

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

July 6, 1989

~~#9387~~
9198

Penwell Energy, Inc.
P.O. Box 11026
Midland, Texas 79702

ATTN: John D. Bergman

RE: Termination of Culp Ranch Unit
Chaves County, New Mexico

Gentlemen:

The Culp Ranch No. 2 well was completed on September 15, 1988. According to Section 9 of the Unit Agreement, drilling of the next well was to have commenced by March 15, 1989 in order to hold the Unit. Because the third well was not drilled, the Culp Ranch Unit is terminated effective March 15, 1989.

Please notify all interested parties of the termination of this Unit. Please note that the Unit was terminated by the BLM effective March 15, 1989 as described in the attachment.

If you have any questions, please do not hesitate to call on us.

Very truly yours,

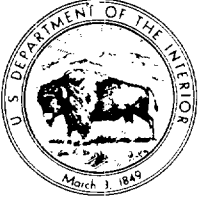
W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

A handwritten signature in cursive script, appearing to read "Floyd O. Prando".

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe, New Mexico
BLM - Roswell, New Mexico
Oil and Gas Accounting Division
Royalty Management



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201

RM-0601P35-87U447
3180 (655)

MAY 10 1989

Penwell Energy, Inc.
Attention: John D. Bergman
P. O. Box 11026
Midland, Texas 79702

Re: Culp Ranch Unit, Chaves County, New Mexico
Termination

Gentlemen:

In reference to our letter of February 3, 1989, the Culp Ranch Unit was still in the Drilling to Discovery phase, and the next well was to have commenced by March 15, 1989, or six months from the date of completion of the Culp Ranch No. 2 well, as required by section 9 of the unit agreement.

In view of the above, and due to the fact that the next well has not been drilled, the Culp Ranch Unit is hereby terminated effective as of March 15, 1989, 6 months after the September 15, 1988, completion date of the Culp Ranch No. 2 well. Please notify all interested principals of this termination.

If you have any questions, please contact Jerry Dutchover or the Branch of Fluid Minerals at (505) 622-9042.

Sincerely,

(ORIG. SGD.) ARMANDO A. LOPEZ

FOR
Joe G. Lara
Assistant District Manager,
Minerals

cc:
Commissioner of Public Lands

Unit Name CULP RANCH UNIT
 Operator Bell, Foy & Middlebrook, Ltd.
 County Chaves

TERMINATED
 EFFECTIVE DATE 3/15/84
 APPROVAL DATE 2/10/84

DATE	OCC CASE NO.	9198	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	XXXXXX-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-8502	September 1, 1987	1,919.16	639.16	1,280.00	-0-	MODIFIED	5 yrs & so long
OCD:									
CPL:									
BIM:									

UNIT AREA

TOWNSHIP 12 SOUTH, RANGE 30 EAST

Section 2: Lots 1,2,3,4,S/2N/2,S/2
 Section 11: All
 Section 14: All

TERMINATED

Unit Name CULP RANCH UNIT
 Operator BELL, FOY & MIDDLEBROOK, LTD
 County CHAVES

EFFECTIVE
 APPRO

STATE TRACT NO.	LEASE NO.	INST-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	RATIFIED ACRES
3	V-1429	C. S.	2	12S	30E	Lots 3,4, S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	8/19/87	359.25
4	IG-9506	C. S.	2	12S	30E	Lots 1,2, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	8/19/87	279.91

TERMINATED



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 3, 1988

Foy and Middlebrook
Attn: Ms. Susan M. Howard
310 W. Texas Suite 210
Midland, Texas 79701

Re: Culp Ranch Unit Agreement,
Resignation-Designation of new
Unit Operator, in Chaves County,
New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the Resignation of Bell, Foy & Middlebrook, Ltd. and the Designation of Foy and Middlebrook as the current unit operator of the Culp Ranch Unit, area, Chaves County, New Mexico. The effective date of this change is June 28, 1988, being the date of approval by the Bureau of Land Management.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD
BLM

CHANGE IN UNIT OPERATOR BY ASSIGNMENT

CULP RANCH UNIT
CHAVES COUNTY, NEW MEXICO

This indenture, dated as of the 14th day of June, 1988, by and between BELL, FOY & MIDDLEBROOK, LTD. hereinafter designated as "First Party," and FOY AND MIDDLEBROOK hereinafter designated as "Second Party."

