

# 8363

<p>HNG Oil LG-3175 Morrow Disc C-5-1-80</p> <p>4</p> <p>State</p>	<p>Pogo Prod. V-815 20578</p> <p>Superior 2-1-88 LG-3300 21249</p> <p>3</p> <p>State</p>	<p>Exxon B-1-88 V-814 20568</p> <p>2</p> <p>Jog-St</p> <p>State</p>	<p>Continental E-5898</p> <p>5</p> <p>State</p>	<p>Cont'l E-5498</p> <p>4</p> <p>State</p>	<p>Cont'l E-5498</p> <p>6</p> <p>State</p>	<p>Cont'l E-5498</p> <p>5</p> <p>State</p>	<p>Cont'l E-5498</p> <p>5</p> <p>State</p>
<p>Getty 3-1-87 LG-4093 44582</p> <p>9</p> <p>State</p>	<p>Harper Oil V-818 31459</p> <p>10</p> <p>State</p>	<p>Richardson Oil 2-1-11 063798</p> <p>U.S. MI</p> <p>State</p>	<p>(Richardson Oil) 2-1-11 063798</p> <p>12</p> <p>State</p>	<p>Cont'l 4-1-61(2) 06653</p> <p>U.S. MI Pitchfork Cattle Co., S</p> <p>State</p>	<p>Cont'l 061374 (Bell Lake Unit)</p> <p>7</p> <p>State</p>	<p>Cont'l 061374</p> <p>8</p> <p>State</p>	<p>Cont'l 061374</p> <p>U.S. MI</p> <p>State</p>
<p>R.H. Hannifin 2-1-81 3222</p> <p>16</p> <p>State</p>	<p>MTS 2-1-85 LG-3176 12318</p> <p>15</p> <p>State</p>	<p>Richardson Oil 2-1-11 063798</p> <p>14</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 10-16-84 11-14-84</p> <p>108805 01-03</p> <p>14</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>18</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>18</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>17</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>16</p> <p>U.S. MI</p> <p>State</p>
<p>JACKSON UNIT MESA (OPER)</p> <p>24-33</p> <p>State</p>	<p>HNG Oil 2-1-85 LG-6337 67284</p> <p>23</p> <p>State</p>	<p>Richardson Oil 2-1-11 063798</p> <p>23</p> <p>U.S. MI</p> <p>State</p>	<p>Richardson Oil 2-1-11 063798</p> <p>24</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 10-16-84 11-14-84</p> <p>108802-24</p> <p>24</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>19</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>20</p> <p>U.S. MI</p> <p>State</p>	<p>Superior 11-18-84 11-18-84</p> <p>21</p> <p>U.S. MI</p> <p>State</p>
<p>MTS L-5288 1230</p> <p>21</p> <p>State</p>	<p>MTS L-5168 2553</p> <p>22</p> <p>State</p>	<p>Richardson Oil 2-1-11 063798</p> <p>26</p> <p>U.S. MI</p> <p>State</p>	<p>Richardson Oil 2-1-11 063798</p> <p>25</p> <p>U.S. MI</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>
<p>Getty 7-1-87 LG-5439 39758</p> <p>28</p> <p>State</p>	<p>Pogo Prod. V-818 29182</p> <p>108674 8-1-89</p> <p>27</p> <p>State</p>	<p>So. Roy. 1-1-84 19858</p> <p>26</p> <p>U.S. MI</p> <p>State</p>	<p>So. Roy. 1-1-84 19858</p> <p>25</p> <p>U.S. MI</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>	<p>HNG Oil 1-1-85 LG-6270 42500</p> <p>25</p> <p>State</p>
<p>Exxon 6-1-88 V-756 11553</p> <p>33</p> <p>State</p>	<p>Exxon 6-1-88 V-757 16682</p> <p>34</p> <p>State</p>	<p>So. Roy. 1-1-84 19858</p> <p>35</p> <p>U.S. MI</p> <p>State</p>	<p>HNG Oil 6-1-87 LG-4235 13928</p> <p>36</p> <p>State</p>	<p>HNG Oil 6-1-87 LG-4235 13928</p> <p>36</p> <p>State</p>	<p>HNG Oil 6-1-87 LG-4235 13928</p> <p>36</p> <p>State</p>	<p>HNG Oil 6-1-87 LG-4235 13928</p> <p>36</p> <p>State</p>	<p>HNG Oil 6-1-87 LG-4235 13928</p> <p>36</p> <p>State</p>
<p>Phillips 1-1-84 19859</p> <p>4</p> <p>U.S. MI</p> <p>State</p>	<p>Phillips 1-1-84 19859</p> <p>3</p> <p>U.S. MI</p> <p>State</p>	<p>HNG Mesa Pet. L-5114</p> <p>2</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>Phillips 1-1-84 19859</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>Phillips 1-1-84 19859</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>Phillips 1-1-84 19859</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>Phillips 1-1-84 19859</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>Phillips 1-1-84 19859</p> <p>U.S. MI</p> <p>State</p>
<p>Sun 9-1-85 26078</p> <p>9</p> <p>U.S. MI</p> <p>State</p>	<p>Sun 9-1-85 26078</p> <p>10</p> <p>U.S. MI</p> <p>State</p>	<p>Phillips 19859</p> <p>11</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>12</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>12</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>12</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>12</p> <p>U.S. MI</p> <p>State</p>	<p>HNG 7-1-87 30400</p> <p>12</p> <p>U.S. MI</p> <p>State</p>
<p>HNG &amp; Sun L-6328</p> <p>16</p> <p>State</p>	<p>Superior 1-1-85 20645</p> <p>15</p> <p>State</p>	<p>Amoco 12-1-83 19623</p> <p>14</p> <p>U.S. MI</p> <p>State</p>	<p>Amoco 12-1-83 19623</p> <p>13</p> <p>U.S. MI</p> <p>State</p>	<p>Amoco 3-1-85 24480</p> <p>18</p> <p>U.S. MI</p> <p>State</p>	<p>Amoco 3-1-85 24480</p> <p>18</p> <p>U.S. MI</p> <p>State</p>	<p>Amoco 3-1-85 24480</p> <p>18</p> <p>U.S. MI</p> <p>State</p>	<p>Amoco 3-1-85 24480</p> <p>18</p> <p>U.S. MI</p> <p>State</p>

