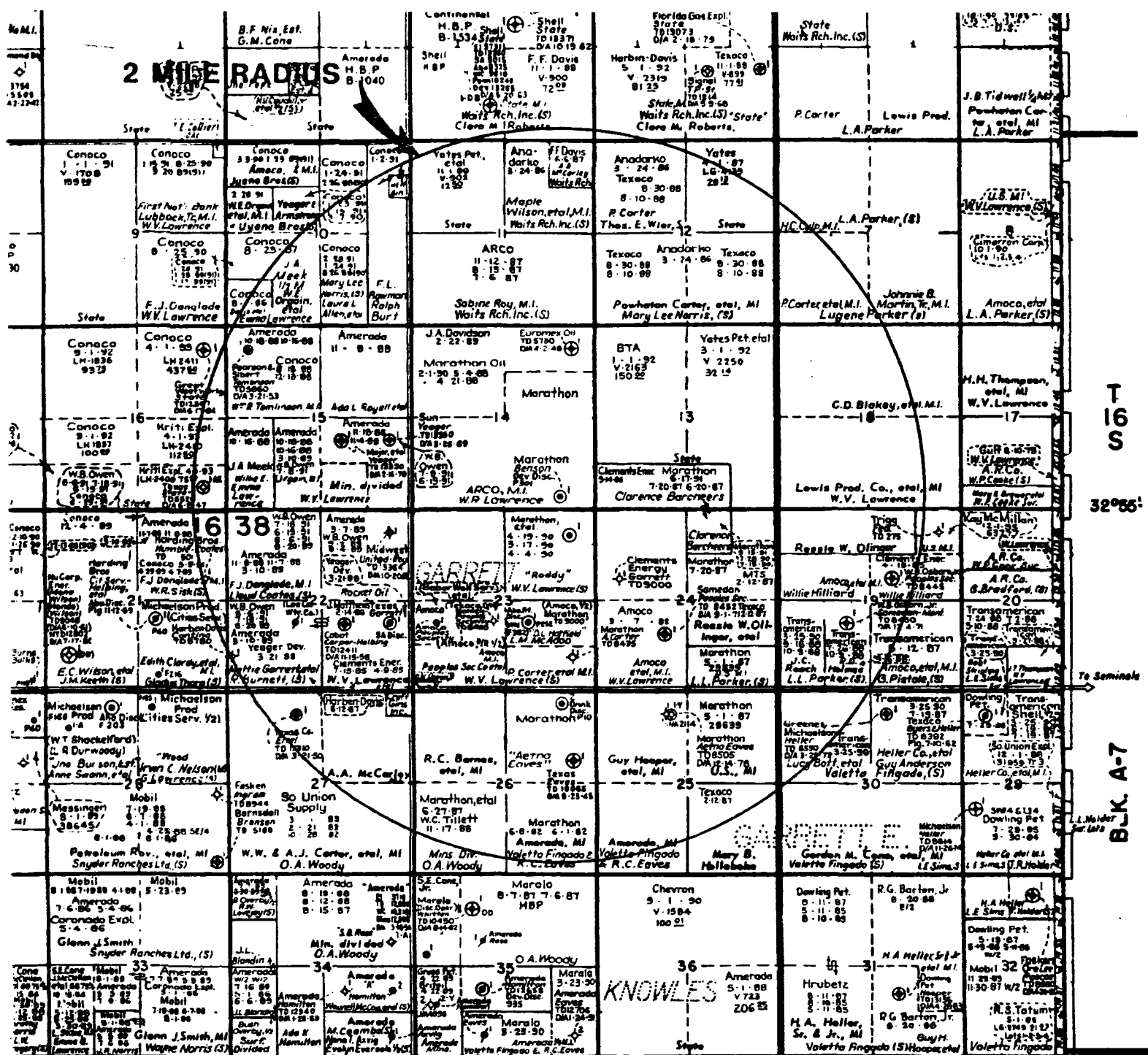




\$15.00 ft.

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

Marathon EXHIBIT NO. 1

CASE NO. 9168

M
MARATHON OIL COMPANY
MID-CONTINENT REGION

EAST GARRETT
LEA COUNTY, NEW MEXICO
LAND PLAT

CHECKED BY S. DANIELS
DATE 8/87

SCALE 1" = 4,000'

51

W. Thomas Kellahin
Karen Aubrey
Jason Kellahin
Of Counsel

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

September 11, 1986

CERTIFIED MAIL: P 176 135 248
RETURN RECEIPT REQUESTED

Mr. James Davidson
Post Office Box 494
Midland, Texas 79702

Re: Marathon Oil Company
Benson #1 Well
T16S, R38E, NMPM
Section 14: SE/4 SE/4
New Mexico Oil Conservation Division
Compulsory Pooling Order R-8282

Dear Mr. Davidson:

In accordance with the terms of the enclosed New Mexico Oil Conservation Division Order R-8282, we are sending you a copy of this order and a copy of the estimated costs of the subject well as set forth on the AFE for the Benson #1 well.

On behalf of Marathon Oil Company, you are hereby notified that pursuant to paragraph (4) of the order you have thirty (30) days from receipt of this letter to pay your share of the subject well costs and avoid the penalty which will apply if your share of the costs is taken out of production.

Should you elect to exercise your right to participate under this order, then you are required to timely prepay your total share of the cost of this well by tendering a certified cashier's check to Steve Daniels, Marathon Oil Company, Post Office Box 552, Midland, Texas 79702, in the proper amount prior to the end of the thirty day period.

Very truly yours,


W. Thomas Kellahin

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 8960 18
Marathon
WTK:tb
Enclosure 10/23/86

KELLAHN and KELLAHN

Mr. James Davidson
September 11, 1986
Page 2

cc: Lawrence D. Garcia, Esq.
Marathon Oil Company
Post Office Box 3128
Houston, Texas 77253

✓ Steve Daniels
Marathon Oil Company
125 West Missouri
Midland, Texas 79701

Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

William F. Carr, Esq.
Campbell & Black
Post Office Box 2208
Santa Fe, New Mexico 87504

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8960
Order No. R-8282

APPLICATION OF MARATHON OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 6, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of August, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Marathon Oil Company, seeks an order pooling all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 (Unit P) of Section 14, Township 16 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) Prior to the hearing James A. Davidson, who owns 38.125 percent interest in the above-described unit, requested a two week continuance of this case.
- (4) This request was denied inasmuch as the applicant provided proper notification pursuant to Division General Rule 1207(a)1. and 1207(b).
- (5) James A. Davidson was represented at the time of the hearing and objected to said pooling application.
- (6) The applicant has the right to drill and proposes to drill a well at a standard oil well location thereon.

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

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

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

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

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

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

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

(14) \$4598.00 per month while drilling and \$459.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(15) All proceeds from production from the subject well which are not disbursed for any reason should be placed in

escrow to be paid to the true owner thereof upon demand and proof of ownership.

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

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

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

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 (Unit P) of Section 14, Township 16 South, Range 38 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the fifteenth day of November, 1986, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Siluro-Devonian formation;

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

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

(2) Marathon Oil Company is hereby designated the operator of the subject well and unit.

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

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

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

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

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

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

30 days from the date the schedule of estimated well costs is furnished to him.

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

(9) \$4598.00 per month while drilling and \$459.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

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

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

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

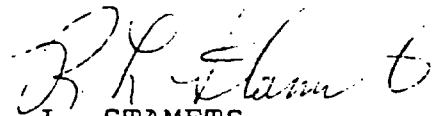
(14) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

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

Case No. 8960
Order No. R-82..
-6-

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director

S E A L

Lease or Facility Benson #1
Field or Prospect East Garrett Deep
Location: Sec. 14, T-16-S, R-38-E
Lea County, New Mexico

Wildcat ☒ Development ☐ Development Exploratory ☐ Recompletion ☐ Workover ☐
Est. Total Depth 13,500' Est. Drilling Days 64 Est. Completion Days 20

SOURCE	QUANTITY	DESCRIPTION	FEATURE NO.	COND	ESTIMATED COST
		DRILLING COSTS – TANGIBLE			
		Drive Pipe	1		-
		Conductor	2		-
	300'	13-3/8" Surface	3		6,000
	5,000'	9-5/8" Intermediate - Casing, Liner, or Tieback	4		80,000
		Liner Hanger and Tieback Equipment	5		-
		Casinghead	6		20,000
		Miscellaneous	7		2,000
		TOTAL DRILLING COSTS – TANGIBLE			108,000
		DRILLING COSTS -- INTANGIBLE			
		Location and Access	9		36,000
	4	Daywork Drilling	10		14,000
	13,500'	Footage Basis Drilling	11		304,000
		Direct Supervision	14		22,000
		Bits, Hole Openers, Stabilizers, etc.	15		-
		Mud and Mud Services	16		35,000
		Rig Fuel	17		-
		Water	18		30,000
		Rental Equipment and Tools	19		36,000
		Casing/Drive Pipe Tools, Services and Accessories	20		8,000
		Cement and Cementing Service	21		22,000
		Well Logging and Services	22		24,000
		Mud Logging	23		18,000
		Pipe Inspection	24		6,000
		Directional Services	25		-
		Coring	26		-
		Formation Testing 1 DST	27		5,000
		Diving Services	28		-
		Mobilization/Demobilization	29		-
		Air Transportation	30		-
		Marine Transportation	31		-
		Land Transportation	32		18,000
		Shore Base Services	33		-
		Communications	34		-
		Fishing Tools and Services	35		-
		Abandoning Tools and Services	36		-
		Miscellaneous Material and Services	37		30,000
		Dry Hole Contributions	38		-
		Overhead	39		-
		Indirect Expense	40		10,000
		TOTAL DRILLING COSTS -- INTANGIBLE			618,000
TOTAL DRILLING COSTS					\$ 726,000
		COMPLETION COSTS – TANGIBLE			
	13,500'	5-1/2" Production Casing	42		115,000
		Liners	43		-
	13,500'	Tubing	44		70,000
		Liner Hanger and Tieback Equipment	45		-
		Christmas Tree	46		25,000
		Subsurface Safety Shut-In Devices	47		-
		Packers	48		4,000
		Subsurface Artificial Lift Equipment	49		-
		TOTAL COMPLETION COSTS – TANGIBLE			214,000

Lease or Facility Benson #1

SOURCE	QUANTITY	DESCRIPTION	FEATURE NO.	C O N D	ESTIMATED COST
		COMPLETION COSTS -- INTANGIBLE			
		Location and Access	51		-
		Completion Rig	52		24,000
		Contract Service Units	53		-
		Direct Supervision	54		6,000
		Company Labor	55		-
		Contract Labor	56		-
		Rig Fuel	57		-
		Completion and Packer Fluids	58		6,000
		Rental Equipment and Tools	59		20,000
		Casing Tools, Services and Accessories	60		8,000
		Cement and Cementing Service	61		18,000
		Logging Services	62		5,000
		Perforating	63		5,000
		Wireline Services	64		-
		Formation Treating	65		25,000
		Sand Control Equipment and Services	66		-
		Formation Testing	67		-
		Tubular Testing and Cleaning	68		-
		Mobilization and Demobilization of Completion Rig	69		-
		Air Transportation	70		-
		Marine Transportation	71		-
		Land Transportation	72		6,000
		Shore Base Services	73		-
		Communications	74		-
		Fishing Tools and Services	75		-
		Wireline Cased-hole Plugbacks	76		-
		Miscellaneous Material and Services	77		10,000
		Sidetrack or Milling Sections	78		-
		Overhead	79		-
		Indirect Expense	80		-
		TOTAL COMPLETION COSTS -- INTANGIBLE			133,000

TOTAL COMPLETION COSTS \$ 347,000

		SURFACE EQUIPMENT -- TANGIBLE			
		Pumping Equipment	83		-
		Tanks and Related Equipment	84		10,000
		Company Labor and Non-Hauling Units	85		-
		Contract Labor and Non-Hauling Units	86		-
		Water Injection Equipment	87		-
		Heater-Treater	88		10,000
		Miscellaneous Supplies	89		5,000
		Dehydrating Equipment	90		-
		Separator-Trap	91		10,000
		Transportation	92		3,000
		Metering Equipment	93		2,000
		Line Pipe	94		-
		Electrical Equipment	95		-
		Compressors	96		-

TOTAL SURFACE EQUIPMENT -- TANGIBLE \$ 40,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS		TOTAL COST	MARATHON'S SHARE
Total Drilling Cost		\$ 726,000	\$
Total Completion Cost		347,000	
Total Surface Equipment		40,000	
Grand Total Cost		\$ 1,113,000	\$
Marathon's Share of Grand Total Cost to be Booked This Year			
If Wildcat Well, Give Marathon's Share of Dry Hole Cost			

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

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: <i>Mr. James Davidson</i> <i>Cofax</i>	4. Article Number <i>P 176 135 248</i>
5. Signature — Addressee <i>X</i>	Type of Service: ☐ Registered ☐ Insured ☒ Certified ☐ COD ☒ Express Mail
6. Signature — Agent <i>X</i> <i>Harold L. Harty</i>	Always obtain signature of addressee or agent and DATE DELIVERED .
7. Date of Delivery <i>9-15-86</i>	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

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

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

3. Article Addressed to:

Mr. James Davidson
Post Office Box 494
Midland, Texas 79702

4. Type of Service: ☐ Registered ☐ Insured ☐ COD ☐ Express Mail
Article Number: P 176 135 248

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

5. Signature — Addressee *X*

6. Signature — Agent *X*

7. Date of Delivery

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

PS Form 3811, July 1983 447-845

DOMESTIC RETURN RECEIPT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF NEW
MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 8960 DE NOVO
Order No. R-8282-A

APPLICATION OF MARATHON OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of November, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Marathon Oil Company, seeks an order pooling all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East, to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, said unit to be dedicated to a well to be drilled at a standard location thereon.

