

RIO PECOS CORPORATION

110 WEST LOUISIANA, SUITE 460

MIDLAND, TEXAS 79701

(915) 687-0127

- LAND -

SCOTT E. WILSON

ROGER T. ELLIOTT

- GEOLOGY -

MARK D. WILSON

TODD M. WILSON

HEATHER G. WILSON

January 16, 1985

TO: WORKING INTEREST OWNERS (Addressee List Attached)

RE: Morrow Test
Township 17 South, Range 30 East, NMPM
Section 26: W/2
containing 320 acres, more or less,
Eddy County, New Mexico
(see attached plat)

Gentlemen:

By letter dated March 7, 1984, Rio Pecos Corporation requested a Farmout Option of your interest for the drilling of a 11,700' Morrow test. In lieu of the Farmout Option, Rio Pecos Corporation now requests that each of you either participate or farmout your interest to us covering the captioned acreage for the drilling of an Initial Test Well at a location in the SW/4 NW/4 of Section 26, T-17-S, R-30-E, to a depth sufficient to test the Morrow formation (the Objective Depth), which depth is estimated to be 11,700 feet. The W/2 of Section 26 will be the proration unit for Pennsylvanian gas production. The estimated dry hole and completed well costs are \$525,000 and \$885,000 respectively.

We invite each working interest owner to participate or farmout its interests to us in drilling said well subject to the following terms and conditions:

1. On or before 90 days after the execution of an operating agreement, which shall provide for the farmout terms, the Operator shall commence the drilling of the Initial Test Well.
2. If mechanical or other difficulties render further drilling of the Initial Test Well impractical, Rio Pecos Corporation or its assigns shall have the option within 30 days after the Initial Test Well is abandoned to commence the drilling of a Substitute Test Well to the Objective Depth at a location in the W/2 of said Section 26.
3. If the Initial or Substitute Test Well is drilled to the Objective Depth and completed as a dry hole, Rio Pecos Corporation or its assigns within 30 days after the Initial Test Well or Substitute Test Well is abandoned shall have the option to commence the drilling of an Optional Test Well to the Objective Depth at a location in the W/2 of Section 26.

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION	
8/28/85	EXHIBIT NO. <u>Z</u>
CASE NO. <u>8688</u>	

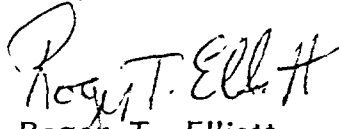
Morrow Test, Eddy County, NM
January 16, 1985
Page Two

4. Rio Pecos shall commence operations for the drilling of a well at a location in the SW/4 NW/4 of Section 26 as described above and Rio Pecos will pay 100% of all costs incurred to drill said well to the point of running and setting production casing and making a completion attempt including the cost to plug and abandon said well, if necessary, and three-fourths (3/4ths) of all costs incurred thereafter. By completing the Initial, Substitute or Optional Well as a producer, Rio Pecos shall earn three-fourths (3/4ths) of the farmed out interest in and under the captioned acreage. The rights earned shall cover the oil and gas operating rights from 4000 feet below the surface to the stratigraphic equivalent of 100 feet below the total depth drilled in the earning well, excepting those rights specifically set forth in Exhibit "A-1".
5. Rio Pecos may transfer an interest to third parties, but no transfer shall impose any additional obligations to parties farming out their interest and Rio Pecos shall remain directly responsible to those parties as if no transfer of interest had occurred.

The drilling of the Initial Test Well is contingent upon finding an Operator which we anticipate will be no problem.

Thank you for your consideration of this proposal.

Very truly yours,


Roger T. Elliott
Landman

RTE/cn
Enclosures

P.S. All interests earned or farmed out shall be subject to proportionate reduction.