BELL LAKE

SRC-MADERA RIDGE "24" Com. #1

PITCHFORK RANCH

BEFORE EXAMINER QUINTANA OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 8363

DRILLED MILL

MIDLAND MAP

25-33

Ochoa-Fed U.S.

JAVELINA BASIN UNIT (OPER)

PITCHFORK RANCH

SRC-Madera Ridge "24" Com. #1  
 BREAKDOWN OF INTEREST  
 Effective 10/02/84  
 E/2 Section 24, T24S, R33E  
 Lea County, New Mexico

<u>COMPANY</u>	<u>TYPE OF SUPPORT</u>	<u>WORKING INTEREST</u>
Southland Royalty Company	Join	91.1785716%
Robert E. Landreth	Join	4.0000000%
Leo V. Sims	No Support	1.2053571%
Winnie Sims Kennon	No Support	1.2053571%
Bertha Elizabeth Sims Daugherty	No Support	1.2053571%
<u>Ellie Sims Spear</u>	<u>No Support</u>	<u>1.2053571%</u>
TOTAL		100.0000000%

BEFORE EXAMINER QUINTANA	
OIL CONSERVATION DIVISION	
<u>SRC</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>8363</u>	

# Southland Royalty Company



**SOUTHLAND ROYALTY COMPANY**  
 1100 Wall Towers West  
 Midland, Texas 79701

RECORD ID 02  
 2-3  
 SEQ 000  
 14-16

COMPANY NO. 01

**AUTHORIZATION FOR EXPENDITURE**

A/E NUMBER 10 13

ADD A CHANGE 17 DELETE 17

LEASE/UNIT NO. 19 - 501403-00 - 26

A/E DATE 9 / 12 / 84 NAME SRC-Madera Ridge "24" Federal Com. #1

ORIGINAL 0 SUPPLEMENTAL 73 SRC OPERATOR Y

AUTHORITY IS REQUESTED TO: Drill & equip a 15,500' Middle Morrow gas well

WILDCAT 17 DEV. 17

LOCATION: 1980' FSL & FEL, Sec. 24, T-24-S, R-33-E, Lea County, New Mexico

FOOTAGE		TANGIBLE—249	ESTIMATED COST	
			PRODUCING	TO CASING PT.
<u>80'</u>	01 01	Conductor or Drive Pipe 30" B .375 wall LP @ \$37.09/ft	2,967	\$ 2,967
<u>600'</u>	01 02	Casing 20" 94# H-40 ST&C @ \$32.24/ft	19,344	19,344
<u>5100'</u>	03	13 3/8" 61# 854.5# S-80 ST&C @ \$26.02/ft & \$27.11/ft	135,754	135,754
<u>1900'</u>	04	9 5/8" 47# S-95 IT&C @ \$27.23/ft	51,737	51,737
<u>5000'</u>	05	9 5/8" 43.50# S-95 IT&C @ \$24.58/ft	122,900	122,900
<u>3550'</u>	06	9 5/8" 43.50# P-110 IT&C w/MOD CPLG @ \$28.77/ft	102,134	102,134
<u>2700'</u>	07	9 5/8" 47# P-110 IT&C w/MOD CPLG @ \$31.04/ft	83,808	83,808
<u>2750'</u>	08	5 1/2" 23# S-95 RSS @ \$17.58/ft	48,345	-0-
<u>12800'</u>	02 09	Tubing 2 7/8" 6.50# N-80 DSS-HTC @ \$10.71/ft	137,088	-0-