(3) The matter came on for hearing at 8:15 a.m. on August 6, 1986, at Santa Fe, New Mexico, before Oil Conservation Division Examiner Michael E. Stogner and, pursuant to this hearing, Order No. R-8282 was issued on August 21, 1986, granting the application.

Case No. 8960 De Novo
Order No. E-8282-A

(4) Timely applications for Hearing De Novo were made by the opposing parties in this case and the matter was set for hearing before the Commission.

(5) The matter came on for hearing De Novo on October 23, 1986.

(6) The evidence adduced at said hearing indicates that Division Order No. R-8282 entered August 21, 1986, should be affirmed.

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-8282, entered August 21, 1986, is hereby affirmed.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member

Ed Kelley
ED KELLEY, Member

R. L. Stamets
R. L. STAMETS,
Chairman and Secretary

S E A L

②

	MOC REVISED	HEYCO	ACTUAL
Surface Casing	6,000	10,000	9465
Intermediate Casing	80,000	62,500	77,806
Casinghead	22,000	10,000	13,746
TOTAL- TANGIBLES	108,000	82,500	101,017
Location	36,000	29,500	39,851
Daywork Drilling	14,000	47,300	71,973
Footage Drilling	364,000	294,000	256,862
Direct Supervision	22,000	12,000	16,643
Bits & Stabilizers	-	1,500	-
Mud	35,000	30,000	38,634
Water	30,000	10,000	12,894
Rentals	36,000	5,000	25,077
Casing Tools	8,000	2,000	3,903
Cement	22,000	21,500	14,840
Well Logging	24,000	14,000	35,140
Mud Logging	18,000	17,500	-
Pipe Inspection	6,000	-	1647
Directional	-	-	3053
Coring	-	10,000	-
Formation Test	5,000	30,000	9489
Land Transportation	18,000	-	6865 +826
Miscellaneous	30,000	30,765	7246
Indirect	10,000	-	8334
TOTAL INTANGIBLES	618,000	546,265	553,277
TOTAL DRILLING COSTS	726,000	628,765	654,294

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

Myer Thon EXHIBIT NO. 2

CASE NO. 9/68



Name _____

Date _____

Prepared _____

Approved _____

②

	MOC REVISED	HEYCO	ACTUAL
Production Casing	115,000	14,000	95,683
Tubing	70,000	55,000	30,524
X-mas tree	25,000	6,500	29,819
Packers	4,000	7,500	467
Subsurface Lift Equip	-	16,550	-
TOTAL TANGIBLES	214,000	100,000	156,493
Location	-	-	1437
Completion Rig	24,000	22,500	28,928
Contract Service Unit	-	-	1165
Direct Supervision	6,000	3,000	19,054
Company Labor	-	-	448
Contract Labor	-	-	1821
Rig Fuel	-	-	1955
Completion Fluids	6,000	2,500	4970
Rentals	20,000	4,500	10,884
Casing Tools	8,000	-	4,811
Cement	18,000	25,000	20,562
Logging	5,000	6,000	-
Perforating	5,000	5,000	5587
Formation Treating	25,000	29,000	36,423
Testing	-	-	4,669
Tubular Testing	-	-	7,425
Land Transportation	6,000	-	8,881
Miscellaneous	10,000	59,730	173
Indirect	-	-	1260
TOTAL INTANGIBLES	133,000	148,230	160,452

②

	MOC REVISED	HEYCO	ACTUAL		
TANKS	10,000	9,000	42,496		
CO. LABOR			9,920		
CONTRACT LABOR		15,000	9233		
HEATER-TREATER	10,000		3,028		
MISC	5,000	8,500	15,748		
SEPARATOR	10,000	10,000	1,909		
TRANS	3,000		258		
METERING	2,000	2,500	13,952		
LINE PIPE			1,572		
	40,000	45,000	98,116		
DRILLING TANGIBLES	108,000	82,500	101,017		
DRILLING INTANGIBLES	618,000	546,265	553,276		
DHC	726,000	628,765	654,294		
COMPLETION TANGIBLES	214,000	* 100,000	156,493		
COMPLETION INTANGIBLES	133,000	148,230	160,452		
	347,000	248,230	316,945		
SURFACE EQUIP	40,000	45,000	98,116		
TOTAL	1,113,000	921,995	1,069,355		
PUMPING UNIT	95,400	60,000	43,549		
RODS	65,118		34,585		
ELECTRICAL RENTALS	10,184		7,690		
		981,995	<u>86,024</u> 1,154,779		* Left out Production Casing

80 82-00-000-A1

BENSON #1 . 62069 WD# CO. INT 1.0000000 OPR 1 MARATHON
NEW MEXICO CNTY LEA FLD 998 UNDESIGNATED DST 03 MIDLAND
SPUD/START 11/15/86 HDR 11/86 INTENT 101 EXPL EXPL OIL
ORIG COMPLD 01/26/87 COMP 101 EXPL EXPL OIL
COMPLD 02/11/87 SUSP 00/00/00 NO.OF ZONES COMPL OIL 1 GAS 0
TOTAL DPTH 13,345 PLG BCK DPTH 13,248 FOOTAGE DRILLED 13,345

EXPLORATION 39

TANG.WELL COSTS TO-DATE-MAPA. TO-DATE-GROSS APPROPRIATION COST-VARIANCE MONTH-MARATHON MONTH-GROSS

DRILLING

CONDUCTOR
SURFACE
INTERMED. CASING
CASTINGHEAD
MISC FLANEOUS
TOTAL ORIG.COSTS

02
03
04
06
07

9,464.73
77,806.42
13,745.91
101,017.06

9,464.73
77,806.42
13,745.91
101,017.06

6,000.00
80,000.00
20,000.00
2,000.00
108,000.00

3,454.73
2,193.58-
6,254.09-
2,000.00-
6,982.94-

7,144.87
7,144.87

COMPLETION COSTS

PROD CASING
TUBING
CHISEL MAS TREE
PACKERS
ARTIF LIFT EQ
TOTAL COMP.COSTS

42
44
46
48
49

95,683.10
30,523.92
29,819.17
466.56
156,492.75

95,683.10
30,523.92
29,819.17
466.56
156,492.75

115,000.00
170,000.00
25,000.00
4,000.00
214,000.00

19,316.90-
39,476.08-
4,819.17-
3,533.44-
57,507.25-

7,144.87-
34,585.07-
41,729.94-

SURFACE EQUIP.

TANKS & EQUIPMT
COMPANY LABOR
CONTRACT LABOR
HEATER-TREATER
MISC SUPPLIES
SEPARATOR-TRAP
TRANSPORTATION
METERING EQUIPMT
LINE PIPE
ELECTRICAL EQUIP
YEAR END ESTIMAT
TOTAL SURF.EQUIP

84
85
86
88
89
91
92
93
94
95
97

1,685.56
3,638.11
2,757.19
257.86
1,571.56
9,910.28
267,420.09

1,685.56
3,638.11
2,757.19
257.86
1,571.56
9,910.28
267,420.09

10,000.00
10,000.00
5,000.00
10,000.00
2,000.00
3,000.00

10,000.00-
1,685.56
3,638.11
10,000.00-
2,242.81-
10,000.00-
1,742.14-
3,000.00-
1,571.56

19,104.30-
7,027.39-
26,131.69-
60,716.76-

TOTAL TANG

INTANG.WELL COST

DRILLING
LOC AND ACCESS
DAYWORK DRILLING
FOOTAGE BASIS
DIP SUPERVISION

09
10
11
14

39,850.88
71,973.06
256,862.37
16,642.97

39,850.88
71,973.06
256,862.37
16,642.97

36,000.00
14,000.00
304,000.00
22,000.00

3,850.88
57,973.06
47,137.63-
5,357.03-

3,850.88
57,973.06
47,137.63-
5,357.03-

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
EXHIBIT NO.

CASE NO.

JUNE 1987

80 32-00-000-A1

REGION -80

COST OF WELLS COMPARISON

MIDCONTINENT REGION

REPORT N2425238

PAGE NO.

960

15	BITS, OPENER ETC
16	MUD ENGINE SERVICE
17	RIG FUEL
18	WATER
19	RENTAL EQ & TOOLS
20	CASING TOOLS ETC
21	CEMENT & REL SEP
22	WELL LOGGING
23	MUD LOGGING
24	PIPE INSPECTION
25	DIRECTIONAL SERV
26	CORING
27	FORMATION TEST
29	MOR & DEMOR
32	LAND TRANSPORT
37	MISC MATERIAL
40	INDIRECT EXPENSE
	TOTAL DRUG COSTS

COMPLETION COSTS

51	LOC & ACCESS
52	COMPLETION RIG
53	CONTRACT SERVICE
54	DIR SUPERVISOR
55	COMPANY LABOR
56	CONTRACT LABOR
57	RIG FUEL
58	PACKER FLUIDS
59	RENTAL EQ & TOOLS
60	CASING TOOLS ETC
61	CEMENT & REL SEP
62	LOGGING SERVICES
63	PERFORATION
65	FORMATION TREAT
67	FORMATION TESTING
68	TUBULAR TESTING
72	LAND TRANSPORT
77	MISC MATERIALS
80	INDIRECT EXPENSE
	TOTAL COMP COSTS

DRILLING

81	YEAR FUD ESTIMATE
	TOTAL DRUG COSTS

TOTAL INTANG

TOTAL -TANG + INTANG

TO PF

38,633.83	38,633.88	35,000.00	3,633.88
12,826.27	826.27	30,000.00	826.27
25,077.23	12,894.25	36,000.00	17,105.75-
3,902.99	25,077.23	8,000.00	10,922.77-
14,839.92	3,902.99	22,000.00	4,097.01-
35,139.50	14,839.92	18,000.00	7,160.08-
	35,139.50	24,000.00	11,139.50
	1,646.67	18,000.00	18,000.00-
	3,052.46	6,000.00	4,353.33-
			3,052.46
	9,489.25	5,000.00	4,489.25
	6,865.23	18,000.00	11,134.77-
	7,246.04	30,000.00	22,753.96-
	8,334.44	10,000.00	1,665.56-
	553,277.41 ✓	618,000.00	64,722.59-

292.76

1,436.91	1,436.91		1,436.91
28,928.13	4,928.13		4,928.13
1,164.60	1,164.60		1,164.60
19,054.11	13,054.11		13,054.11
448.14	448.14		448.14
1,820.70	1,820.70		1,820.70
1,954.68	1,954.68		1,954.68
4,970.06	1,029.94-		1,029.94-
10,884.35	9,115.65-		9,115.65-
4,810.94	3,189.06-		3,189.06-
20,561.51	2,561.51		2,561.51
	5,000.00-		5,000.00-
	5,000.00		5,000.00
	25,000.00		25,000.00
	5,587.22		5,587.22
	36,422.84		11,422.84
	4,668.81		4,668.81
	7,425.18		7,425.18
	8,681.43		2,881.43
	172.62		9,827.38-
	1,259.57		1,259.57
	160,451.80		27,451.80

292.76

713,729.21	37,270.79-	292.76
981,149.30	131,850.70-	60,424.00-

292.76

60,424.00-

REASON #1(SURF EQUIP 04526 WD# CO.INT 1.0000000 OPR 1 MARATHON
NEW MEXICO CMTY LEA FLD 155 GARRETT,EAST DST 03 MIDLAND
TO INSTALL SURFACE EQUIPMENT 000
MIDLAND 33

