

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

IN THE MATTER OF THE APPLICATION X
OF HOWARD OLSEN TO REOPEN CASE X CASE NO. 8769 & 8668
NOS. 8668 AND 8769, LEA COUNTY, X
NEW MEXICO X

EXHIBITS TO THE ORAL DEPOSITIONS OF

DOYLE HARTMAN
HOWARD OLSEN

Taken August 25, 1989

ORIGINAL

I

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8668
Order No. R-8031

APPLICATION OF DOYLE HARTMAN FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 31, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 27th day of September, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Doyle Hartman, seeks an order pooling all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 of Section 23, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) The applicant has the right to drill and proposes to drill a well at a standard location thereon.
- (4) There are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in any pool completion resulting from this order, the subject application should be approved by



pooling all mineral interests, whatever they may be, within said unit.

(6) The applicant should be designated the operator of the subject well and unit.

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

(8) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

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

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

(11) \$5,500.00 per month while drilling and \$550.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

(13) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before January 1, 1986, the order pooling said unit should become null and void and of no effect whatsoever.

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

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

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 of Section 23, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 1st day of January, 1986, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Queen formation;

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 1st day of January, 1986, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) Doyle Hartman is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall

furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

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

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

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

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

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

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

(9) \$5,500.00 per month while drilling and \$500.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

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

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

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

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

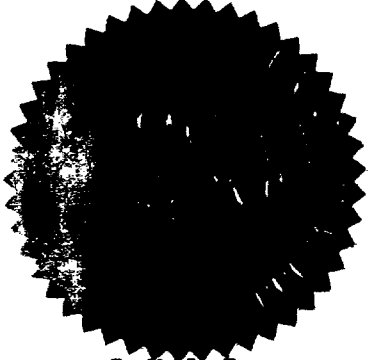
(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-6-

Case No. 8668

Order No. R-8031

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8769
Order No. R-3091

APPLICATION OF DOYLE HARTMAN FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of December, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Doyle Hartman, seeks an order pooling all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

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

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

(5) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in any pool completion resulting from this order, the subject application should be approved by



pooling all mineral interests, whatever they may be, within said unit.

(6) The applicant should be designated the operator of the subject well and unit.

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

(8) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

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

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

(11) At the time of the hearing the applicant proposed that the reasonable monthly fixed charges for supervision while drilling and producing should be \$5500.00 and \$550.00, respectively, based on Division Order No. R-8031, dated September 27, 1985, which authorized these charges as "reasonable monthly fixed charges".

(12) The evidence presented in this case and in Division Case No. 8668, in which said Order No. R-8031 was subsequently issued, is insufficient to support these proposed charges as being "reasonable" and said rates should therefore be adjusted in the case to reflect a more reasonable rate.

(13) \$4800.00 per month while drilling and \$480.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject

well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

(15) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before February 1, 1986, the order pooling said unit should become null and void and of no effect whatsoever.

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

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

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the first day of February, 1986, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Langlie-Mattix Pool;

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the first day of February, 1986, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown;

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

(2) Doyle Hartman is hereby designated the operator of the subject well and unit.

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

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

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

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

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

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

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting

working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

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

(9) \$4800.00 per month while drilling and \$480.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

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

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

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

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

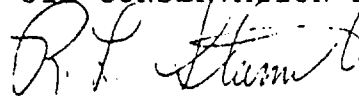
-6-

Case No. 8769
Order No. 8091

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS,
Director

S E A L

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DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

January 6, 1986

CERTIFIED

Mr. R. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

Re: Carlson Lease
SE/4 SE/4 Section 23 and
SE/4 NE/4 Section 26
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Olsen:

Reference is made to our various correspondence and conversations wherein you agreed to sell 100% of your interest in the Carlson lease located SE/4 SE/4 Section 23 and SE/4 NE/4 Section 26, T-25-S, R-37-E, Lea County, New Mexico for \$50,000.00.

As you know, based upon the assurance that a firm agreement to purchase your interest in the Carlson lease had been reached, we proceeded with our operations on the lease. However, since the final execution of the sale had not been executed before the end of the year, and we felt like another well needed to be drilled as soon as possible, we proceeded with a force pooling hearing to pool the interest we have negotiated to purchase from you so that we could drill the Carlson Federal No. 5.

The compulsory pooling order has been granted, the Carlson Federal No. 5 has been drilled, and we are extremely anxious to finalize the purchase by Doyle Hartman of 100% of your interest in the Carlson lease.

Please let us know how you would like to close this purchase so that we can make all the final arrangements.

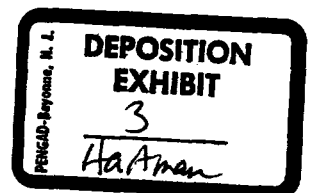
Thank you for your prompt attention to this matter.

Very truly yours,

DOYLE HARTMAN

Ruth Sutton
Ruth Sutton
Landman

RS/dr



Mr. R. Howard sen
January 6, 1988
Page 2

cc: Mr. Robert H. Strand
Atwood, Malone, Mann & Turner
Post Office Drawer 700
Roswell, New Mexico 88201 .

P 167 325 606

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982
* U.S.G.P.O. 1984-46-014

| | | |
|---|----------------------------|-------------|
| Sender | <i>E. Harold Olsen</i> | |
| Street and No. | <i>P.O. Box 322 79</i> | |
| P.O., State and ZIP Code | <i>Alaska AK 995018</i> | |
| Postage | \$ | <i>22</i> |
| Certified Fee | | <i>75</i> |
| Special Delivery Fee | | |
| Restricted Delivery Fee | | |
| Return Receipt Showing to whom and Date Delivered | | <i>60</i> |
| Return receipt showing to whom, Date, and Address of Delivery | | |
| TOTAL Postage and Fees | \$ | <i>1.57</i> |
| Postmark or Date | <i>1-6-86</i> | |
| | <i>Carlson Lease (Sun)</i> | |

U.S. MAIL
Oil Operator
P. O. BOX 10426
MIDLAND, TEXAS 79702

P 167 325 606

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, Feb. 1982

| | |
|---|--------------------------|
| Sent to | <i>R. Howard Olsen</i> |
| Street and No. | <i>P.O. Box 32279</i> |
| P.O. State and ZIP Code | <i>Phoenix, AZ 85018</i> |
| Postage | \$ <i>22</i> |
| Certified Fee | <i>75</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | <i>60</i> |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$ <i>1.57</i> |
| Postmark or Date | <i>1-6-86</i> |

Carlson Linn (Sun)

CERTIFIED
P 167 325 606
MAIL

Mr. R. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

MIDLAND TEXAS
JAN 6 1986
1.57
U.S. POSTAGE

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
2. Restricted Delivery.

3. Article Addressed to:
R. Howard Olsen
P.O. Box 32279
Phoenix AZ 85018

4. Type of Service:
 Registered Insured
 Certified COD
 Express Mail
Article Number: *P167335606*

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 X

6. Signature - Agent
 X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)
Carlson Linn (Sun)
1-6-86

*Pls
clear
Togo
me*

DOYLE HARTMAN
Oil Operator

P. O. BOX 10426
MIDLAND, TEXAS 79702

CLAIM CHECK
NO. 767378

HOLD

DATE

FEB 3 1980

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

CLAIM CHECK
NO. 894757

HOLD

DATE

JAN 6 1980

1ST NOTICE

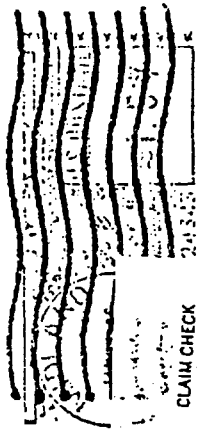
2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

POSTAGE DUE 1.00

MIDLAND, TX
1 PM
6 JAN
1980



CLAIM CHECK
NO. 746945

HOLD

DATE

JAN 13 1980

1ST NOTICE

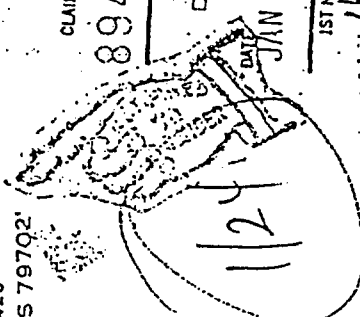
2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

Mr. R. Howard Olsen
Post Office, Box 32279
Phoenix, Arizona 85018

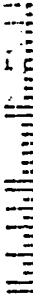
UNCLAIMED



CERTIFIED

167 325 606

MAIL



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CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 11, 1985

BEFORE EXAMINER STOGNER
Oil Conservation Division
~~HARTMAN~~ Exhibit No. 7
Case No. 8769

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

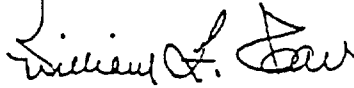
R. Howard Olson
Post Office Box 32279
Phoenix, Arizona 85018

Re: Case 8769: Application of Doyle Hartman for
Compulsory Pooling, Lea County, New Mexico.

Dear Mr. Olson:

Enclosed is a copy of the docket for the Oil Conservation
Division Examiner hearings scheduled for Thursday, November 21,
1985. You have an interest which may be affected by the above-
referenced case.

Very truly yours,



William F. Carr

WFC/cv
enclosure

PS Form 3800, Feb. 1982

* U.S.G.P.O. 1984-446-014

| | |
|---|-------------------|
| Sent to | R. Howard Olson |
| Street and No. | P. O. Box 32279 |
| P.O. State and ZIP Code | Phoenix, AZ 85018 |
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$ |
| Postmark or Date | 11/11/85 |

(See Reverse)

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

DEPOSITION
EXHIBIT
4
Hartman

1

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DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

January 24, 1985

Mr. R. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85016

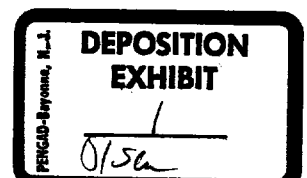
Re: Carlson Federal Nos. 2 & 3
SE/4 SE/4 Section 23 (#3)
SE/4 NE/4 Section 26 (#2)
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Olsen:

Reference is made to the phone conversations between your office and Jim Burr of our office regarding the following for the above noted wells:

1. Production volume--we have checked the production for the subject well for the years 1983 and 1984 and find that for the year 1983 the Carlson Federal No. 3 (No. 2 well not producing) averaged 24 MCFPD and since we became operator on June 1, 1984, this well has averaged 35 MCFPD.
2. Pricing--at the time we assumed operations of the Carlson Federal No. 3, El Paso Natural Gas Company arbitrarily lowered the price from the stripper price previously paid to Sun Oil Company to an approximate net price of \$1.35/MCF. We have already discussed this matter with El Paso and have requested that the price be restored to the stripper price.
3. Operational costs--as to the Carlson No. 3, we are charging exactly what it costs us to operate this well, which is the same rate as we charge for all wells that we operate. We do not feel we should be asked to operate any well at a loss, which you can surely understand being an independent yourself. As you know, Congress provided stripper pricing for wells such as the Carlson Federal No. 3 in order that such low volume wells can continue to be operated at a profit and not be plugged. If you feel it necessary, we can furnish you back-up data to justify our operating costs.

We can certainly understand your concern generally since the well operations have been recently shifted from Sun with whom you are familiar to us with whom you are not familiar. We hope this explanation answers your questions and, in this regard, we would be willing to offer you \$22,500.00 for all of your right, title, and interest in the above noted wells and acreage. This offer is higher on a pro rata basis than the consideration paid to Sun for its 75% working interest. If you are

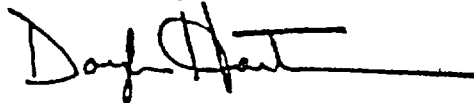


Mr. R. Howard ()
January 24, 1985
Page 2

agreeable to a sale, we would be willing to pay all legal fees incident to the sale and title approval.

Thank you for your consideration and please let us hear from you as soon as is conveniently possible.

Very truly yours,

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal line extending to the right.

Doyle Hartman

DH/mh

BOYLE HARTMAN, OIL OPERATOR
P.O. BOX 10424
HOUSTON, TEXAS 77202
NOVEMBER 12, 1987

R. HOWARD OLSEN
P.O. BOX 32279
PHOENIX, ARIZONA

85016

GENTLEMEN,

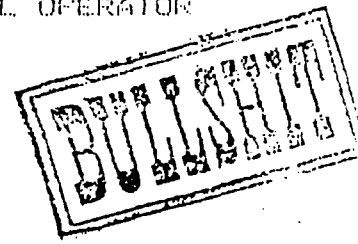
IN REVIEWING OUR ACCOUNTS RECEIVABLE AGING SCHEDULE, I SHOW A
PAST DUE BALANCE IN OUR 90 DAY COLUMN. UPON REVIEW OF YOUR INVOICES
YOU FIND THAT WE HAVE NOT SUBMITTED PROPER DOCUMENTATION. PLEASE NOTIFY
ME. SHOULD ADDITIONAL ASSISTANCE BE NECESSARY IN CLEARING UP THIS
OUTSTANDING BALANCE, PLEASE FEEL FREE TO CONTACT ME AT ANY TIME.

YOUR PROMPT ATTENTION TO THIS MATTER IS VERY MUCH APPRECIATED.

SINCERELY,

BOYLE HARTMAN, OIL OPERATOR

PATRICIA K. BURNS
CONTROLLER
915-684-4011



ACCOUNTS RECEIVABLE AGING SCHEDULE FOR A/R OWNER # 77148

| CURRENT | 30-DAY | 60-DAY | 90-DAY |
|----------|----------|----------|-------------|
| \$789.24 | \$504.67 | \$421.23 | \$33,468.27 |

NOV 23 1987

P.O. BOX 10426
MIDLAND, TX 79702
(915) 684-4011

JOINT OWNER STATEMENT

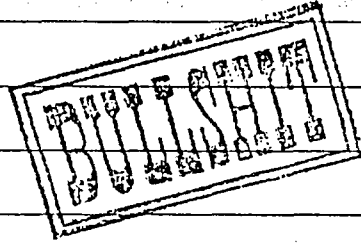
10/31/87

PAGE 1

OWNER R. HOWARD OLSEN
77148 P.O. BOX 32279
PHOENIX, ARIZONA 05016

IN ACCORDANCE WITH YOUR OPERATING
AGREEMENT, PAYMENT IS DUE WITHIN
FIFTEEN DAYS OF RECEIPT. INTEREST
WILL BE CHARGED ON OVERDUE ACCOUNT

| REFERENCE | DESCRIPTION | DEBIT | CREDIT | BALANCE |
|--------------------------|--------------------------------|--------|-------------------|---------|
| | BEGINNING BALANCE | | | 34,414. |
| 10/31/87 | SERVICE CHARGE | 339.09 | | |
| | BALANCE AFTER PAYMENTS | | | 34,753. |
| *** CURRENT INVOICES *** | | | | |
| | 00715002 CARLSON #2 | 213.89 | | |
| | 00715003 CARLSON #3 | 236.26 | | |
| | *** TOTAL CURRENT INVOICES *** | | | 450. |
| | | | *** TOTAL DUE *** | 35,203. |



P.O. BOX 10426
MIDLAND, TX 79702
(915) 684-4011

JOINT OWNER INVOICE

PAGE

OWNER 77148 R. HOWARD OLSEN
LEASE 00715002 CARLSON #2

DATE OCTOBER 31, 1987
INVOICE 871001853

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|-------------------------------------|----------------------|---------------------|--------|------------|
| LEASE OPERATING EXPENSE - JIB | | | | |
| 10/30/87 | D. HARTMAN OIL OPERA | DIRECT LABOR - OPER | 116.55 | 29.14 |
| 10/30/87 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | 9.44 |
| 10/20/87 | MIDWEST INSURANCE AC | INSURANCE | 22.00 | 5.50 |
| 10/30/87 | D. HARTMAN OIL OPERA | INSURANCE | 33.16 | 8.29 |
| 10/30/87 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 81.91 | 20.48 |
| 10/31/87 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 544.14 | 141.04 |
| TOTAL LEASE OPERATING EXPENSE - JIB | | | 855.51 | 213.89 |
| LEASE TOTAL | | | 855.51 | 213.89 |