	03 10	Wellhead	39,000	15,000
	04 11	Packer & Liner Hanger	51,000	-0-
	04 12	Artificial Lift		
	05 13	Tank Battery	67,000	
	10 14	Other Equipment	58,923	26,356
	15	TOTAL TANGIBLE 100%	\$ 920,000	\$ 560,000
	16	SRC	\$	\$
		INTANGIBLE—248		
	22 17	Drilling ft. @ \$ /ft.	\$	\$
	16	Rig, Day Work 85 days @ \$ 4300 /day	365,500	365,500
	01 19	Rig Moving Costs	45,000	45,000
	02 20	Completion Rig 10 - days @ \$ 4300 /day	43,000	43,000
	03 21	Roustabout & Miscellaneous Labor	80,000	60,000
	04 22	Auto, Trucking, Barge, Tug	35,000	30,000
	05 23	Roads, Canals, Location, Damages, Cleanup	65,000	65,000
	06 24	Mud, Oil, Water, Chemicals	150,000	130,000
	07 25	Drill Stem Tests	-0-	-0-
	08 26	Electric Logs & Bond Logs	95,000	88,000
	09 27	Cement, Centralizer, Scratchers, Service	150,000	110,000
	10 28	Bits, Fuel	200,000	180,000
	11 29	Rental Equipment	90,000	80,000
	12 30	Core & Analyses	-0-	-0-
	13 31	Bottle Tests & Sidewall Cores	-0-	-0-
	14 32	Perforate	15,000	
	15 33	Acid & Frack	20,000	
	16,23 34	Geological & Engineering	7,000	7,000
	17 35	Mud Logger	25,000	25,000
	18 36	Cost of Control Insurance (SRC Only)	4,300	4,300
	240.07 37	Miscellaneous & Unforeseen	141,200	125,200
	19,20,21 38	District & Overhead Expense	20,000	15,000
		39. TOTAL INTANGIBLE 100%	\$ 1,551,000	\$ 1,373,000
		40. SRC	\$	\$
		41. GRAND TOTAL COSTS	\$ 2,471,000	\$ 1,933,000
		42. SRC	\$	\$

Premium pricing may be used for tubular goods. Such pricing will be limited to mill base plus "out-of-stock" charges. Do you wish to furnish tubulars in kind?

YES  NO

Prepared by DDR

BEFORE EXAMINER QUINLAN  
 OIL CONSERVATION DIVISION

AUTHORIZATION REQUESTED SRC EXHIBIT NO. 3 AUTHORIZATION APPROVED

CASE NO. 8363  
 Company \_\_\_\_\_

ROAN PETROLEUM LAND SERVICES

Mid-America Building  
P.O. BOX 4503  
MIDLAND, TEXAS 79704  
(915) 686-0293

JERRY B. ROAN  
RES: (915) 682-7673

DARRELL R. ROAN  
RES: (915) 699-7619

July 19, 1984  
Ellie Sims Spear  
603 Saco Drive  
Hobbs, New Mexico 88240

Re: Oil & Gas Lease-W/2NE/4, SE/4NE/4, N/2SE/4, SE/4SE/4 of Section  
24, T-24-S, R-33-E, Lea County, New Mexico.