ADDRESSEE LIST
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

T. B. Knox
Gwen Curtis
Therylene Knox
610 Mercantile Dallas Bldg.
Dallas, TX 75201

Charles F. Malone, Personal
Representative of Olga M. Atwood
and her devisees
P.O. Drawer 700
Roswell, NM 88201

1. Jane Ellen Moore
P.O. Box 356
Sherman, TX 75090
2. Edith C. Wheeler
P.O. Box 64035
Lubbock, TX 79464
3. Mary J. McWhorter
2033 E. 2nd Street
Tucson, AZ 85711
4. Diane M. Landen
P.O. Box 155
Allen, TX 75002
5. Michael H. Moore
P.O. Box 356
Sherman, TX 75090
6. Ann D. Allison
P.O. Box 64035
Lubbock, TX 79464
7. Davis A. Coppedge
466 Goodwin Drive
Richardson, TX 75081
8. James T. Coppedge
P.O. Box 43
Spencer, IN 47460
9. Brent W. McWhorter
6117 W. Tierra Buena
Glendale, AZ 85306

Ross L. Malone Testamentary Trust
and Baynard W. Malone, Trustee
and as Attorney-in-Fact for
Elizabeth A. Malone
P.O. Box 87
Roswell, NM 88201

Read & Stevens, Inc.
P.O. Box 2126
Roswell, NM 88210
Attn: Mr. Joe M. Wigley

Estate of Leila B. Phares, deceased
c/o Rogers Aston
P.O. Box 1090
Roswell, NM 88201

Estate of Charles Albert Aston, Jr.
deceased
c/o Security National Bank
P.O. Box 1858
Roswell, NM 88201
Attn: Ms. Catherine E. Rugen

Rio Pecos Corporation
110 W. Louisiana, Suite 460
Midland, TX 79701
Attn: Mr. Roger T. Elliott

Phillips Oil Company
Permian Basin Region Office
4001 Penbrook
Odessa, TX 79762
Attn: Mr. Bob Ivy

Mrs. Mable S. Brigham
9171 Patrick Ave.
Arleta, CA 91331

Mr. F. B. Jackson, Jr.
9201 Meadowbrook Dr.
Dallas, TX 75201

Interfirst Bank Dallas, Co-Trustee
of the "C" Trust U/W of Bert
Aston, deceased
P.O. Box 83782
Dallas, TX 75201
Attn: Mr. George W. Davis

Rogers Aston, Individually and as
Co-Trustee of the "C" Trusts U/W
of Bert Aston, deceased
P.O. Box 1090
Roswell, NM 88201

Lincoln Aston
P.O. Box 3048
La Jolla, CA 92038

ADDRESSEE LIST
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

Frances J. Weller Trust
Weller Energy, Inc.
132 Green Ave.
Madison, New Jersey 07940

Anadarko Production Company
P.O. Box 2497
Midland, TX 79702
Attn: Mr. Michael Goode

BelNorth Petroleum Corporation
One Petroleum Center, Bldg. 6
Suite 201, 3300 North "A" St.
Midland, TX 79705
Attn: Ms. Glenda Howard

Phillips Oil Company—
P.O. Box 1967
Houston, TX 77001
Attn: Mr. Cliff Ohr

EXHIBIT "A"
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

	<u>Net Acres</u>	<u>% of Unit</u>
BelNorth Petroleum Corp.	70.00	21.87500
T. B. Knox, et al	60.00	18.75000
Phillips Oil Company	40.00	12.50000
Anadarko Production Company	32.50	10.15625
R. L. Malone, et al	20.00	6.25000
Mable S. Brigham	14.80	4.62500
Interfirst Bank of Dallas, "C" Trust	12.00	3.75000
Read & Stevens, Inc.	10.00	3.12500
Rio Pecos Corporation	10.00	3.12500
F. B. Jackson, Jr.	10.00	3.12500
Weller, et al	7.50	2.34375
Rogers Aston	4.00	1.25000
Lincoln Aston	4.00	1.25000
Est. of Chrles Aston	4.00	1.25000
Ann Allison	2.50	.78125
Diane M. Landon	2.50	.78125
Brent W. McWhorter	2.50	.78125
Mary J. McWhorter	2.50	.78125
Jane E. Moore	2.50	.78125
Michael H. Moore	2.50	.78125
Edith C. Wheeler	2.50	.78125
Davis A. Coppedge	1.25008	.39065
James T. Coppedge	1.24992	.39060
Est. of Leila B. Phares	1.20000	.37500
	<hr/>	<hr/>
	320.00	100.00000