LEASE: 00715002 CARLSON #2 YOUR INTEREST .25000000 213.89

DOYLE HARTMAN

P.O. BOX 10426
MIDLAND, TX 79702
(915) 684-4011

JOINT OWNER INVOICE

PAGE

OWNER 77148 R. HOWARD OLSEN

DATE OCTOBER 31, 1987

LEASE 00715003 CARLSON #3

INVOICE 871001854

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|------|--------|-------------|-------|------------|
|------|--------|-------------|-------|------------|

LEASE OPERATING EXPENSE - JIB

| | | | | |
|----------|----------------------|---------------------|--------|--------|
| 10/30/87 | D. HARTMAN OIL OPERA | DIRECT LABOR - OPER | 116.55 | 29.14 |
| 10/30/87 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | 9.44 |
| 10/30/87 | D. HARTMAN OIL OPERA | INSURANCE | 33.16 | 8.29 |
| 10/20/87 | MIDWEST INSURANCE AG | INSURANCE | 80.00 | 20.00 |
| 10/30/87 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 81.91 | 20.48 |
| 10/09/87 | SOUTHWESTERN PUBLIC | FUEL AND POWER | 31.47 | 7.87 |
| 10/31/87 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 564.14 | 141.07 |

| | | | | |
|-------------------------------------|--|--|--------|--------|
| TOTAL LEASE OPERATING EXPENSE - JIB | | | 944.98 | 236.22 |
|-------------------------------------|--|--|--------|--------|

| | | | | |
|-------------|--|--|--------|--------|
| LEASE TOTAL | | | 944.98 | 236.22 |
|-------------|--|--|--------|--------|

| | | | |
|----------------------------|---------------|-----------|--------|
| LEASE: 00715003 CARLSON #3 | YOUR INTEREST | .25000000 | 236.22 |
|----------------------------|---------------|-----------|--------|

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January 31, 1985

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

RE: CARLSON FEDERAL #3
LEA COUNTY, NEW MEXICO

Dear Mr. Hartman,

In response to your letter of January 24, 1985 regarding the purchase of our interest in the above said well, I have discussed your proposal with Mr. Olsen and he feels the offer is insufficient.

Regarding the working interest expense for the said well in which we are to share, after much conversation between our offices on the correct amount, we have acquired a copy of the original Operating Agreement. According to the said agreement, overhead is to be billed at \$125.00 per month for each drilling well for which our working interest is .25 percent.

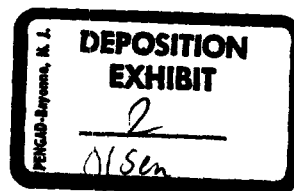
Due to this information, please consider this a demand for your check to adjust the producing overhead in accordance with the Operating Agreement. Also, invoices for September through December 1984 should be adjusted to reflect this change.

Your cooperation in this matter is appreciated.

Sincerely,

Donna M. Mariner
Accountant

DH/cac



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DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

July 10, 1985

Mr. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

Re: Proposed Infill Well
Carlson Federal No. 4
SE/4 SE/4 Section 23
T-25-S, R-37-E
Lea County, New Mexico
(40-acre Langlie Mattix)

Dear Mr. Olsen:

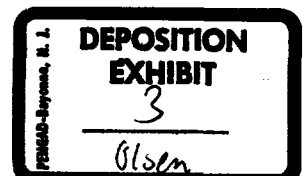
Reference is made to our previous communications concerning operations as to the Langlie Mattix pool covering SE/4 SE/4 Section 23, T-25-S, R-37-E, Lea County, New Mexico. Please be informed that we are proposing the drilling of an infill well on the captioned lease in order to efficiently and effectively drain all remaining Langlie Mattix gas reserves under the SE/4 SE/4 Section 23, T-25-S, R-37-E, that will not be drained by the Carlson No. 3 well which is also situated on the subject 40-acre proration unit.

Since the drilling of a new well is not covered by any existing agreement between the current owners of the subject lease, we invite you to join us with your 25% working interest in drilling the proposed new well. If you wish to participate in the drilling of our proposed new well, we will prepare and forward to you an Operating Agreement for your review and approval. We are enclosing with this letter an AFE covering the cost of drilling our proposed Carlson No. 4 infill well.

In the event you do not wish to participate in the drilling of the proposed new well, we further offer you the following additional options:

1. We again extend our offer of January 24, 1985 to purchase your net interest for \$22,500.
2. We will be happy to take a farmout of your interest and drill the well to earn a 70% net revenue interest.

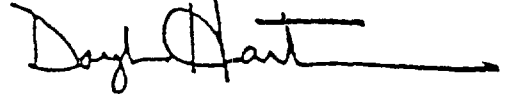
Since we hope to spud the proposed new well within the next forty-five days, we are at this time proceeding with all necessary regulatory procedures for the drilling of the subject well. Therefore, we



Mr. Howard
July 10, 1985
Page 2

respectfully request hearing from you as soon as possible concerning
your decision in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Doyle Hartman". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Doyle Hartman

DOYLE MAN
OIL OIL OR
500 N. MAIN STREET
MIDLAND, TEXAS

AUTHORIZATION FOR EXPENDITURE AND DETAIL WELL ESTIMATE

LEASE NAME Carlson Federal WELL NO. 4 W.I. 100% of Well
 COUNTY Lea STATE New Mexico FIELD Langlie Mattix
 LOCATION: SE/4 SE/4 Section 23, T-25-S, R-37-E

| DRILLING INTANGIBLES: | | PRODUCER | DRY HOLE |
|--|----------------------------------|-----------|----------|
| 1. Drilling Cost | 3,500 Feet @ 13.145 Per Foot | 46,000 | 46,000 |
| 2. Day Work | 1 day at 3,800 | | |
| 3. Coring Service | Well Surveys | 3,800 | 3,800 |
| 4. Bits and Reamers | | 8,400 | 8,400 |
| 5. Testing | | - - - | - - - |
| 6. Directional Drilling | | - - - | - - - |
| 7. Fuel | Water | 6,500 | 6,500 |
| 8. Mud | Mud Logging | 8,100 | 8,100 |
| 9. Cementing Service | Cement Floats | 15,600 | 5,000 |
| 10. Company Labor | Contract Labor | 9,500 | 3,600 |
| 11. Surface Damages and Right-of-Way | | 2,800 | 2,800 |
| 12. Digging Pits | Filling Pits | 1,200 | 1,200 |
| 13. Pit Lining | | 1,500 | 1,500 |
| 14. Roads & Bridges | Dredging & Grading | 8,000 | 8,000 |
| 15. Acidizing | Fracturing Perforating | 100,000 | - - - |
| 16. Plugging | | - - - | 2,800 |
| 17. Trucking Cost | | 2,900 | 1,500 |
| 18. Development Superintendence | 14 days @ \$500/day | 7,000 | 3,500 |
| 19. Rental Equipment | | 4,500 | 500 |
| 20. Swabbing and Testing | | 10,500 | - - - |
| 21. Legal and Professional Expenses: | | | |
| | Product Price Determination | 2,400 | 2,400 |
| | Regulatory Hearings Other | 3,600 | 3,600 |
| 22. Abstracts and Title Opinions | | 4,300 | 4,300 |
| 23. Geological, Geophysical and Land Support | | | |
| 24. Other Costs | | | |
| 25. Contingency @ 15 % | | 43,400** | 20,500 |
| | Total Intangibles | 290,000 | 134,000 |
| WELL EQUIPMENT: | | | |
| 26. Casing | 400 Ft. of 9 5/8 @ 8.50 Per Ft. | | |
| | 3,500 Ft. of 7 @ 6.46 Per Ft. | | |
| | 3500 Ft. of 2 3/8 @ 2.63 Per Ft. | 26,000 | 3,400 |
| 27. Tubing | | 9,200 | - - - |
| 28. Casing Head | | 1,300 | 1,300 |
| 29. Xmas Tree or Pumping Connections | | 4,600 | - - - |
| 30. Pumping Unit | | 19,500 | - - - |
| 31. Engine/Motor Controller and Power System | | 4,500 | - - - |
| 32. Sucker Rods | | 6,100 | - - - |
| 33. Pump | | 2,000 | - - - |
| 34. Tank Battery | | 2,600 | - - - |
| 35. Separator or Dehydration Equip. | | 2,400 | - - - |
| 36. Metering Equipment | | - - - | - - - |
| 37. Flow Lines | | 1,900 | - - - |
| 38. Guards and Fences | | 2,300 | 2,300 |
| 39. Other Costs | | | |
| 40. Contingency @ 15 % | | 17,600** | 1,000 |
| | Total Tangibles | 100,000 | 8,000 |
| | TOTAL COST OF WELL | 390,000** | 142,000 |
| | Howard Olsen | 25 | 97,500 |
| | Share at % | | 35,500 |

REMARKS: Our projected cost for drilling and completing the proposed infill well is \$329,000. This cost is for a routine well with no problems. With the addition of a 15% contingency for possible problems, the total cost comes to \$390,000 for a completed well.

Originated by Larry C. Namy Title Engineer Date July 10, 1985
 Approved _____ Title _____ Date _____

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EXHIBIT "A"

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
LOURDES A. MARTINEZ

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

July 22, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. R. Howard Olson
Post Office Box 32279
Phoenix, Arizona 85018

BEFORE EXAMINER QUINTANA
OIL CONSERVATION DIVISION
HARTMAN EXHIBIT NO. 6
CASE NO. 8668

Re: Case 8668: Application of Doyle Hartman for
Compulsory Pooling, Lea County, New Mexico.

Dear Mr. Olson:

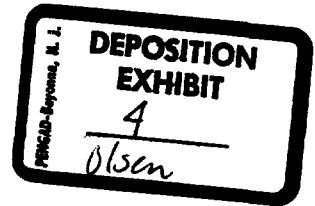
Enclosed is a copy of the docket for the Oil Conservation
Division Examiner hearings scheduled for Wednesday, July 31,
1985. You have an interest which may be affected by the
above-referenced case.

Very truly yours,

William F. Carr

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845



SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will pay you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for services requested.

1. Show to whom, date and address of delivery.
2. Restricted Delivery.

3. Article Addressed to:
R. Howard Olson
P. O. Box 32279
Phoenix, Arizona 85018

4. Type of Service:
 Registered Insured
 Certified COD
 Express Mail
Article Number P 456 364 60E

Always obtain signature of addressee or agent and DATE DELIVERED:
5. Signature of Addressee

6. Signature - Agent X

7. Date of Delivery 7-25-85

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

Sent to
R. Howard Olson
Street and No.
P. O. Box 32279
P.O., State and ZIP Code
Phoenix, Arizona 85018
Postage \$.8
Certified Fee
Special Delivery Fee

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR BILLING PURPOSES MAIL

5
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Legal

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

July 30, 1985

Mr. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

Carlson
Re: SE/4 SE/4 Section 23
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Olsen:

Reference is made to our past correspondence concerning the proposed infill well on the captioned lands.

As I told your secretary, the compulsory pooling hearing has already been scheduled, but we will report to the New Mexico Oil Conservation Division that you have agreed to farmout, provided we can have a mutually acceptable agreement.

The farmout terms we offer are as follows:

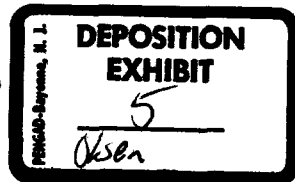
1. Operator to drill a Langlie Mattix infill well on the above tract within 90 days from the date of agreement.
2. Operator would earn a 70% net revenue interest in the new well with Olsen retaining a 30% overriding royalty interest, which would absorb the presently existing royalty burden of 12.5 % (proportionately reduced).
3. Rights earned only in the event of production and would be limited to a depth of 4000 feet.
4. Olsen would retain all presently owned interest in the Carlson No. 3 well located on the 40-acre proration.

Please let us hear from you so that we may advise the New Mexico Oil Conservation Division of the resolution of this matter as soon as possible.

Very truly yours,

DOYLE HARTMAN

Ruth Sutton
Ruth Sutton
Landman



RS/dr

cc: Bill Case

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DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

September 20, 1985

Mr. James P. Foraker
1140 NW 63rd Street
Oklahoma City, Oklahoma 73116

Re: Carlson Lease
SE/4 SE/4 Section 23 and
SE/4 NE/4 Section 26
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Foraker:

Enclosed please find two copies of Partial Assignment and Bill of Sale as well as four copies of the federal form to be filed with the Bureau of Land Management.

We have left a space after Mr. Olsen's name in each case so that you can add "a single man" or his wife's name, whichever is appropriate.

After you have had a chance to look these over, we will discuss the method of exchanging our cashier's check in the amount of \$50,000.00 for the executed assignment.

I have discussed the matter of operating costs with our Controller, Mr. Jim Burr, and he has advised me that September billings have gone out, but he will credit Mr. Olsen's account so that as of September 30, it will show zero balance.

Please let us know if we may be of further assistance and thank you for your cooperation in this matter.

Very truly yours,

DOYLE HARTMAN

Ruth Sutton
Ruth Sutton
Landman

RS/mh

Enclosures as above



PARTIAL ASSIGNMENT
AND
BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That R. HOWARD OLSEN
Post Office Box 32279, Phoenix, Arizona 85016, hereinafter referred to
as "Assignor", for and in consideration of the sum of Ten Dollars
(\$10.00) and other good and valuable consideration, the receipt and
sufficiency of which is hereby acknowledged, does hereby grant, bargain,
sell, transfer, assign and convey, unto DOYLE HARTMAN, Post Office Box
10426, Midland, Texas 79702, hereinafter referred to as "Assignee", all
of Assignor's right, title and interest in and to the Oil and Gas Lease
described in Exhibit "A" attached hereto and made a part hereof INSO FAR
ONLY as said Lease covers the lands and depths specifically described in
said Exhibit "A", and subject to the provisions of said Lease and to any
and all existing royalties, excess royalties, overriding royalty
interests or other payments out of production with which said Lease may
be burdened.

Assignor, for the same consideration recited above, does hereby
sell, transfer, assign and convey, AS IS AND WITHOUT WARRANTY OF MERCHAN-
TABILITY, CONDITION OR FITNESS EITHER EXPRESS OR IMPLIED, unto Assignee,
all of Assignor's right, title and interest in and to all of the wells
located on said lands, together with all casing, leasehold equipment,
and personal property in or on or used in connection with said wells.

This assignment shall be effective for all purposes as of 7:00 a.m.
on October 1, 1985, and the terms and provisions hereof shall inure to
the benefit of and be binding upon the heirs, successors and assigns of
both Assignor and Assignees.

IN WITNESS WHEREOF, this assignment is executed on the _____ day
of _____, 1985, but to be effective as of October 1, 1985, as
stated above.

WITNESS:

R. Howard Olsen

THE STATE OF _____ \$
 \$
COUNTY OF _____ \$

The foregoing instrument was acknowledged before me, this _____
day of _____, 1985, by R. Howard Olsen, _____

Notary Public
My Commission Expires:

Exhibit "A" to Partial Assignment
 and Bill of Sale from R. Howard Olsen
 to Doyle Hartman covering various
 Lands in Lea County, New Mexico

| LEASE NAME | LESSOR | LESSEE | DATE | RECORDED | DESCRIPTION OF PROPERTY |
|------------|------------------|---|---------|-----------------|---|
| Carlson | U. S. A. NM-0766 | Union Texas Natural Gas Corporation and Joseph E. Seagraves & Sons, Inc. | 11/1/61 | Not Recorded | Insofar and only insofar as lease covers the SE/4 SE/4 Section 23, T-25-S, R-37-E and SE/4 NE/4 Section 26, T-25-S, R-37-E limited from the surface down to 4,000 feet as to oil rights only. |

PART I

1. Assignee's Name

Doyle Hartman

Address (include zip code)

Post Office Box 10426, Midland, Texas 79702

The undersigned, as owner of 25% percent of operating rights in the above-designated oil and gas lease, hereby transfers, assigns and/or subleases to the assignee shown above, the operating rights in such lease as specified below.