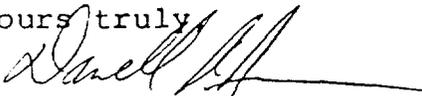
Enclosed please find an AFE on the Madera Ridge "24" Com. #1 as re-  
quested by Ellie Spear. If you should choose to join Southland  
Royalty in the well, please advise me as soon as possible.

In regards to leasing your interest, the following terms are for your  
review:

- A. \$500.00 per net acre bonus consideration
- B. 1/4th royalty
- C. 3 year primary term

If you have any questions, do not hesitate to call me.

Yours truly

  
Darrell R. Roan

BEFORE EXAMINER QUINLAN OIL CONSERVATION DIVISION
EXHIBIT NO. 4
CASE NO. 8363

**ROAN PETROLEUM LAND SERVICES**

Mid-America Building  
P.O. BOX 4503  
MIDLAND, TEXAS 79704  
(915) 686-0293

JERRY B. ROAN  
RES: (915) 682-7673

DARRELL R. ROAN  
RES: (915) 699-7619

July 19, 1984

Winnie Sims Kennon  
P.O. Box 202  
Eunice, New Mexico 88231

Re: Oil & Gas Lease-W/2NE/4, SE/4NE/4, N/2SE/4, SE/4SE/4 of Section  
24, T-24-S, R-33-E, Lea County, New Mexico.

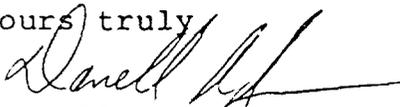
Enclosed please find an AFE on the Madera Ridge "24" Com. #1 as re-  
quested by Ellie Spear. If you should choose to join Southland  
Royalty in the well, please advise me as soon as possible.

In regards to leasing your interest, the following terms are for your  
review:

- A. \$500.00 per net acre bonus consideration
- B. 1/4th royalty
- C. 3 year primary term

If you have any questions, do not hesitate to call me.

Yours truly



Darrell R. Roan

ROAN PETROLEUM LAND SERVICES

Mid-America Building  
P.O. BOX 4503  
MIDLAND, TEXAS 79704  
(915) 686-0293

JERRY B. ROAN  
RES: (915) 682-7673

DARRELL R. ROAN  
RES: (915) 699-7619

July 19, 1984

Elizabeth Sims Daugherty  
P.O. Box 1356  
Lovington, New Mexico 88260

Re: Oil & Gas Lease-W/2NE/4, SE/4NE/4, N/2SE/4, SE/4SE/4 of Section  
24, T-24-S, R-33-E, Lea County, New Mexico.

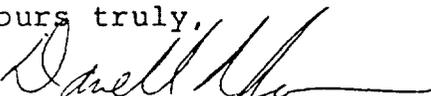
Enclosed please find an AFE on the Madera Ridge "24" Com. #1 as re-  
quested by Ellie Spear. If you should choose to join Southland  
Royalty in the well, please advise me as soon as possible.

In regards to leasing your interest, the following terms are for your  
review:

- A. \$500.00 per net acre bonus consideration
- B. 1/4th royalty
- C. 3 year primary term

If you have any questions, do not hesitate to call me.

Yours truly,

  
Darrell R. Roan

ROAN PETROLEUM LAND SERVICES

Mid-America Building  
P.O. BOX 4503  
MIDLAND, TEXAS 79704  
(915) 686-0293

JERRY B. ROAN  
RES: (915) 682-7673

DARRELL R. ROAN  
RES: (915) 699-7619

July 19, 1984

Leo V. Sims  
423 E. Baja  
Hobbs, New Mexico 88240

Re: Oil & Gas Lease-W/2NE/4, SE/4NE/4, N/2SE/4, SE/4SE/4 of Section  
24, T-24-S, R-33-E, Lea County, New Mexico.

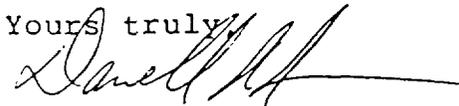
Enclosed please find an AFE on the Madera Ridge "24" Com. #1 as re-  
quested by Ellie Spear. If you should choose to join Southland  
Royalty in the well, please advise me as soon as possible.