Witnesseth: Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Department of the Interior, on 1st day of September, 1987, approved a unit agreement for the CULP RANCH UNIT AREA, wherein the First Party is designated as Unit Operator; and

Whereas the First Party desires to transfer, assign, release, and quitclaim, and the Second Party desires to assume all the rights, duties and obligations of Unit Operator under the unit agreement; and

Whereas for sufficient and valuable consideration, the receipt whereof is hereby acknowledged, the First Party has transferred, conveyed, and assigned all its rights under certain operating agreements involving lands within the area set forth in said unit agreement unto the Second Party;

Now, therefore, in consideration of the premises hereinbefore set forth, the First Party does hereby transfer, assign, release, and quitclaim unto the Second Party all of First Party's rights, duties, and obligations as Unit Operator under said unit agreement; and

Second Party hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assumes the obligations of Unit Operator under and pursuant to all the terms of said unit agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the AO and the Land Commissioner; said unit agreement being hereby incorporated herein by reference and part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

WITNESSES

FIRST PARTY

Susan M. Howard

BELL, FOY & MIDDLEBROOK, LTD.

By: *[Signature]*

SECOND PARTY

Susan M. Howard

FOY AND MIDDLEBROOK

By: *[Signature]*

I hereby approve the foregoing indenture designating FOY AND MIDDLEBROOK as Unit Operator under the unit agreement for the CULP RANCH UNIT AREA, this _____ day of _____, 1988.

Authorized officer of the Bureau of
Land Management

Approved Aug 3, 1988
W.D. Humphries
COMMISSIONER OF PUBLIC LANDS

SLO REF NO OG-1031



W.R. HUMPHRIES
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

February 21, 1989

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Penwell Energy, Inc.
Attn: Mr. John D. Bergman
P. O. Box 11026
Midland, Texas 79702

#9198

Re: Change in Unit Operator
Culp Ranch Unit
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of January 27, 1989, together with an executed change in Unit Operator by Assignment wherein Foy and Middlebrook designates Penwell Energy, Inc. as the current unit operator of the Culp Ranch Unit in Chaves County, New Mexico.

The Commissioner of Public Lands has this date approved Penwell Energy, Inc. as unit operator of the Culp Ranch unit. Our approval is subject to like approval by the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

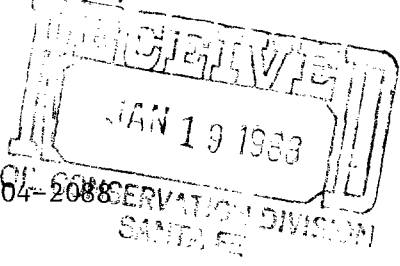
WRH/FOP/pm
encls.
cc: OCD
BLM

9198

D-
Unit Agreement
letter
The
Ry

FIRST PLAN OF DEVELOPMENT AND OPERATION
CULP RANCH UNIT AREA
CHAVES COUNTY, NEW MEXICO

TO: Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088



Dear Sir:

Bell, Foy & Middlebrook, Ltd., as unit operator for the Culp Ranch Unit Area, pursuant to the provisions of Section 10 of the Unit Agreement for Development and Operation of the Culp Ranch Unit Area dated September 1, 1987 (No. NM061P35-87U447) respectfully submits for your approval this First Plan of Development and Operation for the Culp Ranch Unit Area. This plan is for the period January 1, 1988 to December 31, 1988.

