

Case No.

2609

Application, Transcript,  
and Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 2609  
Order No. R-2296

APPLICATION OF SOUTHWEST PRODUCTION  
COMPANY FOR A FORCE-POOLING ORDER,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 26, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 2nd day of August, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Southwest Production Company, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.
- (4) That the applicant has made fair and reasonable offers to lease or to communitize with respect to each non-consenting interest owner whose identity and address is known.
- (5) That although the applicant has made fair and reasonable offers and has been diligent in its efforts to form the proposed proration unit, there remain non-consenting interest owners in the subject proration unit who have not agreed to the pooling of their interests.

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(6) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) That the applicant proposes to dedicate the subject proration unit to its Helen Hartman Well No. 1, located 1190 feet from the South line and 1190 feet from the East line of said Section 8.

(8) That the applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the costs of said well has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(9) That \$75.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(10) That the applicant should furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished him by the applicant in lieu of paying his share of costs out of production.

(12) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the date said schedule is furnished him should have his share of the well costs withheld from production plus 25 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(13) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership.

(14) That Southwest Production Company should be designated the operator of said unit.

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CASE No. 2609  
Order No. R-2296

IT IS THEREFORE ORDERED:

- (1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool in the E/2 of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to the Helen Hartman Well No. 1, located 1190 feet from the South line and 1190 feet from the East line of said Section 8.
- (2) That Southwest Production Company is hereby designated the operator of said unit.
- (3) That Southwest Production Company is hereby authorized to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of well costs has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.
- (4) That \$75.00 per month is fixed as the cost of operating the subject well, and Southwest Production Company is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.
- (5) That 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.
- (6) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (7) That the applicant shall furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.
- (8) That any non-consenting working interest owner shall have the right to pay his share of well costs to Southwest Production Company within 30 days from the date the schedule of well costs is furnished him by Southwest Production Company, in lieu of paying his share of well costs out of production. In the event any such owner elects to pay his share of well costs as provided for in this paragraph, he shall remain liable for operating costs but shall not be liable for risk charges.
- (9) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow

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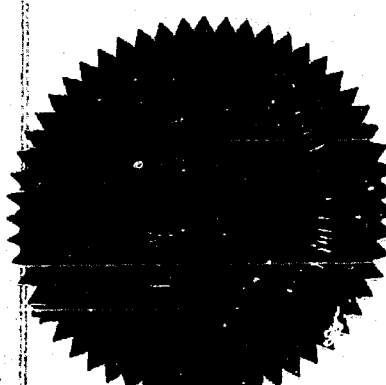
CASE No. 2609  
Order No. R-2296

in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The Commission shall be notified as to the name and address of said escrow agent.

(10) That 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



*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*E. S. Walker*

E. S. WALKER, Member

*A. L. Porter, Jr.*

A. L. PORTER, Jr., Member & Secretary

esr/

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 871  
SANTA FE

August 2, 1962

Mr. George Verity  
Verity, Burr & Cooley  
Attorneys at Law  
152 Petroleum Center Building  
Farmington, New Mexico

Re: CASE NO. 2608, 2609, 2610 and 2611  
ORDER NO. R-2295, R-2296, R-2297  
and R-2298  
APPLICANT:  
SOUTHWEST PRODUCTION COMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

*A. L. Porter, Jr.*

A. L. PORTER, JR.  
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC X  
Artesia OCC     
Aztec OCC X

OTHER

Case. 26 59,

Heard 7-26-62

Rec. 7-27-62

1. Grant SW's request for forced  
Porting of ~~the~~ E/2 8-30-11W. Redacted  
well to be. Helen Hartman #1, 1190/S,  
1190/E, 8-30-11.

2. Use 125% Risk ~~\$750~~ operating costs.

Thos. L. Int.