TANG.WELL COSTS		TO-DATE-MARA.	TO-DATE-GROSS	APPROPRIATION	COST-VARIANCE	MONTH-MARATHON	MONTH-GROSS
COMPLETION COSTS							
TUBING	44	34,585.07	34,585.07	38,350.00	38,350.00-	34,585.07	34,585.07
ARTIF LIFT EO	49	34,585.07	34,585.07	65,118.00	30,532.93-	34,585.07	34,585.07
TOTAL COMP.COSTS				103,468.00	68,882.93-		
SURFACE EQUIP.							
PUMPING EQUIPMNT	83	43,549.27	43,549.27	95,400.00	51,850.73-		
TANKS & EQUIPMNT	84	42,495.54	42,495.54	54,894.00	12,398.46-	19,142.05	19,142.05
COMPANY LABOR	85	8,234.79	8,234.79	5,500.00	2,734.79		
CONTRACT LABOR	86	5,595.28	5,595.28	1,000.00	4,595.28		
HEATER-TREATER	88	3,027.55	3,027.55	9,000.00	5,972.45-		
MISC SUPPLIES	89	12,990.95	12,990.95	464.00	12,526.95	430.76	430.76
SEPARATOR-TRAP	91	1,908.73	1,908.73		1,908.73		
TRANSPORTATION	92			4,000.00	4,000.00-		
LINE PIPE	94	13,952.60	13,952.60	10,000.00	3,952.60	136.19	136.19
ELECTRICAL EQUIP	95	7,890.25	7,890.25	10,184.00	2,293.75-	7,027.39	7,027.39
TOTAL SURF.EQUIP		139,644.96	139,644.96	190,442.00	50,797.04-	26,736.39	26,736.39
TOTAL TANG		174,230.03	174,230.03	293,910.00	119,679.97-	61,321.46	61,321.46

INTANG.WELL COST

COMPLETION COSTS							
DIR SUPERVISOR	54			2,500.00	2,500.00-		
COMPANY LABOR	55			3,000.00	3,000.00-		
RENTAL EQUIP TOOLS	59			1,000.00	1,000.00-		
CASING TOOLS ETC	60			329.00	329.00-		
FORMATION TREAT	65			1,135.00	1,135.00-		
TOTAL COMP.COSTS				7,964.00	7,964.00-		
TOTAL INTANG				7,964.00	7,964.00-		
TOTAL-TANG + INTANG		174,230.03	174,230.03	301,874.00	127,643.97-	61,321.46	61,321.46
TO PF		174,230.03-					

A.F.S. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 1
DATE 03/11/87

SEQUENCE AFE MASTER MARATHON
EXPLOR 62069 AFE INTEREST START DATE
/ /
BENSON #1

ENTRY DATE	YR	ACCT. REF	VOUCH	ITEM	PAID TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:	ENTRY DESCRIPTION
FEATURE 000 CASINGHEAD											
02/10/87	7	02	131	0000	174.69	.00	.00	.00	27		NATIONAL SUPPLY COMPANY
02/10/87	7	02	129	0000	3,110.70	.00	.00	.00	33		CAYENON IRON WORKS INC
FEATURE TOTAL											
					3,285.39	.00	.00	.00			
FEATURE 009 LOCATION AND ACCESS											
12/02/86	6	11	236	0000	14,570.67	.00	.00	.00	20	PG	NEW-MEX CONSTRUCTING CO INC
12/09/86	6	11	197	0000	370.81	.00	.00	.00	42		WEST ENGINEERING COMPANY
12/11/86	6	12	103	0003	5,349.33	.00	.00	.00	2		ADVANCE CONSULTANTS CORP
12/31/86	6	12	197	0000	3,074.41	.00	.00	.00	10		FALCON SERVICE CO INC
01/09/87	7	01	101	0000	45.00	.00	.00	.00	19		LAUGHAN IN-SMITHS OF TEXAS
01/09/87	7	01	101	0000	5,649.32	.00	.00	.00	3		ADVANCE CONSULTANTS CORP
01/09/87	7	01	101	0000	5,032.20	.00	.00	.00	4		ADVANCE CONSULTANTS CORP
02/03/87	7	02	101	0000	1,769.10	.00	.00	.00	20		PEROT-THERRY CORP
02/24/87	7	02	177	0000	1,197.05	.00	.00	.00	1		LEA COUNTY ABSTRACT CO
04/09/87	7	04	101	0000	528.00	.00	.00	.00	14		NEW-MEX CONSTRUCTION CO INC
05/01/87	7	05	135	0000	10.00	.00	.00	.00	3		CARROCK TILE COMPANY
06/02/87	7	06	137	0000		.00	.00	.00			
FEATURE TOTAL											
					43,591.85	.00	.00	.00			
FEATURE 010 DAYWORK DRILLING											
02/24/87	7	02	179	0000	71,973.06	.00	.00	.00	34		MCVAY DRILLING COMPANY INC
FEATURE TOTAL											
					71,973.06	.00	.00	.00			
FEATURE 011 FOOTAGE BASIS DRILLING											
02/10/87	7	02	132	0000	256,862.37	.00	.00	.00	20		MCVAY DRILLING COMPANY INC
FEATURE TOTAL											
					256,862.37	.00	.00	.00			
FEATURE 016 MUD AND MUD SERVICES											
12/31/86	6	12	196	0000	311.72	.00	.00	.00	42		PETRO-THERMO CORP
12/31/86	6	12	196	0000	920.28	.00	.00	.00	41		PETRO-THERMO CORP
02/10/87	7	02	131	0000	1,724.92	.00	.00	.00	23		NL SAROID
02/10/87	7	02	131	0000	1,053.36	.00	.00	.00	35		NL SAROID
02/10/87	7	02	131	0000	1,441.96	.00	.00	.00	35		NL SAROID

BEFORE EXAMINER STOIGNER
OIL CONSERVATION DIVISION

Marathon EXHIBIT NO. 3

CASE NO. 968

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 3
DATE 08/11/87SEQUENCE AFE MASTER MARATHON
EXPLOR AFE INTEREST START DATE
62069 / /
BENSON #1

ENTRY DATE	YR	ACCT- MON	REF VOUCH	ITEM	PAYD TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:	ENTRY DESCRIPTION
03/12/87	7	03	128	0000	146.14	.00	.00	.00		4	A A OILFIELD SERVICE INC
03/12/87	7	03	128	0000	359.79	.00	.00	.00		2	A A OILFIELD SERVICE INC
03/30/87	7	03	198	0000	1,635.63	.00	.00	.00		13	BEELINE RENTAL
FEATURE TOTAL 13,825.46											
FEATURE 019 RENTAL EQUIP. AND TOOLS											
12/31/86	6	12	193	0000	1,571.25	.00	.00	.00		57	YOUNGS MOBILE HOME SALES
02/10/87	7	02	137	0000	2,302.58	.00	.00	.00		46	YOUNGS MOBILE HOME SALES
02/13/87	7	02	147	0000	1,330.28	.00	.00	.00		34	T & C TAX RENT & ANCHOR
02/14/87	7	02	174	0000	1,543.69	.00	.00	.00		34	MIDLAND SAFETY & HEALTH INC
02/24/87	7	02	178	0000	4,936.69	.00	.00	.00		34	MIDLAND SAFETY & HEALTH INC
02/24/87	7	02	174	0000	2,332.40	.00	.00	.00		55	SMITHLAND SAFETY & HEALTH INC
02/24/87	7	02	174	0000	2,632.85	.00	.00	.00		55	SMITHLAND SAFETY & HEALTH INC
02/24/87	7	02	174	0000	1,151.69	.00	.00	.00		55	SMITHLAND SAFETY & HEALTH INC
03/20/87	7	03	153	0000	5,515.96	.00	.00	.00		2	SWECO INC
04/29/87	7	04	205	0000	2,572.96	.00	.00	.00		2	B & D WELL TESTERS INC
FEATURE TOTAL 25,077.23											
FEATURE 020 CASING/DRIVE PIPE TOOLS, SERVI											
12/09/86	6	11	192	0000	942.75	.00	.00	.00		PG 37BULL	ROGERS INC
12/31/86	6	12	192	0000	714.92	.00	.00	.00		37	ROGERS INC
12/31/86	6	12	198	0000	938.42	.00	.00	.00		37	ROGERS INC
12/31/86	6	12	198	0000	2,901.42	.00	.00	.00		37	WESTERN COMPANY, THE
12/31/86	6	12	197	0000	1,712.34	.00	.00	.00		37	WESTERN COMPANY, THE
02/28/87	7	02	164	0000	1,175.98	.00	.00	.00		37	WESTERN COMPANY, THE
FEATURE TOTAL 8,460.28											
FEATURE 021 CEMENT AND CEMENTING SERVICE											
12/31/86	6	12	198	0000	10,282.63	.00	.00	.00		51	WESTERN COMPANY, THE
FEATURE TOTAL 10,282.63											
FEATURE 022 WELL LOGGING AND SERVICES											
12/31/86	6	12	196	0000	3,595.32	.00	.00	.00		46	SCHLUMBERGER WELL SERVICES
02/10/87	7	02	131	0000	19,561.32	.00	.00	.00		41	SCHLUMBERGER WELL SERVICES

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 4
DATE 08/11/87SEQUENCE AFE MASTER MARATHON START DATE
EXPLOR 62069 AFE INTEREST / /
BENSON #1

ENTRY DATE	YR	ACCT. MON	REF VOUCH	ITEM	PAYD TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:	ENTRY DESCRIPTION
FEATURE 024 PIPE INSPECTION											
FEATURE TOTAL					23,456.94	.00	.00	.00			
12/09/86	6	12	125	0000	75.42	.00	.00	.00	2	B	B MACHINE SHOP INC
02/10/87	7	02	131	0000	1,571.25	.00	.00	.00	5	JOES	JOES INSPECTION SERVICE
FEATURE TOTAL					1,646.67	.00	.00	.00			
FEATURE 025 DIRECTIONAL SERVICES											
02/10/87	7	02	131	0000	1,289.00	.00	.00	.00	44	SCIENTIFIC	SCIENTIFIC DRILLING
03/30/87	7	03	200	0000	1,764.46	.00	.00	.00	46	SCIENTIFIC	SCIENTIFIC DRILLING
FEATURE TOTAL					3,052.46	.00	.00	.00			
FEATURE 027 FORMATION TESTING											
04/14/87	7	04	144	0000	3,478.18	.00	.00	.00	4	BAKER	BAKER SERVICE TOOLS
04/14/87	7	04	144	0000	3,082.29	.00	.00	.00	5	BAKER	BAKER SERVICE TOOLS
04/14/87	7	04	144	0000	3,191.65	.00	.00	.00	3	BAKER	BAKER SERVICE TOOLS
FEATURE TOTAL					8,755.12	.00	.00	.00			
FEATURE 032 LAND TRANSPORTATION											
12/05/86	6	12	110	0000	159.22	.00	.00	.00	26	STAR	STAR TOOL COMPANY
12/10/86	6	12	132	0003	300.86	.00	.00	.00	34	E-LE	FARMER & CO
01/13/87	7	01	131	0003	145.11	.00	.00	.00	30	TRAMER	TRAMER & CO
01/13/87	7	01	131	0000	177.82	.00	.00	.00	PG	PG	FARMER & CO
02/10/87	7	02	131	0000	543.54	.00	.00	.00	PG	PG	FARMER & CO
03/13/87	7	03	131	0003	230.54	.00	.00	.00	PG	PG	FARMER & CO
03/13/87	7	03	134	0003	40.56	.00	.00	.00	PG	PG	FARMER & CO
FEATURE TOTAL					1,648.12	.00	.00	.00			
FEATURE 037 MISCELLANEOUS MATERIAL AND SER											
12/10/86	6	12	131	0000	211.60	.00	.00	.00	20	FORKLIFT	ENTERPRISES
12/11/86	6	12	131	0000	158.70	.00	.00	.00	22	DIAMOND	RENTAL INC
01/13/87	7	01	207	0000	1,134.15	.00	.00	.00	30	SAFETY	TEST OF TEXAS
02/10/87	7	02	131	0000	1,437.66	.00	.00	.00	45	SULLIVAN	CRANE SERVICE
02/10/87	7	02	131	0000	87.96	.00	.00	.00	36	MAN	WELDING SERVICE

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 5
DATE 08/11/87SEQUENCE AFE MASTER MARATHON
EXPLORE 62069 AFE INTEREST START DATE
BENSON #1 / /