The unit operator drilled Unit Well No. 1 in NE/4 NW/4 Section 11, Township 12 South, Range 30 East. This well was completed open hole on November 12, 1987, and potentialed for 426 barrels oil per day on 10/64" choke with flowing tubing pressure of 422 psi from the Devonian formation at a depth of 10,251 feet to 10,280 feet.

During the first quarter of calendar year 1988 unit operator plans to drill one additional well in the nw/4 nw/4 Section 11, T-12-S, R-30-E to a depth sufficient to test the Devonian reservoir found in unit well No. 1.

In the intervening period unit operator will produce unit well No. 1 at a moderate rate of 240 barrels per day and will continue to study and evaluate the geology, engineering and production data applicable to the unit area and especially in the area surrounding the unit boundaries to determine what, if any, additional operations appear to be warranted in the unit area. We are tentatively planning a third well unit will be commenced at an unknown location during the third quarter of calendar year 1988.

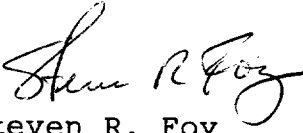
The First Plan of Development and Operation shall constitute the further obligations of the unit operator under the Culp Ranch Unit Agreement for the period ending December 31, 1989, and may be modified or supplemented from time to time with the approval of the Area Oil and Gas Supervisor when necessary to meet changed conditions or to protect the interests of all parties to the Unit Agreement.

Approval of this First Plan of Development and Operation for the Culp Ranch Unit Area is respectfully requested.

Submitted this 12th day of January, 1988.

BELL, FOY & MIDDLEBROOK, LTD.

By:

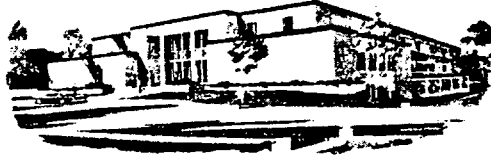

Steven R. Foy
General Partner

SRF:lb

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-668

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

February 4, 1988

Bell, Foy & Middlebrook, Ltd
ATTENTION: Mr. Steven R. Foy
310 West Texas, Suite 210
Midland, Texas 79701

Re: 1988 Plan of Development
Culp Ranch Unit Area
Chaves County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the Culp Ranch Unit Area, Chaves County, New Mexico. Such plan calls for the drilling of a well in the NW/4NW/4 of Section 11-12S-30E, to a depth sufficient to test the Devonian reservoir.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

Floyd O. Prando
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

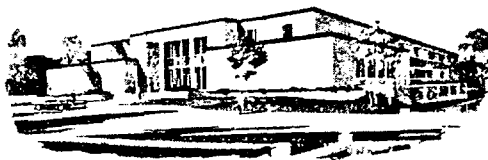
WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-637

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

January 6, 1988

Bell, Foy & Middlebrook, Ltd.
ATTENTION: Mr. Steven R. Foy
210 Bldg of the Southwest, 310 W. Texas
Midland, Texas 79701

Re: Application for Commercial
Well Determination
Culp Ranch Unit Well No. 1
Chaves County, New Mexico

Gentlemen:

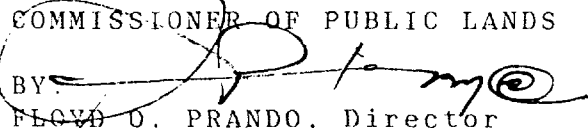
This office is in receipt of your letter of December 14, 1987, wherein as Unit Operator of the Culp Ranch Unit, you have determined that the Unit Well No. 1 is a commercial well.

According to the data submitted, the Commissioner of Public Lands concurs with your determination. This action is subject to like concurrence by the Bureau of Land Management. As per Article 11 of the Culp Ranch Unit Agreement please submit a copy of your Initial Participating Area for approval.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico
GULRAM
TRD-Oil and Gas Processing

State of New Mexico



SLO REF NO. OG-388

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 1, 1987

Bell, Foy & Middlebrook, Ltd
ATTENTION: Mr. Steven R. Foy
210 Bldg of the Southwest, 310 West Texas
Midland, Texas 79701

Re: Approval of Culp Ranch Unit
Chaves County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the Culp Ranch Unit Agreement, Chaves County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management and will become effective upon their approval.