DOCKET: EXAMINER HEARING - THURSDAY, JULY 26, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

- CASE 2603: Application of Pan American Petroleum Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the S/2 of Section 30, Township 29 North, Range 10 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.
- CASE 2604: Application of Sunray DX Oil Company for permission to dispose of salt water, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks permission to dispose of salt water into the San Andres formation through its Nancy Watson Well No. 2, located 1980 feet from the South line and 660 feet from the West line of Section 31, Township 8 South, Range 34 East, Roosevelt County, New Mexico.
- CASE 2605: Application of Amerada Petroleum Corporation for approval of a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its L. G. Warlick "A" Well No. 2 located in Unit J of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a quadruple completion (tubingless) in the Penrose-Skelly, Paddock, Blinebry, and Drinkard Pools, with the production of oil from all zones to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2606: Application of Texas Crude Oil Company for permission to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill its Ohio State Well No. 1-22. Said well has a surface location 1980 feet from the North line and 1980 feet from the West line of Section 22, Township 10 South, Range 36 East, Lea County; the proposed bottom-hole location of said well will be in the South Crossroads-Devonian Pool at a point 1650 feet from the North line and 1980 feet from the West line of said Section 22.

CASE 2607: Application of Newmont Oil Company for special rules for its Square Lake Pool Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Orders Nos. R-1110, R-1110-A, R-1110-B and R-1110-C defining the horizontal limits of its Square Lake Pool Waterflood Project in Eddy County, New Mexico, establishing rules for the expansion of said waterflood project, and providing for capacity allowables in said project area.

CASE 2608: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the S/2 of Section 5, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2609: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 8, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2610: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2611: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the W/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF: )  
THE APPLICATION OF SOUTHWEST )  
PRODUCTION COMPANY FOR AN )  
ORDER FORCE POOLING THE )  
BASIN-DAKOTA FORMATION UNDER- )  
LYING THE EAST HALF (E $\frac{1}{2}$ ) OF )  
SECTION 8, TOWNSHIP 30 NORTH, )  
RANGE 11 WEST, N.M.P.M., SAN )  
JUAN COUNTY, NEW MEXICO. )

No. 2609

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-partnership consisting of Joseph P. Driscoll and John H. Hill, and for its application alleges and states:

1. That it is the owner of numerous oil and gas leases covering portions of the East Half (E $\frac{1}{2}$ ) of Section 8, Township 30 North, Range 11 West, N.M.P.M., in San Juan County, New Mexico, and that it has drilled and completed a well in the Dakota formation in the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$ ) of Section 8.

2. That there are various parts of the East Half (E $\frac{1}{2}$ ) of the above described Section 8 that are unleased, whose owners have not agreed to join with the applicant in the drilling, completion and producing of the above described well and, although the applicant has made a reasonable effort to obtain oil and gas leases and/or the joinder of the owners of the unleased portions of the above described proration unit, it has been unable to obtain such leases and/or the joinder of the owners of the unleased portions of said unit, and the applicant, therefore, desires that the interest of any and all of said persons be force pooled in accord with the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission of the State of New Mexico.

VERITY, BURR & COOLEY  
ATTORNEYS AND COUNSELORS AT LAW  
SUITE 152 PETROLEUM CENTER BUILDING  
FARMINGTON, NEW MEXICO

*W. A. L. L.*  
*Marked 7/13/12*

3. That applicant desires to dedicate the Basin-Pakota production from the above described well located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of the above described Section 8 to the entire East Half (E $\frac{1}{2}$ ) of Section 8, and that the Commission should constitute the applicant as the "Operator" of the pooled unit.

4. That applicant has undergone considerable risk in the drilling and completion of the above referred to well, and that under the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission applicant is entitled to, and should be allowed to take and receive 7/8ths of any and all production had from the above referenced well until such time as it has been reimbursed in an amount equal to 125% of its actual cost of drilling, completing and equipping said well, plus a reasonable compensation for the supervision of the drilling and completion thereof, and a reasonable compensation for the operation thereof.

5. That the force pooling order herein requested is necessary in order to prevent waste and in order to protect the correlative rights of the parties.

6. That a list of the interested parties in this application together with their addresses, insofar as the same are known to the applicant, is set out on Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this application be set down for hearing at the earliest possible date, that due notice thereof be given in accord with the rules and regulations of this Commission, and the laws of the State of New Mexico, and that after hearing, from the evidence to be adduced thereat this Commission enter its order granting the application as above stated.

