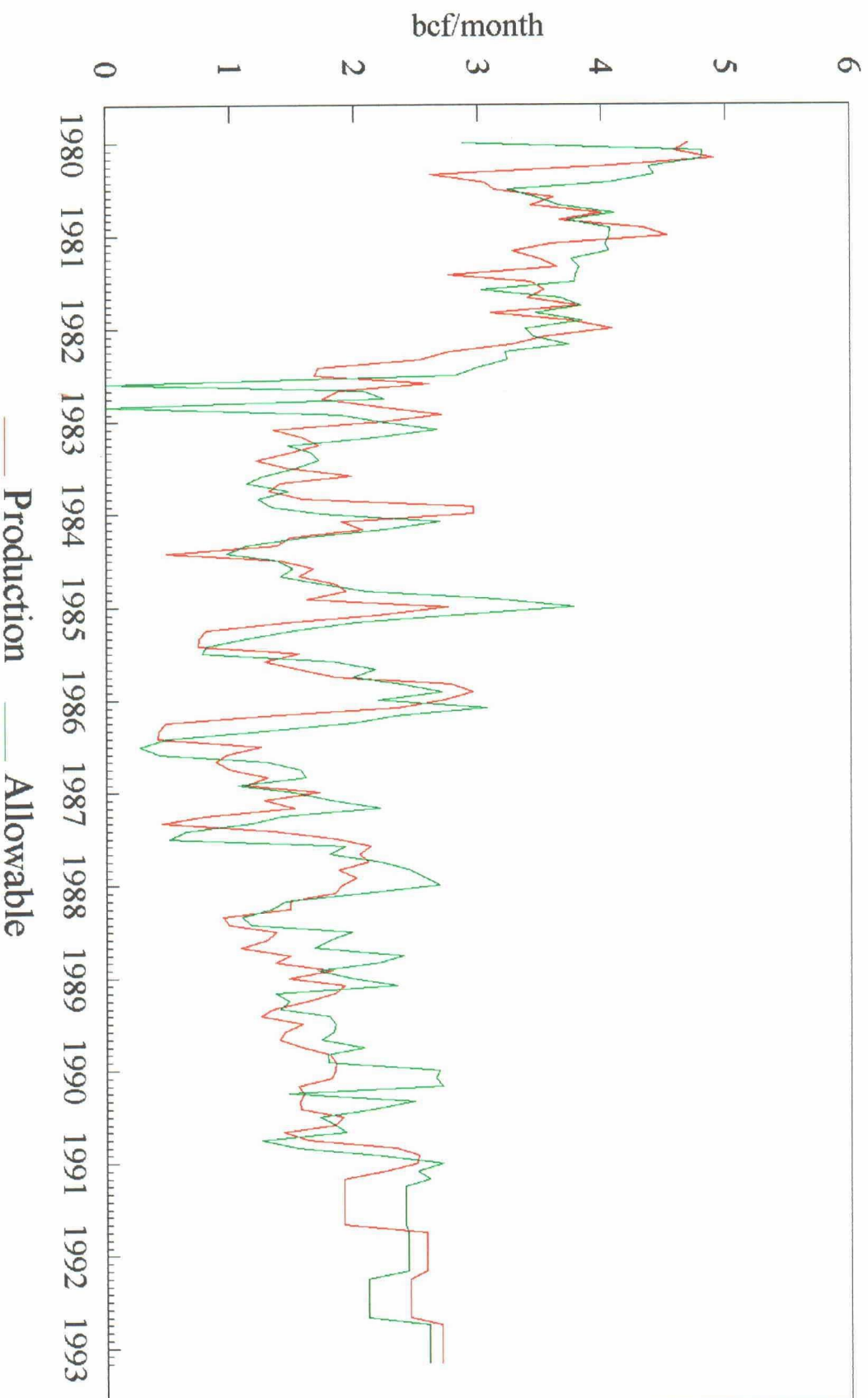
Oil Conservation Division

H Exhibit No. 1349

Case No. 10036

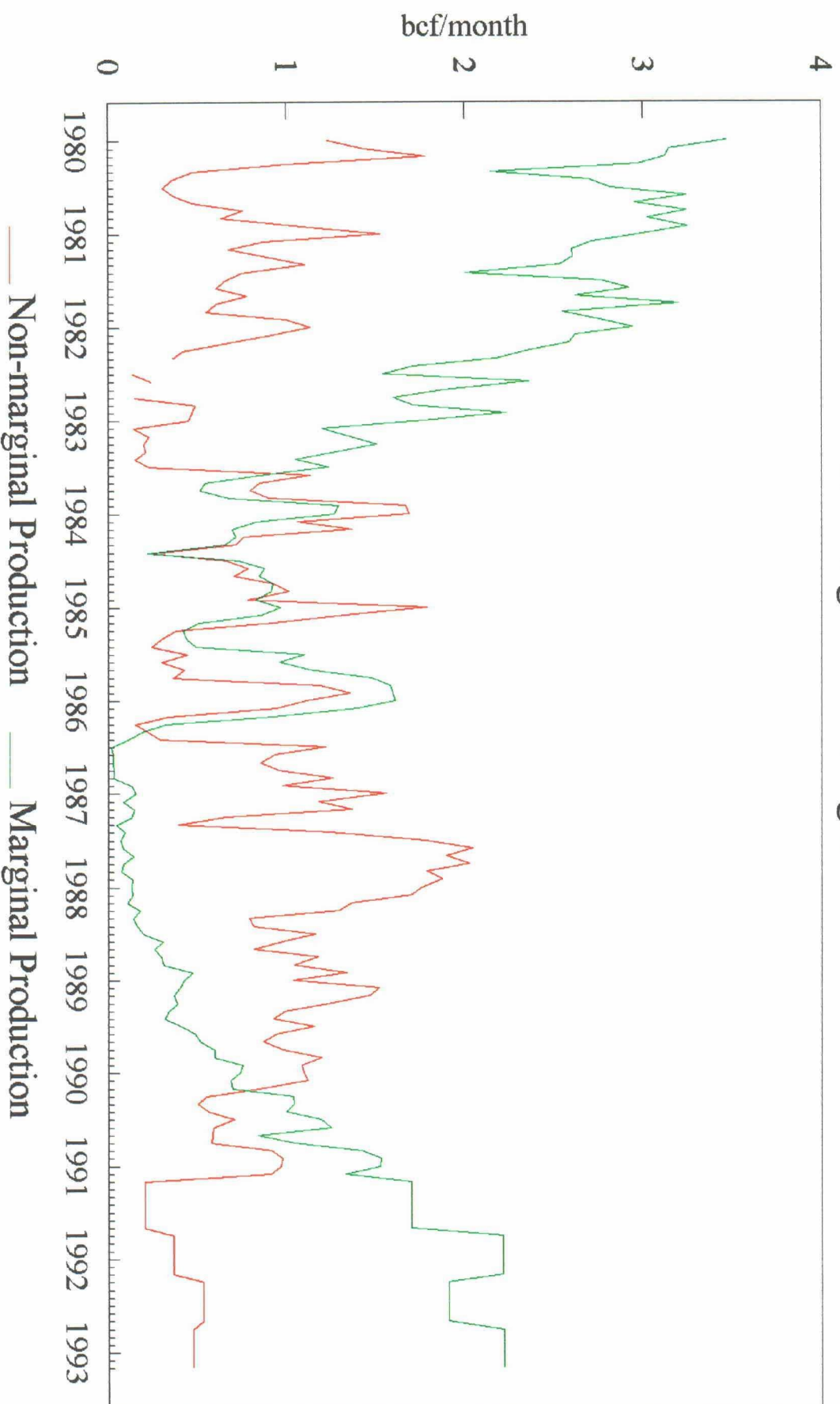
Eumont Yates Seven Rivers Queen (Pror Gas)

Field Allowable and Production



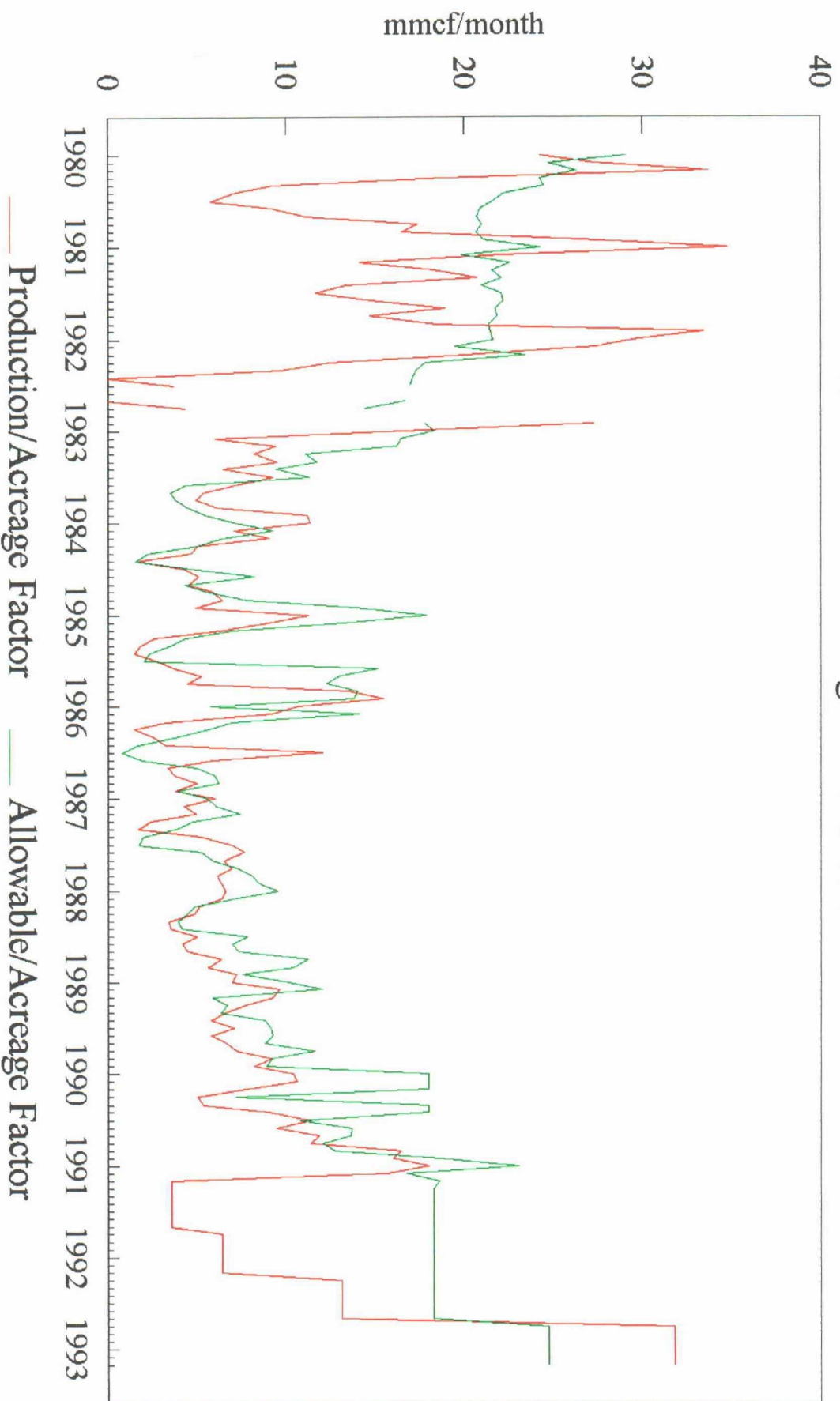
Eumont Yates Seven Rivers Queen (Pror Gas)

Non-marginal and Marginal Production



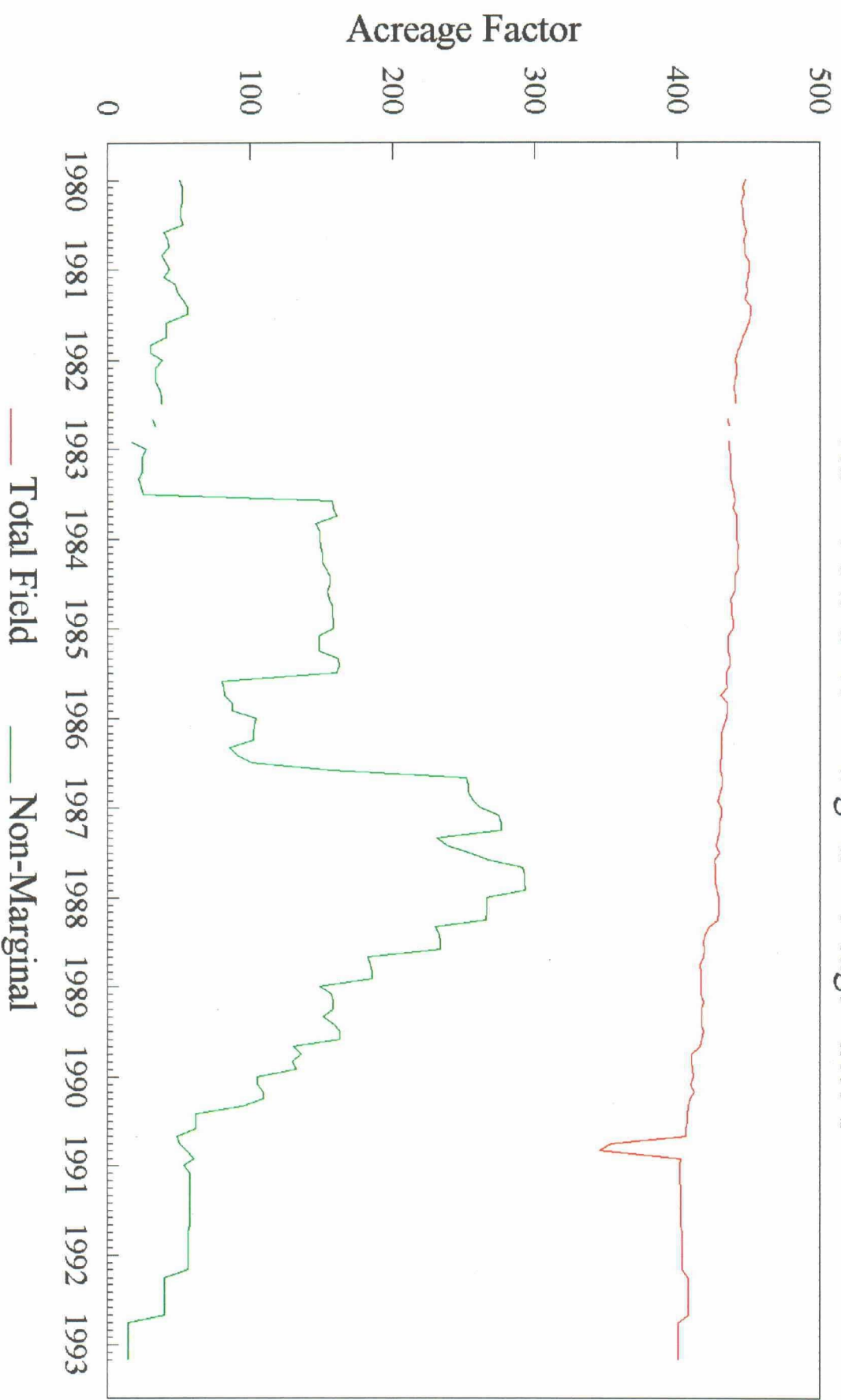
Eumont Yates Seven Rivers Queen (Pror Gas)

Normalized Non-marginal Production and Allowable

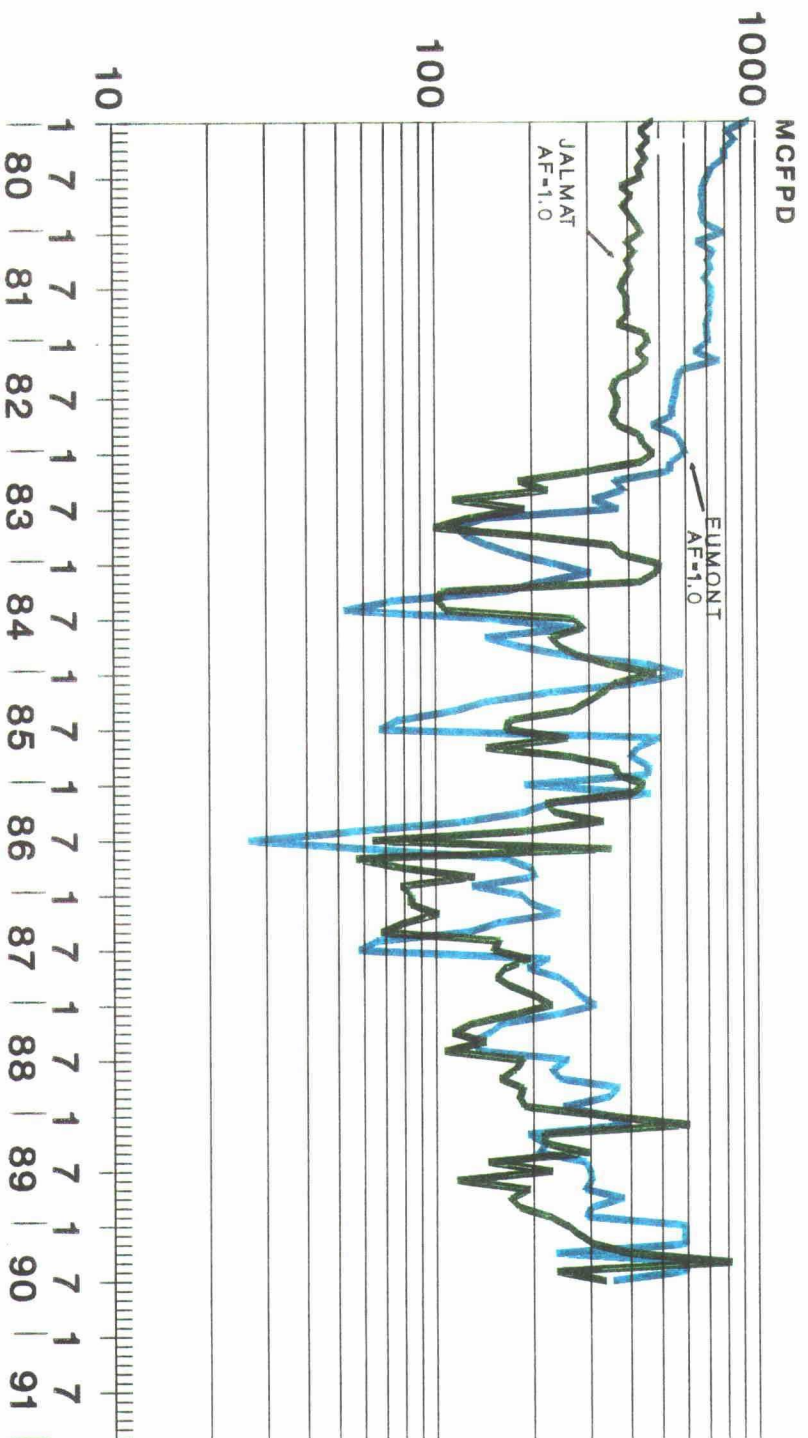


Eumont Yates Seven Rivers Queen (Pror Gas)

Total Field and Non-Marginal Acreage Factors



EUMONT AND JALMAT NON-MARGINAL ALLOWABLE ACREAGE FACTOR - 1.0



BEFORE EXAMINER CATANACH

EUMONT

JALMAT

Oil Conservation Division

Exhibit No. 14

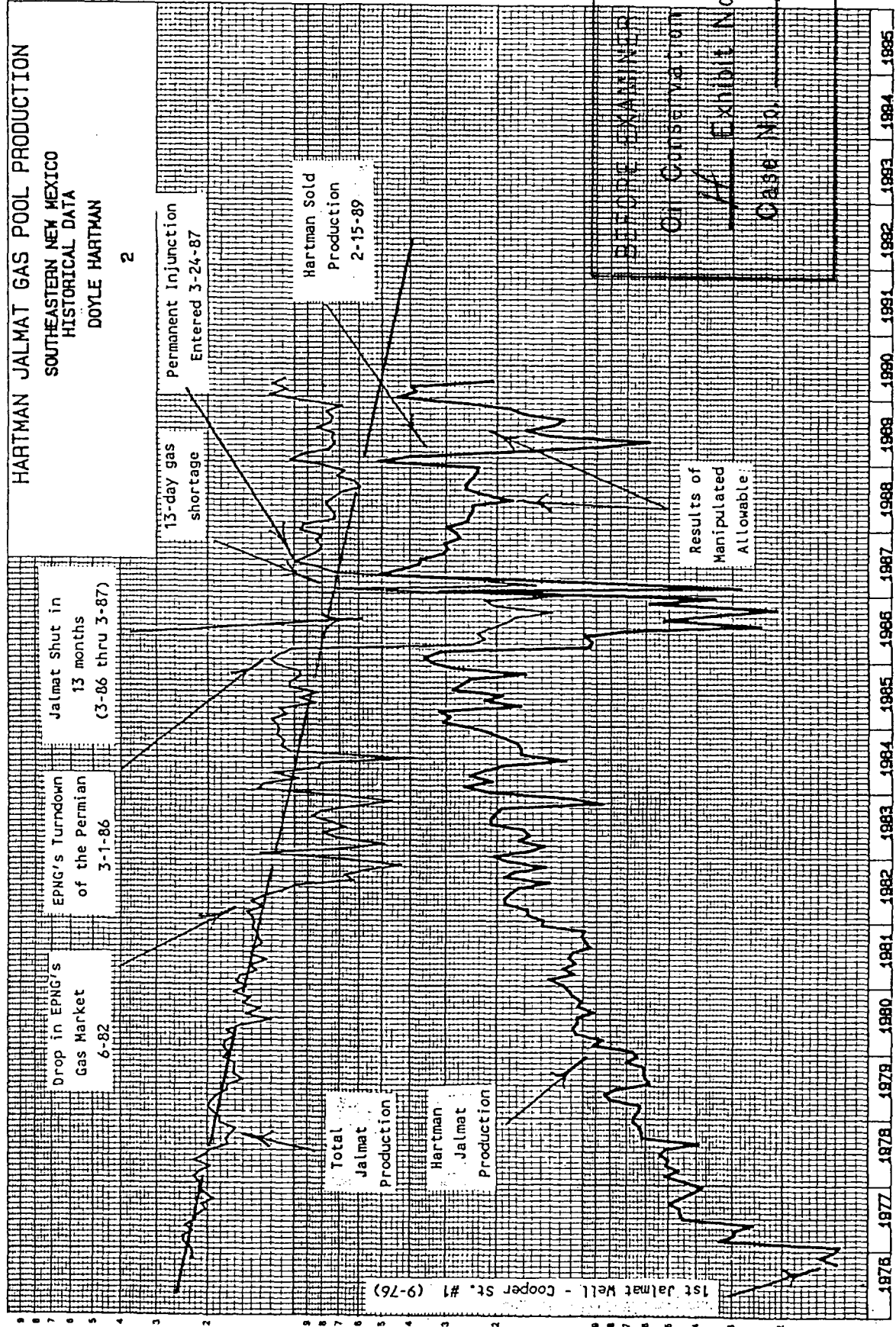
Case No. 10036

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Date: 08/23/90
Time: 13:38.19