3.125% Rio Pecos

EXHIBIT "A-1"
PRESENT OWNERSHIP OF UNITIZED RIGHTS AND BASIC LEASE DATA
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

EDDY COUNTY, NEW MEXICO

**LIMITED TO RIGHTS BELOW 4,000 FEET BENEATH THE SURFACE TO THE STRATIGRAPHIC
EQUIVALENT OF 100 FEET BELOW THE TOTAL DEPTH DRILLED IN THE EARNING WELL**

Case No., Description & Owners	Gross Acres in Lease	Percent Interest in Lease	Net Acres in Lease	Expiration Date	Percent Basic Royalty	Percent ORR & PP Burden	Revenue Inte on 100% Own Basis
C 028992-C Section 26: N/2 NW/4 airs of T.B. Knox (T.B. Knox, Jr., Gwen K. Curtis, Therylene Knox) IO PECOS CORPORATION B. Jackson, Jr.	80.00000	75.00000	60.00000	HBP	12.50	10.625	76.87500
C 060528 Section 26: NW/4 SW/4 Phillips Oil Company	40.00000	100.00000	40.00000	HBP	12.50 Sliding Royalty	-0-	87.50000
C 028992-B Section 26: SW/4 SW/4 nadarko Production Company rances J. Weller Trust eller Energy, Inc.	40.00000	81.25000 9.37500 9.37500	32.50000 3.75000 3.75000	HBP	12.50 7.50 ORR & 5.00 PP1 7.50 ORR & 5.00 PP1 7.50 ORR & 5.00 PP1	-0- -0- -0-	75.00000 75.00000 75.00000
C 028992-J Section 26: E/2 SW/4 below 5000' elNorth Petroleum Corporation	80.00000	43.75000	35.00000	HBP	12.50 Sliding Royalty	3.00 ORR2 & 10.9375 PP3	73.56250
able S. Brigham C" Trust, U/W Bert Aston alone Testamentary Trust Elizabeth A. Malone lead & Stevens, Inc.		9.25000 7.50000 6.25000 6.25000 6.25000	7.40000 6.00000 5.00000 5.00000 5.00000			-0- -0- -0- -0- ORR2 & 10.9375 PP3	87.50000 87.50000 87.50000 87.50000 76.56250
ate of Charles Aston, Dec. incoln Aston ogers Aston nn D. Allison diane M. Landon		2.50000 2.50000 2.50000 1.56250 1.56250	2.00000 2.00000 2.00000 1.25000 1.25000			-0- -0- -0- -0- -0-	87.50000 87.50000 87.50000 87.50000 87.50000

PRESENT OWNERSHIP OF UNITIZED RIGHTS AND BASIC LEASE DATA
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

LIMITED TO RIGHTS BELOW 4,000 FEET BENEATH THE SURFACE TO THE STRATIGRAPHIC
 EQUIVALENT OF 100 FEET BELOW THE TOTAL DEPTH DRILLED IN THE EARNING WELL

Lease No., Description & Owners	Gross Acres in Lease	Percent Interest in Lease	Net Acres in Lease	Expiration Date	Percent Basic Royalty	Percent ORR & PP Burden	Revenue Interest on 100% Ownership Basis
C 028992-J (cont)							
Brent W. McWhorter		1.56250	1.25000			-0-	87.50000
Larry J. McWhorter		1.56250	1.25000			-0-	87.50000
Jane Ellen Moore		1.56250	1.25000			-0-	87.50000
Michael H. Moore		1.56250	1.25000			-0-	87.50000
Dith C. Wheeler		1.56250	1.25000			-0-	87.50000
James A. Coppedge		.78130	.62504			-0-	87.50000
James T. Coppedge		.78130	.62496			-0-	87.50000
Leila B. Phares		.75000	.60000			-0-	87.50000