In regards to leasing your interest, the following terms are for your  
review:

- A. \$500.00 per net acre bonus consideration
- B. 1/4th royalty
- C. 3 year primary term

If you have any questions, do not hesitate to call me.

Yours truly,



Darrell R. Roan

**ROAN PETROLEUM LAND SERVICES**

P.O. BOX 4503  
MIDLAND, TEXAS 79704  
(915) 686-0293

JERRY B. ROAN  
RES: (915) 682-7673

DARRELL R. ROAN  
RES: (915) 699-7619

August 23, 1984

Re: NW/4NE/4, S/2NE/4, N/2SE/4,  
SE/4SE/4 Section 24,  
T-24-S, R-33-E,  
Lea County, New Mexico

Per your request on July 19, 1984, enclosed please find a operating agreement on the south half of Section 24. A south half proration unit is being proposed at this time which would reduce your interest by half, however an east half proration unit is still a possibility.

I apologize for the delay but the potential partners have had disagreements on the location of the well site among other things.

If you have any questions, don't hesitate to call.

Yours very truly,

Darrell R. Roan

*DWD*

September 10, 1984

Mr. Leo V. Sims  
423 East Baja  
Hobbs, NM 88240

RE: SRC-Madera Ridge "24" Com. #1  
E/2 of Section 24, T24S, R33E  
Lea County, New Mexico  
Madera Ridge Prospect #2564  
Lease No. 108802-01 thru 06  
Lease No. 108801-01 & 02  
Lease No. 109290-01 thru 03

Dear Mr. Sims:

Over the past several months Southland Royalty Company has been attempting to acquire an oil and gas lease from you, through our lease broker, Randy Roan. Mr. Roan has been unsuccessful in acquiring a lease. Southland is now preparing to drill an approximate 15,600' Morrow test at a legal location in the E/2 of Section 24, T24S, R33E. Southland will operate this well with an approximate 80.7815371% working interest. As you have not accepted our latest offer to lease your interest, possibly you would prefer to join in this well.

Attached, please find an Operating Agreement dated September 4, 1984, and three detailed AFE's. If you do choose to join in this well, please execute all AFE's and all signature pages attached to the Operating Agreement, returning two executed AFE's and two signature pages in the self-addressed stamped envelope.

If you have any questions concerning this proposal, please don't hesitate to give me a collect call. Thank you for your consideration of this proposal. Your earliest attention to this matter will be greatly appreciated.

Yours very truly,

SOUTHLAND ROYALTY COMPANY

*Don W. Davis*  
Don W. Davis  
Landman

DWD:pjs

Enclosure

DWD

September 10, 1984

Winnie Sims Kennon  
P. O. Box 202  
Eunice, NM 88231

RE: SRC-Madera Ridge "24" Com. #1  
E/2 of Section 24, T24S, R33E  
Lea County, New Mexico  
Madera Ridge Prospect #2564  
Lease No. 108802-01 thru 06  
Lease No. 108801-01 & 02  
Lease No. 109290-01 thru 03

Dear Ms. Kennon:

Over the past several months Southland Royalty Company has been attempting to acquire an oil and gas lease from you, through our lease broker, Randy Roan. Mr. Roan has been unsuccessful in acquiring a lease. Southland is now preparing to drill an approximate 15,600' Morrow test at a legal location in the E/2 of Section 24, T24S, R33E. Southland will operate this well with an approximate 80.7815371% working interest. As you have not accepted our latest offer to lease your interest, possibly you would prefer to join in this well.

Attached, please find an Operating Agreement dated September 4, 1984, and three detailed AFE's. If you do choose to join in this well, please execute all AFE's and all signature pages attached to the Operating Agreement, returning two executed AFE's and two signature pages in the self-addressed stamped envelope.

If you have any questions concerning this proposal, please don't hesitate to give me a collect call. Thank you for your consideration of this proposal. Your earliest attention to this matter will be greatly appreciated.