2. Describe the lands affected by this transfer, assignment, and/or sublease (43 CFR 3101.2-3 or 3101.1-4)

Insofar only as said lease covers the SE/4 SE/4 Section 23 and the SE/4 NE/4 Section 26, T-25-S, R-37-E from the surface to 4,000 feet as to oil rights only.

Lea County, New Mexico

3. Specify interest or percent of operating rights being conveyed to assignee

100%

4. Specify interest or percent of operating rights being retained by assignor

None

5. Specify overriding royalty interest being reserved by assignor

None

6. Specify overriding royalty previously reserved or conveyed, if any

12.305%

7. If any payments out of production have previously been created out of this interest, or if any such payments are being reserved under this transfer, assignment, or sublease, attach statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106.

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this _____ day of _____, 19 _____.

(Assignor's Signature)

R. Howard Olsen

P. O. Box 32279

(Assignor's Address)

Phoenix, Arizona 85016

(City)

(State)

(Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, fraudulent statements or representations as to any matter within its jurisdiction.

ASSIGNEE'S APPLICATION FOR APPROVAL OF TRANSFER
OF OPERATING RIGHTS AND/OR OPERATING AGREEMENT (SUBLEASE)

- A. ASSIGNEE CERTIFIES THAT the assignee and all other parties in interest (as defined in 43 CFR 3100.0-5(b)) in this assignment are:
1. Citizens of the United States or qualified alien stockholders in a domestic corporation; association of the United States; or any State or Territory thereof; or municipalities.
 2. Of the age of majority in the State where the lands to be assigned are located.
 3. In compliance with the acreage limitation set forth in 43 CFR 3101.1-5 and 3101.2-4.
- B. ASSIGNEE AGREES That, upon approval of this transfer of operating rights and/or operating agreement (sublease) by the authorized officer of the Bureau of Land Management, he will be bound by the terms and conditions of the lease described herein as to the interests covered by this assignment, including, but not limited to, the obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any drilling operations as prescribed in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to the regulations (43 CFR 3104.2).
- C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this _____ day of _____, 19 _____

(Assignee's Signature)
Doyle Hartman

P. O. Box 10426

(Assignee's Address)

Midland, Texas 79702

(City)

(State)

(Zip Code)

_____ title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

INSTRUCTIONS

USE OF FORM - Use only for assignment of operating rights (including working interests) in oil and gas leases. If transfer of operating rights is accompanied by an operating agreement, a single copy of such agreement must be submitted with the assignment. If more than one transfer of operating rights is made out of a lease, a separate instrument of transfer is required for each assignment. A separate instrument of assignment shall be used for each lease out of which an assignment is made.

FILING AND NUMBER OF COPIES - File three (3) completed

and manually signed copies in the appropriate BLM office. A \$25.00 nonrefundable filing fee must accompany this assignment. File assignment within ninety (90) days after date of final execution.

3. EFFECTIVE DATE OF ASSIGNMENT - The assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers. If an operator's bond is required, it must be furnished prior to approval of the assignment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this assignment and request for approval.

AUTHORITY: 30 U.S.C. et. seq.

PRINCIPAL PURPOSE - The information is to be used to process the assignment and request for approval.

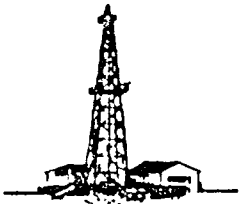
ROUTINE USES:

- (1) The adjudication of the assignee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - If all the information is not provided, the assignment may be rejected.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that: this information is being collected pursuant to the law (43 CFR 3106-3(c)). This information will be used to create a record of lease assignment. Your response to this request is required to obtain a benefit.

7
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OIL AND GAS
EXPLORATION AND INVESTMENTS

JAMES P. FORAKER
GLENBROOK CENTRE-WEST
1140 N.W. 63RD STREET
OKLAHOMA CITY, OKLAHOMA 73116

OFFICE 405/842-0685
RESIDENCE 405/751-5386

October 4, 1985

Mr. Howard Olsen
P. O. Box 32279
Phoenix, Arizona 85016

Dear Howard:

Enclosed herewith is the original of an Assignment prepared by Doyle Hartman of Midland, Texas, on the Carlson lease which covers 40 acres in the SE/4 SE/4 of Section 23 and the SE/4 NE/4 of Section 26-T25S- R37E, Lea County, New Mexico. I assumed you would be here on September 26, so I retained the original September 20 letter, assignment and B.L.M. forms from Miss Sutton.

I had not been informed that the Carlson lease also covered the 40 acres in Section 26. A few days after receiving the proposed assignment, Miss Sutton by hand-written letter forwarded to me photocopies of portions of the history of said lease.

Today I received from Miss Sutton a photocopy of her letter to you dated October 1 pertaining to these properties.

Pursuant to your instructions I have ceased work on the Carlson project. If anything further from me is needed in this matter, please advise.

You may pay me for my services on this project an amount you consider appropriate in accordance with our previous understanding.

Sincerely yours,

James P. Foraker

JPF/dea
Enclosures



8

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DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

October 1, 1985

Mr. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

Re: Carlson Federal No. 4
SE/4 Section 23 and
SE/4 NE/4 Section 26
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Olsen:

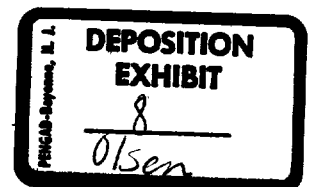
Please refer to our past correspondence relative to drilling the above-captioned well.

As you are no doubt aware, we have tried very hard to comply with the changes in your position as to this proposed well.

On July 30, 1985, the date of our hearing before the New Mexico Oil Conservation Division, Carol from your office advised us by telephone that you had decided you would farmout your interest. We then advised the NMOCD that we had your voluntary cooperation and wrote you a letter setting out farmout terms. Over the next few weeks I made several calls to try to ascertain if the terms were acceptable.

Later Mr. James Foraker called us and advised that you preferred to sell you interest to us. After we had made a firm deal over the phone, including specifics for exchanging the executed assignment for our Cashiers Check, I was surprised and amazed to learn that you would not agree to execute the assignment because it included all of the acreage associated with the lease. This was especially strange in view of the fact that I had previously furnished Mr. Foraker various materials to convince you of your ownership of the tract in Section 26.

Since considerable time has elapsed, we believe this matter should be handled as agreed.



Mr. Howard Ol
October 1, 1985
Page 2

Please let us hear from you.

Very truly yours,

DOYLE HARTMAN

Ruth Sutton

Ruth Sutton
Landman

RS/mh

cc: Mr. James Foraker
1140 N. W. 63rd Street
Oklahoma City, Oklahoma 73116

PS Form 3811, July 1983 447-945



SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:

Howard Olsen
P.O. Box 32279
Phoenix, Arizona 85018

4. Type of Service:

- Registered Insured
- Certified COD
- Express Mail

Article Number

P 167 617 962

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee

X

6. Signature - Agent

X

7. Date of Delivery

8. Addressee's Address (*ONLY if requested and fee paid*)

DOMESTIC RETURN RECEIPT

Carlson Fed No. 4-H. Olsen/mh

POSTAGE STAMPS TO ARTICLE TO
 IL FEE, AND CHARGES FOR ANY SEL
 If postmarked, stick the gummed slug
 and present the article at a post of
 receipt postmarked, stick the gummed
 retain the receipt, and mail the article
 receipt, write the certified mail number a
 to the front of the article by means of
 the front of article. RETURN RECE
 ERY on the front of the article
 restricted to the addressee, or to
 ces requested in the appropriate secti
 able blocks in item 1 of Form 3811
 present it if you make inquiry

P 167 617 962

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

| | |
|--|---------|
| Sent to Mr. Howard Olsen | |
| Street and No. P. O. Box 32279 | |
| P.O. State and Zip Code PHOENIX, ARIZONA 85018 | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | .60 |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$ 1.57 |

Postmark or Date
10-02-85

Carlson Fed No. 4-H, Olsen/mh

CERTIFIED

P 167 617 962

MAIL

* U.S.G.P.O. 1984-465-014

PS Form 3800, Feb. 1982

DOJ

MIDL



Mr. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

P 167 617 962

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

| | |
|---|---------|
| Sent to Mr. Howard Olsen | |
| Street and No. P. O. Box 32279 | |
| P.O. State and ZIP Code Phoenix, Arizona 85018 | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | .60 |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$ 1.57 |

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-448-014

Postmark or Date
10-02-85
Carlson Fed No. 4-H. Olsen/mh

PS Form 3811, July 1983 447-845

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
2. Restricted Delivery.

3. Article Addressed to:
Howard Olsen
P.O. Box 32279
Phoenix, Arizona 85018

| | |
|---|----------------|
| 4. Type of Service: | Article Number |
| <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail | P 167 617 962 |

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
[Signature]

6. Signature - Agent
[Signature]

7. Date of Delivery
10/9/85

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

Carlson Fed No. 4-H. Olsen/mh

9
0

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

October 4, 1985

Mr. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

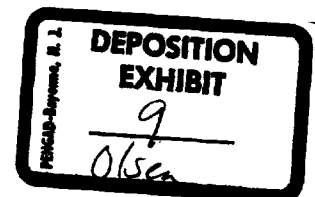
Re: Carlson Federal Lease
SE/4 SE/4 Section 23 and
SE/4 NE/4 Section 26
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Olsen:

Please refer to the numerous telephone conversations and vast correspondence we have had with your appointed agents concerning your interest in the Carlson Federal Lease located in Sections 23 and 26, T-25-S, R-37-E, Lea County, New Mexico.

On September 18, 1985, after much negotiation between Ruth Sutton of Doyle Hartman's office and James Foraker, your attorney and agent in Oklahoma City, a firm commitment was reached (at your initiation) for Doyle Hartman to purchase your interest in the above-described Carlson Federal Lease. Part of the terms were to be the exchange of your fully executed assignment of 100% of your interest in the Carlson Federal Lease for Hartman's Cashier's Check in the amount of \$50,000.00. This method of exchange was also agreed to at your request. We immediately followed up on this verbal commitment by furnishing the Assignment requested by Mr. Foraker for your execution and since that date, we have proceeded with the drilling of a well on the Carlson Lease at our sole risk and expense based on your agreement to convey to us your interest as outlined above.

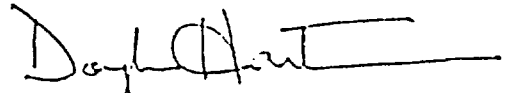
Since we have proceeded in good faith with our operations on the Carlson lease based on our understanding that a firm agreement had been reached with you as outlined above, we ask that you immediately acknowledge that we indeed have a previously negotiated and agreed upon deal for Doyle Hartman to purchase 100% of your interest in the Carlson Federal Lease (SE/4 SE/4 Section 23 and SE/4 NE/4 Section 26, T-25-S, R-37-E, Lea County, New Mexico) with the consideration being Doyle Hartman's Cashier's Check drawn by the RepublicBank/First National, Midland in the



Mr. Howard Ol.
October 4, 1985
Page 2

amount of \$50,000.00. In the event we do not hear from you by Friday, October 11, 1985 acknowledging the above, we will turn this matter over to our attorney, Mr. Robert H. Strand for further action.

Very truly yours,



Doyle Hartman

cc: Mr. Robert H. Strand
Atwood, Malone, Mann & Turner
Post Office Drawer 700
Roswell, New Mexico 88201

Mr. James Foraker
1140 N. W. 63rd Street
Oklahoma City, Oklahoma 73116

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.

2. Restricted Delivery.

3. Article Addressed to:
Mr. Howard Olsen
P. O. Box 32279
Phoenix, Arizona 85018

| | |
|---|----------------|
| 4. Type of Service: | Article Number |
| <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail | P 167 617 963 |

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery

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

DOMESTIC RETURN RECEIPT

Carlson Fed. No. 4-Olsen/mh

STICK POSTAGE STAMPS TO ARTICLE 1

CERTIFIED MAIL FEE, AND CHARGES FOR ANY 3

If you want this receipt postmarked, stick the gummed s
 ving the receipt attached and present the article at a post
 extra charge)

If you do not want this receipt postmarked, stick the gum
 date, date, detach and retain the receipt, and mail the ar
 If you want a return receipt, write the certified mail numbe
 in 3811), and attach it to the front of the article by means
 back of article. Endorse front of article, RETURN RB
 If you want delivery restricted to the addressee, or
 RESTRICTED DELIVERY on the front of the article

Enter fees for the services requested in the appropriate s
 sisted, check the applicable blocks in item 1 of form 381
 Save this receipt and present it if you make inquiry.

DOYLE HARTMAN
Off Operator
P. O. BOX 10426
MIDLAND, TEXAS 79702

Mr. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

P 167 617 963

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

| | |
|---|------------------------|
| Sept 10 | Mr. Howard Olsen |
| Street and No. | Box 32279 |
| P.O. State and ZIP Code | Phoenix, Arizona 85018 |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | .60 |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$1.57 |
| Postmark or Date | 10-04-85 |

Carlson Fed No. 4-mh

CERTIFIED

P 167 617 963

MAIL

U.S. POSTAGE
\$1.57

* U.S.G.P.O. 1984-46-014

PS Form 3800, Feb. 1982

PS Form 3811, July 1983 447-945

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery
 2. Restricted Delivery

3. Article Addressed to:
 Mr. Howard Olsen
 P. O. Box 32279
 Phoenix, Arizona 85018

| | |
|---|----------------|
| 4. Type of Service: | Article Number |
| <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail | P 167 617 963 |

Always obtain signature of addressee or agent and **DATE DELIVERED**

5. Signature Addressee
 X *[Signature]*

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
 10/2/85

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

Carlson Fed. No. 4-Olsen/mh

P 167 617 963

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

* U.S.G.P.O. 1984-446-014

| | |
|---|------------------------|
| Sent to | Mr. Howard Olsen |
| Street and No. | P. O. Box 32279 |
| P.O., State and ZIP Code | Phoenix, Arizona 85018 |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | .60 |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$1.57 |
| Postmark or Date | 10-04-85 |
| Carlson Fed. No. | 4-mh |

PS Form 3800, Feb. 1982

10

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CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 11, 1985

BEFORE EXAMINER STOGNER
Oil Conservation Division
~~HARTMAN~~ Exhibit No. 7
Case No. 8769

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

R. Howard Olson
Post Office Box 32279
Phoenix, Arizona 85018

Re: Case 8769: Application of Doyle Hartman for
Compulsory Pooling, Lea County, New Mexico.

Dear Mr. Olson:

Enclosed is a copy of the docket for the Oil Conservation
Division Examiner hearings scheduled for Thursday, November 21,
1985. You have an interest which may be affected by the above-
referenced case.

Very truly yours,

William F. Carr
William F. Carr

WFC/cv
enclosure

DEPOSITION
EXHIBIT
10
Olson

PS Form 3800, Feb. 1982

* U.S.G.P.O. 1984-446-014

| | |
|---|-------------------|
| Postmark or Date | 11/11/85 |
| TOTAL Postage and Fees | \$ 11 |
| Return receipt showing to whom, Date, and Address of Delivery | |
| Return Receipt Showing to whom and Date Delivered | |
| Restricted Delivery Fee | |
| Special Delivery Fee | |
| Certified Fee | |
| Postage | \$ |
| P.O. State and ZIP Code | Phoenix, AZ 85018 |
| Street and No. | P. O. Box 32279 |
| Send to | R. Howard Olson |

(See Reverse)

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

11

0

—

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

January 6, 1986

CERTIFIED

Mr. R. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

Re: Carlson Lease
SE/4 SE/4 Section 23 and
SE/4 NE/4 Section 26
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Olsen:

Reference is made to our various correspondence and conversations wherein you agreed to sell 100% of your interest in the Carlson lease located SE/4 SE/4 Section 23 and SE/4 NE/4 Section 26, T-25-S, R-37-E, Lea County, New Mexico for \$50,000.00.