C 028992-1
 Section 26: S/2 NW/4 below 5000'
 Belnorth Petroleum Corporation
 80.00000
 43.75000
 35.00000
 HBP
 12.50
 10.5 ORR2 & 10.9375 PP4

Table S. Brigham	9.25000	7.40000				7.50	80.00000
C" Trust, U/W Bert Aston	7.50000	6.00000				7.50	80.00000
Malone Testamentary Trust	6.25000	5.00000				7.50	80.00000
Lizabeth A. Malone	6.25000	5.00000				7.50	80.00000
Lead & Stevens, Inc.	6.25000	5.00000				7.5 ORR2 & 10.9375 PP4	69.06250
ist. of Charles Aston, Dec.	2.50000	2.00000				7.50	80.00000
Lincoln Aston	2.50000	2.00000				7.50	80.00000
Dogers Aston	2.50000	2.00000				7.50	80.00000
Ann D. Allison	1.56250	1.25000				7.50	80.00000
Jane M. Landon	1.56250	1.25000				7.50	80.00000
Brent W. McWhorter	1.56250	1.25000				7.50	80.00000
Larry J. McWhorter	1.56250	1.25000				7.50	80.00000
Jane Ellen Moore	1.56250	1.25000				7.50	80.00000
Michael H. Moore	1.56250	1.25000				7.50	80.00000
Dith C. Wheeler	.78130	.62504				7.50	80.00000
David A. Coppedge	.78120	.62496				7.50	80.00000
James T. Coppedge	.75000	.60000				7.50	80.00000
ist. Of Leila B. Phares							

PRESENT OWNERSHIP OF UNITIZED RIGHTS AND BASIC LEASE DATA
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

EDDY COUNTY, NEW MEXICO

LIMITED TO RIGHTS BELOW 4,000 FEET BENEATH THE SURFACE TO THE STRATIGRAPHIC
EQUIVALENT OF 100 FEET BELOW THE TOTAL DEPTH DRILLED IN THE EARNING WELL

Lease No., Description & Owners	Gross Acres in Lease	Percent Interest in Lease	Net Acres in Lease	Expiration Date	Percent Basic Royalty	Percent ORR & PP Burden	Revenue Interest on 100% Ownership Basis
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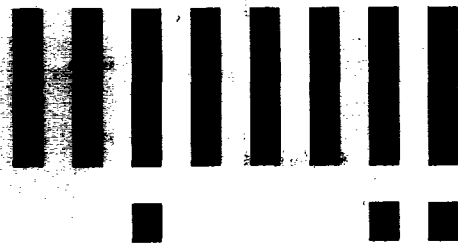
Interest subject to \$1,995,320 production payment to Roland Rich Woolley payable out of 5.0% of 8/8ths of the interest

There is an additional ORR to Clare Rhodes grandchildren's trust, et al and paid only out of Belnorth's and Read & Stevens' interest. (Out of the Bert Aston 15% WI, being a total of .0075 of 8/8ths.)

Interest subject to \$16,000 production payment to Aston and Fair heirs payable out of 10.9375 of 8/8ths of the interest.

Interest subject to \$8,000 production payment to Aston and Fair heirs payable out of 10.9375 of 8/8ths of the interest.

NOTE: That part of any burden on an oil and gas lease (whether set forth above or not) which reduces the revenue interest of an oil and gas lease on a 100% ownership basis to less than the percentage set forth above shall be paid out of the lease owner's share of production.



LTR



Job separation sheet

RIO PECOS CORPORATION

110 WEST LOUISIANA, SUITE 460

MIDLAND, TEXAS 79701

(915) 687-0127

- LAND -

SCOTT E. WILSON

ROGER T. ELLIOT

- GEOLOGY -

MARK D. WILSON

TODD M. WILSON

HEATHER WILSON ECHOLS

May 30, 1985

TO: WORKING INTEREST OWNERS (Addressee List Attached)

RE: Morrow Test
Township 17 South, Range 30 East, NMPM
Section 26: W/2
 containing 320 acres, more or less,
 Eddy County, New Mexico

Gentlemen:

This letter is written to bring you up to date on our progress in forming the captioned proration unit for the drilling of a 11,700 foot Morrow test. By our letter dated 1-16-85, we invited the working interest owners to farm out or participate in the drilling of the Morrow test. To date, working interest owners representing 84% of the proposed proration unit have agreed or recommended to their management to join the proposed unit. The following is a list of the working interest owners in the proposed unit, their percent interest in the unit and their decision, if any, to farm out or participate:

	<u>% of Unit</u>	<u>Decision</u>
Belnorth Petroleum Corporation	21.87500	Midland District Office recommending to their mgt. <u>to farmout</u> <i>not in writing</i>
T. B. Knox, et al	18.75000	Tentatively Participate
Phillips Oil Company	12.50000	Tentatively Participate
Anadarko Production Company	10.15625	No decision
✓ R. L. Malone, et al	6.25000	Farmout
✓ Mable S. Brigham	4.62500	Farmout
✓ Interfirst Bank of Dallas, "C" Trust	3.75000	Farmout
✓ Read and Stevens, Inc.	3.12500	Participate
✓ Rio Pecos Corporation	3.12500	Participate
? F. B. Jackson, Jr.	3.12500	
F. Weller, et al	2.34375	No Decision <i>decided to participate not in writing</i>

BEFORE EXAMINER STOLTER	
OIL CONSERVATION DIVISION	
8/28/85	EXHIBIT NO. 3
CASE NO. 8688	

Working Interest Owners
W/2 Sec. 26, T-17-S, R-30-E
Page -2-
May 30, 1985

	<u>% Of Unit</u>	<u>Decision</u>
✓ Estate of Charles Aston, Jr.	1.25000	Farmout
✓ Rogers Aston	1.25000	Farmout
✓ Lincoln Aston	1.25000	Farmout
✓ Ann Allison	.78125	Farmout
✓ Diane M. Landon	.78125	Farmout
✓ Brent W. McWhorter	.78125	Farmout
✓ Mary J. McWhorter	.78125	Farmout
✓ Jane E. Moore	.78125	Farmout
✓ Michael H. Moore	.78125	Farmout
✓ Edith C. Wheeler	.78125	Farmout
✓ Davis A. Coppedge	.39065	Farmout
✓ James T. Coppedge	.39060	Farmout
✗ Estate of Leila B. Phares	.37500 <i>no heirs</i>	No Decision

If you have not already done so, please inform us of your decision as soon as possible. Your decision to join the proposed unit will be appreciated by the working interest owners who have agreed to do so.

