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Roy G. Barton, Jr.
Oil and Gas Producer

HOBBS, NEW MEXICO 88241

DEC

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December 11, 1986

Energy & Minerals Department
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87501

Re: Case No. 9052
Hearing Date: 9:00 AM - Dec. 17, 1986
Estoril Producing Corp. - Compulsory Pooling and Unorthodox Location

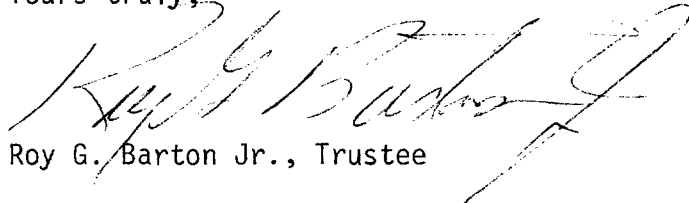
Dear Examiner:

The Roy G. Barton Sr. & Opal Barton Revocable Trust owns an unleased mineral interest under lots 1 & 2 Sec. 7, T-16-S, R-37-E, Lea Co., and has agreed to participate with Estoril as to it's 4.1495% working interest. As Trustee, I have no objection to the proposed well location. Also as an offset mineral owner I personally have no objection to the proposed location.

Under Part A "Compulsory Pooling", paragraph 6, I do however object to the 200% charge over and above reasonable well costs as a reasonable charge for the risk involved in the drilling of said well. Due to the proximity of the proposed location and the Estoril Producing No. 1 Anderson "6" well in the SW/4SW/4 Sec. 6, T-16-S, R-37-E, completed in Nov. of this year flowing 268 bopd I would call this a low risk well and the charge for the risk should reflect this. I believe a charge of 25% over and above reasonable well costs would be sufficient for the risk involved.

Thank you for your consideration.

Yours truly,


Roy G. Barton Jr., Trustee