ENTRY DATE	ACCT. REF	YR	MON	VOUCH	ITEM	PAYD TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:	ENTRY DESCRIPTION
02/10/87	7	02	131	0000		301.53	.00	.00	.00	28		NATIONAL SUPPLY COMPANY
02/10/87	7	02	127	0000		125.70	.00	.00	.00	33		HOBBS ANCHOR & ROAD
02/12/87	7	02	144	0000		251.40	.00	.00	.00	47		SAFETY TEST OF TEXAS
02/13/87	7	02	147	0000		547.45	.00	.00	.00	42		MCLAIN TRUCK SERVICE INC
					FEATURE TOTAL	3,312.19	.00	.00	.00			
					FEATURE 042 PRODUCTION CASING							
02/19/87	7	02	203	0003		16,051.20	.00	.00	.00	PG 19		VINSON SUPPLY CO AD 7369
02/19/87	7	02	203	0003		79,067.61	.00	.00	.00	PG 18		VINSON SUPPLY CO AD 7369
					FEATURE TOTAL	95,118.81	.00	.00	.00			
					FEATURE 044 TUBING							
02/20/87	7	02	204	0003		40,832.67	.00	.00	.00	PG 07		USS OILWELL AD 7370
					FEATURE TOTAL	40,832.67	.00	.00	.00			
					FEATURE 046 CHRISTMAS TREE							
02/17/87	7	02	152	0000		1,671.86	.00	.00	.00	3		CAMERON IRON WORKS INC
02/27/87	7	02	194	0000		8.37	.00	.00	.00	5		GASCO MANUFACTURING CORP
03/10/87	7	02	134	0003		114.57	.00	.00	.00	PG 28		E-L FARMER & CO
03/10/87	7	02	116	0000		967.45	.00	.00	.00	47		U S STEEL CORP
03/10/87	7	02	118	0000		266.07	.00	.00	.00	2		CAMERON IRON WORKS INC
03/10/87	7	02	119	0000		929.67	.00	.00	.00	40		U S STEEL CORP
04/07/87	7	02	115	0000		3,523.55	.00	.00	.00	3		CAMERON IRON WORKS INC
07/29/87	7	07	137	0000		1,111.78	.00	.00	.00	3		CAMERON IRON WORKS INC
					FEATURE TOTAL	9,096.32	.00	.00	.00			
					FEATURE 047 SUBSURFACE SAFETY SHUT-IN DEVI							
03/10/87	7	03	116	0000		1,079.96	.00	.00	.00	51		U S STEEL CORP
03/10/87	7	03	116	0000		962.17	.00	.00	.00	35		U S STEEL CORP
					FEATURE TOTAL	2,039.13	.00	.00	.00			
					FEATURE 048 PACKERS							
03/23/87	7	03	166	0000		3,255.84	.00	.00	.00	3		BAKER PACKERS
03/23/87	7	03	166	0000		2,789.28	.00	.00	.00	3		BAKER PACKERS

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 6
DATE 03/11/87SEQUENCE AFE MASTER MARATHON
EXPLOR 62C69 AFE INTEREST START DATE
/ /
BENSON #1

ENTRY DATE	ACCT. YR	REF MON	ITEM VOUCH	PAID TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:
								ENTRY DESCRIPTION	
FEATURE 049 SUBSURFACE ARTIFICIAL LIFT EQU									
FEATURE TOTAL				466.56	.00	.00	.00		
03/10/87	7	03	116 0000	876.23	.00	.00	.00	49	U S STEEL CORP
FEATURE TOTAL				876.23	.00	.00	.00		
FEATURE 051 LOCATION AND ACCESS									
02/18/87	7	02	155 0000	213.95	.00	.00	.00	26	NEW-MEX CONSTRUCTION CO INC
06/02/87	7	05	220 0000	568.95	.00	.00	.00	5	NEW-MEX CONSTRUCTION CO INC
FEATURE TOTAL				782.90	.00	.30	.00		
FEATURE 052 COMPLETION RIG									
04/28/87	7	04	200 0000	28,928.13	.00	.00	.00	50	X-PERT WELL SERVICE INC
FEATURE TOTAL				28,928.13	.00	.00	.00		
FEATURE 053 CONTRACT SERVICE UNITS									
02/17/87	7	02	151 0000	516.05	.00	.00	.00	31	HOBBS ANCHOR & ROAD
02/18/87	7	02	154 0000	648.55	.00	.00	.00	4	A A OILFIELD SERVICE INC
FEATURE TOTAL				1,164.60	.00	.00	.00		
FEATURE 056 CONTRACT LABOR									
12/19/86	6	12	165 0000	163.24	.00	.00	.00	PG 36	MATCO
02/27/87	7	02	195 0000	245.79	.00	.00	.00	14	HALLIBURTON SERVICES
03/02/87	7	02	202 0000	158.89	.00	.00	.00	40	DIAMOND RENTAL INC
03/10/87	7	03	106 0000	234.92	.00	.00	.00	PG 30	DEWITT FAUGHT WELDING
03/12/87	7	03	128 0000	179.59	.00	.00	.00	3	QUEVEDO A OILFIELD SERVICE INC
03/12/87	7	03	128 0000	201.17	.00	.00	.00	6	A A OILFIELD SERVICE INC
FEATURE TOTAL				1,183.60	.00	.00	.00		
FEATURE 058 COMPLETION AND PACKER FLUIDS									
02/18/87	7	02	154 0000	2,954.52	.00	.00	.00	2	A A OILFIELD SERVICE INC
02/19/87	7	02	195 0000	211.93	.00	.00	.00	52	FORKLIFT ENTERPRISES INC
02/23/87	7	02	171 0000	368.30	.00	.00	.00	3	A A OILFIELD SERVICE INC

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 7
DATE 08/11/87SEQUENCE AFE MASTER MARATHON
EXPLOR 62069 AFE INTEREST START DATE
/ /
BENSON #1

ENTRY DATE	YR	ACCT. REF	NON VOUCH	ITEM	PAID TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:
									ENTRY	DESCRIPTION
02/23/87	7	02	171	0000	369.00	.00	.00	.00	4	A OILFIELD SERVICE INC
03/10/87	7	03	103	0000	565.38	.00	.00	.00	48	SONNYS OIL FIELD SERVICE INC
03/13/87	7	03	136	0000	206.44	.00	.00	.00	48	SONNYS OIL FIELD SERVICE INC
				FEATURE TOTAL	4,675.99	.00	.00	.00		
FEATURE 059 RENTAL EQUIP. AND TOOLS										
02/27/87	7	02	195	0000	173.04	.00	.00	.00	31	T & C TANK RENTAL & ANCHOR
03/10/87	7	03	119	0000	3,421.18	.00	.00	.00	31	T & C TANK RENTAL & ANCHOR
03/10/87	7	03	115	0000	1,123.03	.00	.00	.00	31	STARR TOOL TANK RENTAL CO
03/10/87	7	03	115	0000	1,926.03	.00	.00	.00	31	STARR TOOL TANK RENTAL CO
03/10/87	7	03	115	0000	524.98	.00	.00	.00	31	T & C TANK RENTAL & ANCHOR
03/10/87	7	03	115	0000	524.98	.00	.00	.00	31	T & C TANK RENTAL & ANCHOR
03/10/87	7	03	115	0000	1,887.94	.00	.00	.00	31	STARR TOOL TANK RENTAL CO
03/23/87	7	03	166	0000	1,661.58	.00	.00	.00	31	STARR TOOL TANK RENTAL CO
04/02/87	7	04	120	0000	231.77	.00	.00	.00	12	STARR TOOL TANK RENTAL CO
05/01/87	7	05	222	0000	231.77	.00	.00	.00	12	STARR TOOL TANK RENTAL CO
				FEATURE TOTAL	9,488.20	.00	.00	.00		
FEATURE 060 CASING TOOLS, SERVICES AND ACC										
02/10/87	7	02	127	0000	91.91	.00	.00	.00	30	MAN WELDING SERVICE
02/10/87	7	02	130	0000	1,363.37	.00	.00	.00	30	ROGERS INC, BULL
02/10/87	7	02	130	0000	2,836.40	.00	.00	.00	30	ROGERS INC, BULL
03/30/87	7	03	197	0000	516.56	.00	.00	.00	43	CAMERON IRON WORKS INC
				FEATURE TOTAL	4,810.94	.00	.00	.00		
FEATURE 061 CEMENT AND CEMENTING SERVICE										
02/19/87	7	02	159	0000	4,504.93	.00	.00	.00	23	DRESSER INDUSTRIES INC
02/19/87	7	02	161	0000	1,147.92	.00	.00	.00	23	DRESSER INDUSTRIES INC
04/28/87	7	04	200	0000	14,908.76	.00	.00	.00	45	A OILFIELD SERVICE INC
				FEATURE TOTAL	20,561.51	.00	.00	.00		
FEATURE 063 PERFORATING										
02/17/87	7	02	152	0000	579.23	.00	.00	.00	33	DOW CHEMICAL USA
02/20/87	7	02	167	0000	2,264.88	.00	.00	.00	33	DRESSER INDUSTRIES INC

SEQUENCE	AFE	MASTER AFE	MARATHON INTEREST	START DATE
EXPLOR	62069			/ /
	95N50N #1			

GENSON 21

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A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 9
DATE 08/11/87SEQUENCE AFE MASTER MARATHON
EXPLOR 62069 AFE INTEREST START DATE / /
BENSON #1

ENTRY DATE	YR	ACCT. REF	MON	VOUCH	ITEM	PAYD TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:	ENTRY DESCRIPTION
03/10/87	7	03	110		0000	398.44	.00	.00	.00	8	A	OILFIELD SERVICE INC
03/10/87	7	03	110		0000	255.73	.00	.00	.00	8	A	OILFIELD SERVICE INC
03/10/87	7	03	110		0000	287.68	.00	.00	.00	11	A	OILFIELD SERVICE INC
03/10/87	7	03	110		0000	113.68	.00	.00	.00	11	A	OILFIELD SERVICE INC
03/10/87	7	03	110		0000	233.76	.00	.00	.00	11	A	OILFIELD SERVICE INC
03/10/87	7	03	110		0000	233.76	.00	.00	.00	11	A	OILFIELD SERVICE INC
04/09/87	7	04	130		0003	4,400.00	.00	.00	.00	PG 2	LESCO TRANSPORTATION INC	
04/09/87	7	04	130		0003	263.36	.00	.00	.00	PG 2	ACE TRUCKING CO INC	
04/09/87	7	04	130		0003	263.36	.00	.00	.00	PG 2	SHORTY HALL RIG COMPANY INC	
FEATURE TOTAL						12,734.97	.00	.00	.00			
FEATURE 077 MISCELLANEOUS MATERIAL AND SER												
12/05/86	9	12	115		0000	56.45	.00	.00	.00	12	LTV ENERGY PRODUCTS	
02/23/87	7	02	170		0000	178.42	.00	.00	.00	4	A	OILFIELD SERVICE INC
03/03/87	7	02	134		0003	132.73	.00	.00	.00	PG 2	E-L FARMER & CO	
03/12/87	7	03	134		0000	977.72	.00	.00	.00	37	MAC K & JAY SIGN SERVICE INC	
04/28/87	7	04	193		0000	977.72	.00	.00	.00	4	CAMERON IRON WORKS INC	
FEATURE TOTAL						1,398.74	.00	.00	.00			
FEATURE 083 PUMPING EQUIPMENT												
03/02/87	7	02	203		0000	257.86	.00	.00	.00	PG 12	DUBOSE DRILLING INC	
03/02/87	7	02	202		0000	3,357.46	.00	.00	.00	18	CARLS PUMP JACK SERVICE INC	
03/10/87	7	03	220		0003	6,160.69	.00	.00	.00	PG 37	U SOILWELL ADL 11146	
FEATURE TOTAL						9,806.01	.00	.00	.00			
FEATURE 084 TANKS AND RELATED EQUIPMENT												
03/30/87	7	03	223		0003	4,789.17	.00	.00	.00	PG 45	ROUNDUP TANK INC ADL 11173	
05/13/87	7	05	223		0003	19,104.30	.00	.00	.00	PG 36	MCKAY EQUIPMENT CO ADL 11175	
FEATURE TOTAL						23,893.47	.00	.00	.00			
FEATURE 089 MISCELLANEOUS SUPPLIES												
02/19/87	7	02	158		0000	467.71	.00	.00	.00	33	U S STEEL CORP	
03/10/87	7	03	120		0000	132.46	.00	.00	.00	41	FAUGHT WELDING, EVERETT	
03/10/87	7	03	115		0000	132.89	.00	.00	.00	24	HOBBS IRON & METAL INC	
FEATURE TOTAL						718.06	.00	.00	.00			