Very truly yours,

RIO PECOS CORPORATION

Roger T. Elliott
Roger T. Elliott
Landman

RTE/sh

ADDRESSEE LIST
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

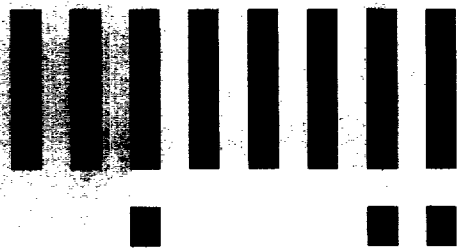
T. B. Knox Gwen Curtis Therylene Knox 610 Mercantile Dallas Bldg. Dallas, Texas 75201	Read and Stevens, Inc. P. O. Box 2126 Roswell, New Mexico 88210 Attn: Mr. Dewayne Shaw
Charles F. Malone, Personal Representative of Olga M. Atwood and her devisees P. O. Drawer 700 Roswell, New Mexico 88201	Estate of Leila B. Phares, deceased c/o Rogers Aston P. O. Box 1090 Roswell, New Mexico 88201
✓ 1. Edith C. Wheeler P. O. Box 64035 Lubbock, Texas 79464	Estate of Charles Albert Aston, Jr., deceased c/o Sunwest Bank P. O. Box 1858 Roswell, New Mexico 88201 Attn: Ms. Catherine E. Rugen
✓ 2. Mary J. McWhorter 2033 E. 2nd Street Tucson, Arizona 85711	Rio Pecos Corporation 110 W. Louisiana, Suite 460 Midland, Texas 79701 Attn: Mr. Roger T. Elliott
✓ 3. Ann D. Allison P. O. Box 64035 Lubbock, Texas 79464	Phillips Oil Company Permian Basin Region Office 4001 Penbrook Odessa, Texas 79762 Attn: Mr. Bob Ivy
✓ 4. Davis A. Coppedge 466 Goodwin Drive Richardson, Texas 75081	Mrs. Mable S. Brigham 9171 Patrick Avenue Arleta, California 91331
✓ 5. James T. Coppedge P. O. Box 43 Spencer, Indiana 47460	Mr. F. B. Jackson, Jr. 5307 E. Mockingbird Lane Capital Bank Bldg., Suite 1001 Dallas, Texas 75206
✓ 6. Brent W. McWhorter 6117 W. Tierra Buena 2701 E. Aldine Glendale, Arizona 85306 Phoenix, Az. 85032	Interfirst Bank Dallas, Co-Trustee of the "C" Trust U/W of Bert Aston, deceased P. O. Box 83782 Dallas, Texas 75201 Attn: Mr. Bob Maxwell
✓ Jane Ellen Moore P. O. Box 356 Sherman, Texas 75090	Rogers Aston, Individually, and as Co-Trustee of the "C" Trust U/W of Bert Aston, deceased P. O. Box 1090 Roswell, New Mexico 88201
✓ Diane M. Landen P. O. Box 155 Allen, Texas 75002	Lincoln Aston 7821 Hillside Drive La Jolla, California 92037
✓ Michael H. Moore P. O. Box 356 Sherman, Texas 75090	
✓ Ross L. Malone Testamentary Trust and Baynard W. Malone, Trustee and as Attorney-in-Fact for Elizabeth A. Malone P. O. Box 87 Roswell, New Mexico 88201	

ADDRESSEE LIST
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

Frances J. Weller Trust
Weller Energy, Inc.
132 Green Avenue
Madison, New Jersey 07940

Anadarko Production Company
P. O. Box 2497
Midland, Texas 79702
Attn: Mr. Michael Goode

Belnorth Petroleum Corporation
One Petroleum Center, Bldg. 6
Suite 201, 3300 North "A" St.
Midland, Texas 79705
Attn: Ms. Glenda Howard



LTR



Job separation sheet

RIO PECOS CORPORATION

110 WEST LOUISIANA, SUITE 460

MIDLAND, TEXAS 79701

(915) 687-0127

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SCOTT E. WILSON

ROGER T. ELLIOTT

- GEOLOGY -

MARK D. WILSON

TODD M. WILSON

HEATHER WILSON ECHOLS

July 29, 1985

State of New Mexico
Taxation and Revenue Department
P. O. Box 630
Santa Fe, New Mexico 87509

Attention: Mr. Bill Arrighi

Re: Estate of Leila B. Phares

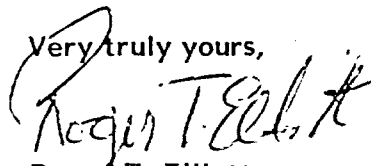
Gentlemen:

Pursuant to our telephone conversation of last week, please find enclosed correspondence concerning the Estate of Leila B. Phares.

Rio Pecos Corporation is attempting to get a deep Morrow test drilled in the W/2 of Section 26, T-17-S, R-30-E, Eddy County, and it appears that the State of New Mexico could have a working interest. Rio Pecos Corporation plans to spud this well before the end of the year, and we are going to schedule a compulsory pooling hearing in Santa Fe, New Mexico, in the near future.

If you have any questions, please do not hesitate in calling me.

Very truly yours,


Roger T. Elliott
Landman

RTE/sh

Encs.

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION	
8/28/85	EXHIBIT NO. 4
CASE NO.	8688

ROGERS ASTON
P. O. Box 1090
ROSWELL, NEW MEXICO 88201

June 26, 1985

Rio Pecos Corporation
110 West Louisiana, Suite 460
Midland, Texas 79701

Re: Estate of Leila B. Phares

Gentlemen:

We are returning a letter addressed to the Estate of Leila B. Phares. We were never able to locate any heirs to this Estate and her interests have been turned over to the State of New Mexico. Also enclosed is a copy of a letter to the State of New Mexico regarding the Phares Estate.