Enclosed are Five (5) Certificates of Approval.

Your filing fee in the amount of \$90.00 Dollars has been received.

If we may be of further help please do not hesitate to call on us.

Sincerely,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

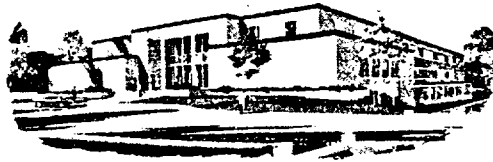
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm

encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico
Gulram

State of New Mexico



SLO REF NO. 06-327

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 12, 1987

Bell Foy & Middlebrook, Ltd.
ATTENTION: Mr. Steven R. Foy
210 Building of the Southwest
310 W. Texas
Midland, Texas 79701

Re: Proposed Culp Ranch Unit
Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed Culp Ranch Unit area, Chaves County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given. Also, any well commenced prior to the effective date of this agreement which penetrates its objective horizon prior to said effective date shall not be construed as the initial test well.

When submitting your agreement for final approval please submit the following:

1. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. All ratifications from the lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division and the Designation from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

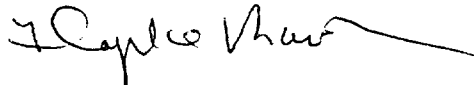
Bell, Foy & Middlebrook, Ltd.
August 12, 1987
Page 2

4. The filing fee for a unit agreement is thirty dollars per section or partial section thereof.
5. On Exhibit "B", Tract No. 3, on the description of Lease No. V-1429 please delete the S/2NE/4. The correct description should be the S/2NW/4.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm

cc: DCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico
Gulram, Inc.

OF COUNSEL
DON L. DICKASON
WILLIAM A. SLOAN
JACKSON G. AKIN
RAY H. RODEY

RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.

COUNSELLORS AND ATTORNEYS AT LAW

MARCY PLAZA, SUITE 101

123 EAST MARCY STREET

P. O. BOX 1357

SANTA FE, NEW MEXICO 87504-1357

TELEPHONE 984-0100

AREA CODE 505

August 26, 1987

ALBUQUERQUE OFFICE:
20 FIRST PLAZA, SUITE 700
P. O. BOX 1888
ALBUQUERQUE, NM 87103
TELEPHONE 765-5900
AREA CODE 505

WEST SIDE OFFICE:
SUITE 203 A
JEMEZ PROFESSIONAL BLDG.
3615 N. M. STATE RD. 528
P. O. BOX 1888
ALBUQUERQUE, NM 87103
TELEPHONE 765-5900
AREA CODE 505

PEARCE C. RODEY (1889-1958)
JOHN D. ROBB
CHARLES B. LARRABEE
JAMES C. RITCHIE
WILLIAM C. SCHAAE
ROBERT M. ST. JOHN
JOSEPH J. MULLINS
DUANE C. GILKEY
MARK K. ADAMS
ROBERT G. MCCORKLE
PETER G. PRINA
BRUCE HALL
JOHN P. SALAZAR
WILLIAM S. DIXON
JOHN P. BURTON
REX D. THROCKMORTON
JONATHAN W. HEWES
GENE C. WALTON
RICHARD C. MINZNER
W. ROBERT LASATER, JR.
MARK C. MEIERING
VICTOR R. MARSHALL
PAUL D. BARBER
JAMES S. STARZYNSKI
CATHERINE T. GOLDBERG
PAUL A. COOTER
DIANE FISHER
TRAVIS R. COLLIER
JO SAXTON BRAYER
S. I. BETZER, JR.*
EDWARD RICCO
W. MARK MOWERY
PATRICK M. SHAY
NANCY J. APPLEBY
DEBRA ROMERO THAL
ELLEN G. THORNE
WAYNE G. CHEW
HENRY M. BOHNHOFF
SHANNON L. DONAHUE
WILLIAM B. KIRLEY
TRACY E. MCGEE
MATTHEW M. SPANGLER
DAVID C. DAVENPORT, JR.
CAMERON PETERS
CHARLES E. STUCKEY
NEAL W. HARDIN
DEBORAH A. PEACOCK
CHARLES R. PEIFER
JOSEPH B. ROCHELLE
SCOTT D. GORDON
MICHAEL J. CONDON
SUSAN L. SNYDER
ROBERTA M. PRICE
CHARLES K. PURCELL
JANE E. ARMSTRONG
JOEL K. JACOBSEN
JAMES P. FITZGERALD
ANGELA M. MARTINEZ
PATRICIA M. TAYLOR
OGDEN M. REID
ANDREW G. SCHULTZ