Yours very truly,

SOUTHLAND ROYALTY COMPANY

Original Signed By  
Don W. Davis  
Landman

DWD:pjs

Enclosure

DWD

September 10, 1984

Bertha Elizabeth Sims Daugherty  
P. O. Box 1356  
Lovington, NM 88260

RE: SRC-Madera Ridge "24" Com. #1  
E/2 of Section 24, T24S, R33E  
Lea County, New Mexico  
Madera Ridge Prospect #2564  
Lease No. 108802-01 thru 06  
Lease No. 108801-01 & 02  
Lease No. 109290-01 thru 03

Dear Ms. Daugherty:

Over the past several months Southland Royalty Company has been attempting to acquire an oil and gas lease from you, through our lease broker, Randy Roan. Mr. Roan has been unsuccessful in acquiring a lease. Southland is now preparing to drill an approximate 15,600' Morrow test at a legal location in the E/2 of Section 24, T24S, R33E. Southland will operate this well with an approximate 80.7815371% working interest. As you have not accepted our latest offer to lease your interest, possibly you would prefer to join in this well.

Attached, please find an Operating Agreement dated September 4, 1984, and three detailed AFE's. If you do choose to join in this well, please execute all AFE's and all signature pages attached to the Operating Agreement, returning two executed AFE's and two signature pages in the self-addressed stamped envelope.

If you have any questions concerning this proposal, please don't hesitate to give me a collect call. Thank you for your consideration of this proposal. Your earliest attention to this matter will be greatly appreciated.

Yours very truly,

SOUTHLAND ROYALTY COMPANY  
Original Signed By  
DON W. DAVIS

Don W. Davis  
Landman

DWD:pjs

Enclosure

DWD

September 10, 1984

Ellie Sims Spear  
603 Seco Drive  
Hobbs, NM 88240

RE: SRC-Madera Ridge "24" Com. #1  
E/2 of Section 24, T24S, R33E  
Lea County, New Mexico  
Madera Ridge Prospect #2564  
Lease No. 108802-01 thru 06  
Lease No. 108801-01 & 02  
Lease No. 109290-01 thru 03

Dear Ms. Spear:

Over the past several months Southland Royalty Company has been attempting to acquire an oil and gas lease from you, through our lease broker, Randy Roan. Mr. Roan has been unsuccessful in acquiring a lease. Southland is now preparing to drill an approximate 15,600' Morrow test at a legal location in the E/2 of Section 24, T24S, R33E. Southland will operate this well with an approximate 80.7815371% working interest. As you have not accepted our latest offer to lease your interest, possibly you would prefer to join in this well.

Attached, please find an Operating Agreement dated September 4, 1984, and three detailed AFE's. If you do choose to join in this well, please execute all AFE's and all signature pages attached to the Operating Agreement, returning two executed AFE's and two signature pages in the self-addressed stamped envelope.

If you have any questions concerning this proposal, please don't hesitate to give me a collect call. Thank you for your consideration of this proposal. Your earliest attention to this matter will be greatly appreciated.

Yours very truly,

SOUTHLAND ROYALTY COMPANY

Original Signed By  
Don R. DAVIS  
Landman

DWD:pjs

Enclosure

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  
RUTH S. MUSGRAVE  
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

September 24, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mrs. Bertha Elizabeth S. Daugherty  
Post Office Box 1356  
Lovington, New Mexico 88260

Re: Application of Southland Royalty Company for  
Compulsory Pooling, Lea County, New Mexico.

Dear Mrs. Daugherty:

Enclosed is a copy of the docket for the Oil Conservation  
Division Examiner hearings scheduled for Wednesday, October 3,  
1984. You have an interest which may be affected by the above-  
referenced case.

Very truly yours,



William F. Carr

WFC/cv  
enclosure

BEFORE EXAMINER CUBBYANA	
OIL CONSERVATION DIVISION	
<i>WFC</i>	EXHIBIT NO. <u>5</u>
CASE NO.	<u>8363</u>

**SENDER:** Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
 Show to whom and date delivered ..... \$  
 Show to whom, date, and address of delivery .. \$  
 RESTRICTED DELIVERY (The restricted delivery fee is charged in addition to the return receipt fee.) .. \$

TOTAL \$

3. ARTICLE ADDRESSED TO:  
 Betha Elizabeth S. Daugherty  
 P.O. box 1356  
 Louington, N.M. 88260

4. TYPE OF SERVICE:  
 REGISTERED  INSURED  
 CERTIFIED  COD  
 EXPRESS MAIL

ARTICLE NUMBER: 243076886

I have received the article described above:  
 SIGNATURE  Address  Authorized agent