In the future please address all communications to the Estate of Leila B. Phares in care of State of New Mexico Bureau of Revenue, Santa Fe, New Mexico 87501

Yours very truly,

ROGERS ASTON

By: Mary Ann Morrison
(Mrs.) Mary Ann Morrison

m

March 31, 1985

State of New Mexico
Bureau of Revenue
Santa Fe, New Mexico 87501

Gentlemen:

Please find enclosed Franklin, Aston & Fair, Ltd. check No. 6733 payable to the State of New Mexico - Bureau of Revenue for \$2,756.88. This covers the credit balance in the account of Leila B. Phares, deceased, at the termination date of Franklin, Aston & Fair, Ltd. on March 31, 1985.

Franklin, Aston & Fair, Inc. sold a portion of its leasehold interests in 1975 and the corporation was dissolved. Thereafter, Franklin, Aston & Fair, Ltd. was formed and all the remaining leasehold interests and assets owned by Franklin, Aston & Fair, Inc. were assigned to the new limited partnership.

The Franklin, Aston & Fair, Ltd. partnership terminates as of March 31, 1985 and we are required to distribute all the funds on hand or in its custody as of March 31, 1985. We are of the opinion that the credit balance in the Leila B. Phares Estate on our books escheats to the State of New Mexico.

No one has surfaced or made any claim to the Leila B. Phares leasehold interests. At one time we made an attempt to turn the interests over to the State of New Mexico, but at that time there seemed to be a question as to whether or not the State of New Mexico could own a working interest in oil and gas leases.

For your information, we are enclosing herewith previous correspondence concerning the Estate of Leila B. Phares. These letters set out her ownership in several oil and gas leases in Eddy County that were operated by Franklin, Aston & Fair, Inc. at the time of her death.

Franklin, Aston & Fair, Ltd. sold all its leasehold interests and other assets to Holly Energy, Inc. 7/8 and Read & Stevens, Inc. 1/8 in 1976 and is not operating any oil and gas leases at this date of termination.

Yours very truly,

Tom P. Stephens

TPS:cj
Encl.

RIO PECOS CORPORATION

110 WEST LOUISIANA, SUITE 460

MIDLAND, TEXAS 79701

(915) 687-0127

- LAND -

SCOTT E. WILSON

ROGER T. ELLIOTT

- GEOLOGY -

MARK D. WILSON

TODD M. WILSON

HEATHER WILSON ECHOLS

May 30, 1985

TO: WORKING INTEREST OWNERS (Addressee List Attached)

RE: Morrow Test
Township 17 South, Range 30 East, NMPM
Section 26: W/2
 containing 320 acres, more or less,
 Eddy County, New Mexico

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	<u>% of Unit</u>	<u>Decision</u>
Belnorth Petroleum Corporation	21.87500	Midland District Office recommending to their mgt. to farmout
T. B. Knox, et al	18.75000	Tentatively Participate
Phillips Oil Company	12.50000	Tentatively Participate
Anadarko Production Company	10.15625	No decision
R. L. Malone, et al	6.25000	Farmout
Mable S. Brigham	4.62500	Farmout
Interfirst Bank of Dallas, "C" Trust	3.75000	Farmout
Read and Stevens, Inc.	3.12500	Participate
Rio Pecos Corporation	3.12500	Participate
F. B. Jackson, Jr.	3.12500	_____
F. Weller, et al	2.34375	No Decision

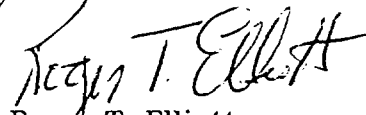
Working Interest Owners
W/2 Sec. 26, T-17-S, R-30-E
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May 30, 1985

