August 23, 1985

Ms. Dorothy Jean VanZant Sanders 4117 Free Field Fort Worth, TX 752

Re: Lease Proposal
NE/4 Section 4
T-17-5, R-37-E
Lea County, New Mexico
Grisso #1 Well

Dear Ms. Sanders:

Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest.

As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 well. Should you decide to participate in the drilling of this well, please sign and return one (1) copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/bv Enclosure

TXO PRODUCTION CORP.

Case No. 8719

10/9/85 Examiner Hearing
Exhibit No. 2

August 30, 1985

E. B. White, Jr. P. O. Box 2052 Midland, TX 79702

Re: Well Proposal
Grisso #1 Well
Section 4
T-17-S, R-37-E
Lea County, New Hexico

Dear Mr. White:

Pursuant to our recent telephone conversation, this letter shall serve as notice of TXO Production Corp.'s intention to drill the Grisso #1 well at a location 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico. Enclosed please find two copies of our Authority for Expenditure (AFE) for the drilling of this well.

At this time, TXO seeks your election to join in the well. Should you elect to participate in the well, please sign one copy of the AFE having Nancy L. White do likewise and return it to the attention of the undersigned at the letterhead address.

Should you have any questions or want to discuss this matter further, please do not hesitate to contact me at the letterhead address or call 682-7992. Thank you for your cooperation in this matter.

Very truly yours,

Jeff Bourgeois Landman

September 3, 1985

Two States Oil Company 1910 Empire Life Building Dallas, Texas 75201

> Re: Lease Proposal NE/4 Section 4 T-17-S, R-37-E Lea County, New Mexico

Gentlemen:

A recent check of the county records has shown that Two States Oil Company owns a mineral interest in the referenced acreage that is currently leased. The records also indicate that the Lease on this acreage is due to expire on September 10, 1985. We at TXO feel that the land may be productive of oil or gas and would like to lease this interest so that we may develop further our prospect in this area. We are extending the following offer: \$75.00 per net acre bonus consideration, a 1/5 royalty and a two (2) year primary term.

If you find these terms acceptable or would like to discuss the matter further, please contact me by writing to me at the above address or by calling me collect at (915) 682-7992.

Thank you for your time and consideration, and I look forward to hearing from you soon.

Very truly yours,

Jeff Bourgeois Landman

September 3, 1985

Johnson Properties, Ltd. 414 South Main Street Roswell, NM 88201

> Re: Lease Proposal NE/4 Section 4 T-17-S, R-37-E Lea County, New Mexico

Gentlemen:

A recent check of the county records has shown that Johnson Properties, Ltd. owns a mineral interest in the referenced acreage that is currently leased. The records also indicate that the Lease on this acreage is due to expire on September 10, 1985. We at TXO feel that the land may be productive of oil or gas and would like to lease this interest so that we may develop further our prospect in this area. We are extending the following offer: \$75.00 per net acre bonus consideration, a 1/5 royalty and a two (2) year primary term.

If you find these terms acceptable or would like to discuss the matter further, please contact me by writing to me at the above address or by calling me collect at (915) 682-7992.

Thank you for your time and consideration, and I look forward to hearing from you soon.

Very truly yours,

Jeff Bourgeois Landman

JOH Nobles LDO WI. Illinois September 3, 1985 Mr. Pat Alston Ward P. O. Box 1595 Lovington, NM 88260 Re: Lease Proposal NE/4 Section 4 T-17-S, R-37-E Lea County, New Mexico Dear Mr. Ward: A recent check of the county records has shown that you own a mineral interest in the referenced acreage that is currently leased. The records also indicate that the Lease on this acreage is due to expire on September 13, 1985. We at TXO feel that the land may be productive of oil or gas and would like to lease this interest so that we may develop further our prospect in this area. We are extending the following offer: \$75.00 per net acre bonus considera tion, a 1/5 royalty and a two (2) year primary If you find these terms acceptable or would like to discuss the matter further, please contact me by writing to me at the above address or by calling me collect at (915) 682-7992. Thank you for your time and consideration, and I look forward to hearing from you soon. Very truly yours, Jeff Bourgeois Landman JB/dp

6901 N. Robinson Oklahona Cty, CK

August 23, 1985

Mr. Harry J. Schafer 1119 Concord Bldg. Oklahoma City, OK 73102

Re: Lease Proposal

NE/4 Section 4 T-17-S, R-37-E

Lea County, New Mexico

Grisso #1 Well

Harry J. Schafer, Trustee of

Mr. W. D. Grisso

Dear Mr. Schafer:

Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest.

As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 well. Should you decide to participate in the drilling of this well, please sign and return one (1) copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/by Enclosure

AFE should say a Harry J. Schafer, Jc. Trustee for the Mary E. Grisso Trust No. 1

in Section FROM:

Jeff Bourgeois TXO Production Corp. 900 Wilco Bldg. Midland, TX 79701

Customer Number, if any:

TO:

Mr. Harry J. Schafer 1119 Concord Bldg. Oklahoma City, OK 73102

★ U.S.G.P.O. 1984 -- 448-389 Label 118 (1-84)



POST OFFICE TO ADDRESSEE



SERVICE GUARANTEE:
Domestic maunos under this service made at designated Ut facilities on or before a special of occasi, me will be accepted express as point to a cost social of occasi, me will be accepted express. So point to a cost social occasi, me will be accepted express as special to a cost occasion, and as services for real case occasion is an additional to the service and meeting the service stancard except to a cost of the service and meeting the service stancard except to a cost of the service and meeting the service stancard except to occasion. INSURANCE COVERAGE:

See Sections 294 and 235 of the Domestic Mail Manual exclusions of covering.

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Signature is required upon celvery
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 This recorpt must be presented when a claim is field.

EXPRESS MAIL SERVICE

August 30, 1985

Mr. Harry J. Schafer 6901 N. Robinson Oklahoma City, Oklahoma 73116

Re: Lease Proposal
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well
Harry J. Schafer, Trustee
for the Mary E. Grisso
Trust No. 1

Dear Mr. Schafer:

Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest.

As an alternative to leasing your interest, you may want to participate int the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 well. Should you decide to participate in the drilling of this well, please sign and return one (1) copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure



Jeff Bourgeois TXO Production Corp. 900 Wilco Building Midland, Texas 79701

Customer Number, if any:

TO:

ar. Harry J. Schafer 6901 N. Robinson Oklahoma City, Oklahoma 73116

★ U.S.G.P.O. 1984 — 446-389 Label 11B (1-84)





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SERVICE GUARANTEE:
Domestic makings under it is service mate at designated US
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agent on or before the time specified cross to a prace of the company of the composition of the compos

Signature is required upon delivery.
 Claims tor delay loss, damage or ring must be made with days. Claim forms may be doctained at the post office of ma-riths recept must be presented when a claim is fixed.

EXPRESS MAIL SERVICE

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TXO PRODUCTION CORP FORM 24 Rev 8 81

AUTHORITY FOR EXPENDITURE DRILLING WELL

Δ	` '		
Date _ 8/23/85	C	a. (.لذ

	Casev-Strawn Pool			StateNM	
ld	Deen Wood XIII				
pared B	y: <u>Deen Wood XII.</u> Submitted By				
CAT.	NATURE OF EXPENDITURE	QUANTITY	CASH	MAT.L ON HAND	TOTAL
	DRILLING 1001 10 2/01/ 10/1 10		<u> </u>		
	DRILLING 400' 13 3/8" 48# H Casing 4800' 8 5/8"-2600' 32# K-55 ST&C	<u>-40_ST&C</u> 	71 50		71 50
01	Casinchead 8 5/8"-2600 32#-K-55 ST&C		9100		9 00
03	Location, Road & Dirt Work & damages		15 00		15 00
04	Drilling - Footage/Turnkey		13.00		15,00
05	Drilling - Davwork 39 days @ \$4500		175 50	nd i	175 50
06	Drilling - Rig Support MI & MORT		20 00		20.00
07	Bits 10 @ \$3750		37 50		37 50
03	Supervision 41 days @ \$250		10 2		10 2
09	Overhead		1		
10	Mud & Chemicals & water	<u> </u>	35 00	20	35 00
11	Cementing Services & Supplies		35 00		35 00
12	Testing & Logging & mud logger		1 25:00		25 0
13	Rentals		15.00	1 1	15 00
14	Other IDC out liners, csg crew, etc.	1	20 00		20 0
15	Other Equipment		3 0		3 0
		1	1		
	TOTAL DRILLING	l	471 7	50	471 7
	COMPLETION 10,000' 17# N-80	LT%C	: 1		
17	Casing 11,150' 51s"-1500' 20# N-80 LT&C		135 0	on	135 0
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		69100		69 0
19	Wellhead		12 0		12 0
20	Subsurface Equipment		4 0		4 0
21	Supervision 7 days @ \$250		1 7	50	1 7
22	Mud & Chemicals & KCL water	!	5 00	od	5 0
23	Testing, Logging & Perforating	<u> </u>	11 00	00	11 0
24	Stimulation		15 0	od l	15 0
25	Overhead	i			
26	Rentals	!	<u> </u> 5 0	00	5 0
27	Service Rig 7 days @ \$1600	<u> </u>	11 2	00	11 2
23	Cementing Services & Supplies		15:0	00	15:0
29	Other IDC	<u> </u>			
	TOTAL COMPLETION	!	283 9	50 - :	283 9
	PRODUCTION EQUIPMENT		<u> </u>		
32	Pumping Unit	!	<u> </u>		<u> </u>
33	Engine & Motor		1	_	<u> </u>
34	Rods	!	1	· !	
35 ———	Flow Lines	1	5 0		5! 0
36	Meters	!	2.0		2 <u>.</u> 0
37	Installation	:	5,0		5, 0
38	Storage	1	15 0		15 ¹ 0
39	Separation & Treating	·	12 0		12 0
40	Other Equipment	:	3,0		3 0
	TOTAL PRODUCTION EQUIPMENT	 	42 0		42 C
	TOTALS	<u> </u>	797 7		79717
	WI CWMER NAME 17 decimals)	DATE APPROVE	VORSSA C	ED: (this space for app	(yino isvorc

Date:____

August 23, 1985

Mr. Billy Gilbert 2812 Cimmaron Midland, Texas 79701

Re: Farmout Request

NE/4 Section 4 T-17-S, R-37-E

Lea County, New Mexico

Grisso #1 Well

Dear Mr. Gilbert:

Our records indicate that you own a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of your interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the commetten of one well and the commencement of the next well.

As an alternative to farming out your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should you decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

P 547 387 278

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

7

(See Reverse)

* U.S.G.P.O. 1983-403-517	Sent to Billy Gilbert Street and No. 2812 Cimmaron P.O., State and ZIP Code Midland, TX 7970 Postage	1 \$
* U.S.	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
982	Return receipt showing to whom, Date, and Address of Delivery	
-eb. 1	TOTAL Postage and Fees	\$
S Form 3800, Feb. 1982	Postmark or Date	

THE STATE OF	PM 3
PS Form	SENDER: Complete items 1, 2, 3 and 4.
orm 3811	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
11, July 1983	delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) raguisted.
1983	Show to whom, date and eddress of delivery
447-846	2. Restricted Delivery.
-	3. Article Addressed to:
	Billy Gilbert
	2812 Cimmaron
*	Midland, Tx 79701
13	4. Type of Service: Article Number
# OSS	☐ Registered ☐ Insured ☐ COD ☐ P 547 387 278 ☐ Express Mail
Gri	Always obtain signature of addressee or agent and DATE DELIVERED.
DOMESTIC	Dully Byllia
STIC	6. Signature – ∦gent X
RETURN	7. Date of Delivery
	8. Addressee's Address (ONLY if requested and fee paid)
RECEIP	

AUTHORITY FOR EXPENDITURE

		Α !
Date	8/23/85	Co. Cd.

