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FEB 28 1983

JAMES C. WHITTEN  
Petroleum Geologist

OIL CONSERVATION DIVISION Area Code 915  
SANTA FE 682-9621 or 682-0720

502 Oil & Gas Bldg.  
Midland, Texas 79701

*Stamets*

February 24, 1983

*Case 78 34*

State of New Mexico  
Energy & Minerals Department  
Oil Conservation Division  
Santa Fe, NM 37501

Re: Case No. 7743, Order No. R-7154  
Dated December 8, 1982

Gentlemen:

In keeping with referenced order, enclosed please find itemized schedule of estimated well cost. Please note that this order issued after application was made by James C. Whitten. I request that Discovery Operating, Inc., Don Sparks, President, 800 North Marienfeld, Midland, Texas 79701, be substituted in my place as operator and assume my status under this order.

Respectfully,

*James C. Whitten*  
James C. Whitten

JCW/jdh  
cc: Discovery Operating, Inc.

*Let for James March 30.*

*If there are no objections the change will be approved*

AUTHORITY FOR EXPENDITURE

DRILLING AND COMPLETION

Operator: Discovery Operating, Inc. State: Texas AFE # \_\_\_\_\_  
 Well Name: Luther Cooper Estate No. 1 County: Lea Net: W.I. \_\_\_\_\_  
 Contract Depth: 12,650' Field: Knowles Net: R.I. \_\_\_\_\_  
 Formation: Devonian

**DRILLING** (Time - days)

	Tangible	Intangible	Total Cost
Survey, build site & road	\$ _____	\$ 15,000	\$ 15,000
Conductor Casing, " @ \$ _____ per foot	_____	-	-
Cement, accessories & service	_____	-	-
Surface Casing, 13 3/8 " 450 @ \$ 16.00 per foot TRK = 500	7,200	500	7,700
Cement, accessories & service	_____	4,500	4,500
Protective Casing, 8 5/8 " 4,900 @ \$ 10.00 per foot Incl. TRK	49,900	-	49,900
Cement, accessories & service	_____	12,000	12,000
Casing Heads, valves & fittings	5,000	-	5,000
Mud, water, oil & chemicals Mud = \$27,000 Wtr = \$8,000 Oil = \$5,000	_____	40,000	40,000
Coring and core analysis	_____	-	-
Mud hydrocarbon logging, 15 days @ \$400.00 per day	_____	6,000	6,000
Formation testing, 3 tests @ \$3,000 per test	_____	9,000	9,000
Electrical logging	_____	20,000	20,000
Daywork on Contract, 2 days @ \$7,000 per day	_____	14,000	14,000
<del>Special tools, bits &amp; rentals</del> Drlg. O/H, Geo & Eng	_____	5,000	5,000
Footage on Contract 12,600 feet @ \$ 20.00 per foot	_____	252,000	252,000
Misc. services, supplies & labor	_____	9,900	9,900
<b>Total Drilling Cost</b>	<b>\$ 62,100</b>	<b>\$ 387,900</b>	<b>\$ 450,000</b>
<b>Net Cost</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**COMPLETION** (Time - days)

Production Casing, 5 1/2 " 12,500 @ \$ 5.50 per foot	\$ 68,750	\$ 2,000	\$ 70,750
Cement, accessories & service	_____	14,000	14,000
Production Liner, " @ \$ _____ per foot	_____	-	-
Cement, accessories & service	_____	-	-
Casing Heads, valves & fittings	3,000	-	3,000
Packers, accessories & service	1,500	2,500	4,000
Production Tubing, N-80 2 7/8" 12,400' @ \$4.50 per foot	55,800	-	55,800
Perforating services & logs	_____	12,000	12,000
Treating services & supplies At 10,000 gals.	_____	12,000	12,000
Well Servicing Rig, 10 days @ \$1,200 per day	_____	12,000	12,000
Artificial Lift Facilities, Type -	80,000	-	80,000
Misc. services, supplies & Labor	_____	10,450	10,450
<b>Total Completion Cost</b>	<b>\$ 209,050</b>	<b>\$ 64,950</b>	<b>\$ 274,000</b>
<b>Net Cost</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**LEASE FACILITIES**

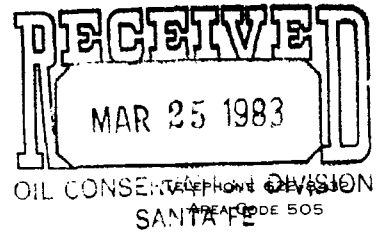
Build site & road	\$ _____	\$ 2,000	\$ 2,000
Tanks & accessories 4 Steel 210 Bls, 1400 Bbl Fiberglass	16,000	-	16,000
<del>Separators &amp; accessories</del> Cost into a SWD System	20,000	20,000	40,000
Heaters, Treaters & accessories	7,000	-	7,000
Line Pipe, flow & other	3,000	-	3,000
Valves & fittings	3,000	3,000	3,000
Misc. services, supplies & labor	_____	4,000	4,000
<b>Total Lease Facilities Cost</b>	<b>\$ 49,000</b>	<b>\$ 26,000</b>	<b>\$ 75,000</b>
<b>Net Cost</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**SUMMARY OF COST**

Drilling Cost	\$ 62,100	\$ 387,900	\$ 450,000
Completion Cost	209,050	64,950	274,000
<b>Total</b>	<b>\$ 271,150</b>	<b>\$ 452,850</b>	<b>\$ 724,000</b>
Lease Facilities Cost	\$ 49,000	\$ 26,000	\$ 75,000
<b>GRAND TOTAL COST</b>	<b>\$ 320,150</b>	<b>\$ 478,850</b>	<b>\$ 799,000</b>
<b>NET COST</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

APPROVAL

Engr.	Date	Expl.	Date	Op. Supt.	Date	Div. Mgr.	Date	Gen. Mgr.	Date



LAW OFFICES OF  
JENNINGS & CHRISTY  
1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88202-1180

JAMES T. JENNINGS  
SIM B. CHRISTY IV  
PHILLIP T. BREWER

March 22, 1983

*Case 7834*

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

Re: Case No. 7743  
Order No. R-7154

Gentlemen:

In your Order No. R-7154 entered in Case No. 7743 on November 23, 1982, James C. Whitten was designated as Operator of the subject well and unit.

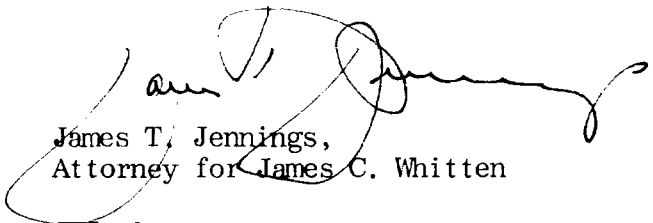
The parties drilling the well now desire to change the Operator and James C. Whitten will be replaced as Operator and Discovery Operating, Inc. will be substituted as Operator under said Order.

Please consider this letter as an Application to change the Operator and to substitute Discovery Operating, Inc. as Operator of the subject well and unit under the Order and after such notice as may be required by law please enter such Order as may be appropriate to substitute Discovery Service, Inc. as Operator.

If it is necessary for someone to make an appearance on behalf of the applicant please advise me.

Yours very truly,

JENNINGS & CHRISTY



James T. Jennings,  
Attorney for James C. Whitten

JTJ:clm

cc: James C. Whitten  
502 Oil and Gas Building  
Midland, Texas 79701