5. DATE OF DELIVERY: 9-26-84  
 POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE: 7a. EMPLOYEES INITIALS

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

P 243 076 886

TO: Betha Elizabeth S. Daugherty  
 P.O. Box 1356  
 Louington, N.M. 88260

POSTAGE AND FEE: 204  
 SPECIAL DELIVERY: 75  
 RETURN RECEIPT SERVICE: 600

TOTAL POSTAGE AND FEES: \$ 1.55

POSTMARK OR DATE: 9-24-84

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  
RUTH S. MUSGRAVE  
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

September 24, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

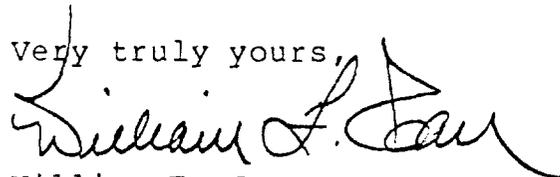
Mrs. Winnie Sims Kennan  
Post Office Box 202  
Eunice, New Mexico 88231

Re: Application of Southland Royalty Company for  
Compulsory Pooling, Lea County, New Mexico.

Dear Mrs. Kennan:

Enclosed is a copy of the docket for the Oil Conservation  
Division Examiner hearings scheduled for Wednesday, October 3,  
1984. You have an interest which may be affected by the above-  
referenced case.

Very truly yours,



William F. Carr

WFC/cv  
enclosure

**SENDER:** Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one):  
 Show to whom and date delivered .....  
 Show to whom, date, and address of delivery .....

2.  RESTRICTED DELIVERY  
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ \_\_\_\_\_

3. ARTICLE ADDRESSED TO:  
 Winnie Sims Kennan  
 P. O. Box 802  
 Swivel, N.M. 88231

4. TYPE OF SERVICE:  
 REGISTERED  INSURED  
 CERTIFIED  COD  
 EXPRESS MAIL

ARTICLE NUMBER: P243076887

I have received the article described above.  
 SIGNATURE: *Don Kennan*  Addressee  Authorized agent

5. DATE OF DELIVERY: SEP 26 1984  
 POSTMARK: SEP 26 1984

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE: 7a. EMPLOYEES INITIALS: *auc*

P 243 076 887

RECEIPT FOR CERTIFIED MAIL

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

SENT TO: Winnie Sims Kennan  
 STREET AND NO.: P. O. Box 802  
 P.O. STATE AND ZIP CODE: Swivel, N.M. 88231

POSTAGE: \$ 2.04

CERTIFIED FEE: 75¢

SPECIAL DELIVERY: 40¢

RESTRICTED DELIVERY: \_\_\_\_\_

POSTMASTER FOR FEES:

REGISTERED MAIL SERVICE	_____
INSURED MAIL SERVICE	_____
RESTRICTED DELIVERY SERVICE	_____
POSTAGE AND FEES	\$ 1.55

TOTAL POSTAGE AND FEES: \$ 1.55

POSTMARK ON DATE: 9-24-84

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  
RUTH S. MUSGRAVE  
LOURDES A. MARTINEZ

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

September 24, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

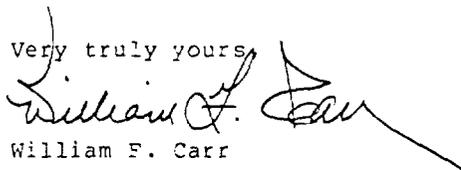
Mrs. Ellie Sims Spear  
603 Seco Drive  
Hobbs, New Mexico 88240

Re: Application of Southland Royalty Company for  
Compulsory Pooling, Lea County, New Mexico.

Dear Mrs. Spear:

Enclosed is a copy of the docket for the Oil Conservation  
Division Examiner hearings scheduled for Wednesday, October 3,  
1984. You have an interest which may be affected by the above-  
referenced case.