XO PRODUCTION CORP GRM 24 Rev 8-81		DRILLING WELL		Date <u>8/23/85</u> Co. Co.				
istrict	West Texas	Well Name <u>Grisso</u>		Weli l	Vo#1			
ell Locat	on 2310' FNL & 660' FEL S	Section 4, T-17-S, 1	R-37-E	Depti	11,500'			
	Casey-Strawn Pool							
	By: Deen Wood					••		
repared E	By:	Submitted By:						
CAT. NO.	NATURE OF EXPENDITURE	QUAN	TITY	ESTIMATE MAT.L O				
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03	Location, Road & Dirt Work & da	amages	15	<u>00a</u>	15	<u>5 00</u>		
05	Drilling - Footage/Turnkey	2/500	175	500	175	- - 0		
06	Drilling - Davwork 39 days @ 5			500		5 50		
07	Drilling - Rig Support MI & 1	MORT		000	i	0 00		
08	Bits 10 @ \$3750		1	500	i i	7 <u> 50</u>		
09	Supervision 41 days @ \$3 Overhead	250	10	250		n¦ 25		
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11	Mud & Chemicals & water Cementing Services & Supplies			000		5 00		
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12	Testing & Logging & mud logg	ger		000		5 00		
	Rentals			000		<u>5 00</u>		
14	Other IDC out liners, csg Other Equipment	crew, etc.	16	000		0 00		
15	Other Equipment		3	000	3	3 00		
.	TOTA	L DRILLING			<u> </u>			
			471	750	471	1 75		
17		000' 17# N-80 T&C	105	000				
18	Casing 11, 150' 5½"-1500' 20			000		5 00		
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23	Mud & Chemicals & KCL water Testing, Logging & Perforating	er		ood		<u>5 00</u>		
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26	Rentals					 		
27			5			5 00		
28	Service Rig 7 days @ \$1600 Cementing Services & Supplies		11	000	! ! 11	1 20 5: 00		
29	Other IDC	<u> </u>	111	1 1		3: 00		
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	PRODUCTION EQUIPMEN		403	930		3 <u> 95</u>		
32	Pumping Unit			<u> </u>		-		
33	Engine & Motor							
34	Rods				1 1			
35	Flow Lines			000		5 00		
36	Meters			000				
37	Installation		11			2 00		
38	Storage			000		5 ¹ 00 5 ¹ 00		
39	Separation & Treating			000				
40	Other Equipment			000	1 1	2 00 3 00		
	TOTAL PRODUCTION	EQUIPMENT	.4	000		3 00 2 00		
		TOTALS		700		71 70		
		BILLING INT DA			ace for approval only			

Tink TXO PRODUCTION CORP. 900 WILCO BUILDING MIDLAND, TEXAS 79701 September 4, 1985 Mobil Producing Texas and New Mexico, Inc. P. O. Box 633 Midland, Texas 79702 Attention: Mr. Mandel Selber Re: Farmout Request NE/4 Section 4 T-17-S, R-37-E Lea County, New Mexico Grisso #1 Well Gentlemen: Our records indicate that Mobil Producing owns a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of Mobil Producing's interest in said lands based on the following proposal: Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico. By the drilling of this well, TXO will earn a 75% net revenue interest 2. lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop 3. the acreage with the passing of no more than 120 days between the completion of one well and the commencement of the next well. As an alternative to farming out said interest, Mobil Producing may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should Mobil Producing decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address. Thank you for your consideration of this proposal and I look forward to hearing from you in the near future. Very truly yours. Jeff Bourgeois Landman

P 547 246 413

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

1.517 2.17	ebil Producing TX & & & XXXXXXXXXXXXXXXXXXXXXXXXXXXXX	NM,	Inc
83-40	Street and No. 633		
₹0. 19	P.O., State and ZIP Code jdland. Texas 79702	>	
J.S.G.	Postage	\$]
* L	Certified Fee		
	Special Delivery Fee		
	Restricted Delivery Fee		
	Return Receipt Showing to whom and Date Delivered		
1982	Return receipt showing to whom, Date, and Address of Delivery		
Feb.	TOTAL Postage and Fees	\$	
00	Postmark or Date		
Form 3800, Feb. 1982	September 4, 1989	5	
S			

PS Form 3811, July 1983 447-846	Put your address in the "RET reverse side. Failure to do this being returned to you. The re you the name of the person delivery. For additional fees to available. Consult postmaster	URN TO" space on the will prevent this card from turn receipt fee will provide elivered to and the date of the following services are	Farmout
y 1983 447	for service(s) requested. 1. Show to whom, date a 2. Restricted Delivery.	nd address of delivery.	armout Request
846	3. Article Addressed to: Mobil Producing P. 0. Box 633 Midland, Texas		
	4. Type of Service: Registered Insured Certified COD Express Mail	Article Number P 547 246 413	
DOM	Always obtain signature of ac DATE DELIVERED. 5. Signature — Addressee X	ldressee <u>or</u> agent and	
DOMESTIC RETUI	7. Date of Delivery	E SEP	
RETURN RECEIPT	8. Addressee's Address (ONL	Y if requested and fee page	

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE DRILLING WELL

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Date <u>8/23/85</u>	_	Co. Cd.

	West Texas Well Name Gri						
eli Locat	on 2310' FNL & 660' FEL Section 4, T-17	-S, R-37-E			Depth <u>11,5</u>	<u> </u>	
eld	Midway-Strawn Pnol	County	ea		StateNM	· —	
ad 9	By: Deen Wood XI. Submitted By:						:
- cared b	yy.				ESTIMATED COST		
CAT. NO.	NATURE OF EXPENDITURE	QUANTITY	CASH		MAT.L ON HAND	TOTAL	
	DRILLING 400' 13 3/8" 48# H	40 CTSC	İ				ĺ
01	Casing 4800' 8 5/8" 2200' 24# K-55 ST&C	40 STac	71	500		71	500
02 .	Casing read 6 5/6 -2600! 32# K-55 ST&C			00q			000
03	Location, Road & Dirt Work & damages			000			00
04	Drilling - Footage/Turnkey		1	003			1
05	Drilling - Daywork 39 days @ \$4500		175	500		175	50
06	Drilling - Rig Support MI & MORT	· · · · · · · · · · · · · · · · · · ·		000			00
07	Bits10 @ \$3750	-		50d			50
03	Supervision 41 days @ \$250	<u> </u>	1	250			251
09	Overhead 41 days @ \$250			<u> </u>		<u>1U</u>	: 231
10	Mud & Chemicals & water		35!	000		35	00
11	Camenting Services & Supplies			000			00
12	Testing & Logging & mud logger	1		000			00
13	Rentals			000			00
14	Other IDC out liners, csg crew, etc.	i		000			
15	Other Equipment			000			00
	Otte, Eddisher	. 1	<u>. کـــــــــ</u> ا	<u>000</u>		3	00
	TOTAL DRILLING	<u></u>		750		· · · · · · · · · · · · · · · · · · ·	
	COMPLETION 10,000' 17# N-80	Tr. C	<u>. 471:</u>	<u> 750</u>		471	175
17	Casing 11,150' 5½"-1500' 20# N-80 LT&C	-1 & C	125	000			1 00
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		135	000 000		135	L
19	Wellhead						00
20	Subsurface Equipment	·	41	000			00
21	Supervision 7 days @ \$250			750		4 1	<u> 00</u> 75
22	Mud & Chemicals & KCL water			000			1
23	Testing, Logging & Perforating			000			00
24	Stimulation	1		000			00
25	Overhead	11	1 <u>5</u> .	<u>000</u>		15	100
26	Rentals			000			00
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34	Rods						<u> </u>
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36	Meters	1		000			00
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		· '1	, , ,	, 50	• • •	191	i 10

Mobil Producing Texas and New Mexico, Inc.

By:____

Title:

August 23, 1985

Cleroy, Inc. Lanroy, Inc. P. O. Box 3405 Tulsa, Oklahoma 74101

Re: Lease Proposal

NE/4 Section 4 T-17-S, R-37-E

Lea County, New Mexico

Grisso #1 Well

Gentlemen:

Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest.

As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should you decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future.

Yery truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

FROM:

> Jeff Bourgeois TXO Production Corp. 900 Wilco Bldg. Midland, TX 79701

Customer Number, if any:

TO:

Cleroy, Inc. Lanroy, Inc. P. O. Box 3405 Tulsa, OK 74101

☆ U.S.G.P.O. 1984 --- 440-389 Label 11B (1-84)



POST OFFICE



SERVICE GUARANTEE:

Domestic mallings under this service made at designated USP facilities on or before at seed led deposit time will be accessed to surveys and seed led deposit time will be accessed to surveys area. The Express Mail Service for next cavide very for an addressee in agent on or before in time specified by the USPS at mall USPS will refund upon application to originating office to postage for any succession mailed under its service and in-meding the service standard except for those delayed by strike to work shootang. See USPS Notice 43 for details.

INSURANCE COVERAGE:
See Section 294 and 295 or the Domestic Mail Manual to excusions of coverage. See USPS to the Domestic Mail Manual to excusions of coverage. The service standard manual service standards are insured against loss, camage, or fing using \$50 d00 per for coverage (2) Merchandise insured against loss, camage, or filling up to a maximum of \$500.

EXPRESS MAIL SERVICE

TXO PRODUCTION CORP FORM 24 Rev 8 81

AUTHORITY FOR EXPENDITURE ORILLING WELL

	А	لــنـــا
Date <u>8/23/85</u>	_	Co. Cd.

District	West Texas Well NameGr	isso			Well No#1		
Well Locat	on 2310' FNL & 660' FEL Section 4, T-1	7-S, R-37	- <u>E</u>		Depth11.5	00'	
Field	Casey-Strawn Pool	County	Lea		StateNM	i	
D	By: Deen Wood WW Submitted By				Dallas	District	
Fregared 8	y: oddinited by	·			ESTIMATED COST		
CAT.	NATURE OF EXPENDITURE	QUANTITY	CASH		MAT.L ON HAND	TOTAL	
<u> </u>	DRILLING 400' 13 3/8" 48# H	LAO STEC					
01	DRILLING 400' 13 3/8" 48# H Casing 4800' 8 5/8"-2200' 24# K-55 ST&C	1	71	500	-	71	500
02	Casinghead 2600 32# R-33 State		9	000			000
03	Location, Road & Dirt Work & damages		15	ood		15	000
04	Drilling - Footage/Turnkey		İ				
05	Drilling - Davwork 39 days @ \$4500		175	500	1 1	175	500
06	Drilling - Rig Support MI & MORT	<u> </u>	20	ood		20	000
07	Bits 10 @ \$3750		37	500		37	500
08	Supervision 41 days @ \$250		10	250		10	250
09	Overhead	<u> </u>	∦ 	! !	- ! !		<u> </u>
10	Mud & Chemicals & water	<u>!</u>		000			000
11	Cementing Services & Supplies	<u> </u>	11	000			000
12	Testing & Logging & mud logger Rentals	<u> </u>		000			000
14		<u> </u>	1	000			000
15	Other IDC out liners, csg crew, etc. Other Equipment	 	11	000			000
		<u> </u>	<u>"</u>	<u>. 000</u>		<u>.</u>	<u> 000</u>
	TOTAL DRILLING	1	471	750		471	750
	COMPLETION 10,000' 17# N-80	LT&C		1			المرا
17	Casing 11,150' 5½"-1500' 20# N-80 LT&C		135	000		135	000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		69	1 .			000
19	Wellhead		12	000		12	000
20	Subsurface Equipment		4	000			000
21	Supervision 7 days @ \$250	<u> </u>	1	750		1	750
· 22	Mud & Chemicals & KCL water		5	ood		5	000
23	Testing, Logging & Perforating	<u> </u>	1	000		11	000
25	Stimulation . ; Overhead	<u>:</u>	15	000		15	000
26	Rentals	!	1				
27		1	12	1000	1 1	i	000
28	Service Rig 7 days @ \$1600 Cementing Services & Supplies	 	4	200 000		11	200
29	Other IDC		1 12	1 :			000
<u> </u>	TOTAL COMPLETION	i	283	950		202	950
	PRODUCTION EQUIPMENT		1		; ;	<u> </u>	_ ;
32	Pumping Unit			:		.	
33	Engine & Motor			į i			
34	Rods				I !		-
35	Flow Lines		5	000		5	000
36	Meters	<u> </u>	<u> </u>	000		2	000
37	Installation	!	N.	000			000
38	Storage	<u> </u>	11	000			000
39	Separation & Treating	<u>;</u>	1	000			000
1 40	Other Equipment TOTAL PRODUCTION EQUIPMENT			<u>000</u>			000
	TOTALS	-	╡┾╼╼╼╼╼				000
<u></u>		DATE		700			700
	BILLING INT WI OWNER NAME (7 decimals)	APPROVED	Cler): (this space for ap	proval only)
Cleroy,	Inc.			<i>-</i> 1, .			
Lanroy,	Inc.		By:_				
			Titl Date				
			Lanr		Inc.		
			By:_				
			Titl	<u> </u>		- 	

Date:__

Mr. & Mrs. J. R. McGinley, Jr. P. O. Box 3405 Tulsa, Oklahoma 74101

Re: Lease Proposal

NE/4 Section 4 T-17-S, R-37-E

Lea County, New Mexico

Grisso #1 Well

Dear Mr. & Mrs. McGinley:

Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest.

As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should you decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

FROM:

Jeff Bourgeois TXO Production Corp. 900 Wilco Bldg. Midland, TX 79701

Customer Number, if any:

TO:

Mr. & Mrs. J. R. McGinley, Jr. P. O. Box 3405 Tulsa, OK 74101

☆ U.S.G.P.O. 1984 — 440-389 Label 118 (1-84)



EXPRESS POST OFFICE



<u>ೆ 54798832</u>

SERVICE GUARANTEE:

Denestic manings under this service made at designated USI families on or before a specified descript in e-will be accepted to express simplement to a lose granted USPS delivery arial services small Service for next day or e-ery to an accressed agent on or before the time specified by the USPS at manifolds will refund upon application to originating efficiency will refund upon application to originating efficiency and of meeting the service standard except for mose delayed by strike work shookings. See USPS whice 43 for ordinations will be useful to the upon a service standard except for mose delayed by strike work shookings. See USPS whice 43 for ordinations in SURANCE COVERAGE:
See Sections 294 and 255 of the Domestic Mail Manual exclusions of coverage and in the section of the secti

Signature is required upon delivery.
Claims for ocisy loss, camage or inting must be made within days. Claim forms may be octained at the post effice or mail.
This receipt must be presented when a claim is fixed.

EXPRESS MAIL SERVICE

TXO PRODUCTION CORP FORM 24 Hev 8 81

AUTHORITY FOR EXPENDITURE DRILLING WELL

		Д	
Date_	8/23/85		Ca. Cd.