Respectfully submitted,  
VERITY, BURR & COOLEY


By   
Geo. L. Verity  
Attorneys for applicant,  
Southwest Production Company

EXHIBIT "A"

James F. and Bernice C. Hum

907 North Monterey  
Farmington, New Mexico

Roy C. and Cora Hays

913 North Loma Linda  
Farmington, New Mexico

Estate of Edward Diefel, Deceased  
c/o Johnson, Roberts & Bleunle  
Attorneys at Law

Tenth Floor  
Luhrs Tower  
Phoenix 3, Arizona

I. E. Perry

1015 Candelaria Road, NW  
Albuquerque, New Mexico

Ralph C. and Betty L. Phelps  
c/o Owen K. Haflling

2139 Main Avenue  
Durango, Colorado

R. J. Trahan

Elmer Thompson

Aztec, New Mexico

Lanell W. and Evelyn Baird

Star Lake Plant  
Cuba, New Mexico

Cleo D. and Nellie F. Stevenson

El Rey Trailer Park  
Wichita Falls, Texas

L. Gayle and Merlene Dacus

4910 Kayenta Drive  
Farmington, New Mexico

Carl R. and Veronica M. Phelps  
c/o Owen K. Haflling

2139 Main Avenue  
Durango, Colorado

William V. and Mable K. Hollon

Church of Christ

Simonds Road  
Aztec, New Mexico

Hollenbeck Home Trust  
c/o O'Melveny & Myers

433 South Spring Street  
Los Angeles 13, California

EXHIBIT "A"

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

July 26, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order for compulsory pooling all mineral interests in a gas proration unit comprising the E/2 of Section 8, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE NO.  
2609

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case No. 2609.

MR. DURRETT: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico.

MR. VERITY: George L. Verity for the Applicant.

EXAMINER UTZ: Let the record show that the witness has been sworn in the previous case.

JACK D. JONES,

called as a witness, having been previously duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1102

ALBUQUERQUE, N. M.  
PHONE 243-6691



BY MR. VERITY:

Q Will you state your name?

A Jack D. Jones.

Q Are you the same Jack D. Jones that testified in the previous case?

A Yes, sir.

Q Mr. Jones, are you particularly familiar with the land situation in the East half of Section 8, 30 North, 11 West, San Juan County?

A Yes, sir.

Q Has Southwest Production Company drilled and completed a well into the Dakota formation in the South half of Section 8?

A Yes, they have.

Q When was this well completed and where was it located?

A The well is located 1190 feet from the East line and 1190 feet from the South line of Section 8, Township 30 North, Range 11 West. It was spudded on January 19th, 1962, and completed on February 22, 1962, with an IP of 2732 MCF, was put on the pipeline on June 4th, 1962.

Q In behalf of Southwest Production Company, have you made an effort to obtain leases and/or the joinder of all parties in the drilling of that well?

A Yes, sir, I have.

Q Have you been unable to form a 100 percent unit?

A Well, I might say that we have been unable to form a

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100 percent unit. I might say that the nature of the problem in this area, we have about two and a half acres that are unleased which are owned by the Basin Light & Power Company. The city of Aztec is presently negotiating the purchase of those lands, so I have made no attempt to lease these lands until such negotiations are either completed or fail. I have talked to the city about it and they have agreed to lease if they are successful in their endeavors to purchase the Basin Light & Power Company lands. The rest of the lands, we have leases covering these lands; but the problem in this one is that the well which was drilled to hold these lands has not produced for several years prior to our purchase of these lands, and as a requirement for the purchase of these lands, the then owner, the Mercantile National Bank of Dallas, instituted a suit to quiet title covering the entire Southeast quarter of Section 8 and received a decree of the Court stating that they were valid and subsisting oil and gas leases. Now we have proceeded to drill a well on there some year and a half after that designation of the Court. It appeared to me that inasmuch as the previous well had not produced, that a year and a half might be too long a time to not take any action, and the Court decree might be subject to attack, so as a consequence, I have obtained ratifications by all parties in this area except those shown on this map, which I would like to have you introduce in evidence.

(Whereupon Applicant's



Exhibits Nos. 1 and 2  
marked for identification)

MR. VERITY: We offer both exhibits 1 and 2 in evidence.

A On this map are shown in red the lands which are either  
unleased or owned by parties who have not executed a ratification  
of the lands. This is simply another time when I believe that the  
driller is entitled to the protection of forced pooling in the  
event any of these parties who have not signed should attack the  
decree or the validity of Southwest's leases on the area covered.

Q This land also is within the town of Aztec, is it not?

A Yes.

Q Do you have the same opinion with regard to risk factor  
in this well as expressed in the previous case?

A Yes, sir.

Q You think the \$75 you mentioned there would be a proper  
operating fee on a monthly charge basis?