As you know, based upon the assurance that a firm agreement to purchase your interest in the Carlson lease had been reached, we proceeded with our operations on the lease. However, since the final execution of the sale had not been executed before the end of the year, and we felt like another well needed to be drilled as soon as possible, we proceeded with a force pooling hearing to pool the interest we have negotiated to purchase from you so that we could drill the Carlson Federal No. 5.

The compulsory pooling order has been granted, the Carlson Federal No. 5 has been drilled, and we are extremely anxious to finalize the purchase by Doyle Hartman of 100% of your interest in the Carlson lease.

Please let us know how you would like to close this purchase so that we can make all the final arrangements.

Thank you for your prompt attention to this matter.

Very truly yours,

DOYLE HARTMAN

Ruth Sutton
(cmh)

Ruth Sutton
Landman

Let. ltr not included

RS/dr



Mr. R. Howard sen
January 6, 1983
Page 2

cc: Mr. Robert H. Strand
Atwood, Malone, Mann & Turner
Post Office Drawer 700
Roswell, New Mexico 88201 .

P 167 325 606

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

| | | |
|--|---|-------------------------|
| * U.S.C.P.O. 1984-446-014 PS Form 3800, Feb. 1982 | Sent to | <i>R. Howard Olsen</i> |
| | Street and No. | <i>P.O. Box 322 79</i> |
| | P.O., State and ZIP Code | <i>Phoenix AZ 85018</i> |
| | Postage | \$ <i>22</i> |
| | Certified Fee | <i>75</i> |
| | Special Delivery Fee | |
| | Restricted Delivery Fee | |
| | Return Receipt Showing to whom and Date Delivered | <i>60</i> |
| | Return receipt showing to whom, Date, and Address of Delivery | |
| | TOTAL Postage and Fees | \$ <i>1.57</i> |
| Postmark or Date | <i>1-6-86</i> | |
| | <i>Carlson Lease (Sun)</i> | |

P 167 325 606

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1984-448-014
PS Form 3800, Feb. 1982

| | |
|---|--------------------------|
| Sent to | <i>R. Howard Olsen</i> |
| Street and No. | <i>P.O. Box 32279</i> |
| P.O., State and ZIP Code | <i>Phoenix, AZ 85018</i> |
| Postage | \$ <i>22</i> |
| Certified Fee | <i>75</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | <i>60</i> |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$ <i>1.57</i> |
| Postmark or Date | <i>1-6-86</i> |
| <i>Carlson Spaul (son)</i> | |

CERTIFIED
P 167 325 606
MAIL

Mr. R. Howard Olsen
Post Office Box 32279
Phoenix, Arizona 85018

MIDLAND TEXAS
JAN 6 1986
203431
U.S. POSTAGE
\$ 1.57

PS Form 3811, July 1983 447-945 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
2. Restricted Delivery.

3. Article Addressed to:
R. Howard Olsen
P.O. Box 32279
Phoenix AZ 85018

4. Type of Service:
 Registered Insured
 Certified COD
 Express Mail
Article Number
P167395606

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

6. Signature - Agent

7. Date of Delivery

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

Carlson Spaul (son)
1-6-86

*Please
clear
Taps*

DOYLE HARTMAN
Oil Operator
P. O. BOX 10426
MIDLAND, TEXAS 79702

CLAIM CHECK
NO. 767378

HOLD

DATE FEB 3 1980

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

CLAIM CHECK
NO. 894757

HOLD

DATE JAN 6 1980

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

POSTAGE DUE

MIDLAND, TX 797
1 PM
6 JAN
1986

CLAIM CHECK
NO. 746945

HOLD

DATE FEB 13

1ST NOTICE

2ND NOTICE

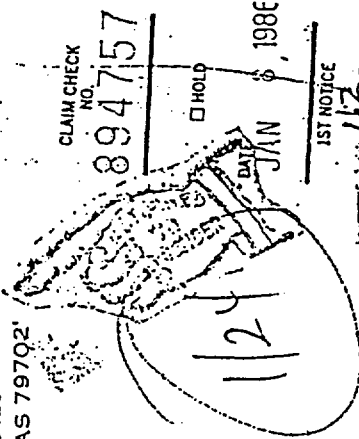
RETURN

Detached from
PS Form 3849-A
Oct. 1980

Mr. R. Howard Olsen
Post Office, Box 32279
Phoenix, Arizona 85018

UNCLAIMED

MAIL



12

0

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

October 6, 1987

Mr. Garold Bowlby, CPA
2221 West Lindsey, Suite 216
Norman, Oklahoma 73069

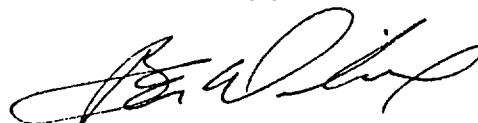
Dear Mr. Bowlby:

In response to our recent telephone conversations, I am enclosing the following data:

- . Joint Interest Account Analysis \$ 33,577.95 (08-31-87)
- . Payout Status on Carlson Federal #4
- . Payout Status on Carlson Federal #5

Our accounts are now and have always been open for a standard joint interest audit by any joint interest owner. If you would prefer to preform a joint interest audit of these accounts, please feel free to contact me and we will arrange a mutually suitable time (during regular office hours) for such audit to be performed.

Sincerely,



Ben Wilcox



FILE COPY

BW/kb

Enclosure
cc: Don Maddox

JOINT INTEREST ACCOUNT ANALYSIS
R. HOWARD OLSEN #77148

| DATE | BEGINNING BALANCE | LOE CHARGES | ADJUSTMENTS | SERVICE CHARGE | TOTAL LOE AND S/C | ENDING BALANCE |
|----------|----------------------|-------------|-------------|-------------------|----------------------|-------------------|
| 9-30-84 | 0.00 | 197.26 | | | 197.26 | 197.26 |
| 10-31-84 | 197.26 | 209.71 | | | 209.71 | 406.97 |
| 11-30-84 | 406.97 | 198.08 | | 1.97 | 200.05 | 607.02 |
| 12-31-84 | 607.02 | 197.35 | | 4.09 | 201.44 | 808.46 |
| 1-31-85 | 808.46 | 192.93 | | 6.11 | 199.04 | 1,007.50 |
| 2-28-85 | 1,007.50 | 203.60 | -5098.76 | | 203.60 | (3,887.66) |
| 3-31-85 | (3,887.66) | 194.80 | 8974.26 | | 194.80 | 5,281.40 |
| 4-30-85 | 5,281.40 | 208.18 | | | 208.18 | 5,489.58 |
| 5-31-85 | 5,489.58 | 214.13 | | 52.81 | 266.94 | 5,756.52 |
| 6-30-85 | 5,756.52 | 205.91 | | 55.40 | 261.31 | 6,017.83 |
| 7-31-85 | 6,017.83 | 198.21 | | 58.12 | 256.33 | 6,274.16 |
| 8-31-85 | 6,274.16 | 199.99 | | 60.76 | 260.75 | 6,534.91 |
| 9-30-87 | 6,534.91 | 1,066.04 | | 63.33 | 1,129.37 | 7,664.28 |
| 10-31-85 | 7,664.28 | 8,508.12 | | 65.98 | 8,574.10 | 16,238.38 |
| 11-30-85 | 16,238.38 | 897.97 | | 77.30 | 975.27 | 17,213.65 |
| 12-31-85 | 17,213.65 | 579.25 | | 163.16 | 742.41 | 17,956.06 |
| 1-31-86 | 17,956.06 | 223.57 | | 173.76 | 397.33 | 18,353.39 |
| 2-28-86 | 18,353.39 | 260.66 | | 175.50 | 436.16 | 18,789.55 |
| 3-31-86 | 18,789.55 | 1,885.63 | | 183.05 | 2,068.68 | 20,858.23 |
| 4-30-86 | 20,858.23 | 303.91 | | 189.73 | 493.64 | 21,351.87 |
| 5-31-86 | 21,351.87 | 249.73 | | 210.47 | 460.20 | 21,812.07 |
| 6-30-86 | 21,812.07 | 788.14 | | 215.62 | 1,003.76 | 22,815.83 |
| 7-31-86 | 22,815.83 | 393.50 | | 220.27 | 613.77 | 23,429.60 |
| 8-31-86 | 23,429.60 | 385.24 | | 230.36 | 615.60 | 24,045.20 |
| 9-30-86 | 24,045.20 | 409.28 | | 236.59 | 645.87 | 24,691.07 |
| 10-31-86 | 24,691.07 | 440.44 | | 242.81 | 683.25 | 25,374.32 |
| 11-30-86 | 25,374.32 | 397.36 | | 249.33 | 646.69 | 26,021.01 |
| 12-31-86 | 26,021.01 | 436.32 | | 256.23 | 692.55 | 26,713.56 |
| 1-31-87 | 26,713.56 | 595.77 | | 262.77 | 858.54 | 27,572.10 |
| 2-28-87 | 27,572.10 | 400.81 | | 265.40 | 666.21 | 28,238.31 |
| 3-31-87 | 28,238.31 | 1,123.24 | | 272.41 | 1,395.65 | 29,633.96 |
| 4-30-87 | 29,633.96 | 574.96 | | 285.10 | 860.06 | 30,494.02 |
| 5-31-87 | 30,494.02 | 432.13 | | 299.19 | 731.32 | 31,225.34 |
| 6-30-87 | 31,225.34 | 501.83 | | 307.93 | 809.76 | 32,035.10 |
| 7-31-87 | 32,035.10 | 482.79 | | 315.33 | 798.12 | 32,833.22 |
| 8-31-87 | 32,833.22 | 421.23 | | 323.50 | 744.73 | 33,577.95 |
| TOTALS | | 24,178.07 | | 5,524.38 | 29,702.45 | |

2-28-85 Olsen's account was credited with revenue received from El Paso. A check in the amount of \$3887.66 was issued. This was the excess revenue over joint interest expenses to that date. Mr. Olsen cashed this check. In the following month, El Paso deducted the amount previously paid, and paid it directly to Olsen.

3-31-85
To correct the previous month's joint interest write-off, \$5,086.60, and record the cashed check of \$3887.66.

JOINT INTEREST ACCOUNT ANALYSIS
R. HOWARD OLSEN #77148

| DATE | CARLSON 2 LOE CHARGES | CARLSON 3 LOE CHARGES | TOTAL LOE CHARGES | SERVICE CHARGE | TOTAL LOE AND S/C |
|----------|--------------------------|--------------------------|----------------------|-------------------|----------------------|
| 9-30-84 | | 197.26 | 197.26 | | 197.26 |
| 10-31-84 | | 209.71 | 209.71 | | 209.71 |
| 11-30-84 | | 198.08 | 198.08 | | 198.08 |
| 12-31-84 | | 197.35 | 197.35 | | 197.35 |
| 1-31-85 | | 192.93 | 192.93 | | 192.93 |
| 2-28-85 | | 203.60 | 203.60 | | 203.60 |
| 3-31-85 | | 194.80 | 194.80 | | 194.80 |
| 4-30-85 | | 208.18 | 208.18 | | 208.18 |
| 5-31-85 | | 214.13 | 214.13 | 52.81 | 266.94 |
| 6-30-85 | | 205.91 | 205.91 | 55.40 | 261.31 |
| 7-31-85 | | 198.21 | 198.21 | 58.12 | 256.33 |
| 8-31-85 | | 199.99 | 199.99 | 60.76 | 260.75 |
| 9-30-87 | | 1,066.04 | 1,066.04 | 63.33 | 1,129.37 |
| 10-31-85 | | 8,508.12 | 8,508.12 | 65.98 | 8,574.10 |
| 11-30-85 | | 897.97 | 897.97 | 77.30 | 975.27 |
| 12-31-85 | | 579.25 | 579.25 | 163.16 | 742.41 |
| 1-31-86 | | 223.57 | 223.57 | 173.76 | 397.33 |
| 2-28-86 | | 260.66 | 260.66 | 175.50 | 436.16 |
| 3-31-86 | | 1,885.63 | 1,885.63 | 183.05 | 2,068.68 |
| 4-30-86 | | 303.91 | 303.91 | 189.73 | 493.64 |
| 5-31-86 | | 249.73 | 249.73 | 210.47 | 460.20 |
| 6-30-86 | 581.14 | 207.00 | 788.14 | 215.62 | 1,003.76 |
| 7-31-86 | 188.31 | 205.19 | 393.50 | 220.27 | 613.77 |
| 8-31-86 | 188.69 | 196.55 | 385.24 | 230.36 | 615.60 |
| 9-30-86 | 191.69 | 217.59 | 409.28 | 236.59 | 645.87 |
| 10-31-86 | 211.78 | 228.66 | 440.44 | 242.81 | 683.25 |
| 11-30-86 | 194.75 | 202.61 | 397.36 | 249.33 | 646.69 |
| 12-31-86 | 209.72 | 228.60 | 436.32 | 258.23 | 692.55 |
| 1-31-87 | 284.85 | 310.92 | 595.77 | 262.77 | 858.54 |
| 2-28-87 | 196.39 | 204.42 | 400.81 | 265.40 | 666.21 |
| 3-31-87 | 887.72 | 235.52 | 1,123.24 | 272.41 | 1,395.65 |
| 4-30-87 | 283.54 | 291.42 | 574.96 | 285.10 | 860.06 |
| 5-31-87 | 212.13 | 220.00 | 432.13 | 299.19 | 731.32 |
| 6-30-87 | 246.98 | 254.85 | 501.83 | 307.93 | 809.76 |
| 7-31-87 | 237.46 | 245.33 | 482.79 | 315.33 | 798.12 |
| 8-31-87 | 206.68 | 214.55 | 421.23 | 323.50 | 744.73 |
| TOTALS | 4,321.83 | 19,856.24 | 24,178.07 | 5,512.21 | 29,690.28 |

R. HOWARD OLSEN
OWNER #77148

| | |
|-------------------------|-----------|
| CARLSON 2 LOE CHARGES | 4,321.83 |
| CARLSON 3 LOE CHARGES | 19,856.24 |
| SERVICE CHARGES | 5,512.21 |
| CHECK ISSUED IN ERROR * | 3,887.66 |
| | ----- |
| BALANCE OWING | 33,577.94 |

* 3-14-85 CHECK (COPY ATTACHED) ISSUED BY HARTMAN.
OLSEN'S REVENUE NETTED AGAINST HIS ACCOUNT.
HOWEVER, EL PASO PAID OLSEN ALSO.

DOYLE HARTMAN OIL OPERATOR

1026

DOLLARS 3,987.66

R.A.D.D.

DOYLE HARTMAN OIL OPERATOR

ROYALTY ACCOUNT

UNITED BANK OF
MIDLAND, TEXAS

John O. ...