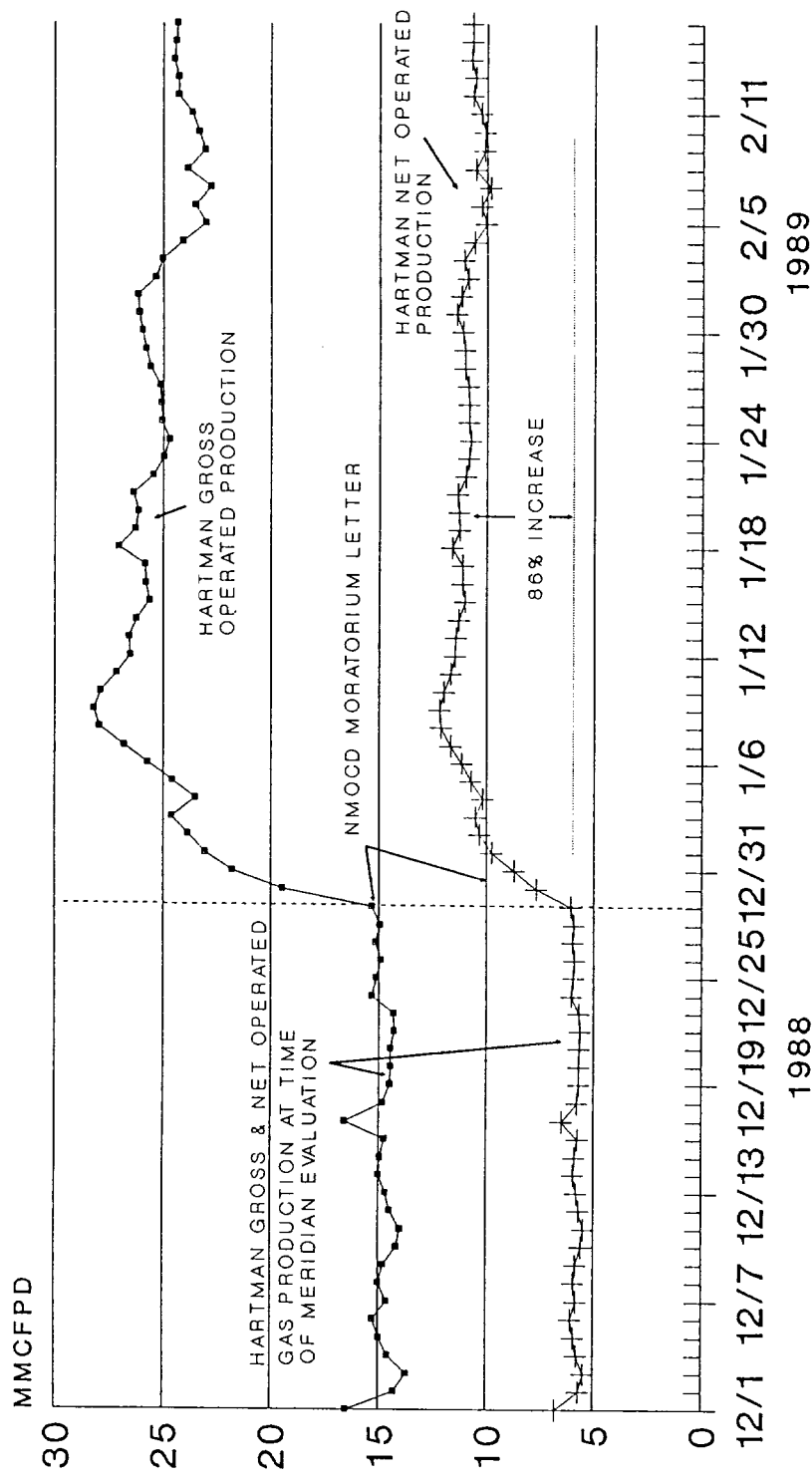
PRODUCTION

File: ALC1.DSF
Get#: 40



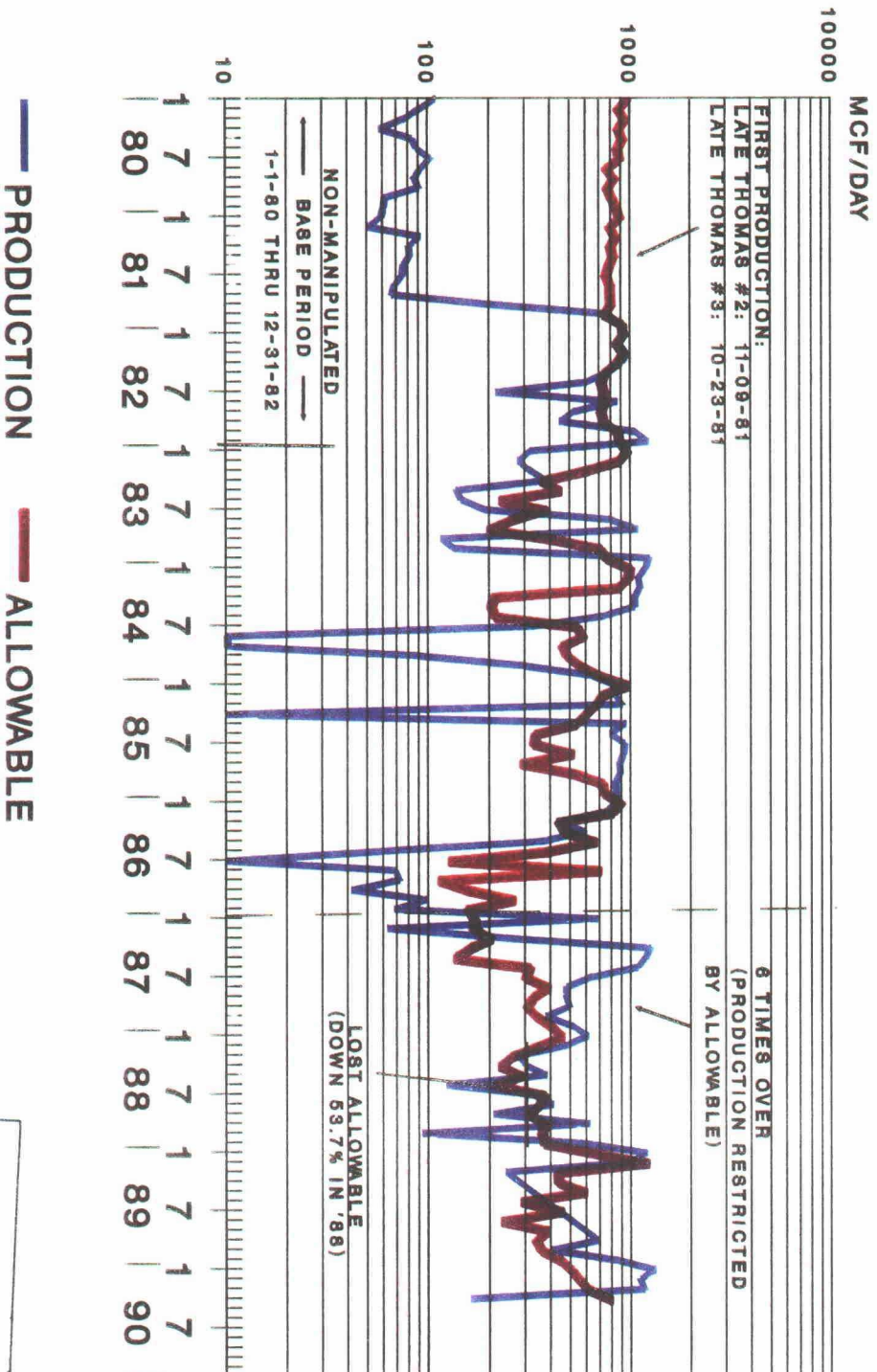
DOYLE HARTMAN
Oil Operator

DOYLE HARTMAN OPERATED GROSS AND NET GAS PRODUCTION (12-88 - 2-89 FIELD ESTIMATE REPORT)



BEFORE EXAMINER CATANACH
Oil Conservation Division
H Exhibit No. LSA
Case No. 10036

LATE THOMAS #1, #2, & #3 PRODUCTION VS. ALLOWABLE



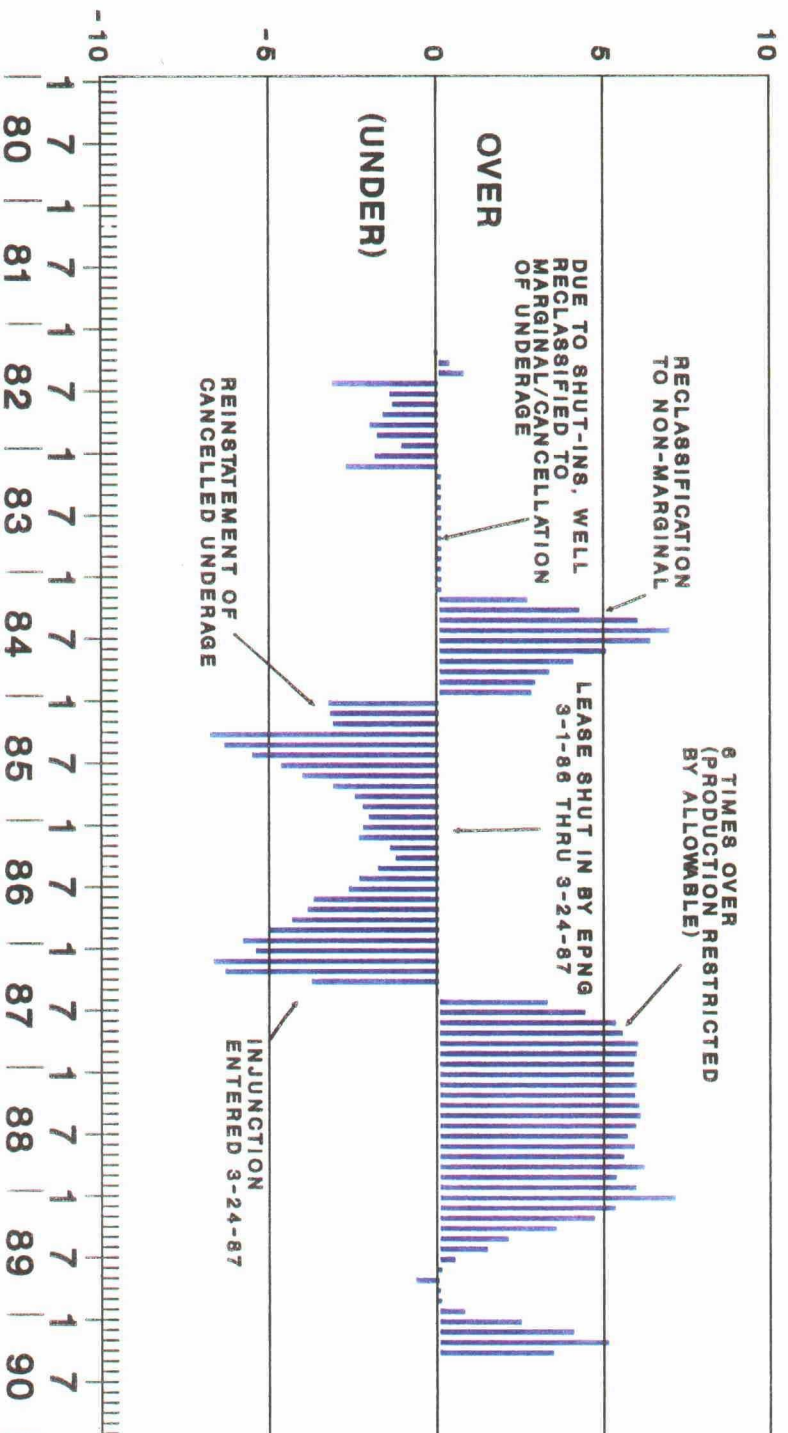
BEFORE EXAMINER CATANACH

Oil Conservation Division

Exhibit No. 16

Case No. 10036

LATE THOMAS #1, #2 & #3 TIMES OVER/(UNDER) PRODUCED EPNG CONTRACT NO. 6075



TIMES OVER/(UNDER)

BEFORE EXAMINER CATANACH

Oil Conservation Division

Exhibit No. _____

Case No. 10036

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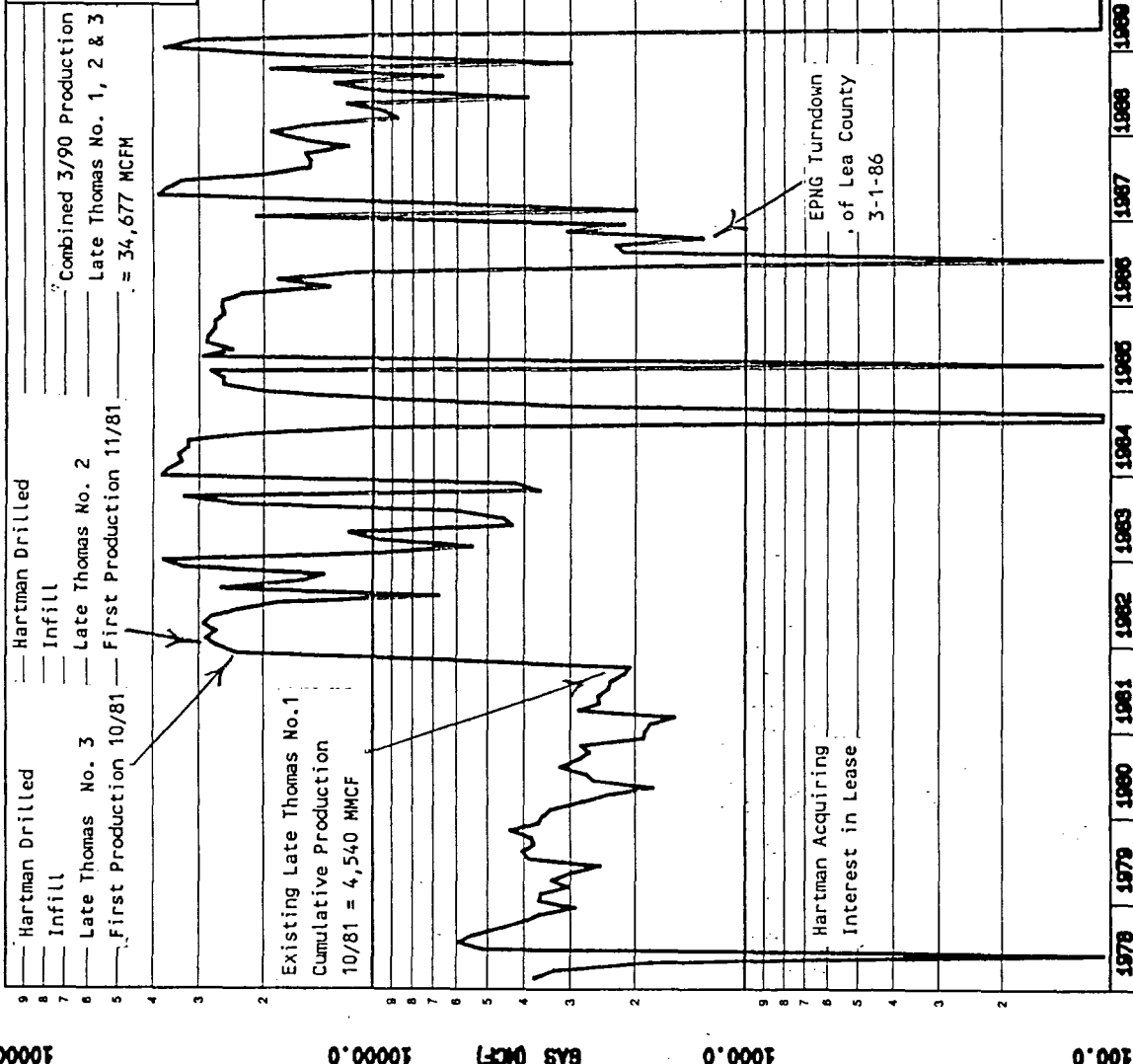
Date: 09/14/90
Time: 15:59.38

INFILL WELL
PRODUCTION

SUMMARY OF LATE THOMAS # 1, 2 & 3

JALMAT FIELD
LEA COUNTY, NEW MEXICO
DOYLE HARTMAN

SUMMARY



BEFORE EXAMINER

Oil Conservation Division

Exhibit No. 17

Case No. 10036

Cumulative Production 3/90

Late Thomas No. 1. 2. & 3.

= 6.230 MMCF

Infill Reserves Produced

Through 3/90 due to Hartman's

Infill Dilling = 1.637 MMCF

YEARS

DOYLE HARTMAN

Oil Operator

Date: 07/02/90
Time: 12.01.49

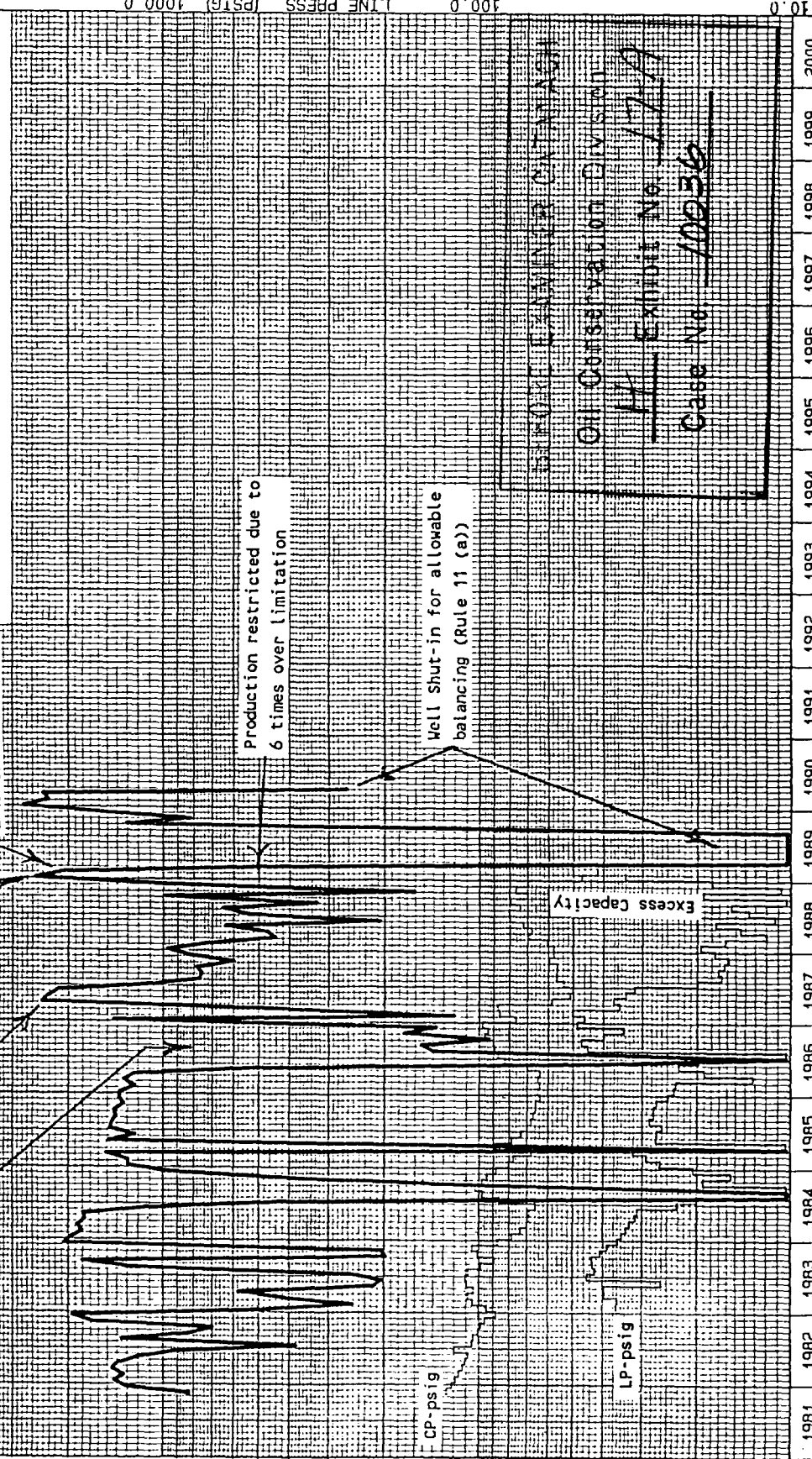
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PRODUCTION

Lease Shut-in by EPNG
from 3-1-86 to 3-24-87
Injunction entered
3-24-87
Sale of Hartman net
interest to Meridian
2-15-89
NWOCD Moratorium
Letter (Rule 11 (g))
2-15-89

LATE-THOMAS #2
YATES - SEVEN RIVERS
LEA NM
DOYLE HARTMAN
AF - 2.0 (320-ac. MWU P.U.)



10000.0

10000.0

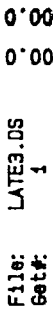
YEARS

DOYLE HARTMAN

Oil Operator

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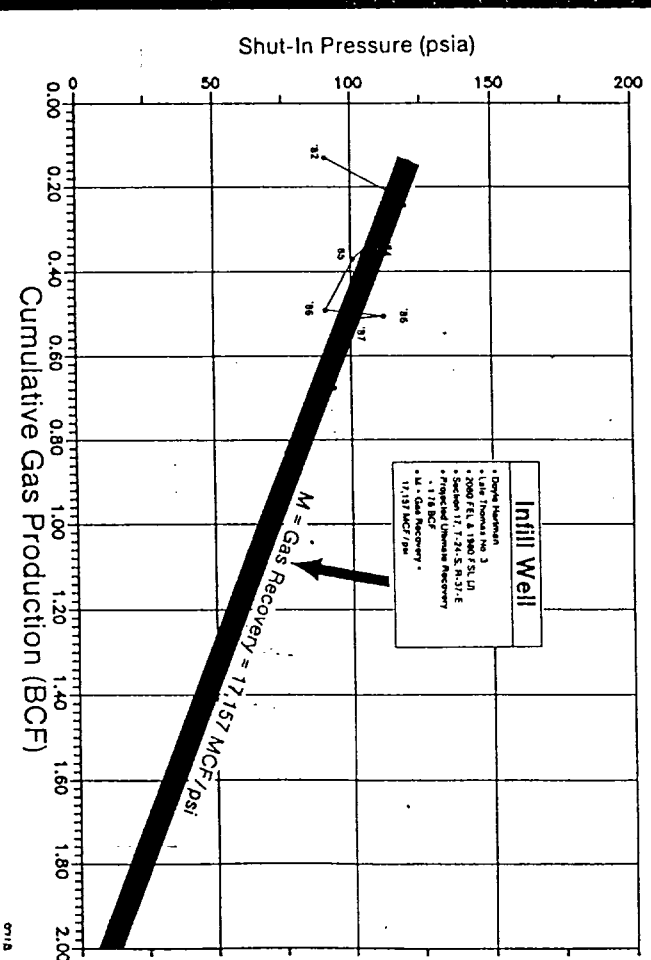
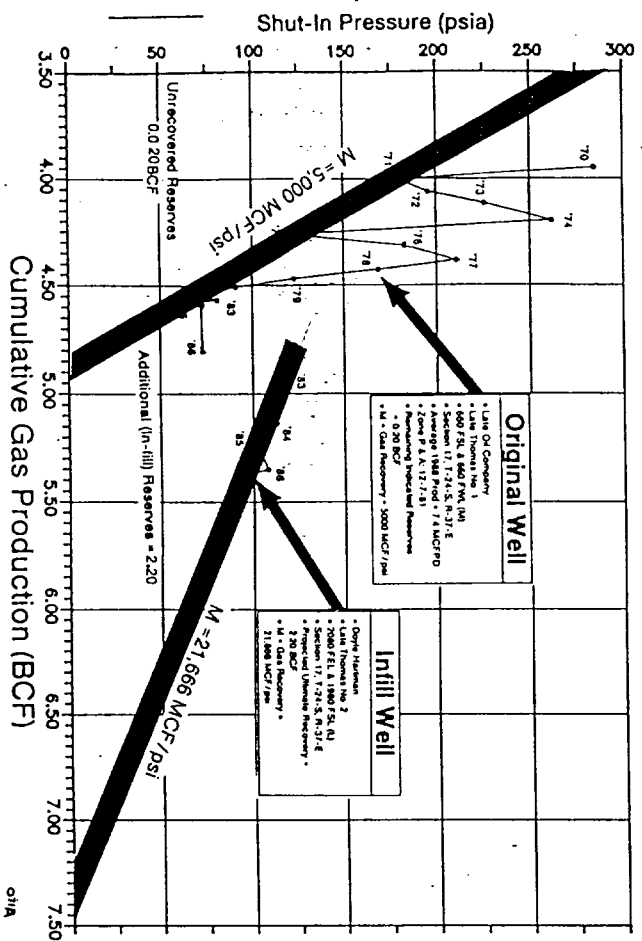


DOYLE HARTMAN
Oil Operator

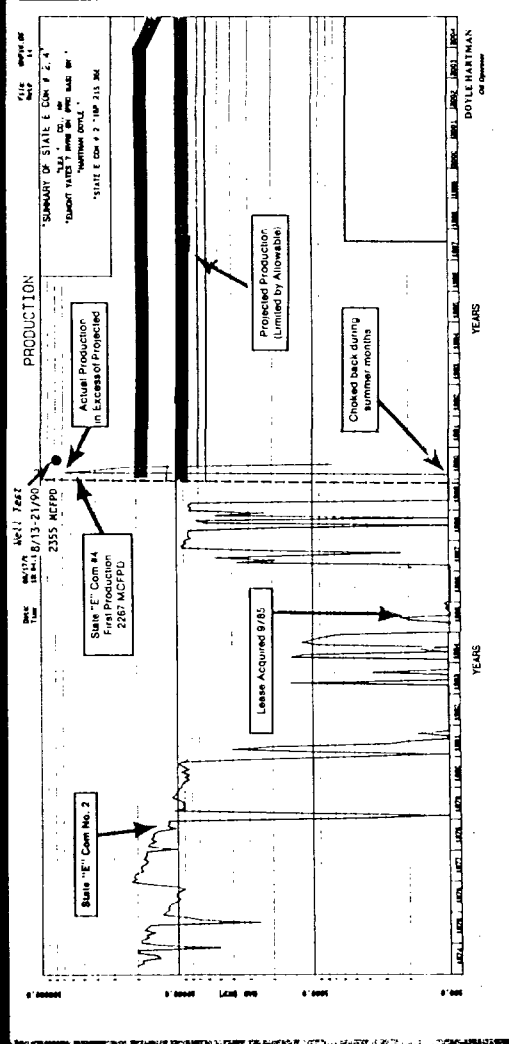
RECOVERY OF GAS RESERVES IN PLACE HARTMAN IN-FILL WELLS VS. ORIGINAL WELL (320 ACRE PRORATION UNIT, JALMAT GAS POOL)

LATE THOMAS #1 & #2

LATE THOMAS #3

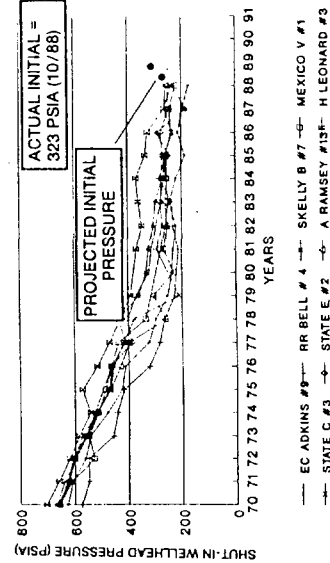


RESULT OF INFILL DRILLING (STATE "E" COM #2, 4)

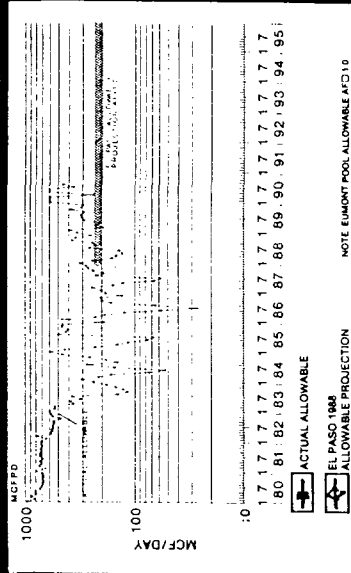


BEFORE EXAMINER CATANACH
Oil Conservation Division
Exhibit No. _____
Case No. 10036

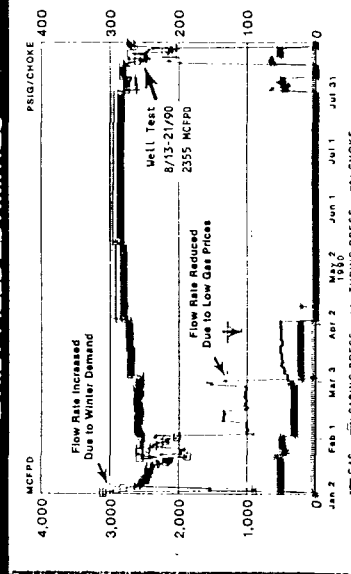
ANNUAL SHUT-IN PRESSURES VS. TIME



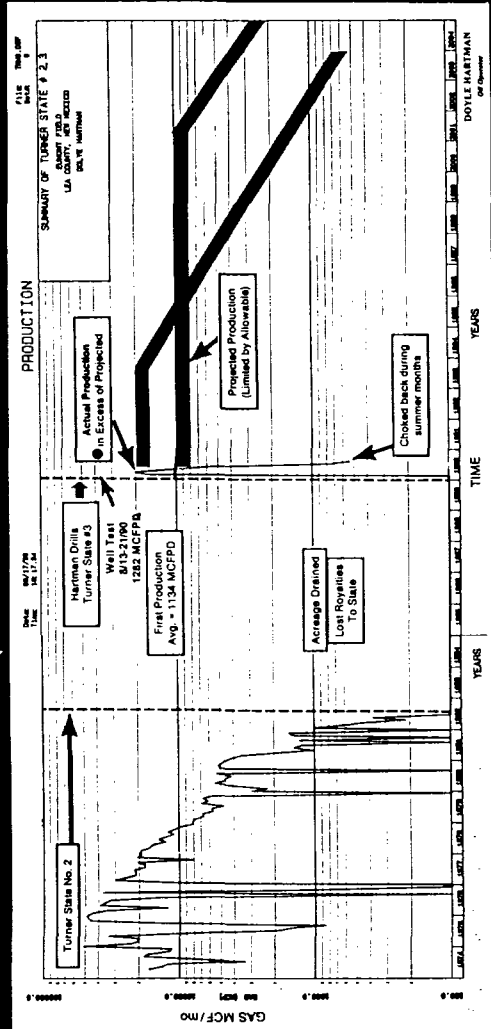
ALLOWABLE PROJECTIONS



PRODUCTION HISTORY FROM DAILY FIELD ESTIMATES

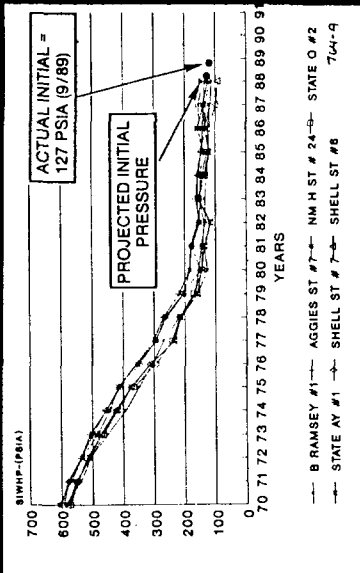


RESULT OF INFILL DRILLING (TURNER STATE #2, 3)