A Yes, sir.

Q Do you have an opinion as to whether or not the granting  
of this forced pooling application will prevent waste and protect  
the correlative rights of the parties?

A Yes, sir, I believe it will.

MR. VERITY: That's all we have.

CROSS EXAMINATION

BY EXAMINER UTZ:

Q There is no problem in the Northeast quarter?

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A Not any longer. We have solved the problem in the Northeast quarter.

Q There are several in this quarter shown on Exhibit No. 2?

A That's right.

EXAMINER UTZ: Any other questions of the witness?

Exhibits 1 and 2 will be entered into the record.

(Whereupon Applicant's  
Exhibits Nos. 1 and 2  
admitted in evidence)

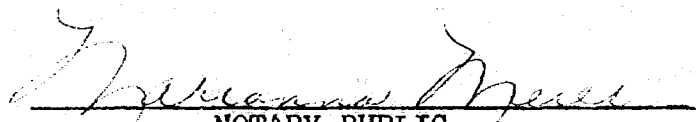
EXAMINER UTZ: The case will be taken under advisement and proceed to Case 2610.

\* \* \* \*



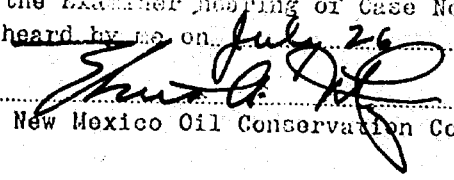
STATE OF NEW MEXICO )  
 ) ss.  
 COUNTY OF BERNALILLO)

I, MARIANNA MEIER, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

  
 NOTARY PUBLIC

My Commission Expires:  
 \_\_\_\_\_

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2602, heard by me on July 26, 1982.

  
 \_\_\_\_\_, Examiner  
 New Mexico Oil Conservation Commission

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SOUTHWEST PRODUCTION COMPANY

3108 SOUTHLAND CENTER

DALLAS 1, TEXAS

JOSEPH P. DRISCOLL

RIVERSIDE 8-8388

JOHN H. HILL

August 22, 1962

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Southwest's SWP 96  
Case No. 2609, Order No. R-2296,  
(Force Pooling, Helen Hartman Well,  
San Juan County, New Mexico)

Gentlemen:

Reference is made to the above-described order of the New Mexico Oil Conservation Commission, dated August 2, 1962, providing for the force pooling of all mineral interests, whatever they may be, in the Basin-Dakota gas pool in the East Half of Section 8, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico, and the dedication of such unit to the Helen Hartman well located thereon.

Pursuant to such order, there is attached an itemized current schedule of well costs. A copy of this schedule has been sent to each known non-consenting working interest owner in the subject unit, in accordance with such order. Each person has been advised of his right to pay his share of costs in such well.

Sincerely yours,

*Joseph P. Driscoll*  
Joseph P. Driscoll

JPD/a

enclosure

Certified - RRR

SOUTHWEST PRODUCTION COMPANY  
3108 Southland Center  
Dallas 1, Texas

Cost Statement  
Forced Pooling, Order No. R-2296

Lease Name:

Helen Hartman Well No. 1 (Dakota)  
E/2, Section 8-30N-11W  
San Juan County, New Mexico