100000388765

MR 85 22 F

MR 85 25

ROYALTY ACCOUNT

UNITED BANK OF MIDLAND, TEXAS

FOR DEPOSIT ONLY
HOWARD OLSEN

DOYLE HARTMAN, OIL OPERATOR
STATUS OF PAYOUT ACCOUNT

CARLSON FEDERAL #4

| | DATE | CUMULATIVE COSTS | CUMULATIVE NET REVENUE | NET POSITION | % PAID OUT |
|-------|------------|---------------------|------------------------|-----------------------|------------|
| | 09-85 | 527,333.86 | | (527,333.86) | 0.00% |
| | 10-85 | 580,962.54 | 33,949.10 | (547,013.44) | |
| TOTAL | | <u>1,108,296.40</u> | <u>33,949.10</u> | <u>(1,074,347.30)</u> | 3.06% |
| | 11-85 | 5,152.80 | 2,580.02 | (2,572.78) | |
| TOTAL | | <u>1,113,449.20</u> | <u>36,529.12</u> | <u>(1,076,920.08)</u> | 3.28% |
| | 11-85 ADJ. | | 33,753.84 | 33,753.84 | |
| TOTAL | | <u>1,113,449.20</u> | <u>70,282.96</u> | <u>(1,043,166.24)</u> | 6.31% |
| | 12-85 | 25,127.09 | 35,193.19 | 10,066.10 | |
| TOTAL | | <u>1,138,576.29</u> | <u>105,476.15</u> | <u>(1,033,100.14)</u> | 9.26% |
| | 01-86 | 12,901.27 | 44,166.88 | 31,265.61 | |
| TOTAL | | <u>1,151,477.56</u> | <u>149,643.03</u> | <u>(1,001,834.53)</u> | 13.00% |
| | 02-86 | 10,912.60 | 35,534.46 | 24,621.86 | |
| TOTAL | | <u>1,162,390.16</u> | <u>185,177.49</u> | <u>(977,212.67)</u> | 15.93% |
| | 03-86 | 18,882.12 | 14,982.48 | (3,899.64) | |
| TOTAL | | <u>1,181,272.28</u> | <u>200,159.97</u> | <u>(981,112.31)</u> | 16.94% |
| | 04-86 | 1,966.13 | 8,232.41 | 6,266.28 | |
| TOTAL | | <u>1,183,238.41</u> | <u>208,392.38</u> | <u>(974,846.03)</u> | 17.61% |
| | 05-86 | 7,807.43 | 14,086.71 | 6,279.28 | |
| TOTAL | | <u>1,191,045.84</u> | <u>222,479.09</u> | <u>(968,566.75)</u> | 18.68% |
| | 06-86 | 3,234.17 | 7,545.74 | 4,311.57 | |
| TOTAL | | <u>1,194,280.01</u> | <u>230,024.83</u> | <u>(964,255.18)</u> | 19.26% |
| | 07-86 | 3,276.07 | 6,785.91 | 3,509.84 | |
| TOTAL | | <u>1,197,556.08</u> | <u>236,810.74</u> | <u>(960,745.34)</u> | 19.77% |
| | 08-86 | 3,780.52 | 4,570.83 | 790.31 | |
| TOTAL | | <u>1,201,336.60</u> | <u>241,381.57</u> | <u>(959,955.03)</u> | 20.09% |
| | 09-86 | 11,977.95 | 4,990.42 | (6,987.53) | |
| TOTAL | | <u>1,213,314.55</u> | <u>246,371.99</u> | <u>(966,942.56)</u> | 20.31% |
| | 10-86 | 4,584.45 | 8,376.80 | 1,792.35 | |
| TOTAL | | <u>1,217,899.00</u> | <u>252,748.79</u> | <u>(965,150.21)</u> | 20.75% |
| | 11-86 | 2,344.24 | 4,326.90 | 1,982.66 | |

DOYLE HARTMAN, OIL OPERATOR
STATUS OF PAYOUT ACCOUNT

CARLSON FEDERAL 14

| | DATE | CUMULATIVE COSTS | CUMULATIVE NET REVENUE | NET POSITION | % PAID OUT |
|-------|------------|---------------------|---------------------------|-----------------|---------------|
| TOTAL | | 1,220,243.24 | 257,075.69 | (963,167.55) | 21.07% |
| | 12-86 | 5,949.78 | 3,708.17 | (2,241.61) | |
| TOTAL | | 1,226,193.02 | 260,783.86 | (965,409.16) | 21.27% |
| | 01-87 | 6,971.12 | 4,053.88 | (2,917.24) | |
| TOTAL | | 1,233,164.14 | 264,837.74 | (968,326.40) | 21.48% |
| | 02-87 | 4,844.15 | 3,380.28 | (1,463.87) | |
| TOTAL | | 1,238,008.29 | 268,218.02 | (969,790.27) | 21.67% |
| | 03-87 | 6,550.32 | 2,756.96 | (3,793.36) | |
| TOTAL | | 1,244,558.61 | 270,974.98 | (973,583.63) | 21.77% |
| | 04-87 | 7,273.40 | 3,644.36 | (3,629.04) | |
| TOTAL | | 1,251,832.01 | 274,619.34 | (977,212.67) | 21.94% |
| | 05-87 | 2,990.51 | 9,443.34 | 6,452.83 | |
| TOTAL | | 1,254,822.52 | 284,062.68 | (970,759.84) | 22.64% |
| | 11-86 ADJ. | 0.00 | (79.23) | (79.23) | |
| TOTAL | | 1,254,822.52 | 283,983.45 | (970,839.07) | 22.63% |

CARLSON FEDERAL #4
Well Costs

| Date | Intangible Drilling Costs | Drilling Costs at 300% Payout | Lease and Well Equipment | Lease & Well Equip. at 300% Payout | Lease Operating Expense | Total |
|-------|---------------------------|-------------------------------|--------------------------|------------------------------------|-------------------------|---------------------|
| 09-85 | 128,524.51 | 385,573.53 | 38,377.89 | 115,133.67 | 26,626.66 | 527,333.86 |
| 10-85 | 155,928.05 | 467,784.15 | 32,948.41 | 98,845.23 | 14,333.16 | 580,962.54 |
| TOTAL | <u>284,452.56</u> | <u>853,357.68</u> | <u>71,326.30</u> | <u>213,978.90</u> | <u>40,959.82</u> | <u>1,108,296.40</u> |
| 11-85 | 530.63 | 1,591.89 | | | 3,560.91 | 5,152.80 |
| TOTAL | <u>284,983.19</u> | <u>854,949.57</u> | <u>71,326.30</u> | <u>213,978.90</u> | <u>44,520.73</u> | <u>1,113,449.26</u> |
| 12-85 | 30.06 | 90.18 | | | 25,036.91 | 25,127.09 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>71,326.30</u> | <u>213,978.90</u> | <u>69,557.64</u> | <u>1,138,576.29</u> |
| 01-86 | | | 1,890.00 | 5,670.00 | 7,231.27 | 12,901.27 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>73,216.30</u> | <u>219,648.90</u> | <u>76,788.91</u> | <u>1,151,477.56</u> |
| 02-86 | | | | | 10,912.60 | 10,912.60 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>73,216.30</u> | <u>219,648.90</u> | <u>87,701.51</u> | <u>1,162,390.16</u> |
| 03-86 | | | 4,315.93 | 12,947.79 | 5,934.33 | 18,882.15 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>77,532.23</u> | <u>232,596.69</u> | <u>93,635.84</u> | <u>1,181,272.20</u> |
| 04-86 | | | | | 1,966.13 | 1,966.13 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>77,532.23</u> | <u>232,596.69</u> | <u>95,601.97</u> | <u>1,183,238.44</u> |
| 05-86 | | | | | 7,807.43 | 7,807.43 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>77,532.23</u> | <u>232,596.69</u> | <u>103,409.40</u> | <u>1,191,045.87</u> |
| 06-86 | | | | | 3,234.17 | 3,234.17 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>77,532.23</u> | <u>232,596.69</u> | <u>106,643.57</u> | <u>1,194,280.00</u> |
| 07-86 | | | | | 3,276.07 | 3,276.07 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>77,532.23</u> | <u>232,596.69</u> | <u>109,919.64</u> | <u>1,197,556.00</u> |
| 08-86 | | | | | 3,780.52 | 3,780.52 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>77,532.23</u> | <u>232,596.69</u> | <u>113,700.16</u> | <u>1,201,336.66</u> |
| 09-86 | | | 2,181.50 | 6,544.50 | 5,433.45 | 11,977.95 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>79,713.73</u> | <u>239,141.19</u> | <u>119,133.61</u> | <u>1,213,314.53</u> |
| 10-86 | | | | | 4,584.45 | 4,584.45 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>79,713.73</u> | <u>239,141.19</u> | <u>123,718.06</u> | <u>1,217,899.00</u> |
| 11-86 | | | | | 2,344.24 | 2,344.24 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>79,713.73</u> | <u>239,141.19</u> | <u>126,062.30</u> | <u>1,220,243.54</u> |
| 12-86 | | | | | 5,949.78 | 5,949.78 |
| TOTAL | <u>285,013.25</u> | <u>855,039.75</u> | <u>79,713.73</u> | <u>239,141.19</u> | <u>132,012.08</u> | <u>1,226,193.00</u> |
| 01-87 | | | | | 6,971.12 | 6,971.12 |

CARLSON FEDERAL #4
Well Costs

| Date | Intangible Drilling Costs | Drilling Costs at 300% Payout | Lease and Well Equipament | Lease & Well Equip. at 300% Payout | Lease Operating Expense | Total |
|-------|---------------------------------|-------------------------------------|---------------------------------|--|-------------------------------|--------------|
| TOTAL | 285,013.25 | 855,039.75 | 79,713.73 | 239,141.19 | 138,983.20 | 1,233,164.14 |
| 02-87 | | | | | 4,844.15 | 4,844.15 |
| TOTAL | 285,013.25 | 855,039.75 | 79,713.73 | 239,141.19 | 143,827.35 | 1,238,008.29 |
| 03-87 | | | | | 6,550.32 | 6,550.32 |
| TOTAL | 285,013.25 | 855,039.75 | 79,713.73 | 239,141.19 | 150,377.67 | 1,244,558.61 |
| 04-87 | | | | | 7,273.40 | 7,273.40 |
| TOTAL | 285,013.25 | 855,039.75 | 79,713.73 | 239,141.19 | 157,651.07 | 1,251,832.01 |
| 05-87 | | | | | 2,990.51 | 2,990.51 |
| TOTAL | 285,013.25 | 855,039.75 | 79,713.73 | 239,141.19 | 160,641.58 | 1,254,822.52 |
| 06-87 | | | | | 20,394.26 | 20,394.26 |
| TOTAL | 285,013.25 | 855,039.75 | 79,713.73 | 239,141.19 | 181,035.84 | 1,275,216.78 |

CARLSON FEDERAL #4
REVENUE COSTS

| DATE | GROSS VALUE | PRODUCTION TAX | NET VALUE | LESS .12500 OF GROSS | NET APPLIED TO P/O |
|------------|----------------|-------------------|--------------|----------------------------|--------------------------|
| 10-85 | 42,232.23 | 3,004.10 | 39,228.13 | 5,279.03 | 33,949.10 |
| 11-85 | 3,083.90 | 118.39 | 2,965.51 | 385.49 | 2,580.02 |
| TOTAL | 45,316.13 | 3,122.49 | 42,193.64 | 5,664.52 | 36,529.12 |
| 11-85 ADJ. | 42,520.45 | 3,451.55 | 39,068.90 | 5,315.06 | 33,753.84 |
| TOTAL | 87,836.58 | 6,574.04 | 81,262.54 | 10,979.57 | 70,282.97 |
| 12-85 | 44,445.44 | 3,696.57 | 40,748.87 | 5,555.68 | 35,193.19 |
| TOTAL | 132,282.02 | 10,270.61 | 122,011.41 | 16,535.25 | 105,476.16 |
| 01-86 | 55,770.84 | 4,632.61 | 51,138.23 | 6,971.36 | 44,166.88 |
| TOTAL | 188,052.86 | 14,903.22 | 173,149.64 | 23,506.61 | 149,643.03 |
| 02-86 | 44,863.32 | 3,720.95 | 41,142.37 | 5,607.92 | 35,534.46 |
| TOTAL | 232,916.18 | 18,624.17 | 214,292.01 | 29,114.52 | 185,177.49 |
| 03-86 | 18,858.40 | 1,518.62 | 17,339.78 | 2,357.30 | 14,982.48 |
| TOTAL | 251,774.58 | 20,142.79 | 231,631.79 | 31,471.82 | 200,159.97 |
| 04-86 | 10,360.58 | 833.10 | 9,527.48 | 1,295.07 | 8,232.41 |
| TOTAL | 262,135.16 | 20,975.89 | 241,159.27 | 32,766.90 | 208,392.38 |
| 05-86 | 17,726.24 | 1,423.75 | 16,302.49 | 2,215.78 | 14,086.71 |
| TOTAL | 279,861.40 | 22,399.64 | 257,461.76 | 34,982.68 | 222,479.09 |
| 06-86 | 10,149.68 | 1,335.23 | 8,814.45 | 1,268.71 | 7,545.74 |
| TOTAL | 290,011.08 | 23,734.87 | 266,276.21 | 36,251.39 | 230,024.83 |
| 07-86 | 9,171.56 | 1,239.21 | 7,932.35 | 1,146.45 | 6,785.91 |
| TOTAL | 299,182.64 | 24,974.08 | 274,208.56 | 37,397.83 | 236,810.73 |
| 08-86 | 6,202.49 | 856.35 | 5,346.14 | 775.31 | 4,570.83 |
| TOTAL | 305,385.13 | 25,830.43 | 279,554.70 | 38,173.14 | 241,381.56 |
| 09-86 | 6,736.88 | 904.35 | 5,832.53 | 842.11 | 4,990.42 |
| TOTAL | 312,122.01 | 26,734.78 | 285,387.23 | 39,015.25 | 246,371.98 |
| 10-86 | 8,608.33 | 1,155.49 | 7,452.84 | 1,076.04 | 6,376.80 |
| TOTAL | 320,730.34 | 27,890.27 | 292,840.07 | 40,091.29 | 252,748.78 |
| 11-86 | 6,131.84 | 1,038.46 | 5,093.38 | 766.48 | 4,326.90 |
| TOTAL | 326,862.18 | 28,928.73 | 297,933.45 | 40,857.77 | 257,075.68 |
| 12-86 | 5,106.05 | 759.62 | 4,346.43 | 638.26 | 3,708.17 |

CARLSON FEDERAL #4
REVENUE COSTS

| DATE | GROSS VALUE | PRODUCTION TAX | NET VALUE | LESS .12500 OF GROSS | NET APPLIED TO P/O |
|------------|----------------|-------------------|--------------|----------------------------|--------------------------|
| TOTAL | 331,968.23 | 29,688.35 | 302,279.88 | 41,496.03 | 260,783.85 |
| 01-87 | 5,551.97 | 804.09 | 4,747.88 | 694.00 | 4,053.88 |
| TOTAL | 337,520.20 | 30,492.44 | 307,027.76 | 42,190.03 | 264,837.74 |
| 02-87 | 4,507.03 | 563.37 | 3,943.66 | 563.38 | 3,380.28 |
| TOTAL | 342,027.23 | 31,055.81 | 310,971.42 | 42,753.40 | 268,218.02 |
| 03-87 | 3,704.03 | 487.07 | 3,219.96 | 463.00 | 2,756.96 |
| TOTAL | 345,731.26 | 31,542.88 | 314,191.38 | 43,216.41 | 270,974.97 |
| 04-87 | 4,929.25 | 668.73 | 4,260.52 | 616.16 | 3,644.36 |
| TOTAL | 350,660.51 | 32,211.61 | 318,451.90 | 43,832.56 | 274,619.34 |
| 05-87 | 11,884.45 | 955.55 | 10,928.90 | 1,485.56 | 9,443.34 |
| TOTAL | 362,544.96 | 33,167.16 | 329,380.80 | 45,318.12 | 284,062.68 |
| 11-86 ADJ. | (96.93) | 5.58 | (91.35) | (12.12) | (79.23) |
| TOTAL | 362,448.03 | 33,172.74 | 329,289.45 | 45,306.00 | 283,983.45 |