Very truly yours,

  
William F. Carr

WFC/cv  
enclosure

P 243 076 888

RECEIPT FOR CERTIFIED MAIL

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

SENT TO  
 Elsie Sims Spear  
 STREET AND NO.  
 603 Seed Drive  
 P.O., STATE AND ZIP CODE  
 Hobbs, N.M. 88240

POSTAGE  
 \$ 2.04

REGULAR DELIVERY  
 \$ 75

REGISTERED DELIVERY  
 \$ 75

INSURED  
 \$ 60

CERTIFIED MAIL  
 \$ 60

EXPRESS MAIL  
 \$ 60

POSTMARK  
 1984

TOTAL POSTAGE AND FEES \$ 1.55

POSTMARK OR DATE  
9-24-84 CW

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).  
 Show to whom and date delivered ..... ¢  
 Show to whom, date, and address of delivery.. ¢  
 RESTRICTED DELIVERY  
 (The restricted delivery fee is charged in addition to the return receipt fee.) ¢

TOTAL \$

3. ARTICLE ADDRESSED TO:  
 Elsie Sims Spear  
 603 Seed Drive  
 Hobbs, N.M. 88240

4. TYPE OF SERVICE: ARTICLE NUMBER  
 REGISTERED  INSURED  
 CERTIFIED  COD  
 EXPRESS MAIL  
 P 243 076 888

I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent  
 Elsie Spear  
 DATE OF DELIVERY 9-25-84  
 POSTMARK 1984

6. ADDRESSEE'S ADDRESS (Only if requested)

7a. EMPLOYEE'S INITIALS  
 [Signature]

7. UNABLE TO DELIVER BECAUSE:

PS Form 3811, Apr. 1974

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  
RUTH S. MUSGRAVE  
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

September 24, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Leo V. Sims  
423 East Baja  
Hobbs, New Mexico 88240

Re: Application of Southland Royalty Company for  
Compulsory Pooling, Lea County, New Mexico.

Dear Mr. Sims:

Enclosed is a copy of the docket for the Oil Conservation  
Division Examiner hearings scheduled for Wednesday, October 3,  
1984. You have an interest which may be affected by the above-  
referenced case.

Very truly yours,



William F. Carr

WFC/cv  
enclosure

P 243 076 889  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED -  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

TO: Leo V. Sims 423 East Baja Hobbs, N.M. 88240	POSTAGE \$2.04	POSTAGE \$0.75	POSTAGE \$0.60	POSTAGE \$1.55
CERTIFIED MAIL SPECIAL DELIVERY FIRST CLASS DELIVERY REGISTERED MAIL RETURN RECEIPT REQUESTED POSTAGE AND FEE PAID FIRST CLASS PERMIT NO. 100 SANTA FE, N.M.				
POSTMARK ON DATE				9-24-84 CW

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  
RUTH S. MUSGRAVE  
LOURDES A. MARTINEZ

JEFFERSON PLACE  
SUITE 100 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-6043

September 24, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Robert E. Landreth  
Energy Square, Suite 507  
505 N. Big Spring  
Midland, Texas 79701

Re: Application of Southland Royalty Company for  
Compulsory Pooling, Lea County, New Mexico.

Dear Mr. Landreth:

Enclosed is a copy of the docket for the Oil Conservation  
Division Examiner hearings scheduled for Wednesday, October 3,  
1984. You have an interest which may be affected by the above-  
referenced case.

Very truly yours



William F. Carr

WFC/cv  
enclosure

**SENDER:** Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
 Show to whom and date delivered ..... —¢  
 Show to whom, date, and address of delivery.. —¢  
 RESTRICTED DELIVERY  
 (The restricted delivery fee is charged in addition to the return receipt fee.) —¢

TOTAL \$

3. ARTICLE ADDRESSED TO:  
 Robert E. Handreth  
 505 N. Big Spring  
 Midland, TX 79701

4. TYPE OF SERVICE: ARTICLE NUMBER  
 REGISTERED  INSURED P 243 076 890  
 CERTIFIED  COD  
 EXPRESS MAIL

(Always obtain signature of addressee or agent)  
 I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent

5. DATE OF DELIVERY POSTMARK

6. ADDRESSEE'S ADDRESS (Only if required)

7. UNABLE TO DELIVER BECAUSE: 7a. EMPLOYEE'S INITIALS

**P 243 076 890**  
**RECEIPT FOR CERTIFIED MAIL**

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

SENT TO  
 Robert E. Handreth  
 505 N. Big Spring  
 Midland, TX 79701

POSTAGE \$ 20¢

CERTIFIED FEE	75¢
REGISTRATION FEE	60¢
POSTAGE	20¢
<b>TOTAL POSTAGE AND FEES</b>	<b>\$ 1.55</b>

POSTMARK OR DATE  
 9-24-84