Invoice No.	Description	Amount
Statement	San Juan Engineering Company, 1-11-62 Stake location and survey elevation 2% N.M. School Tax	\$ 100.00 2.00 102.00*
32-62	Aspen Drilling Company, 2-8-62 Contract drilling to TD 6658'	35,000.00 35,000.00*
BL27	Helen Hartmen, 1-17-62 Surface damages on SE/4 of Section 8-30N-11W	500.00 500.00*
43447	Atomic Sign Service, 1-18-62 Metal well sign N.M. State Tax	12.50 .38 12.88*
BC 619961	Halliburton Company, 2-7-62 675 Cu ft Pozmix S cement N.M. State Tax	1,755.52 35.11 1,790.63*
CS 782722	Halliburton Company, 2-7-62 Cement production casing N.M. State Tax	942.60 18.85 961.45*
S393589	Halliburton Company, 2-7-62 2-4-1/2" 8r Multi Stage DV cementer w/3-stage conversion kit N.M. Sales Tax	808.00 16.16 824.16*
9903	Little Tool Company, Inc., 2-9-62 Weld float, scratchers and collars; cut off 4-1/2" pipe N.M. State Tax	49.00 .98 49.98*
WL2593	Welex, 2-15-62 Perforate 128 holes from 6508 to 6633' N.M. State Tax	1,553.56 31.07 1,584.63*
814102	Dowell, 2-15-62 River fracturing 2% N.M. State Tax	6,398.99 127.98 6,526.97*
31070	Industrial Supply Company, 2-16-62 6785.88' of 4-1/2" OD 8rd thd 10.5# J-55 SMLS black casing ST&C @ 120.74 cft 4400# Mill test 35.75 tons @ 5.00 Freight from mill to Farmington 71,252# @ .80 Freight from Farmington to location 2% N.M. Sales Tax	8,193.27 178.75 570.02 195.94 182.76 9,320.74*
884	Bowen Trucking Company, 2-20-62 Haul 1-1/2" tubing from Farmington to well site 2% N.M. School Tax	111.00 2.22 113.22*
935	Lohmann Oil Well Service, Inc., 2-27-62 Completion unit February 14 through February 17, 1962 2% N.M. School Tax	3,271.76 65.44 3,337.20*