DOYLE HARTMAN, OIL OPERATOR
STATUS OF PAYOUT ACCOUNT

CARLSON FEDERAL #5

| | CUMULATIVE | CUMULATIVE | NET | % PAID |
|-------|------------|------------|--------------|--------|
| 12-85 | 908,614.23 | | (908,614.23) | 0.00% |
| 01-86 | 45,163.15 | | (45,163.15) | |
| TOTAL | 953,777.38 | 0.00 | (953,777.38) | 0.00% |
| 02-86 | 10,500.93 | | (10,500.93) | |
| TOTAL | 964,278.31 | 0.00 | (964,278.31) | 0.00% |
| 03-86 | 2,143.19 | 40,994.59 | 38,851.40 | |
| TOTAL | 966,421.50 | 40,994.59 | (925,426.91) | 4.24% |
| 04-86 | 1,597.30 | 31,445.20 | 29,847.90 | |
| TOTAL | 968,018.80 | 72,439.79 | (895,579.01) | 7.48% |
| 05-86 | 1,289.57 | 27,869.44 | 26,579.87 | |
| TOTAL | 969,308.37 | 100,309.23 | (868,999.14) | 10.35% |
| 06-86 | 1,247.39 | 10,249.78 | 9,002.39 | |
| TOTAL | 970,555.76 | 110,559.01 | (859,996.75) | 11.39% |
| 07-86 | 1,007.94 | 9,562.27 | 8,554.33 | |
| TOTAL | 971,563.70 | 120,121.28 | (851,442.42) | 12.36% |
| 08-86 | 1,718.47 | 8,741.56 | 7,023.09 | |
| TOTAL | 973,282.17 | 128,862.84 | (844,419.33) | 13.24% |
| 09-86 | 1,685.90 | 8,593.10 | 6,907.20 | |
| TOTAL | 974,968.07 | 137,455.94 | (837,512.13) | 14.10% |
| 10-86 | 954.29 | 8,282.32 | 7,328.03 | |
| TOTAL | 975,922.36 | 145,738.26 | (830,184.10) | 14.93% |
| 11-86 | 2,844.15 | 3,899.88 | 1,055.73 | |
| TOTAL | 978,766.51 | 149,638.14 | (829,128.37) | 15.29% |
| 12-86 | 1,080.14 | 6,157.39 | 5,077.25 | |
| TOTAL | 979,846.65 | 155,795.53 | (824,051.12) | 15.90% |
| 01-87 | 1,123.00 | 5,889.63 | 4,766.63 | |
| TOTAL | 980,969.65 | 161,685.16 | (819,284.49) | 16.48% |
| 02-87 | 882.66 | 6,121.21 | 5,238.55 | |
| TOTAL | 981,852.31 | 167,806.37 | (814,045.94) | 17.09% |
| 03-87 | 1,064.17 | 6,515.31 | 5,451.14 | |

DOYLE HARTMAN, OIL OPERATOR
 STATUS OF PAYOUT ACCOUNT

CARLSON FEDERAL #5

| | | CUMULATIVE | CUMULATIVE | NET | % PAID |
|-------|------------|-------------------|-------------------|---------------------|--------|
| TOTAL | | 982,916.48 | 174,321.68 | (808,594.80) | 17.74% |
| | 04-87 | 1,011.28 | 5,235.14 | 4,223.86 | |
| TOTAL | | <u>983,927.76</u> | <u>179,556.82</u> | <u>(804,370.94)</u> | 18.25% |
| | 05-87 | 1,178.07 | 12,887.28 | 11,709.21 | |
| TOTAL | | <u>985,105.83</u> | <u>192,444.10</u> | <u>(792,661.73)</u> | 19.54% |
| | 11-86 ADJ. | 0.00 | 2,329.83 | 2,329.83 | |
| TOTAL | | <u>985,105.83</u> | <u>194,773.93</u> | <u>(790,331.90)</u> | 19.77% |

CARLSON FEDERAL #5
Well Costs

| Date | Intangible Drilling Costs | Drilling Costs at 300% Payout | Lease and Well Equipment | Lease & Well Equip. at 300% Payout | Lease Operating Expense | Total |
|-------|---------------------------------|-------------------------------------|--------------------------------|--|-------------------------------|-------------------|
| 12-85 | 238,976.90 | 716,930.70 | 54,953.35 | 164,860.05 | 26,823.48 | 908,614.23 |
| 01-86 | (11,210.10) | (33,630.30) | 22,658.14 | 67,974.42 | 10,819.03 | 45,163.15 |
| TOTAL | <u>227,766.80</u> | <u>683,300.40</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>37,642.51</u> | <u>953,777.38</u> |
| 02-86 | 1,870.22 | 5,610.66 | | | 4,890.27 | 10,500.93 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>42,532.78</u> | <u>964,278.31</u> |
| 03-86 | | | | | 2,143.19 | 2,143.19 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>44,675.97</u> | <u>966,421.50</u> |
| 04-86 | | | | | 1,597.30 | 1,597.30 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>46,273.27</u> | <u>968,018.80</u> |
| 05-86 | | | | | 1,289.57 | 1,289.57 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>47,562.84</u> | <u>969,308.37</u> |
| 06-86 | | | | | 1,247.39 | 1,247.39 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>48,810.23</u> | <u>970,555.76</u> |
| 07-86 | | | | | 1,007.94 | 1,007.94 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>49,818.17</u> | <u>971,563.70</u> |
| 08-86 | | | | | 1,718.47 | 1,718.47 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>51,536.64</u> | <u>973,282.17</u> |
| 09-86 | | | | | 1,685.90 | 1,685.90 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>53,222.54</u> | <u>974,968.07</u> |
| 10-86 | | | | | 954.29 | 954.29 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>54,176.83</u> | <u>975,922.36</u> |
| 11-86 | | | | | 2,844.15 | 2,844.15 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>57,020.98</u> | <u>978,766.51</u> |
| 12-86 | | | | | 1,080.14 | 1,080.14 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>58,101.12</u> | <u>979,846.65</u> |
| 01-87 | | | | | 1,123.00 | 1,123.00 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>59,224.12</u> | <u>980,969.65</u> |
| 02-87 | | | | | 882.66 | 882.66 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>60,106.78</u> | <u>981,852.31</u> |
| 03-87 | | | | | 1,064.17 | 1,064.17 |
| TOTAL | <u>229,637.02</u> | <u>688,911.06</u> | <u>77,611.49</u> | <u>232,834.47</u> | <u>61,170.95</u> | <u>982,916.48</u> |
| 04-87 | | | | | 1,011.28 | 1,011.28 |

CARLSON FEDERAL #5
REVENUE COSTS

| | GROSS | PRODUCTION | NET | LESS .12500 OF GROSS | NET APPLIED |
|------------|------------|------------|------------|----------------------------|----------------|
| 03-86 | 42,802.27 | 3,585.76 | 39,216.51 | 5,350.28 | 33,866.23 |
| 03-86 ADJ. | 8,520.63 | 327.19 | 8,193.44 | 1,065.08 | 7,128.36 |
| TOTAL | 51,322.90 | 3,912.95 | 47,409.95 | 6,415.36 | 40,994.59 |
| 04-86 | 39,362.37 | 2,996.87 | 36,365.50 | 4,920.30 | 31,445.20 |
| TOTAL | 90,685.27 | 6,909.82 | 83,775.45 | 11,335.66 | 72,439.79 |
| 05-86 | 34,882.69 | 2,652.91 | 32,229.78 | 4,360.34 | 27,869.44 |
| TOTAL | 125,567.96 | 9,562.73 | 116,005.23 | 15,696.00 | 100,309.24 |
| 06-86 | 13,607.22 | 1,656.54 | 11,950.68 | 1,700.90 | 10,249.78 |
| TOTAL | 139,175.18 | 11,219.27 | 127,955.91 | 17,396.90 | 110,559.01 |
| 07-86 | 12,652.43 | 1,508.61 | 11,143.82 | 1,581.55 | 9,562.27 |
| TOTAL | 151,827.61 | 12,727.88 | 139,099.73 | 18,978.45 | 120,121.28 |
| 08-86 | 11,697.63 | 1,493.87 | 10,203.76 | 1,462.20 | 8,741.56 |
| TOTAL | 163,525.24 | 14,221.75 | 149,303.49 | 20,440.66 | 128,862.84 |
| 09-86 | 11,239.62 | 1,241.57 | 9,998.05 | 1,404.95 | 8,593.10 |
| TOTAL | 174,764.86 | 15,463.32 | 159,301.54 | 21,845.61 | 137,455.93 |
| 10-86 | 10,847.69 | 1,209.41 | 9,638.28 | 1,355.96 | 8,282.32 |
| TOTAL | 185,612.55 | 16,672.73 | 168,939.82 | 23,201.57 | 145,738.25 |
| 11-86 | 5,520.34 | 930.42 | 4,589.92 | 690.04 | 3,899.88 |
| TOTAL | 191,132.89 | 17,603.15 | 173,529.74 | 23,891.61 | 149,638.13 |
| 12-86 | 8,277.72 | 1,085.62 | 7,192.10 | 1,034.72 | 6,157.39 |
| TOTAL | 199,410.61 | 18,688.77 | 180,721.84 | 24,926.33 | 155,795.51 |
| 01-87 | 7,882.93 | 1,007.93 | 6,875.00 | 985.37 | 5,889.63 |
| TOTAL | 207,293.54 | 19,696.70 | 187,596.84 | 25,911.69 | 161,685.15 |
| 02-87 | 8,097.46 | 964.07 | 7,133.39 | 1,012.18 | 6,121.21 |
| TOTAL | 215,391.00 | 20,660.77 | 194,730.23 | 26,923.88 | 167,806.36 |
| 03-87 | 8,650.06 | 1,053.49 | 7,596.57 | 1,081.26 | 6,515.31 |
| TOTAL | 224,041.06 | 21,714.26 | 202,326.80 | 28,005.13 | 174,321.67 |
| 04-87 | 6,950.45 | 846.50 | 6,103.95 | 868.81 | 5,235.14 |
| TOTAL | 230,991.51 | 22,560.76 | 208,430.75 | 28,873.94 | 179,556.81 |
| 05-87 | 16,103.89 | 1,203.62 | 14,900.27 | 2,012.99 | 12,887.28 |

CARLSON FEDERAL #5
REVENUE COSTS

| | GROSS | PRODUCTION | NET | LESS .12500 OF GROSS | NET APPLIED |
|------------|-------------------|------------------|-------------------|----------------------------|-------------------|
| TOTAL | 247,095.40 | 23,764.38 | 223,331.02 | 30,886.93 | 192,444.10 |
| 11-86 ADJ. | 2,914.74 | 220.57 | 2,694.17 | 344.34 | 2,329.83 |
| TOTAL | <u>250,010.14</u> | <u>23,984.95</u> | <u>226,025.19</u> | <u>31,251.27</u> | <u>194,773.92</u> |

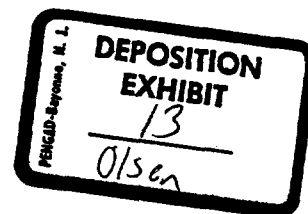
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Garold Bowlby

Nov. 9, 1987

Howard Olsen
Box #32279
Phoenix, Az. 85016



Dear Howard:

This is tentative and rough as to various items we may want to challenge regarding Hartman's charges on the Carlson #4 & #5 wells.

We are also including a copy of the Carlson #4 Pooling Order.

CARLSON #4

- (1) 9-13-85 Hauling 300 bbls.(bine?) water to Carlson #2 - we think it was shut in at the time. \$264.60
- (2) 9-30-85 Chamco Equip. Co. - no supporting invoice for \$10,500.00 pumping unit. (They probably put one on but could never find an invoice.)
- (3) 9-30-85 Hartman billed \$1840.00 Drilling Overhead under Intangible Drilling Cost.
10-31-85 \$5300.24 Producing Overhead.
A total of \$7140.24

The court order allows \$5,500.00 per month while drilling. \$1640.24 too much but the \$1840.00 would be recouped 3 times instead of one since it was charged under IDC.

The New Mexico Conservation Division allow \$550.00 per month however they only start charging us \$517.10 per month. This amount has been increased every April 1st. We need for our attorneys to say if this increase is normal and proper in New Mexico. The

order does not say to increase but this may be normal in the industry in New Mexico.

- (4) 9-30-85 \$23,455.24 Legal & Regulatory Charge. (They are to mail us copies that make up this entry. As of 11-9-87 will be in mail to us on 11-10-87.)
- (5) 10-31-85 \$5300.24 Producing Overhead.
\$2161.91 Legal & Regulatory.
(Copies of charges will be in mail to us 11-10-87)
- (6) 12-31-85 \$1709.53 Legal & Regulatory - Atwood, Malone, etc. Legal research Hartman v Olsen. This appears to be for research because of no operating agreement with you on #2 & #3. (See #5 well.)
- (7) 2-28-86 \$900.00 Legal & Regulatory charge. Arbitrary billing Of Airplane expense.
- (8) 2-7-86 XL Trans. Co. Two charges of \$1732.50 each to Carlson #3. #3 was crossed out and #4 was pencilled in. The periods covered were 1-4-86 thru 1-17-86 1650 bbls disposal water and 1650 bbls 1-19-86 thru 1-27-86.
- (9) 12-31-85 Jack Fletcher-Consulting Fee-\$9705.47 (9/7 thru 9/28) (Seems high for a 4,000 ft. well)

CARLSON #5

- (1) 12-31-85 D. Hartman - Drilling & Producing Overhead.
 - " LOE \$5000.00
 - IDC 1049.18
 - \$6049.18

New Mexico Conservation Division allowance \$4800.00 per month while drilling and \$480.00 while producing. \$1,249.18 too much but more important the \$1,049.18 would be recouped three times since billed as IDC They start charging us \$550.00 in LOE instead of the


\$480.00 and increase each April 1st as noted above.
(Item #3 under the Carlson #4)

- (2) 12-16-85 ANM Const. - Pad, Road, and place cellar \$8,198.33 for Carlson Harrison Federal #5 charged to Carlson #5 in error.
- (3) 1-21-86 Joyce Willis - damages to run 2" plastic line from Carlson #5 (Sec. 26) to Carlson #4 (Sec. 22). #4 is in Section #23 not 22. \$400.00 charge.
- (4) 2-27-86 Gene's Well Service - inv. #10224 \$1348.38 shows Gregory #5 billed to Carlson #5 in error.
- (5) 12-31-85 \$1709.85 Legal & Regulatory - Atwood, Malone, etc. (See Carlson #4 - exception #6.)
- (6) 2-28-86 Legal & Regulatory \$1,000.00 airplane expense. Arbitrary billing.
- (7) 12-31-85 Jack Fletcher - Consulting Fee \$4024.18 (12/10-12/19) (See Carlson #4 - exception #9)

Also, as we have discussed earlier, they spent about \$28,000.00 in September and October of 1985 for Transformer, Rods, Pumping Unit, etc. on the Carlson #3 without notifying you.

If you need additional information, please advise.

Very truly yours,


Garold Bowlby

GB/dwb

Copy to: T. Calder Ezzell Jr.
Hinkle, Cox, Eaton, Coffield, & Hensley
Roswell, N.M.