	Casev-Strawn Pool				StateN		
eld	y: Deen Wood Will Submitted By				Dallas	District	•
epared B	y: Deen wood (7.57) Submitted by					 	
CAT. NO.	NATURE OF EXPENDITURE	QUANTITY	CASH		ESTIMATED COST MAT.L ON HAND		
	DRILLING 400' 13 3/8" 48# H	40 CT1C					Ī
01	Casing 4800' 8 5/8" -2600' 24# K-55 ST&C	=40 STaG	H	500		71	50
02	Casinghead 8 378 26001 32# K-55 ST&C-			000			00
03	Location, Road & Dirt Work & damages	!	l	000			00
04	Drilling - Footage/Turnkey		13	000		· · · · · · · · · · · ·	1
05	Drilling - Davwork 39 days @ \$4500		175	500		175	50
06	Drilling - Rig Support MI & MORT		1	000			00
07	Bits 10 @ \$3750		il	500			50
03	Supervision 41 days @ \$250		•	250			25
09	Overhead						
10	Mud & Chemicals & water	!	35	000		35	co
11	Cementing Services & Supplies	1		000			00
12	Testing & Logging & mud logger		il .	000	·		00
13	Rentals	<u> </u>		000			00
14	Other IDC out liners, csg crew, etc.	<u> </u>		000			00
15	Other Equipment		il .	000			00
				1			ļ
	TOTAL DRILLING		471	750		771	76
	COMPLETION 10,000' 17# N-80	TEC	471			471	
17	Casing 11,150' 5'2"-1500' 20# N-80 LT&C		135	000		135	00
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE	1	:1	000			00
19	Wellhead			000		12	
20	Subsurface Equipment			000			00
21	Supervision 7-days @ \$250		11	750			75
· 22	Mud & Chemicals & KCL water		·	000			00
23	Testing, Logging & Perforating		ii	000		11	<u> </u>
24	Stimulation		li .	000			00
25	Overhead	<u> </u>			 i i i		00
26	Rentals	1	5	000			00
27	Service Rig 7 days @ \$1600	<u> </u>	11	200		11	20
28	Cementing Services & Supplies	!	15	000		15:	00
29	Other IDC	Ī		!			
•	TOTAL COMPLETION	i	283	950		283	0.5
	PRODUCTION EQUIPMENT				i		<u> </u>
32	Pumping Unit		il	:	i	· ·	
33	Engine & Motor					· · · · · · · · · · · · · · · · · · ·	
34	Rods		1	•	1		<u></u>
35	Flow Lines		5	000		5	00
36	Meters			000			00
37	Installation		(1	000		5	
38	Storage		4	000			, 00
39	Separation & Treating		11	000		1	00
40	Other Equipment	i	1	000			1 00
	TOTAL PRODUCTION EQUIPMENT			000			. oc
	TOTALS		797	700		7 97	
	BILLING INT	DATE	APPS	==): (this space for a		
	WI OWNER NAME (7 decimals)	APPROVED	<u>.</u>			,	
ir. an	d Mrs. J. R. McGinley, Jr.		J. R.	McG	inley, Jr.		
			~				

August 23, 1985

Shell Exploration and Production P. O. Box 576 Houston, Texas 77001

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Gentlemen:

Our records indicate that Shell owns a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of Shell's interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the comletion of one well and the commencement of the next well.

As an alternative to farming out said interest, Shell may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should Shell decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

FROM:

> Jeff Bourgeois TXO Production Corp. 900 Wilco Bldg. Midland, TX 79701

Customer Number, if any:

TO:

Shell Expl. & Prod. P. O. Box 576 Houston, TX 77001

☆ U.S.G.P.O. 1984 — 446-389 Label 11B (1-84)





SERVICE GUARANTEE:
Comestic mailings under this service made at designated USI facilities on or before a specified deposit time will be accepted the express shoment to a cestignated USPS delivery area. As Express Mail Service for next day delivery to an addressed agent on or before the time specified by the USPS at mauniliary to before the time specified by the USPS at mauniliary so will refund upon application to enginating circle. USPS will refund upon application to enginating circle mostage for any shoments mailed under this service and rimeting the service standard except for those delayed by schalar work shockage. See USPS Niction 43 for details. INSURANCE COVERAGE:
See Sections 294 and 295 of the Domestic Mail Manual sexulpance of coverage.

1) Document Reconstruction Insurance Non-neget at documents are insured against loss, camage, or nicing upon 250,000 per opeces, subject to a limit of \$500,000 per secret.

2) Merchandiste Insurance Merchandiste is insured against loss camage, of nitting up to a maximum of \$500.

Signature is required upon delivery.
 Claims for delay, loss, damage or rifling first be made within days. Claim forms may be octained at the post effice of major This receipt must be presented when a claim is fired.

EXPRESS MAIL SERVICE

TXO PRODUCTION CORP

AUTHORITY FOR EXPENDITURE

А	
Date <u>8/23/85</u>	Ca. Cd.

FORM 24	•	DRILLIN				te <u>8/23/85</u>		с	:a. Cd .
District _	West Texas	Well NameGr	isso			Well No#1			
	tion 2310' FNL & 660' FEL S							1	
	Casey-Strawn Pool		County	Lea		State	NM		
Field	By: Deen Wood					0.0.0			
Prepared	By:Deen wood ///	Submitted By	:			——— Dal	las	District	
CAT.	NATURE OF EXPENDITURE		QUANTITY	ļ	·	ESTIMATED CO			
NO.			\ 	CASH	- 	MAT.L ON HAR	40	TOTAL	
ļ	DRILLING 400' Casing 4800' 8 5/8"-2200'	13 3/8" 48# H	140 ST&C		!				ļ. —
01	Casing 4800' 8 5/8"-2600'	32# K-55-ST&C	<u> </u>	71	500				500
02	Casinghead S. Dia Waste Co.		1		000				000
03	Location, Road & Dirt Work & da	amages		15	000			15	000
05	Drilling - Footage/Turnkey	2/500	†	1 175	500	- -			-
06	Drilling - Davwork 39 days @ S		 	11	500			175	
07	Drilling - Rig Support MI & 1	MORT		il	000				000
08	Bits 10 @ \$3750				500				500
09	Supervision 41 days @ \$5	250		10	250		-}	10	! 25 <u>(</u>
10	Mud & Chemicals & water	 		7.5	000			25	000
11	Cementing Services & Supplies		<u>:</u>		000				000
12	Testing & Logging & mud logg	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		1	000				000
13	Rentals	ger	 		000				000
14	Other IDC out liners, csg	crew atc		11	000				ī
15	Other Equipment	crew, etc.			000				000
1			<u> </u>	1	<u> </u>		- 		<u>! 00</u> 0
	TOTA	LDRILLING		471	750			471	
	COMPLETION 10,	000' 17# N-80	TAC			-		9_1_1_	<u>المرا</u>
17	Casing 11, 150' 5½"-1500' 20			135	000		\neg	135	000
18	Tubing11,500' 2 7/8" 6.5#			69					000
19	Wellhead				000		- 		000
20	Subsurface Equipment			41	000		\neg		1000
21	Supervision 7 days @ \$250				750				750
· 22	Mud & Chemicals & KCL wat	er			000				000
23	Testing, Logging & Perforating			11	000				000
24	Stimulation			- 11	000				000
25	Overhead								
26	Rentals			5	000			5	000
27	Service Rig 7 days @ \$160	0	<u>i</u>	11	200	!		11	200
28	Cementing Services & Supplies			15	000			15	000
29	Other IDC		<u> </u>	1	!		_ !		
<u>"</u>	· 	OMPLETION		283	950	<u> </u>		2 83	950
-	PRODUCTION EQUIPMEN	<u>T</u>	<u> </u>	-		<u> </u>	: 		!
32	Pumping Unit	 	<u> </u>	_		<u> </u>	<u> </u>	·	<u> </u>
33	Engine & Motor		!			<u> </u>	i		<u>!</u>
34	Rods		!		<u> </u>	· ·			<u> </u>
35	Flow Lines		 		000				00
36	Meters		! -	1!	000				00
37	Installation		<u> </u>	11	1000				000
39	Storage Separation & Treating			<u> </u>	000		<u>i</u>		000
40					000				000
1	Other Equipment TOTAL PRODUCTION	FOLUPMENT	:		<u>000</u> 000		 -		00
	TOTAL PRODUCTION	TOTALS	1	_ <u>}</u>					00
<u></u>	·		1		700				70
	WLOWNER NAME	BILLING INT (7 decimals)	DATE APPROVE	APPR D	OVED): (this space fo	or approv	rai only)
					Expl	oration &	Produc	ction	
Shell I	Exploration & Production							•	
				By:					

Title:____

Date:___

August 23, 1985

Texaco, Inc. P. O. Box 3109 Midland, Texas 79702

Attention: Mr. E. H. Watkins

Manager Land & Leasing

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Gentlemen:

Our records indicate that Texaco owns a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of Texaco's interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the comletion of one well and the commencement of the next well.

As an alternative to farming out said interest, Texaco may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should Texaco decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

P 547 387 281

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1983-403-517	Sent to				
	Street and No. P. O. Box 3109				
.0.19	P.O., State and ZIP Code Midland, TX 79	702			
.S.G.P	Postage	\$			
 	Certified Fee				
	Special Delivery Fee				
	Restricted Delivery Fee				
	Return Receipt Showing to whom and Date Delivered				
Feb. 1982	Return receipt showing to whom, Date, and Address of Delivery				
	TOTAL Postage and Fees	\$			
	Postmark or Date				
orm 3800,					

	. –	
	8	SENDER: Complete items 1, 2, 3 and 4, 278 April
•	S Form 3811, Ju	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
1.50	1, July 1983 447-845	delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.
	983	Show to whom, date and address of delivery.
•	447-	2. Restricted Delivery.
	8	3. Article Addressed to:
		Texaco, Inc. P. O. Box 3109
		Midland, TX 79702 Attn: Mr. E. H. Watkins
•		4. Type of Service: Article Number
	.sso #]	Registered Insured P 547 387 281 Cortified COD Express Mail
	Gri	Always obtain signature of addressee or agent and DATE DELIVERED.
	g	5. Signature – Addressee
	DOMEST	X
	STIC	6. Signature – Agent
	RETURN	7. Date of Delivery
þ		8. Addressee's Address (ONLY if requested and fee paid)
	RECEI	105
	PT	•

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE

А	1
Date <u>8/23/85</u>	Co. Cd.

District	West Texas Well Name	Grisso		Well Not	1	
1A/_H L = == =	tion _ 2310' FNL & 660' FEL Section 4,	T-17-S, R-37	-E	Depth	11,500'	
Well Local	Casey-Strawn Pool		I ea	State	NM	
Field	Casey-Scrawn root	—— County ——	<u> </u>	State		
Prepared 8	By: Deen Wood Will Submitte	ed By:		D	allasDistrict	
CAT.	NATURE OF EXPENDITURE	QUANTITY		ESTIMATED C		
NO.			CASH	MAT.L ON H	AND TOTAL	<u></u>
<u> </u>	DRILLING 400' 13 3/8" 4	8# H-40 ST&C	di I			¦
01	Casing 4800' 8 5/8"-2600' 24# K-55 S	TáC	71			<u>500</u>
02	Casinghead		1	ood		000
03	Location, Road & Dirt Work & damages		15	300	15	<u>000</u>
04	Drilling - Footage/Turnkey		1 175	500	175	
ļ	Drilling - Daywork 39 days @ \$4500		175	1	175	
06	Drilling - Rig Support MI & MORT		201			000
07	Bits 10 @ \$3750		37			_500
08	Supervision 41 days @ \$250		10	250	10	250
09	Overhead		1			
10	Mud & Chemicals & water		35			000
	Cementing Services & Supplies		35			000
12	Testing & Logging & mud logger		25			000
 	Rentals		15		· · · · · · · · · · · · · · · · · · ·	000
14	Other IDC out liners, csg crew, etc	•	20			<u>000</u>
15	Other Equipment	1	<u> 3.</u>	000	_	000
<u> </u>	TOTAL DRILLING					
]			471	750	471	750
<u> </u>	COMPLETION 10,000' 17# N	1	100			¦
17	Casing 11, 150' 5'-1500' 20# N-80 LT	&C	135		135	
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		69	1	· · · · · · · · · · · · · · · · · · ·	000
19	Wellhead		12			<u>000</u>
20	Subsurface Equipment		11	000		200
21	Supervision 7-days @ \$250			750		750
22	Mud & Chemicals & KCL water Testing, Logging & Perforating	<u> </u>		<u>ood </u>	1	000
24	Stimulation :		11		1	000
25	Overhead	<u>:</u>	15!	000		<u>000</u>
26	Rentals					
27			- 1	000 !		<u>000</u>
28	Service Rig 7 days @ \$1600 Cementing Services & Supplies	i		200 : 000 !		200
29	Other IDC	<u> </u>	13		1 1	000
	TOTAL COMPLETION		202	050		
 	PRODUCTION EQUIPMENT		283	950 :	283	<u>950</u>
32	Pumping Unit		1		·	
33	Engine & Motor				1	
34	Rods	 i	1 ;	;		
35	Flow Lines		5	000	5	000
36	Meters			000		000
37	Installation	i	13	000	·	000
38	Storage			000		000
39	Separation & Treating	ļ į	ii .	000	1	000
40	Other Eiguipment			000		000
	TOTAL PRODUCTION EQUIPMENT			000		000
	TOTALS		797		797	
	. BILLING INT	DATE			for approval only	
	WI OWNER NAME (7 decimals)	APPROVED	<u>)</u>	- CD. Your Space	ior approvalionly)	,
Texaco,	Inc.		Texa	co, Inc.		
			Drre		P	
			τλ •			
			Title	e:		
			- .			