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 10
DATE 08/11/87

SEQUENCE AFE MASTER MARATHON
EXPLOR 62069 AFE INTEREST START DATE
BENSON #1 / /

ENTRY DATE	YR	ACCT. MON	REF VOUCH	ITEM	PAID TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	IN:	OUT:	ENTRY DESCRIPTION
FEATURE 094 LINE PIPE											
03/10/87	7	03	220	0003	151.59-	.00	.00	.00	PG 20FIBERFLEX	PG 20FIBERFLEX	PRODUCTS ADL 11147
03/10/87	7	03	220	0003	2,526.44	.00	.00	.00	PG 21FIBERFLEX	PG 21FIBERFLEX	PRODUCTS ADL 11147
03/10/87	7	03	220	0003	28,173.30	.00	.00	.00	PG 19FIBERFLEX	PG 19FIBERFLEX	PRODUCTS ADL 11147
FEATURE TOTAL					30,548.15	.00	.00	.00			
FEATURE 095 ELECTRICAL EQUIPMENT											
04/30/87	7	04	223	0003	7,027.39	.00	.00	.00	PG 17DIXIE ELECTRIC	PG 17DIXIE ELECTRIC	ADL 11224
FEATURE TOTAL					7,027.39	.00	.00	.00			
AFE TOTAL:					875,113.20	.00	.00	.00			

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 11
DATE 09/11/87SEQUENCE AFE MASTER MARATHON START DATE
HOBBS 04526 INTEREST 10000000 / /BENSON #1
EQUIPMENT

INSTALL PUMPING AND SURFACE

IN: 3/19/87 OUT: 3/19/87

ENTRY DATE	ACCT. REF YR	NON VOUCH ITEM	PAID TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	ENTRY DESCRIPTION
FEATURE 009 LOCATION AND ACCESS							
07/08/87	7	07 105	0000	487.67	.00	.00	9 NEW-MEX CONSTRUCTION CO INC
FEATURE TOTAL				487.67	.00	.00	
FEATURE 049 SUBSURFACE ARTIFICIAL LIFT EQU							
08/06/87	7	06 067	0003	27,548.15	.00	.00	
08/06/87	7	06 067	0003	378.33	.00	.00	
08/06/87	7	06 067	0003	6,180.69	.00	.00	
FEATURE TOTAL				34,585.07	.00	.00	
FEATURE 051 LOCATION AND ACCESS							
06/05/87	7	06 101	0000	37.75	.00	.00	41 SHEPHERDS RENTALS
07/22/87	7	07 162	0000	203.20	.00	.00	23 NEW-MEX CONSTRUCTION CO INC
FEATURE TOTAL				240.95	.00	.00	
FEATURE 056 CONTRACT LABOR							
03/24/87	7	03 170	0000	198.78	.00	.00	14 T J & C OILFIELD SERVICE INC
04/07/87	7	04 116	0000	234.92	.00	.00	38 FAUGHT WELDING, EVERETT
05/08/87	7	05 123	0000	234.92	.00	.00	46 FAUGHT WELDING, EVERETT
FEATURE TOTAL				658.62	.00	.00	
FEATURE 059 RENTAL EQUIP. AND TOOLS							
04/15/87	7	04 151	0000	1,367.75	.00	.00	19 DUBOSE DRILLING CO
04/15/87	7	04 151	0000	1,052.30	.00	.00	20 DUBOSE DRILLING CO
05/01/87	7	04 221	0000	1,909.13	.00	.00	3 C-E NATCO
08/10/87	7	08 101	0000	1,317.03	.00	.00	6 C-E NATCO
FEATURE TOTAL				5,471.07	.00	.00	
FEATURE 072 LAND TRANSPORTATION							
03/30/87	7	03 196	0000	381.84	.00	.00	43 BRUNSON INC, NOLAN H
03/30/87	7	03 196	0000	166.80	.00	.00	44 BRUNSON INC, NOLAN H
04/20/87	7	04 132	0003	1,615.67	.00	.00	PG 24 PAUL MUSSLEWHITE TRUCKING CO

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A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 13
DATE 08/11/87

SEQUENCE	AFE	MASTER AFE	INTEREST	START DATE		
H08BS	04526	10000000	/	/		
BENSON #1 EQUIPMENT						
ENTRY DATE	YR	ACCT. REF	MON	VOUCH	ITEM	PAYD TO DATE
04/21/87	7	04	168		0000	1,377.99
04/21/87	7	04	187		0000	234.32
04/21/87	7	04	181		0000	101.37
04/21/87	7	04	131		0000	232.84
05/05/87	7	05	102		0000	7,970.30
05/11/87	7	05	223		0000	19,104.90
08/06/87	7	08	223		0000	4,789.17
08/06/87	7	08	223		0000	44,661.62
FEATURE TOTAL						
FEATURE 085 COMPANY LABOR AND NON-HAULING						
04/21/87	7	04	168		0000	1,636.17
08/06/87	0	0			0000	8,234.79
FEATURE TOTAL						
FEATURE 086 CONTRACT LABOR AND NON-HAULING						
03/27/87	7	03	191		0000	236.04
03/27/87	7	03	191		0000	88.52
03/27/87	7	03	191		0000	236.04
FEATURE TOTAL						
FEATURE 083 HEATER-TREATER						
03/30/87	7	03	198		0000	753.00
04/11/87	7	04	148		0000	127.30
04/11/87	7	04	148		0000	225.90
04/21/87	7	04	167		0000	234.92
04/21/87	7	04	167		0000	234.92
08/06/87	7	08	451		0000	100.00
FEATURE TOTAL						
FEATURE 089 MISCELLANEOUS SUPPLIES						
03/23/87	7	03	167		0000	374.20
04/03/87	7	04	106		0000	84.90
04/07/87	7	04	115		0000	143.47

INSTALL PUMPING AND SURFACE

IN: 3/19/87 OUT: 3/19/87

ENTRY DESCRIPTION

13 DIXIE ELECTRIC INC

16 FAUGHT WELDING, EVERETT

30 NATIONAL-OILWELL

31 NATIONAL-OILWELL

14 HOBBS IRON & METAL INC

18 COPELAND COATINGS INC ADL 11369

PG 25MCKAY EQUIPMENT CO ADL 11175

34 REED WELDING SERVICE

35 REED WELDING SERVICE

36 REED WELDING SERVICE

24 EAGLE METER & PUMP

29 HOBBS IRON & METAL INC

30 HOBBS IRON & METAL INC

39 FAUGHT WELDING, EVERETT

7 FAUGHT WELDING, EVERETT

48 MATERIAL TRANSFER

4 MASTER PUMPS & EQUIPMENT CORP

18 GASCO MANUFACTURING CORP

28 L050 NUT & BOLT

A.F.E. COST COMPARISON REPORT-DETAIL ENTRIES

W24602-200 PAGE 14
DATE 08/11/87

SEQUENCE	AFE	MASTER AFE	MARATHON INTEREST	START DATE	INSTALL PUMPING AND SURFACE				
H09BS	04526	10000000	/	/	IN: 3/19/87	OUT: 3/19/87			
BENSON #1 EQUIPMENT									
ENTRY DATE	YR	ACCT. REF	ITEM	PAID TO DATE	UNPAID ESTIMATES	ESTIMATED FUTURE	APPROPRIATION	ENTRY DESCRIPTION	
04/09/87	7	04	130	157.26	.00	.00	.00	PG 20EAGLE METER & PUMP	RENTAL CO
04/13/87	7	04	141	534.86	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
04/15/87	7	04	151	135.14	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
04/21/87	7	04	148	550.59	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
04/22/87	7	04	173	77.19	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
04/30/87	7	04	211	77.00	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
06/06/87	7	04	451	56.00	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
08/06/87	7	04	301	1,800.00	.00	.00	.00	THO-SHATE TANK PUMP	RENTAL CO
FEATURE TOTAL				3,966.84	.00	.00	.00		
FEATURE 094 LINE PIPE									
03/24/87	7	03	163	234.92	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
05/11/87	7	03	222	9,777.99	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
06/05/87	7	04	104	136.19	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
08/06/87	7	04	048	408.24	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
08/06/87	7	04	048	156.33	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
08/06/87	7	04	048	442.33	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
08/06/87	7	04	048	1,010.82	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
08/06/87	7	04	048	1,390.68	.00	.00	.00	PG 32EVERETT FAUGHT WELDING	ADL 11257
FEATURE TOTAL				14,187.52	.00	.00	.00		
FEATURE 095 ELECTRICAL EQUIPMENT									
03/24/87	7	03	173	862.86	.00	.00	.00	PG 39 DIXIE ELECTRIC INC	
03/06/87	7	06	067	7,027.39	.00	.00	.00	PG 39 DIXIE ELECTRIC INC	
FEATURE TOTAL				7,890.25	.00	.00	.00		
AFE TOTAL:				176,062.99	.00	.00	.00		

J. Benson Well No. 1
Lea County, New Mexico

- 03-11-87 Well pumped 222 BO and 87 BW in 24 hours. Ran dynamometer. Showed well was pumped off. C.C. \$1,001,561.
- 03-12-87 Well pumped 235 BO and 132 BW in 24 hours. Switched well from generator to commercial power. C.C. \$1,001,888.
- 03-13-87 Well pumped 163 BO and 101 BW in 24 hours. Well operating on pump off controller. Pumping 70% of the time. Switched well back on head. (Surface equipment cost \$35,014.) C.C. \$1,004,652.
- 03-14-87 Well pumped 180 BO and 121 BW in 24 hours. C.C. \$1,011,439.
- 03-15-87 Well pumped 181 BO and 120 BW in 24 hours. C.C. \$1,011,796.
- 03-16-87 Well pumped 182 BO and 145 BW in 24 hours. C.C. \$1,012,013.
- 03-17-87 Well pumped 148 BO and 75 BW in 24 hours. C.C. \$1,021,475.
- 03-18-87 Well pumped 183 BO and 105 BW in 24 hours. Echometer indicated well was pumped off. C.C. \$1,050,368.
- 03-19-87 Well pumped 50 BO and 19 BW and well quit pumping RU expert well service. SOOH w/rods. SDFN. C.C. \$1,051,422.
- 03-20-87 FOH w/rods and pump. Found pin broken off plunger. RIH w/redressed w/1 3/4" redressed insert pump on fiberglass/steel rod string. Tested tbg to 500 psi. Pump action ok. Change motor sheave. Well pumping @ 7.5 SPM x 168" stroke. C.C. \$1,054,211.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	4
CASE NO.	

J. Benson Well No. 1
Lea County, New Mexico

- 02-21-87 Started well pumping 7 1/2 x 168" SPM. Well pumped 134 BO & 278 BW in 20 hours for a daily rate of 161 BOPD and 337 BWPD. C.C. \$988,387.
- 02-22-87 Well pumped 301 BO and 261 BW in 24 hours. Pumping 7 1/2 x 168" SPM. C.C. \$991,643.
- 02-23-87 Well pumped 253 BO and 216 BW in 23 hours for a daily rate of 264 BOPD and 225 BWPD. C.C. \$992,535.
- 02-24-87 Well pumped 252 BO and 249 BW in 24 hours. Casing pressure vacuum. Shot sonic fluid level. Shows 3954' of fluid above pump. C.C. \$992,903.
- 02-25-87 Well pumped 250 BO and 264 BW in 24 hours. Sonic fluid level measurement shows 3213' of fluid above the pump. C.C. \$993,875.
- 02-26-87 Well pumped 257 BO and 270 BW in 24 hours. Gas rate 20 MCFPD. GOR 78 SCF/STB. Sonic fluid level shows 2472' of fluid above pump. C.C. \$994,657.
- 02-27-87 Well pumped 225 BO and 107 BW in 24 hours. Gas rate 30 MCFPD. GOR 133 SCF/STB. Fluid level 2194' above pump. C.C. \$995,044.
- 02-28-87 Well pumped 257 BO and 133 BW in 24 hours. Sonic fluid level showed 1793 feet of fluid above pump. C.C. \$996,026.
- 03-01-87 Well pumped 216 BO and 144 BW in 24 hours. C.C. \$996,763.
- 03-02-87 Well pumped 313 BO and 120 BW in 24 hours. C.C. \$997,580.
- 03-03-87 Well pumped 255 BO and 103 BW with 27 MCFG in 24 hours. Tp 23 psi. Cp 10 psi. Sonic measurement indicated 1713' of fluid above pump. C.C. \$997,972.
- 03-04-87 Well pumped 236 BO and 179 BW with 38 MCFG in 24 hours. GOR 161. Sonic fluid level indicated 1978' of fluid above pump. C.C. \$998,937.
- 03-05-87 Well pumped 259 BO and 50 BW in 24 hours. Fluid level 1947' above pump. Ran dynamometer survey. Showed full pump cord with slight gas interference. C.C. \$999,254.
- 03-06-87 Increased pumping speed from 7.5 SPM to 10.5 SPM. Well pumped 307 BO and 139 BW in 24 hours. C.C. \$999,581.
- 03-07-87 Well pumped ¹⁰⁶~~206~~ BO and ³⁹~~13~~ BW in 8 hours. Fluid level 434' feet above pump. Daily rate 318 BO and 117 BW. C.C. \$1,000,118.
- 03-08-87 Well pumped 236 BO and 99 BW in 24 hours. C.C. \$1,000,445.
- 03-09-87 Well pumped 221 BO and 140 BW in 24 hours. C.C. \$1,001,101.
- 03-10-87 Well pumped 237 BO and 91 BW in 24 hours. C.C. \$1,001,331.

