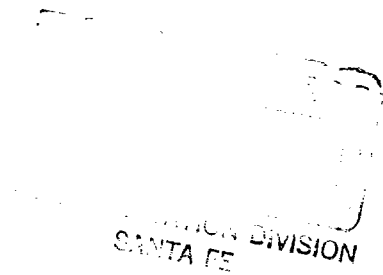


INEXCO  
OIL COMPANY

October 16, 1984

State of New Mexico  
Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, New Mexico 87501



Att: Ray D. Graham  
Director

*Case 8387*

Re: Proposed Arroyo Del Macho Unit  
Chaves County, New Mexico

Gentlemen:

In accordance with your letter of October 12, 1984, we enclose for your records revised Exhibit A & B. By copy of this letter we are also furnishing same to other concerned parties.

Please note that the filing fee for our unit has been forwarded to our counsel in Santa Fe, William Carr, who will take the necessary steps to handle the filing fee and have our request placed on the hearing agenda for the OCD.

Thank you for your continued cooperation and fine work.

Very truly yours,

L.J. Tacconi  
Area Landman

LJT/bkb  
Enclosure

CC/ BIM  
OCD  
Bill Carr  
Sam Reeves

Schedule of Lands Lying within the proposed Arroyo Del Macho Unit Area

TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
1	T6S, R22E Sec. 1: Lots 1(24.85),2(25.15),3(25.45) 4(25.75), S/2 S/2 Sec. 12: E/2, NW/4	741.20	NM32308 8-1-88	12.5%-USA 100%	Inexco Oil Company 100%	None	Inexco Oil Company 100%
2.	T5S, R21E Sec 24: S/2 Sec 25: A11 T5S, R22E Sec 19: Lots 1(39.72),2(39.75),3(39.79) 4(39.82) E/2 W/2 Sec 30: Lots 1(39.85),2(39.88),3(39.90), 4(39.93), E/2 W/2	1598.64	NM32311 3-1-89	12.5%-USA 100%	Inexco Oil Company 100%	None	Inexco Oil Company 100%
3	T5S, R21E Sec. 12: A11 T5S, R22E Sec 5: Lots 1(39.79),2(39.77),3(39.75) 4(39.73), S/2 N/2 Sec 6: Lots 1(39.76),2(39.82),3(39.90) 4(39.57),5(39.64),6(39.66)7(39.69) S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4 Sec. 7 Lots 1(39.71),2(39.74),3(39.76) 4(39.79), E/2W/2, E/2 A11	2236.08	NM32312 3-1-89	12.5%-USA 100%	Inexco Oil Company 100%	None	Inexco Oil Company 100%
4	T4S, R21E Sec. 25: A11 Sec. 26: A11 Sec. 35: A11	1920.00	NM32315 3-1-89	12.5%-USA 100%	Inexco Oil Company 100%	None	Inexco Oil Company 100%
5	T4S, R21E Sec. 9: SW/4 Sec. 10: A11 Sec. 11: W/2 NW/4, SW/4 Sec. 14: W/2 Sec. 15: A11	2000.00	NM32318 8-1-88	12.5%-USA 100%	Inexco Oil Company 100%	None	Inexco Oil Company 100%

Schedule of lands lying within the proposed Arroyo Del Macho Unit Area

TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXPI. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
6	T5S, R22E Sec. 21: W/2	320.00	NM32320 11-1-88	12.5%-USA 100%	Mckay Oil Corporation 28.75%, Transwestern Gas Supply Co. 16.875% Hunt Oil Comp. 18.75%, Pacific Lighting Gas Development Co. 16.875% C&K Petroleum Co. 18.75%	Melvin Wolf 9% Gary C. Mitchell 2/3 of 1%; Ernest P. Otto 1/3 of 1%	Mckay Oil Corporation 28.75% Transwestern Gas Supply Co. 16.875%, Hunt Oil Company 18.75%, Pacific Lighting Gas Development Co. 16.875% C&K Petroleum Co. 18.75%
7	T4S, 21E Sec. 9: SE/4	160.00	NM32328 9-1-89	12.5%-USA 100%	Transwestern Gas Supply Company 51.65625%, Mckay Oil Corporation 29.59375%, Hunt Oil Company 18.375%	Lawrence H. Wolf 5%	Transwestern Gas Supply Company 51.65625%, Mckay Oil Corporation 29.59375%, Hunt Oil Company 18.375%
8	T4S, R21E Sec. 22: A11	640.00	NM32329 7-1-89	12.5%-USA 100%	Transwestern Gas Supply Company, 51.65625%, Mckay Oil Corporation 29.59375%, Hunt Oil Company 18.375%	Lawrence H. Wolf 5%	Transwestern Gas Supply Company 51.65625%; Mckay Oil Corporation 29.59375%; Hunt Oil Company 18.375%
9	T4S, R21E Sec. 23: A11 Sec. 24: A11	1280.00	NM32330 6-1-89	12.5%-USA 100%	Transwestern Gas Supply Company 51.65625%, Mckay Oil Corporation 29.59375%, Hunt Oil Company 18.75%	Lawrence H. Wolf 5%	Transwestern Gas Supply Company 51.65625%; Mckay Oil Corporation 29.59375%; Hunt Oil Company 18.75%
10	T4S, R21E Sec. 27: A11	640.00	NM32331 5-1-89	12.5%-USA 100%	Transwestern Gas Supply Company, 51.65625%, Mckay Oil Corporation 29.59375%, Hunt Oil Company 18.75%	Lawrence H. Wolf 5%	Transwestern Gas Supply Company 51.65625%; Mckay Oil Corporation 29.59375%; Hunt Oil Company 18.75%
11	T5S, R21E Sec. 1 Lots 1(39.98), 2(39.95), 3(39.93) 4(39.91) S/2 N/2, S/2 (A11)	640.00	NM36185 5-1-91	12.5%-USA 100%	Transwestern Gas Supply Company, 51.65625%, Mckay Oil Corporation 29.59375%, Hunt Oil Company 18.75%	Wendy L. Wolf 10%	Transwestern Gas Supply Company 51.65625% Mckay Oil Corporation 29.59375%; Hunt Oil Company 18.75%