*LICENSED TO PRACTICE CA AND OK ONLY

Mr. David R. Catanach
Oil Conservation Division
Santa Fe, New Mexico

Re: Case No. 9198
Bell, Foy & Middlebrook, Ltd.'s Application for the
Culp Ranch Unit Area, Chaves County, New Mexico

Dear Mr. Catanach:

Pursuant to your request, please be advised that the present ownership of the 5% overriding royalty interest under Federal Lease NM 60052 covering Section 11, Township 12 South, Range 30 East, N.M.P.M. is as follows:

Marion Kay Culver and David Mark Culver, her husband	.0046875 ORI
Martha Susan Stennis and David M. Stennis, her husband	.0046875 ORI
Douglas P. Buchanan and Vickie Buchanan, his wife	.0046785 ORI
John P. Buchanan and Grace Buchanan, his wife	.0046785 ORI
Marion Buchanan and Martha P. Buchanan, his wife	.0187500 ORI
J. Michael Boozer, whose marital status is unknown	.0025000 ORI
Sherry R. Downs and Joel K. Downs, her husband	<u>.0100000 ORI</u> .0500000 ORI

RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.

Mr. David R. Catanach
August 26, 1987
Page 2

Appreciating your courtesy to us during the hearing this morning,
I am

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

A handwritten signature in black ink, appearing to read "Paul A. Cooter", written over a horizontal line.

By: Paul A. Cooter

FAC/bwh

cc: Steven R. Foy

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

September 1, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Paul Cooter
Todes, Dickason, Sloan,
Main & Robb
Attorneys at Law
Post Office Box 1357
Santa Fe, New Mexico

Re: CASE NO. 9192
ORDER NO. R-0512

Applicant:

Bell, Foy & Middlebrook, Ltd.

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD X
Artesia OCD
Aztec OCD

Other

BELL, FOY & MIDDLEBROOK, LTD.

210 Building of the Southwest
310 W. Texas
Midland, Texas 79701
915 687-0144

July 28, 1987

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088
Attention Mr. Michael E. Stogner

Case 9198

Culp Ranch Unit
Chaves County, New Mexico

Gentlemen:

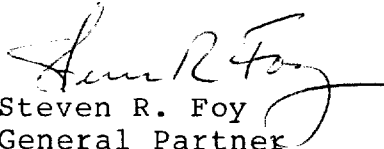
Enclosed are copies of geological report, geophysical structure map and type log in support of a Federal and State Exploratory Unit consisting of the following acreage:

Chaves County, New Mexico
Township 12 South, Range 30 East, NMPM
Section 2: All
Section 11: All
Section 14: All

The initial well will test the Siluro-Devonian formation with a maximum anticipated depth of 10,500 feet. There are two State leases included in subject unit and their lease numbers are LG-9506 and V-1429. Also enclosed is copy of proposed unit agreement including Exhibits A & B. Please place this application for federal and state exploratory unit on Examiner's docket for August 26, 1987.

Yours truly,

BELL, FOY & MIDDLEBROOK, LTD.


Steven R. Foy
General Partner

SRF/ac
enclosures