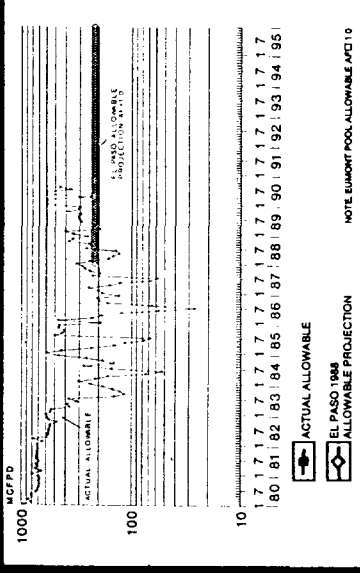


BEFORE EXAMINER CATANACH
Oil Conservation Division
Exhibit No. _____
Case No. 10536

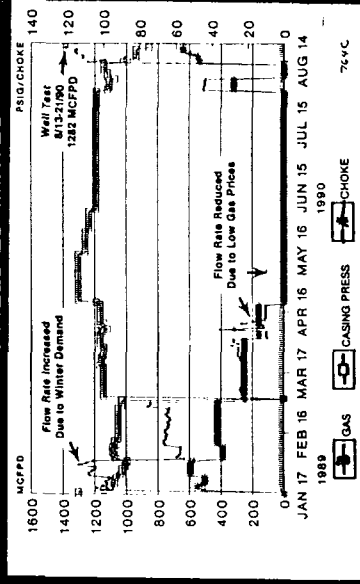
ANNUAL SHUT-IN PRESSURES



ALLOWABLE PROJECTIONS

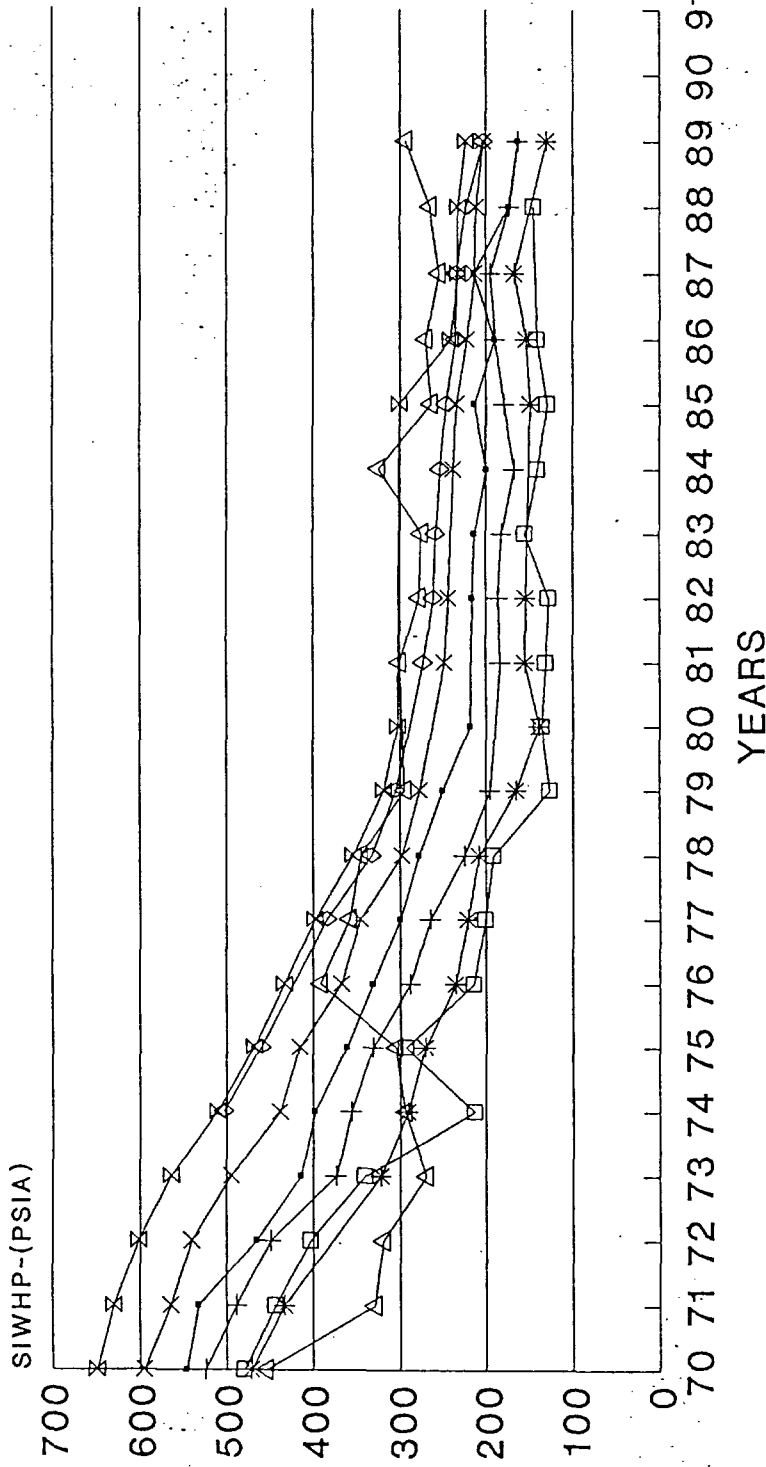


PRODUCTION HISTORY FROM DAILY FIELD ESTIMATES



Handwritten notes: 4. 11. 20. 10036

ANNUAL SHUT-IN PRESSURES VS. TIME JALMAT AND EUMONT POOL BOUNDARY



—+— WA RAMSEY 1 —+— H LEONARD 3 —*— HARRINGTON 1 —□— MATTIE JAMES 1
 —x— RAMSEY 14 —Δ— RAMSEY 44 —Δ— SE FELTON 1 —x— LOCKHART B 6

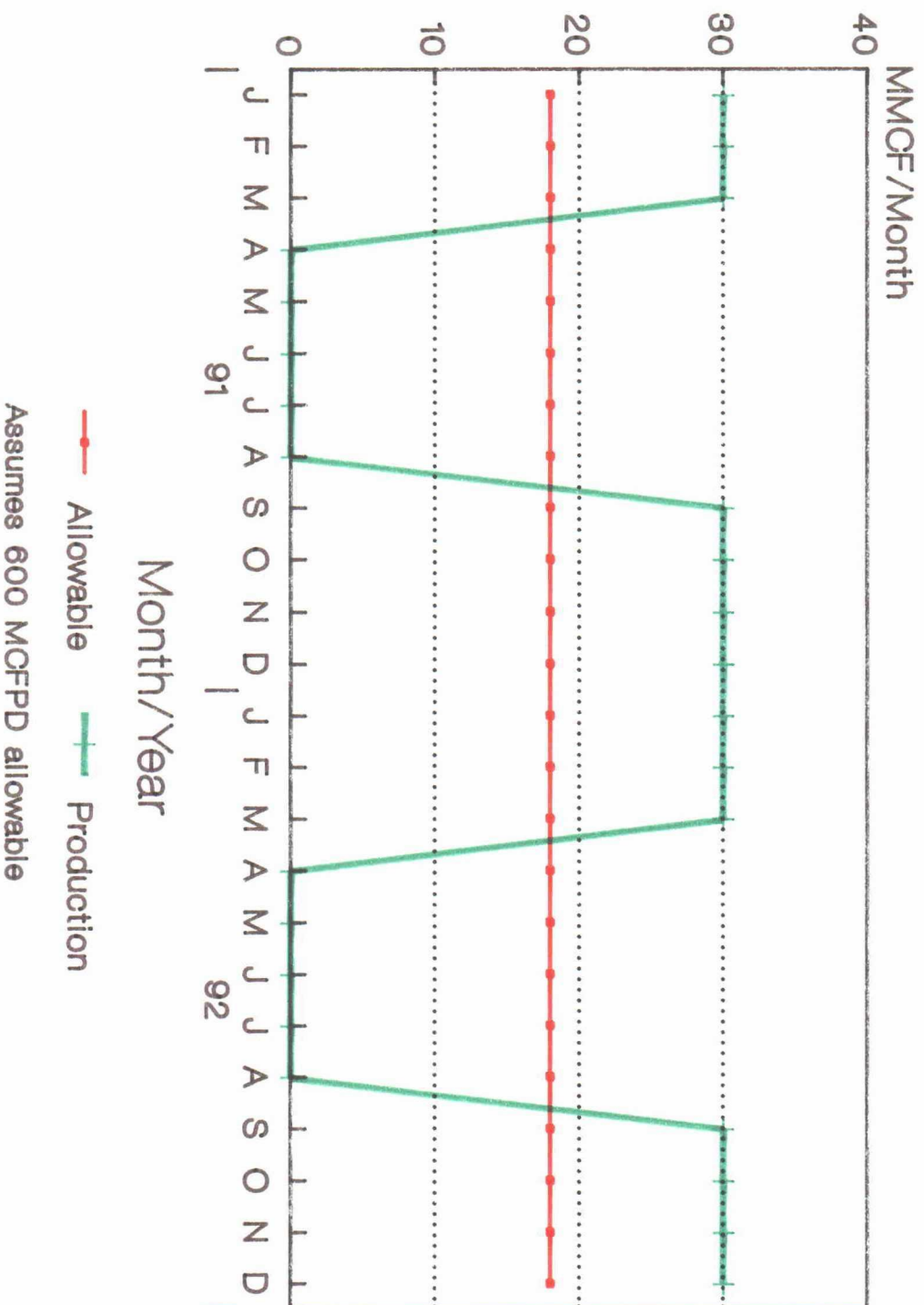
BEFORE EXAMINER CATANACH
 Oil Conservation Division