J. Benson Well No. 1
Lea County, New Mexico

- 02-13-87 Tp 0. ROH w/swab. Tagged FL 7500' FS. Made 22 runs in 11 1/2 hours. Recovered 130 BO and 80 BW. Had slight gas blow after each run. Final FL 3100' FS. After first swab run well flowed 10 min. C.C. \$888,060.
- 02-14-87 Well flowed 20 BO & 17 BW overnight. Well headed up & kicked off at 7:00 AM. FTP 100 psi on 12/64" choke. Well died at 8:30 AM. WIH w/swab. Tagged FL 1500' FS. Made 20 runs in 9 1/2 hours. Final FL 3800' FS. Recovery while swabbing 123 BO & 80 BW. Total recovery 149 BO & 97 BW. Had fair gas blow after each run. C.C. \$891,000.
- 02-15-87 Well open on 12/64" choke. FTP 0. Made 1 swab run FL at surface. Well kicked off and flowed 37 BO in 2 hours and died. WIH w/swab. Tagged FL 750' FS. Made 15 runs in 8 1/2 hours. Swabbed 116 BO & 70 BW. Final FL 3900' FS. Total recovery for day 153 BO & 70 BW. C.C. \$893,486.
- 02-16-87 Well open on 12/64" choke. FTP 0. WIH w/swab. Tagged FL 250' FS. Well kicked off on first run and flowed 33 BO in 1 1/2 hours and died. WIH w/swab. Tagged FL 2300' FS. Swabbed 154 BO & 62 BW in 9 hours (18 runs). Final fluid level 4500' FS. Recovery for day 187 BO & 62 BW. C.C. \$896,443.
- 02-17-87 Well open on a 12/64" choke. FTP 0. WIH w/swab. Tagged FL 150' FS. Made 2 runs. Well kicked off and flowed 1 1/2 hours. Recovery on first two swab runs and flowing 30 BO. Made 20 more runs in 9 1/2 hours. Recovered 150 BO & 72 BW. Final FL 4500' FS. Total recovery for day 180 BO & 72 BW. C.C. \$898,860.
- 02-18-87 Well open on 12/64" choke. FTP 0. WIH w/swab. Tagged FL 750' FS. Made 2 runs. Well kicked off. Flowd 10 min and died. Made 2 more runs FL 2300' FS. Opened by pass on RTTS. Equalized tubing and casing. Recovered 64 BO & 2 BW while swabbing, flowing and equalizing tubing. Released RTTS. POH w/packer & 2 7/8" tubing. WIH w/mud joint, seating nipple, 4 joints of 2 7/8" tubing, 5 1/2" Baker tubing anchor on 2 7/8" EUE 8 rd N-80 tubing. RIH to 5145'. Shut well in. SDFN. Oil gravity 46.9° API @ 60° F. C.C. \$901,976.
- 02-19-87 FIH w/2 7/8" tubing. Landed tubing at 9035' with seating nipple at 9016'. Set tubing anchor at 8893' with 23000# tension (has 40000# shear pin). Removed BOP. Hung well on donut. Started in hole with 1 3/4" x 30' pump on 7/8" "EL" steel rods and 1.2" fiberglass rods. Set Lufkin 912 pumping unit. Shut well in. SDFN. C.C. \$904,863.
- 02-20-87 Finished in hole with rods and pump. Spaced out pump. Finished rigging up pumping unit. Hooked up well head and electrical generator. Started generator. Started pumping unit. Tested pump action and pump spacing. Shut down pumping unit. SDFN. C.C. \$909,589.

J. Benson Well No. 1
Lea County, New Mexico

- 02-05-87 RU Dowell. Pressured casing to 1500 psi. Pumped 10 bbls at 15% NEFE acid down tubing followed by 2% kcl water caught fluid 6900' FS. Pumped into formation at 1.5 BPM at 5150 psi. Casing pressure increased to 3850 psi. Bled off pressure. Installed BOP. Released packer. WIH to 13,162' to 12,897'. Pulled up and set packer at 12,839'. Opened bypass. Spotted acid to packer. Acidized w/6000 gallons of 15% NEFE Hcl acid. Dropped 96 ball sealers for divert. AIR 1.5 BPM @ 5950 psi. Maximum pressure 6130 psi. ISDP 5900 psi. 5 min 5440 psi. 15 min 4950 psi. On flush casing pressure increased to 3820 psi. Bled off casing pressure to 1000 psi. Opened tubing to frac tank on a 20/64" choke. Well flowed 46 BW in 2 hours and died. Shut well in. SDFN. C.C. \$793,935.
- 02-06-87 SITP 0. Opened bypass on packer. Pumped 32 Bbls down bakside. Closed bypass. Pressure on tubing increased to 350 psi. Pressure tested casing to 2000 psi. Opened well on 20/64" choke. Well flowed 4 BO & 4 BW in 40 min & died. WIH w/swab. Tagged FL 3300' FS. Made 13 runs in 6 1/2 hours. Recovered 31 BO & 59 BW. Final FL 7300' FS. Total recovery for day 35 BO & 63 BW. Shut well in. SDFN. C.C. \$797,386.
- 02-07-87 11 hour SITP 120 psi. Opened to frac tank. Bled to 0 in 5 min. WIH w/swab. Tagged fluid level 3700' FS. Made 19 swab runs in 11 hours. Recovered 39 BO & 53 BW. Final FL 9500' FS.
- 02-08-87 13 hours SITP 70 psi. Opened to frac tank. Bled to 0 in 3 min. WIH w/swab. Tagged FL 4800' from surface. Made 19 runs in 10 1/2 hours. Recovered 54 BO and 31 BW. Final FL 9100' from surface. Left well open to frac tank. C.C. \$840,130.
- 02-09-87 TP 0. RIH w/swab. Tagged fluid 5100' from surface. Made 18 runs in 10 hours. Recovered 60 BO & 24 BW. Final FL 10,500' from surface. Left well open to frac tank. C.C. \$842,334.
- 02-10-87 WIH w/swab. Tagged FL 5800' FS. Made 5 runs in 2 1/2 hours. Recovered 26 BO & 2 BW. Final FL 7700' FS. Released Model "R" packer. POH w/tubing & packer. RU Dresser Atlas. Perfed 5 1/2" casing at 13,130' to 13,150' w/2 JSPF (42 holes). Started in hole with 5 1/2" Halliburton RTTS packer on 2 7/8" EUE 8rd N-80 tubing. RIH to 3657'. Shut well in. SDFN. C.C. \$847,061.
- 02-11-87 FIH w/RTTS. Set packer at 13,170'. Tested tubing to 8500 psi. Pulled up and set packer at 13,016'. Loaded and pressured backside to 1500 psi. Established pump in rate 2.8 BPM @ 1500 psi. Acidized Silurian perfs 13,120 - 13,150' w/30,000 gallon of 20% gelled Hcl acid in 4 stages dropping 30 balls between stages. Had slight ball action. AIR 5.6 BPM @ 6300 psi. Max pressure 7400 psi. ISDP 6000 psi. 5 min 5600 psi. 10 min 5400 psi. 15 min 5200 psi. 1.5 hour 4000 psi. Opened well on 20/64" choke. Well flowed 217 BW in 12 hours & died. Shut well in. C.C. \$882,422.
- 02-12-87 TP 0. RIH w/swab. Tagged FL 750' from surface. Made 23 runs in 11 hours. Recovered 67 BO & 150 BW. Final FL 2500' from surfacem Had fair gas blow after each swab run. Left well open to test tank on a 12/64" choke. C.C. \$885,298.

J. Benson Well No. 1
Lea County, New Mexico

- 01-24-87 TD 13,345'. Operation Logging. Drilled to 13,345'. Circulated hole. Made short trip. Circulated hole. POOH. Started running GR-DLL. M.W. 9.3, Vis 63. C.C. \$577,894.
- 01-25-87 TD 13,345'. Operation Circulating. Ran GR-DLL, LDT-CNL, and BHC-Sonic from 13,343 - 5013'. RIH with bit. M.W. 9.3, Vis 60. C.C. \$607,021.
- 01-26-87 TD 13,345'. Operation Running casing. Circulated hole. POOH, laying down drill string. Started running 5 1/2" production casing. M.W. 9.3, Vis 73. C.C. \$612,709.
- 01-27-87 TD 13,345'. Operation Rig Released. Ran 5 1/2" production casing to 13,344'. Circulated hole. Cemented casing with 1800 sx cement. Set slips. Installed tubing spool. Released rig at 2300 hours on 1-26-87. M.W. 8.4, Vis 28. C.C. \$753,253.
- 01-30-87 Dropped from drilling report on 1-27-87. RU pulling unit. Installed BOP. Started in hole with 4 3/4" bit on 2 7/8" EUE 8 rd N-80 tubing. Run to 7086'. Shut well in. SDFN. C.C. \$756,519.
- 01-31-87 FIH w/bit on 2 7/8" tubing. Tagged PBTD @ 13,251'. Circulated hole w/2% Kcl water. Pulled to 12,162'. RU Dowell. Spotted 150 gallons of 15% D.I. Hcl NEFE acid. Started out of hole w/2 7/8" tubing. Shut well in. SDFN. C.C. \$765,034.
- 02-01-87 FOH w/bit & tubing. RU Dresser Atlas. Ran GR-CBL-CCL from 13,243 - 12,000' w/0 psi on casing. Ran CBL from 13,249 - 7,000' w/1000 psi on casing. Had fair bond 13,249 - 12,920'. Poor bond 12,920 - 7,230'. TOC 7,230'. Shut well in. SDFN. C.C. \$772,183.
- 02-02-87 RU Dresser Atlas. Perfed Silurian 13,120 - 13,150' w/2 JSPF. RD Dresser. Started in hole w/5 1/2" Baker Model "R" Double grip packer, SN on 2 7/8" EUE 8 rd N-80 tubing. Ran to 7332'. Set packer. Hydrotesting tubing to 7000 psi. Shut well in. SDFN. C.C. \$777,760.
- 02-03-87 SITP 0. Finished in hole hydrotesting 2 7/8" N-80 tubing to 7000 psi. Flushed backside w/50 bbls of 2% kcl water. Set 5 1/2" Baker Model "R" double grip packer at 13,016' w/12,000 lbs compression. Removed BOP. Installed tree. Pressured casing & packer to 2000 psi. Held okay. RU swab. Tagged FL at surface. Made 5 runs in 2 1/2 hours. Recovered 43 BW. Final FL 4400' FS. Shut well in. SDFN. C.C. \$780,201.
- 02-04-87 SITP 0. WIH w/swab. Tagged FL 4400' FS. Made 16 runs in 11 hours. Recovered 5 BO & 47 BW. Final FL 11,900' FS. Shut well in. SDFN. C.C. \$782,352.

J. Benson Well No. 1
Lea County, New Mexico

01-05-87 TD 12,287'. Operation Drilling. Tripped for bit at 12,247'.
M.W. 9.3, Vis 63. C.C. \$474,477.

01-06-86 TD 12,333'. Operation Drilling. M.W. 9.4, Vis 62. Dev 2° @ 12,260'.
C.C. \$477,222.

01-07-87 TD 12,436'. Operation Drilling. M.W. 9.3, Vis 62. C.C. \$480,424.

01-08-87 TD 12,549'. Operation Drilling. M.W. 9.3, Vis 63. C.C. \$483,852.

01-09-87 TD 12,661'. Operation Drilling. M.W. 9.4, Vis 62. C.C. \$487,064.

01-10-87 TD 12,710'. Operation Drilling. Tripped for bit at 12,667'.
M.W. 9.4, Vis 66. Dev 2° @ 12,667'. C.C. \$489,114.

01-11-87 TD 12,810'. Operation Drilling. M.W. 9.3, Vis 65. C.C. \$493,235.