Schedule of lands lying within the proposed Arroyo Del Macho Unit Area

TRACT	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
12	T4S, R21E Sec. 11: A11 Sec. 13: N/2	960.00	NM36187 5-1-91	12.5%-USA 100%	Transwestern Gas Supply Company, 51.65625%, McKay Oil Corporation 29.59375%, Hunt Oil Company 18.75%	Wendy L. Wolf 10%	Transwestern Gas Supply Co. 51.65625% McKay Oil Corporation. 29.59375% Hunt Oil Company 18.75%
13	T4S, R22E Sec. 5: S/2 Sec. 8: N/2, N/2 S/2, S/2 SW/4 Sec 17: E/2 NW, S/2 NE, NE/SW, SE Sec 18: Lots 1(39.79), 2(39.76), 3(39.74) 4(39.71)	1399.00	NM36700 3-1-91	12.5%-USA 100%	Yates Petroleum Corporation 100%	None	Yates Petroleum Corporation 100%
14	T4S, R22E Sec. 20: N/2, SW, SE/2 NW Sec. 29: A11 Sec. 31: Lots 1(39.95), 2(39.96), 3(39.98) 4(39.99), E/2W/2, E/2 A11 Total Federal Acreage	1879.88	NM36703 3-1-91	12.5%-USA 100%	Yates Petroleum Corporation 100%	None	Yates Petroleum Corporation 100%
15	State Tracts T4S, R21E Sec. 9: NW Sec. 16: A11	800.00	IG-5552 7-1-88	12.5% State of New Mexico 100%	Inexco Oil Company 100%	None	Inexco Oil Company 100%
16	T4S, R21E Sec. 36: A11	640.00	IG-5553-1 7-1-88	12.5% State of New Mexico 100%	McKay Oil Corporation 25.%, Transwestern Gas Supply Company 75%	Marvin & Judith Wolf h/w Melvin & Elaine Wolf h/w 9%, Ernest P. Otto 1/3 of 1%. Gary C. Mitchell 2/3 of 1%	McKay Oil Corporation 25.%, Transwestern Gas Supply Company 75.%

TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
17	T5S, R22E Sec. 20: NWSE Sec. 28: NENW, S/2NW NE/4, S/2	640.00	IG-5561-1 7-1-88	12.5% State of New Mexico	McKay Oil Corporation 25.%, Transwestern Gas Supply Company 75.%	Marvin & Judith Wolf h/w & Melvin & Elaine Wolf 9% Ernest P. Otto 1/3 of 1%, Gary C. Mitchell 2/3 of 1%	McKay Oil Corporation 25.%, Transwestern Gas Supply Company 75.%
18	T5S, R22E Sec. 27: S/2, NW/4, N/2 NE, SWNE Sec. 34: All	1240.00	IG-5564 7-1-88	12.5% State of New Mexico	Inexco Oil Company 100%	None	Inexco Oil Company 100%
19	T5S, R22E Sec. 32: All Sec. 33: All	1280.00	IG-5565 7-1-88	12.5% State of New Mexico	Inexco Oil Company	None	Inexco Oil Company 100%
20	T5S, R22E Sec. 35: All	640.00	IG-5566 7-1-88	12.5% State of New Mexico	Inexco Oil Company	None	Inexco Oil Company 100%
21	T5S, R21E Sec. 2: Lots 1(39.92), 2(39.97), 3(40.02) 4(40.07), S/2 N/2, S/2 All  Total State Acreage	639.98  5,879.98	IG-9568-2 4-1-91	12.5% State of New Mexico	MTS Limited Partnership 90%, Mesa Petroleum Company 10%	None	MTS Limited Partnership 90%, Mesa Petroleum Company 10%
22	Fee Tracts  T4S, R21E Sec. 9: NE/4	160.00 (120.00) (40.00)	9-29-85 10-10-85	1/8 Reba Lynn Manasco 75% 1/8 Jane Lewis Thompson 25%	Inexco Oil Company 100% Inexco Oil Company 100%	None None	Inexco Oil Company 100%

TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WT OWNER %
23	T4S, R21E Sec 11 E/2NW	80.00 (40.00)	1-9-90	1/8 Ola Blythe Jones, et al 50%	Yates Petroleum Corporation 70%, Yates Drilling Company 10%, ABO Petroleum Corporation 10%, Martin Yates III 10%, MEG Corporation 100%	None 2.0833% Richard Patton, 2.0833% Harry LeMaire 2.0834% H.G. Bedford 6.25% Inngen Exploration, Inc.	Yates Petroleum Corporation 35%, Yates Drilling Company 5%, ABO Petroleum Corporation 5%, Martin Yates III 5%, MEG Petroleum Corporation 50%
24	T5S, R21E Sec. 13: S/2	320.00 (160.00)	3-12-86	1/8 Dosha Huddleston 50%	Stevens Oil Company 37.5% Robert R. Walker 25.0% Rio Petroleum, Inc. 22.5% Curtis Stevens 12.5% John D. Cadiogan 2.5%	2.5% Sam D. Gardiner 2.0833% Richard Patton, 2.0833% Harry LeMaire 2.0834% H.G. Bedford 6.25% Inngen Exploration, Inc.	Stevens Oil Company 18.75% Robert C. Walker 12.5% Rio Petroleum, Inc. 11.25% Curtis Stevens 6.25% John D. Cadiogan 1.25% MEG Petroleum Corporation 50%, Harry LeMaire 2.0834% H.G. Bedford 2.0834% Inngen Exploration, Inc. 6.25%
25	T5S, R21E Sec. 24: N/2	320.00 (131.43)	5-15-86	3/16 Eddie Alan Dunn 41.07%	Stevens Oil Company 37.5% Robert R. Walker 25.0% Rio Petroleum, Inc. 22.5% Curtis Stevens 12.5% John D. Cadiogan 2.5%	2.5% Sam D. Gardiner 2.5% Sam D. Gardiner	Stevens Oil Company 32.8125% Robert R. Walker 21.8750% Rio Petroleum, Inc. 19.6875% Curtis Stevens 10.9375% John D. Cadiogan 2.1875%
		(52.38)	5-6-86	3/16 James Herschel Walker III 16.37%	Stevens Oil Company 37.5% Robert R. Walker 25.0% Rio Petroleum, Inc. 22.5% Curtis Stevens 12.5% John D. Cadiogan 2.5%	2.5% Sam D. Gardiner	

TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
26	T5S, R22E Sec. 17: N/MSW Sec. 18: N/2SE, N/3SW	160.00 (80.00)	3-12-86	1/8 Doshia Huddleston 50%	Stevens Oil Company 37.5% Rio Petroleum, Inc. 22.5% Robert R. Walker 25% Curtis Stevens 12.5% John D. Cadigan 2.5%	2% Los Siete Exploration, 4.25% Newkirk Royalty Trust	Stevens Oil Company 18.75% Rio Petroleum, Inc. 11.25% Robert R. Walker 12.50% Curtis Stevens 6.25% John D. Cadigan 1.25%
		(20.00)	None	8/8 James W. Davis 12.5%	None	None	James W. Davis 12.5%
		(20.00)	None	8/8 John A. Davis 12.5%	None	None	John A. Davis 12.5%
		(20.00)	None	8/8 Jean Davis Owen 12.5%	None	None	Jean Davis Owen 12.5%
		(20.00)	None	8/8 Jane D. Bowers 12.5%	None	None	Jane D. Bowers 12.5%
	con't	(52.38)	5-6-86	3/16 Dorothea Ann Walker Boyd 16.37%	Stevens Oil Company 37.5% Robert R. Walker 25.0% Rio Petroleum, Inc. 22.5% Curtis Stevens 12.5% John D. Cadigan 2.5%	2.5% Sam D. Gardiner	
		(43.81)	5-6-86	3/16 Ruth C. Dunn, Trustee	Stevens Oil Company 37.5% Robert R. Walker 25.0% Rio Petroleum, Inc. 22.5% Curtis Stevens 12.5% John D. Cadigan 2.5%	2.5% Sam D. Gardiner	
		(40.00)	4-7-85	1/8 Nellie M. Cullenber	MTS Limited Partnership 50%, Mesa Petroleum Company 45%, Sequoia Associates LTD. 5%		MTS Limited Partnership 6.25%, Mesa Petroleum Company 5.625%, Sequoia Associates, LTD. 0.625%