Exhibit No. 21

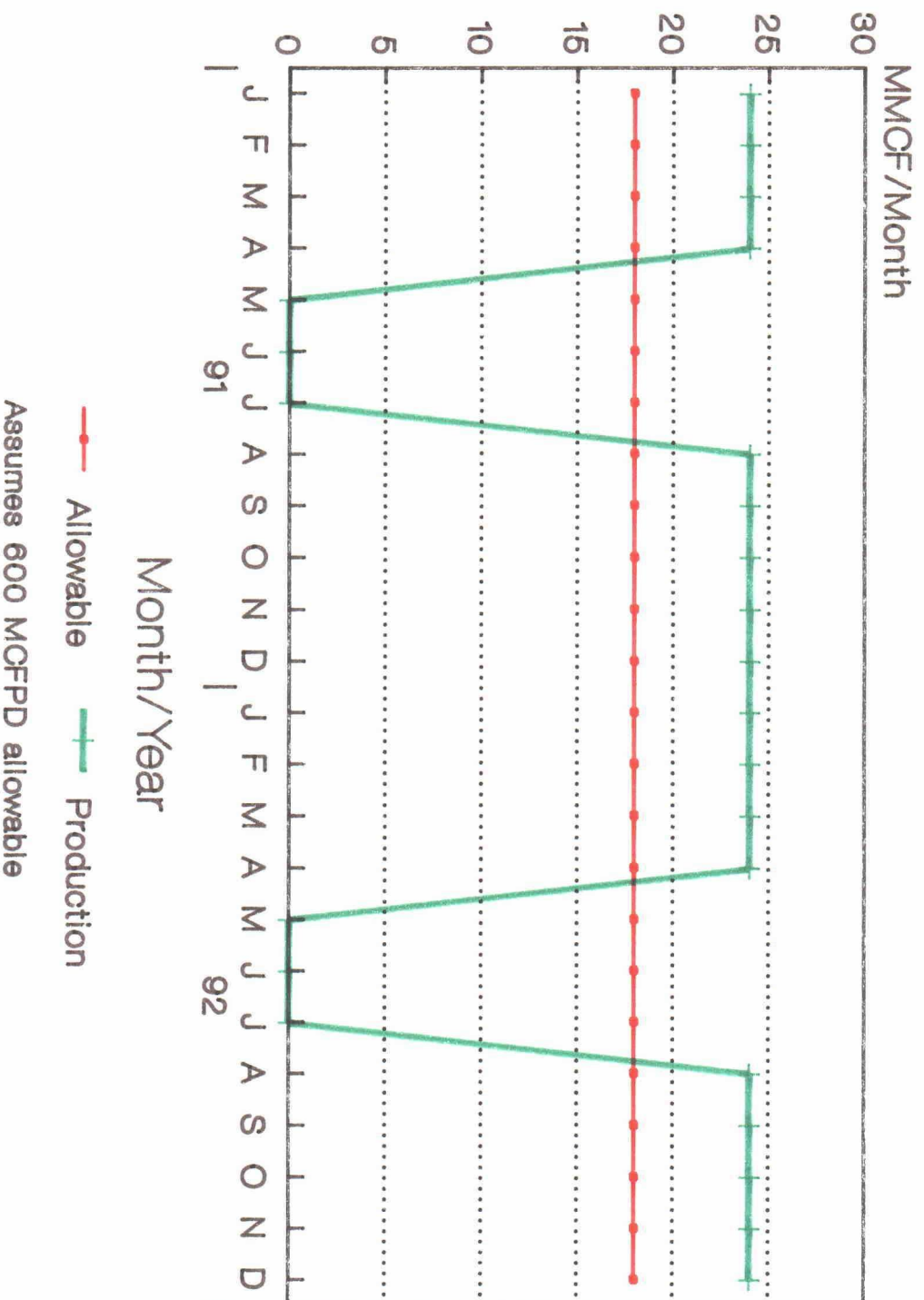
Case No. 10036

1000 MCFPD EUMONT WELL

Allowable vs. Production

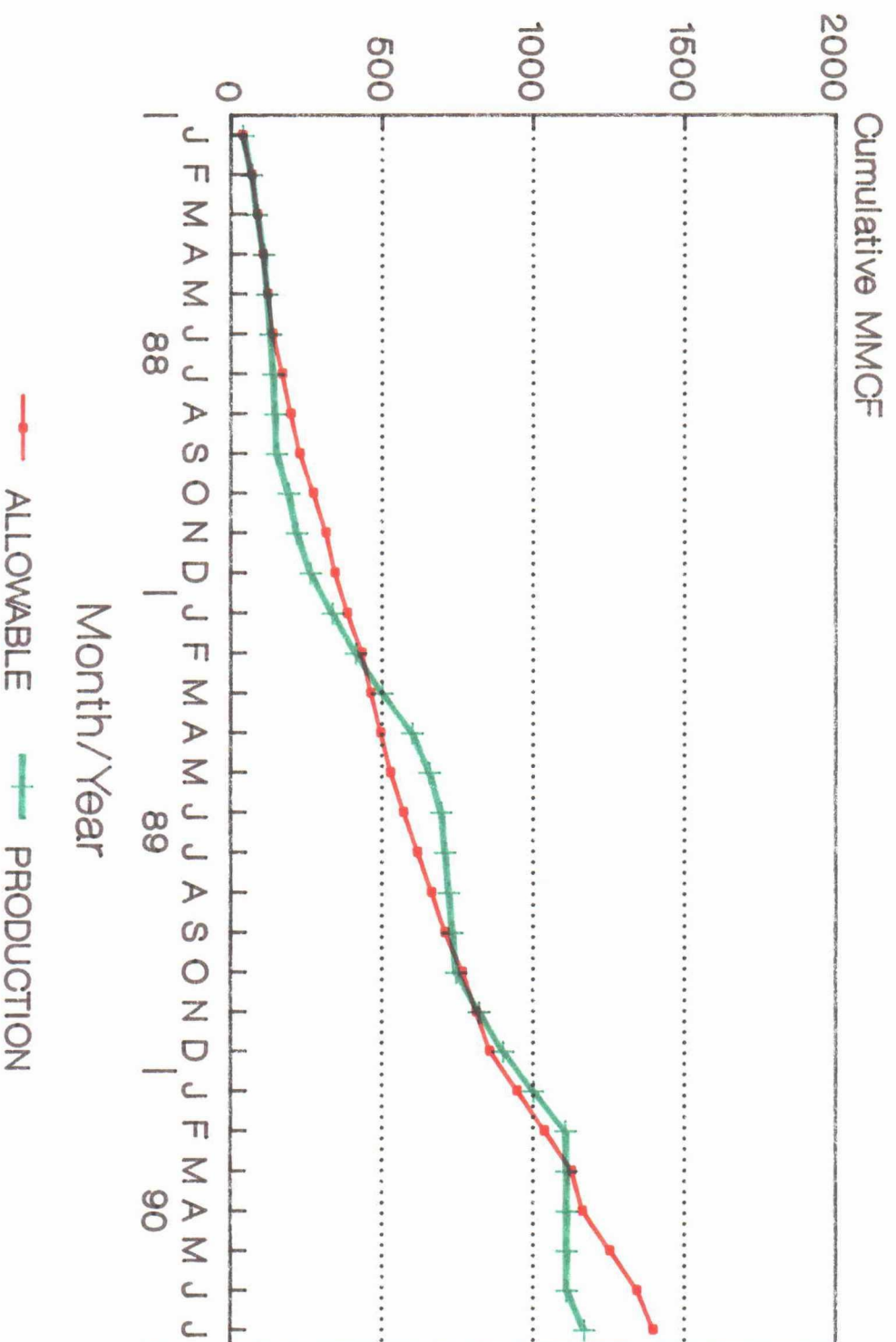


800 MCFPD EUMONT Well Allowable vs. Production



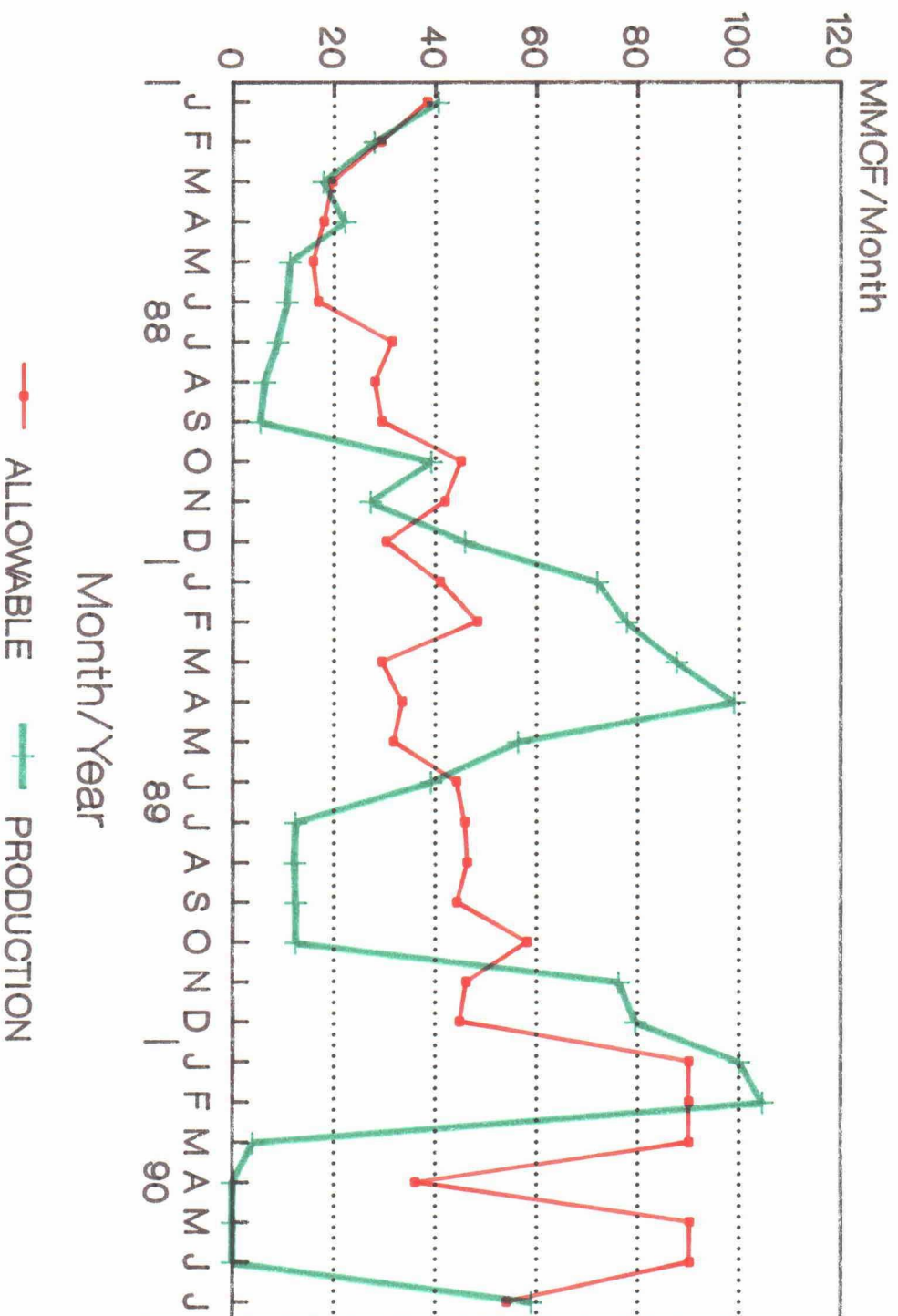
5 NON-MARGINAL WELLS

Allowable vs. Production



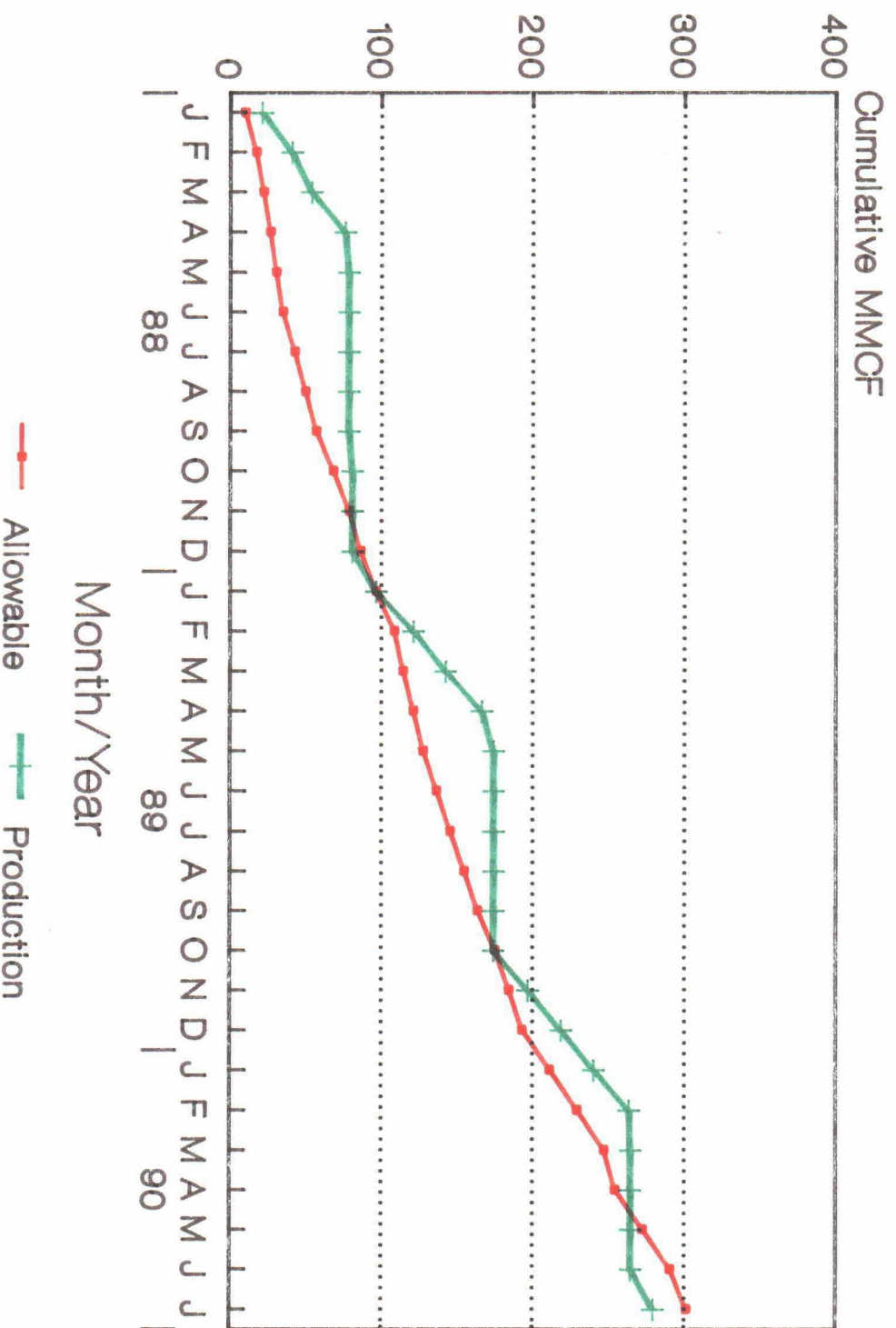
5 NON-MARGINAL WELLS

Allowable vs. Production



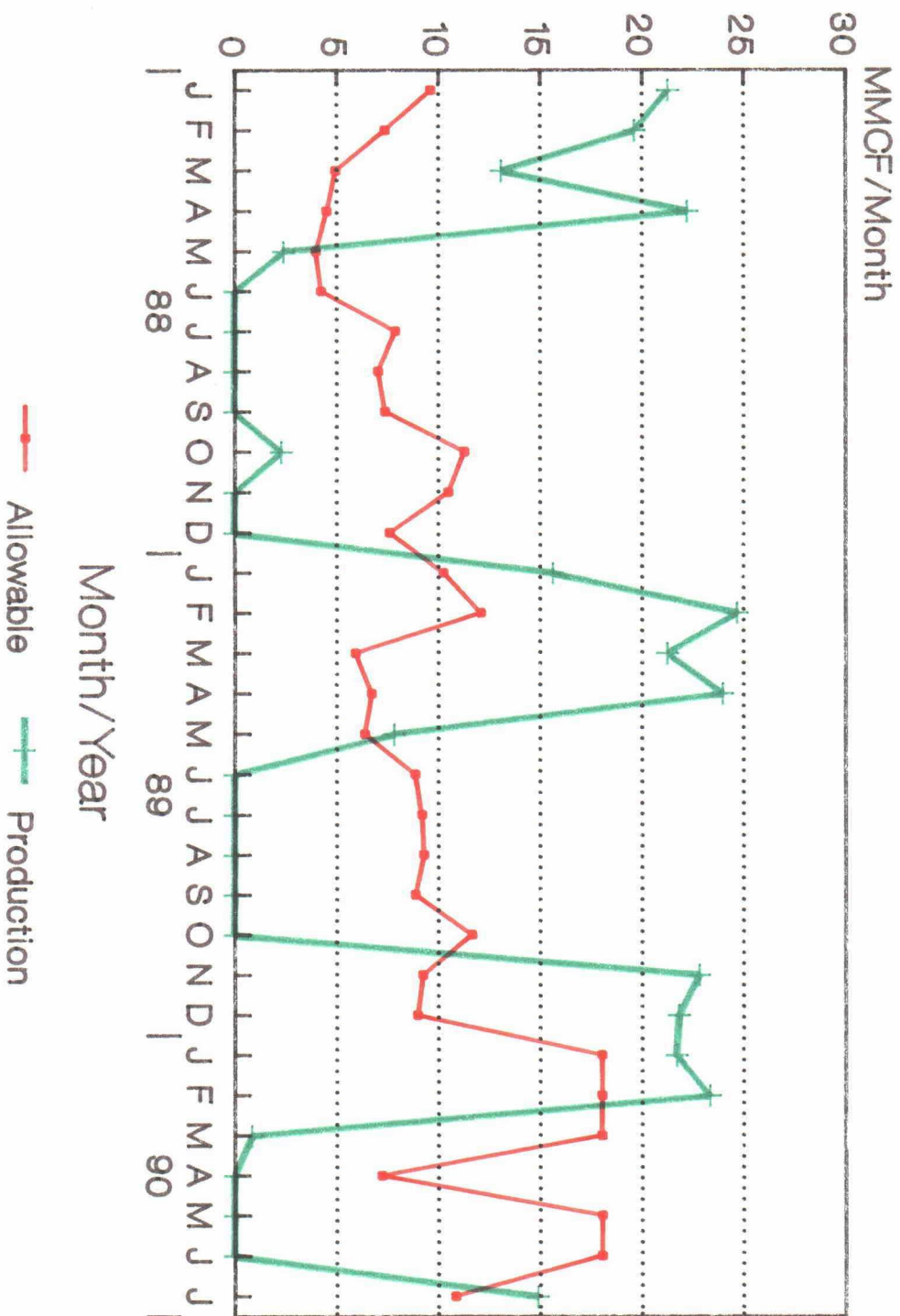
MEYER A-1 NO. 18

Cumulative Allowable vs. Production



MEYER A-1 NO. 18

Allowable vs. Production



R-35-E

R-36-E

R-37-E

R-38-E

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T-18-S

T-19-S

T-20-S

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T-21-S

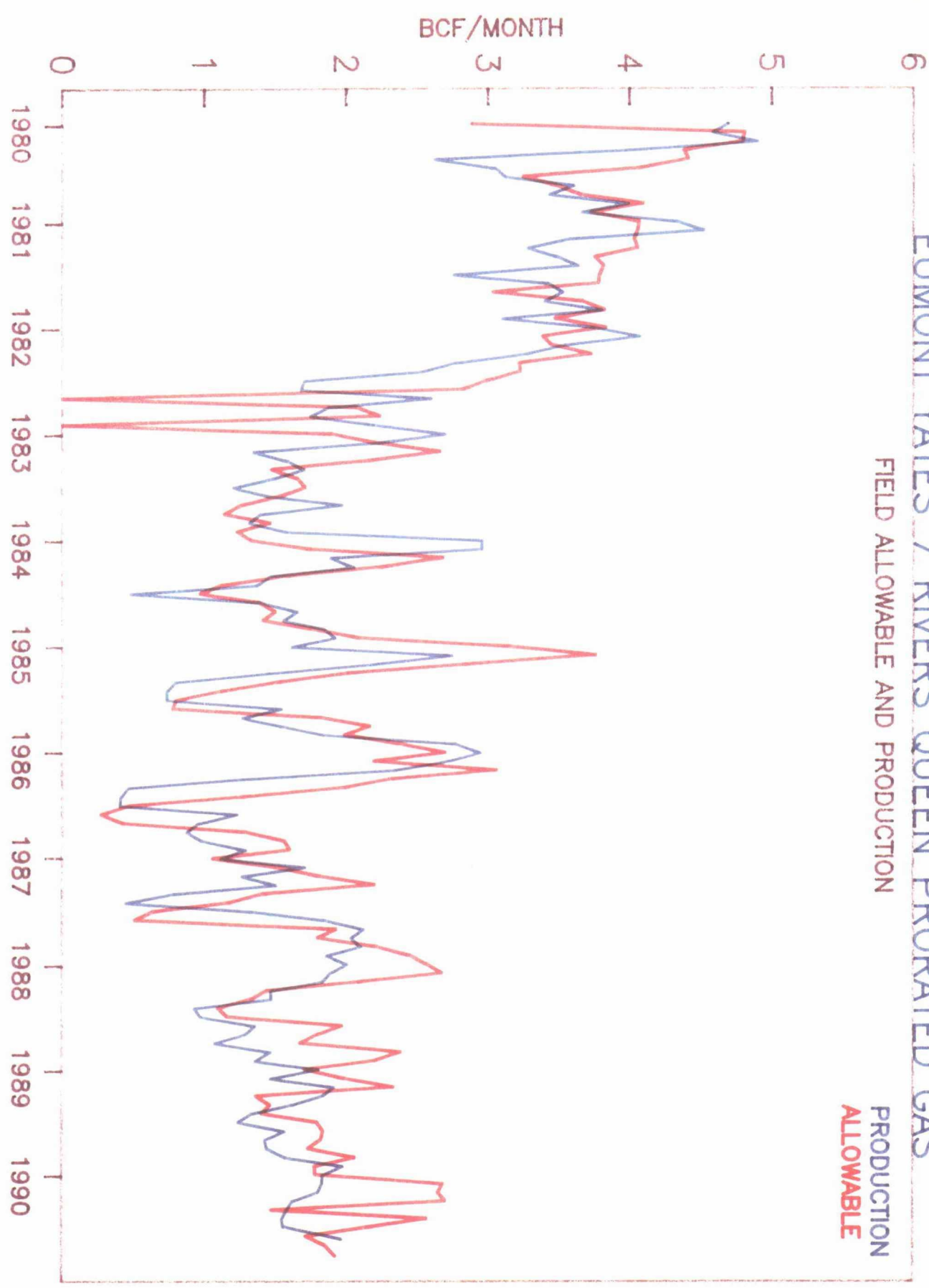
T-22-S

EUMONT GAS FIELD
LEA COUNTY, NEW MEXICO

EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

FIELD ALLOWABLE AND PRODUCTION

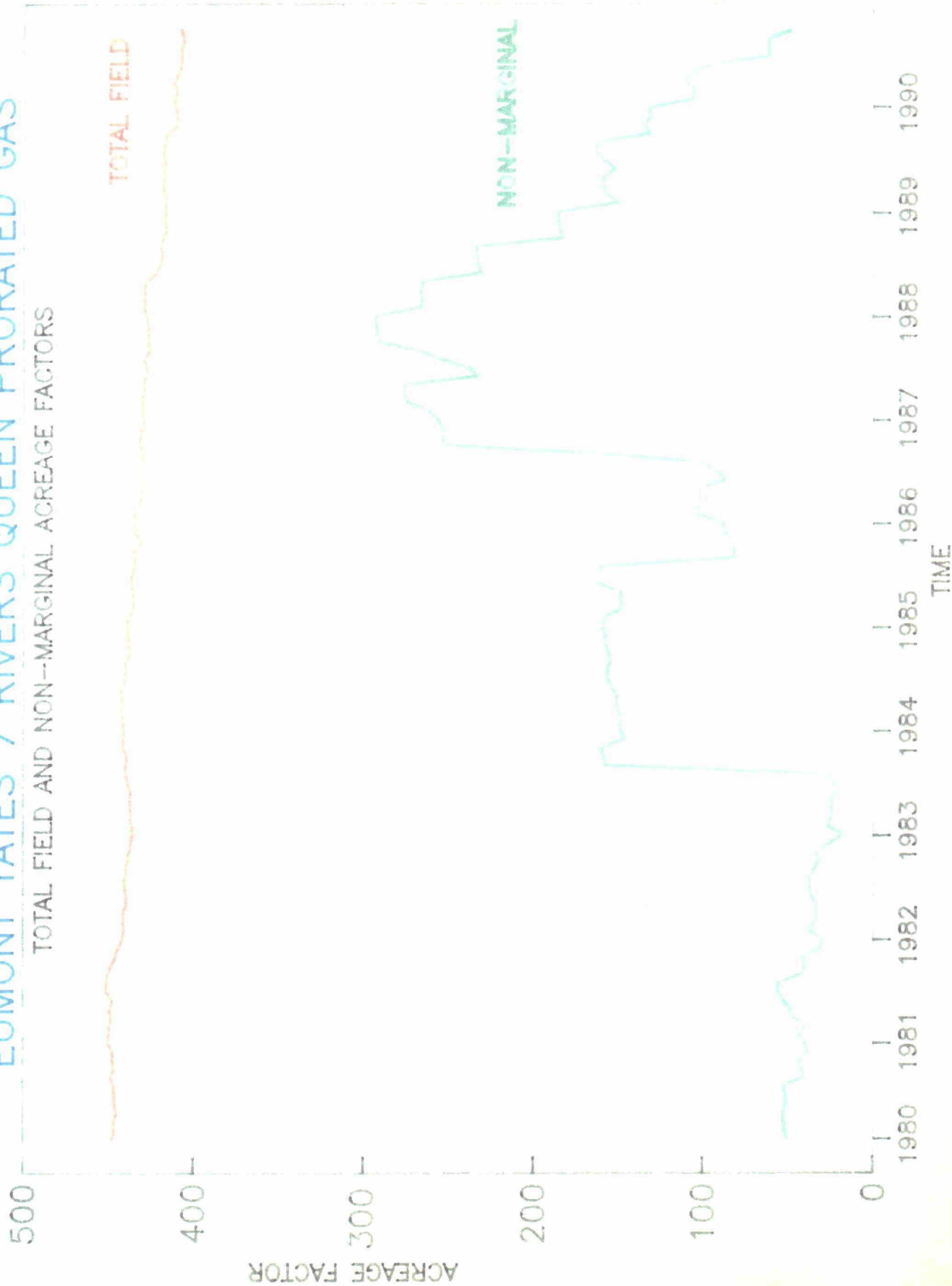
PRODUCTION
ALLOWABLE



TIME

EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

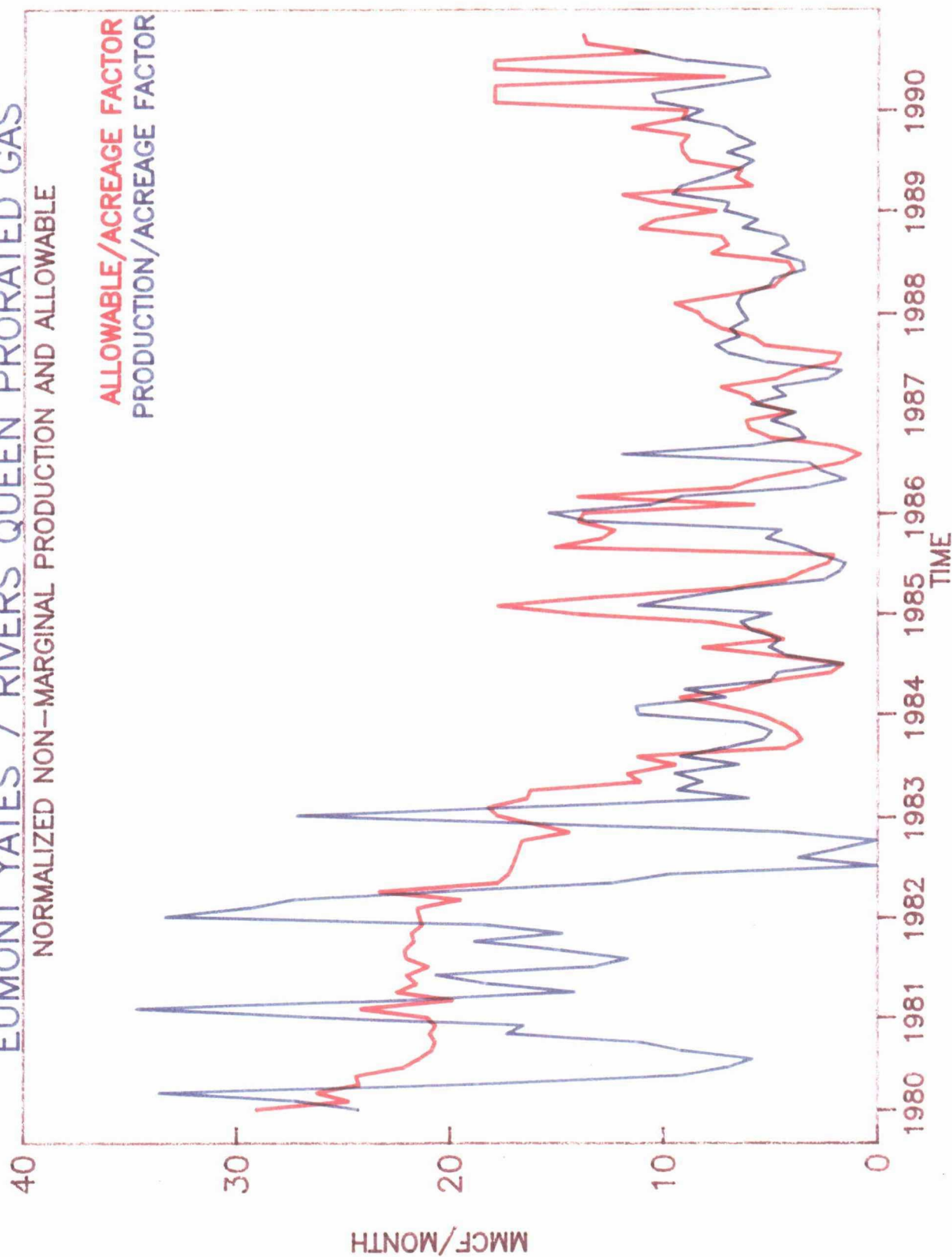
TOTAL FIELD AND NON-MARGINAL ACREAGE FACTORS



EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

NORMALIZED NON-MARGINAL PRODUCTION AND ALLOWABLE

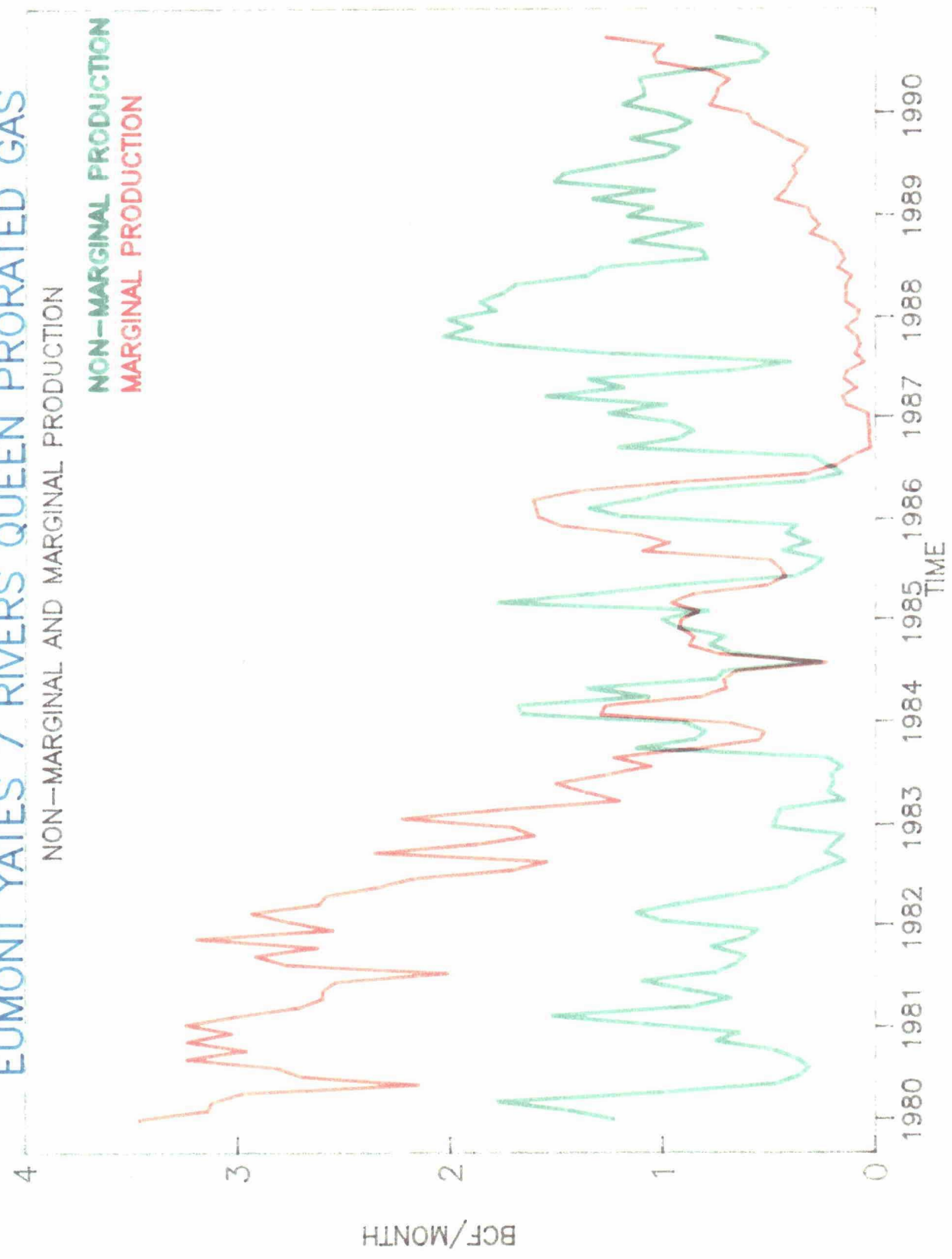
ALLOWABLE/ACREAGE FACTOR
PRODUCTION/ACREAGE FACTOR



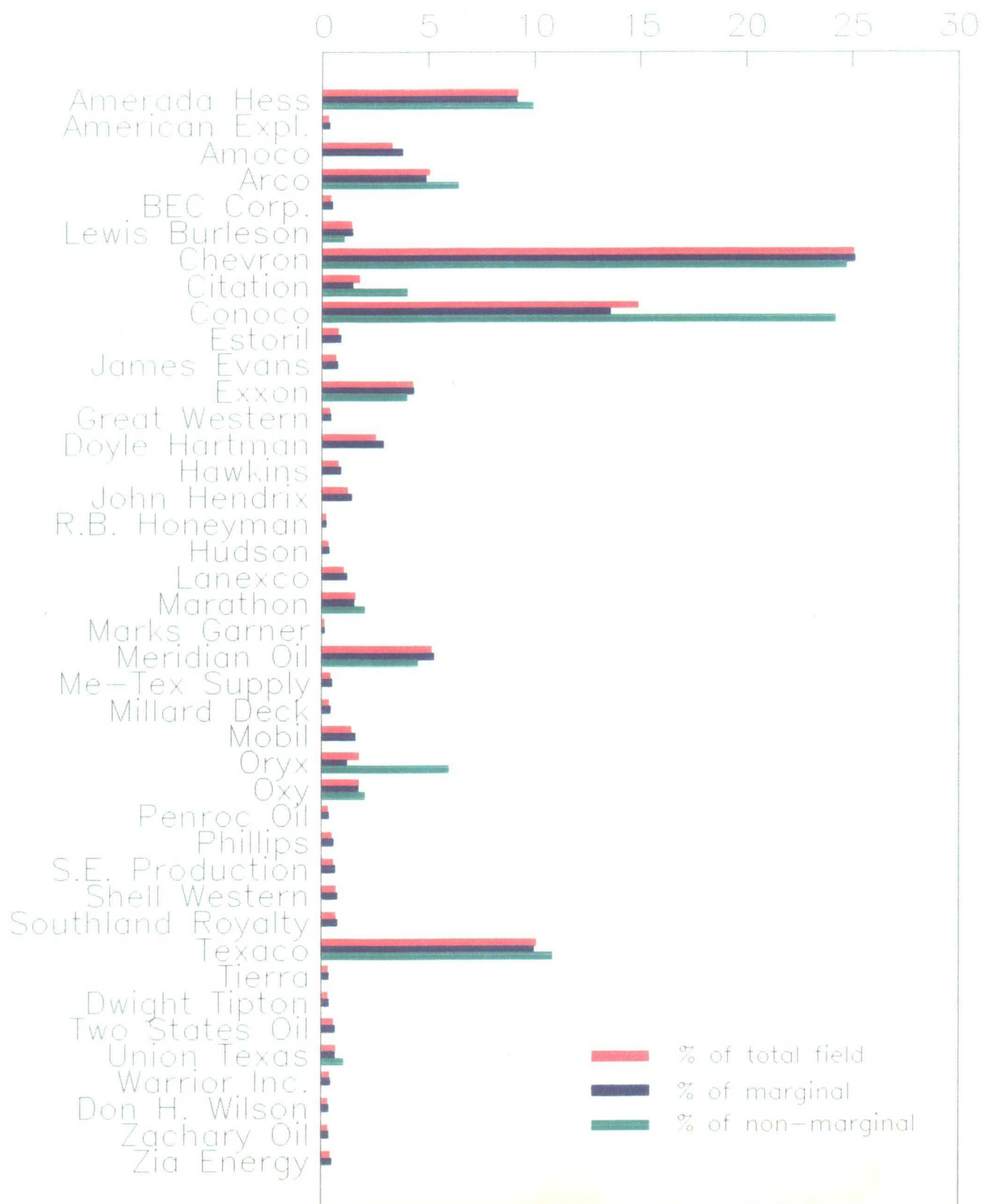
EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

NON-MARGINAL AND MARGINAL PRODUCTION

NON-MARGINAL PRODUCTION
MARGINAL PRODUCTION



Eumont Yates Seven Rivers Queen (Prorated) Gas Operator Ownership Summary



Eumont Yates 7 Rivers Queen Pool History

- February 17, 1953 Pool was created. Numerous amendments have occurred since the establishment of the pool. Vertical limits extend from the top of the Yates to the bottom of the Queen formation.
- January 1, 1954 Proration became effective.
- November 15, 1989 Texaco presented testimony at the gas proration hearing. No increase in allowables was granted.
- December 13, 1989 Texaco presented testimony at the gas proration hearing. Allowables were increased to 600 MCFPD for January, February, and March of 1990.
- April 23, 1990 Meeting between NMOCD and operators was held in Sante Fe. NMOCD suggested that operators in the Eumont determine an appropriate minimum allowable.
- May 9, 1990 Operator meeting was held in Hobbs. It was determined that Texaco should send out surveys to gather data that would support a minimum allowable proposal.
- July 12, 1990 Meeting between NMOCD and operators was held in Hobbs to present NMOCD of the findings of the survey. NMOCD suggested that a proposal for a minimum allowable be taken to an examiner hearing.