August 23, 1985

Pennzoll
P. O. Box 1328
Midland, Texas 79702

Attention: Mr. K. B. Medlock
District Landman

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Gentlemen:

18

Our records indicate that Pennzoil owns a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of Pennzoil's interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the comletion of one well and the commencement of the next well.

As an alternative to farming out said interest, Pennzoil may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should Pennzoil decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

P 547 387 279

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

-517	Sent∉p Pennzoil	
83-403	Street and No. P. O. Box 1828	
19	P.O., State and ZIP Code	
* U.S.G.P.O. 1983-403-517	Midland, TX 79702 Postage	\$
→	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
1982	Return receipt showing to whom, Date, and Address of Delivery	
Feb. 1	TOTAL Postage and Fees	\$
3800.	Postmark or Date	
S Form 3800, Feb. 1982	*	
Ų,	′ (

3	SENDER: Complete items 1, 2, 3 and 4.
Form 3811. July 1983 447-845	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.
1983	1. A Show to whom, date and address of delivery.
	2. LJ Restricted Delivery.
5	3. Article Addressed to:
1	Pennzoil
1	P. O. Box 1828
1	Midland, TX 79702
	Attn: Mr. K. B. Medlock
ſ	4. Type of Service: Article Number
	Registered Insured P 547 387 279 Express Mail
İ	Always obtain signature of addressee or agent and DATE DELIVERED.
٠ŀ	5. Signature Addressee
	X
CHECTIC	6. Signature - Agent X
SETURN	7. Date of Delivery
D N N	8. Addressee's Address (ONLY if required and ise paid)
RECEIP	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
힐	7639

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE DRILLING WELL

A	١.	
Date <u>8/23/85</u>		Co. Cd.

District _	West Texas Well Name Gr	isso		·	Weli No#1		
	tion 2310' FNL & 660' FEL Section 4, T-1						
	Casey-Strawn Pool						
Field	By: Deen Wood D Submitted By	County			O(8/6		
Prepared 5	By: Submitted By	:	· · · · · · · · · · · · · · · · · · ·		———— Dallas	District	
CAT.	NATURE OF EXPENDITURE	QUANTITY	ļ		ESTIMATED COST		
NO.		ļ	CASH	;	MAT.L ON HAND	TOTAL	,
	DRILLING 400' 13 3/8" 48# H	-40 ST&C		<u> </u>			<u> </u>
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C		71	500	1	71	500
02	Casinghead		9	000		9	000
03	Location, Road & Dirt Work & damages		15	000		15	000
04	Drilling - Footage/Turnkey	<u> </u>	<u> </u>	<u> </u>		! 	<u> </u>
05	Drilling Davwork 39 days @ \$4500		175	500		175	500
06	Drilling - Rig Support MI & MORT		20	000		20	000
07	Bits 10 @ \$3750		37	500		37	500
08	Supervision 41 days @ \$250		10	250	<u> </u>	10	250
09	Overhead			<u> </u>			1
10	Mud & Chemicals & water	<u> </u>	35	000		35	000
11	Cementing Services & Supplies		35	000	}	35	000
12	Testing & Logging & mud logger		25	000	<u> </u>		000
13	Rentals		15	000			000
14	Other IDC out liners, csg crew, etc.		ı.	000			000
15	Other Equipment		1	000			000
1	·			<u> </u>			!
	TOTAL DRILLING		471	750		7.71	750
	COMPLETION 10,000' 17# N-80	TSC	1 4/1	1		471	
17	Casing 11,150' 5½"-1500' 20# N-80 LT&C	1	135	000		125	0.00
18	Tubing[1,500'_ 2 7/8" 6.5# N-80 EUE		3	000			000
19	Wellhead	 		000	1		1
20	Subsurface Equipment		11	000			1000
21	Supervision 7 days @ \$250		11	750			<u>000</u> 750
· 22	Mud & Chemicals & KCL water		::	000			
23	Testing, Logging & Perforating	 	ii .	1			000
24	Stimulation :		11	000	:		000
25	Overhead	!	<u> 15</u>	000		15_	<u> 000</u>
26	Rentals	<u>†</u>		<u>!</u>			
27		:	- 02	000			000
28	Service Rig 7 days @ \$1600 Cementing Services & Supplies	<u>:</u>	1	200			200
29	Other IDC	: 	1)	000		15	000
1 -23	TOTAL COMPLETION	t -	1	!		<u> </u>	
 	PRODUCTION EQUIPMENT	-	283	<u>: 950</u>) !	283	950
32		<u>i</u>	1	<u>i </u>	: :	·	<u>: </u>
33	Pumping Unit Engine & Motor	-	1	·	: ! :	· · · · · · · · · · · · · · · · · · ·	<u> </u>
33	Rods	!	' 	:	<u> </u>		!
35		!	1	<u>. </u>	1		
	Flow Lines	<u> </u>		000			000
36	Meters	<u>!</u>	11	000		2	000
37	Installation	!		000			000
38	Storage	<u> </u>		000			000
39	Separation & Treating	<u>:</u>		000		12	000
40	Other Equipment	1		000			000
<u> </u>	TOTAL PRODUCTION EQUIPMENT	 		000		42	000
	TOTALS		797	700)	797	1700
	BILLING INT	DATE	APPR	OVE	D: (this space for a	pproval only)
	WI CWNER NAME (7 decimals)	APPROVED	PENN!	ZOIL			
Pennzo	il		D-:				
			Ву:_			·	
			Title	e:			
			Date	:			

August 30, 1985

Sohio Petroleum Company Two Lincoln Centre 5420 LBJ Freeway, Suite 1000, LB 03 Dallas, Texas 75240

Attention: Mr. Don Leonhart

Re: Well Proposal
Grisso #1 Well
Section 4
T-17-S, R-37-E
Lea County, New Mexico

Gentlemen:

Prusuant to our recent telephone conversation, this letter shall serve as notice of TXO Production Corp.'s intention to drill the Grisso #1 well at a location 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico. Enclosed please find two copies of our Authority for Expenditure (AFE) for the drilling of this well.

At this time, TXO seeks your election to join in the well. Should you elect to participate in the well, please sign one copy of the AFE and return it to the attention of the undersigned at the letterhead address.

Should you have any questions or want to discuss this matter further, please do not hesitate to contact me at the letterhead address or call (915) 682-7992. Thank you for your cooperation in this matter.

Very truly yours,

Jeff Bourgeois Landman

FROM:

Jeff Bourgeois TXO Production Corp. 900 Wilco Building Midland, Texas 79701

Customer Number, if any:

TO:

Sohio Petroleum Company Two Lincoln Centre 5420 LBJ Freeway, Suite 1000, LB 03 Dallas, Texas 75240

ឬscrattentចានដោយដែល១២០០ Leonhart



POST OFFICE
TO ADDRESSEE



SERVICE GUARANTEE:
Domestic mailings under this service made at designated Utilities on or before a specified decost time will be accepted express shipment to a designated USPS derivery area as Express Mail Service for next day derivery to an addressed

Express Mail Service for next day delivery to an addresse agent on or before the time specified by the USPs at main USPS will refund upon appication to originating office, it postage for any shipmens marked under this service and intelliging the service standard except for those delayed by strike work stoppage. Set USPS Notice 43 for details.

INSURANCE COVERAGE:
See Sections 294 and 295 of the Domestic Mail Manual it sectious of coverage.

(1) Decument: Reconstruction: Insurance: Non-negotiat documents are insured against loss, camage, or rifling up 550,000 per piece, subject to a limit of \$500,000 per accurrence (2) Merchanoise Insurance Merchanoise is insured against loss damage, or rifling up to a maximum of \$500.

Signature is required upon delivery.
 Claims for delay, loss, damage or "ling must be made within days. Claim forms may be obtained at the post office of main?
 This receipt must be presented when a claim is filed.

EXPRESS MAIL SERVICE

Dagaciana Pecaipt

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE DRILLING WELL

A	1 : 1
Date 8/23/85	Co. Cd.

	Midway-Strawn Pool	County	.ea		State NM		
nared S	By: <u>Deen Wood</u> Submitted By:				Dallas	District	
				ESTIMATED COST			
NO.	NATURE OF EXPENDITURE	QUANTITY	CASH	MAT	LON HAND	TOTAL	
	DRILLING 400' 13 3/8" 48# H	-40 ST&C					
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C		71	500		71	50
02	Casinghead 2000 92 F R 99 31 de		9	000		9	00
03	Location, Road & Dirt Work & damages		15	000		15	00
04	Drilling - Footage/Turnkey						<u> </u>
05	Drilling - Davwork 39 davs @ \$4500		175	500		175	50
06	Drilling - Rig Support MI & MORT		20	000		20	00
07	Bits 10 @ \$3750		37	500		37	50
08	Supervision 41 days @ \$250		10	250		10	25
09	Overhead	!	· · · · · · · · · · · · · · · · · · ·	<u> </u>			
10	Mud & Chemicals & water			000		35	<u> co</u>
11	Cementing Services & Supplies			000			00
12	Testing & Logging & mud logger			000		25	<u> oc</u>
13	Rentals		15	000		15	00
14	Other IDC out liners, csg crew, etc.		20	000		20	00
15	Other Equipment		3	000		3	<u> oc</u>
	TOTAL DOLL INC	1				·	<u> </u>
	TOTAL DRILLING		471	750		471	75
	COMPLETION 10,000' 17# N-80	LT&C !		!!			-
17	Casing 11,150' 5's"-1500' 20# N-80 LT&C			000		135	ī
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE			000			00
19 20	Wellhead Subsurface Equipment			000			<u> oc</u>
			ł .	1 000			<u> 00</u>
21	Supervision 7 days @ \$250 Mud & Chemicals & KCT, water			750		1	
22	Mud & Chemicals & KCL water Testing, Logging & Perforating	; · · · · ·		ood		5	$\overline{}$
24				000		11	
25	Overhead	!	!1 <u>5</u>	000		15	1 1 00
26	Rentals		5	000			1
27	Service Rig 7 days @ \$1600		! <u>5</u>			5	00
28	Cementing Services & Supplies			200 000		11	20 00
29	Other IDC	1	1.7	1 1			1
	TOTAL COMPLETION	i	202	950		202	0.5
	PRODUCTION EQUIPMENT					283	95
32	Pumping Unit			: :			<u>-</u> -
33	Engine & Motor	<u> </u>					
34	Rods	i			<u> </u>		<u>!</u>
35	Flow Lines		5	000			! ! 00
36	Meters			000			00
37	Installation		1	000	<u> </u>	<u> </u>	-
38	Storage		1	000			<u> 0</u> 0
39	Separation & Treating	ļ	1	000	1 !		00
40	Other Equipment			000		3	1
	TOTAL PRODUCTION EQUIPMENT			000	· i		00
	TOTALS		7 97	700		797	-
	BILLING INT	DATE			nis space for app		-
	WI OWNER NAME (7 decimals)	APPROVED		 - (()	" abace tot abt	noval only	,

Title:

TXO PRODUCTION CORP.

900 WILCO BUILDING
MIDLAND, TEXAS 79701

September 4, 1985

Atlantic Richfield Company
P. 0. Box 1610
Midland, Texas 79702

Attention: Mr. Mike Snyder

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Gentlemen:

Our records indicate that Atlantic Richfield Company owns a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of Atlantic Richfield Company's interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the completion of one well and the commencement of the next well.

As an alternative to farming out said interest, Atlantic Richfield Company may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should Atlantic Richfield Company decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours.

Jeff Bourgeois Landman

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P 547 246 415

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

517	SeAttantic Richfield	Company
83-403	Street and No. P. 0. Box 1610	
.0. 19	PO, State and ZIP Code Midland, Texas 79	702
* U.S.G.P.O. 1983-403-517	Postage	\$
↑	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
1982	Return receipt showing to whom, Cate, and Address of Delivery	
Feb.	TOTAL Postage and Fees	\$
90	Postmark or Date	_
m 38	September 4, 198	5
'S Form 3800, Feb. 1982		

Ž	SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the
Eart 2044 hill 1009 1/17 9/6	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:
	Atlantic Richfield Company P. O. Box 1610 Migland, Texas 79702
ı	4. Type of Service: Article Number
	Registered Insured COD 547 246 415
	Always obtain signature of addressee or agent and DATE DELIVERED.
	5. Signature – Addressee X
	6. Signature - Agent X July 7. Parks N
	7. Date of Delivery
	8. Addressee's Address (DNLY if Sentested and fee paid) 6

TXO PRODUCTION CORP. FORM 24 HeV 8 81

AUTHORITY FOR EXPENDITURE DRILLING WELL

	Д	i	1
ate 8/23/85		C۵.	೦ಚ.

