

Catanach



March 12 47 PM '05

March 9, 2005

Via fax to (214) 559 0301
and Overnight Delivery

Dorchester Minerals, L.P.
Attn: Mr. Brad Ehrman
3838 Oaklawn Avenue, Suite 300
Dallas, Texas 75219-4541

RE: **Notice of Compulsory Pooling – Order No. R-12298**
E/2 of Section 19-T26S-R35E, NMPM
Madera Prospect; Lea County, New Mexico

Dear Mr. Ehrman:

Please be advised that Pure Resources, L.P. ("Pure"), as Operator, has obtained the above referenced pooling order in connection with the proposed Beckham 19 #1 well to be located approximately 1,650' FSL and 1,310' FEL of said Section 19. A copy of the order is enclosed for your reference.

Note that as an uncommitted working interest owner you have the option to participate in the well by paying your share of the estimated well costs. Attached is Pure Resources Authorization for Expenditure dated November 9, 2004 setting forth estimated well costs totaling \$4,643,890. Our records reflect that Dorchester owns 2.4609375% working interest in the 320 acre spacing unit (E/2 of Section 19) for the well. Please remit payment in the amount of \$114,283.23 to Pure within 30 days from receipt of this letter if you choose to participate in the well.

Upon receipt of the above amount as your election to participate in the well, we will submit the operating agreement covering the subject lands for execution.

Sincerely,

J. Robert Ready
Land Director

JRR/jb
Enclosures

CC: Oil Conservation Division
State of New Mexico
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Revised: 1/8/99: (kn)

PURE RESOURCES
AUTHORIZATION FOR EXPENDITURE

DATE: 11/9/04

PREPARED BY: K. Krawietz (Revised by SLM - 1/30/05)

LEASEWELL: Beckham "19" #1

SURFACE LOCATION: 1650' FSL, 1310' FEL, Sec 19 - T26S - R35E

PROPOSAL: Drill 15,950' Vertical Aloka Test

AFE NO.:

PROPOSED DEPTH: 15,950'

COUNTY & STATE: Lea County, New Mexico

FIELD: Wildcat (Aloka)