Eumont Yates Seven Rivers Queen (Prorated) Gas
Operator Ownership Summary

<u>Company</u>	<u>% of total field</u>	<u>% of marginal</u>	<u>% of non-marginal</u>
Amerada Hess	9.19	9.10	9.86
American Exploration	0.24	0.27	0.00
Amoco	3.25	3.72	0.00
Arco	5.00	4.81	6.35
BEC Corporation	0.37	0.42	0.00
Lewis B. Burleson	1.35	1.40	0.99
Chevron	25.02	25.07	24.65
Citation	1.71	1.39	3.94
Conoco	14.85	13.52	24.15
Estoril	0.74	0.84	0.00
James L. Evans	0.61	0.70	0.00
Exxon	4.23	4.28	3.94
Great Western	0.31	0.35	0.00
Doyle Hartman	2.50	2.85	0.00
Hawkins Oil & Gas	0.74	0.84	0.00
John H. Hendrix	1.17	1.33	0.00
R.B. Honeyman, Jr.	0.12	0.14	0.00
W.A. & E.R. Hudson	0.25	0.28	0.00
Lanexco	0.99	1.13	0.00
Marathon	1.53	1.47	1.97
Marks Garner Production	0.06	0.07	0.00
Meridian	5.12	5.22	4.44
Me-Tex Supply Co.	0.37	0.42	0.00
Millard Deck Estate	0.30	0.34	0.00
Mobil	1.35	1.54	0.00
Oryx	1.72	1.12	5.91
Oxy	1.71	1.67	1.97
Penroc Oil	0.25	0.28	0.00
Phillips Petroleum	0.43	0.49	0.00
S.E. Production	0.49	0.56	0.00
Shell Western	0.61	0.70	0.00
Southland Royalty	0.61	0.70	0.00
Texaco	10.06	9.95	10.84
Tierra Exploration	0.25	0.28	0.00
Dwight Tipton	0.25	0.28	0.00
Two States Oil	0.49	0.56	0.00
Union Texas Petroleum	0.61	0.56	0.99
Warrior Inc.	0.31	0.35	0.00
Don H. Wilson	0.25	0.28	0.00
Zachary Oil	0.25	0.28	0.00
Zia Energy	0.37	0.42	0.00



TEXACO

R-35-E

R-36-E

R-37-E

R-38-E

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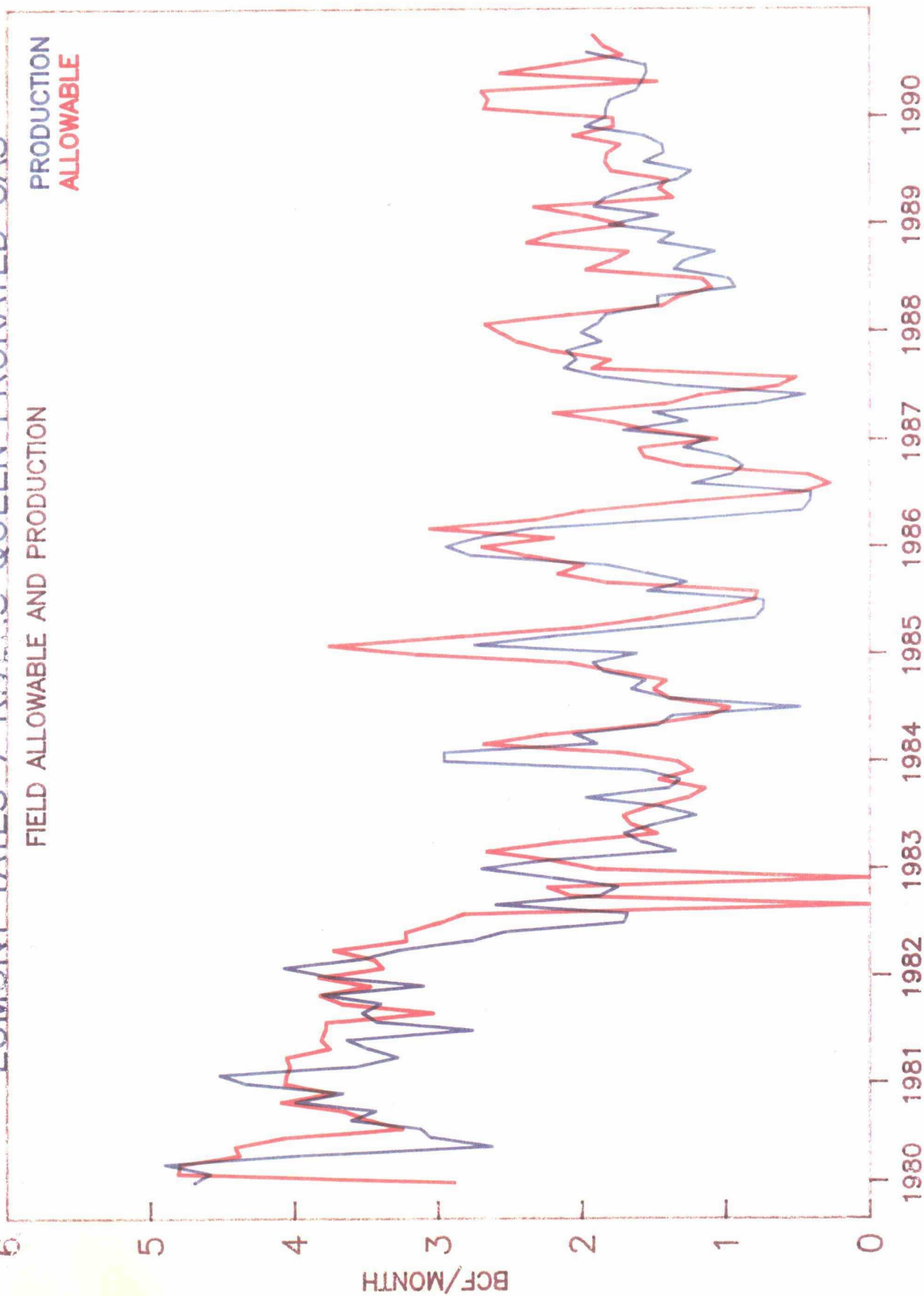
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EUMONT GAS FIL
LEA COUNTY, NEW

EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

FIELD ALLOWABLE AND PRODUCTION

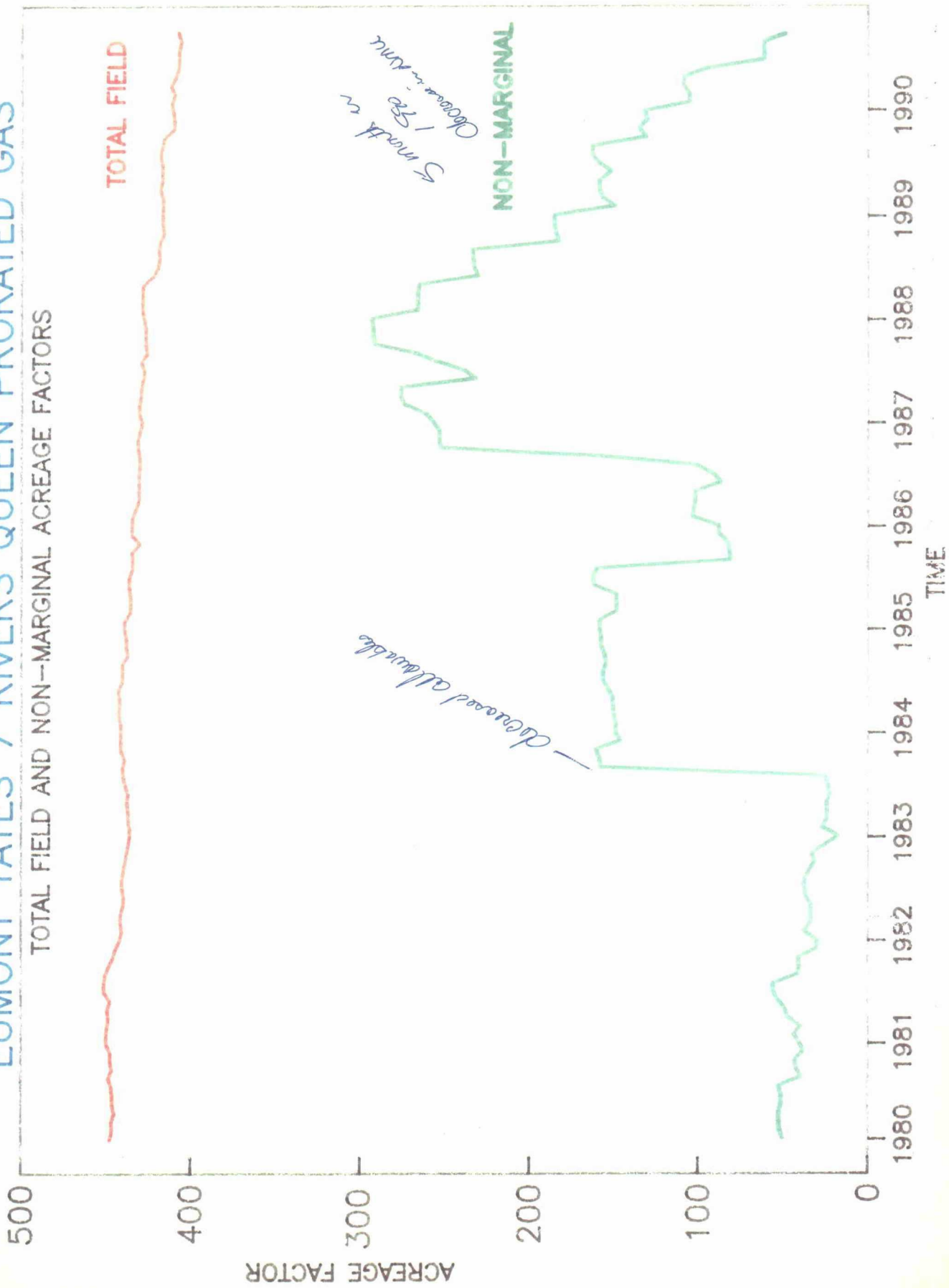
PRODUCTION
ALLOWABLE



TIME

EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

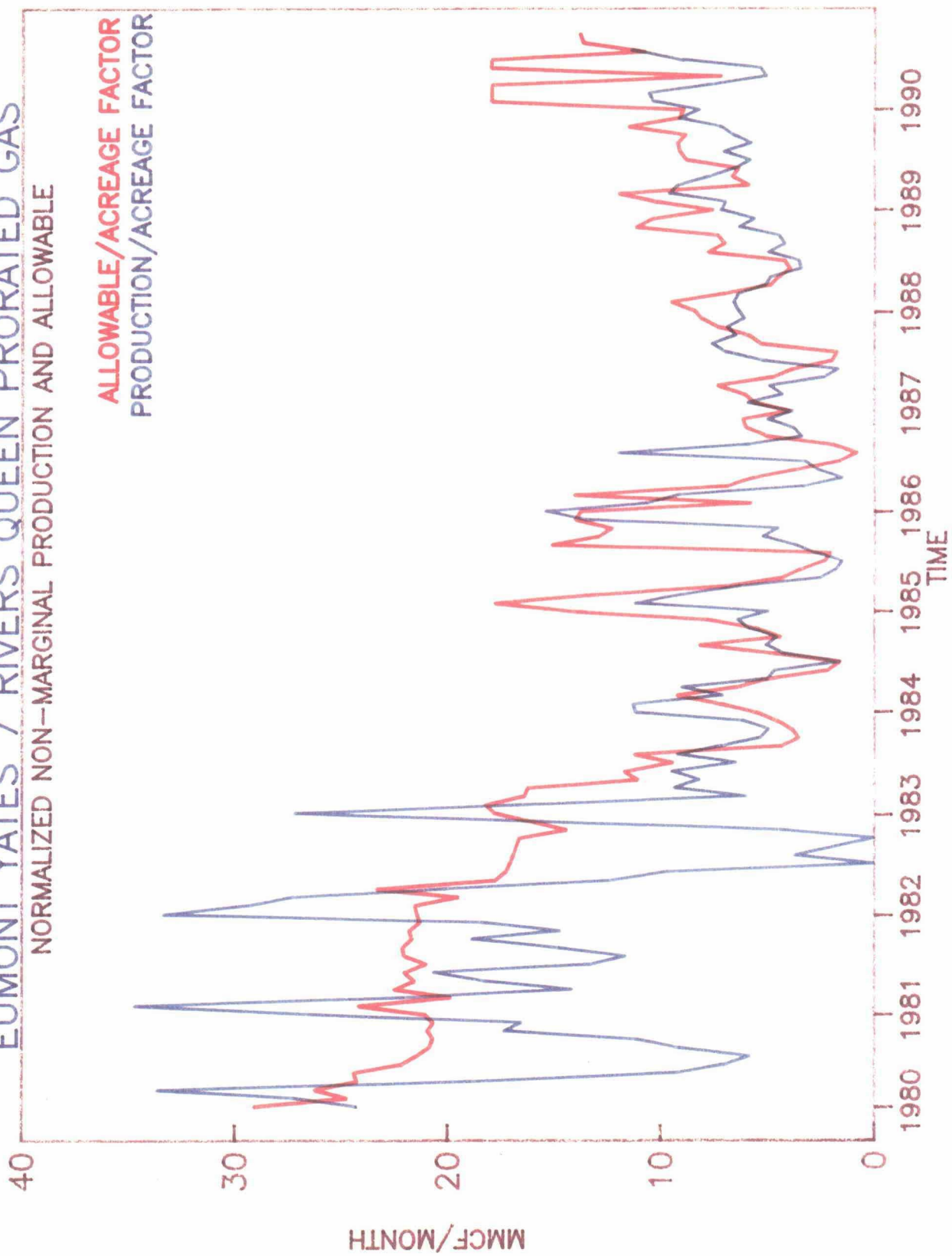
TOTAL FIELD AND NON-MARGINAL ACREAGE FACTORS



EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

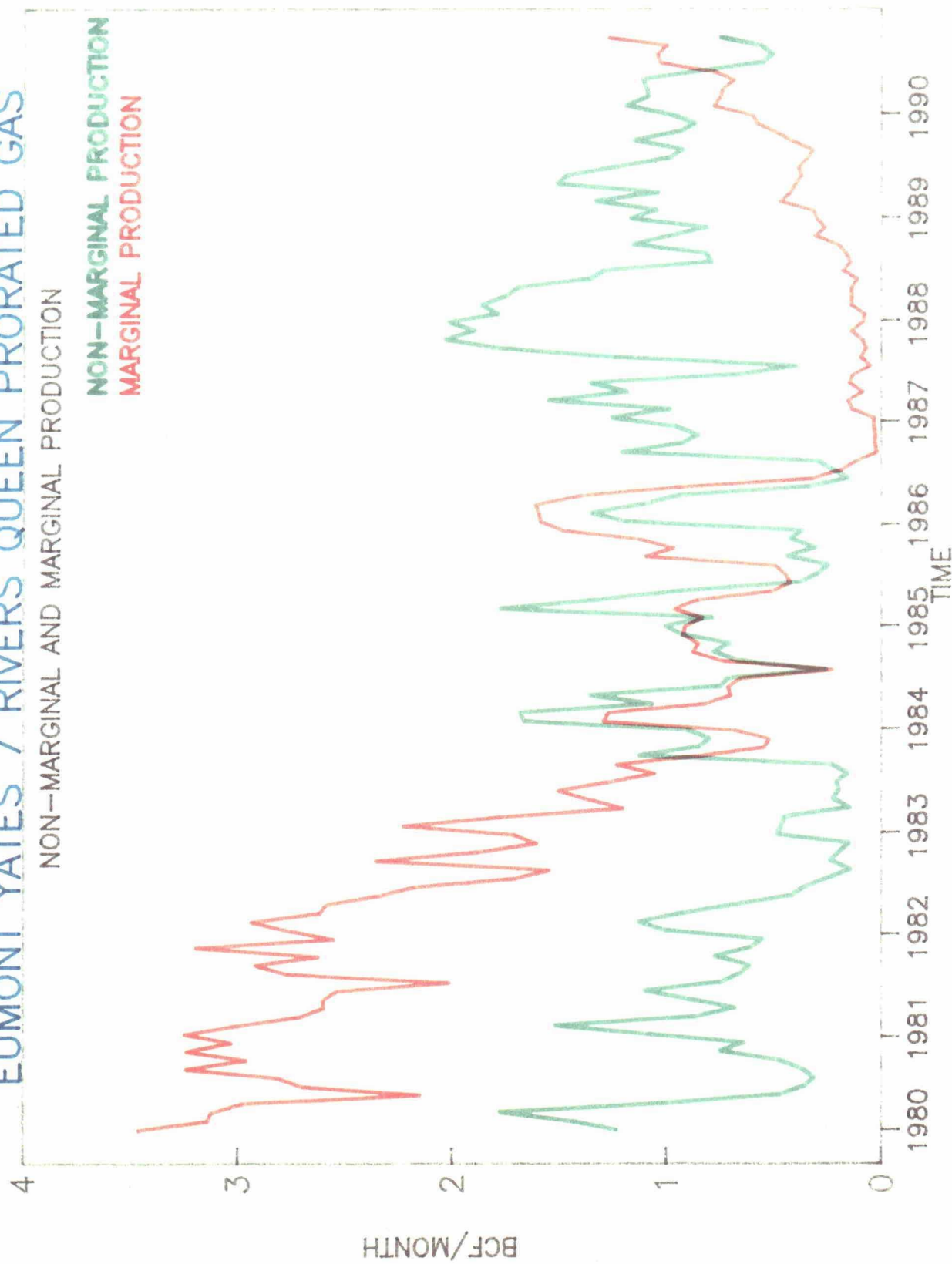
NORMALIZED NON-MARGINAL PRODUCTION AND ALLOWABLE

ALLOWABLE/ACREAGE FACTOR
PRODUCTION/ACREAGE FACTOR

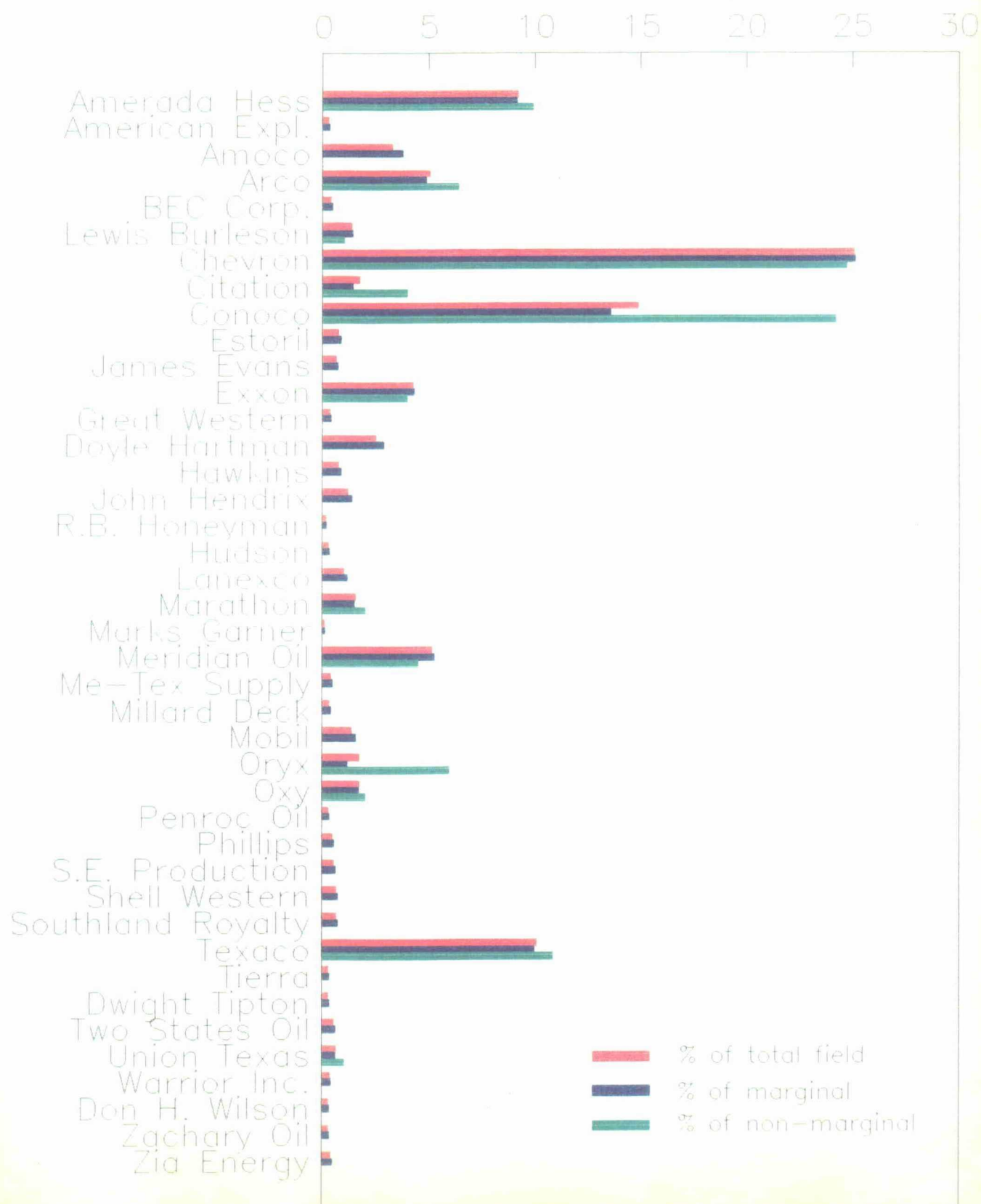


EUMONT YATES 7 RIVERS QUEEN PRORATED GAS

NON-MARGINAL AND MARGINAL PRODUCTION



Eumont Yates Seven Rivers Queen (Prorated) Gas Operator Ownership Summary



OPERATOR'S SURVEY SUMMARY

Recommended Minimum Allowable (MCFPD)	Drilling & Completion Cost (\$)	Gas Price (\$/MCF)	Risk Factor (%)
450	208,000	1.10	90
600	180,000	1.28 <i>mmbtu</i>	200
400	280,000	1.50	15-20
500	300,000	1.25	90
600	379,600	1.51	200
600	250,000	1.30	200
600	250,000	1.29 <i>mmbtu</i>	70
700	---	1.40	50
---	---	1.26	75
600	270,000	1.10	80
AVG 561	264,700	1.30	68.5*

*All responses were corrected to a % chance of success

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? YES
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? YES
4. Does your company market gas for other operators in the Eumont field? No - Co-owners are Major Cos Marketing their Own Gas
5. What do you think a minimum allowable should be in the Eumont field? 450 MCFD PER P.U.
6. If this minimum allowable was in place, what activities do you think your company could engage in? Stimulation, Recombination of Some Drilling
7. How long do you believe a minimum allowable should be in effect? 2 years
8. What is an average drilling cost for drilling and completing Eumont wells for your company? 208 M
9. What is an average gas price for Eumont wells operated by your company? \$1.10 Netback Avg. 89
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 90% Chance of Success

Additional Comments:

④ However we do market Gas for small interest owners in other fields in SE N.MEX.

COMPANY: Arco Oil & Gas

BY: Andy Vinton

DATE: 5-14-90

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? yes
2. Do you feel that there is a market for gas produced in excess of current allowables? yes
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? yes
4. Does your company market gas for other operators in the Eumont field? NO
5. What do you think a minimum allowable should be in the Eumont field? 600 ~~000~~ MCFPD
6. If this minimum allowable was in place, what activities do you think your company could engage in? we could rework and redrill, the Eumont should be taken down to 90 AC spacing
7. How long do you believe a minimum allowable should be in effect? 1 year at a time
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$ 180,000
9. What is an average gas price for Eumont wells operated by your company? \$ 1.28 per MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 200%

Additional Comments:

COMPANY: Lewis Burleson, Inc.

BY: Steve Burleson

DATE: 5/15/90

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? YES
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? YES
4. Does your company market gas for other operators in the Eumont field? CURRENTLY - No
5. What do you think a minimum allowable should be in the Eumont field? 400 MCF/D
6. If this minimum allowable was in place, what activities do you think your company could engage in? Recompletions - new drills

7. How long do you believe a minimum allowable should be in effect?
A minimum of one year to allow operators to respond
through drilling, recompletions and increased production to match demand.
8. What is an average drilling cost for drilling and completing Eumont wells for your company? Approximately \$280,000
9. What is an average gas price for Eumont wells operated by your company? Approximately \$1.50/MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? Total risk approximately 15-20%

Additional Comments:

COMPANY: Chevron U.S.A. Inc.

BY: Alan Bohling

DATE: June 6, 1990

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes - 11 wells
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes - we are able to sell all gas we are capable of producing and we could sell more at good prices.
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Yes - El Paso's line runs full nearly all the time.
4. Does your company market gas for other operators in the Eumont field? Yes. We would be willing to market for other operators if the volume were reasonable.
5. What do you think a minimum allowable should be in the Eumont field? 500 MCFPD per proration unit.
6. If this minimum allowable was in place, what activities do you think your company could engage in? We would most likely propose additional drilling wells as well as recompletion and remedial work.
7. How long do you believe a minimum allowable should be in effect? At minimum one year, preferable 3 years.
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$300,000 with \$6,000 per year in operating costs.
9. What is an average gas price for Eumont wells operated by your company? \$1.25 per wellhead MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 90% +

Additional Comments:

El Paso has now released most producers from their contracts. The demand for the gas in California definitely exists and will continue in the future. New Mexico gas is being displaced by Texas and Oklahoma gas at Waha and Plains. A minimum allowable of 500 MCFPD yields a reasonable rate of return and payback period.

COMPANY: Conoco Inc.

BY: Mike Zimmermann

DATE: May 14, 1990

67 ✓

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes, both Eumont & Jalmat fields
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes, both Eumont & Jalmat fields
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Yes, specifically Anadarko & Texas
4. Does your company market gas for other operators in the Eumont field? Yes
5. What do you think a minimum allowable should be in the Eumont field? 600 MCFPD per acreage factor for Eumont & Jalmat
6. If this minimum allowable was in place, what activities do you think your company could engage in? Drilling and completing new infill wells and reworking existing wells to prevent waste, protect correlative rights and benefit the state of New Mexico through increased royalty revenues, state severance and additional sales tax revenues
7. How long do you believe a minimum allowable should be in effect? At a minimum 3 years
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$379,600.87 (Eumont & Jalmat)
9. What is an average gas price for Eumont wells operated by your company? \$1.51 per wellhead MMBTU
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 200%

Additional Comments:

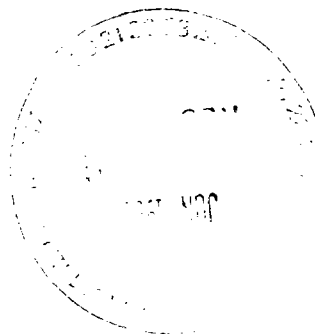
Doyle Hartman supports increased allowables in both the Eumont and Jalmat prorated gas fields as the fields are separated by an arbitrary boundary, but in effect the same, continuous, gas reservoir.

COMPANY: Doyle Hartman

BY: Mike Stewart

Mike Stewart, Engineer

DATE: June 1, 1990



**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Definitely Yes
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? 600 MCF
6. If this minimum allowable was in place, what activities do you think your company could engage in? Workovers, Recompletion
and Fracturing
7. How long do you believe a minimum allowable should be in effect? Indefinitely
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$250,000.00
9. What is an average gas price for Eumont wells operated by your company? \$1.30 MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 200%

Additional Comments:

Partial prorating to a select few pools are unfair on a statewide basis.

COMPANY: Lanexco, Inc. ✓

BY: [Signature]

DATE: 5-16-90

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

REP _____ J.A. _____
 EAB _____ JTB _____
 AGC _____ M.A. _____
 CHD _____ C. _____
 LC _____ L. _____
 PER _____ P. _____
 LK _____ L. _____
 PAK _____ P. _____
 WIL _____ W. _____
 TAP _____ T. _____
 SPA _____ S. _____
 LCC _____ L. _____
 MAS _____ M. _____

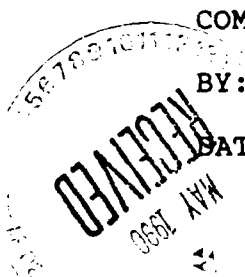
1. Are any of your wells capable of producing more than the average non-marginal allowable? YES - 2 Wells
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? YES
4. Does your company market gas for other operators in the Eumont field? NO
5. What do you think a minimum allowable should be in the Eumont field? 600 MCFPD
6. If this minimum allowable was in place, what activities do you think your company could engage in?
Drill 2 wells
Recomplete or stimulate 2 to 4 wells
7. How long do you believe a minimum allowable should be in effect?
At least 10 years (probably should be permanent)
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$250,000
9. What is an average gas price for Eumont wells operated by your company? \$1.29 MMBTU
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 70%

Additional Comments:

COMPANY: MARATHON OIL COMPANY

BY: William D. Holmes *William D. Holmes*, Operations Superintendent

DATE: May 17, 1990



**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? yes
2. Do you feel that there is a market for gas produced in excess of current allowables? yes, but at prices below the floor price for some producers
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? For Mobil's production interest - no
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? For Mobil, 700 MCFPD / 160 ac will be sufficient to market reserves
6. If this minimum allowable was in place, what activities do you think your company could engage in? Produce existing reserves, no drilling planned
7. How long do you believe a minimum allowable should be in effect? Recommend review of minimum every 2 years - to be done by NMOCB
8. What is an average drilling cost for drilling and completing Eumont wells for your company? None planned
9. What is an average gas price for Eumont wells operated by your company? Spot market price, \$1.40/MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? For Mobil, 50% of uneconomic production risk

Additional Comments:

With Mobil releasing field plans to Texaco, it is requested that copies of the questionnaires answered by each company be made available to the operators, including Mobil, that responded.