BOYLE HARTMAN, OIL OPERATORS
WELL FILE DETAIL SHEET
FOR THE MONTH ENDING SEPTEMBER 30, 1985

WELL NAME CARLSON FEDERAL #4

WELL NUMBER 00717 004

| DATE | VENDOR NAME | DESCRIPTION | GROSS |
|---|----------------------|----------------------|---------------|
| LEASE OPERATING EXPENSE - ALP | | | |
| 9/30/85 | PUMPING UNITS SERVIC | CONTRACT LABOR | 2,098.03 |
| 9/30/85 | TAHOE DRILLING COMPA | EQUIPMENT RENTAL | 1,073.49 |
| TOTAL LEASE OPERATING EXPENSE - ALP ** | | | 3,171.52 |
| LEASE OPERATING EXPENSE - JIB | | | |
| (4) 9/30/85 | D. HARTMAN OIL OPERA | LEGAL & REGULATORY | X 23,455.14 ✓ |
| TOTAL LEASE OPERATING EXPENSE - JIB ** | | | 23,455.14 |
| INTANGIBLE DRILLING COST - TLP | | | |
| 9/30/85 | D. HARTMAN OIL OPERA | DRILLING OVERHEAD | X 1,940.00 ✓ |
| 9/30/85 | BRIAN HALL | LOGGING AND TESTING | 1,602.73 |
| 8/04/85 | EASTERN NEW MEXICO L | ROADS AND LOCATION | 142.91 |
| 9/11/85 | HALLIBURTON | CEMENTING SERVICES | 3,327.47 |
| 8/30/85 | K & L EQUIPMENT COMP | PIT LINER | 924.00 |
| 9/17/85 | MERCURY TRANSPORTATI | TRUCKING AND TRANSPD | 178.00 |
| 9/16/85 | PAUL MUSSLEWHITE TRU | TRUCKING AND TRANSPD | 92.68 |
| 9/05/85 | AM CONSTRUCTION | ROADS AND LOCATION | 2,071.51 |
| 9/30/85 | LARRY NERMYR | LOGGING AND TESTING | 1,903.33 |
| 9/30/85 | SHEILA POTTS | LOGGING AND TESTING | 1,041.25 |
| 9/25/85 | PROFILE | CORING AND MUD LOGGI | 3,697.68 |
| 9/22/85 | TAHOE DRILLING COMPA | FOOTAGE COST | Y 29,632.00 |
| 9/22/85 | TAHOE DRILLING COMPA | DRY WORK COST | X 31,714.38 |
| 9/22/85 | TAHOE DRILLING COMPA | BITS AND REAMERS | 1,340.28 |
| 9/23/85 | TEXAS MUD AND CHEMIC | MUD AND CHEMICALS | ✓ 14,087.61 |
| 9/23/85 | TEXAS MUD AND CHEMIC | MUD AND CHEMICALS | 6,227.47 |
| (1) 9/13/85 | XL TRANSPORTATION CC | WATER | 254.60 |
| 9/13/85 | XL TRANSPORTATION CC | WATER | 472.50 |
| 9/20/85 | XL TRANSPORTATION CC | WATER | 826.88 |
| 9/20/85 | XL TRANSPORTATION CC | WATER | 2,116.80 |
| TOTAL INTANGIBLE DRILLING COST - TLP ** | | | 96,089.18 |
| INTANGIBLE DRILLING COST - ALP | | | |
| 9/25/85 | APACHE SERVICES, INC | OTHER COMPLETION EXP | 1,823.27 |
| 9/24/85 | HALLIBURTON | STIMULATION | 1,860.16 |
| 9/21/85 | HALLIBURTON | CEMENTING SERVICES | X 13,390.26 |
| 9/21/85 | HALLIBURTON | OTHER COMPLETION EXP | 1,632.05 |
| 9/27/85 | HALLIBURTON | OTHER COMPLETION EXP | 1,622.55 |
| 9/30/85 | I S & S INCORPORATED | MISCELLANEOUS MATERI | 640.17 |
| 9/24/85 | BOB MALLET | LOGGING AND TESTING | 100.00 |
| 9/21/85 | SCHLUMBERGER WELL SE | OTHER COMPLETION EXP | Y 2,241.38 |
| 9/20/85 | WELEX | OTHER COMPLETION EXP | X 8,076.72 |
| 8/31/85 | JOHN WEST ENGINEERIN | CONSULTING FEES | 422.21 |
| 9/27/85 | XL TRANSPORTATION CC | WATER | 636.55 |
| TOTAL INTANGIBLE DRILLING COST - ALP ** | | | 32,435.33 |

DOYLE HARTMAN

P.O. BOX 10428
MIDLAND, TX 79702
(815) 884-4011

JOINT OWNER INVOICE

PAGE

OWNER 47784 DOYLE HARTMAN
LEASE 00717 CARLSON FEDERAL #4

DATE OCTOBER 31, 1985

INVOICE 851000929

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SH. |
|---|----------------------|---------------------|------------|----------|
| 10/01/85 | LEWALLEN SUPPLY COMP | MISCELLANEOUS MATER | 494.03 | 351 |
| 10/17/85 | CLARKE OIL WELL SERV | COMPLETION UNIT | 13,403.53 | 9,529 |
| 9/30/85 | JOHN WEST ENGINEERIN | OTHER COMPLETION EX | 642.39 | 456 |
| 10/04/85 | J & J OILFIELD SERVI | OTHER COMPLETION EX | 622.13 | 442 |
| TOTAL INTANGIBLE DRILLING COST - ALP ** | | | 152,187.87 | 108,196 |

LEASE AND WELL EQUIPMENT - ALP

| | | | | |
|----------|----------------------|---------------------|-----------|-------|
| 10/11/85 | PALMER MFG. & TANK | TANKS | 4,374.33 | 3,109 |
| 10/14/85 | AXELSON, INC. | PCDS | 5,123.42 | 3,642 |
| 10/14/85 | AXELSON, INC. | REDS | 739.89 | 526 |
| 9/30/85 | CHAMCO EQUIPMENT COM | PUMPING UNITS | 10,500.00 | 7,464 |
| 10/24/85 | BIXIE ELECTRIC, INC. | ENGINES AND METERS | 3,279.06 | 2,331 |
| 10/26/85 | DONNIE'S WELDING | SEPARATION EQUIPMEN | 1,890.00 | 1,343 |
| 10/17/85 | B.P. SALES | SEPARATION EQUIPMEN | 4,786.58 | 3,402 |
| 10/21/85 | FLOYD'S NEW & USED | MISCELLANEOUS PIPIN | 2,255.13 | 1,603 |

TOTAL LEASE AND WELL EQUIPMENT - ALP ** 32,948.41 23,424

LEASE TOTAL *** 203,209.62 144,469

LEASE 00717 CARLSON FEDERAL #4

YOUR INTEREST .71093750 144,469

DOYLE HARTMAN

P.O. BOX 10428
MIDLAND, TX 79702
(915) 684-4011

JOINT OWNER INVOICE

PAGE

OWNER 47764 DOYLE HARTMAN
LEASE 00717 CARLSON FEDERAL #4

DATE OCTOBER 31, 1985
INVOICE 851000929

LEASE OPERATING EXPENSE - ALP

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|-------------------------------------|----------------------|---------------------|------------|------------|
| 10/11/85 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | 895.13 | 636. |
| 10/11/85 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | 144.64 | 102. |
| 10/28/85 | JAL WELDING & MACHIA | CONTRACT LABOR | 332.62 | 236. |
| 10/31/85 | FLOYDS PUMPING & RCU | CONTRACT LABOR | X 1,942.08 | 1,380. |
| 10/05/85 | LOPPS WELDING SERVIC | CONTRACT LABOR | 58.80 | 41. |
| 10/05/85 | LOPPS WELDING SERVIC | CONTRACT LABOR | 117.60 | 83. |
| 10/21/85 | FLOYDS PUMPING & RCU | CONTRACT LABOR | 739.20 | 525. |
| 10/15/85 | FLOYDS PUMPING & RCU | CONTRACT LABOR | X 1,193.33 | 849. |
| 10/26/85 | CONNIE'S WELDING | CONTRACT LABOR | 176.40 | 125. |
| TOTAL LEASE OPERATING EXPENSE - ALP | | | 5,599.80 | 3,921. |

LEASE OPERATING EXPENSE - JIB

| | | | | |
|-------------------------------------|----------------------|---------------------|------------|--------|
| 10/31/85 | D. HARTMAN OIL OPERA | PUMPER | 152.47 | 108. |
| 10/31/85 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | 26. |
| 10/31/85 | D. HARTMAN OIL OPERA | INSURANCE | 42.50 | 30. |
| 10/31/85 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 129.42 | 92. |
| 10/04/85 | XL TRANSPORTATION CC | SALT WATER DISPOSAL | 630.00 | 447. |
| 10/31/85 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | X 5,300.24 | 3,768. |
| 10/31/85 | ROBBS SUN | OTHER OPERATING EXP | 8.45 | 6. |
| 10/17/85 | CAMPBELL AND BLACK, | OTHER OPERATING EXP | 262.18 | 186. |
| 10/25/85 | ROBBS SUN | OTHER OPERATING EXP | 8.45 | 6. |
| 10/31/85 | D. HARTMAN OIL OPERA | LEGAL & REGULATORY | X 2,161.91 | 1,536. |
| TOTAL LEASE OPERATING EXPENSE - JIB | | | 8,733.36 | 6,208. |

INTANGIBLE DRILLING COST - TLP

| | | | | |
|--------------------------------------|----------------------|---------------------|------------|--------|
| 10/04/85 | XL TRANSPORTATION CO | WATER | X 1,321.50 | 939. |
| 10/11/85 | XL TRANSPORTATION CC | WATER | X 2,227.44 | 1,583. |
| 10/21/85 | MARTIN WATER LABCRAT | CCRING AND MUC LOGG | 63.50 | 45. |
| 10/04/85 | MERRYMAN CONSTRUCTIO | TRUCKING AND TRANSP | 127.74 | 90. |
| TOTAL INTANGIBLE DRILLING COST - TLP | | | 3,740.18 | 2,657. |

INTANGIBLE DRILLING COST - ALP

| | | | | |
|----------|----------------------|---------------------|--------------|---------|
| 10/03/85 | HALLIBURTON | STIMULATION | X 131,667.75 | 93,603. |
| 9/30/85 | E L FARMER & CO. | TRUCKING AND TRANSP | 285.38 | 202. |
| 10/17/85 | ABC RENTAL TOOL CO. | EQUIPMENT RENTAL | X 4,626.30 | 3,289. |
| 10/31/85 | WHITWORTH HARDWARE & | MISCELLANEOUS MATER | 4.54 | 3. |
| 10/01/85 | LEWALLEN SUPPLY CCFF | MISCELLANEOUS MATER | 226.52 | 161. |
| 10/14/85 | LEWALLEN SUPPLY CCMP | MISCELLANEOUS MATER | 220.30 | 161. |

DOYLE HARTMAN

P.O. BOX 10428
MIDLAND TX 79702
(915) 884-4011

JOINT OWNER INVOICE

PAGE

OWNER 47784 DOYLE HARTMAN
LEASE 00717 CARLSON FEDERAL #4

DATE DECEMBER 31, 1985
INVOICE 8512009

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR |
|--|----------------------|---------------------|-----------|------|
| LEASE OPERATING EXPENSE - ALP | | | | |
| 12/06/85 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | 321.49 * | 2 |
| TOTAL LEASE OPERATING EXPENSE - ALP ** | | | (321.49 * | 2 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR |
|--|----------------------|---------------------|--------------|------|
| LEASE OPERATING EXPENSE - JIB | | | | |
| 12/31/85 | D. HARTMAN OIL OPERA | PUMPER | 152.52 | 1 |
| 12/31/85 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | |
| 12/31/85 | D. HARTMAN OIL OPERA | INSURANCE | 42.50 | |
| 12/31/85 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 160.51 | 1 |
| 12/12/85 | SOUTHWESTERN PUBLIC | FUEL AND POWER | 119.43 | |
| 12/06/85 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | X 1,208.10 | 8 |
| 12/26/85 | FLOYDS PUMPING & ROU | CONTRACT LABOR | 158.76 | 1 |
| 12/03/85 | FLOYDS PUMPING & ROU | CONTRACT LABOR | 211.68 | 1 |
| (9) 12/31/85 | JACK FLETCHER | CONSULTING FEES | X 9,705.47 | 6,8 |
| 12/20/85 | MARTIN WATER LABORAT | CONSULTING FEES | 56.00 | |
| 12/31/85 | GEORGE AND JOYCE WIL | SURFACE DAMAGES | X 3,740.00 | 2,6 |
| 12/31/85 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 517.10 | |
| 12/26/85 | AXELSON, INC. | OTHER OPERATING EXP | 458.91 | 3 |
| 12/10/85 | CAMPBELL AND BLACK, | OTHER OPERATING EXP | 595.20 | 6 |
| (6) 12/31/85 | D. HARTMAN OIL OPERA | LEGAL & REGULATORY | * X 7,550.49 | 5,3 |
| TOTAL LEASE OPERATING EXPENSE - JIB ** | | | 24,714.42 | 17,5 |

*1709.53 ATWOOD, MAHANE ETC - NECAH RESEARCH

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR |
|---|--------------------|-----------------|-------|------|
| INTANGIBLE DRILLING COST - TLP | | | | |
| 12/31/85 | MIDLAND SAMPLE CUT | CONSULTING FEES | 30.06 | |
| TOTAL INTANGIBLE DRILLING COST - TLP ** | | | 30.06 | |

LEASE TOTAL *** 25,066.97 17,8

41,445.49 6,765.71 40,748.87

LEASE 00717 CARLSON FEDERAL #4 YOUR INTEREST .71093750 17,8

DOYLE HARTMAN

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JOINT OWNER INVOICE

PAGE

OWNER 47784 DOYLE HARTMAN
LEASE 00717 CARLSON FEDERAL #4

DATE FEBRUARY 28, 1986
INVOICE 86020094

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR |
|--------------------------------------|--------|-------------|-------|------|
| LEASE OPERATING EXPENSE - JIB | | | | |

| | | | | |
|---|----------------------|---------------------|------------------|--------------|
| 2/28/86 | D. HARTMAN OIL OPERA | PUMPER | 127.02 | |
| 2/28/86 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | |
| 2/28/86 | D. HARTMAN OIL OPERA | INSURANCE | 42.50 | |
| 2/28/86 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 160.33 | 1 |
| 2/07/86 | SOUTHWESTERN PUBLIC | FUEL AND POWER | 165.74 | 1 |
| 2/28/86 | XL TRANSPORTATION CO | WELL SERVICE AND RE | 144.64 | 10 |
| 2/28/86 | XL TRANSPORTATION CO | WELL SERVICE AND RE | 637.35 | 4 |
| 2/25/86 | CLARKE OIL WELL SERV | WELL SERVICE AND RE | X 2,252.63 | 1,600 |
| (2) 2/07/86 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | X 1,732.50 | 1,200 |
| 2/07/86 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | 945.00 | 600 |
| (2) 2/07/86 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | X 1,732.50 | 1,200 |
| 2/20/86 | LEWALLEN SUPPLY COMP | CONNECTIONS & MATER | 209.18 | 1 |
| 2/20/86 | LEWALLEN SUPPLY COMP | CONNECTIONS & MATER | 302.90 | 2 |
| 2/28/86 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 517.10 | 3 |
| 2/04/86 | AXELSON, INC. | OTHER OPERATING EXP | X 1,005.46 | 700 |
| (1) 2/28/86 | D. HARTMAN OIL OPERA | LEGAL & REGULATORY | X 900.00 | 600 |
| TOTAL LEASE OPERATING EXPENSE - JIB ** | | | 10,912.60 | 7,700 |