	West Texas Well Name G						
ell Local	tion 2310' FNL & 660' FEL Section 4, T-	17-S, R-3	7-E		Depth11_5	<u> </u>	
	Midway-Strawn Pool						
: ru	By: Deen_ Wood						•
Poared :	BY:	· · · · · · · · · · · · · · · · · · ·					_
CAT.	NATURE OF EXPENDITURE	QUANTITY	CASH		MAT.L ON HAND	TOTAL	
	DRULING 7001 12 2/01/04	· / (0 ====					ī
01	DRILLING 400' 13 3/8" 48# Casing 4800' 8 5/8" 2200' 24# K-55 ST&C	H-40 ST&C		500		71	50
02	Casing 4800 8 5/8 -2600 32# K 55 ST&C			000			00
03	Location, Road & Dirt Work & damages	-}	- : 	000			00
04	Drilling - Footage/Turnkey	<u> </u>	1	000			
05	Drilling - Davwork 39 days @ \$4500		175	500		175	150
06	Drilling - Rig Support MI & MORT		ıi.	000			
07	Bits 10 @ \$3750		,	500			1 50
08	Supervision 41 days @ \$250		:1	1			1
09	Overhead 41 days @ \$250		!1 <u>0</u>	<u>250</u> 			125
10	Mud & Chemicals & water		25	000		25	00
11	Cementing Services & Supplies	_ <u>;</u>		000			00
12	Testing & Logging & mud logger		1				
13	Rentals			000			100
14				000	,		100
15	Other IDC out liners, csg crew, etc. Other Equipment	<u> </u>	1	000			00
	Other Lagrament		<u>'</u>	<u>: ეეე</u>		3	<u>! o</u>
	TOTAL DRILLING		1			<u> </u>	
		7.50	471	750		471	179
17	COMPLETION 10.000' 17# N-80	TT&C					╢
18	Casing 11,150' 5's"-1500' 20# N-80 LT&C Tubing11,500' 2 7/8" 6.5# N-80 EUE	_!		1000		135	
19	Wellhead	- 		000			01
20	Subsurface Equipment		ri .	000			100
				000			<u> 1</u>
21		1		750			7:
22 23	Mud & Chemicals & KCL water Testing, Logging & Perforating	- 		<u> ooc</u>			00
24	Stimulation		i	000			00
25	Overhead	<u>- </u>		000		15	100
26	Rentals		<u> </u>	!			
27	Service Rig 7 days @ \$1600		5	1 220			<u>! 00</u>
28	Camenting Services & Supplies			200			20
29	Other IDC		<u>''</u> 13	000		15	: 00
	TOTAL COMPLETION	<u> </u>					
	PRODUCTION EQUIPMENT		<u> </u>	<u>: 950</u>		283	9.
32	Pumping Unit	- i		: :			<u> </u>
33	Engine & Motor	_ !	<u> </u>	:			
34	Rods		<u>'</u>	:	<u> </u>		<u>!</u>
35	Flow Lines	!		!	·		<u>!</u> _
		<u> </u>	i	000			10
36 37	Meters	<u> </u>	.1	000			0
37	Installation Storage			<u>' 000</u>			<u>; </u>
39	Separation & Treating	1		000			0
40			.1	000			<u>: 0</u>
	Other Equipment	<u> </u>		<u>` იი</u>			0
	TOTAL PRODUCTION EQUIPMENT			000		42	!! 0
	TOTALS	1	_1 797	700)	797	17

Atlantic Richfield Company

WI OWNER NAME

BILLING INT DATE (7 decimals) APPROVED

APPROVED: (this space for approval only)

By:

Title:____

August 23, 1985

Black Bear Oil & Gas Corp. Energy Square, Suite 404 505 N. Big Spring Midland, TX 79701

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Gentlemen:

£

Our records indicate that Black Bear Oil & Gas Corp. owns a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of Texaco's interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso \$1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100° below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the commencement of the next well.

As an alternative to farming out said interest, Black Bear may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should Black Bear decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/dp

P 547 387 291

RECEIPT FOR CERTIFIED MAIL

,NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

-517	Sent to Black Bear Oil &	Gas	Corp
83-403	Street and No. Energy Square, Su	<u>ite</u>	404
.O.	P.O. State and ZIP Code Midland, TX 7970	1	
* U.S.G.P.O. 1983-403-517	Postage	\$	
*	Certified Fee		
	Special Delivery Fee		
	Restricted Delivery Fee		
	Return Receipt Showing to whom and Date Delivered		
1982	Return receipt showing to whom, Date, and Address of Delivery		
Feb.	TOTAL Postage and Fees	\$	
800,	Postmark or Date		
S Form 3800, Feb. 1982	•\	* - "	

PS Fjorm 3811, July 1983	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 end the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.
4	1. Show to whom, date and address of delivery.
346	3. Article Addressed to: Black Bear Oil & Gas Corp. Energy Square, Suite 404 505 N. Big Spring Midland, TX 79701
	4. Type of Service: Article Number Registered Insured Cortified COD P 547 387 291 Express Mail
DOMESTIC RETURN	Always obtain signature of addressee or agent and DATE DELIVERED. 5. Signature – Addressee X 6. Signature – Agent X 7. Date of Delivery
ETURN RECEIPT	8. Addressee's Address (ONLY if requested and fee paid)

TXO PRODUCTION CORP FORM 24 Rev 8 81

AUTHORITY FOR EXPENDITURE DRILLING WELL

А	, ,
ate <u>8/23/85</u>	Co. Cd.

District	West Texas Well Name Gr	isso			Weli No#1		
	tion 2310' FNL & 660' FEL Section 4, T-1	7-S, R-3	7-E		Depth11.5	<u>00'</u>	
Well Loca	Casev-Strawn Pool						
Field	Casev-Strawn Pool	County	Бса		State		
Prepared 6	By: Deen Wood	:			Dallas	District	
CAT.	NATURE OF EXPENDITURE	QUANTITY			ESTIMATED COST		
NO.	NATURE OF EXPENDITURE	GOANTIS	CASH		MAT.L ON HAND	TOTAL	ا
	DRILLING 400' 13 3/8" 48# H	40 ST&C	<u> </u>				i
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C		71	500		71	500
02	Casinghead	<u> </u>	9	000		9	000
03	Location, Road & Dirt Work & damages	1	15	000		15	000
04	Drilling - Footage/Turnkey						!
05	Drilling - Davwork 39 davs @ \$4500	ļ <u>-</u>	175	500		175	500
06	Drilling - Rig Support MI & MORT	ļ	20	000		20	000
07	Bits 10 @ \$3750		37	500		37	500
03	Supervision 41 days @ \$250		10	250	•	10	250
09	Overhead	<u> </u>	<u> </u>				
10	Mud & Chemicals & water		35	000		35	000
11	Cementing Services & Supplies		35	000		35	000
12	Testing & Logging & mud logger	<u> </u>		000		25	000
13	Rentals	<u> </u>	15	000		15	000
14	Other IDC out liners, csg crew, etc.	<u> </u>	20	000		20	000
15	Other Equipment	<u> </u>	3	000		3	000
							-
j	TOTAL DRILLING	<u> </u>	471	750		471	750
	COMPLETION 10,000' 17# N-80	LT&C		1			
17	Casing 11, 150' 5½"-1500' 20# N-80 LT&C			000		135	1000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		. 69	000		69	000
19	Wellhead			000		12	
20	Subsurface Equipment	ļ		<u> 000</u>		4	000
21	Supervision 7-days @ \$250	<u> </u>		750			750
· 22	Mud & Chemicals & KCL water	<u> </u>		000		5	000
23	Testing, Logging & Perforating	 		000		11	000
24	Stimulation	<u>!</u>	15	000		15	000
25	Overhead	 	_	!			<u> </u>
26	Rentals		0	! 000		5	000
27	Service Rig 7 days @ \$1600 Cementing Services & Supplies	 	-1	200			200
29	Other IDC	:	15	000		15	000
- 29	TOTAL COMPLETION	i	1	!			!
 	PRODUCTION EQUIPMENT	-		<u>950</u>	<u> </u>	283	950
32	Pumping Unit	<u> </u>		<u>:</u>			
33	Engine & Motor	1		!		· · · · · · · · · · · · · · · · · · ·	1
34	Rods	<u>.</u>	<u>'i</u>	:	1 1		! -
35	Flow Lines			1 000			1 000
36	Meters			000			000
37	Installation		ii.	000			000
38	Storage		14	000			<u>, 000</u>
39	Separation & Treating		II.	000			000
40	Other Equipment	 		000			000
	TOTAL PRODUCTION EQUIPMENT		1	000			000 000
<u></u>	TOTALS		-	700			700
	. BILLING INT	DATE		=			
	WI OWNER NAME (7 decimals)	APPROVE	ח		(this space for ap)
Black	Bear Oil & Gas Corp.		DIAC	/ ¤6	ar Oil & Gas	corp.	
	-		By:			<u> </u>	
				. = -			
			Title	:			
			Date:		<u>-</u>		_

TXO PRODUCTION CORP. 900 WILCO BUILDING MIDLAND, TEXAS 79701 915/682-7992 September 4, 1985 Mr. Harry A. Miller, III Ben White Animal Hospital 2403 Ben White Blvd. Austin, Texas 78741 Re: Lease Proposal NE/4 Section 4 T-17-S, R-37-E Lea County, New Mexico Grisso #1 Well Dear Mr. Miller: Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest. As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 well. Should you decide to participate in the drilling of this well, please sign and return one (1) copy of the AFE to the attention of the undersigned at the letterhead address. Thank you for your considertion of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future. Very truly yours. Jeff Bourgeois Landman JB/dp Enclosure

P -547 246 418 RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

Hār	sent to ry A. Miller, III	
Ber Ber	Street and No. White Hospit	tal
Agis	P.O., State and ZIP Code	
A 0 0 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Postage	\$
+	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
1982	Return receipt showing to whom, Date, and Address of Delivery	
2S Form 3800, Feb. 1982	TOTAL Postage and Fees	\$
800.	Postmark or Date	
orm 3	September 4, 1989	5
S F		

SENDER: Complete item Put your address in the "RET reverse side. Feilure to do this being returned to you. The re you the name of the person of delivery. For additional fees t available. Consult postmaster for service(s) requested.	URN TO" space on the will prevent this card from turn receipt fee will provide elivered to and the date of he following services are
□ Show to whom, date a □ Restricted Delivery.	nd address of delivery.
3. Article Addressed to: Harry A. Miller, I Ben White Animal I 2403 Ben White Blv Austin, TX 78741	lospital
4. Type of Service:	Antido Numbro
	P 547 246 418
Registered Insured	P 547 246 418
Registered Insured Certified COD Express Mail	P 547 246 418 Idressee or agent and
Registered Insured Cortified COD Express Mail Always obtain signature of ac DATE DELIVERED. 5. Signature Addressee	P 547 246 418
Always obtain signature of ac DATE DELIVERED. Signature Addressee X 6 Fignature — Agent	P 547 246 418 Idressee or agent and

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE DRILLING WELL

A	
Date <u>8/23/85</u>	€ು. ರಚ.

)istrict <u> </u>	West Texas Well Name Gr	7-S, R-37	′-Е		Depth11	<u>.500'</u>	
					State		
ield	By: Deen Wood No. Submitted By	County			Dailae	Distric	•
repared !	By:Submitted By	/:	7				
CAT.	NATURE OF EXPENDITURE	QUANTITY	CASH		ESTIMATED COST MAT.L ON HAND		
	DRILLING 400' 13 3/8" 48# F	1-40 STSC					
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C			500		71	500
02	Casinghead		9	lood		9	000
03	Location, Road & Dirt Work & damages	1	15	000		15	000
04	Drilling - Footage/Turnkey		1				
05	Drilling · Davwork 39 days @ \$4500		175	500		175	500
06	Orilling - Rig Support MI & MORT		20	000		20	000
07	Bits 10 @ \$3750		37	500		37	1500
08	Supervision 41 days @ \$250		1	250	1	ī	250
09	Overhead		İ				
10	Mud & Chemicals & water		35	000		35	000
11	Cementing Services & Supplies		.1	000			000
12	Testing & Logging & mud logger		25	000	I	25	000
13	Rentals		15	000		15	000
14	Other IDC out liners, csg crew, etc.	1	20	000		20	000
15	Other Equipment		3	000	i		1000
	TOTAL DRILLING	i	471	750		471	750
	COMPLETION 10,000' 17# N-80	LT&C			.		ĪĪ
17	Casing 11,150' 5½"-1500' 20# N-80 LT&C		135	000		135	000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		-	1000			000
19	Wellhead		12	000		12	T
20	Subsurface Equipment	•		200		4	000
21	Supervision 7-days @ \$250			750			750
· 22	Mud & Chemicals & KCL water		5	000			000
23	Testing, Logging & Perforating		11	000		11	1
24	Stimulation		15	000		15	1000
25	Overhead			ļ			
26	Rentals		5	000		5	000
27	Service Rig 7 days @ \$1600	<u> </u>	11			11	i
28	Cementing Services & Supplies	!	15	000	!	15	000
29	Other DC	<u> </u>	i !	!		1	
	TOTAL COMPLETION	!	283	950	i .	283	3 ¹ 950
	PRODUCTION EQUIPMENT		<u> </u>	<u>:</u>	į	:	;
32	Pumping Unit	1	i	:	:	:	1
33	Engine & Motor	<u> </u>	1		į į	i	
34	Rods	1	1	;		İ.	1
35	Flow Lines	<u> </u>	_ ! 5	000) [5 000
36	Meters		2	: 000)i		2 000
37	Installation		5	000	ji		51 000
38	Storage	<u> </u>	15	000	j l		5 000
39	Separation & Treating		12	000)		2:000
40	Other Equipment	<u> </u>	4 3	<u>, 000</u>)	1	3 ¹ 000
<u> </u>	TOTAL PRODUCTION EQUIPMENT		42	000) ;		21 000
	TOTALS	<u> </u>	<u> </u>	7: 700)	79	71 700
	BULLING INT	DATE	APPD				

WI OWNER NAME

BILLING INT [7 decimals] APP

DATE APPROVED

APPROVED: (this space for approval only)

TXO PRODUCTION CORP. 900 WILCO BUILDING MIDLAND, TEXAS 79701 915/682-7992

September 4, 1985

Mr. Harry A. Miller, Jr. 600 First National Bank Tower Midland, Texas 79701

Re: Lease Proposal
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Dear Mr. Miller:

Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest.