COMPANY: Mobil E&P U.S. ✓
BY: J. G. Elwood - Operations Engineer
DATE: May 21, 1990

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? YES
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? don't know
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? Have not yet determined this economically
6. If this minimum allowable was in place, what activities do you think your company could engage in? Do not know at this time. Will begin a reservoir engineering study of our leases to determine if additional development activities are warranted. However, this reservoir study activity is a direct result of raised allowables to date.
7. How long do you believe a minimum allowable should be in effect? A minimum of one year
8. What is an average drilling cost for drilling and completing Eumont wells for your company? No recent drilling
9. What is an average gas price for Eumont wells operated by your company? \$1.26
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 75%

Additional Comments:

COMPANY: ORIX ENERGY

BY: Bonnie Wilson

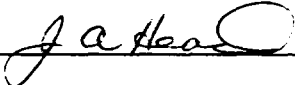
DATE: May 31, 1990

EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Yes
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? 600 MCF/Day per Acreage Factor
6. If this minimum allowable was in place, what activities do you think your company could engage in? Approximately 11 drilling wells, 5 of which are already drilled. Approximately 20 frac jobs, 6 of which have been done anticipating an increase in allowables. Possible compressor installations if feasible.
7. How long do you believe a minimum allowable should be in effect? Preferably permanent, but at minimum 1 year.
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$270,000
9. What is an average gas price for Eumont wells operated by your company? \$1.10/MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 80%

Additional Comments:

COMPANY: Texaco Inc., Texaco Producing Inc.

BY: 

DATE: May 30, 1990

ECONOMIC SUMMARY FOR 600 MCFPD MINIMUM ALLOWABLE

<u>Acreage Factor</u>	<u>Production Increase</u> (MCFPD)	<u>DCFROI</u> (%)	<u>Payout</u> (Years)	<u>NPV</u> (\$)
1.00	440	47.0	2.9	378,929
0.50	300	30.0	4.5	190,107

ASSUMPTIONS

- 1) Average values based on operator surveys
 - Average drilling and completion cost \$265,000
 - Average gas price \$1.30/MCF
 - Average risk factor 31.5%
- 2) Existing production of 160 MCFPD for an acreage factor of 1.00
For an acreage factor of 0.50, no existing production was assumed
- 3) An exponential decline rate of 11.0%
- 4) Operating costs of \$6,000 per well

AUTHORITY FOR EXPENDITURE

M-112(DRLG)
(5-90)

DATE: May 31, 1990

EST. NO. 60-5511
LAND DEPT.
LEASE NO. G-4487-3

LEASE NAME & NO.: State "H" No. 3

FIELD: Eumont Yates 7Rvrs On (Pro Gas) COUNTY: Lea STATE: New Mexico

DIVISION: Midland AREA: Hobbs

LOCATION CALL: 760' FWL & 1980' FSL, SEC. 32, T-19-S, R-37-E

OBJECTIVE HORIZON Queen/Penrose OIL GAS X DEPTH 3600'
BUDGET ACTIVITY (CHECK ONE): PRIMARY X SECONDARY TERTIARY

WELL AND LEASE EQUIPMENT

	MOH	DRY HOLE	COMPLETION	TOTAL
Well Head & Misc. Equip. 8-5/8" X 5-1/2"				
X 2-3/8" 3000 psi wp, flanged, flowing,				
H ₂ S Trim, with hanger/BO-2 coupling		\$ 0	15000	15000
40' 13-3/8" 48 # H40, PE Csg X		\$ 1000	0	1000
* 1220' 8-5/8" 24 # K55, ST&C Csg X		\$ 14000	0	14000
** 3600' 5-1/2" 15.5 # K55, LT&C Csg X		\$ 0	28000	28000
" " " " " " " " " " " "		\$		
" " " " " " " " " " " "		\$		
" " " " " " " " " " " "		\$		
" " " " " " " " " " " "		\$		
" " " " " " " " " " " "		\$		
" " " " " " " " " " " "		\$		
3600' 2-3/8" 4.7 # J55, EUE, 8RTbg X		\$ 0	11000	11000
* Sandblast bottom 5 joints				
** Sandblast bottom 1100 ft.				
TOTAL TANGIBLES		\$ 15000	54000	69000

INTANGIBLE DRILLING COSTS

760 - Transportation & Tug	\$ 4000	1000	5000
761 - Roads, Dirt Work, Pit	\$ 15000	0	15000
762/763 - Cont Drlg 6 Days @ \$4000	\$ 24000	0	24000
Mobilization	\$ 12000	0	12000
764 - Cont Compl Unit 8 Days @ \$1000	\$ 0	8000	8000
765 - Bits, Rmrs, Stab & Mtrs	\$ 8000	0	8000
767 - TX. Sal. Non Rig	\$ 2000	2000	4000
769 - Drill Pipe Rental	\$ 0	0	0
770 - Directional Tools & Serv.	\$ 0	0	0
771 - Fishing Tools & Services	\$ 0	0	0
772 - Other Rental & Equipment	\$ 3000	3000	6000
773 - Drlg Mud, Additives & Services	\$ 1000	0	1000
774 - Cement & Cementing Services	\$ 10000	10000	20000
775 - Water	\$ 5000	2000	7000
776 - Fuel	\$ 1000	0	1000
777 - Coring	\$ 0	0	0
778 - Testing	\$ 0	0	0
779 - Perforating (one interval)	\$ 0	3000	3000
780 - Stimulation (one interval)	\$ 0	40000	40000
781 - Electric Logging & Surveys	\$ 7000	1000	8000
782 - Waste Disposal/Mud, Chemicals, Etc.	\$ 2000	0	2000
783 - Damages	\$ 3000	0	3000
788 - Marine Dredging or Shell Mat	\$ 2000	0	2000
789 - Other Drilling Costs	\$ 17000	0	17000
793 - Pollution Control - Other	\$ 0	0	0
	\$ 0	0	0
	\$ 0	0	0
TOTAL INTANGIBLES	\$116000	70000	186000
TOTAL COST OF WELL	\$131000	124000	255000

Approval _____ Date 6/1/90
Div. Drlg. Eng. JDR
Div. Drlg. Supr.
Div. Drlg. Mgr. XBA 6-4-90

	Gross	Texaco Int	MOH	Texaco Int
W&L \$				
IDC				
Totals				

Days to Drill 6 Days to Complete 8

Eumont Yates 7 Rivers Queen Expense Summary

<u>Category</u>	<u>Cost</u>
Completed workovers	\$928,000
Pending workovers	\$800,000
Potential workovers	\$243,000
Newly drilled wells	\$1,850,000
Potential drilling wells	\$270,000
Equipment installations	\$465,000
Total	\$4,556,000

OPERATOR BALLOTS SUPPORTING MINIMUM ALLOWABLE OF 600 MCFPD FOR
THE EUMONT YATES SEVEN RIVERS QUEEN

<u>Company</u>	<u>% of Acreage Factors</u>
Amerada Hess Corporation	9.19
American Exploration Company	0.24
Amoco Production Company	3.25
Arco Oil & Gas Company	5.00
Lewis B. Burleson Inc.	1.35
Chevron U.S.A. Inc.	25.02
Charm Oil Company	0.61
Citation Oil & Gas Corporation	1.71
Conoco Inc.	14.85
Estoril Producing Corporation	0.74
Doyle Hartman	2.50
Hawkins Oil & Gas	0.74
John H. Hendrix Corp.	1.17
William A. & Edward R. Hudson	0.25
Lanexco	0.99
Marathon Oil Company	1.53
Marks-Garner Production Company	0.06
Meridian Oil, Inc.	5.12
Me-Tex Supply	0.37
Millard Deck Estate	0.30
Mobil Texas-New Mexico	1.35
Oryx Energy Company	1.72
Oxy	1.71
Penroc Oil Corporation	0.25
Shell Western E & P	0.61
Southland Royalty Co.	0.61
Texaco Inc.	10.06
Tierra Exploration Inc.	0.25
Dwight A. Tipton	0.25
Two States Oil Company	0.49
Union Texas Petroleum	0.61
Warrior Inc.	0.31
Don H. Wilson	0.25
Zia Energy	0.37
	93.83%

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Amerada Hess Corp.
BY: S. W. Dill
DATE: 7-27-90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: American Exploration Co.
BY: David T. Heltzer
DATE: June 15, 1990

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

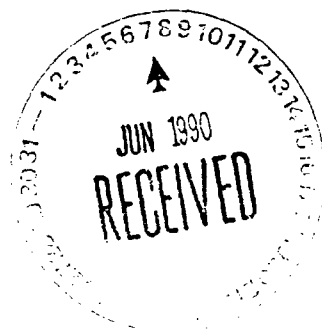
COMPANY: ARCO Oil and Gas Company
BY: Steven D. Smith
DATE: 6-13-90

JAN	
FEB	
MAR	
APR	
MAY	
JUN	
JUL	
AUG	
SEP	
OCT	
NOV	
DEC	
TOTAL	
FILE	

COMPANY: Lewis B. Burleson, Inc.

BY:

DATE: 6-7-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Chevron U.S.A. Inc.

BY: R.C. Anderson

DATE: 6/15/90

JAH ✓

NAME <u>G-7</u>	RA. _____
DOB _____	DOB _____
POB _____	POB _____
EDU _____	EDU _____
SEC _____	SEC _____
EMP _____	EMP _____
REL _____	REL _____
VEH _____	VEH _____
TOWN _____	TOWN _____
CON _____	CON _____
LDR _____	HNC _____
RUR _____	OLH _____
MAS _____	PWM _____
FILE _____	

COMPANY: CHARM O. / Co
BY: James L. Evans
DATE: 6-2-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

820
BY: Citation Oil & Gas Corp.

DATE: 7-6-90

REC'D

JUN 04 1990

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Conoco Inc
BY: Mike Zimmermann
DATE: June 12, 1990



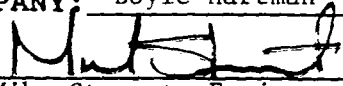
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COMPANY: Estafil Producing Corp.
BY: Don Shuman
DATE: 6-14-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Doyle Hartman
BY: 
Mike Stewart, Engineer
DATE: June 1, 1990

Doyle Hartman seeks and supports increased allowables in both the Eumont and Jalmat fields as they are the same continuous gas reservoir separated only by an arbitrary boundary.

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: HAWKINS OIL & GAS
BY: Butch Smith
DATE: 6-8-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JAH _____
RSP _____ JLA _____
DDC _____ JWD _____
KGC _____ WLC _____
DMD _____ RCH _____
RBD _____ RCH _____
REH _____ JDL _____
LWJ _____ CDM _____
PAK _____ RCR _____
WTL _____ SDB _____
RTM _____ JY _____
TWM _____
SDN _____ HMC _____
LDR _____ GCH _____
RJR _____ PWM _____
MAS _____ RAB _____
FILE _____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: John H. Hendrix Corporation
BY: Kenneth H. Westhake
DATE: 7/23/90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JAN _____

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31

As an operator in the Eumont Yates Seven Rivers Queen, we support a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: WATERHURST
BY: W. Hudson
DATE: 6.7.90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

REC _____
JAN _____
FEB _____
MAR _____
APR _____
MAY _____
JUN _____
JUL _____
AUG _____
SEP _____
OCT _____
NOV _____
DEC _____
FILE _____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: LANEXCO, INC.

BY: Robert W. Lampson

DATE: 6-1-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: MARATHON OIL COMPANY

BY: H. O. Snyder, PROD. MGR. - MIDLAND OPS.

DATE: 6-14-90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

Marks-Garner
COMPANY: **Production Company**
BY: *[Signature]*
DATE: 7-23-90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Meridian Oil
BY: Dw. Gabe
DATE: 6/1/90

TO: Texaco Inc. ✓
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY:

MexTex Supply Company

BY:

[Signature]

DATE:

7/24/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JAH 7/30
JLA _____
JAB _____
ALG _____
PLH _____
PDH _____
JDL _____
CPA _____
MGR _____
SDU _____
JY _____
HWC _____
OLH _____
PWM _____
RWB _____
FILE _____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: MILLARD DECK EST
BY: Eel H. R.
DATE: 7/24/90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Mobil Exploration & Producing U.S.

BY: Deane L. Elwood

DATE: 8-1-90

RED	JLA
ROD	JWB
ROD	MLG
ROD	PLH
ROD	PSH
ROD	SQL
ROD	CPM
ROD	MSR
ROD	QOI
ROD	QY
ROD	SMC
ROD	OLH
ROD	PMM

FILE

COMPANY: ORYX ENERGY
BY: B. Manrochein
DATE: 6/4/90





OXY USA INC.
Box 50250, Midland, TX 79710
June 21, 1990

Texaco, Inc.
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Mr. Robert Hart

Re: Minimum Allowable for Eumont
Yates Seven Rivers Queen
(Prorated Gas) Pool, Lea
County, New Mexico.

Dear Robert:

OXY USA Inc., as operator of six (6) wells in the Eumont Yates Seven Rivers Queen (Prorated Gas) Pool, supports the idea of a minimum allowable for the subject pool at a level that is necessary to allow operators to undertake drilling and reworking operations which will increase the ultimate recovery of hydrocarbons.

We prefer that the Oil Conservation Division decide, after testimony and evidence are presented in a public hearing, what the appropriate level of minimum allowable should be for this pool.

When such hearing is scheduled, please advise the undersigned. If you have any questions, I can be reached at 915/685-5913.

Sincerely,

A handwritten signature in cursive script, reading "Richard E. Foppiano".

Richard E. Foppiano
Regulatory Affairs Advisor - Western Region

REF/ref
attachments

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Pennco Oil Corp
BY: [Signature]
DATE: 6/8/80

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

PAGE 7/30
C

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: SHELL WESTERN E&P INC.

BY: *M. Amthman*

DATE: 7-27-90





Texaco USA

PO Box 730
Hobbs NM 88240
505 393 7191

REH —

Southland Royalty
801 Cherry Street
Fort Worth, TX 76102

July 20, 1990

Texaco Inc. requests your support of a minimum allowable of 600 MCFPD for a 160 acre proration unit for a period of three years in the Eumont Yates Seven Rivers Queen Prorated Gas Field.

Texaco, as well as several other operators recently held a meeting with Mr. LeMay of the New Mexico Oil Conservation Division concerning the establishment of a minimum allowable in the Eumont Field. The NMOCDD was very receptive to this proposal and encouraged Texaco, with support from other operators, to take this proposal to an examiner hearing to get the proposal implemented.

The hearing date has been set for August 8, 1990 and it is critical that we receive support from all operators in this field. It is our opinion that the minimum allowable proposal will benefit all operators as well as the State of New Mexico through incentive for workover and development programs.

We would like to receive your signed ballot before August 3. We have already received signed ballots from operators representing almost 87% (See Enclosure) of the acreage in the field but your support is also needed.

If further information is required, please contact Robert Hart at (505) 393-7191.

Sincerely,

J. A. Head / psp

J. A. Head
Hobbs Area Manager

REH/s

Enclosures

MERIDIAN OIL

JUL 26 1990
MIDLAND, TEXAS
REGIONAL PRODUCTION MANAGER

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: MERIDIAN OIL INC
BY: BSA
DATE: 7/27/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Texaco Producing Inc. + Texaco Inc.

BY: Robert E. Hart

DATE: June 14, 1990

JAR _____

ACCT _____
DATE _____
BY _____
TITLE _____
JUN 1990
RECEIVED

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Tierra Operating Co
BY: Joe T. Garcia Pres.
DATE: 6/5/90.



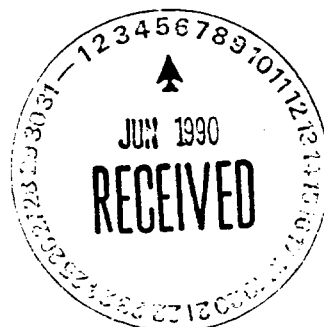
TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JUN 1 1990

REP	____	____
REV	____	____
FOR	____	____
END	____	____
REC	____	____
REC	____	____
END	____	____
PAY	____	____
WEL	____	____
TAM	____	____
CON	____	____
LDR	____	____
RDR	____	____
MAS	____	____
FILE	____	____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Dwight A. Lipton
BY: Dwight A. Lipton
DATE: 6-1-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY:

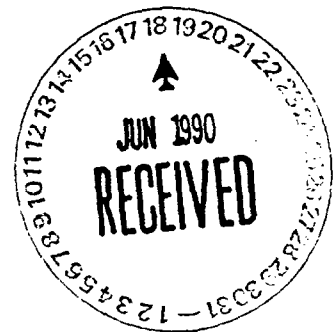
Texaco Inc.

BY:

Charles F. Criss

DATE:

June 12, 1990



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Union Texas Petroleum
BY: Charles W. Latch
DATE: 8/13/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Warren Dr.
BY: W. J. Anderson
DATE: 6/5/90

[illegible]

COMPANY :

BY:

DATE:



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Zia Energy, Inc.

BY: Jarris Nelson

DATE: 6/4/90



Case No.	Plaintiff	Defendant	Amount	Filed	Term	Judge	Notes
1	John Doe	Jane Smith	\$100.00	1912	1st	John Doe	...
2	Jane Smith	John Doe	\$200.00	1913	2nd	Jane Smith	...
3	John Doe	Jane Smith	\$150.00	1914	3rd	John Doe	...
4	Jane Smith	John Doe	\$300.00	1915	4th	Jane Smith	...
5	John Doe	Jane Smith	\$250.00	1916	5th	John Doe	...
6	Jane Smith	John Doe	\$400.00	1917	6th	Jane Smith	...
7	John Doe	Jane Smith	\$350.00	1918	7th	John Doe	...
8	Jane Smith	John Doe	\$450.00	1919	8th	Jane Smith	...
9	John Doe	Jane Smith	\$500.00	1920	9th	John Doe	...
10	Jane Smith	John Doe	\$550.00	1921	10th	Jane Smith	...
11	John Doe	Jane Smith	\$600.00	1922	11th	John Doe	...
12	Jane Smith	John Doe	\$650.00	1923	12th	Jane Smith	...
13	John Doe	Jane Smith	\$700.00	1924	13th	John Doe	...
14	Jane Smith	John Doe	\$750.00	1925	14th	Jane Smith	...
15	John Doe	Jane Smith	\$800.00	1926	15th	John Doe	...
16	Jane Smith	John Doe	\$850.00	1927	16th	Jane Smith	...
17	John Doe	Jane Smith	\$900.00	1928	17th	John Doe	...
18	Jane Smith	John Doe	\$950.00	1929	18th	Jane Smith	...
19	John Doe	Jane Smith	\$1000.00	1930	19th	John Doe	...
20	Jane Smith	John Doe	\$1050.00	1931	20th	Jane Smith	...

Case No. 10036

Source: NATURAL GASES OF NORTH AMERICA, Beebe, B.W., & Curdts, B.F.

NATURAL GASES OF NORTH AMERICA—A SUMMARY¹

B. W. BEEBE² AND BRUCE F. CURTIS³
Boulder, Colorado

TABLE XXI. GIANT GAS FIELDS⁴ OF NORTH AMERICA LISTED BY SIZE

Field	State or Province	Date of Discovery	Producing Zones	Depth Range (ft)	1905 Production (bbl)	Int'l. Rec. 12/31/65 (Tcf)	Cum. Prod. (Tcf)	Rem. Rec. (Tcf)	Type of Gas	Trap	No. of Gas Wells	Remarks
Panhandle-Hugoton San Juan (all pools) Monument-Eocene-Jalmat Trend	Kan.-Okla.-Texas New Mex.-Colo. New Mexico, S.E.	1918 1927 1927	Perm. (Wolf) U. Cret. U. Perm.	2,200-2,900 90-8,100 2,700-3,700	1,465 450 ^a 129	70.0 13.7 9.8	45.0 3.9 ^a 0.7	25.0 9.8 ^a 3.1	N-A Mostly N-A All	Struct. and struct. Strat. anticline and comb.	9,423 6,516 840	Texas pool is structural fault; C11. Includes shallow Perm. pays; Jai, Matity, Junice, Monument, and other smaller fields are combined
Monroe	La., N. Texas, E.	1916 1936	L. Ter., Cret., Jur. Cret.	1,300-9,000 2,100-6,500	95 178	7.0 6.0	6.2 5.1	0.8 0.9	N-A Mostly N-A	Dome Strat. and struct.	3,463 691	7 pays; 12 gas pays; permeability pinch-out on huge nose; gas cond.
Katy Old Ocean	Texas Gulf Coast Texas Gulf Coast	1935 1934	L. Ter. Ter.	6,400-7,400 8,500-11,200	177 111	6.0 5.0	0.7 1.6	5.3 3.4	All Mostly N-A	Anticline Deep-seated salt dome	55 94	Gas cond.; huge cycling project; faulted; 9 gas pays; considerable gas cond.
Delta, W., Blk. 27 Gomez	La. offshore Texas, W.	1949 1963	M. Ter. Ord.	8,100-15,800 20,000-22,000	86 negl.	4.3 4.0	0.1 negl.	4.2 4.0	Mostly N-A N-A	Faulted anticline Faulted closed anticline	56 6	12 pays; little C11; gas cond. Development rapid; 17 wells end of 1966; proved reserves probably 1-1.5 Tcf
Laverne-Mocene	Okla., N.W., and Panh. Alberta	1952 1941 1957	Perm., Penn., Miss. L. Cret., Miss., Dev. M. Ter. U. and L. Cret., Jur., Miss.	3,100-7,600 6,700-8,500 4,300-15,300 3,000-6,400	168 60 105 40	3.8 3.4 3.3 3.2	1.1 0.2 0.4 0.2	2.7 3.2 2.9 3.0	N-A N-A, C11 All	Strat. Strat. Faulted anticline Strat.	1,037 29 62 12	Multiple pays 15 Blk sol.; gas cond.; 4 pays Several hundred oil wells; 900 Blk sol. C11 from Carthage-U. Cret.; some N-A; 5 pays Gas cond.; oil and gas field; 24 pays--14 dry, 10 C11
Redessa	Ark.-La.-Texas	1930	Cret., Jur.	5,300-10,800	6.5	3.2	0.8	2.4	N-A	Faulted anticline	102	Gas cond.; oil and gas field; 24 pays--14 dry, 10 C11
Rio Vista Coyanosa Golden Trend	Calif., Cent. Texas, W. Oklahoma, S. Cent.	1936 1959 1945	U. Cret., L. Ter. Perm., Penn., Dev., Ord. Penn., Dev., Ord.	3,700-9,000 4,700-15,000 5,100-11,200	53 34 102 ^a	3.1 3.0 3.0 ^a	2.3 negl. 2.6	0.8 3.0 0.4 ^a	N-A N-A Mostly C11	Dome Closed anticline Mostly strat. some struct. Deep-seated salt dome, strat.	157 30 --	8 pays First prod. in 1965 Some N-A; oil field
Circle-Town O'Connor	Texas, S.	1933	Ter.	1,700-7,800	94	3.0	1.5	1.5	N-A, C11	Deep-seated salt dome, strat.	219	43 pays N-A, 9 C11; 462 Blk C11 included
Kettlemann-N. Dome La Gloria Big Piney Jose Colorado-Chilapilla Lake Arthur	Calif., Cent. Texas, S. Wyoming Mexico La., S.	1928 1939 1938 1951 1937	Ter. Ter. L. Ter., Cret. M. Ter. M. and L. Ter.	8,300-11,400 5,200-9,800 900-9,700 5,200-8,000 8,500-15,800	40 91 41 185 100	1.0 2.9 2.8 2.8 2.8	2.7 1.0 0.4 1.0 1.0	0.3 1.9 2.4 1.8 1.8	C11 All N-A Mostly N-A N-A, C11	Dome Anticline Strat. Faulted salt dome Elongate dome	-- 81 n.a. 79 57	Oil prod. unimportant; anticlinal closure, N-S elongate, with assoc. regional synclinal faults Gas and oil field; probably deep-seated salt dome
Bateman Lake	La., S.	1937	Ter.	8,700-12,800	31	2.5	0.3	2.2	N-A, C11	Elongate dome	21	Gas and oil field; probably deep-seated salt dome
Hayou Sale	La., S.	1930	U. and M. Ter.	4,500-14,500	103	2.5	0.4	2.1	N-A, C11	Deep-seated salt dome	36	Gas and oil field
Belhany-Waskom Barreiros Chocomaite Hayou	Texas, E., La., N. Texas, S. Texas Gulf Coast	1916 1945 1939	Cret., U. Jur. Ter. Ter.	1,000-6,500 5,150-9,500 8,700-14,800	89 133 67	2.5 2.5 2.5	1.8 0.6 1.7	0.7 1.9 0.8	N-A, C11 All All	Dome Faulted anticline Deep-seated salt dome	586 46 68	At least 30 gas or gas-cond. pays Dry gas prod. reported from 13 pays; C11 from 6 pays, 1965
Edson Puckett	Alberta Texas, W.	1963 1952	U. Cret., Miss. Perm., Penn., Dev., Ord.	5,800-9,100 10,400-14,600	3 64	2.5 2.5	negl. 0.6	2.5 1.9	N-A N-A	Strat. Closed anticline	32 57	Gas gas; new gas 60% C11; 1 pay gas estimated 4.2 Tcf
Siggo	La., N.	1922	Cret., U. Jur.	830-7,900	77	2.5	1.7	0.8	N-A	Faulted dome	241	Gas and oil fields; some C11; 14 pays
Stratton	Texas, S.	1937	Ter.	500-7,800	73	2.5	1.9	0.6	All	Anticline	154	

¹ Partial recoverable reserves of 1 billion cu ft or more.

² Estimated.

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

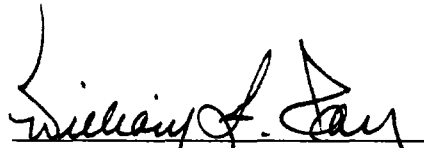
IN THE MATTER OF THE APPLICATION OF
TEXACO INC. FOR AMENDMENT OF DIVISION
ORDER NO. R-8170, AS AMENDED, TO
ESTABLISH A MINIMUM GAS ALLOWABLE
FOR THE EUMONT GAS POOL,
LEA COUNTY, NEW MEXICO.

CASE NO. 10036

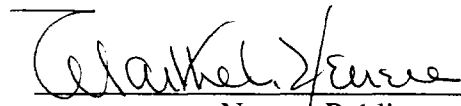
AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

WILLIAM F. CARR, attorney in fact and authorized representative of Texaco Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.


WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 18th day of September, 1990.