EXPENSE <input type="checkbox"/> CAPITAL	INTANGIBLE COSTS		# UNITS	\$/UNIT	DRY-HOLE COST	COMPLETION CASING COST	STIMULATION COST	TOTAL COMPLETION	TOTAL COST
1 Access & Damages					\$10,000				\$10,000
2 Locations & Roads (includes site construct, conductor, pit clean-up)					\$310,000	\$3,000		\$3,000	\$313,000
3 Rig Move					\$65,500				\$65,500
4 Day Work			82 / 5	\$15,000	\$1,230,000	\$75,000		\$75,000	\$1,305,000
5 Footage									
6 Bits & Reamers					\$150,000				\$150,000
7 Fuel				\$1,500	\$123,000	\$7,500		\$7,500	\$130,500
8 Water					\$75,000	\$5,000		\$5,000	\$80,000
9 Mud Materials					\$195,000	\$7,500		\$7,500	\$202,500
10 Cementing					\$75,000	\$20,000		\$20,000	\$95,000
11 Pipe Inspection					\$35,000	\$2,000		\$2,000	\$37,000
12 Coring & Testing									
13 Logging & Perforating (3 OH logging runs @ Del, 7" CP, TD. RFT's @ TD)					\$169,000		\$15,000	\$15,000	\$184,000
13 Tubing Conveyed Perforating									
14 Casing Crews & Tools					\$15,000	\$5,000		\$5,000	\$20,000
15 Stimulation - Frac							\$200,000	\$200,000	\$200,000
15 Stimulation - Acid									
16 Completion Unit			10	\$2,400			\$24,000	\$24,000	\$24,000
17 Transportation					\$5,000	\$5,000		\$5,000	\$10,000
18 Equipment Rental				\$1,600	\$131,200	\$8,000	\$7,500	\$15,500	\$146,700
18 Equipment Rental - Top Drive			0	\$500	\$0				
18 Equipment Rental - Reverse Unit									
18 Equipment Rental - BOP					\$35,000		\$1,500	\$1,500	\$36,500
18 Equipment Rental - Tank Rental							\$15,000	\$15,000	\$15,000
19 Geological Expense (mud Log)			70	\$700	\$49,000				\$49,000
20 Engineering Expense									
21 Contract Labor					\$25,000				\$25,000
22 Supervision & Overhead			82/5/15	\$1,000	\$82,000	\$5,000	\$15,000	\$20,000	\$102,000
23 Other Drilling/Completion Expense					\$7,500				\$7,500
24 Drilling Rentals			50	\$2,000	\$100,000	\$10,000		\$10,000	\$110,000
24 Other Rentals					\$10,000				\$10,000
24 Other Services					\$50,000				\$50,000
25 Directional Drilling Services									
26 Fishing Tools & Services									
27 P&A Costs					\$50,000				\$50,000
28 Legal & Insurance									
29 Contingencies					\$125,000		\$15,000	\$15,000	\$140,000
30 TOTAL INTANGIBLES					\$3,122,200	\$153,000	\$293,000	\$448,000	\$3,568,200
TANGIBLE COSTS									
	LENGTH	SIZE	# FT	GRADE	CONN	\$/FT			
31 Surface Casing	1,100	13-3/8"	64.0 #	K55	STC	\$37.25	\$40,975		\$40,975
32 Intermediate Casing	5,400	9-5/8"	40.0 #	K & HCK55	LTC	\$31.00	\$167,400		\$167,400
33 Intermediate Casing	13,400	7"	29 (SD)	P-110	LTC	\$27.10	\$383,140		\$383,140
34 Intermediate Liner									
35 Production Liner	2,750	4-1/2"	15.1 #	P-110	LTC	\$15.50	\$42,625	\$42,625	\$42,625
36 Production Casing (Tie-Back)									
37 Liner Equipment							\$30,000	\$30,000	\$30,000
38 Tubing	15,300	2-7/8"	7.9 #	L80	BTS6	\$13.50		\$206,550	\$206,550
39 Tubing									
40 Flowline									
41 Sucker Rods									
42 Pump Unit									
43 Wellhead Equipment						\$25,000	\$30,000	\$30,000	\$55,000
44 Insert Pump									
45 Subsurface Equipment							\$25,000	\$25,000	\$25,000
46 Producing Facilities							\$145,000	\$145,000	\$145,000
47 Tanks									
48 Electrical Equipment									
49 Contingencies (% TAN)									
50 TOTAL TANGIBLES						\$588,515	\$72,625	\$408,550	\$1,075,690
51 TOTAL WELL COST						\$3,718,715	\$225,625	\$856,550	\$4,844,890

Suspended Cost: \$3,894,340 Total Cost w/o P&A: \$4,593,890

WELL AUTHORIZATION NUMBER: 31789340

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	2583
CONNECTION TEL	912145590301p953
SUBADDRESS	
CONNECTION ID	
ST. TIME	03/09 17:42
USAGE T	02'11
PGS. SENT	9
RESULT	OK



FACSIMILE COVER SHEET

9 Page(s), including cover page

Date: March 9, 2005

To: Brad Ermin
Dorchester Minerals, L.P.
3838 Oaklawn Avenue, Suite 300, Dallas, Texas 75219-4541

Fax: (214) 559 0301

Phone: (214) 559 0300 x-6227

From: J. Robert Ready
Pure Resources, L.P.
500 West Illinois, Midland Texas 79701

Fax: (915) 498 2610

E-mail: rready@pureresources.com

Phone: (915) 498 8619

This facsimile transmission and the document(s) accompanying this message may contain confidential information belonging to the sender which is protected by the attorney-client privilege or other grounds for confidentiality or non-disclosure. This information is intended for the use of the individual named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone (915) 498 8600 to arrange for return of the document(s).

Subject: Notice of Compulsory Pooling Order - E/2 of Section 19-T26S-R35E, NMPM
Madera Prospect; Lea County, New Mexico

Comments: Please see the following pages.

Regards, Robert