As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 well. Should you decide to participate in the drilling of this well, please sign and return one (1) copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your considertion of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

P 547 246 417

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

-517	Sent to Harry A. Mille	r, Jr.	
* U.S.G.P.O. 1983-403-517	Street and No. 600 First National	Bank Tow	ven
.0. 19	P.O., State and ZIP Code Midland, TX 79701		
S.G.	Postage	\$	
*	Certified Fee		
	Special Delivery Fee		
	Restricted Delivery Fee		
,	Return Receipt Showing to whom and Date Delivered		
1982	Return receipt showing to whom, Date, and Address of Delivery		
Feb.	TOTAL Postage and Fees	\$	
3800,	Postmark or Date		
S Form 3800, Feb. 1982	September 4, 198	5	

	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 1
	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.
	Harry A. Miller, Jr. 600 First National Bank Tower Midland, Texas 79701
	4. Type of Service: Article Number Registered Insured Cortified COD P 547 246 417 Express Mail
	Always obtain signature of addressee or agent and DATE DELIVERED.
	5. Signature – Addressee
	6. Signature – Agent (6. 1) 7. Date of Delivery
ı	8. Addressee's Address (ONLY if requested and fee paid)

TXO PRODUCTION CORP. FORM 24 Rev 8-81

Harry A. Miller, Jr.

AUTHORITY FOR EXPENDITURE DRILLING WELL

Д	<u>'</u>
Date 8/23/85	Ca. Cd.

	West Texas Well Name Gr				Well No <i>i</i> :	500!	
ield	Midway-Strawn Pool						
Prepared	By: Deen Wood WI. Submitted By	:			Dallas	Distric	t
CAT.	NATURE OF EXPENDITURE	QUANTITY	CASH	1	ESTIMATED COST	TOTAL	
·=	DRILLING 7001 12 3/9" 79 1	AO CTSC	<u> </u>				
01	DRILLING 400' 13 3/8" 48# H Casing 4800' 8 5/8"-2600' 32# K-55 ST&C	1	71	500		71	500
02	Casingnead 570 -2600 32# K 55 ST&C	<u> </u>	9	000			000
03	Location, Road & Dirt Work & damages	 	:	000	· · · · · · · · · · · · · · · · · · ·		000
04	Drilling - Footage/Turnkey		1	000		<u> </u>	1000
05	Drilling - Davwork 39 davs @ \$4500	 	175	500		175	500
 C6	Oritling - Rig Support MI & MORT		d	000	1		000
07	Bits 10 @ \$3750	<u> </u>	Li	500	. 1		500
03	Supervision 41 days @ \$250			250	1		250
09	Overhead		 	1			1211
10	Mud & Chemicals & water	<u> </u>	35	000		35	000
11	Cementing Services & Supplies	1		000			1000
12	Testing & Logging & mud logger	İ	1	000			000
13	Rentals		:	000	·		000
14	Other IDC out liners, csg crew, etc.	<u> </u>		000			000
15	Other Equipment		1	000			1000
		.	1	1 000			1
	TOTAL DRILLING		/.71	750		7.71	750
	COMPLETION 10,000' 17# N-80	TTEC	1			971	
17	Casing 11,150' 5's"-1500' 20# N-80 LT&C		135	000		135	000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		69				000
19	Wellhead		1	000			000
20	Subsurface Equipment		11	000			000
21	Supervision 7 days @ \$250		4	750		1	750
· 22	Mud & Chemicals & KCL water		5	000		5	
23	Testing, Logging & Perforating		11	000			000
24	Stimulation			000			000
25	Overhead		1				
26	Rentals		1 5	000		5	000
27	Service Rig 7 days @ \$1600	!	1 11	200		11	200
28	Cementing Services & Supplies	1	15	000		15	000
29	Other IDC	<u> </u>		•			
	TOTAL COMPLETION	<u> </u>	283	950	j .	283	950
	PRODUCTION EQUIPMENT	<u> </u>	<u> </u>	<u> </u>	i i		!
32	Pumping Unit	 	<u> </u>	:	<u> </u>	·	1
33	Engine & Mator	!	<u> </u>	<u> </u>	<u> </u>	I	1
34	Rods	<u> </u>	1	<u>:</u>		ļ ——————	i -
35	Flow Lines	1	5	000		5	! 000
36	Meters	·	<u> </u> 2	000)	2	000
37	Installation	;	.1	<u>' ეეე</u>		•	000
38	Storage	1	! 15	000)	15	000
39	Separation & Treating	:		000		12	000
40	Other Equipment	!		<u>' იი</u>		! 3	000
 	TOTAL PRODUCTION EQUIPMENT			000		42	000
	TOTALS		797	700)	797	700
	WI OWNER NAME (7 decimals)	DATE APPROVED	P99A	OVE	D: (this space for a	pproval only	/)

TXO PRODUCTION CORP. 900 WILCO BUILDING MIDLAND, TEXAS 79701 915/682-7992 September 4, 1985 Ms. Margaret A. Carrico 406 Farley Trail Austin, Texas 78746 Re: Lease Proposal NE/4 Section 4 T-17-S. R-37-E Lea County, New Mexico Grisso #1 Well Dear Ms. Carrico: Our records indicate that you own an interest in the above referenced tract. TXO Production Corp. is interested in leasing your interest in this tract for no bonus consideration, 6 month primary term and 1/4 royalty interest. As an alternative to leasing your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 well. Should you decide to participate in the drilling of this well, please sign and return one (1) copy of the AFE to the attention of the undersigned at the letterhead address. Thank you for your considertion of this proposal and should you have any questions or wish to discuss this matter further, please do not hesitate to call me collect at (915) 682-7992. I look forward to hearing from you in the near future. Very truly yours. Jeff Bourgeois Landman JB/dp Enclosure

P 547 246 416

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

3-517	Sent to Margaret A. Ca	rrico
83-403	Street and No. 406 Farley Trail	
* U.S.G.P.O. 1983-403-517	P.O., State and ZIP Code Austin. TX 7874	
.S.G.	Postage	\$
→	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
1982	Return receipt showing to whom, Date, and Address of Delivery	
Feb.	TOTAL Postage and Fees	\$
800,	Postmark or Date	
PS Form 3800, Feb. 1982	September 4, 198	35

3	SENDER: Complete items 1, 2, 3 and 4.
PS Form 3811. July 1983 447-845	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.
98	1. Show to whom, date and address of delivery.
447-	2. Restricted Delivery.
145	3. Article Addressed to: Margaret A. Carrico 406 Farley Trail Austin, TX 78746
٠	4. Type of Service: Article Number
	Registered Insured P 547 246 416 Express Mail
	Always obtain signature of addressee or agent and DATE DELIVERED.
	5. Signature - Addressee X Margant affilia
STIC	6. Signature – Agent
DOMESTIC RETURN RECEIP	7. Date of Delivery
Ď	8. Addressee's Address (ONL) if requested and see paid)

TXO 2900UCTION CORP FORM 24 Rev 8 81

AUTHORITY FOR EXPENDITURE DRILLING WELL

	A	! 	
Date 8/23/85	_	Ca.	೦ಚ.

istrict _	West Texas Well Name Gr	isso			_Weli Noi≟			
	tion 2310' FNL & 660' FEL Section 4, T-1		-E		_Depth	11,500'		
	Midway-Strawn Pool							
ield	By: Deen Wood Will Submitted By							
repared 5	By: Submitted By	:			Da	IlasDistr	ict.	
CAT.	NATURE OF EXPENDITURE	QUANTITY			TIMATED CO			
NO.		 	CASH	ı M	AT.L ON HA	NO TOTA	1	
	DRILLING 400' 13 3/8" 48# H	L40 STEC	1				-	
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C			500				500
02 .	Casinghead	<u> </u>	 	000				000
03	Location, Road & Dirt Work & damages	1	15	000			5	000
04	Drilling - Footage/Turnkey	 	1			<u> </u>		
05	Drilling - Davwork 39 days @ \$4500	<u> </u>	d	500				500
06	Drilling - Rig Support MI & MORT		ii	000		i	ī	000
07	Bits 10 @ \$3750		1	50d_				50
08	Supervision 41 days @ \$250	<u> </u>	10	250			<u>0</u> !	25
09	Overhead	 	<u> </u>	!!-	<u>i</u>		_	
10	Mud & Chemicals & water	!		000				000
11	Cementing Services & Supplies	 	1)	000				000
12	Testing & Logging & mud logger	<u> </u>		000				00
13	Rentals	1	1	000		1	5	00
14	Other IDC out liners, csg crew, etc.	 	11	000		2		00
15	Other Equipment	1	<u> </u>	000			31	00
	TOTAL DOLLARS	<u> </u>	1			- 	-	
	TOTAL DRILLING	1	471	750_		47	<u>'ı</u>	75
	COMPLETION 10,000' 17# N-80	TEC	<u> </u>					
17	Casing 11,150' 55"-1500' 20# N-80 LT&C	<u> </u>	-	000		12	5	000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE	<u> </u>	69	000			<u>.9!</u>	00
19	Wellhead	· · · · · · · · · · · · · · · · · · ·	.1	000				00
20	Subsurface Equipment		1	000				000
21	Supervision 7 days @ \$250	<u> </u>		750			_ :	75
· 22	Mud & Chemicals & KCL water	<u> </u>		000			5	00
23	Testing, Logging & Perforating	<u> </u>	· · · · · · · · · · · · · · · · · · ·	000		1	1	00
24	Stimulation	!	15	000			<u>5 </u>	00
25	Overhead	<u> </u>	<u> </u>				_ļ	
26	Rentals	<u>i</u>		000	<u> </u>		5!	00
27	Service Rig 7 days @ \$1600	! 	11	200				20
28	Cementing Services & Supplies	1	15	000		1	.5:	00
	Other IDC	1	1	<u> </u>				
	TOTAL COMPLETION	<u>i</u>	283	950		· · · 28	23!	95
	PRODUCTION EQUIPMENT		:	<u> </u>		·	!	
32	Pumping Unit	!	4	· ·	<u> </u>	<u>. :</u>	1	
33 34	Engine & Motor Rods	<u>!</u>	i;			i	_	
35	Flow Lines	!		<u> </u>		: 	_	
		1		000				_
36	Meters	!	.,	000	<u> </u>		1	00
37	Installation		(1	000	1	<u> </u>		
38	Storage 2 Tanana	!	ii	000	<u> </u>			00
39	Separation & Treating	:		000	<u> </u>			00
40	Other Equipment	:	1	000				00
	TOTAL PRODUCTION EQUIPMENT	<u> </u>		000	<u> </u>	1	42!	00
	TOTALS	1	1 797	700	- 1	; 70	971	70

WIOWNER NAME
Margaret A. Carrico

August 23, 1985

Mr. Bill Seltzer 507 Petroleum Building Midland, Texas 79701

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Dear Mr. Seltzer:

Our records indicate that you own a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of your interest in said lands based on the following proposal:

- 1. Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well. TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the commetten of one well and the commencement of the next well.

As an alternative to farming out your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should you decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours.

Jeff Bourgeois Landman

P 547 387 283

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

3.517	Sent to Bill Seltzer					
* U.S.G.P.O. 1983-403-517	Street and No. 507 Petroleum Bldg.					
. 4	P.O., State and ZIP Code					
9.	Midland, TX 797) <u>1</u>				
S.C		9				
*	Certified Fee					
	Special Delivery Fee					
	Restricted Delivery Fee					
	Return Receipt Showing to whom and Date Delivered					
1982	Return receipt showing to whom, Date, and Address of Delivery					
Feb.	TOTAL Postage and Fees	\$				
800,	Postmark or Date					
S Form 3800, Feb. 1982	*					

	CENTER CONTRACTOR	S. T. S. C.
Form 3811	Put your address in the "RET reverse side. Failure to do this being returned to you? The reyou the name of the person delivery. For additional fees to	URN TO" space on the will prevent this card from turn receipt fee will provide elivered to and the date of
, July 198	available. Consult postmaster for service(s) requested. 1. Cy Show to whom, date a	for fees and check box(es)
9-24 E	2. Restricted Delivery.	leave
6	3Article Addressed to: Mr. Bill Seltzer 507 Petroleum B	=
	**	701
	4. Type of Service: ☐ Registered ☐ Insured ☐ Certified ☐ COD ☐ Express Mail	Article Number P 547 387 283
	Always obtain signature of ad DATE DELIVERED.	dressee or agent and
DOMESTIC	5. Signature - Addressee 6. Signature - Agent	Sar
3110	X	MI Lin
RETUI	7. Date of Delivery	AUG X
RETURN RECEIP	8. Addressee's Address (ONL	Y Wrenversed and fee paid

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE DRILLING WELL

A	I
Date <u>8/23/85</u>	Co. Cd.