Notary Public

My Commission Expires:

August 19, 1991

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
Texaco's	EXHIBIT NO. <u>2</u>
CASE NO.	<u>10036</u>

Bess Adkins Lacy and
Eugene B. Adkins, Trustees
2407 E. 27th Place
Tulsa, OK 74193

Conrad E. Coffield
P.O. Box 3580
Midland, TX 79702

Ima Brown Shout
312 NW Ave. G
Hamlin, TX 79520

Ronald J. Byers
209 Westgate Bldg.
Austin, TX 78701

Donald G. Gourley and
Vincent H. Gourley
526 W. Taos
Hobbs, NM 88240

Ina Brown Williams and
Harold C. Williams
467 NW Ave. I
Hamlin, TX 79520

Petro Tiger I, Ltd.
320 S. Boston Ave.
Tulsa, OK 74103

Magdalene Markham
P.O. Box 1015
Seminole, TX 79360

Nellie Brown Milner
1714 Robinson St.
Irving, TX 75060

Betty Ruth Fogleman
1643 E. 17th Place
Tulsa, OK 74120

George Linam Klein
3909 Swiss Box 1054
Dallas, TX 75204

L.C. Brown and
Mary Brown
P.O. Box 123
Sylvester, TX 79560

L. Brady Myers
5004 W. 79th
Prairie Village, KA 66208

Harry Scott Klein
921 Kiowa
Hobbs, NM 88240

Frank Bryant Rose
612 E. Lea
Hobbs, NM 88240

Jake L. Hamon
P.O. Box 663
Dallas, TX 75221

Alta Faye Klein
921 Kiowa
Hobbs, NM 88240

J.C. Turner and
Margaret L. Turner
Star Rt. 8, Box 1223
Hobbs, NM 88240

Wyatte Tate Brady and
Mary Debra Brady
1613 Cartwright
Springdale, AR 72764

Winnie Lee Kennann
P. O. Box 202
Eunice, NM 88231

Lawrence H. Johnson
P. O. Box 159
Hobbs, NM 88240

Gloria West
P. O. Box 1002
Hobbs, NM 88241

J.L. Everson
1400 Country Club
Midland, TX 79701

B.A. Christman, Jr.
Chico Route
Raton, NM 87740

J.R. Cannon and
Betty L. Cannon
P. O. Box 2405
Hobbs, NM 88241

John M. Wetzel
P. O. Drawer 2818
Midland, TX 79702

Bradford A. Christmas
P. O. Box 173
Wagon Mound, NM 87752

Roy G. Barton, Jr. Ind.
and as Trustee
P. O. Box 978
Hobbs, NM 88241

Katherine P. Wetzel
P. O. Box 50933
Midland, TX 79710

Joyce Ann Brown
909 Alameda
Las Cruces, NM 88001

A. K. Guthrie
611 Main St.
Big Spring, TX 79720

Nearburg Exploration Co.
401 E. Illinois, Suite 300
Midland, TX 79701

Helen J. Christmas Barby
P. O. Box 2767
Edmond, Oklahoma 73083

Candy Christmas
P. O. Box 64278
Lubbock, TX 79464

Nelson H. James and
Eunice Gray
5405 Scout Island Cir. South
Austin, TX 78731

Texaco Producing
P. O. Box 728
Hobbs, NM 88240

Mary T. Christmas Holladay
P. O. Box 3444
Houston, TX 77253

Conoco Inc.
P. O. Box 460
Hobbs, NM 88240

OXY USA
P. O. Box 3908
Tulsa, OK 74102

The Wiser Oil Company
P. O. Box 192
Sisterdale, W. Va. 26175

Exxon Corporation
P. O. Box 1600
Midland, TX 79702

American Exploration Co.
2100 Republic Bank Center
Houston, TX 77002

Charles S. Rice and
Betty Moran Rice
6223 Lupton
Dallas, TX 75225

Marathon Oil Company
P. O. Box 552
Midland, TX 79702

Conoco Inc.
P. O. Box 460
Hobbs, NM 88240

Mary G. Moran Fagan
6223 Lupton
Dallas, TX 75225

Amoco Production Company
P. O. Box 3092
Houston, TX 77253

Bettis, Boyle & Stovall
P. O. Box 1168
Graham, TX 76046

Billy Frank Osborn
P. O. Box 694
Atwater, CA 95301

Blanco Engineering
P. O. Box 348
Artesia, NM 88210

Anadarko Petroleum Corp.
P. O. Box 2497
Midland, TX 79702

James G. Bruton and
Virginia C. Bruton
P. O. Box 218
Waurika, OK 73573

George H. O'Brien
P. O. Box 25189
Oklahoma City, OK 73125

Warrior, Inc.
P. O. Box 17479
Fort Worth, TX 76102

Hendrick Medical Center
N. 19th and Hickory
Abilene, TX 79601

Felmont Oil & Gas Co.
350 Glenborough
Suite 300
Houston, TX 77067

Murray Faskin
500 W. Texas, Suite 1160
Midland, TX 79701

L.O. Carroll and
Louie Carroll
1216 Country Club Dr.
Norman, OK 73069

Chevron USA Inc.
P. O. Box 1980
Hobbs, NM 88240

Ed A. Vogler
202 Gihl Towers West
Midland, TX 79701

Stephen Nelson James
5405 Scout Island Cir. South
Austin, TX 78731

Amerada Hess Corporation
1201 Louisiana, Suite 700
Houston, TX 77001

Newnie W. Ellis
P. O. Box 105
Midland, TX 79702

Jean Grissom and
R.D. Grissom
302 S. 9th Street
Okemah, OK 74859

ORYX Energy Company
P. O. Box 1861
Midland, TX 79702

Edwin D. Green
2312 Shandon
Midland, TX 79705

Paul D. Green
1202 Neeley
Midland, TX 79705

Bradley Gaylord
P. O. Box 643
Chatham, MA 02633

Edward A. Merkle
655 Madison Ave.
New York, NY 10021

W.N. Rees
P. O. Box 6326
Odessa, TX 79767

Winfield Perdun
14 Wall Street
New York, NY 10005

Kirby D. Schenk
34 Kings Canyon
New Orleans, LA 70131

Sondra J. Johnson
P.O. Box 6326
Odessa, TX 79767

Marshall A. Jacobs
70 Pine Street
New York, NY 10270

Grace Walker
1230 First City Place
Oklahoma City, OK 73102

Thomas E. Schneider and
Patrick C. Schneider
P. O. Box 1215
Alpine, TX 79830

Richard Dennis
320 E. 53rd Street
New York, NY 10022

W. Bryan Arnn
2925 Cornwall Place
Oklahoma City, OK 73120

Tom Schneider
505 N. Big Spring
Suite 204
Midland, TX 79701

Richrd Witkind
256 South Columbia Ave.
Columbus, Ohio 43209

Graham-Jenike Ranch
P. O. Drawer Z
Artesia, NM 88210

Marvin L. Smith
P. O. Box 217
Midkiff, TX 79755

Moore & Shelton
Company, Ltd.
4320 Ave. P
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Nowata, OK 74048

Ladd Eric Hoover
83 Towpath Street
New Hope, Penn 18938

Wilma M. Phillips Trust
P. O. Box 90969
San Diego, CA 92109-0864

Home-Stake Oil Company
507 Phil-Tower Bldg.
Tulsa, OK 74105

John Hamilton Hoover, Jr.
39 West Ashland
Doylestown, Penn 18901

First City National Bank, Trustee
Susan Davidson Trust
P. O. Box 10966
Midland, TX 79702

William Seal
4662 S. Troost
Tulsa, OK 74105

Hawkins Oil and Gas Co.
400 S. Barton Ave., Suite 800
Tulsa, OK 74103

Virginia Priddy
138 Annette Lane
Houston, TX 77022

Emily Ann Edwards
226 W. 7th
Bristow, OK 74010

Headington Oil Company
7557 Rambler Road, Suite 1150
Dallas, TX 75231

George W. de Vlaming
63 Munson Drive
Columbus, Georgia 31903

Jean Anderson Simpson
5802 S. Delaware Place
Tulsa, OK 74105

Bert Allen Camp
Post Office Box 584
Roswell, New Mexico 88201

Rex de Vlaming
Rt. 2
Kauffman, TX 75142

Bradley Nominee Corp.
313 N. Main Street
Wellsville, NY 14895

Charabel Tanner
1650 POalisades
Pacific Palisades, CA 90272

Guila Kerby
P. O. Box 473
Wynona, OK 74084

Janie Ellen Kinkor
2767 North Wakefield Street
Arlington, VA 22207

Julian W. Glass, Jr. and
Ernest Francis Glass
P. O. Box 587
Nowata, OK 74048

Mrs. Georgia K. Clingenpeel
127 Forest Park Road
Bartlesville, OK 74003

The Reverend Don Trust
P. O. Box 6908
Albuquerque, NM 87197

Ashland Oil Company
1409 Winchester Ave.
Ashland, Kentucky

Robert Booth Kellough
Rt. 2, Box 88
Port Allen, Louisiana 70767

The First National
Bank of Independence
129 West Lexington
Independence, Missouri 64050

Mrs. Archy Elkins
1728 NW 17th
Oklahoma City, OK 73106

Thomas B. Wilson
255 Commonwealth
Concord, Massachusetts 01742

Main Street Holding Company
P. O. Box 381
Shawnee Mission, Kansas 66201

The Merchants Bank
Trustee for Duncan Trust
P. O. Box 412296
Kansas City, Missouri 64141

Francis Hudson and Delmar H. Lewis
William A. Hudson and
Edward R. Hudson
616 Texas Street
Fort Worth, TX 76102

Hans Teisner
Sogsvn 63-A, 0815
Oslo 8, Norway

Elizabeth A. Yonkers
401 E. Linton Blvd., Apt. 578 N
Delray Beach, FL 33483

Therese Juell
OVRE Ljanskoll, VET 1
Oslo 12, Norway

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P. O. Box 50670
Midland, TX 79702

E. Pregler Estates, Inc.
P. O. Box 1722
Tulsa, OK 74101

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Brennbakken 12, 2300 Hamar
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Bill Mathis
P. O. Box 2414
Midland, TX 79702

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P. O. Box 1323
Bellaire, TX 77401

Ridoron Properties, Inc.
P. O. Box 5014
Midland, TX 79704

W. R. Lloyd
P. O. Box 491
Houston, TX

Chester Forrest Shelton
4320 Betty Street
Bellaire, TX 77401

Meadco Properties
Bill C. Cotner
P. O. Box 2236
Midland, TX 79702

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1924 South Utica
Tulsa, OK 74104

Sue Raby
6213 Vista Sierra, NW
Albuquerque, NM 87120

Multi Corporation
P. O. Box 70
Hobbs, New Mexico 88240

Osborn Heirs Company
P. O. Box 50670
San Antonio, TX 78286

Kenneth E. Chambers and
Geraldine Chambers
West Star Route, Box 217
Lovington, New Mexico 88260

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627 East Llano Drive
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304 N. Colorado, Suite 108
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u/w/o Ray D. McNeill, dec.
P. O. Box 686
Hobbs, New Mexico 88240

Marcia McNeil Blackburn
P. O. Box 214
Roundup, Montana 59072

Verde Vista Energy Company
P. O. Box 310
Roswell, NM 88201

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17218 Preston Road, Suite 402
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Hobbs, New Mexico 88240

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P. O. Box 2115
Colorado Springs, CO 80901

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Roswell, NM 88201

Geethe T. Hostnaelinger
Roisliva, N-2600
Lilliehammer, Norway

Gupton Gas Company
500 Main Street, Suite 830
Fort Worth, TX 76102

Mrs. Ira E. Lee, et al.
29 Taylors Valley Road
Temple, TX 76501

Helen M. Wolfie
1109 W. Lancaster
Fort Worth, TX

Charles R. Fife
P. O. Box 958
St. Louis, Missouri

Zelwin Graham and
Elaine Graham Krasne
9821 Seward Street
Omaha, Nebraska 68114

Ben L. Graham
645 Connecticut
Lawrence, Kansas 66044

John William McDonald and
David Graham McDonald
1301 Sunny Hill Court
Bettendorf, Iowa 52722

Margot Suzanne Chambers
1314 Squires
Abilene, TX 79602

Laverne Colby, Lester F. Colby
and Dorothy Colby
118 Woodstock Street
Crystal Lake, Illinois

William Cecil Grimes Estate, et al.
c/o Mary Evelyn Grimes Maddox
P. O. Box 1643
Brenham, TX 77833

Joyce Holliday Fahlman, Trustee
P. O. Drawer 2399
Santa Barbara, CA 93120

Marshall & Winston, Inc.
P. O. Box 874
Midland, TX 79702

Winston Partners, Ltd.
1105 Foshay Tower
Minneapolis, Minnesota 55402

NCNB-Midland, Trustee
Baker Family Royalty Trust
P. O. Box 270
Midland, TX 79702

Hugh Corrigan, III
P. O. Box 50460
Midland, TX 79710

J. Patrick Corrigan
c/o Doug Ferguson
P. O. Drawer 432
Midland, Texas 79702

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3805 River View Road NW
Albuquerque, NM 87105

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2 Violet Court
North Little Rock, Arkansas 72116

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Fort Worth, TX 76114

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Greenhill Petroleum Corporation
16010 Barker's Point Lane, #325
Houston, TX 77079

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305 Stamford Ave.
Stamford, Connecticut 06902

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Robert C. Jackson
Richard M. Jackson and
Cathy L. Rolin
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Prospect, Tenn 38477

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Charlotte Jean Bedford Lange
Frances Ellen Bedford Sampson
Madeleine A. Bedford Sampson
1235 Kingston Ave.
Alexandria, VA 22302

Island Oil Company
Penrose Production and
Patricia Penrose Schieffer
1640 First City Bank Tower
Fort Worth, TX 76102

NCNB-Midland, Trustee
Liza Jane Philpy
Revocable Trust and
Jennifer Williams Clark
Revocable Trust
P. O. Box 270
Midland, TX 79702

Yeager Properties, Inc.
Yeager Development Co. Ltd.-81
Wilbur A. Yeager, Jr.
Patsy Goss Yeager
Way Enterprises, Inc.
P. O. Box 990
Midland, TX 79702

Industrial Valley Bank and
Trust Co., Trustee
f/b/o Donna Marie Hoover
Old York Road & West Ave.
Jenkintown, Penn 19046

Cynthia Ann Garvin and
Charlotte Rappsilber
c/o Robert N. Colombe
207 E. Grand
Tonkawa, OK 74653

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Lynn D. Durham,
Trustees, u/w/o Fred Turner, Jr.
and u/w/o Juliette Miller Turner
P. O. Box 1471
Midland, Texas 79702

West Timbers Limited Partnership
North Timbers Limited Partnership
East Timber Limited Partnership
Cross Timbers Partners
810 Houston St, Suite 2000
W. T. Waggoner Building
Fort Worth, Texas 76102

Dorothy B. Cox
2007 W. Tennessee
Midland, Texas 79701

Charles J. Harris, Trustee
6313 Jameson
Amarillo, Texas 79106

First National Bank of Wichita Falls,
Trustee of the Clower, et al, Trusts
First National Bank Bldg.
Wichita Falls, Texas 76301

Team Bank Fort Worth,
Trustee for the
J. M. Leonard Trust
P. O. Box 2050
Fort Worth, Texas 76113

American Royalty Partnership
American Royalty Producing Company
FMP Operating Company
1615 Poydras St.
New Orleans, Louisiana 70112

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Colleen Grady McPherson Wallace
Robert Lee McPherson
Santa Fe North Building
Six Northeast 63rd St., Suite 365
Oklahoma City, Oklahoma 73105

NCNB-Midland, Trustee of the
William E. & Edna Kreps
Memorial Trust
P. O. Box 270
Midland, Texas 79702

Grace Acosta, Special Master & First
National Bank, successor in interest to
Alan J. Antweil, et al.
P. O. Box 1305
Albuquerque, New Mexico 87103

First National Bank & Trust Co.
of Tulsa, Trustee Avis K. Miller Tr.
P. O. Box 1
Tulsa, Oklahoma 74193

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Michael Harrison Moore
Stephen Scott Moore
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Midland, Texas 79701

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Production, Inc.
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Houston, TX 77253

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Lily Mae Bash
Margaret Sue Lackey
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Rapid City, SD 57701

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Birmingham, MI 48010

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Trustee Lyeth Oil Trust
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Denver, CO 80217

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D.C. Trust
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Lubbock, TX 79462

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Jess Dean Neudauer
Jess Neudauer
4003 N. Puente
Baldwin Park, CA 91706

NCNB Midland and Jessie
Blevens Crump, Trustees
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Midland, TX 79702

Henry de Graffenreid Bedford
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San Clemente, CA 92672

Hal J. Rasmussen Operating, Inc.
6 Desta Drive, Suite 5850
Midland, TX 79705

American Royalty Producing Co.
Petro-Lewis Tower
717 17th Street
Denver, CO 80202

Robert B. Kennedy and
Elizabeth J. Kennedy, Trustees
Kennedy Living Trusts
P. O. Box 151
Artesia, NM 88210

Texas Commerce Bank-Houston,
Agent and Attorney-in-Fact
for Mary Moran Braden
P. O. Box 2558
Houston, Texas 77252-8033

Liberty National Bank of Lovington
Trustee The Life Estate of
Jerald Leo Dye
and Stoney Leo Dye
Post Office Box 1627
Lovington, New Mexico 88260

Texas American Bank Forth Worth,
Trustee u/w/o R.S. Magruder;
Katherine K. McIntyre
Revocable Trust No. 21-4541
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Forth Worth, Texas 76101

Commerce Bank of Kansas City,NA
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Trust --Trust Real Estate Dept.
P. O. Box 419248
Kansas City, MO 64141

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Max W. Coll, II
James N. Coll
Charles H. Coll
Jon F. Coll
Post Office Box 1818
Roswell, NM 88201

Centerre Bank of Kansas City, NA
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Joel Breese
P. O. Box 666
Kansas City, MO 64141

First National Bank &
Trust Company of Tulsa
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Claudia Bradley Trust
Post Office Box 1
Tulsa, Oklahoma 74193

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Mineral Trust
E.R. Hudson, Jr. Trustee
H.S. Jones
P. O. Box 17105
Fort Worth, TX 76102

Aline Sims
Leo V. Sims
Elizabeth I. Sims Spear
Bertha Elizabeth Daugherty
Post Office Box 1046
Eunice, New Mexico 88231

Craig C. Powell &
Ingrid D. Powell
Trustees of the
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Los Altos, CA

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James B. Law
Trustees of the Marilyn
M. Law Revocable Trust
2825 NW Grand Blvd. Unit 3
Oklahoma City, OK 73116

Jimmy D. Morey and
Mary M. Morey
Trustees of the
Jimmy D. Morey Revocable Trust
1502 Buttram Rd.
Oklahoma City, OK 73120

James D. Morey and the
Liberty National Bank & Trust Co.
Co-Trustees Onez Norman Rooney
Post Office Box 25848
Oklahoma City, OK 73125

Marathon Oil Company
P.O. Box 552
Midland, TX 7702

ARCO Oil & Gas Company
P.O. Box 1610
Midland, TX 79702

Lewis B. Burleson Inc.
P.O. Box 2479
Midland, TX 79702

Chevron U.S.A. Inc.
P.O. Box 670
Hobbs, NM 88240

Mobil Producing
P.O. Box 633
Midland, TX

James L. Evans
P.O. Box 1029
Eunice, NM 88231

R.B. Honeyman, Jr.
c/o Susan Crawford
1943 Rose Villa St.
Pasadena, CA 91107

Marks & Garner Prod. Co.
1421 S. Love Street
Lovington, NM 88260

Orxy Energy Company
P.O. Box 1861
Midland, Texas 79702-1861

Phillips Petroleum Co.
4001 Penbrook
Odessa, TX

Amerada Hess Corp.
P.O. Box D
Monument, NM 88265

American Exploration
2100 NCNB Center
700 Louisiana St.
Houston, TX 77002

Conoco, Inc.
10 Desta Drive West
Midland, TX 79705

Citation Oil & Gas Corp.
8223 Willow Place South
Suite 250
Houston, TX 77070-5623

Estoril Producing Corp.
400 W. Illinois, #1600
Midland, TX 79701

Great Western Drlg. Co.
P.O. Box 1659
Midland, TX 79702

W.A. & E.R. Hudson
306 W. 7th Street, # 310
Ft. Worth, TX 76102

Meridian Oil Inc.
21 Desta Drive
Midland, TX 79705-4402

Me-Tex Supply co.
P.O. Box 2070
Hobbs, NM 88240

Penroc Oil Corp.
P.O. Box 5970
Hobbs, NM 88240

Exxon Company, USA
P.O. Box 1700
Midland, TX 79702-1700

Amoco Production Co.
P.O. Box 3092
Houston, TX 772535

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

Graham Royalty, Ltd.
5429 LBJ Freeway, #550
Dallas, Texas 75240

John H. Hendrix Corp.
223 W. Wall St., #525
Midland, TX 79701

OXY USA, INC.
P.O. Box 50250
Midland, TX 79710

Millard Deck Estate
NCNB Texas
P.O. Box 2546
Ft. Worth, TX 76113

Union Texas Petroleum
4000 N. Bigspring
Suite 400
Midland, TX 79705

Zachary Oil co.
P.O. Box 1969
Eunice, NM 88231

Shell Western E&P Inc.
P.O. Box 576
Houston, TX 77001

Hawkins Oil & Gas
400 S. Boston, #800
Tulsa, OK 74103

Lanexco, Inc.
P.O. Box 1206
Jal, NM 88252

Warrior, Inc.
P.O. Box 5970
Hobbs, NM 88240

BEC Corp.
P.O. Box 1392
Midland, TX 79702

Two States Oil Co.
Energy Square - Ste. 1030
4925 Greenville Ave.
Dallas, TX 75206-4018

El Paso Natural Gas Co.
P. O. Box 1492
El Paso, TX 79978

Zia Energy, Inc.
P.O. Box 2219
Hobbs, NM 88240

Phillips 66 Natural Gas Co.
4001 Penbrook
Odessa, TX 79762

Tierra Exploration Co.
P.O. Box 5057
Hobbs, NM 88241

Sid Richardson Carbon
& Gasoline Company
First City Bank Tower
201 Main
Ft. Worth, TX 76102

Southland Royalty
801 Cherry Street
Fort Worth, TX 76102

Warren Petroleum Company
P. O. Box 1589
Tulsa, OK 74102

Don H. Wilson
1305 Stockton
Brownfield, TX 79316

Northern Natural Gas Company
2223 Dodge St., 8th Floor
Omaha, NE 68102

S.E. Production Co.
P.O. Box 755
Hobbs, NM 88241

Texaco Producing, Inc.
P. O. Box 1137
Eunice, NM 88231

Dwight A. Tipton
P.O. Box 1025
Lovington, NM 88260

ARCO Oil & Gas Company
P.O. Box 1710
Hobbs, NM 88240

CAMPBELL & BLACK, P.A.
LAWYERS

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BRADFORD C. BERGE
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WILLIAM R. SLATTERY
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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

August 28, 1990

CERTIFIED MAIL --
RETURN RECEIPT REQUESTED

TO: OPERATORS, WORKING INTEREST OWNERS, UNLEASED MINERAL OWNERS AND TRANSPORTERS IN THE EUMONT GAS POOL AREA, Lea County, New Mexico

Re: New Mexico Oil Conservation Division Case 10036:
In the Matter of the Application of Texaco, Inc. for Amendment of Division Order No. R-8170, as Amended, to Establish Minimum Gas Allowables in the Eumont Gas Pool, Lea County, New Mexico.

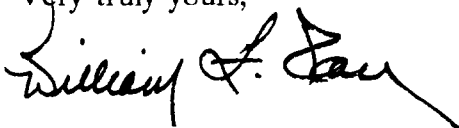
Gentlemen:

This letter is to advise you that Texaco, Inc. has filed an application with the New Mexico Oil Conservation Division seeking amendment of Division Order No. R-8170, as amended, to establish a minimum natural gas allowable for a three year period of time in the Eumont Gas Pool, Lea County, New Mexico, of 600 mcf of gas per day (18,000 mcf of gas per month) for a standard 160-acre Eumont Gas Spacing Unit.

This application has been set for hearing before a Oil Conservation Division Examiner on September 19, 1990. You are not required to attend this hearing but as the 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 in this case will preclude you from challenging this 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 TEXACO, INC.
WFC:mlh

Eumont Yates 7 Rivers Queen Pool History

- February 17, 1953 Pool was created. Numerous amendments have occurred since the establishment of the pool. Vertical limits extend from the top of the Yates to the bottom of the Queen formation.
- January 1, 1954 Proration became effective.
- November 15, 1989 Texaco presented testimony at the gas proration hearing. No increase in allowables was granted.
- December 13, 1989 Texaco presented testimony at the gas proration hearing. Allowables were increased to 600 MCFPD for January, February, and March of 1990.
- April 23, 1990 Meeting between NMOCD and operators was held in Sante Fe. NMOCD suggested that operators in the Eumont determine an appropriate minimum allowable.
- May 9, 1990 Operator meeting was held in Hobbs. It was determined that Texaco should send out surveys to gather data that would support a minimum allowable proposal.
- July 12, 1990 Meeting between NMOCD and operators was held in Hobbs to present NMOCD of the findings of the survey. NMOCD suggested that a proposal for a minimum allowable be taken to an examiner hearing.