in plane expense

LEASE TOTAL *** 10,912.60 7,700

44,863.32

3720.75

41,142.37

LEASE 00717 CARLSON FEDERAL #4 YOUR INTEREST .71093750 7,700

DOYLE HARTMAN

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JOINT OWNER INVOICE

PAGE

OWNER 47784 DOYLE HARTMAN

DATE DECEMBER 31, 1985

LEASE 00718 CARLSON FEDERAL #5

INVOICE #51200946

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|--|------------------------|----------------|-----------------|----------------|
| LEASE OPERATING EXPENSE - ALP | | | | |
| 12/20/85 | JAL WELDING & MACHIN | CONTRACT LABOR | 333.66 | 237.2 |
| 12/20/85 | JAL WELDING & MACHIN | CONTRACT LABOR | 116.20 | 82.6 |
| 12/27/85 | FLOYDS PUMPING & ROL | CONTRACT LABOR | 211.68 | 150.4 |
| 12/26/85 | X PUMPING UNITS SERVIC | CONTRACT LABOR | 1,849.24 | 1,314.6 |
| TOTAL LEASE OPERATING EXPENSE - ALP | | | 2,510.78 | 1,785.0 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|--|----------------------|---------------------|------------------|-----------------|
| LEASE OPERATING EXPENSE - JIBV | | | | |
| 12/31/85 | JACK FLETCHER | CONSULTING FEES | 4,024.18 | 2,860.9 |
| 12/31/85 | GEORGE AND JOYCE WIL | SURFACE DAMAGES | 5,680.00 | 4,038.1 |
| 12/31/85 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 5,000.00 | 3,554.6 |
| 12/31/85 | BRIAN BALL | OTHER OPERATING EXP | 920.67 | 650.8 |
| 12/31/85 | D. HARTMAN OIL OPERA | OTHER OPERATING EXP | 120.00 | 85.3 |
| 12/31/85 | SHEILA POTTS | OTHER OPERATING EXP | 731.33 | 521.3 |
| 12/31/85 | LARRY NERMYR | OTHER OPERATING EXP | 1,920.67 | 1,369.7 |
| 12/31/85 | D. HARTMAN OIL OPERA | LEGAL & REGULATORY | 5,901.85 | 4,195.8 |
| TOTAL LEASE OPERATING EXPENSE - JIB | | | 24,312.70 | 17,284.8 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|---|----------------------|---------------------|------------------|-----------------|
| INTANGIBLE DRILLING COST - TLP | | | | |
| 12/10/85 | NM CONSTRUCTION | ROADS AND LOCATION | 8,193.33 | 5,828.5 |
| 11/14/85 | EASTERN NEW MEXICO U | ROADS AND LOCATION | 110.00 | 78.2 |
| 11/30/85 | JOHN WEST ENGINEERIN | ROADS AND LOCATION | 92.43 | 65.7 |
| 12/30/85 | CACTUS DRILLING COMP | FOOTAGE COST | 42,630.96 | 30,307.9 |
| 12/30/85 | CACTUS DRILLING COMP | DRY WORK COST | 4,452.07 | 3,165.1 |
| 12/20/85 | XL TRANSPORTATION CO | WATER | 3,109.05 | 2,210.3 |
| 12/27/85 | XL TRANSPORTATION CO | WATER | 865.19 | 615.8 |
| 12/20/85 | XL TRANSPORTATION CO | WATER | 1,299.38 | 923.7 |
| 12/23/85 | TEXAS MUD AND CHEMIC | MUD AND CHEMICALS | 2,003.88 | 1,424.6 |
| 12/19/85 | TEXAS MUD AND CHEMIC | MUD AND CHEMICALS | 6,412.30 | 4,577.9 |
| 12/12/85 | HALLIBURTON | CEMENTING SERVICES | 4,263.11 | 3,030.8 |
| 12/19/85 | PROFILE | CORING AND MUD LOGG | 2,451.15 | 1,742.6 |
| 12/10/85 | MERCURY TRANSPORTATI | TRUCKING AND TRANSP | 170.28 | 125.3 |
| 12/31/85 | D. HARTMAN OIL OPERA | DRILLING OVERHEAD | 1,049.18 | 745.9 |
| TOTAL INTANGIBLE DRILLING COST - TLP | | | 73,133.55 | 51,993.3 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|---------------------------------------|-------------|--------------------|------------|------------|
| INTANGIBLE DRILLING COST - ALP | | | | |
| 12/17/85 | HALLIBURTON | CEMENTING SERVICES | 11,042.52 | 7,850.5 |
| 12/19/85 | HALLIBURTON | STIMULATION | 5,695.91 | 4,049.4 |
| 12/31/85 | HALLIBURTON | STIMULATION | 138,660.66 | 92,421.8 |

DOYLE HARTMAN

P.O. BOX 10428
MIDLAND, TX 79702
(915) 884-4011

JOINT OWNER INVOICE

PAGE 1

OWNER 47784 DOYLE HARTMAN

DATE FEBRUARY 28, 1986

LEASE 00718 CARLSON FEDERAL #5

INVOICE 860200949

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|--|----------------------|---------------------|-----------------|-----------------|
| LEASE OPERATING EXPENSE - JIB | | | | |
| 2/28/86 | D. HARTMAN OIL OPERA | PUMPER | 127.02 | 90.30 |
| 2/28/86 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | 26.84 |
| 2/28/86 | D. HARTMAN OIL OPERA | INSURANCE | 42.50 | 30.21 |
| 2/28/86 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 160.33 | 113.98 |
| 2/10/86 | SOUTHWESTERN PUBLIC | FUEL AND POWER | 41.14 | 29.25 |
| 2/27/86 | GENE'S WELL SERVICE | WELL SERVICE AND RE | X 1,348.38 | 958.61 |
| 2/24/86 | GOLD STAR SERVICE CO | WELL SERVICE AND RE | 201.12 | 142.98 |
| 2/07/86 | XL TRANSPORTATION CO | SALT WATER DISPOSAL | 619.72 | 454.80 |
| 2/13/86 | JAL WELDING & MACHIN | CONTRACT LABOR | 291.35 | 207.13 |
| 1/29/86 | I S & S INCORPORATED | CONNECTIONS & MATER | 156.71 | 111.41 |
| 2/01/86 | B.P. SALES | CONNECTIONS & MATER | 294.25 | 209.19 |
| 2/28/86 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 550.00 | 391.02 |
| 2/28/86 | D. HARTMAN OIL OPERA | LEGAL & REGULATORY | X 1,000.00 | 710.94 |
| TOTAL LEASE OPERATING EXPENSE - JIB ** | | | 4,890.27 | 3,476.66 |
| INTANGIBLE DRILLING COST - ALP | | | | |
| 2/03/86 | AXELSON, INC. | OTHER COMPLETION EX | 1,870.22 | 1,320.61 |
| TOTAL INTANGIBLE DRILLING COST - ALP ** | | | 1,870.22 | 1,320.61 |
| LEASE TOTAL *** | | | 6,760.49 | 4,806.27 |

Note

LEASE 00718 CARLSON FEDERAL #5 YOUR INTEREST .71093750 4,806.27

DOYLE HARTMAN

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(915) 884-4011

JOINT OWNER INVOICE

PAGE 1

OWNER 47784 DOYLE HARTMAN

DATE JANUARY 31, 1986

LEASE 00718 CARLSON FEDERAL #5

INVOICE 860100952

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|---|----------------------|------------------|-----------------|-----------------|
| LEASE OPERATING EXPENSE - ALP | | | | |
| 1/13/86 | ABC RENTAL TOOL CO. | EQUIPMENT RENTAL | 795.56 | 561.59 |
| 1/10/86 | FLOYDS PUMPING & ROU | CONTRACT LABOR | 487.41 | 346.52 |
| 1/09/86 | FLOYDS PUMPING & ROU | CONTRACT LABOR | 336.00 | 233.88 |
| TOTAL LEASE OPERATING EXPENSE - ALP ** | | | 1,618.97 | 1,150.99 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|---|----------------------|---------------------|-----------------|-----------------|
| LEASE OPERATING EXPENSE - JIB | | | | |
| 1/31/86 | D. HARTMAN OIL OPERA | PUMPER | 107.23 | 76.23 |
| 1/31/86 | D. HARTMAN OIL OPERA | EMPLOYEE BENEFITS | 37.75 | 26.84 |
| 1/31/86 | D. HARTMAN OIL OPERA | INSURANCE | 42.50 | 30.21 |
| 1/31/86 | D. HARTMAN OIL OPERA | OPERATING SUPPLIES | 157.91 | 112.26 |
| 1/13/86 | SOUTHWESTERN PUBLIC | FUEL AND POWER | 14.58 | 10.37 |
| 4/86 | J & J DILFIELD SERVI | WELL SERVICE AND RE | 354.37 | 251.93 |
| 1/22/86 | CLARKE OIL WELL SERV | WELL SERVICE AND RE | 2,907.74 | 2,067.22 |
| 1/30/86 | FLOYDS PUMPING & ROU | CONTRACT LABOR | 394.38 | 280.38 |
| 1/30/86 | FLOYDS PUMPING & ROU | CONTRACT LABOR | 1,058.40 | 752.46 |
| 1/21/86 | GEORGE AND JOYCE WIL | SURFACE DAMAGES | 400.00 | 284.38 |
| 1/31/86 | D. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 550.00 | 391.02 |
| 1/24/86 | AXELSON, INC. | OTHER OPERATING EXP | 42.80 | 30.43 |
| 1/06/86 | MIDWEST INSURANCE AG | OTHER OPERATING EXP | X 2,833.33 | 2,014.32 |
| 1/28/86 | HOBBS SUN | OTHER OPERATING EXP | 8.44 | 6.00 |
| 1/24/86 | MERRYMAN CONSTRUCTIO | ROADS AND LOCATIONS | 293.63 | 206.62 |
| TOTAL LEASE OPERATING EXPENSE - JIB ** | | | 9,200.06 | 6,540.67 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|--|----------------------|-------------|---------------|---------------|
| INTANGIBLE DRILLING COST - TLP | | | | |
| 1/03/86 | XL TRANSPORTATION CO | WATER | 452.26 | 321.53 |
| 1/03/86 | XL TRANSPORTATION CO | WATER | 91.85 | 65.30 |
| TOTAL INTANGIBLE DRILLING COST - TLP ** | | | 544.11 | 386.83 |

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|---------------------------------------|----------------------|---------------------|--------------|------------|
| INTANGIBLE DRILLING COST - ALP | | | | |
| 1/10/86 | XL TRANSPORTATION CO | WATER | 1,512.00 | 1,074.94 |
| 1/10/86 | XL TRANSPORTATION CO | WATER | 297.85 | 206.78 |
| 1/02/86 | HALLIBURTON | STIMULATION | X 114,624.01 | 81,490.51 |
| 1/11/85 | HALLIBURTON | STIMULATION | 130,000.00 | 92,421.88 |
| 1/17/86 | MERRYMAN CONSTRUCTIO | TRUCKING AND TRANSP | 102.19 | 72.65 |
| 12/31/85 | JOHN WEST ENGINEERIN | CONSULTING FEES | 476.84 | 339.00 |
| 12/31/85 | JOHN WEST ENGINEERIN | CONSULTING FEES | 752.06 | 534.67 |
| 1/02/86 | FLOYD'S NEW & USED | MISCELLANEOUS MATER | 74.82 | 53.19 |
| 1/02/86 | GENE'S WELL SERVICE | COMPLETION UNIT | 413.02 | 293.63 |

LE HARTMAN

P.O. BOX 10428
MIDLAND, TX 79702
(915) 884-4011

JOINT OWNER INVOICE

VER 77148 R. HOWARD OLSEN

DATE SEPTEMBER 30, 1985

LEASE 00716 CARLSON #3

INVOICE 850901311

| DATE | VENDOR | DESCRIPTION | GROSS | YOUR SHARE |
|--|----------------------|---------------------|------------|------------|
| LEASE OPERATING EXPENSE - JIB | | | | |
| 9/30/85 | C. HARTMAN OIL OPERA | PUMPER | 105.78 | 26.45 |
| 9/30/85 | C. HARTMAN OIL OPERA | EMPLCYEE BENEFITS | 37.75 | 9.44 |
| 9/30/85 | C. HARTMAN OIL OPERA | INSURANCE | 42.50 | 10.63 |
| 9/30/85 | C. HARTMAN OIL OPERA | OPERATING SUPPLIES | 153.90 | 38.48 |
| 9/17/85 | DIXIE ELECTRIC, INC. | EQUIPMENT REPAIR | X 2,940.07 | 735.02 |
| 9/04/85 | FCBBS ANCHOR & PCAD | ANCHORS | 450.53 | 114.63 |
| 9/30/85 | C. HARTMAN OIL OPERA | PRODUCING OVERHEAD | 517.10 | 129.28 |
| 9/19/85 | FCBBS SUN | OTHER OPERATING EXP | 1.45 | 2.11 |
| TOTAL LEASE OPERATING EXPENSE - JIB ** | | | 4,264.08 | 1,066.04 |
| LEASE TOTAL *** | | | 4,264.08 | 1,066.04 |

LEASE 00716 CARLSON #3

YOUR INTEREST .25000000

1,066.04

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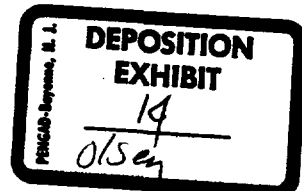
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SUMMARY OF R. HOWARD OLSEN'S INTEREST
5/31/88

| | |
|--|------------|
| JOINT INTEREST RECEIVABLE ACCOUNT | 41,930.75 |
| WELL COSTS ON CARLSON FEDERAL #4 SINCE INCEPTION OLSEN'S 25% | 146,919.44 |
| WELL COSTS ON CARLSON FEDERAL #5 SINCE INCEPTION OLSEN'S 25% | 96,040.31 |
| REVENUE ON CARLSON FEDERAL #4 SINCE INCEPTION OLSEN'S 25% | 155,989.25 |
| REVENUE ON CARLSON FEDERAL #5 SINCE INCEPTION OLSEN'S 25% | 64,067.03 |
| REVENUE NOW IN SUSPENSE CARLSON #2 OLSEN'S | 3,495.65 |

Handwritten notes:
b. 6/4
9/31
45,442.83

Handwritten notes:
20000000



15

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541-2894

DOYLE HARTMAN

Oil Operator

800 N. MAIN

P.O. BOX 10428

MIDLAND, TEXAS 79702

(915) 684-4011

February 15, 1985

~~El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas 79778~~

Attention: Mr. David Tuchenhagen

Re: Howard Olsen's letter
dated February 7, 1985
Carlson No. 3
Lea County, New Mexico
Meter #60984
Gas Contract #6067

Dear Mr. Tuchenhagen:

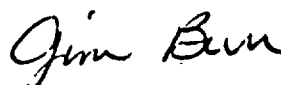
We would appreciate your suspending Mr. Olsen's request set forth in the above captioned letter so our office can obtain and review a copy of Sun's operating agreement covering the Carlson No. 3 lease. We have incurred some differences of opinion with Mr. Olsen's office regarding the operations of the property, which has in turn created an outstanding accounts receivable balance.

Our office has disbursed all gas runs attributable to Mr. Olsen's interest even though the producing overhead rate is in question.

Thank you for your cooperation with our request.

Very truly yours,

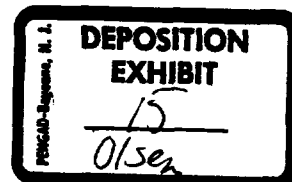
DOYLE HARTMAN



James E. Burr
Controller

JEB/dm

cc: Mr. R. Howard Olsen ✓
Post Office Box 32279
Phoenix, Arizona 85016



16

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El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

February 26, 1985

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

Attention: James E. Burr

Re: Your Letter of February 15, 1985
Carlson #3
Meter No. 60-984

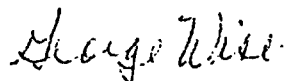
Gentlemen:

By letter dated February 7, 1985, Howard Olsen requested direct payment for his interest in the referenced well. On February 19, 1985, we received your letter dated February 15, 1985, requesting we suspend the Olsen interest because of an outstanding account receivable balance for operation expense.

Because we have a Gas Purchase Agreement with Olsen, we feel obligated to pay Olsen direct; however, if you, as the operator, have the right under the Operating Agreement for a lien against a non-operator and file your Operator's Lien, we will suspend proceeds until such time as there is a determination of the validity of the lien.

If you have any questions, please let us know.

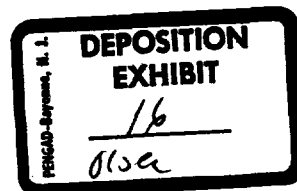
Very truly yours,



George Wise, Administrator
Document Verification
Contract Administration

GW:cfc

cc: Mr. R. Howard Olsen
P.O. Box 32279
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