Helen Hartman Well No. 1  
Cost Statement

FP Order No. R-2296  
Page 2

Invoice No.	Description	Amount
4252	O. D. Burleson Trucking, Inc., 2-28-62 Haul rig water 2% N.M. State Tax	\$ 17.50 .35 17.85*
31068	Industrial Supply Company, 2-28-62 Nipples, tees, unions, other misc. fittings 2% N.M. Sales Tax	138.75 2.78 141.53*
31067	Industrial Supply Company, 2-28-62 Valve tree cameron single string solid block btm 6" 2000# WP w/prop for HB 1-2-1/16" bore master valve & 1-13/16" bore wing valve std 2" 2000# w/p top std 2" 2000# W/P incl. handwheel Nuts, nipple, studs, tees, other misc. fittings 2% N.M. Sales Tax	578.00 56.77 12.70 647.47*
31064	Industrial Supply Company, 2-28-62 WF Casing head housing 10" s/600 x 9-5/8" female 2-2-2" LP Studs, nuts, ring gasket, bull plug, pipe nipple 2" Nordstrom lub. plug valve Freight charge on 301# @ 4.55: 64# @ 3.10 2% N.M. Sales Tax	203.98 54.89 41.58 15.08 6.31 321.84*
31066	Industrial Supply Company, 2-28-62 Cameron slip & seal assy. 10" x 4-1/2" incl. Allen wrench Spool tubing F 10" x 6" S/600 w/2-2" std O/L R Seal assy 10" x 4-1/2" Pilot bit 4-1/2" OP incl. wire retainer 2-Valve cameron gate F 2" x 2-1/16" 2000# w/p incl. handwheel Flange, bull plug, gasket steel ring 2% N.M. Sales Tax	247.17 361.73 84.01 27.77 522.00 44.27 25.74 1,312.69*
7717	Ray L. Atchison Const. Co., 2-20-62 Clean mud off location, help move completion rig, pull trucks 1% N.M. State Tax	319.50 3.20 322.70*
569	Valley Steel Products Co., 2-21-62 Sale of thread protector	(46.32) (46.32)*
31077	Industrial Supply Company, 2-28-62 6376' of 1-1/2" Non EUE 8rd thd JCW-50 steel tubing w/J-55 bev. couplings @ 43.46 cft 17,534# Freight from mill @ 1.93 cwt 2% N.M. Sales Tax	2,771.01 338.41 62.19 3,171.61*
30829	Industrial Supply Company, 2-28-62 3-7/8" OW Tricone bit Freight charges 10# @ 4.43 cwt 2% N.M. Sales Tax	95.63 .44 1.92 97.99*
31069	Industrial Supply Company, 2-28-62 2- PR Marsh 4-1/2" gauges face 3000# Hanger tubing FBB 6" x 2-3/8" EUE Swage 2-3/8" EUE pin x 1-1/2" reg. box Freight charge on 1480# @ 4.35 2% N.M. Sales Tax	49.64 62.92 23.45 64.38 4.01 204.40*
31091	Industrial Supply Company, 3-19-62 Rough Pine lumber Cement, steel posts, Remix 2% N.M. Sales Tax	46.22 18.86 1.30 66.38*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
99	Ralph W. Miller, Inc., 3-16-62 Repair bridge to location 1% N.M. School Tax	\$ 87.60 .88 88.48*
31072	Industrial Supply Company, 3-30-62 4-1/2 OD 8rd M&F Larkin Filrite float collar 4-1/2 OD 8rd Larkin Conc. Guide shoe 250' of 4-1/2 Clark cement scratchers (5' sec) 20 - 4-1/2 Clark centralizers 25 - 4-1/2 Clark Spinners 4 - 4-1/2 Baker metal petal baskets Baker Loc compound 2% N.M. Sales Tax	82.95 26.30 212.50 310.00 248.75 205.40 8.50 21.89 1,116.29*
4382	Panhandle Steel Products Co., 4-30-62 210 Bbl. API flat bottom welded steel storage tank 1" Rolling line, 2" downcomer, set of tar paper, 4' API single tank landing, 15' API stairway, 2" Enardo stack valve Cold weather gas production unit w/16" vertical 1000# WP 3-phase separator c/w 3-phase controls mounted on 30" x 7' indirect heater w/2" 3000# WP split bundle coil and submerged choke, mounted on skids and piped up 2" Fisher Hi-Low shut down assembly installed on unit w/start up by-pass 2-Reinforced concrete foundation blocks 2% N.M. State Tax	1,181.60   264.66   4,154.19 280.00 40.00 118.41 6,038.86*
4513	Panhandle Steel Products Company, 5-31-62 100 Bbl. Flat bottom API welded steel storage tank Set of tar paper Straight ladder for 8' tall tank 2% N.M. State Tax	789.00 3.40 10.75 16.06 819.21*
32130	Industrial Supply Company, 6-29-62 2" and 3" handles, 1" ball valve, pipe nipple 2% N.M. Sales Tax	27.47 .55 28.02*
32136	Industrial Supply Company, 6-18-62 21.23' of Std. black API line pipe 3" 2% N.M. Sales Tax	23.55 .47 24.02*
32132	Industrial Supply Company, 6-18-62 42' of 1" Std. black API line pipe T&C 2% N.M. Sales Tax	11.03 .22 11.25*
32134	Industrial Supply Company, 6-18-62 Ells, nipple 2% N.M. Sales Tax	10.71 .21 10.92*
32129	Industrial Supply Company, 6-18-62 Ells, tees, nipples 2-3" Nordstrom plug valves, 5-2" Nordstrom plug valves, 2-2" handles and 1-3" handle 2% N.M. Sales Tax	24.80 116.42 2.82 144.04*
32128	Industrial Supply Company, 6-18-62 Swages, bull plugs, pipe plugs, tees, ells, unions, bushing 2% N.M. Sales Tax	89.59 1.79 91.38*
202	Ralph W. Miller, Inc., 7-3-62 Hook up battery, dig and bury lines, dress out vessels, build steps for tank grade, rake and clean up 1% N.M. School Tax 1/2% Aztec City Sales Tax	496.40 4.96 2.48 503.84*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
1298	Al's Construction Co., 7-16-62 Furnish equipment, labor and timbers to install bridge, remove old bridge	\$ 548.50 548.50*
J 7-4	Direct salary and auto expense charges Stake location and make settlement for surface damages 1/4 hrs @ 7.41 Auto expense 52 mi @ 10¢ Drilling engineer and geologist, check samples to TD, run logs and casing 36 hrs @ 6.41 Auto expense 104 mi @ 10¢ Completion engineer, perforate and sand-water frac, 2 stages 76 hrs @ 7.41 Auto expense 234 mi @ 10¢ Production foreman, clean well, potential test, clean up location, set production equipment 52 hrs @ 4.43 Auto expense 104 mi @ 10¢	29.64 5.20 230.76 10.40 563.16 23.40 230.36 10.40 1,103.32*
J 7-5	Material Transfer 112' of 2" tubing to tie in well head @ 62.55 cft	70.06 70.06*
J 7-6	Drilling well overhead for the period January 19 through March 15, 1962 (56/30 of \$250)	466.66 466.66*
J 7-7	Rental of drill out string  Estimated additional expenses of installing fence, cleaning up location and miscellaneous expenses (subject to submission of final detailed list after work has been performed.	500.00 500.00*  3,500.00 3,500.00*
	Total	<u>\$81,446.85</u>