Eumont Yates Seven Rivers Queen (Prorated) Gas
Operator Ownership Summary

<u>Company</u>	<u>% of total field</u>	<u>% of marginal</u>	<u>% of non-marginal</u>
Amerada Hess	9.19	9.10	9.86
American Exploration	0.24	0.27	0.00
Amoco	3.25	3.72	0.00
Arco	5.00	4.81	6.35
BEC Corporation	0.37	0.42	0.00
Lewis B. Burleson	1.35	1.40	0.99
Chevron	25.02	25.07	24.65
Citation	1.71	1.39	3.94
Conoco	14.85	13.52	24.15
Estoril	0.74	0.84	0.00
James L. Evans	0.61	0.70	0.00
Exxon	4.23	4.28	3.94
Great Western	0.31	0.35	0.00
Doyle Hartman	2.50	2.85	0.00
Hawkins Oil & Gas	0.74	0.84	0.00
John H. Hendrix	1.17	1.33	0.00
R.B. Honeyman, Jr.	0.12	0.14	0.00
W.A. & E.R. Hudson	0.25	0.28	0.00
Lanexco	0.99	1.13	0.00
Marathon	1.53	1.47	1.97
Marks Garner Production	0.06	0.07	0.00
Meridian	5.12	5.22	4.44
Me-Tex Supply Co.	0.37	0.42	0.00
Millard Deck Estate	0.30	0.34	0.00
Mobil	1.35	1.54	0.00
Oryx	1.72	1.12	5.91
Oxy	1.71	1.67	1.97
Penroc Oil	0.25	0.28	0.00
Phillips Petroleum	0.43	0.49	0.00
S.E. Production	0.49	0.56	0.00
Shell Western	0.61	0.70	0.00
Southland Royalty	0.61	0.70	0.00
Texaco	10.06	9.95	10.84
Tierra Exploration	0.25	0.28	0.00
Dwight Tipton	0.25	0.28	0.00
Two States Oil	0.49	0.56	0.00
Union Texas Petroleum	0.61	0.56	0.99
Warrior Inc.	0.31	0.35	0.00
Don H. Wilson	0.25	0.28	0.00
Zachary Oil	0.25	0.28	0.00
Zia Energy	0.37	0.42	0.00

64.37%

62.86

74.86

93.22

OPERATOR'S SURVEY SUMMARY

Recommended Minimum Allowable (MCFPD)	Drilling & Completion Cost (\$)	Gas Price (\$/MCF)	Risk Factor (%)
450	208,000	1.10	90
600	180,000	1.28	200
400	280,000	1.50	15-20
500	300,000	1.25	90
600	379,600	1.51	200
600	250,000	1.30	200
600	250,000	1.29	70
700	---	1.40	50
---	---	1.26	75
600	270,000	1.10	80
AVG 561	264,700	1.30	68.5*

*All responses were corrected to a % chance of success

EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY

1. Are any of your wells capable of producing more than the average non-marginal allowable? YES
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? YES
4. Does your company market gas for other operators in the Eumont field? No - Co-owners are Major Cos Marketing their Own gas
5. What do you think a minimum allowable should be in the Eumont field? 450 MCFD PER P.V.
6. If this minimum allowable was in place, what activities do you think your company could engage in? Stimulation, Recombination & Some Drilling
7. How long do you believe a minimum allowable should be in effect? 2 years
8. What is an average drilling cost for drilling and completing Eumont wells for your company? 208 M
9. What is an average gas price for Eumont wells operated by your company? \$1.10 Netback Avg. 89
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 90% Chance of Success

Additional Comments:

④ However we do market Gas for small interest owners in other fields in SE N.Mex.

COMPANY: Arco Oil & Gas ✓
BY: Samy Hinson
DATE: 5-14-90

EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY

1. Are any of your wells capable of producing more than the average non-marginal allowable? yes
2. Do you feel that there is a market for gas produced in excess of current allowables? yes
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? yes
4. Does your company market gas for other operators in the Eumont field? NO
5. What do you think a minimum allowable should be in the Eumont field? 600 ~~000~~ MCFD
6. If this minimum allowable was in place, what activities do you think your company could engage in? we could rework and rebuild, the Eumont should be taken down to 90 AC spacing
7. How long do you believe a minimum allowable should be in effect? 1 year at a time
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$180,000
9. What is an average gas price for Eumont wells operated by your company? \$1.28 per MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 200%

Additional Comments:

COMPANY: Lewis Burleson, Inc.
BY: Steve Burleson
DATE: 5/15/90

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? YES
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? YES
4. Does your company market gas for other operators in the Eumont field? CURRENTLY - NO
5. What do you think a minimum allowable should be in the Eumont field? 400 MCF/D.
6. If this minimum allowable was in place, what activities do you think your company could engage in? Recompletions - new drills

7. How long do you believe a minimum allowable should be in effect?
A minimum of one year to allow operators to respond
Through drilling, recompletions and increased production to match demand.
8. What is an average drilling cost for drilling and completing Eumont wells for your company? Approximately \$280,000
9. What is an average gas price for Eumont wells operated by your company? Approximately \$1.50/MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? Total risk approximately 15-20%.

Additional Comments:

COMPANY: Chevron U.S.A. Inc.

BY: Alan Bohling

DATE: June 6, 1990

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes - 11 wells
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes - we are able to sell all gas we are capable of producing and we could sell more at good prices.
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Yes - El Paso's line runs full nearly all the time.
4. Does your company market gas for other operators in the Eumont field? Yes. We would be willing to market for other operators if the volume were reasonable.
5. What do you think a minimum allowable should be in the Eumont field? 500 MCFPD per proration unit.
6. If this minimum allowable was in place, what activities do you think your company could engage in? We would most likely propose additional drilling wells as well as recompletion and remedial work.
7. How long do you believe a minimum allowable should be in effect? At minimum one year, preferable 3 years.
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$300,000 with \$6,000 per year in operating costs.
9. What is an average gas price for Eumont wells operated by your company? \$1.25 per wellhead MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 90% +

Additional Comments:

El Paso has now released most producers from their contracts. The demand for the gas in California definitely exists and will continue in the future. New Mexico gas is being displaced by Texas and Oklahoma gas at Waha and Plains. A minimum allowable of 500 MCFPD yields a reasonable rate of return and payback period.

COMPANY: Conoco Inc.

BY: Mike Zimmermann

DATE: May 14, 1990

67 ✓

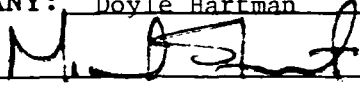
**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes, both Eumont & Jalmat fields
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes, both Eumont & Jalmat fields
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Yes, specifically Anadarko & Texas
4. Does your company market gas for other operators in the Eumont field? Yes
5. What do you think a minimum allowable should be in the Eumont field? 600 MCFPD per acreage factor for Eumont & Jalmat
6. If this minimum allowable was in place, what activities do you think your company could engage in? Drilling and completing new infill wells and reworking existing wells to prevent waste, protect correlative rights and benefit the state of New Mexico through increased royalty revenues, state severance and additional sales tax revenues
7. How long do you believe a minimum allowable should be in effect? At a minimum 3 years
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$379,600.87 (Eumont & Jalmat)
9. What is an average gas price for Eumont wells operated by your company? \$1.51 per wellhead MMBTU
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 200%

Additional Comments:

Doyle Hartman supports increased allowables in both the Eumont and Jalmat prorated gas fields as the fields are separated by an arbitrary boundary, but in effect the same, continuous, gas reservoir.

COMPANY: Doyle Hartman

BY: 

Mike Stewart, Engineer

DATE: June 1, 1990



**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Definitely Yes
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? 600 MCF
6. If this minimum allowable was in place, what activities do you think your company could engage in? Workovers, Recompletion
and Fracturing
7. How long do you believe a minimum allowable should be in effect? Indefinitely
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$250,000.00
9. What is an average gas price for Eumont wells operated by your company? \$1.30 MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 200%

Additional Comments:

Partial prorating to a select few pools are unfair on a statewide basis.

COMPANY: Lanexco, Inc. ✓
BY: [Signature]
DATE: 5-16-90

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

REP _____ J.A. _____
 RMB _____ J.D. _____
 NGC _____ M. _____
 D.C. _____ D. _____
 L.C. _____ K. _____
 RES _____ T. _____
 L.M. _____ C. _____
 P.M. _____ M. _____
 W.T. _____ J. _____
 T.M. _____ J. _____
 S.T. _____ J. _____
 L.D. _____ M. _____
 C.A.S. _____ P.M. _____

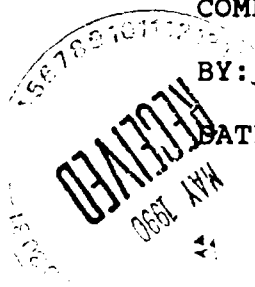
1. Are any of your wells capable of producing more than the average non-marginal allowable? YES - 2 Wells
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? YES
4. Does your company market gas for other operators in the Eumont field? NO
5. What do you think a minimum allowable should be in the Eumont field? 600 MCFPD
6. If this minimum allowable was in place, what activities do you think your company could engage in?
Drill 2 wells
Recomplete or stimulate 2 to 4 wells
7. How long do you believe a minimum allowable should be in effect?
At least 10 years (probably should be permanent)
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$250,000
9. What is an average gas price for Eumont wells operated by your company? \$1.29 MMBTU
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 70%

Additional Comments:

COMPANY: MARATHON OIL COMPANY

BY: William D. Holmes *William D. Holmes*, Operations Superintendent

DATE: May 17, 1990



**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? yes
2. Do you feel that there is a market for gas produced in excess of current allowables? yes, but at prices below the floor price for some producers
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? For Mobil's production interest - no
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? For Mobil, 700 MCFPD / 160 ac will be sufficient to market reserves
6. If this minimum allowable was in place, what activities do you think your company could engage in? Produce existing reserves, no drilling planned.
7. How long do you believe a minimum allowable should be in effect? Recommend review of minimum every 2 years - to be done by NMOCB
8. What is an average drilling cost for drilling and completing Eumont wells for your company? None planned
9. What is an average gas price for Eumont wells operated by your company? Spot market price, \$1.40/Mcf
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? For Mobil, 50% of uneconomic production risk

Additional Comments:

With Mobil releasing field plans to Texaco, it is requested that copies of the questionnaires answered by each company be made available to the operators, including Mobil, that responded.

COMPANY: Mobil E&P U.S. ✓
BY: J. G. Elwood - Operations Engineer
DATE: May 21, 1990

**EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY**

1. Are any of your wells capable of producing more than the average non-marginal allowable? YES
2. Do you feel that there is a market for gas produced in excess of current allowables? YES
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? don't know
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? Have not yet determined this economically
6. If this minimum allowable was in place, what activities do you think your company could engage in? Do not know at this time. Will begin a reservoir engineering study of our leases to determine if additional development activities are warranted. However, this reservoir study activity is a direct result of raised allowables to date.
7. How long do you believe a minimum allowable should be in effect? A minimum of one year
8. What is an average drilling cost for drilling and completing Eumont wells for your company? No recent drilling
9. What is an average gas price for Eumont wells operated by your company? \$1.26
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 75%

Additional Comments:

COMPANY: ORIX ENERGY

BY: Bonnie Wilson

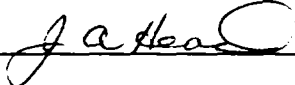
DATE: May 31, 1990

EUMONT YATES SEVEN RIVERS QUEEN
OPERATOR'S SURVEY

1. Are any of your wells capable of producing more than the average non-marginal allowable? Yes
2. Do you feel that there is a market for gas produced in excess of current allowables? Yes
3. In your opinion, is New Mexico gas being displaced by outside sources as a result of low allowables? Yes
4. Does your company market gas for other operators in the Eumont field? No
5. What do you think a minimum allowable should be in the Eumont field? 600 MCF/Day per Acreage Factor
6. If this minimum allowable was in place, what activities do you think your company could engage in? Approximately 11 drilling wells, 5 of which are already drilled. Approximately 20 frac jobs, 6 of which have been done anticipating an increase in allowables. Possible compressor installations if feasible.
7. How long do you believe a minimum allowable should be in effect? Preferably permanent, but at minimum 1 year.
8. What is an average drilling cost for drilling and completing Eumont wells for your company? \$270,000
9. What is an average gas price for Eumont wells operated by your company? \$1.10/MCF
10. What is an appropriate risk factor for drilling and completion work in the Eumont field? 80%

Additional Comments:

COMPANY: Texaco Inc., Texaco Producing Inc.

BY: 

DATE: May 30, 1990

ECONOMIC SUMMARY FOR 600 MCFPD MINIMUM ALLOWABLE

<u>Acreage Factor</u>	<u>Production Increase</u> (MCFPD)	<u>DCFROI</u> (%)	<u>Payout</u> (Years)	<u>NPV</u> (\$)
1.00	440	47.0	2.9	378,929
0.50	300	30.0	4.5	190,107

*Marginal
economies*

ASSUMPTIONS

- 1) Average values based on operator surveys
Average drilling and completion cost \$265,000
Average gas price \$1.30/MCF
Average risk factor 31.5%
- 2) Existing production of 160 MCFPD for an acreage factor of 1.00
For an acreage factor of 0.50, no existing production was assumed
- 3) An exponential decline rate of 11.0%
- 4) Operating costs of \$6,000 per well

AUTHORITY FOR EXPENDITURE

M-112(DRLG)
(5-90)

DATE: May 31, 1990

EST. NO. 100-5511
LAND DEPT.
LEASE NO. G-4487-3

LEASE NAME & NO.: State "H" No. 3

FIELD: Eumont Yates 7Rvrs On (Pro Gas) COUNTY: Lea STATE: New Mexico

DIVISION: Midland AREA: Hobbs

LOCATION CALL: 760' FWL & 1980' FSL, SEC. 32, T-19-S, R-37-E

OBJECTIVE HORIZON Queen/Penrose OIL GAS X DEPTH 3600'
BUDGET ACTIVITY (CHECK ONE): PRIMARY X SECONDARY TERTIARY

WELL AND LEASE EQUIPMENT

	MOH	DRY HOLE	COMPLETION	TOTAL
Well Head & Misc. Equip. 8-5/8" X 5-1/2"				
X 2-3/8" 3000 psi wp, flanged, flowing,				
H ₂ S Trim, with hanger/BO-2 coupling		\$ 0	15000	15000
40' 13-3/8" 48 # H40, PE Csg X		\$ 1000	0	1000
* 1220' 8-5/8" 24 # K55, ST&C Csg X		\$ 14000	0	14000
** 3600' 5-1/2" 15.5 # K55, LT&C Csg X		\$ 0	28000	28000
3600' 2-3/8" 4.7 # J55, EUE, 8RTbg X		\$ 0	11000	11000
* Sandblast bottom 5 joints				
** Sandblast bottom 1100 ft.				
TOTAL TANGIBLES		\$ 15000	54000	69000

INTANGIBLE DRILLING COSTS

760 - Transportation & Tug	\$ 4000	1000	5000
761 - Roads, Dirt Work, Pit	\$ 15000	0	15000
762/763 - Cont Drlg 6 Days @ \$4000	\$ 24000	0	24000
Mobilization	\$ 12000	0	12000
764 - Cont Compl Unit 8 Days @ \$1000	\$ 0	8000	8000
765 - Bits, Rmrs, Stab & Mtrs	\$ 8000	0	8000
767 - TX. Sal. Non Rig	\$ 2000	2000	4000
769 - Drill Pipe Rental	\$ 0	0	0
770 - Directional Tools & Serv.	\$ 0	0	0
771 - Fishing Tools & Services	\$ 0	0	0
772 - Other Rental & Equipment	\$ 3000	3000	6000
773 - Drlg Mud, Additives & Services	\$ 1000	0	1000
774 - Cement & Cementing Services	\$ 10000	10000	20000
775 - Water	\$ 5000	2000	7000
776 - Fuel	\$ 1000	0	1000
777 - Coring	\$ 0	0	0
778 - Testing	\$ 0	0	0
779 - Perforating (one interval)	\$ 0	3000	3000
780 - Stimulation (one interval)	\$ 0	40000	40000
781 - Electric Logging & Surveys	\$ 7000	1000	8000
782 - Waste Disposal/Mud, Chemicals, Etc.	\$ 2000	0	2000
783 - Damages	\$ 3000	0	3000
788 - Marine Dredging or Shell Mat	\$ 2000	0	2000
789 - Other Drilling Costs	\$ 17000	0	17000
793 - Pollution Control - Other	\$ 0	0	0
	\$ 0	0	0
	\$ 0	0	0
TOTAL INTANGIBLES	\$116000	70000	186000
TOTAL COST OF WELL	\$131000	124000	255000

Approval _____ Date 6/1/90
Div. Drlg. Eng. [Signature]
Div. Drlg. Supe. [Signature]
Div. Drlg. Mgr. [Signature]

	Gross	Texaco Int	MOH	Texaco Int
W&L \$				
IDC				
Totals				

Days to Drill 6 Days to Complete 8

21

Eumont Yates 7 Rivers Queen Expense Summary

<u>Category</u>	<u>Cost</u>
Completed workovers -14	\$928,000
Pending workovers -	\$800,000
Potential workovers -3	\$243,000
Newly drilled wells -7	\$1,850,000
Potential drilling wells -1	\$270,000
Equipment installations	\$465,000
Total	\$4,556,000

Then funds could be
channeled to Eumont
if app is approved

OPERATOR BALLOTS SUPPORTING MINIMUM ALLOWABLE OF 600 MCFPD FOR
THE EUMONT YATES SEVEN RIVERS QUEEN

<u>Company</u>	<u>% of Acreage Factors</u>
Amerada Hess Corporation	9.19
American Exploration Company	0.24
Amoco Production Company	3.25
Arco Oil & Gas Company	5.00
Lewis B. Burleson Inc.	1.35
Chevron U.S.A. Inc.	25.02
Charm Oil Company	0.61
Citation Oil & Gas Corporation	1.71
Conoco Inc.	14.85
Estoril Producing Corporation	0.74
Doyle Hartman	2.50
Hawkins Oil & Gas	0.74
John H. Hendrix Corp.	1.17
William A. & Edward R. Hudson	0.25
Lanexco	0.99
Marathon Oil Company	1.53
Marks-Garner Production Company	0.06
Meridian Oil, Inc.	5.12
Me-Tex Supply	0.37
Millard Deck Estate	0.30
Mobil Texas-New Mexico	1.35
Oryx Energy Company	1.72
Oxy	1.71
Penroc Oil Corporation	0.25
Shell Western E & P	0.61
Southland Royalty Co.	0.61
Texaco Inc.	10.06
Tierra Exploration Inc.	0.25
Dwight A. Tipton	0.25
Two States Oil Company	0.49
Union Texas Petroleum	0.61
Warrior Inc.	0.31
Don H. Wilson	0.25
Zia Energy	0.37

93.83%

James E. Evans Exxon Corp
Great Western Drilling Co
S.E. Production Co.
Packman Oil Co
Granham Royalty

R.B. Foreman Jr.
Phillips
BEC Corp.

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Amerada Hess Corp.

BY: S. W. Dill

DATE: 7-27-90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: American Exploration Co.
BY: David Veltner
DATE: June 15, 1990

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

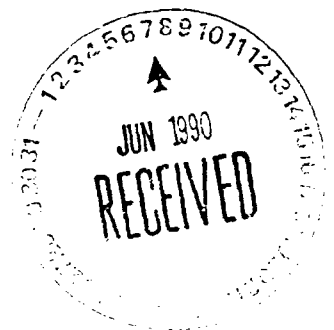
COMPANY: ARCO Oil and Gas Company
BY: Steven D. Smith
DATE: 6-13-90

[illegible]

COMPANY: Lewis B. Burleson, Inc.

BY:

DATE: 6-7-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Chevron U.S.A. Inc.

BY: R.C. Anderson

DATE: 6/15/90

JAH _____ ✓

G-7

RA	
RB	
RMC	
RLD	
RTN	
STW	
TMA	
TND	
TNN	
TRM	
TCN	
HMC	
OLH	
PWM	

FILE _____

COMPANY: CHARM O. / Co
BY: James L. Green
DATE: 6-2-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

420
COMPANY: Citation Oil & Gas Corp.

BY: [Signature]

DATE: 7-6-90

REC'D

JUN 04 1990

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: CONOCO INC
BY: Mike Zimmermann
DATE: June 12, 1990



JAH _____	
BAB _____	_____
BAL _____	_____
BAN _____	_____
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COMPANY: Estrel Producing Corp.
BY: Don Williams
DATE: 6-14-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Doyle Hartman
BY: Mike Stewart
Mike Stewart, Engineer
DATE: June 1, 1990

Doyle Hartman seeks and supports increased allowables in both the Eumont and Jalmat fields as they are the same continuous gas reservoir separated only by an arbitrary boundary.

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: HAWKINS OIL & GAS
BY: Butch Smith
DATE: 6-8-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JAH _____
RSP _____ JLA _____
DDC _____ JWD _____
KGC _____ JEC _____
DMD _____ PLH _____
RBD _____ PDH _____
REH _____ JOL _____
LWJ _____ JDA _____
PAK _____ JCR _____
WTL _____ JCU _____
RTM _____ JY _____
TWM _____
SDN _____ HMC _____
LDR _____ GLH _____
RJR _____ FWM _____
MAS _____ RAB _____
FILE _____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: John H. Hendrix Corporation
BY: Ronnie H. Weather
DATE: 7/23/90



344	
500	100
400	200
300	300
200	400
100	500
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COMPANY: WAEER Hudson
BY: W. Hudson
DATE: 6.7.90



[illegible]

COMPANY: LANEXCO, INC.
BY: Robert W. Lamore
DATE: 6-1-90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: MARATHON OIL COMPANY

BY: H. O. Snyder, PROD. MGR. - MIDLAND OPHS.

DATE: 6-14-90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

Marks-Garner
COMPANY: **Production Company**
BY: *[Signature]*
DATE: 7-23-90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Meridian Oil
BY: Dan Faber
DATE: 6/1/90

TO: Texaco Inc. ✓
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY:

~~MexTex Supply Company~~

BY:

~~[Signature]~~

DATE:

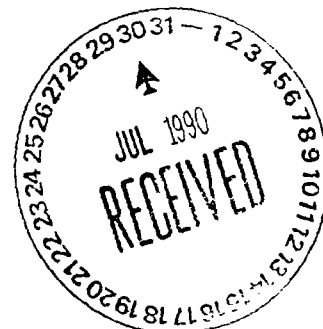
7/24/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JAN 7/30
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As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: MILLARD DECK EST
BY: Eel McRe
DATE: 7/24/90



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Mobil Exploration & Producing U.S.

BY: Donna L. Elwood

DATE: 8-1-90

RCD	JLA
RIG	JWB
RIS	MFG
RIV	PLH
RJA	RDH
RJB	SOL
RJC	CMA
RJD	HGR
RJE	CON
RJF	
RJG	
RJH	RUC
RJI	GLH
RJJ	PVA

PUE

COMPANY: ORYX ENERGY
BY: B. Manrochein
DATE: 6/4/80





OXY USA INC.
Box 50250, Midland, TX 79710
June 21, 1990

Texaco, Inc.
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Mr. Robert Hart

**Re: Minimum Allowable for Eumont
Yates Seven Rivers Queen
(Prorated Gas) Pool, Lea
County, New Mexico.**

Dear Robert:

OXY USA Inc., as operator of six (6) wells in the Eumont Yates Seven Rivers Queen (Prorated Gas) Pool, supports the idea of a minimum allowable for the subject pool at a level that is necessary to allow operators to undertake drilling and reworking operations which will increase the ultimate recovery of hydrocarbons.

We prefer that the Oil Conservation Division decide, after testimony and evidence are presented in a public hearing, what the appropriate level of minimum allowable should be for this pool.

When such hearing is scheduled, please advise the undersigned. If you have any questions, I can be reached at 915/685-5913.

Sincerely,

A handwritten signature in cursive script, reading "Richard E. Foppiano".

Richard E. Foppiano
Regulatory Affairs Advisor - Western Region

REF/ref
attachments

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Penno Oil Corp
BY: [Signature]
DATE: 6/8/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

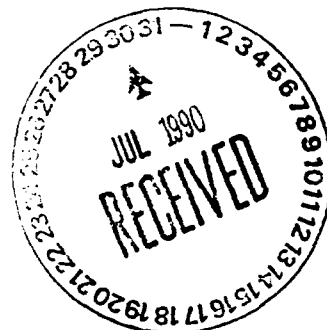
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O

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: SHELL WESTERN E&P INC.

BY: *MA Smith*

DATE: 7-27-90



48



Texaco USA

PO Box 730
Hobbs NM 88240
505 393 7191

Robert Hart
REH —

Southland Royalty
801 Cherry Street
Fort Worth, TX 76102

July 20, 1990

Texaco Inc. requests your support of a minimum allowable of 600 MCFPD for a 160 acre proration unit for a period of three years in the Eumont Yates Seven Rivers Queen Prorated Gas Field.

Texaco, as well as several other operators recently held a meeting with Mr. LeMay of the New Mexico Oil Conservation Division concerning the establishment of a minimum allowable in the Eumont Field. The NMOCD was very receptive to this proposal and encouraged Texaco, with support from other operators, to take this proposal to an examiner hearing to get the proposal implemented.

The hearing date has been set for August 8, 1990 and it is critical that we receive support from all operators in this field. It is our opinion that the minimum allowable proposal will benefit all operators as well as the State of New Mexico through incentive for workover and development programs.

We would like to receive your signed ballot before August 3. We have already received signed ballots from operators representing almost 87% (See Enclosure) of the acreage in the field but your support is also needed.

If further information is required, please contact Robert Hart at (505) 393-7191.

Sincerely,

J. A. Head / psp

J. A. Head
Hobbs Area Manager

REH/s

Enclosures

MERIDIAN OIL

JUL 25 1990

MIDLAND, TEXAS
REGIONAL PRODUCTION MANAGER

49

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: MERIDIAN OIL INC
BY: BSA Kinning
DATE: 7/27/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Texaco Producing Inc. + Texaco Inc.

BY: Robert E. Hart

DATE: June 14, 1990

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100	2.5

COMPANY: Tierra Operating Co
BY: Joe T. James Pres.
DATE: 6/5/90.



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

144 _____
RSP _____ LA _____
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GND _____ WCH _____
RCD _____ PCH _____
NEP _____ VO _____
LWJ _____ CH _____
PAP _____ NO _____
WTL _____ SO _____
TAM _____ VO _____
SDN _____ _____
LDR _____ WNC _____
RGR _____ OLP _____
WAS _____ PWN _____
FILE _____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: _____

BY: _____

DATE: _____

Dwight A. Lipton
Dwight A. Lipton
6-1-90

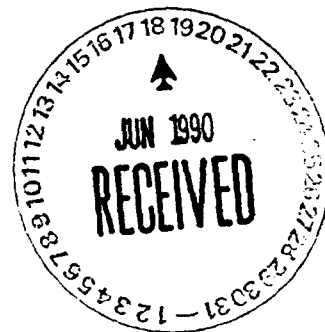


53

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Two States Oil Co.
BY: Charles F. Criss
DATE: June 12, 1990



TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Union Texas Petroleum
BY: Charles W. Latch
DATE: 8/13/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Warrick
BY: W. B. [signature]
DATE: 6/8/90

TO: Texaco Inc.
P. O. Box 730
Hobbs, NM 88240

JAN _____
RTO _____ JLA _____
PVO _____ JWR _____
TCC _____ MCO _____
CFO _____ PAJ _____
TLD _____ RCH _____
CJL _____ JCL _____
LWD _____ CPM _____
RMY _____ MCR _____
HSC _____ SCU _____
FJA _____ JY _____
SCH _____ RMC _____
LDR _____ CDM _____
RJR _____ RWN _____
MAS _____
FILE _____

As an operator in the Eumont Yates Seven Rivers Queen, we support
a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Dan H. Wilson Inc.
BY: Dan H. Wilson
DATE: 6-1-90



[The page contains faint, illegible horizontal lines suggesting ghosting or extremely faded text.]

As an operator in the Eumont Yates Seven Rivers Queen, we support a minimum allowable of 600 MCFPD for a period of at least 3 years.

COMPANY: Zia Energy, Inc.

BY: Farris Nelson

DATE: 6/4/90