01-12-87 TD 12,934'. Operation Drilling. M.W. 9.3, Vis 65. C.C. \$497,310.

01-13-87 TD 13,027'. Operation Drilling. M.W. 9.3, Vis 67. C.C. \$500,948.

01-14-87 TD 13,086'. Operation Drilling. M.W. 9.3, Vis 66. C.C. \$504,008.

01-15-87 TD 13,152'. Operation Drilling. M.W. 9.3, Vis 63. C.C. \$507,518.

01-16-87 TD 13,220'. Operation RIH w/DST tools. Drilled to 13,220'.
Circulated hole. POOH. M.W. 9.3, Vis 62. C.C. \$512,920.

01-17-87 TD 13,220'. Operation Waiting on Daylight. RIH with DST tools.
Ran DST #1 from 13,130 - 13,220'. POOH to 4100'. M.W. 9.3, Vis
58. C.C. \$520,980.

01-18-87 TD 13,245'. Operation Circulating. Reversed out recovered fluids.
POOH. RIH with bit. Drilled to 13,245'. M.W. 9.3, Vis 61.
C.C. \$534,988 (corr).

01-19-87 TD 13,245'. Operation RIH. Circulated hole. Made short trip.
Circulated hole. POOH. M.W. 9.3, Vis 66. Dev 1 1/2° @ 13,199'.
C.C. \$540,191.

01-20-87 TD 13,272'. Operation Drilling. Finished RIH with DST tools. Ran
DST #2 from 13,175 - 13,245'. POOH. RIH with bit. Started
drilling ahead. M.W. 9.3, Vis 57. C.C. \$548,636.

01-21-87 TD 13,295'. Operation RIH. Drilled to 13,295'. Circulated hole.
Tripped for DST tools. M.W. 9.4, Vis 65. C.C. \$553,893.

01-22-87 TD 13,295'. Operation RIH. Finished RIH w/ DST tools. Set packer
@ 13,239'. Open tools for DST #3 and packer failed. POOH. Made
conditioning trip w/ bit. Started RIH w/ DST tools. M.W. 9.4, Vis
64. C.C. \$561,602.

01-23-87 TD 13,304'. Operation Drilling. Finished RIH with DST tools. Ran
DST #4 from 13,221 - 13,295'. POOH. RIH with bit. M.W. 9.4,
Vis 64. C.C. \$570,277.

J. Benson Well No. 1
Lea County, New Mexico

- 12-19-86 TD 10,915'. Operation Drilling. M.W. 8.9, Vis 46. Dev 3 1/4° @ 10,649', 3° @ 10,836. C.C. \$413,806.
- 12-20-86 TD 11,034'. Operation Drilling. Drilled 10,915 - 10,968'. TOOH made up BHA, TIH washed and reamed 10,938 - 10,968', drilled 10,968 - 11,034'. M.W. 8.9, Vis 44. Dev 2 3/4° @ 10,968'. C.C. \$417,187.
- 12-21-86 TD 11,222'. Operation Drilling. Drilled 11,034 - 11,222'. M.W. 8.8, Vis 47. Dev 2 1/4° @ 11,057'. C.C. \$422,158.
- 12-22-86 TD 11,332'. Operation Drilling. Drilled 11,222 - 11,332'. M.W. 8.9, Vis 45. C.C. \$425,713.
- 12-23-86 TD 11,404'. Operation Drilling. Drilled 11,332 - 11,404'. M.W. 8.9, Vis 48. Dev 4° @ 11,308', 4 3/4° @ 11,338'. C.C. \$428,747.
- 12-24-86 TD 11,463'. Operation TOH Running Multishot survey. Drilled from 11,404 - 11,463'. Dropped multishot & started TOH. M.W. 8.9, Vis 50. Dev: 4 3/4° @ 11,401. C.C. \$431,281.
- 12-25-86 TD 11,528'. Operation Drilling. TOH Running. Multishot from 11,421 to 5,063. Finish TOH. TIH. Washed & Reamed 60' to bottom. Drilled from 11,463 to 11,528'. M.W. 8.9, Vis 49. C.C. \$435,254.
- 12-26-86 TD 11,661'. Operation Drilling. Drilled from 11,528 - 11,661'. M.W. 8.9, Vis 55. Dev: 3° @ 11,526'. C.C. \$439,695.
- 12-27-86 TD 11,781'. Operation Drilling. Drilled from 11,661 - 11,781'. M.W. 8.8, Vis 68. C.C. \$443,752.
- 12-28-86 TD 11,923'. Operation Drilling. Drilled from 11,781 - 11,923'. M.W. 8.9, Vis 70. Dev 2 1/2° @ 11,776'. C.C. \$447,969.
- 12-29-86 TD 11,989'. Operation TOH for bit. Drilled from 11,923 - 11,989'. M.W. 8.9, Vis 65. C.C. \$450,656.
- 12-30-86 TD 11,998'. Operation Drilling. Finished trip for bit. Washed & reamed from 11,684 - 11,989' (305'). Drilled from 11,989 - 11,998'. M.W. 8.9, Vis 94. Dev 1 3/4° @ 11,989. C.C. \$452,804.
- 12-31-86 TD 12,053'. Operation Drilling. Drilled to 12,053'. M.W. 8.9, Vis 88. C.C. \$455,696.
- 01-01-87 TD 12,061'. Operation Circulating. Drilled to 12,061'. Picked up to make connection and hole fell in. Washed and reamed 12,041 - 12,061'. M.W. 9.0, Vis 57. C.C. \$461,544.
- 01-02-87 TD 12,097'. Operation Drilling. Washed and Reamed to 12,061'. Circulated hole clean. Started drilling ahead. M.W. 9.1, Vis 63. C.C. \$466,082.
- 01-03-87 TD 12,172'. Operation Drilling. M.W. 9.2, Vis 68. C.C. \$469,187.
- 01-04-87 TD 12,247'. Operation POOH. Drilled to 12,247'. M.W. 9.3, Vis 66. C.C. \$472,448.

J. Benson Well No. 1
Lea County, New Mexico

- 12-03-86 TD 7735'. Operation Drilling. Drilled to 7512' TOH for new bit. Repair Hydril & Pressure test to 2500 psi OK. TIH. Wash 40' to btm drilled to 7735'. M.W. 8.4, Vis 28. C.C. \$328,916.
- 12-04-86 TD 8184'. Operation Drilling. M.W. 8.4, Vis 29. Dev 1° @ 7968'. C.C. \$338,052.
- 12-05-86 TD 8542'. Operation Drilling. M.W. 8.4, Vis 28. Dev 1½° @ 8281', 1½° @ 8414'. C.C. \$350,094.
- 12-06-86 TD 8910'. Operation Drilling. M.W. 8.4, Vis 28. Dev 1 1/4° @ 8500', 1 1/2° @ 8687'. C.C. \$358,467.
- 12-07-86 TD 9223'. Operation Drilling. M.W. 8.4, Vis 28. Dev 1 3/4° @ 8872', 1 1/2° @ 9057'. C.C. \$365,232.
- 12-08-86 TD 9340'. Operation Drilling. Tripped for bit at 9277'. M.W. 8.5, Vis 34. Dev: 5° @ 9244', 3 1/4° @ 9044', 5° @ 9276', 5° @ 9308'. C.C. \$370,158.
- 12-09-86 TD 9452'. Operation RIH. Drilled to 9452'. Tripped for bit. M.W. 8.5, Vis 36. Dev 5° @ 9339', 5° @ 9371', 5° @ 9402', 5 1/2° @ 9434', 5° @ 9452'. C.C. \$373,637.
- 12-10-86 TD 9601'. Operation Drilling. Finished RIH. Started drilling ahead. M.W. 8.5, Vis 37. Dev 4 3/4° @ 9494', 4 1/2° @ 9557'. C.C. \$377,489.
- 12-11-86 TD 9702'. Operation Drilling. M.W. 8.6, Vis 36. Dev 5° @ 9618', 4 3/4° @ 9649', 4 3/4° @ 9681'. C.C. \$380,561.
- 12-12-86 TD 9805'. Operation Drilling. Drilled 9702 - 9805'. Had drilling braks @ 9726 - 9730' (4'), and 9736' (7') with cut & fluor. M.W. 8.7, Vis 36. Dev 4 3/4° @ 9743'. C.C. \$383,826.
- 12-13-86 TD 9910'. Operation Drilling. Drilled 9805 - 9910'. M.W. 8.7, Vis 36. Dev 5° @ 9805'. C.C. \$386,967.
- 12-14-86 TD 9962'. Operation Drilling. Drilled 9910 - 9948'. M.W. 8.7, Vis 37. Dev 5° @ 9898', 5° @ 9948'. C.C. \$389,292.
- 12-15-86 TD 10,058'. Operation Drilling. Drilled 9962 - 10,058'. M.W. 8.7, Vis 37. C.C. \$392,318.
- 12-16-86 TD 10,198'. Operation Survey. Drilled ahead from 10,058 - 10,198'. M.W. 8.8, Vis 47. Dev Misrun @ 10,056', 4 1/4° @ 10,087', 4 1/4° @ 10,181'. C.C. \$396,745.
- 12-17-86 TD 10,440'. Operation Drilling. Drilled from 10,198' to 10,440'. M.W. 8.9, Vis 46. Dev 3 3/4° @ 10,305'. C.C. \$402,521.
- 12-18-86 TD 10,670'. Operation Drilling. Drilled 10,440 - 10,670'. M.W. 8.9, Vis 45. Dev 3 1/2° @ 10,462'. C.C. \$408,129.

J. Benson Well No. 1
330' FSL & 990' FEL
T-16S, R-38E, Sec 14
Lea County, New Mexico

- 11-16-86 TD 320'. Operation WOC. Location: 330' FSL & 990' FEL of Section 14, T-16-S, R-38-E, Lea County, New Mexico. Set 40' of 20" conductor and cemented to surface with Redi-Mix MIRU McVay #10. Spud 17 1/2" hole at 1430 hours on 11-15-86. Drilled to 320'. Circulated hole. POOH. Ran 13 3/8" casing to 319'. Cemented casing with 355 sx Class 'C' cement w/2% CaCl₂. M.W. 8.8, Vis 36. C.C. \$33,752.
- 11-17-86 TD 890'. Operation Drilling. Cement backside down 1" with 75 sx cement. Circulated 10 sx cement to pit. Weld on casinghead. Nipped up and tested BOP. RIH. Drilled out cement. Started drilling ahead. M.W. 8.4, Vis 31. C.C. \$56,480.
- 11-18-86 TD 2194'. Operation Drilling. Drilled to 2180' and tripped for bit. M.W. 9, Vis 33. C.C. \$82,619.
- 11-19-86 TD 3188'. Operation Drilling. M.W. 9.9, Vis 32. Dev: 1/2° @ 2660', 1/4° @ 3134'. C.C. \$101,639.
- 11-20-86 TD 3685'. Operation Drilling. M.W. 10.2, Vis 32. Dev: 1/4° @ 3316. C.C. \$111,259.
- 11-21-86 TD 4205'. Operation Drilling. M.W. 10.4, Vis 32. C.C. \$123,362.
- 11-22-86 TD 4500'. Operation Drilling. M.W. 10.5, Vis 32. C.C. \$131,136.
- 11-23-86 TD 4755'. Operation Drilling. M.W. 10.1, Vis 31. C.C. \$136,329.
- 11-24-86 TD 5012'. Operation Drilling. M.W. 10.3, Vis 33. C.C. \$144,329.
- 11-25-86 TD 5030'. Operation TOOH. Drilled to 5030'. TOOH for logs. RIH with logging tool. Tool stopped @ 1433'. TIH, work through tite spots. Circ. and cond. mud. M.W. 10.6, Vis 47. C.C. \$154,996.
- 11-26-86 TD 5030'. Operation WOC. Finished POOH. Ran GR-BHC Sonic from 5020'-319'. RIH with bit. Circulated hole clean. POOH. Ran 9 5/8" intermediate casing to 5017'. Cemented casing with 1765 sx Lite and 250 sx class "H" cement. Circulated 25 sx cement to pit. Picked up BOP and set slips. C.C. \$267,475.
- 11-27-86 TD 5030'. Operation TIH. Nipped up BOP. Tested BOP to 3000 psi. C.C. \$273,382.
- 11-28-86 TD 5445'. Operation Drilling. Finished RIH. Drilled out cement. Tested shoe to 12.5 ppg EMW. Started drilling ahead. M.W. 8.4, Vis 28. C.C. \$281,743.
- 11-29-86 TD 6154'. Operation Drilling. M.W. 8.4, Vis 28. C.C. \$295,631.
- 11-30-86 TD 6690'. Operation Drilling. M.W. 8.4, Vis 28. C.C. \$306,233.
- 12-01-86 TD 7105'. Operation Drilling. M.W. 8.4, Vis 28. C.C. \$314,594.
- 12-02-86 TD 7505'. Operation Drilling. M.W. 8.4, Vis 28. C.C. \$323,311.