District	West Texas Well NameGr	isso			Weli No#1		
Alali I ===	non _ 2310' FNL & 660' FEL Section 4, T-1	7-S, R-37	-E		Depth11.	500'	
	Character Don't						
ield	Casey Strawn 1992	County	вса		State		
repared E	By: Deen Wood WW Submitted By	:			Dallas .	District	·
CAT.	NATURE OF EXPENDITURE	QUANTITY			ESTIMATED COST		
NO.			CASH	 	MAT.L ON HAND	TOTAL	
	DRILLING 400' 13 3/8" 48# H	-40 ST&C	Ti.				<u> </u>
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C			500			500
02	Casinghead	!	1	000			000
03	Location, Road & Dirt Work & damages		15	000		15	000
04	Drilling - Footage/Turnkey	 	-				-
05	Drilling · Daywork 39 days @ \$4500		1	500			! 500
	Drilling - Rig Support MI & MORT			000			1000
07	Bits 10 @ \$3750	 		500		: 37	<u> 500</u>
8	Supervision 41 days @ \$250	<u> </u>	10	250	-	10	250
09	Overhead	<u> </u>	1	<u> </u>	i `i		<u> </u>
10	Mud & Chemicals & water	!		000			000
	Cementing Services & Supplies	 	1	000			000
12	Testing & Logging & mud logger	1		000			000
13	Rentals			000		15	000
14	Other IDC out liners, csg crew, etc.		20	000		20	000
15	Other Equipment	1	3	000		3	000
_	TOTAL DRIVENIC	<u> </u>	#			·	
	TOTAL DRILLING	1	471	750		471	1750
	COMPLETION 10,000' 17# N-80	LT&C	1	1	-	-	
	Casing 11,150' 55"-1500' 20# N-80 LT&C	<u> </u>	1	1000			000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE	 	-11	000			000
19	Wellhead	 		000		12	
20	Subsurface Equipment		11	1000			1000
21	Supervision 7 days @ \$250	 		750		1	
· 22	d KOL Water	 	il .	000		5	1
23	Testing, Logging & Perforating		1	000		11	
24	Stimulation .;	<u>i</u>	15	<u>! 000</u>		15	000
25	Overhead	 	<u> </u>	!			
26	Rentals	!	9	000	1 1	5	<u>: 000</u>
27	Service Rig 7 days @ \$1600	-	.,	200			
28 29	Cementing Services & Supplies	!	15	000	!	15	000
	Other IDC TOTAL COMPLETION	1	1	:	1		<u> </u>
	PRODUCTION EQUIPMENT	1	283	950		283	950
32	Pumping Unit	<u> </u>	1	:		· · · · · · · · · · · · · · · · · · ·	-
33	Engine & Motor	<u> </u>	<u> </u>	!			<u> </u>
34	Rods	<u> </u>	<u> </u>	:	: 1	 	<u> </u>
35	Flow Lines	!	_	1			<u> </u>
36			il	000			000
37	Meters	!	11	<u>: 000</u>		•	000
38	Storage		16	000		5	,
39	Separation & Treating	!		000		15	
40	Other Equipment	 		000		1	000
	TOTAL PRODUCTION EQUIPMENT			000			000
	TOTALS	- 		700	~_ <u>~_ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~</u>		000
		DATE		===		'	1700
	BILLING INT WI OWNER NAME (7 decimals)	APPROVE	2 APPR <u>0</u>	UVE): (this space for a	pproval only	•)
Bill Se	ercsel		 -			1	
			Bill	Se.	ltzer		
			Date				

August 23, 1985

Mr. W. C. Kimball 2513 Neely Midland, Texas 79701

Re: Farmout Request
NE/4 Section 4
T-17-S, R-37-E
Lea County, New Mexico
Grisso #1 Well

Dear Mr. Kimball:

*

Our records indicate that you own a leasehold interest in the above referenced tract. TXO Production Corp. is interested in a farmout of your interest in said lands based on the following proposal:

- Within 120 days from the execution of a mutually acceptable Farmout Agreement, TXO will commence the drilling of the Grisso #1 Well at a location of 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico.
- 2. By the drilling of this well, TXO will earn a 75% net revenue interest lease in the proration unit for said well down to a depth of 100' below the deepest depth drilled.
- 3. If all of the farmout acreage is not allocated to the initial productive well, TXO would have the option to continuously develop the acreage with the passing of no more than 120 days between the commetten of one well and the commencement of the next well.

As an alternative to farming out your interest, you may want to participate in the drilling of this well. Enclosed is an Authority for Expenditure (AFE) for the Grisso #1 Well. Should you decide to participate in the drilling of this well, please sign and return one copy of the AFE to the attention of the undersigned at the letterhead address.

Thank you for your consideration of this proposal and I look forward to hearing from you in the near future.

Very truly yours,

Jeff Bourgeois Landman

JB/dp

P 547 387 282

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

3.517	Sent to Mr. W. C. Kimball		
83-40	Street and No. 2513 Neely		
+ U.S.G.P.O. 1983-403-517	P.O., State and ZIP Code Midland. TX 797	01	
1.S.G.F	Postage	\$	
n *	Certified Fee		
	Special Delivery Fee		
	Restricted Delivery Fee		
	Return Receipt Showing to whom and Date Delivered		
1982	Return receipt showing to whom, Date, and Address of Delivery		
Feb.	TOTAL Postage and Fees	\$	
1800,	Postmark or Date		
S Form 3800,			

		The state of the s
8	SENDER: Complete iten	15 1, 2, 3 and 4.
Form 3811, July 1983 447-845	reverse side. Failure to do thi being returned to you. The re you the name of the person of	eturn receipt fee will provide
July	delivery. For additional fees available. Consult postmaster for service(s) requested.	for fees and check box(es)
1983 4	1. 23 Show to whom, date a	nd address of delivery.
47-84	2. Li Restricted Delivery.	
51	Mr. W. C. Kir 2513 Neely	nball
	Midland, TX	79701
#1	Societies and a state of the st	The state of the s
	4. Type of Service:	Article Number
Grisso	☐ Registered ☐ Insured ☐ COD ☐ Express Mail	P 547 387 282
	Always obtain signature of ad DATE DELIVERED.	dressee or agent and
9	5. Signature – Addressee X	
MESTIC	6. Signature – Agent	D) h.
RETURN	7. Date of Delivery	AUG 2.4
RN RECI	8. Addressee's Address (GNL	Y if requested and fee paid)
ECE		TX

TXO PRODUCTION CORP FORM 24 Rev 8 81 West Texas

AUTHORITY FOR EXPENDITURE DRILLING WELL

	A		
Date <u>8/23/85</u>	_	Co.	Cd.

District	West Texas Well Name G	risso			Weli No#1		
	tion 2310' FNL & 660' FEL Section 4, T-	17-S, R-37	7-E		Depth11,5	500'	
Vell Local					StateN		
ield	· UI	_ County			State	·	
repared 8	By: Deen Wood Will Submitted E	βy:			Dallas _	District	
CAT.	NATURE OF EXPENDITURE	QUANTITY			ESTIMATED COST	 	
NO.			CASH		MAT.L ON HAND	TOTAL	
	DRILLING 400' 13 3/8" 48#	H-40 ST&C	11				
01	Casing 4800' 8 5/8" 2200' 24# K-55 ST&C	<u>; </u>	1	500			<u>500</u>
02	Casinghead		#	000			000
03	Location, Road & Dirt Work & damages		15	000		15	000
04	Drilling - Footage/Turnkey						
05	Drilling - Davwork 39 days @ \$4500		il	500		175	500
06	Drilling - Rig Support MI & MORT			000		20	000
07	Bits 10 @ \$3750		37	500		37	500
08	Supervision 41 days @ \$250		10	250		10	250
09	Overhead			<u> </u>	i I		<u> </u>
10	Mud & Chemicals & water		35	000		35	000
11	Cementing Services & Supplies		35	000		35	000
12	Testing & Logging & mud logger	<u> </u>	25	000		25	000
13	Rentals		15	000		15	000
14	Other IDC out liners, csg crew, etc.		20	000		20	000
15	Other Equipment		3	000	! !	3	000
						. !	
	TOTAL DRILLING		471	750		471	750
	COMPLETION 10,000' 17# N-80	trac	1	<u> </u>			
17	Casing 11,150' 5½"-1500' 20# N-80 LT&C		135	000		135	000
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE		69	1 000			000
19	Wellhead		12	000		12	
20	Subsurface Equipment			000			000
21	Supervision 7-days @ \$250			750			750
· 22	Mud & Chemicals & KCL water		5	000			000
23	Testing, Logging & Perforating		71	000			000
24	Stimulation . ;			000			000
25	Overhead			1			
26	Rentals	- 	5	000		5	000
27	Service Rig 7 days @ \$1600		11	\$	1 1	11	200
28	Cementing Services & Supplies			000			000
29	Other IDC	1		!			Ī
-	TOTAL COMPLETION		283	950		283	950
· -	PRODUCTION EQUIPMENT		1	:	;	<u> </u>	<u> </u>
32	Pumping Unit		i	:	:	·	1
33	Engine & Motor		1	:	i		1
34	Rods				. !		-
35	Flow Lines		5	000		5	00
36	Meters			000			00
37	Installation	i	1!	000	1		00
38	Storage			000			00
39	Separation & Treating		il.	000			00
40	Other Equipment			000			00
	TOTAL PRODUCTION EQUIPMENT			000		_	00
	TOTALS			700			70
	BILLING INT	DATE		===			
	WI CWNER NAME (7 decimals)	APPROVE	<u>D</u>	○ v ⊂ [D: (this space for ap	oproval only	']
W. C. 1	Kimball						
					: 1 22		
			W. (. K	imball		
			Date	٠.			

September 10, 1985

Mr. Max W. Coll, II P. O. Box EE Santa Fe, NM 87502

Re: Well Proposal
Grisso #1 Well
Section 4
T-17-S, R-37-E
Lea County, New Mexico

Dear Fr. Coll:

Pursuant to our recent telephone conversation, this letter shall serve as notice of TXO Production Corp.'s intention to drill the Grisso #1 well at a location 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico. Enclosed please find two copies of our Authority for Expenditure (AFE) for the drilling of this well.

At this time, TXO seeks your election to join in the well. Should you elect to participate in the well, please sign one copy of the AFE and return it to the attention of the undersigned at the letterhead address.

Should you have any questions or want to discuss this matter further, please do not hesitate to contact me at the letterhead address or call (915) 682-7992. Thank you for your cooperation in this matter.

Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

TXO PRODUCTION CORP FORM 24 Rev 8-81

AUTHORITY FOR EXPENDITURE DRILLING WELL

۵.	!	<u>:</u>	
Date 8/23/85		C۵.	CJ.

	West Texas Well Name Gr						
Nell Loca	mon 2310' FNL & 660' FEL Section 4, T-1	7-S, R-37	7-E		Depth11	500'	
Field	Midway-Strawn Pool	County	Lea		State	<u>M</u>	
	By: Deen Wood WI Submitted By						t
Prepared	By: Judinitted By		7		STIMATED COST		
CAT.	NATURE OF EXPENDITURE	QUANTITY	CASH	$\overline{}$	MAT.L ON HAND		
<u> </u>	DRILLING 400' 13 3/8" 48# H	/					
01	Casing 4800' 8 5/8" 2200' 24# K-55 ST&C	1-40 STar	.i	500		71	500
02	Casinghead 8 370 -26001 32# K-55 ST&C			1000		 	000
03	Location, Road & Dirt Work & damages	1	15	000		1	000
04	Drilling - Footage/Turnkey						
05	Drilling Davwork 39 davs @ \$4500	İ	175	500		175	1500
06	Orilling - Rig Support MI & MORT	[u .	000		20	000
07	Bits 10 @ \$3750	Ì	37	500			500
03	Supervision 41 days @ \$250		1	250	1	t	250
09	Overhead				į .		
10	Mud & Chemicals & water		35	000		35	000
11	Cementing Services & Supplies		35	000	:	1	000
12	Testing & Logging & mud logger		25	000	-	25	000
13	Rentals		15	000		1.5	000
14	Other IDC out liners, csg crew, etc.	<u> </u>	20	000		20	000
15	Other Equipment	<u> </u>	<u> </u>	000	<u> </u>	1 3	1000
		1	1	1 1	<u> </u>	<u> </u>	
	TOTAL DRILLING	i	471	750	i	471	1750
ļ 	COMPLETION 10,000' 17# N-80	LISC		<u> </u>	<u> </u>	<u> </u>	
17	Casing 11, 150' 515"-1500' 20# N-80 LT&C	<u> </u>	135	000	<u> </u>	135	<u> 000</u>
18	Tubing11,500' 2 7/8" 6.5# N-80 EUE	<u> </u>	69	000		69	000
19	Wellhead	<u> </u>		000		12	1000
20	Subsurface Equipment		11	<u> 000</u>		4	1000
21	Supervision 7 days @ \$250	<u> </u>		750	<u> </u> .	11	
· 22	Mud & Chemicals & KCL water	 		000		5	1000
23	Testing, Logging & Perforating	 		000		11	1000
24	Stimulation	<u> </u>		<u> 00d</u>	<u> </u>	15	1000
25	Overhead	 	<u> </u>	!		 	1
26	Rentals	!	1	000		5	1000
27 28	Service Flig 7 days @ \$1600 Camenting Services & Supplies		11	200	<u> </u>	11	200
29	Other IDC	<u> </u>	15	000		15	000
	TOTAL COMPLETION	1	"		i	!	1
<u> </u>	PRODUCTION EQUIPMENT	!	<u>. 1</u> 283	950		<u>: 283</u>	950
32	Pumping Unit			<u>: </u>			 -
33	Engine & Motor	<u>:</u>		1		: 	<u> </u>
34	Rocs		- '			1	
35	Flow Lines	<u> </u>		000			
36	Meters	1		000	-		5 ¹ 000
37	Installation		t.	5 000			2 000
38	Storage	Ī	13	2. 000	ļ.		5 000
39	Separation & Treating	!	1,1	000		_	2 00
40	Other Equipment	1		3 000			3 ¹ 001
[TOTAL PRODUCTION EQUIPMENT			2 000			2:000
	TOTALS		797	7 700			7: 700
	BILLING INT	DATE			I (this space for		
	WI OWNER NAME (7 decimals)	APPROVE	ם		· iting space for	Juo IEanida	/1

Max W. Coll, II

September 10, 1985

Mr. Charles H. Coll P. O. Box 1818 Roswell, NA 88201

Re: Well Proposal
Grisso #1 Well
Section 4
T-17-S, R-37-E
Lea County, New Mexico

Dear Mr. Coll:

This letter shall serve as notice of TXO Production Corp.'s intention to drill the Grisso #1 well at a location 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New exico. Enclosed please find two copies of our Authority for Expenditure (AFE) for the drilling of this well.