	<u>% Of Unit</u>	<u>Decision</u>
Estate of Charles Aston, Jr.	1.25000	Farmout
Rogers Aston	1.25000	Farmout
Lincoln Aston	1.25000	Farmout
Ann Allison	.78125	Farmout
Diane M. Landon	.78125	Farmout
Brent W. McWhorter	.78125	Farmout
Mary J. McWhorter	.78125	Farmout
Jane E. Moore	.78125	Farmout
Michael H. Moore	.78125	Farmout
Edith C. Wheeler	.78125	Farmout
Davis A. Coppedge	.39065	Farmout
James T. Coppedge	.39060	Farmout
Estate of Leila B. Phares	.37500	No Decision

If you have not already done so, please inform us of your decision as soon as possible. Your decision to join the proposed unit will be appreciated by the working interest owners who have agreed to do so.

Very truly yours,

RIO PECOS CORPORATION



Roger T. Elliott
Landman

RTE/sh

ADDRESSEE LIST
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

T. B. Knox
Gwen Curtis
Therylene Knox
610 Mercantile Dallas Bldg.
Dallas, Texas 75201

Charles F. Malone, Personal
Representative of Olga M. Atwood
and her devisees
P. O. Drawer 700
Roswell, New Mexico 88201

1. Edith C. Wheeler
P. O. Box 64035
Lubbock, Texas 79464
2. Mary J. McWhorter
2033 E. 2nd Street
Tucson, Arizona 85711
3. Ann D. Allison
P. O. Box 64035
Lubbock, Texas 79464
4. Davis A. Coppedge
466 Goodwin Drive
Richardson, Texas 75081
5. James T. Coppedge
P. O. Box 43
Spencer, Indiana 47460
6. Brent W. McWhorter
6117 W. Tierra Buena
Glendale, Arizona 85306

Jane Ellen Moore
P. O. Box 356
Sherman, Texas 75090

Diane M. Landen
P. O. Box 155
Allen, Texas 75002

Michael H. Moore
P. O. Box 356
Sherman, Texas 75090

Ross L. Malone Testamentary Trust
and Baynard W. Malone, Trustee and
as Attorney-in-Fact for Elizabeth
A. Malone
P. O. Box 87
Roswell, New Mexico 88201

Read and Stevens, Inc.
P. O. Box 2126
Roswell, New Mexico 88210
Attn: Mr. Dewayne Shaw

Estate of Leila B. Phares, deceased
c/o Rogers Aston
P. O. Box 1090
Roswell, New Mexico 88201

Estate of Charles Albert Aston, Jr.,
deceased
c/o Sunwest Bank
P. O. Box 1858
Roswell, New Mexico 88201
Attn: Ms. Catherine E. Rugen

Rio Pecos Corporation
110 W. Louisiana, Suite 460
Midland, Texas 79701
Attn: Mr. Roger T. Elliott

Phillips Oil Company
Permian Basin Region Office
4001 Penbrook
Odessa, Texas 79762
Attn: Mr. Bob Ivy

Mrs. Mable S. Brigham
9171 Patrick Avenue
Arleta, California 91331

Mr. F. B. Jackson, Jr.
5307 E. Mockingbird Lane
Capital Bank Bldg., Suite 1001
Dallas, Texas 75206

Interfirst Bank Dallas, Co-Trustee of
the "C" Trust U/W of Bert Aston,
deceased
P. O. Box 83782
Dallas, Texas 75201
Attn: Mr. Bob Maxwell

Rogers Aston, Individually, and as
Co-Trustee of the "C" Trust U/W of
Bert Aston, deceased
P. O. Box 1090
Roswell, New Mexico 88201

Lincoln Aston
7821 Hillside Drive
La Jolla, California 92037

ADDRESSEE LIST
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
EDDY COUNTY, NEW MEXICO

Frances J. Weller Trust
Weller Energy, Inc.
132 Green Avenue
Madison, New Jersey 07940

Anadarko Production Company
P. O. Box 2497
Midland, Texas 79702
Attn: Mr. Michael Goode

Belnorth Petroleum Corporation
One Petroleum Center, Bldg. 6
Suite 201, 3300 North "A" St.
Midland, Texas 79705
Attn: Ms. Glenda Howard