MARATHON OIL COMPANY
PAYOUT STATUS REPORT
CORRECTED

JAMES A DAVIDSON
P.O. BOX 494
MIDLAND, TEXAS 79702-0494

BENSON #1
LEA COUNTY, NEW MEXICO
JUNE 01, 1987

TOTAL EXPENDITURES THROUGH JANUARY, 1987

CURRENT EXPENDITURES FEBRUARY, 1987

DRILLING & COMPLETION (actual cost)	\$	856,143.67
PLUS DRILL & COMPLETION 200% non-consent	\$	1712287.34
SURFACE EQUIPMENT BEYOND WELLHEAD	\$	6,424.79
LEASE OPERATING EXPENSE	\$	0.00
PAYROLL BURDEN REVERSAL	\$	0.00
AD VALOREM TAXES-PROPERTY	\$	0.00

CURRENT EXPENDITURES

TOTAL EXPENDITURES

FARMOR'S PORTION

JANUARY, 1987

CURRENT REVENUE FOR

FEBRUARY, 1987

TOTAL FARM

TOTAL EXPENDITURES

TOTAL REVENUE

JAMES A DAVIDSON
0.38125000

981,663.77

\$0.00

DIRECT CORRESPONDENCE TO:
MARATHON OIL CO.
ATTN: FINANCIAL ACCOUNTING SUPERVISOR
P.O. BOX 552
MIDLAND, TX 79702
(915)-682-1626

Financial Supervisor

BETSE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	1
CASE NO.	9164

MARATHON OIL COMPANY
PAYOUT STATUS REPORT

JAMES A DAVIDSON
P.O. BOX 494
MIDLAND, TEXAS 79702-0494

BENSON #1
LEA COUNTY, NEW MEXICO
JUNE 01, 1987

TOTAL EXPENDITURES THROUGH FEBRUARY, 1987		\$	2
CURRENT EXPENDITURES	MARCH, 1987		
DRILLING & COMPLETION (actual cost)		\$	59,025.43
PLUS DRILL & COMPLETION 200% non-consent		\$	118050.86
SURFACE EQUIPMENT BEYOND WELLHEAD		\$	3,485.49
LEASE OPERATING EXPENSE		\$	3,140.13
PAYROLL BURDEN REVERSAL		\$	0.00
AD VALOREM TAXES-PROPERTY		\$	0.00

CURRENT EXPENDITURES		\$	---
TOTAL EXPENDITURES		\$	2, ---
			===
FARMOR'S PORTION	FEBRUARY, 1987	\$	
CURRENT REVENUE FOR	MARCH, 1987	\$	---
TOTAL FARM		\$	---
			===

	TOTAL EXPENDITURES	TOTAL REVENUE	
	-----	-----	
JAMES A DAVIDSON			
0.38125000	1,051,700.13	\$0.00	\$1,

DIRECT CORRESPONDENCE TO:
MARATHON OIL CO.
ATTN: FINANCIAL ACCOUNTING SUPERVISOR
P.O. BOX 552
MIDLAND, TX 79702
(915)-682-1626

MARATHON OIL COMPANY
PAYOUT STATUS REPORT

JAMES A DAVIDSON
P.O. BOX 494
MIDLAND, TEXAS 79702-0494

BENSON #1
LEA COUNTY, NEW MEXICO
JUNE 01, 1987

TOTAL EXPENDITURES THROUGH MARCH, 1987		\$	2,
CURRENT EXPENDITURES	APRIL, 1987		
DRILLING & COMPLETION (actual cost)		\$	93,631.50
PLUS DRILL & COMPLETION 200% non-consent		\$	187263
SURFACE EQUIPMENT BEYOND WELLHEAD		\$	94,915.38
LEASE OPERATING EXPENSE		\$	7,051.69
PAYROLL BURDEN REVERSAL		\$	0.00
AD VALOREM TAXES-PROPERTY		\$	0.00

CURRENT EXPENDITURES		\$	--
TOTAL EXPENDITURES		\$	==
FARMOR'S PORTION	MARCH, 1987	\$	
CURRENT REVENUE FOR	APRIL, 1987	\$	
TOTAL FARM		\$	==

	<u>TOTAL EXPENDITURES</u>	<u>TOTAL REVENUE</u>	
JAMES A DAVIDSON			
0.38125000	1,197,666.10	\$0.00	\$.

DIRECT CORRESPONDENCE TO:
MARATHON OIL CO.
ATTN: FINANCIAL ACCOUNTING SUPERVISOR
P.O. BOX 552
MIDLAND, TX 79702
(915)-682-1626



**Marathon
Oil Company**

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

May 8, 1987

CERTIFIED MAIL & RETURN
RECEIPT REQUESTED

WORKING INTEREST OWNERS
(ADDRESS LIST ATTACHED)

Re: Itemized Schedule of Actual Well Costs
Our Benson #1 - 990' FEL & 330' FSL of Section 14
Our Lease NM-3867 - Jessie Benson, et al
Our East Garrett Area
Lea County, New Mexico

Gentlemen:

Pursuant to Article 5, Page 4, of Compulsory Pooling Case No. 8960, Order No. R-8282, dated August 21, 1986, enclosed please find an Itemized Schedule of Actual Well Costs for the drilling and completion of the Marathon Oil Company Benson #1.

This Itemized Schedule of Actual Well Costs includes invoices paid by Marathon through May 1, 1987, and it is anticipated that more costs will be booked for this well in the future.

In the event the Director of the New Mexico Oil Conservation Division feels that it is necessary for Marathon to obtain an extension of time, please be advised that Marathon hereby respectfully requests that an extension be granted.

Should you have any questions concerning this matter, please advise.

Very truly yours,

MARATHON OIL COMPANY

Steve Daniels
Landman

SMD:mmc'
Encl.

*Davidson Ex 2
Case 9162*

WORKING INTEREST OWNERS

ARCO Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702-1610
Attention: Ms. Rita Buress

Mr. James A. Davidson
P. O. Box 494
Midland, Texas 79702-0494

State of New Mexico Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501-2088
Attention: Mr. Michael E. Stogner

Fred G. Yates, Inc.
Yates Energy Corporation
Sunwest Centre, Suite 1010
Roswell, New Mexico 88201
Attention: Mr. Ken Hammons

Harvey E. Yates Company
Explorers Petroleum Corp.
Spiral, Inc.
P. O. Box 1933
Roswell, New Mexico 88201-1933
Attention: Ms. Rosemary T. Avery

Marathon Oil Company

ITEMIZED SCHEDULE OF ACTUAL WELL COSTS

AFE NO _____

SHEET 1 OF 2 SHEETS

DATE _____

(INCLUDES INVOICES PAID BY MARATHON THROUGH MAY 1, 1987)

Lease or Facility Benson #1Field or Prospect East Garrett DeepLocation 330' FSL and 990' FEL of Section 14, T-16-S, R-38-E, N.M.P.M., Lea County, New MeWildcat ☒Development ☐Development Exploratory ☐Recompletion ☐Workover ☐Total Depth 13,345'Drilling Days 73Completion Days 55

SOURCE	QUANTITY	DESCRIPTION	FEATURE NO.	C O N D	ESTIMATED COST
		DRILLING COSTS – TANGIBLE			
		Drive Pipe	1		
		Conductor	2		
		Surface	3		9,464.73
		Intermediate –Casing, Liner, or Tieback	4		77,806.42
		Liner Hanger and Tieback Equipment	5		
		Casinghead	6		3,995.83
		Miscellaneous	7		
		TOTAL DRILLING COSTS – TANGIBLE			91,266.98
		DRILLING COSTS – INTANGIBLE			
		Location and Access	9		39,850.88
		Daywork Drilling	10		71,973.06
		Footage Basis Drilling	11		256,862.37
		Direct Supervision	14		16,642.97
		Bits, Hole Openers, Stabilizers, etc.	15		
		Mud and Mud Services	16		38,633.88
		Rig Fuel	17		826.27
		Water	18		12,894.25
		Rental Equipment and Tools	19		25,077.23
		Casing/Drive Pipe Tools, Services and Accessories	20		3,902.99
		Cement and Cementing Service	21		14,839.92
		Well Logging and Services	22		35,139.50
		Mud Logging	23		
		Pipe Inspection	24		1,646.67
		Directional Services	25		3,052.46
		Coring	26		
		Formation Testing	27		9,489.25
		Diving Services	28		
		Mobilization/Demobilization	29		
		Air Transportation	30		
		Marine Transportation	31		
		Land Transportation	32		1,970.06
		Shore Base Services	33		
		Communications	34		
		Fishing Tools and Services	35		
		Abandoning Tools and Services	36		
		Miscellaneous Material and Services	37		7,246.04
		Dry Hole Contributions	38		
		Overhead	39		
		Indirect Expense	40		8,334.44
		TOTAL DRILLING COSTS – INTANGIBLE			548,382.24
		TOTAL DRILLING COSTS			\$ 639,649.22
		COMPLETION COSTS – TANGIBLE			
		Production Casing	42		95,683.10
		Liners	43		
		Tubing	44		30,523.92
		Liner Hanger and Tieback Equipment	45		
		Christmas Tree	46		25,611.58
		Subsurface Safety Shut-In Devices	47		
		Packers	48		466.56
		Subsurface Artificial Lift Equipment	49		34,585.07
		TOTAL COMPLETION COSTS TANGIBLE			186,870.23

Marathon Oil Company

ITEMIZED SCHEDULE OF ACTUAL WELL COSTS

AFE NO _____
DATE _____

SHEET 2 OF 2 SHEETS

(INCLUDES INVOICES PAID BY MARATHON THROUGH MAY 1, 1987)

Lease or Facility Benson #1

SOURCE	QUANTITY	DESCRIPTION	FEATURE NO.	C O N D	ESTIMATED COST
		COMPLETION COSTS -- INTANGIBLE			
		Location and Access	51		339.65
		Completion Rig	52		28,928.13
		Contract Service Units	53		1,164.60
		Direct Supervision	54		18,761.35
		Company Labor	55		448.14
		Contract Labor	56		1,820.70
		Rig Fuel	57		1,954.68
		Completion and Packer Fluids	58		4,970.06
		Rental Equipment and Tools	59		10,884.35
		Casing Tools, Services and Accessories	60		4,810.94
		Cement and Cementing Service	61		20,561.51
		Logging Services	62		
		Perforating	63		5,587.22
		Wireline Services	64		
		Formation Treating	65		36,422.84
		Sand Control Equipment and Services	66		
		Formation Testing	67		4,668.81
		Tubular Testing and Cleaning	68		7,425.18
		Mobilization and Demobilization of Completion Rig	69		
		Air Transportation	70		
		Marine Transportation	71		
		Land Transportation	72		8,881.43
		Shore Base Services	73		
		Communications	74		
		Fishing Tools and Services	75		
		Wireline Cased-hole Plugbacks	76		
		Miscellaneous Material and Services	77		173.64
		Sidetrack or Milling Sections	78		
		Overhead	79		
		Indirect Expense	80		1,137.05
		TOTAL COMPLETION COSTS -- INTANGIBLE			158,940.28

TOTAL COMPLETION COSTS \$ 345,810.51

		SURFACE EQUIPMENT -- TANGIBLE			
		Pumping Equipment	93		41,933.60
		Tanks and Related Equipment	94		15,567.79
		Company Labor and Non-Hauling Units	95		7,291.04
		Contract Labor and Non-Hauling Units	96		8,635.33
		Water Injection Equipment	97		
		Heater-Treater	98		2,644.33
		Miscellaneous Supplies	99		8,451.13
		Dehydrating Equipment	100		
		Separator-Trap	101		1,908.73
		Transportation	102		257.86
		Metering Equipment	103		
		Line Pipe	104		1,571.56
		Electrical Equipment	105		862.86
		Compressors	106		

TOTAL SURFACE EQUIPMENT -- TANGIBLE \$ 89,124.23

SUMMARY OF ESTIMATED DRILLING WELL COSTS

Total Drilling Cost

\$ 639,649.22

Total Completion Cost

345,810.51

Total Surface Equipment

89,124.23

Grand Total Cost

\$ 1,074,583.96

Marathon's Share of Grand Total Cost to be Booked This Year

If Wildcat Well, Give Marathon's Share of Dry Hole Cost

TOTAL COST MARATHON'S SHARE

\$

\$

\$