At this time, TXO seeks your election to join in the well. Should you elect to participate in the well, please sign one copy of the AFE and return it to the attention of the undersigned at the letterhead address.

Should you have any questions or want to discuss this matter further, please do not hesitate to contact me at the letterhead address or call (915) 682-7992. Thank you for your cooperation in this matter.

Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

FORTIZA Revail

AUTHORITY FOR EXPENDITURE DRILLING WELL

	A		!
Date	3/27/35	Co.	تئ .

J 13 to 16 to	West Texas Well Name Gr	<u> </u>			Well Notit	
	tion _ 2210 * FNL & 660 * FEL Section 4, T-1		'-E		Depth11_5	<u> </u>
					StateN	
Field	Midway-Strawn Pool By: Deen Wood W. Submitted By	County				
Precared	By: Deen Wood (VI.) Submitted By	:			Dallas _	District
CAT.	NATURE OF EXPENDITURE	QUANTITY			STIMATED COST	
NO.	·	 	CASH	 	MAT.L ON HAND	TOTAL
	DRILLING 400' 13 3/8" 48# H	L40 STEC	14	1		
01	Casing 4800' 8 5/8"-2200' 24# K-55 ST&C	<u> </u>		<u>500</u>		71 50
02	Casingnead	 	+	000		9 00
03	Location, Road & Dirt Work & damages	<u>!</u>	15	nca		15 00
04	Orilling - Footsge/Turnkev	<u> </u>	<u> </u>		- 1	
05	Drilling - Daywork 39 days @ \$4500	}	.1	500		<u>175150</u>
<u>C6</u>	Orithing - Rig Support MI & MORT		1	ood		20,00
07	Bits 10 @ \$3750			<u> 200</u>		37 50
03	Supervision 41 days @ \$250			250		10 25
09	Overhead	<u> </u>				
10	Mud & Chemicals & water	<u>!</u> :		<u>' 000</u>		35 ¹ 00
11	Cementing Services & Supplies	;		000		35 00
12	Testing & Logging & mud logger	1		000		25 00
13	Rentals	!	15	. <u>COO</u>		15 00
14	Other IDC out liners, csg crew, etc.	1	· · · · · · · · · · · · · · · · · · ·	000	· · ·	20 00
15	Other Equipment	1	3	<u>. 000</u>	! !	3 00
	TOTAL DRILLING	<u>!</u>		 		
		1	471	750		471 75
17	COMPLETION 10,000' 17# N-80	LTSC	1	! !		
18	Casing 11,150' 5's"-1500' 20# N-80 LTSC Tubing 11,500' 2 7/8" 6.5# N-80 EUE	<u></u>		<u>000</u>		135 00
19	Wellhead	<u> </u>		000		69 00
20	Subsurface Equipment	 		<u> 000</u>		12 00
21	Supervision 7 days @ \$250	· !	1	000		4 00
· 22	Mud & Chemicals & KCL water			750		1 75
23	Testing, Logging & Perforating	<u>'</u>		000		5 00
24	Stimulation	!		000		11 00
25	Overhead	<u></u>	.1	000		15 00
26	Rentals	1	il	<u>' 000</u>		5.00
27	Service Fig _ 7_days_@ \$1600	-				
28	Camenting Services & Supplies	<u>:</u>		000	1	11 [!] 20 15: 00
29	Other IDC .	i	1	1 1		13:00
	TOTAL COMPLETION	;	283	950		283 05
	PRODUCTION EQUIPMENT		1		; ;	<u>2831.93</u>
32	Pumping Unit	Ī	<u> </u>		i	- 1
33	Engine & Motor			: 1	1 .	
34	Rocs	1	.1	; ;	- 	
35	Flow Lines		5	000	; ;	5! 00
36	Meters		11	. 000		2 00
37	Installation	!		000		5 ¹ oc
38	Storage			000		15 00
39	Separation & Treating	!	11	000		12 00
40	Other Equipment	i				3! 00
	TOTAL PRODUCTION EQUIPMENT	١	42	000		42: 00
	TOTALS	1	797	700		797170
	BILLING INT	DATE): (this space for a	

September 10, 1985

Mr. Jon F. Coll P. O. Box 1818 Roswell, NH 88201

Re: Well Proposal
Grisso #1 Well
Section 4
T-17-S, R-37-E
Lea County, New Mexico

Dear Mr. Coll:

This letter shall serve as notice of TXO Production Corp.'s intention to drill the Grisso #1 well at a location 2310' FNL & 660' FEL Section 4, T-17-S, R-37-E, Lea County, New Mexico. Enclosed please find two copies of our Authority for Expenditure (AFE) for the drilling of this well.

At this time, TXO seeks your election to join in the well. Should you elect to participate in the well, please sign one copy of the AFE and return it to the attention of the undersigned at the letterhead address.

Should you have any questions or want to discuss this matter further, please do not hesitate to contact me at the letterhead address or call (915) 682-7992. Thank you for your cooperation in this matter.

Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

TXO PRODUCTION CORP FORM 24 (Rev 8.8)

AUTHORITY FOR EXPENDITURE DRILLING WELL

<u>م</u>	' !
Date <u>9723785</u>	Ça. 34.

	West Texas Well Name Gr				
	on 2310' FNL & 660' FEL Section 4, T-L				7.1,
eld	Midway-Strawn Pool	County	Lea Stat	eN <u>M</u>	
anared 9	ly: Deen Wood W. Submitted By	/:		Dallas	District
			ESTIMAT	ED COST	
CAT. NO.	NATURE OF EXPENDITURE	QUANTITY	CASH MAT.L	IDNAH NO	TOTAL
 ====	DRILLING 400' 13 3/8" 48# F	1 40 5750			
01	Casing 4800' 8 5/8"-2600' 32# K-55 ST&C	1-40 5:60 1	71 500		_ 71 500
02	Casing 4800 8 578 -26001 32#-K-55 ST&C		91000		9 000
03	Location, Road & Dirt Work & damages		15 00d	<u> </u>	15 000
04	Orilling - Footsge/Turnkey		15 000		15/300
05	Drilling - Daywork 39 days @ \$4500	 	175 500		175 500
 C6	Oritling - Big Support MI & MORT	1 1	201000		20 000
07	Bits 10 @ \$3750		37 50d		37 500
03	Supervision 41 days @ \$250		10 250	1 -1	10 250
09	Overhead 41 cays is 3250	1			
10	Mud & Chemicals & water	i	35 000		35 000
11	Camenting Services & Supplies		35 000		35 000
12	Testing & Logging & mud logger	1	25:000		25 000
13	Rentals		15 000	1 1	
14		 			15 000
15	Other IDC out liners, csg crew, etc. Other Equipment		201000	<u> </u>	201000
	Other Equipment	<u>'</u>	3,000		3!000
	TOTAL DRILLING	· i ii			
	COMPLETION 10,000' 17# N-80	T.ms.a	471 750		471 750
17	Casing 11, 150' 5's"-1500' 20# N-80 LT&C	1	135 000		
18	Tubing11.500' 2 7/8" 6.5# N-80 EUE	1	69! 000	- 	135 000
19	Wellhead		12' 000		691000
20	Subsurface Equipment				12 000
21	Supervision 7 days @ \$250		11750		41000
· 22	Mud & Chemicals & KCL water	1	5 ¹ 000		1 750
23	Testing, Logging & Perforating				5 000
24	Crimulation	_!!	11 000	!	11 000
25	Overnead	<u> </u>	15 000		15 00c
26	Rentals		5' 000		
27	Service Rig 7 days @ \$1600		11 200		5! 000
23	Cementing Services & Supplies		15: 000	1 1	11 ¹ 200 15: 000
29	Other IEC	(15 000		13,000
	TOTAL COMPLETION	<u> </u>	283: 950		000 05
	PRODUCTION EQUIPMENT	1	<u> </u>		<u>283 95</u> (
32	Pumping Unit	1 1			
33	Engine & Motor	;			
34	Rods				<u>'</u>
35	Flaw Lines	:	5 000		5 00
36	Meters	1	2.000	1	5 [!] 00
37	Installation	!	5 000	- <u> </u>	2 00
38	Storage		15 000		5'00
39	Separation & Treating	!	12 000		15 00
40	Other Equipment		3,000	- 	12 00
	TOTAL PRODUCTION EQUIPMENT		42 000		3: 00 42: 00
= 	TOTALS		797 700		
			, , , , , , , ,	! !	7971 70

September 10, 1985

Mr. James N. Coll P. O. Box 1818 Roswell, NM 88201

Re: Well Proposal
Grisso #1 Well
Section 4
T-17-S, R-37-E
Lea County, New Mexico

Dear Mr. Coll:

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Very truly yours,

Jeff Bourgeois Landman

JB/dp Enclosure

TXO PRODUCTION CORP. FORTI 24. Rev 8.81

AUTHORITY FOR EXPENDITURE DRILLING WELL

,	4	!	
Date <u>8/22/85</u>	_	Ca.	ئەت.

	West Texas Well Name Grids						
'ell Loca	tion2310' FNL & 660' FEL Section 4, T-17-S	, R-37-Е			Depth11_5	<u> </u>	
	Midway-Strawn Pool Cou						
	By: Deen Wood VI. Submitted By:						•
recared S	By:					233676	
CAT.	NATURE OF EXPENDITURE QU	IANTITY	CASH		MAT.L ON HAND	TOTAL	
NO.	2011/19/2		CASH		112112011121101		ī
	DRILLING 400' 13 3/8" 48# HL40) STSC "		·			-
01	Casing 4800' 8 5/8" 2200' 24# K-55 ST&C			500 000	1 1		50
02	Casinghead Location, Road & Dirt Work & damages						00
03	Orilling - Footsge/Turnkey		15	000		[3	1 00 1
05		'!	175	500		175	-
C6	Orilling - Daywork 39 days @ \$4500	<u>'</u> '	175		1 1	<u>175</u>	Ţ
	Orilling - Rig Support MI & MORT	<u>'</u>		000			100
07	Bits 10 @ \$3750			500			<u> 50</u>
03	Supervision 41 days @ \$250 Overhead		10;	250		10	! <u>25</u> .
09			!		'		1
10	d water			000			1 <u>co</u>
11	Camenting Services & Supplies	- 		000			100
12	Testing & Logging & mud logger			000	1 1		00
	Rentals	1		<u> 000</u>			00
14	Other IDC out liners, csg crew, etc. Other Equipment			<u> </u>			<u> 00</u>
15	Other Equipment		3	000	<u> </u>	3	100
	TOTAL DRILLING	1	 		! !		
			471	750	<u> </u>	471	 75 1
	COMPLETION 10,000' 17# N-30 175	i.C '			! !	 -	!
17	Casing 11, 150' 5'-1500' 20# N-80 LTSC	<u> </u>	135			135	1
18	Tubinal1,500' 2 7/8" 6.5# N-80 EUE	11		000			00
19 20	Wellhead Subsurface Equipment	<u>'l</u>		<u> </u>			<u> 00</u>
				000			<u> 00</u>
21	, davs (\$250	· · · · · · · · · · · · · · · · · · ·		750	·	1	; : -
· 22 23	Mud & Chemicals & KCL water Testing, Logging & Perforating			000			00
24	Stimulation :			000		11	
25	Overhead		15	000	1	15	100
26	Rentals						
27				000		5	- 17.0
28	Service Rig 7 days @ \$1600 Camenting Services & Supplies			200			20
29	Other IDC .		15	000	<u> </u>	15	: 00
	TOTAL COMPLETION	1					
	PRODUCTION EQUIPMENT	4	283	95 <u>0</u>)	283	95
32	Pumping Unit						<u> </u>
33	Engine & Motor						
34	Rods I			<u>:</u>	1 , ,		<u> </u>
35	Flow Lines						
				000			<u>, oc</u>
36 37	Meters	<u>"</u> 		<u>. 000</u>			2 00
38	Installation ! Storage			000			<u>51 00</u>
39	Separation & Treating			000			00
40		- 		<u>. </u>			2 00
	Other Equipment 1 TOTAL PRODUCTION EQUIPMENT 1			, <u>000</u>			3; 00
				000		43	21.00
	TOTALS		797	700]	797	7:7C

James N. Coll .00

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