## Schedule of Lands Lying within the proposed Arroyo Del Macho Unit Area

TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
27	T5S, R22E Sec. 8: S/2 SE Sec. 17: N/2 NE	160.00	None	8/8 Clyde Edmond Price, Sally Goff, aka Etta Lee Goff; Bert Price; Earl W. Price; Marie Ellayna Ryan; Geraldetta Marrs 100%	Open	None	Clyde Edmond Price, Sally Goff, aka Etta Lee Goff; Bert Price; Earl W. Price; Marie Ellayna Ryan; Geraldetta Marrs, 100%
28	T5S, R22E Sec. 17: SESW	40.00	1/7/91	1/8 Bertha C. Miller 100%	Harper Oil Company 100%	None	Harper Oil Company 100%
29	T5S, R22E Sec. 17: W/2NW Sec. 18: E/2NW, NE	320.00	6-8-89	1/8 The S. Martin Ranch, Inc. 100%	Yates Petroleum Corporation 40%, Yates Drilling Company 20%, ABO Petroleum Corporation 20%, MYCO Industries, Inc. 20%	None	Yates Petroleum Corporation 40%, Yates Drilling Company 20%, ABO Petroleum Corporation 20%, MYCO Industries, Inc. 20%
30	T5S, R22E Sec. 17: SMSW Sec. 18: S/2SE, SESW	160.00	11-13-90	1/8 Price M. Hennan & Helen J. Pace 100%	Harper Oil Company 100%	None	Harper Oil Company 100%
31	T5S, R22E Sec. 19: E/2	320.00	11-7-90	1/8 John B. Davis, Jr. 33 1/3%	Harper Oil Company 100%	None	Harper Oil Company 100%
		(106.67)	11-7-90	1/8 Roger Davis 33 1/3%	Harper Oil Company 100%	None	
		(106.66)	11-7-90	1/8 Norman N. Davis. 33 1/3%	Harper Oil Company 100%	None	



TRACT #	LAND DESCRIPTION	NO. OF ACRES	SERIAL NO. & EXP. DATE	BASIC ROYALTY OWNERSHIP %	LESSEE OF RECORD	ORR %	WI OWNER & %
32	T5S,R22E Sec. 21: E/2	320.00	None	8/8 Mattie Lee Singleton, aka Mattie Lee Harrison, widow, as Life Tenant Wandal Lee Harrison, Harrell O'Reece Harrison, Charles Leonard Harrison, Jr., and Margaret Louise Hilliard 100%	None	None	Mattie Lee Singleton, aka Mattie Lee Harrison, widow, as Life Tenant Wandal Lee Harrison, Harrell O'Reece Harrison, Charles Leonard Harrison, Jr., and Margaret Louise Hilliard 100%
33	T5S,R22E Sec. 27: SENE Sec. 28: NWNW	80.00	12-18-89	1/8 Betty Jean Moats 100%	Yates Petroleum Corporation 40%, Yates Drilling Company 20%, ABO Petroleum Corporation 20%, Martin Yates III 20%,	None	Yates Petroleum Corporation 40%, Yates Drilling Company 20%, ABO Petroleum Corporation 20%, Martin Yates III 20%,
34	T5S,R22E Sec.30: E/2	320.00	11-20-87	1/8 I.L. Morse 100%	MTS Limited Partnership 50%, Mesa Petroleum Company 45%, Sequoia Associates. LTD. 5%	2% Los Siete Exploration, Inc., 4.25% Newkirk Royalty Trust	MTS Limited Partnership 50% Mesa Petroleum Company 45% Sequoia Associates, LTD 5%
35	T6S,R22E Sec. 12: SW	160.00	2-4-85	1/8 Janet G. McCue 100%	MTS Limited Partnership 50%, Mesa Petroleum Company 45%, Sequoia Associates, LTD 5%	2% Los Siete Exploration, Inc., 4.25% Newkirk Royalty Trust	MTS Limited Partnership 50% Mes Petroleum Company 45% Sequoia Associates, LTD 5%
Total Fee Acreage		2920.00					

Federal Acreage 16,414.80  
 State Acreage 5,879.98  
 Fee Acreage 2,920.00  
 Total Unit Acreage 25,214.78

65.09991% of Unit Area  
 23.31958% of Unit Area  
 11.58051% of Unit Area  
 100.0000% of Unit Area